



Sukumar Babu & Co.

Chartered Accountants

513, 'B' Block, Aditya Enclave,

Ameerpet, Hyderabad - 500 038.

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Independent Auditors' Report

**To the Members of
KNR Energy Limited**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **KNR Energy Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion


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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2021, and its profit/loss (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

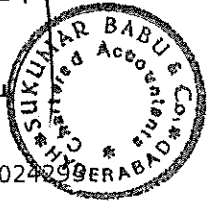
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**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 appears from our examination of those books.
 - c) The company does not have any branches.
 - d) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

- f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
- 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. The Company not issued dividend from inspection of the company, hence transfer of funds not arising.

For Sukumar Babu & Co.,
Chartered Accountants
(Firm's Regn. No: 021534S)


C. Sukumar Babu
Partner
Membership No: 024009



Place: Hyderabad
Date: 30-04-2021

UDIN:

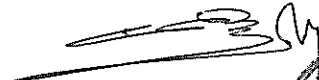
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**Annexure – "A " to the Independent Auditors' Report
(Referred to in paragraph 1 under the heading "Report on Other
Legal and Regulatory Requirements" of our report on even date)**

- i.
 - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification.
 - c) The title deeds of immoveable properties are held in the name of the company.
- ii. As the company did not procure any inventory and as such there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. Maintenance of cost records u/s 148(1) of the Companies Act, 2013 not applicable to the Company.
- vii. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company does not have any tax liability. Therefore the paragraph 3(vii) of the Order is not applicable to the company.
- viii. The company has not taken any loan or borrowings from any financial institution or Government. The company has not issued debentures. Therefore the paragraph 3(viii) of the Order is not applicable to the company.
- ix. The Company has not raised money by way of initial public offer or further public offer.

- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. The company has not paid any managerial remuneration. Therefore the provisions of section 197 read with Schedule V of the Companies Act 2013 are not applicable.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information provided to use, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information provided to us, the company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

For **Sukumar Babu & Co.,**
Chartered Accountants
(Firm's Regn. No. 021534S)


C. Sukumar Babu
Partner
Membership No: 024299



Place: Hyderabad
Date: 30-04-2021

UDIN:

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KNR Energy Limited
Balance Sheet as at March 31, 2021

(Amount in Rs.)

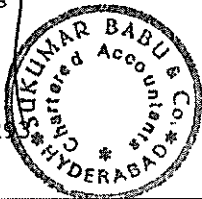
Particulars	Note	March 31, 2021	March 31, 2020
I ASSETS			
1) Non-current Assets			
a) Investment property	3	16,102,840	16,102,840
b) Financial Assets			
Other Financial Assets	4	500,000	500,000
c) Other non-current assets	5	2,500,000	2,500,000
Total Non-Current Assets		19,102,840	19,102,840
2) Current Assets			
a) Financial assets			
i) Cash and cash equivalents	6	101,563	101,562
Total Current Assets		101,563	101,562
TOTAL ASSETS		19,204,403	19,204,402
II EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	7	500,000	500,000
b) Instruments entirely equity in nature	7.4	3,489,921	3,489,921
c) Other equity	8	513,081	552,222
Total Equity		4,503,002	4,542,143
Liabilities			
1) Non-current Liabilities			
Financial liabilities			
Borrowings	9	9,417,596	9,417,596
Total Non-Current Liabilities		9,417,596	9,417,596
2) Current Liabilities			
Financial liabilities			
Other financial liabilities	10	5,283,805	5,244,664
Total Current Liabilities		5,283,805	5,244,664
TOTAL EQUITY AND LIABILITIES		19,204,403	19,204,402

As per our report of even date attached

For Sukumar Babu & Co.,
Chartered Accountants
(Firm's Registration No. 021534S)

For and on behalf of the Board

C.Sukumar Babu
Partner
Membership No: 0242
Place : Hyderabad
Date : 30-04-2021



V.Venu Gopal Reddy
Director
DIN No: 08089571

K. Yashoda
Director
DIN No: 05157487

UDIN: 21024293AAAABE3724

KNR Energy Limited
Statement of Profit and Loss for the Year ended March 31, 2021

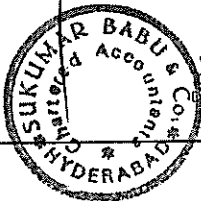
(Amount in Rs.)

