

GAIL MANGALORE PETROCHEMICALS LIMITED

[A Wholly Owned Subsidiary of GAIL (India) Limited]

CIN – U24290DN2008PLC000287

Registered Office: Survey No. 273, Village Athola, Dadra Nagar Haveli, Silvassa – 396230-DN

BOARDS' REPORT

Dear Members,

On behalf of the Board of Directors, we are delighted to present the 1st Board's Report (post Corporate Insolvency Resolution Process (CIRP)) of your Company, along with Audited Standalone Financial Statements for the Financial Year 2022-23.

COMMENCEMENT OF CIRP

GAIL Mangalore Petrochemicals Limited (formerly known as JBF Petrochemicals Limited) (the Company or GMPL) was incorporated, on 18.09.2008, to undertake setting up of 1.25 MMTPA Purified Terephthalic Acid (PTA) Plant within Mangalore Special Economic Zone (SEZ) ("the Plant") in the State of Karnataka. A consortium of banks led by IDBI Bank Limited (the "Lenders") had provided the loan (debt) for setting up the Company. The Company was unable to service the debt, from 01.10.2017 and the account turned Non-Performing Asset (NPA). In May 2018, an application under Insolvency and Bankruptcy Code, 2016 (IBC / Code), was filed by the Lenders to initiate the Corporate Insolvency Resolution Process (CIRP) against the Company. National Company Law Tribunal (NCLT), Ahmedabad has admitted the Company under CIRP on 28.01.2022. The Committee of Creditors (CoC) had appointed Mr. Sundaresh Bhat as Resolution Professional (RP). On 01.06.2022, the (Erstwhile Resolution Professional) ERP issued the Request for Resolution Plan (RFRP) for acquisition of the Company.

GAIL submitted its (initial) Resolution Plan on 30.08.2022 and final Resolution Plan dated 21.09.2022 on 22.09.2022. Vide Letter of Intent (LOI) dated 16.10.2022, the RP informed that GAIL has been declared as the Successful Resolution Applicant (SRA) with 100% vote of the members of the Committee of Creditors (CoC).

NCLT, Ahmedabad, vide Order dated 13.03.2023, approved GAIL's Resolution Plan.

INFUSION OF FUND BY GAIL (INDIA) LIMITED

As per approved Resolution Plan, GAIL (India) Limited has infused Rs. 2,101 crores (Equity – Rs. 625.00 crore and Debt - Rs 1,476.00 crore) towards Total Resolution Plan amount in the Company on 01.06.2023. Pursuant to implementation of Resolution Plan:

- a) 100% of the existing issued, subscribed and paid-up share capital of the Company stands cancelled and extinguished;
- b) New equity shares have been issued and allotted to GAIL (India) Limited against the equity contribution of Rs. 625.00 crore.

Accordingly, the Company has become a wholly-owned subsidiary of GAIL with effect from 01.06.2023.

CHANGE OF NAME

The name of 'JBF Petrochemicals Limited,' has been changed to 'GAIL Mangalore Petrochemicals Limited' with effect from 18.07.2023.

FINANCIAL PERFORMANCE

As mandated by the Ministry of Corporate Affairs, the Company had adopted the IND AS. The Company's financial performance, for the year ended on 31st March, 2023 is summarized below:

Detailed Financial Highlights

Details of Profitability for year ended 31st March, 2023

(Figures in Rs. Lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue from Operations (Net of Taxes)	0.00	0.00
Other Income	0.06	1.18
Total Revenue	0.06	1.18
Operational Expenses	3,051.36	13,879.98
Finance Cost	36.44	38,818.78
Depreciation and Amortization Expenses	33.63	60.75
Total Expenses	3,121.43	52,759.51
Impairment Provision	1,80,335.07	0
Profit / (Loss) Before Tax (PBT)	(1,83,456.44)	(52,758.33)
Deferred Tax Credit	45,386.73	0
Profit / (Loss) After Tax	(1,38,069.71)	(52,758.33)

Balance Sheet

(Figures in Rs. Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Property Plant and Equipment (Net Block)	11,773.09	15,343.06
Capital Work-in Progress	4,07,551.35	5,84,348.96
Intangible Assets	0.00	1.14
Non-Current Tax Asset	0.00	430.84
Deferred Tax Asset	45,386.73	0.00
Inventories	0.00	1.00

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Receivable	0.00	0.00
Cash and Cash Equivalents	0.96	23.55
Other Current Assets	257.08	232.46
Total Assets	4,64,969.21	6,00,381.00
Equity Share Capital	1,08,664.17	1,08,664.17
Other Equity	1,45,156.81	(1,61,586.75)
Lease Liabilities	1,005.60	972.21
Current Liabilities – Borrowings	2,02,119.90	5,73,886.78
Other Current Financial Liabilities	7,474.64	77,365.61
Current Lease Liabilities	3.06	94.47
Other Current Liabilities	545.03	984.51
Total of Equity and Liabilities	4,64,969.21	6,00,381.00

DIVIDEND

In view of the absence of profit, no dividend is proposed.

