INDEPENDENT AUDITOR'S REPORT

To the Members of
Kakinada Refinery and Petrochemicals Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Kakinada Refinery and Petrochemicals Private Limited ("the Company"), which comprise the Balance sheet as at 31st March 2022, the statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statements and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Material Uncertainty Related to Going Concern

Without qualifying our report, we draw attention to

(a) Note No.23 of Financial Statements explaining the position of the company on the aspect of delay in execution of contemplated petroleum refinery project which brings in significant uncertainty on the ability of the company to continue its operations in the absence of any significant progress in implementation of the project, notwithstanding the above financial statements have been prepared as a going concern.

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Information other than the Ind AS financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board Report including Annexures to Board's Report like Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information etc., but does not include the standalone Ind AS financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of the auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and the estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

   e) The matter described in the "Material Uncertainty Related to Going Concern" paragraph above, in our opinion, the same may have an effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls are not applicable to the company.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

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i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. a) The management has represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The management has represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. and

c) Based on such audit procedures that the we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) as specified above contain any material mis-statements.

i) As required by section 197(16) of the Act, in our opinion and to the best of our information and explanations given to us, the Company is a private limited company and hence provisions of section 197 of the Act in relation to managerial remuneration is not applicable.

For Brahmayya & Co.,
Chartered Accountants
Firm Regn No: 000511S

CHENNAI
INDIA

N Sri Krishna
Partner
Membership No.26575
UDIN : 22026575AJPJYA1193

Place: Chennai
Date: 19-05-2022

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company does not own any Intangible Assets.

b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. Pursuant to the programme, certain fixed assets were physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the Information and explanation given to us and on the basis of our examination of the records of the company, the company does not own any Immovable Property

d) The Company has not revalued any of its Property, Plant and Equipment (including right of -use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii) a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

b) In our opinion, the terms and conditions of the grant of loans are, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) In respect of Loans Granted by the Company , the company has extended its loan given to the holding Company which has fallen due during the Current Year.

Name of the Party	Aggregate Amount of Loans Extended	Percentage of Aggregate to Total Loans & Advances granted during the Current Year
GMR Enterprises Private Limited	5,29,21,029.00	100%

f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

iv) In our Opinion and according to the information and explanations given to us, the Company as complied with the provisions of section 185 and 186 of the Act, in respect of Loans given.

v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposit from the public in accordance with the provisions of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. Accordingly, paragraph 3(v) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Thus, reporting under clause 3(vi) of the order is not required.

vii) According to the information and explanations given to us and on the basis of our examination of the books of account in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, barring few instances of delays in making payment towards Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Value Added Tax, Cess and any other Statutory Dues to the appropriate authorities. There were no undisputed amounts payable towards Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and any other Statutory Dues as on 31st of March, 2022 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

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viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) a) The Company has not taken any loans or other borrowings from any lender. Hence, reporting under clause 3(ix)(a) of the Order is not applicable.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. Hence, reporting under clause 3(ix)(b) of the order does not arise.

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) Based on our examination of records of the Company and according to the information and explanations given to us, the Company did not raise any funds during the year. Hence, reporting under clause 3(ix)(d) of the order does not arise.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Hence Reporting under clause 3(ix)(e) of the order does not arise.

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report. (c)

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the company is in compliance with section 188 of the Act where applicable and the details of such transactions have been disclosed in the

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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financial statements as required by the applicable accounting standards. As the Company is a Private Limited Company, Section 177 is not applicable and accordingly, reporting under paragraph 3(xiii) of CARO 2016 to that extent does not arise.

xiv) In our Opinion and based on our examination , the company is not required to have internal audit system as per provisions of the Companies Act 2013 and accordingly this clause is not applicable.

xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Director's or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) According to the Information and explanation provided to us by the management it has been observed that section 135 of Companies Act is not applicable and hence reporting under 3(xx) of the order is not applicable.

For Brahmayya & Co.,
Chartered Accountants
Firm Regn No: 000511

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

N Sri Krishna
Partner
Membership No.26575
UDIN: 22026575AJPJYA1193

Place: Chennai
Date: 19-05-2022

Kakinada Refinery And Petrochemicals Private Limited
4th Floor, GMR Aero Tower, RGIA, Shamshabad, Hyderabad- 500108
CIN:U23209TG2005PTC047372
Balance Sheet as at March 31, 2022

(Amount in Lakhs.)