Particulars	Note	Year ended	Year ended	Quarter ended	Quarter ended	Quarter ended
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	December 31, 2020
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed
I Revenue from Operations		-	-	-	-	-
II Other income		-	-	-	-	-
III Total Revenue (I + II)		-	-	-	-	-
IV Expenses						
Finance costs	11	-	761,836	-	195,469	-
Other expenses	12	39,141	50,780	4,250	5,000	23,570
Total expenses (IV)		39,141	812,616	4,250	200,469	23,570
V Profit before exceptional items and tax (III - IV)		(39,141)	(812,616)	(4,250)	(200,469)	(23,570)
VI Exceptional items		-	-	-	-	-
VII Profit/(Loss) before tax (V - VI)		(39,141)	(812,616)	(4,250)	(200,469)	(23,570)
VIII Tax expense						
1) Current tax		-	-	-	-	-
2) Adjustment of tax relating to earlier periods		-	-	-	-	-
3) Deferred tax		-	-	-	-	-
IX Profit (Loss) for the period (VII-VIII)		(39,141)	(812,616)	(4,250)	(200,469)	(23,570)
X Other Comprehensive Income						
a) Items that will not be reclassified to profit or loss		-	-	-	-	-
b) Items that will be reclassified to profit or loss		-	-	-	-	-
Total Comprehensive Income for the period (IX+X) (Comprising Profit(Loss) and Other Comprehensive Income for the period)		(39,141)	(812,616)	(4,250)	(200,469)	(23,570)
XII Earnings per equity share (for continuing operations): (In Rs.)	19					
1) Basic		(0.78)	(81.26)	(0.08)	(20.05)	(0.47)
2) Diluted		(0.78)	(81.26)	(0.08)	(20.05)	(0.47)

As per our report of even date attached
For Sukumar Babu & Co.,
Chartered Accountants
(Firm's Registration No. 021534S)

For and on behalf of the Board

C.Sukumar Babu
Partner
Membership No: 024293
Place : Hyderabad
Date : 30-04-2021



V.Venu Gopal Reddy
Director
DIN No: 08089571

K. Yashoda
Director
DIN No: 05157487

KNR Energy Limited
Statement of Profit and Loss for the Year ended March 31, 2021

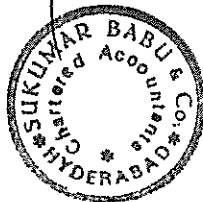
(Amount in Rs.)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
		Reviewed	Reviewed
I Revenue from Operations		-	-
II Other income		-	-
III Total Revenue (I + II)		-	-
IV Expenses			
Finance costs	11	-	761,836
Other expenses	12	39,141	50,780
Total expenses (IV)		39,141	812,616
Profit before exceptional items and tax (III - IV)		(39,141)	(812,616)
VI Exceptional items		-	-
VII Profit/(Loss) before tax (V - VI)		(39,141)	(812,616)
VIII Tax expense			
1) Current tax		-	-
2) Adjustment of tax relating to earlier periods		-	-
3) Deferred tax		-	-
		-	-
IX Profit (Loss) for the period (VII-VIII)		(39,141)	(812,616)
X Other Comprehensive Income			
a) Items that will not be reclassified to profit or loss		-	-
b) Items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period (IX+X) (Comprising Profit(Loss) and Other Comprehensive Income for the period)		(39,141)	(812,616)
XII Earnings per equity share (for continuing operations): (In Rs.)	19		
1) Basic		(0.78)	(81.26)
2) Diluted		(0.78)	(81.26)

As per our report of even date attached
For Sukumar Babu & Co.,
Chartered Accountants
(Firm's Registration No. 021534S)

For and on behalf of the Board

C.Sukumar Babu
Partner
Membership No: 024293
Place : Hyderabad
Date : 30-04-2021



V.Venu Gopal-Reddy
Director
DIN No: 08089571

K. Yashoda
Director
DIN No: 05157487

KNR Energy Limited
Statement of Changes in Equity

A - Equity Share Capital

Particulars	Number of Shares	Amount in Rs.
Balance as at April 01, 2019	50,000	500,000
Add: Equity shares allotted during the year	-	-
Balance as at March 31, 2020	50,000	500,000
Balance as at April 01, 2020	50,000	500,000
Add: Equity shares allotted during the year	-	-
Balance as at March 31, 2021	50,000	500,000