COMPANY'S PERFORMANCE

The production is not yet commenced, due to requirement of funds.

TRANSFER TO RESERVES

Amount of Rs. 444813.26 lacs were transferred to reserves during the financial year 2022-23.

SHARE CAPITAL

There are no changes to the Equity Share Capital during the year under consideration.

PUBLIC DEPOSITS

The Company has not accepted deposit from the public under Chapter V of the Companies Act, 2013.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company does not have any subsidiary, Joint Ventures or Associate Companies.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Composition of the Board & Key managerial personnel was not in accordance with the provisions of the Companies Act 2013 and rules made thereunder during FY 2022-23.

No appointments were made during the FY 2022-23. The following changes took place in the Board of Directors/ Key Managerial Personnel of your Company after 1st April, 2023:

Appointments (by the Monitoring committee in its meeting held on 01.06.2023):

1. Shri M.V. Iyer (DIN: 08198178) as Chairman w.e.f. 01.06.2023
2. Shri Ajay Tripathi (DIN: 10175571) as Director w.e.f. 01.06.2023
3. Dr. Rama Srinivasan Velmurugan (DIN: 10175586) as Director w.e.f. 01.06.2023
4. Shri Amit Jhalani as Director (DIN: 10175550) w.e.f. 01.06.2023
5. Smt. Archana Chaturvedi (DIN: 10175522) as Director w.e.f. 01.06.2023
6. Shri Sudhir Kumar Dixit as Chief Executive Officer w.e.f. 01.06.2023
7. Ms. Devika Srivastava as Company Secretary w.e.f. 01.06.2023

Cessations (deemed resignation of then Director(s) of the Company):

DIN	Name of Director	Designation	Date of Cessation
00228665	BHAGIRATH CHANDULAL ARYA	Whole time Director	01/06/2023
00403378	UJWALA GIRISH APTE	Director	01/06/2023
00634870	RAVI AMARCHAND DALMIA	Director	01/06/2023
07962778	SEETHARAM NARAYANA SHETTY	Director	02/06/2023

In accordance with section 17 of the IBC, 2016, the powers of the Board of Directors stood suspended, and such powers vested with Mr. Sundaresh Bhat, ERP, with respect to the Company.

DETAILS OF BOARD, COMMITTEE OF CREDITORS (COC) AND COMMITTEE OF THE BOARD MEETINGS

As the Board was suspended, there were no Board Meetings held during the Financial Year 2022-23. There were 19 CoC Meetings held during the FY 2022-23. Post NCLT order approving resolution plan submitted by GAIL, to implement resolution plan, Monitoring Committee was constituted.

Your Company Board constituted Audit Committee, CSR Committee and Remuneration Committee of the Board. The Composition of the Committee is as under:

S. No.	Name of Committee(s)	Constitution of Committee(s) w.e.f. 06.06.2023
1	Audit Committee (AC)	a) Shri Ajay Tripathi, Chairperson b) Dr. R.S. Velmurugan, Member c) Shri Amit Jhalani, Member

2	Corporate Social Responsibility (CSR) Committee	a) Shri Ajay Tripathi, Chairperson b) Dr. R.S. Velmurugan, Member c) Smt. Archana Chaturvedi, Member
3	Remuneration Committee (RC)	a) Dr. R.S. Velmurugan, Chairperson b) Smt. Archana Chaturvedi, Member c) Shri Amit Jhalani, Member

BOARD EVALUATION

During the year, the performance of the Board and individual Directors was not evaluated considering the commencement of the CIRP against the company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis.
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Board of Directors of the Reconstituted Board were not in office for the period to which this report primarily pertains. During the CIRP Process (i.e. between Jan 28, 2022 to Mar 13, 2023), RP and prior to the Insolvency Commencement Date, the erstwhile Resolution Professional was entrusted with and responsibly for the management of the affairs of the Company. Further, during the implementation period i.e. w.e.f. 14.03.2023 till 10.06.2023, the affairs and control of the company was under the Management Committee, constituted as per NCLT order.