Particulars	Notes	March 31, 2022	March 31, 2021
I. Assets			
(1) Non-current assets			
Tangible Assets			
Property Plant & Equipments	3	0.00	0.01
Financial assets			
(i) Loans	4	500.00	500.00
Other non current assets	5	72.84	72.92
		572.84	**572.93**
(2) Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	6	0.77	1.41
(ii) Others financial assets	7	29.21	4.46
		29.98	**5.87**
TOTAL ASSETS		**602.82**	**578.80**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	8	2,002.00	2,002.00
(b) Other Equity	9	(1,407.71)	(1,427.23)
TOTAL EQUITY		**594.29**	**574.77**
LIABILITIES			
(1) Non-current liabilities		-	-
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Other financial liabilities	10	3.90	3.87
(b) Other liabilities	11	0.25	-
(c) Short-term provisions	12	4.38	0.16
TOTAL LIABILITIES		**8.53**	**4.03**
TOTAL EQUITY AND LIABILITIES		**602.82**	**578.80**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Registration Number - 000511S

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

N.SRI KRISHNA
Partner
Membership No.26575

For and on behalf of the Board of Directors of
Kakinada Refinery And Petrochemicals Private Limited

Ch. Srinivasa Rao

P.V.Subba Rao
Director
DIN No.03634510

CH.Srinivasa Rao
Director
DIN No.03497034

Samarpit

Samarpit Agarwal
Company Secretary
M.No.A55015

Kakinada Refinery And Petrochemicals Pvt. Ltd.

Place : New Delhi
Date : 19th May'2022

Kakinada Refinery And Petrochemicals Private Limited
4th Floor, GMR Aero Tower, RGIA, Shamshabad, Hyderabad- 500108
CIN:U23209TG2005PTC047372

Statement of profit and loss for the year ended March 31, 2022

(Amount in Lakhs.)

Particulars	Notes	March 31, 2022	March 31, 2021
I Revenue from operations	13	-	-
II Other income	14	27.95	33.31
III Total Revenue (I + II)		**27.95**	**33.31**
IV Expenses			
Finance costs	15	0.01	0.32
Depreciation	3	0.01	0.03
Other expenses	16	1.17	31.79
Total expenses (IV)		**1.19**	**32.14**
V Profit before Tax (III-IV)		**26.76**	**1.17**
VI Tax expense:			
Current tax		6.96	2.66
Earliear Year Tax		0.28	
Deferred Tax		-	-
VII Profit for the period (V - VI)		**19.52**	**(1.49)**
VIII Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses)		-	-
Tax on above		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the period, net of tax (VII+VIII)		**19.52**	**(1.49)**
Earnings per equity share: (Face Value Rs. 10/- each)			
Basic & Diluted (Rs.Ps)	18	0.01	**(0.00)**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Registration Number - 000511S

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

N.SRI KRISHNA
Partner
Membership No.26575

For and on behalf of the Board of Directors of
Kakinada Refinery And Petrochemicals Private Limited

P.V.Subba Rao
Director
DIN No.03634510

Ch. Srinivasa Rao

CH.Srinivasa Rao
Director
DIN No.03497034

Samarpit

Samarpit Agarwal
Company Secretary
M.No.A55015

Kakinada Refinery And Petrochemicals Pvt. Ltd.

Place : New Delhi
Date : 19th May'2022

Kakinada Refinery And Petrochemicals Private Limited
4th Floor, GMR Aero Tower, RGIA, Shamshabad, Hyderabad- 500108
CIN:U23209TG2005PTC047372

Statement of changes in equity for the year ended March 31, 2022

(Amount in Lakhs.)

	Equity Share Capital (Note 9)	Reserve and Surplus (Note 10)	IND AS Transition Reserve	Total
		Retained earnings		
Balance as at March 31, 2020	2,002.00	355.82	(1,781.56)	576.26
Less:/Add: Change in accounting policies and correction of errors				
Restated Balance as at April 1, 2020	2,002.00	355.82	(1,781.56)	576.26
Profit for the period/movement	-	(1.49)	-	(1.49)
Other Comprehensive income	-	-	-	-
Balance as at March 31, 2021	2,002.00	354.33	(1,781.56)	574.77
Less:/Add: Change in accounting policies and correction of errors				
Restated Balance as at April 1, 2022	2,002.00	354.33	(1,781.56)	574.77
Profit for the period/movement	-	19.52	-	19.52
Other Comprehensive income	-	-	-	-
Balance as at March 31, 2022	2,002.00	373.85	(1,781.56)	594.29

Accompanying notes form integral part of the financial statement.

As per our report of even date attached
For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Registration Number - 000511S

N.SRI KRISHNA
Partner
Membership No.26575

For and on behalf of the Board of Directors of
Kakinada Refinery And Petrochemicals Private Limited

P.V.Subba Rao
Director
DIN No.03634510

CH. Srinivasa Rao
CH.Srinivasa Rao
Director
DIN No.03497034

Samarpit
Samarpit Agarwal
Company Secretary
M.No.A55015

Kakinada Refinery And Petrochemicals Pvt. Ltd.

Place : New Delhi
Date : 19th May'2022

Kakinada Refinery And Petrochemicals Private Limited
4th Floor, GMR Aero Tower, RGIA, Shamshabad, Hyderabad- 500108
CIN:U23209TG2005PTC047372

Cash flow statetement for the year ended March 31, 2022

(Amount in Lakhs.)