B - Instrument entirely equity in Nature

	(Amount in Rs.)
	Loan from Holding Company
Balance as at April 01, 2019	3,489,921
Addition during the year	-
Less: Adjustment/Deletion	-
Balance as at March 31, 2020	3,489,921
Balance as at April 01, 2020	3,489,921
Addition during the year	-
Less: Adjustment/Deletion	-
Balance as at March 31, 2021	3,489,921

C - Other Equity

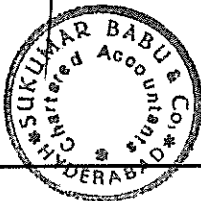
Particulars	Reserves and Surplus		Other Comprehensive items	Total
	Surplus in the statement of profit and loss	Other items of Other Comprehensive Income	Other Comprehensive Income	
Balance as at April 01, 2019	1,364,838	-	-	1,364,838
Total Comprehensive Income for the Year	(812,616)	-	-	(812,616)
Balance as at March 31, 2020	552,222	-	-	552,222
Balance as at April 01, 2020	552,222	-	-	552,222
Total Comprehensive Income for the Year	(39,141)	-	-	(39,141)
Balance as at March 31, 2021	513,081	-	-	513,081

See accompanying notes forming part of the financial statements
As per our report of even date attached

For Sukumar Babu & Co.,
Chartered Accountants
(Firm's Registration No. 0215345)

For and on behalf of the Board

C.Sukumar Babu
Partner
Membership No: 024293
Place : Hyderabad
Date : 30-04-2021



V.Venu Gopal Reddy
Director
DIN No: 08089571

K. Yashoda
Director
DIN No: 05157487

KNR Energy Limited
Cash Flow Statement for the year ended March 31,2021

(Amount in Rs.)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A) Cash flow from Operating Activities		
Profit before tax	(39,141)	(812,616)
Adjustments for:		
Interest Expense on Fair Value of interest free loans	-	761,718
Finance costs	-	118
Cash flow from Operating Activities before working capital changes	(39,141)	(50,780)
Working capital adjustments:		
(Increase)/Decrease in Trade and Other Receivables and prepayments	-	-
Increase/(Decrease) in Trade and other Payables	39,141	50,780
Cash generated/ (used) from Operations	1	-
Income Taxes (paid) / Refunds	-	-
Net Cash flows from / (used in) Operating Activities- (A)	1	-
B) Cash flow from Investing Activities		
Proceeds from sale of property, plant and equipment	-	-
Net Cash flows from / (used in) Investing Activities- (B)	-	-
C) Cash flow from Financing Activities		
Finance cost paid	-	(118)
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Net Cash Flows from / (used in) Financing Activities- (C)	-	(118)
Net increase/(decrease) in cash and cash equivalents - (A+B+C)	1	(118)
Cash & Cash Equivalents at the beginning of the year	101,562	101,681
Cash & Cash Equivalents as at end of the year	101,563	101,562

Notes:

1 Cash & Cash equivalents and Cash Credits includes:

Cash in Hand	10,001	10,000
Bank Balance -Current Account	91,562	91,562

2 The Cash flow statement is prepared in accordance with the Indirect Method stated in Ind-AS7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.

3 Previous year's figures have been regrouped, wherever necessary.

4 Figures in brackets represent cash outflows.

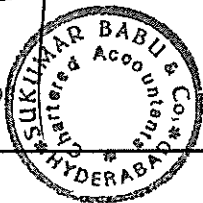
See accompanying notes forming part of the financial statements

As per our report of even date attached

For Sukumar Babu & Co.,
Chartered Accountants
(Firm's Registration No. 021534S)

For and on behalf of the Board

C.Sukumar Babu
Partner
Membership No: 02429
Place : Hyderabad
Date : 30-04-2021



V.Venu Gopal Reddy, K. Yashoda
Director, Director
DIN No: 08089571, DIN No: 05157487

KNR Energy Limited

Notes forming part of the financial statements

1. Corporate Information:

KNR Energy Limited, a company has been incorporated in May 03, 2011 as a limited company. The registered office of the company is located at Plot No: 114, 4th Floor, Phase-I, Kavuri Hills Hyderabad. And the company is subsidiary of KNR Constructions Limited.

2. Significant Accounting Policies

2.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been presented in Rs. unless otherwise indicated

2.3 Basis of Preparation & Presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.4 Current and non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per Schedule III to the Act.

2.5 Fair Value Measurement

The company measures certain financial instruments and other items in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy based on the low level of input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (observable inputs).