As pointed out above, the Reconstituted Board of Directors have been in office only since June 2023. Consequently, the Reconstituted Board has only a limited overview of the effectiveness of the internal financial and other controls of the Company for the fiscal year 2022-23 and Directors, as on date, are not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the Acquisition.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since the Company has incurred losses, the Company was not required to spend any amount on CSR during the financial year 2022-23. The CSR Committee of the Board of Directors has been constituted under Section 135 of Companies Act, 2013 read with rules thereunder w.e.f. 06.06.2023.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments, as may be applicable, are given in the notes to the Financial Statements. The Members are requested to refer to the same for details in this regard.

RELATED PARTY TRANSACTIONS

The details of the transactions with Related Party, if any, are provided in the Company's financial statements in accordance with the Indian Accounting Standards.

STATUTORY AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of section 139 of the Companies Act, 2013 and Rules made there under and as per the approvals of the Committee of Creditors, M/s. AZD & Associates, Chartered Accountants, (Registration No. 146812W) are appointed as the Statutory Auditors of the Company for financial year ended FY 2022-23.

The requirement of ratification of auditors' appointment by the members at every Annual General Meeting, is done away with and are not applicable in view of the commencement of the CIRP against the company.

EXPLANATIONS/COMMENTS OF THE BOARD ON AUDIT QUALIFICATIONS

There are no audit qualifications given by the Statutory Auditors on the Financial Statements for the FY 2022-23.

SECRETARIAL AUDITORS AND THEIR REPORT

Your Company has appointed M/s Tarun Saini & Associates, as Secretarial Auditor for FY 2022-23. Secretarial Audit Report confirming compliance to the applicable provisions of the Companies Act, 2013 and other applicable laws, forms part of this Report at **Annexure- A**.

The observation made by Secretarial Auditor and Company's response to the observations is as under: -

Observation No. 1- There are no Statutory Registers, Minutes of the Board, and Members meetings maintained for the financial year under Companies Act, 2013 due to suspension of Board and operation of business.

Observation No. 2- The Company has not complied with the section 138 of the Companies Act, 2013 i.e. Internal Auditor needs to be appointed to conduct the internal audit of the functions and activities of the company.

Observation No. 3- Due to initiation of CIRP and suspension of the Board, The Company had not held the minimum board meetings required during the financial year as per Section 173 of the Companies Act, 2013 & 2.1 of the Secretarial Standard issued by the ICSI.

Observation No. 4- The Company had not complied Section 203(1) of Companies Act, 2013 read with Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the appointment of Company Secretary during the financial year.

Company's Response-

Due to suspension of the Board, there are no Statutory Registers, Minutes of the Board, and Members meetings maintained for the financial year under Companies Act, 2013. Since, the Company was under CIRP, no internal auditor was appointed by the Company. The powers of the Board of Directors stood suspended, and such powers vested with Mr. Sundaresh Bhat with respect to the Company. Therefore, the Company had not held the minimum Board meetings required during the financial year.

The Company had not complied Section 203(1) of Companies Act, 2013 read with Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the appointment of Company Secretary during the financial year.

Pursuant to the approved Resolution Plan, upon GAIL acquiring control over the Company, the Board of Directors of the Company was reconstituted with adequate representation from the members nominated by GAIL, in compliance with the Applicable Laws.

Following individuals were appointed as Additional Director(s) of the Company with effect from June 01, 2023:

- (a) Shri Mahesh Vishwanathan Iyer (DIN: 08198178)
- (b) Shri Ajay Tripathi (DIN: 10175571)
- (c) Dr. Rama Srinivasan Velmurugan (DIN: 10175586)
- (d) Shri Amit Jhalani (DIN: 10175550)
- (e) Smt. Archana Chaturvedi (DIN: 10175522)

Also, following individuals were appointed as Key Managerial Personnel (CEO & CS) with effect from June 01, 2023:

- 1. Shri Sudhir Kumar Dixit as the Chief Executive Officer (CEO) of JBF
- 2. Ms. Devika Srivastava as the Company Secretary (CS) of JBF

COST AUDITOR

The Provisions related to Cost Audit under Section 148 of the Companies Act, 2013 is not applicable on your Company.

PARTICULARS OF EMPLOYEES

This is not applicable as no employees are there as on 31.03.2023.

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The company has taken adequate measures for conservation of energy, technology absorption.
Foreign Exchange Earnings/ Outgo

(Rs. in lacs)

Earnings	-
Outgo	-

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as mentioned above, there are no material changes and commitments, affecting the financial position of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

Please refer the comments provided under the heading Commencement of CIRP.

CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of the Company.