Particulars	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Profit before tax	19.52	(1.49)
Adjustment to reconcile profit before tax to net cash flows		
Interest Expenses	0.01	0.32
Interest income on bank deposits and others	(27.50)	(33.31)
Operating profit/ (loss) before working capital changes	**(7.97)**	**(34.49)**
Movement in working capital:		
(Increase)/Decrease in Financial assets Loans	-	-
(Increase)/Decrease in Other Current financial assets	(24.77)	51.89
Increase/(Decrease) in Trade Payable	0.03	(15.99)
(Increase)/Decrease in Other Current assets	0.08	(33.60)
Increase/(Decrease) in Current financial liability	-	(2.40)
Increase/(Decrease) in Current provisiona	11.47	-
Increase/(Decrease) in Other Current liability	0.25	-
Cash generated from/ (used in) operations	**(20.91)**	**(34.59)**
Direct taxes paid (net of refunds)	(7.24)	(2.66)
Net cash flow from operating activities (A)	**(28.15)**	**(37.26)**
Cash flow from investing activities		
Decrease/ (Increase) in capital work in progress/PPE	-	0.03
Interest received	27.50	33.31
Sale / Purchase of Fixed Assets	0.01	-
Net Cash flow used in investing activities (B)	**27.51**	**33.34**
Cash flow from Financing Activities		
Interest paid	(0.01)	(0.32)
Proceeds from long term Borrowings	-	-
Net Cash flow used in financing activities (C)	**(0.01)**	**(0.32)**
Net Increase/ (decrease) in cash and cash equivalents (A+B+C)	(0.65)	(4.23)
Cash and cash equivalents at beginning of the year	1.41	5.65
Cash and cash equivalents at the end of the year	**0.77**	**1.41**
Components of cash and cash equivalents		
Balance with banks		
- on current accounts	0.77	1.41
- on deposit accounts	-	-
- Cash on hand	-	-
Total cash and cash equivalents (as per Note 6)	**0.77**	**1.41**

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

As per our report of even date attached
For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Registration Number - 000511S

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

N.SRI KRISHNA
Partner
Membership No.26575

For and on behalf of the Board of Directors of
Kakinada Refinery And Petrochemicals Private Limited

P.V.Subba Rao
Director
DIN No.03634510

CH.Srinivasa Rao
Director
DIN No.03497034

Samarpit

Samarpit Agarwal
Company Secretary
M.No.A55015

Kakinada Refinery And Petrochemicals Pvt. Ltd.

Place : New Delhi
Date : 19th May'2022

Kakinada Refinery And Petrochemicals Private Limited
4th Floor, GMR Aero Tower, RGIA, Shamshabad, Hyderabad- 500108
CIN:U23209TG2005PTC047372

Statement of Siginficant Accounting Policies & Notes to financial statements for the year ended March 31, 2022

1. Corporate information

Kakinada Refinery And Petrochemicals Private Limited domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is in the business of implement a petroleum refinery project at Kakinada. Kakinada Refinery And Petrochemicals Private Limited is a subsidiary company of GMR Enterprise Private Limited. The registered office is located in Hyderabad in Telangana state, India. Information on other related party relationships of the Company is provided in Note 29.
The financial statements were authorised for issue in accordance with a resolution of the directors on 19th May'2022

2. Significant accounting policies

2.1 Basis of preparation
The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in INR(Rs.Lakhs), which is the functional currency, except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification
The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The company classifies all other assets as non-current.

A liability is current when:
a) It is expected to be settled in normal operating cycle
b) It is held primarily for the purpose of trading
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

Kakinada Refinery And Petrochemicals Pvt. Ltd.

Kakinada Refinery And Petrochemicals Private Limited
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Statement of Siginficant Accounting Policies & Notes to financial statements for the year ended March 31, 2022

b. Property, Plant and equipment and Capital Work In Progress

Recognition :

The cost of an item of property, plant and equipent shall be recognised as asset if, and only if :

(a) It is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

Fixed Assets are stated at acquisition cost less accumulated depreciation and cumulative impairment. Such cost includes the expenditure that is directly attributable to the acquisition of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part intially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c. Depreciation

Depreciation on the property, plant and equipement is calculated on straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under schedule II of the companies act,2013 expect for assets individually costing less than Rs.5,000 which are fully depreciated in the year acquisition

The management believes that these estimated useful lives are realstic and reflect fair approximation of the period over which the assets are likely to be used. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation charges for impaired assets is adjusted in future periods in such a manner that revised carrying amount of the asset is allocated over its remaining useful life.

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquition. Following intial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets include software and their useful lives are assessed as either finite or indefinite.

e. Amortisation of Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on Intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets like the software license are amortised over the useful life of 6 years as estimated by the management.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

Kakinada Refinery And Petrochemicals Pvt. Ltd.

Statement of Siginficant Accounting Policies & Notes to financial statements for the year ended March 31, 2022

f. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are charged to the Statement of Profit and Loss.