Level 3 – Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS 16's requirement for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

KNR Energy Limited
Notes forming part of the financial statements

2.7 Financial instruments

i. Classification and subsequent measurement

Financial assets

Financial asset is

- Cash / Equity Instrument of another Entity,
- Contractual right to –
 - a) receive Cash / another Financial Asset from another Entity, or
 - b) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

On initial recognition, a financial asset is classified as measured at

- Amortized cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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 liabilities

Financial liability is Contractual Obligation to

- deliver Cash or another Financial Asset to another Entity, or
- exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially unfavourable to the Entity

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

ii. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

iii. Impairment

Impairment of financial instruments

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

KNR Energy Limited

Notes forming part of the financial statements

- Financial assets that are measured at amortized cost
- Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of 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

Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized, if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

2.8 Cash and cash equivalents

Cash and bank balances are considered as cash and cash equivalents.

2.9 Provisions

Provisions are recognised only when:

- a) An entity has a present obligation (legal or constructive) as a result of a past event
- b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) A reliable estimate can be made of the amount of the obligation.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.10 Contingent liability, Contingent Assets and Commitments

Contingent liability is disclosed in case of

- a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- b) A present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for

KNR Energy Limited

Notes forming part of the financial statements

b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

c) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

Contingent liabilities, Contingent assets and Commitments are reviewed at each Balance Sheet date.

2.11 Revenue recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with the date of initial application being April 1, 2018. Ind AS 115, revenue from contracts with customers, mandatory for reporting period beginning on or after April 1, 2018 replaced existing revenue recognition requirements i.e Ind AS 18 Revenue Recognition and Ind AS 11 Construction Contracts. There were no significant adjustments required to the retained earnings as on April 1, 2018.

To recognize revenue, the Company applies the following five step approach:

- (1) Identify the contract with a customer
- (2) Identify the performance obligations in the contract
- (3) Determine the transaction price
- (4) Allocate the transaction price to the performance obligation in the contract, and
- (5) Recognize revenue when a performance obligation is satisfied.

Other Income

Interest income: Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective interest rate (EIR). Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

Other Items of Income: Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

2.12 Cash Flow Statement

The Cash flow statement is prepared in accordance with Ind AS 7 by using indirect method by segregating as cash flows from operating, investing and financing activities. Under the Cash flow from operating activities, the net profit is adjusted for the effects of Non-cash items, Changes in working capital and other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those amounts which are not considered in cash and cash equivalents as on the date of Balance Sheet are included in investing activities.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

2.13 Earnings per share

a) Basic Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share.

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

KNR Energy Limited

Notes forming part of the financial statements

2.14 Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.15 Key accounting estimates and judgements

The preparation of these financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Estimates include the property plant and equipment, inventory, future obligations in respect of retirement benefit plans, provisions, fair value measurement and taxes etc.

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 discounted cash flow model, which involve various judgements and assumptions.

2.15 Standards issued but not effective

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The effect of adoption as on transition date would not impact the financial statements.

KNR Energy Limited
Notes forming part of the financial statements

3 Investment Property

(Amount in Rs.)

Particulars	Land - Free Hold
Cost or Deemed cost	
As at April 01, 2019	16,102,840
Additions	-
Disposals/ Adjustments	-
As at March 31, 2020	16,102,840
Accumulated Depreciation	
As at April 01, 2019	-
Charge for the period	-
Disposals/ Adjustments	-
As at March 31, 2020	-
Net block	
As at March 31, 2020	16,102,840
As at March 31, 2019	16,102,840
Cost or Deemed cost	
As at April 01, 2020	16,102,840
Additions	-
Disposals/ Adjustments	-
As at March 31, 2021	16,102,840
Accumulated Depreciation	
As at April 01, 2020	-
Charge for the period	-
Disposals/ Adjustments	-
As at March 31, 2021	-
Net block	
As at March 31, 2021	16,102,840
As at March 31, 2020	16,102,840

KNR Energy Limited
Notes forming part of the financial statements

4 Other Financial Assets

	(Amount in Rs.)	
	As at	
	March 31, 2021	March 31, 2020
Non-current		
From Related parties		
KNRC Holdings and Investments Pvt. Ltd.,	500,000	500,000
Total	500,000	500,000

5 - Other Non-current Assets

	(Amount in Rs.)	
	As at	
	March 31, 2021	March 31, 2020
Capital Advances		
Advance paid for Land Purchase	2,500,000	2,500,000
Total	2,500,000	2,500,000