INTERNAL CONTROLS AND ITS ADEQUACY

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the Board is of the opinion that the Company's internal financial controls are adequate and operating effectively. The internal financial controls are commensurate with the size and nature of business of the Company.

The Board of Directors of the Reconstituted Board were not in office for the period to which this report primarily pertains. During the CIRP Process (i.e. between Jan 28, 2022 to Mar 13, 2023), RP and prior to the Insolvency Commencement Date, the erstwhile Resolution Professional was entrusted with and responsibly for the management of the affairs of the Company. Further, during the implementation period i.e. w.e.f. 14.03.2023 till 10.06.2023, the affairs and control of the company was under the Management Committee, constituted as per NCLT order.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

The Company has in place a policy on Prevention of Sexual Harassment at Workplace (i.e. Anti Sexual Harassment Policy) in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013: A committee viz. 'Complaints Committee for Redressal of Sexual Harassment Complaints' (i.e. Internal Complaints Committee) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Your Directors further state that during the year under review, there were no complaints/cases filed before the Committee, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES


Company has no transaction with related parties which is required to be reported under Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.


ACKNOWLEDGMENT

Your Directors express their gratitude for the help, guidance and support received from the Lenders, GAIL, Committee of Creditors as well as the various State Governments, regulatory and statutory authorities.

Your Directors and employees look forward to the future with confidence and stand committed towards creating a mutually rewarding future for all stakeholders.

For and on behalf of the Board of Directors


(Ajay Tripathi)
Director
DIN: 10175571


(R S Velmurugan)
Director
DIN: 10175386

Place: Pata

Date: 01.08.2023

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INDEPENDENT AUDITORS' REPORT

To the Members of **GAIL MANGALORE PETROCHEMICALS LIMITED (Formerly known as JBF Petrochemicals Limited)**

Report on the Audit of the Ind AS Financial Statements for the year ended March 31, 2023

Opinion

We have audited the accompanying Ind AS financial statements of **GAIL MANGALORE PETROCHEMICALS LIMITED (Formerly known as JBF Petrochemicals Limited)** ("the Company" or "the Corporate Debtor"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the Ind AS Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its Losses, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

IDBI Bank being the financial creditor of GAIL MANGALORE PETROCHEMICALS LIMITED (Formerly known as JBF Petrochemicals Limited) ("Corporate Debtor") filed an application (company petition no. CP (IB) no.232 of 2018) under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 before the National Company Law Tribunal ("NCLT"), at Ahmedabad for initiation of Corporate Insolvency Resolution Process ("CIRP") of the Corporate Debtor. The said application for initiation of CIRP was admitted by the Hon'ble NCLT Ahmedabad bench vide its order dated 28.01.2022 (written copy of order received on 02.02.2022) and vide the said order had appointed Mr. Sundaresh Bhat (Insolvency Resolution Professional having registration no. IBBI/IPA-001/IP-P00077/2017-18/10162), as the Interim Resolution Professional ("IRP") for conducting the CIRP. Subsequently, the Committee of Creditors confirmed the appointment of the IRP as Resolution Professional ("RP").

During the CIRP, The Resolution Professional has received a resolution plan from M/s GAIL (India) Limited which was duly voted and approved by the Committee of Creditors with 100% majority voting share. The said resolution plan was filed vide I.A. 899/2022 before the Adjudicating Authority - Hon'ble NCLT Ahmedabad, who have approved the Resolution Plan vide its orders dated 13.03.2023. The Resolution Plan submitted by GAIL (India) Limited as approved by the Hon'ble NCLT Ahmedabad has been implemented on 01.06.2023 and the management and control of the affairs of the Company has been transferred to GAIL (India) Limited in accordance with the Implementation Schedule contained in the Resolution Plan Approval Order. In accordance with the approved resolution plan, a Monitoring Committee has been constituted on 16.03.2023. Pursuant to the approval of the resolution plan and constitution of the Monitoring Committee, the Resolution Professional has demitted his office.