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

g. Impairement of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment properties, intangible assets and investments in associates and joint ventures determine whether there is any indication that those assets have suffered an impairement loss. If such indication exists, the said assets are tested for impairement so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its reoverable amount.Recoverble amount is determined:

(i) in case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generated cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recogniesed immediately in the consolidated statement of profit and loss as impairement loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairement loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basic.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss

h. Provisions

Provisions are recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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Kakinada Refinery And Petrochemicals Pvt. Ltd.

Statement of Siginficant Accounting Policies & Notes to financial statements for the year ended March 31, 2022

h. Contingent liability and assets

Disclosures for contingent liability are made when there is a possible and present obligation that arises from past events which is not recognized since it is not probable that there will be an outflow of resources. When there is a possible and present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are neither recognized nor disclosed except when realization of income is virtually certain, related asset is disclosed.

i. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and finanical liabilities (Other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on intial recognition of financial assets and financial liabilities at fair value through profit and loss are immidiately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.
Investment in equity instruments issued by assoicates and joint ventures are measured at cost less impairment.

Effective interest method

The effective interest method is method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subusequatly measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the satement of profit and loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through profit or loss.
For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

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De-recognition of financial assets

The Company de-recognises a finanical asset only when the contractual rights to the cash flows from the finanical asset expire, or it transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers no retains substantialy all the risks and rewards of ownership and continues to control the transferred assets and an associated liability for amounts it may have to pay.

If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit and loss.

For trade and other receivables maturing within one year from the balancesheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definations of a financial liability and an equity instrument.

Equity Instruments

An equity instruments is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the process received, net of direct issue costs.

Financial Liabilities

Financial Liabilities are intially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans. overdrafts and issued debt are intially measured at fair value and are subsequantly measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a.Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurrs bacause the specified debtor fails to make a payment when due in accordance with the terms of debt instrument. Financial guarrnatee contracts are recognised intially as a laibility at fair value, adjusted for transaction costs that are directly attributable to the issuance of the gurantee.

b. De-Recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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Kakinada Refinery And Petrochemicals Pvt. Ltd.

Statement of Siginficant Accounting Policies & Notes to financial statements for the year ended March 31, 2022

j. Cash and Cash equivalents

Cash and cash equivalents include cash at bank and deposits with banks having maturity of three months or less. The bank deposits with original maturity of up to three months, which are subject to an insignificant risks of changes in value and bank deposits with original maturity of more than three months are classified as other bank balances.

For the purpose of statement of cash flows, cash and cash equivalents consists of unrestricted cash and short term deposits, as defined above, not of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

k. Fair value measurement

The company measures its Financial Instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
i)In the principal market for the asset or liability, or
ii)In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years.
At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.
The Company. in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

l. Revenue recognition

Pursuant to application of Ind AS-115, 'Revenue from Contracts from Customers' effective from April 2018, the company has applied the following accounting policy for revenue recognition.

Revenue is measured at the fair value of consideration received/receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and Is net of rebates and discounts. The company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

Kakinada Refinery And Petrochemicals Pvt. Ltd.

Statement of Siginficant Accounting Policies & Notes to financial statements for the year ended March 31, 2022

Revenue is recognized in the income statement to the extent that it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably.

The company has applied five step model as per Ind AS-115 'Revenue from contracts with customers' to recognize revenue in the financial statements. The company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the company performs: or

b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) The Company's performance does not create an asset with an alternative use to the company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.
Revenue is recognized either at point of time and over a period of time based on various conditions as included in the contracts with customers.

Interest Income
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the esitmated future cash payments or receipts over the expected life of the financial instrument or shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Other interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends
Revenue is recognised when the Company's right to receive the payment is established, which is generally when share holders approve the dividend.

m. Taxes
Tax expenses comprises current and deferred tax.

Current Income Tax
Current income tax is measured at the amount expected to be paid to the income tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Tax expense comprises of current tax and deferred tax. Current tax and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in OCI or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax
Deferred tax is provided using liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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Kakinada Refinery And Petrochemicals Pvt. Ltd.

Deferred tax liabilities are recognized for all taxable timing differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

n. Leases
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as Lessee
The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Company recognises right-of-use assets at the commensement date of the lease (i.e., the date the uderlying asset is avilable for use). Right-of- use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, intial direct costs incurred, and lease payments made at or before the commensement date less any incentives recieved. Right-of-use assets are depreicated on a straight-line basis over the shorter of the lease term.

If ownership of the leased asset transferres to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivble, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

iii) Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on straight-line basis over the lease terms and is included in revenue in the statment of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The Company has not entered into commercial leases during the financial year.

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Statement of Siginficant Accounting Policies & Notes to financial statements for the year ended March 31, 2022

Point of time

Revenue from projects

Revenue is recognized at a point in time w.r.t. sale of real estate units including land, plots, development rights as and when the control passes on to the customer which coincides with handing over of the possession to the customer

Other Revenue Recognition

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If the customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier), Contract liabilities are recognized as revenue when the Company performs under the contract.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the below categories:

(a) Financial assets at amortized cost

(b) Financial assets including derivatives at fair value through profit or loss (FVTPL)

(c) Financial assets at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if both the following conditions are met:

i. the assets are held within a business where the objective is to hold assets for collecting contractual cash flows

ii. the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans and other financial assets.