6 - Cash and Cash Equivalents

	(Amount in Rs.)	
	As at	
	March 31, 2021	March 31, 2020
Balances with banks:		
in current accounts	91,562	91,562
cheques on hand	-	-
Cash in Hand	10,001	10,000
Total	101,563	101,562

7 Equity Share Capital

	(Amount in Rs.)	
	As at	
	March 31, 2021	March 31, 2020
Authorised Share capital		
50,000 Equity Shares of Rs. 10/- each	500,000	500,000
Issued, subscribed & fully paid share capital		
50,000 Equity Shares of Rs. 10/- each (Wholly Owned subsidiary of KNR Constructions Limited)	500,000	500,000
Total	500,000	500,000

7.1 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- . Each holder of equity shares is entitled to one vote per share.

7.2 The details of shareholder holding more than 5% shares as at March 31, 2021 and March 31, 2020 is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% held	No. of Shares	% held
	KNR Constructions Ltd.,	50,000	100%	50,000

7.3 The reconciliation of the number of shares outstanding at the beginning and at the end of the Year is set out below:

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
	Number of Equity Shares at the beginning of the year	50,000	500,000	50,000
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Bought back	-	-	-	-
Number of Equity Shares at the end of the year	50,000	500,000	50,000	500,000

7.4 Instruments entirely equity in nature

	(Amount in Rs.)	
	As at	
	March 31, 2021	March 31, 2020
Loan from Holding Company	3,489,921	3,489,921
Total	3,489,921	3,489,921

KNR Energy Limited
Notes forming part of the financial statements

8 Other Equity

	(Amount in Rs.)	
	As at	
	March 31, 2021	March 31, 2020
Surplus in the statement of profit and loss		
Balance at the beginning of the period	552,222	1,364,838
Add: (Loss)/ Profit for the period	(39,141)	(812,616)
	513,081	552,222
	513,081	552,222

9 Borrowings

	(Amount in Rs.)	
	As at	
	March 31, 2021	March 31, 2020
Non-current		
Unsecured loans		
From related parties	9,417,596	9,417,596
Total	9,417,596	9,417,596

Note: Intercorporate loans to related parties carried at fair value as per Ind AS

10 Other Financial Liabilities

	(Amount in Rs.)	
	As at	
	March 31, 2021	March 31, 2020
Current		
Advance Received From Related Parties	5,271,805	5,235,664
Outstanding Expenses	12,000	9,000
Total	5,283,805	5,244,664

KNR Energy Limited
Notes forming part of the financial statements

11 Finance Costs

(Amount in Rs.)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense on Fair Value of interest free loans	-	761,718
Bank and Other Financial Charges	-	118
Total	-	761,836

12 Other Expenses

(Amount in Rs.)

	Year ended March 31, 2021	Year ended March 31, 2020
Legal & Professional charges	18,500	30,000
Payments to the auditor	17,000	17,000
Other Expenses	3,641	3,780
Total	39,141	50,780

13 Capital management

The Company's policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and for the future development of the Company. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

The Company's adjusted net debt to equity ratio at March 31, 2021 and March 31, 2020 was as follows:

Particulars	(Amount in Rs.)	
	March 31, 2021	March 31, 2020
Total borrowings	9,417,596	9,417,596
Less: cash and cash equivalents	101,563	101,562
Adjusted net debt	9,316,033	9,316,034
Total equity	4,503,002	4,542,143
Adjusted equity	4,503,002	4,542,143
Adjusted net debt to adjusted equity ratio	2.07	2.05

14 Financial Instruments - Fair values and risk management**A. Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	(Amount in Rs.)			(Amount in Rs.)			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Cash and cash equivalents	-	101,563	101,563	-	-	-	-
Other financial assets	-	500,000	500,000	-	-	500,000	500,000
	-	601,563	601,563	-	-	500,000	500,000
Financial liabilities							
Unsecured loan	-	9,417,596	9,417,596	-	-	9,417,596	9,417,596
Other financial liabilities	-	5,283,805	5,283,805	-	-	5,283,805	5,283,805
	-	14,701,401	14,701,401	-	-	14,701,401	14,701,401

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Particulars	(Amount in Rs.)			(Amount in Rs.)			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Cash and cash equivalents	-	101,562	101,562	-	-	-	-
Other financial assets	-	500,000	500,000	-	-	500,000	500,000
	-	601,562	601,562	-	-	500,000	500,000
Financial liabilities							
Unsecured loan	-	9,417,596	9,417,596	-	-	9,417,596	9,417,596
Other financial liabilities	-	5,244,664	5,244,664	-	-	5,244,664	5,244,664
	-	14,662,260	14,662,260	-	-	14,662,260	14,662,260

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

KNR Energy Limited
Notes forming part of the financial statements

15 Financial instruments - Fair values and risk management (Contd..)

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risk

The company's focus is to estimate a vulnerability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments in debt securities.