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(b) Financial Assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if following conditions are met:

i. the assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets

ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derivative instruments included in FVTOCI category are measured initially as well as at each reporting date at fair value. Movement in fair value is recognized in OCI.

(c) Financial Assets including derivatives at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognized in the Statement of Profit and Loss.

Derecognition

A financial asset is primarily derecognized when:

(a) the right to receive cash flows from the asset has expired, or

(b) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on the following financial assets and credit risk exposure:

(a) Financial assets that are measured at amortized cost e.g. trade receivables

(b) Trade receivables, any contractual right to receive cash or any another financial asset that result from transactions that are within the scope of Ind AS 115.

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The Company follows the simplified approach for recognition of impairment loss allowance on trade receivables. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

ECL is the difference between net of all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

When estimating the cash flows, an entity is required to consider:
• All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
• Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on trade receivables.

The Company does not have any purchased or originated credit-impaired financial assets, i.e., financial assets which are credit impaired on purchase/origination.

ECL impairment loss allowance (or reversal) recognized during the period is recognized in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss (FVTPL), loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as discussed below:

Trade and other payables

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value is used due to the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

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Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d. Statement of Cash Flow

The Statement of Cash Flow is reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash flows from operating, investing and financing activities of the Company are segregated.

2.3 Significant accounting judgments, estimates and assumptions

(i) Estimates And Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

(ii)Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity anaesulting from all poss

(iii) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible. but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v). The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

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Notes to financial statements for the year ended March 31, 2022

Note 3: Tangible assets

(Amount in Lakhs.)

A

Reconciliation of Carrying Amount	Civil Works	Computing Equipment	Office Equipment	Furniture & Fixtures	Vehicles	FV Adjustments	Total
Gross block							
Deemed cost as at April 01, 2020	1.59	**4.69**	**15.76**	**42.88**	**9.99**	**0.00**	**74.91**
Additions	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	
Deemed cost as at March 31, 2021	1.59	4.69	15.76	42.88	9.99	0.00	**74.91**
Additions	-	-	-	-	-	-	0.00
Disposals	-	-	-	-	-	-	0.00
At March 31, 2022	**1.59**	**4.69**	**15.76**	**42.88**	**9.99**	**0.00**	**74.91**
Depreciation and Impairment Losses							
At April 01, 2020	1.59	**4.69**	15.72	**42.88**	**9.99**	0.00	74.87
Charge for the year	-	-	0.03	-	-	-	0.03
Disposals	-	-	-	-	-	-	0.00
At March 31, 2021	**1.59**	**4.69**	**15.75**	**42.88**	**9.99**	**0.00**	**74.90**
Charge for the year			0.01			0.00	0.01
Disposals					0.00	0.00	0.00
At March 31, 2022	**1.59**	**4.69**	**15.76**	**42.88**	**9.99**	**0.00**	**74.91**
Net block as at March 31, 2021	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.01**
Net block as at March 31, 2022	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

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(Amount in Lakhs.)

Note 4 - Loans	March 31, 2022	March 31, 2021
Long-Term Loans and Advances		
Loans and Advances to Related Party	500.00	500.00
Total	**500.00**	**500.00**

Note 5 - Other non current assets	March 31, 2022	March 31, 2021
Others		
Balance with Statutory /Government authorities	72.84	72.92
	72.84	**72.92**

Note 6 - Cash and Cash Equivalents	March 31, 2022	March 31, 2021
Cash & Cash Equivalents		
Balance with Banks		
On current accounts	0.77	1.41
Cash on hand	-	-
	0.77	**1.41**

Note 7 - Other Financial Assets	March 31, 2022	March 31, 2021
Current Balances of Other Financial Assets		
Interest Receivable from Related Parties	29.21	4.46
Total	**29.21**	**4.46**

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(Amount in Lakhs.)

Note 8 - Share Capital	March 31, 2022	March 31, 2021
Authorized shares		
2,50,00,000 (March 31, 2021 - 2,50,00,000) Equity Shares of Rs.10 Each	2,500.00	2,500.00
	-	-
	2,500.00	**2,500.00**

Note 9A - Issued share capital

- Equity shares	March 31, 2022		March 31, 2021	
	(No. of Shares)	Rs.Lakhs	(No. of Shares)	Rs.Lakhs
At the beginning of the year	2,00,20,000	2,002.00	2,00,20,000	2,002.00
Issued during the year	-	-		-
Outstanding at the end of the year	**2,00,20,000**	**2,002.00**	**2,00,20,000**	**2,002.00**

Terms/ rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of these shares are entitled to receive dividends as and when declared by the company subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder shal have voting rights in proportion to the their paid up equity share capital.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders.

Note 9B- Details of shares held by the holding company

	March 31, 2022		March 31, 2021	
	Nos.	% of Holding	Nos.	% of Holding
Out of equity issued by the company, shares held by its holding company				
GMR Enterprises Private limited (along with its nominee)	2,00,20,000	100%	2,00,20,000	100%
	2,00,20,000	**100%**	**2,00,20,000**	**100%**

Note 9C- Details of shareholders holding more than 5% shares in the Company

	March 31, 2022		March 31, 2021	
	Nos.	% of Holding	Nos.	% of Holding
Equity shares of Rs. 10 each fully paid				
GMR Enterprises Private limited (along with its nominee)	2,00,20,000	100%	2,00,20,000	100%
	2,00,20,000	**100%**	**2,00,20,000**	**100%**

Note 9 - Other Equity	March 31, 2022		March 31, 2021
Retained Earnings / Surplus in the statement of profit and loss			
Opening Balance	354.33		355.82
During the period	19.52		(1.49)
Total	**373.85**		**354.33**
Ind As Transition Reserve			
Opening Balance	(1,781.56)		(1,781.56)
During the year	-		-
Total	**(1,781.56)**	-	**(1,781.56)**
Closing balance- Other Equity	**(1,407.71)**	-	**(1,427.23)**

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Note 10 - Other financial liabilities	March 31, 2022	March 31, 2021
Current		
Carried at amortised cost		
Other non trade payable	3.90	3.87
Total	**3.90**	**3.87**

Note 11 - Other liabilities	March 31, 2022	March 31, 2021
Current		
Statutory Liabilities	-	0.54
Audit fee payable	0.25	0.20
Total	**0.25**	**0.74**

Note 12 - Provisions	March 31, 2022	March 31, 2021
Current		
Provision For tax (Net)	4.38	0.16
	4.38	**0.16**

	March 31, 2022	March 31, 2021
Current		
Borrowings	-	-
Other financial liability (Refer note 10)	3.90	3.87
	3.90	**3.87**

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Notes to financial statements for the year ended March 31, 2022

(Amount in Lakhs.)

Note 13 - Revenue from Operations	March 31, 2022	March 31, 2021
Revenue from operations		
Operational Revenue	-	-
Total	-	-

Note 14 - Other Income	March 31, 2022	March 31, 2021
Interest income on Financial assets carried at amortised cost		
Interest on Loans	27.50	33.31
Others	-	-
Other non operating income		-
Interest on Income Tax	0.00	-
Profit on Sale of Assets	0.45	-
Misc Income	0.00	-
Total	**27.95**	**33.31**

Note 15 - Finance cost	March 31, 2022	March 31, 2021
Other Finance Charges	0.01	0.32
Total	**0.01**	**0.32**

Note 16 - Other expenses	March 31, 2022	March 31, 2021
Certification Charges	0.02	-
Community Services	-	16.73
Communication Cost	-	0.01
Bidding Expenses	0.75	-
Electricity and water charges	-	0.00
Legal and Professional Fees	-	0.15
Repairs & maintinance-Others	-	0.27
Printing & Stationary	-	0.03
Travelling and conveyance	-	1.83
Vehicle running & maintenance	-	0.00
Rates & Taxes	0.14	3.11
Rates & Taxes - ROC fee	0.01	-
Audit Fees	0.25	0.25
Misc. Expenses	0.01	9.41
Total	**1.17**	**31.79**

Payment to auditor	March 31, 2022	March 31, 2021
As auditor:		
Audit fee	0.25	0.25
Certification Charges	-	-
	0.25	**0.25**

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17. Disclosure of various Ratios

Name of the Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	3.51	1.46	141%	Due to substatial increase in current liabilities.
Debt-Equity Ratio	Total Debt	Shareholder's Equity	-	-		Company has no borrowings during the year.
Debt Service Coverage Ratio	Profit after Tax + Deprecation + Interest On Loans	Interest on Loans + Loans repaid during the year	-			Profit After Tax + Interest on Loan high compared to last year, effected the Ratio
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.01	(0.00)	-1406%	Due to continious losses the average of total equity decreased and effected the ratio during the current year.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	1.30	18.00	-93%	There is mainly due to increase in revenue and in the current assets also.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.70	(0.04)	-1657%	The reveue is on lower side compared to last year.
Return on Capital Employed	Earnings before interest and taxes	Total Assets - Current Liabilities + Current Borrowings	0.05	0.00	1645%	There is decrease in the reveue and thus the ROCE decreased.
Return on Investment	Profit after Tax	Equity share capital + Instruments entirely equity in nature + Securities premium	0.01	(0.00)	-1406%	NA

Note : Only few ratios are applicable to the Company, which are disclosed in the above table

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Notes to financial statements for the year ended March 31, 2022 **(Amount in Lakhs.)**

18 Earnings per share (EPS)

a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

b) Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

c) The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2022	March 31, 2021
Profit attributable to the equity holders of the company	19.52	(1.49)
Profit attributable to the equity holders of the parent	19.52	(1.49)
Weighted average number of equity shares used for computing Earning per share (Basic and diluted)	20,02,00,000	20,02,00,000
	20,02,00,000	20,02,00,000
Earning per share (Basic) (Rs.Ps)	0.01	(0.00)
Earning per share (Diluted) (Rs.Ps)	0.01	(0.00)
Face value per share (Rs.Ps)	10.00	10.00

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19 Capital Commitments

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
Uncalled liability on shares and other investments partly paid	-	-

20 Contingent Liabilities

	March 31, 2022	March 31, 2021
Contingent Liabilities (not provided for) in respect of		
Claims against the company not acknowledged as debt;	-	-
Other money for which the company is contingently liable.	-	-

	March 31, 2022	March 31, 2021
21 Trade Receivables	Nil	Nil

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing, if any.