The company is not exposed to credit risk as it has no trade receivables

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at March 31, 2021 (Amount in Rs.)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Un Secured loans	9,417,596	-	-	9,417,596	9,417,596
Other financial liabilities	5,283,805	12,000	-	5,271,805	5,283,805
	14,701,401	12,000	-	14,689,401	14,701,401

As at March 31, 2020 (Amount in Rs.)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Un Secured loans	9,417,596	-	-	9,417,596	9,417,596
Other financial liabilities	5,244,664	9,000	-	5,235,664	5,244,664
	14,662,260	9,000	-	14,653,260	14,662,260

c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Foreign currency risk

Foreign Currency risk is the risk that fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Company is not exposed to foreign currency risk as it has no borrowing or no material payables in foreign currency

ii) 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. Since the Company has no variable interest bearing borrowings, no exposure to interest rate risk.

iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company is not exposed to price risk as it has no investments

KNR Energy Limited
Notes forming part of the financial statements

16. **Contingent Liability and Commitments:** Nil

17. **Segment Reporting**

There are no reportable segments as per Ind AS 108.

18. **Auditor's remuneration charged to the accounts:**

(Amt. In Rs.)

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Audit fees	17,000	17,000

19. **Disclosure pursuant to Ind AS 33 "Earnings Per Share(EPS)"**

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
i. Profit (loss) attributable to equity shareholders(basic)	(39,141)	(8,12,616)
ii. Weighted average number of equity shares (basic)	10,000	10,000
Basic EPS	(0.78)	(81.26)
i. Profit (loss) attributable to equity shareholders(diluted)	(39,141)	(8,12,616)
ii. Weighted average number of equity shares (diluted)	10,000	10,000
Diluted EPS	(0.78)	(81.26)

20. As per Ind AS 24, "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the Related Parties as defined in the Accounting Standard are as follows:

A. List of related parties and relationships:

S. No.	Name of the related party	Nature of relationship
1	KNR Constructions Limited	Holding Company
2	KNRC Holdings and Investments Private Limited	Fellow subsidiary
3	Mr. M. Rajesh Reddy	Director
4	Mr. V. Venu Gopal Reddy	Director
5	Mrs. K. Yashoda	Director

B. Transactions with related parties during the year ended

(Amount in Rs.)

Name of the related party	Nature of transactions	March 31, 2021	March 31, 2020
KNR Constructions Limited	Advance received	36,140	56,780
	Interest cost on un secured loan	-	7,61,718

KNR Energy Limited
Notes forming part of the financial statements

C. Balances outstanding

(Amount in Rs.)

Name of the related party	Nature of transactions	March 31, 2021	March 31, 2020
KNR Constructions Limited	Equity Share Capital	500,000	500,000
	Instrument entirely equity in nature	34,89,921	34,89,921
	Advance payable	52,71,805	52,35,665
	Inter corporate loan payable	94,17,596	94,17,596
KNRC Holdings and Investments Private Limited	Advance Receivable	5,00,000	5,00,000

21. Reconciliation between the Opening and Closing balances in the financial statement for Financial Liabilities and Assets arising from Financial Activities (Ind AS - 7)

(Amount in Rs.)

Particulars	Long Term Borrowings
Opening Balance	94,17,596
Cash flows	
- Received	-
- Repayment	
Non Cash items	-
Closing Balance	94,17,596

22. Approval of Financial Statements

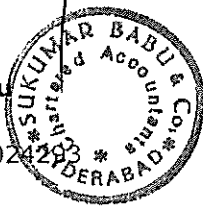
The financial statements were approved for issue by the Board of Directors on April 30, 2021

23. Previous year's figures have been regrouped/reclassified wherever necessary.

For Sukumar Babu & Co.,
Chartered Accountants
(Firm's Registration No. 021534S)

For and on behalf of the Board

C. Sukumar Babu
Partner
Membership No: 024293
Place: Hyderabad
Date : 30-04-2021



V. Venu Gopal Reddy
Director
DIN No: 08089571

K. Yashoda
Director
DIN No: 05157487