22 Note on 115BAA:

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The company has opted for the new tax regime and the current year tax provisions are made as per Section 115BAA.

23 Note on going concern

The company was incorporated to implement a petroleum refinery project at Kakinada with participation from Mangalore Refineries and Petro Chemicals Limited (MRPL) and IL&FS Ltd and Kakinada Seaports Limited. Whereas during the year 2008-09 MRPL opted out of the project (by withdrawing its nominees from the Board of Directors) and GMR Holdings Pvt Ltd (GHPL) has come in to participate and implement the project and later GHPL transferred its shareholding to GMR Enterprises Pvt Ltd. The management is in the process of finalising the project plans and the financial statements are prepared on a going concern basis notwithstanding the fact that the management is not actively pursuing the implementation of refinery project and appropriately dealt with in the carrying value of projects related expenditure under transisiton adjutments.

24 Currently there are no activities in the company and it is having surplus funds on hand. To generate the income on the surplus funds, the funds parked with the holding company " GMR Enterprises Pvt. Ltd " as a Loan and earned the interest income of Rs. 27.50 Lakhs during the F.Y 2021-22.

25 As there are no employees, during the period covered in financials and hence no provision is made for retirement benefits

26 The company does not have any Lease transaction reportable under ind as 116.

27 Company does not have any pending litigations which would impact its financial position as on March 31, 2022.

28 There are no timing differences between the taxable incomes and accounting income, hence deferred tax does not arise.

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Notes to financial statements for the year ended March 31, 2022

29 **Related party transactions**

29.1 Parties where control exists
Holding company GMR Enterprises Pvt. Ltd.

29.2 Other related parties where transactions have taken place during the year:

Enterprises under Common Control / Fellow subsidiaries	**Name**
	Kakinada SEZ Ltd
	Kakinada Gateway Port Ltd
	GMR Varalakshmi Foundation

Key Management Personnel and their Relatives	**Name**	**Appointment Date**	**Resigned on**
	Mr. C Prasanna - Director	07-Nov-16	06-May-22
	Mr. Nagarjuna Tadury, Director	07-Nov-16	10-Aug-21
	Mr. Suru Srinivasa Rao, Director	10-Aug-21	06-May-22
	Mr. Chakka Srinivasa Rao, Director	06-May-22	
	Mr. P V Subba Rao, Directors	06-May-22	
	Mr.Samarpit Aggarwal, Secretory	01-Mar-19	

I.	Transactions with Related Parties	Amount in Lakhs.	
S.No	Particulars	March 31, 2022	March 31, 2021
A)	**Transactions during the year**		
1	Reimbursement of Expenses		
	- GMR Varalakshmi Foundation	-	18.87
2	Interest received from Group Company on the loan		
	- Kakinada SEZ Limited	-	19.00
	- Kakinada Gateway Port Limited	-	9.49
	- GMR enterprises Pvt Ltd	27.50	4.82
3	Logo fee Expenses		
	- GMR enterprises Pvt Ltd	0.01	0.01
B)	**Outstanding Balances at the year end**		
1	Issued Capital		
	- GMR Enterprises Pvt Ltd	2,002.00	2,002.00
2	Loan given to holding company		
	- GMR Enterprises Pvt Ltd	500.00	500.00
3	Other assets - Interest receivable from Holding Company		
	- GMR Enterprises Pvt Ltd	29.21	4.46
4	Payable to		
	- GMR Enterprises Pvt Ltd - towards logo fee	0.01	-

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Notes to financial statements for the year ended March 31, 2022 **(Amount in Lakhs)**

30 Fair Values

Accounting classification and fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments.

	Carrying value		Fair value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
Measured at amortised cost:				
(a) Cash and cash equivalent	0.77	1.41	0.77	1.41
(b) Other financial assets	102.05	77.38	102.05	77.38
(c) Loans	500.00	500.00	500.00	500.00
Total	**602.81**	**578.79**	**602.81**	**578.79**
Financial liabilities				
Measured at amortised cost:				
(a) Borrowings	-	-	-	-
(b) Other financial liabilities	3.90	3.87	3.90	3.87
(c) Other liabilities and provisions	4.63	0.16	4.63	0.16
Total	**8.53**	**4.02**	**8.53**	**4.02**

The carrying amount of financial instruments such as cash & cash equivalents and other bank balances, and other current financial assets and liabilities are considered to be same as their fair value due to their short term nature.

The fair values of financial assets and financial liabilities recorded in the balance sheet in respect of which quoted prices in active markets are available are measured using valuation techniques.

B. Fair Value Hierarchy

The following table provides fair value measurement hierarchy of financial instruments as referred in note (A) above:

Quantitative disclosures fair value measurement hierarchy

	Year	Level 1	Level 2	Level 3	Total
Financial assets					
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	-

There have been no transfers Level 1 and Level 2 during the period.

Notes to financial statements for the year ended March 31, 2022 **(Amount in Lakhs)**

31 Capital management

For the purpose of the Company's capital management, the capital includes issued equity capital, and other equity reserves attributable to the equity holders of the Company. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of financial covenants. To maintain and adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is a net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio at an optimum level. The Company includes within net debt interest bearing loans and borrowings, other payables, less cash and cash equivalents.

	March 31, 2022	March 31, 2021
Borrowings	-	-
Less: Cash and bank balances	(0.77)	(1.41)
Net debt	**(0.77)**	**(1.41)**
Equity	**594.29**	**574.77**
Capital and net debt	593.52	573.36
Gearing ratio	**(0.00)**	**(0.00)**

32 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, other receivables, cash and cash equivalents that derive directly from its operations..

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk management team that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk management team ensures that the Company's financial activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, trade receivables, trade payables, and other financial assets including derivative financial instruments.

a. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	March 31, 2022		March 31, 2021	
	Increase/decrease in basis points	Effect on profit before tax	Increase/decrease in basis points	Effect on profit before tax
INR	+50	Nil	+50	Nil
	(-)50	Nil	(-)50	Nil

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Hyderabad Jabilli Properties Private Limited
Ground Floor, Skip House, #25/1, Museum Road, Bangalore- 560025
CIN:U45200KA2008PTC045461

Notes to financial statements for the year ended March 31, 2022 (Amount in Lakhs)

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Company has no exposure to the risk of changes in foreign exchange rates in respect of Operating, Investing and Financial activities.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Company.

Loan & Advances and Receivables :

The major exposure to credit risk at the reporting date is primarily from loan & advances.

For receivables, as a practical expedient, the Company computes expected credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. Additionally, the Company also computes customer specific allowances at each reporting date.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.The ECL is calculated on default probability percentage arrived from the historic default trend. In order to determine the default probability percentage, a simple average of customer wise specific allowances or actual bad debts incurred in succeeding year (derived rates) (whichever is higher) for the preceding three years is considered as a percentage of gross receivables positions of each customer as at reporting date.

Other financial assets

Credit risk from cash and cash equivalents, term deposits and derivative financial instruments is managed by the Company's treasury department/risk management team in accordance with the Company's policy. Investments, in the form of fixed deposits, of surplus funds are made only with banks. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Liquidty Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.The Company regularly monitors the rolling forecasts and actual cashflows, to ensure it has sufficient funds to meet the operational needs.

The table below summarise the maturity profile of the Company's financial liabilties based on contractually agreed undiscounted cash flows:

As on March 31, 2022	**Within 1 year**	**More than 1 year**	**Total**
Borrowings	-	-	-
Trade and Other Payables	-	-	-
Other current financial liabilities	3.90	-	3.90
	3.90	-	**3.90**
As on March 31, 2021			
Borrowings	-	-	-
Trade and Other Payables	-	-	-
Other current financial liabilities	3.87	-	3.87
	3.87	-	**3.87**

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

Kakinada Refinery And Petrochemicals Pvt. Ltd.

Notes to financial statements for the year ended March 31, 2022 **(Amount in Lakhs)**

33 Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006.Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006" (as certified by the management).

Particulars	March 31, 2022	March 31, 2021
The Principal amount and interest due thereon remaining unpaid to any supplier		
- Principal Amount	Nil	Nil
- Interest thereon	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
The amount of interest accrued and remaining unpaid	Nil	Nil
The amount of further interest remaining due and payable in the succeeding year till the date of finalization of financial statements	Nil	Nil

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

Kakinada Refinery And Petrochemicals Pvt. Ltd.

Notes to financial statements for the year ended March 31, 2022 **(Amount in Lakhs.)**

34 Previous year figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.

As per our report of even date attached
For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Registration Number - 000511S

BRAHMAYYA & CO. CHARTERED ACCOUNTANTS CHENNAI INDIA

N.SRI KRISHNA
Partner
Membership No.26575

For and on behalf of the Board of Directors of
Kakinada Refinery And Petrochemicals Private Limited

Ch. Srinivasa Rao

P.V.Subba Rao
Director
DIN No.03634510

CH.Srinivasa Rao
Director
DIN No.03497034

Samarpit

Samarpit Agarwal
Company Secretary
M.No.A55015

Kakinada Refinery And Petrochemicals Pvt. Ltd.

Place : New Delhi
Date : 19th May'2022