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As per the Resolution Plan all the past claims against the Company have been settled and finalized vide the approval of the Resolution Plan, in terms of the law laid in Ghanashyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited & Ors (SC). Thus, all past claims that do not form part of the Resolution Plan stands extinguished.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Taxation and Legal matters- Refer Note No. 1 and 26.</p> <p>There are a number of legal, and tax cases against the Company. There is a high level of judgment required in estimating the level of provisioning required.</p>	<p><u>Principal Audit Procedures:</u></p> <p>We used our expertise to gain an understanding of the current status of the cases and monitored changes in the disputes by reading relevant documents received by the Company, to establish that the provisions had been appropriately adjusted to reflect the latest external developments.</p> <p>For legal, regulatory and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> • testing key controls surrounding litigation, regulatory and tax procedures; • performing substantive procedures on the underlying calculations supporting the provisions recorded; • where relevant, reading external legal opinions obtained by the management;

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Sr. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> • discussing open matters with the Companies litigation, regulatory and tax teams; • assessing management's conclusions through understanding precedents set in similar cases; and <p>Based on the explanations given and evidence obtained, the resolution plan was filed vide I.A. 899/2022 before the Adjudicating Authority Hon'ble NCLT Ahmedabad, which has approved the Resolution Plan vide its order dated 13.03.2023. The order of the NCLT was duly communicated to the Income Tax Department and made available on the website of the company for attention of all the stakeholders / creditors of the Company on 16.03.2023. Thus, all the claims against the company shall be dealt with and settled as per the terms contained in the NCLT approved resolution plan.</p>

Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

We have not reviewed the other information and accordingly, we are not able to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

Upon appointment of the RP under the Code, the powers of the Board of Directors of the Company remain suspended and vest with the RP.

The Management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of the Ind AS financial statements that give a true and fair view of the financial position, financial performance including other

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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 prescribed under Section 133 of the Act read with relevant rules issued there under. 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 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 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 Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, 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

102, Ezzy Apartments, Shantipath, Shivdas Champs Road,
Mazagaon, Mumbai 400 010
abualizd@gmail.com; +919892276001

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Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements

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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period 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

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 and except for the effects, if any, of the matters described in the basis for opinion paragraph, we give in the '**ANNEXURE A**' a statement on the matters specified in paragraphs 3 and 4 of the Order.

1. As required by Section 143 (3) of the Act, we report, to the extent applicable 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, Statement of Profit and Loss (including Other Comprehensive income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- (e) We have not received written representations from any of the directors as on March 31, 2023 accordingly we are unable to comment whether the said director is qualified as on March 31, 2023 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
- (f) The Company has not paid any managerial remuneration to its directors and thus the provision of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;
- (g) With respect to the adequacy of the Internal Financial Controls with reference to Ind AS financial statements of the Company, and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”;
- (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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements (Refer note no. 26 to the Ind AS financial statements);
 - ii. The Company did not have any long-term contracts (except for those disclosed under contingent liability) including derivative contracts as at March 31, 2023 for which there were any material foreseeable losses;
 - iii. The Company has not declared any dividends either in the current year or during any of the previous years and therefore transferring of the amounts in the Investor Education and Protection Fund by the Company does not arise.
 - iv.
 - a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), 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 that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), 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.
 - c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and

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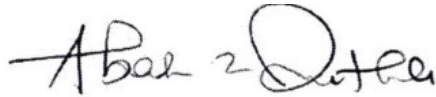
(ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.

- v. There is no dividend declared or paid during the year by the Company. Thus, compliance with Section 123 of the Act is not applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

For **AZD & Associates**

Chartered Accountants

Firm Registration No. 146812W



Abuali Darukhanawala

Proprietor

Membership No: 108053

UDIN: 23108053BGUQCT1992

Place: United Arab Emirates

Date: 22nd July, 2023

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ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under 'the Report on Other Legal and Regulatory Requirements' section of our report 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.
(B) The Company does not hold any Intangible Assets as on the balance sheet date. Accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The Property, Plant and Equipment were not physically verified during the year by the Management in accordance with the regular programme of verification, which in our opinion, does not provide for physical verification of all the Property, Plant and Equipment's at reasonable intervals. Therefore, we are unable to comment on any damage, obsolete items, scarp stock and/ or disposal of any property, plant and equipment and its impact on Ind AS financial statements. We have been informed that the Resolution Professional ('RP') has also taken over from the erstwhile management on "as is where is basis."
- (c) We have been informed by RP that the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the company.
- (d) The Company has undertaken valuation of assets of the Company for impairment testing. Thus, Property, Plant and Equipment have been reinstated as on the balance sheet date.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, proceedings are neither initiated nor pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, the reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. (a) The Company has written off the Inventory balance. Thus, Inventory is appearing at Nil value as on the balance sheet date. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (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 has not been sanctioned with any working capital loan from banks or financial institutions on the basis of security of current assets, at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security to any company, firms, Limited Liability Partnerships or any other parties, at any point of time during the year.
- (b) According to the information and explanation provided to us and based on the audit procedures performed by us, the terms and conditions of the Investments made and Loans granted are not prejudicial to the Company's interest. The Company has not provided any guarantee or security or granted any advances in the nature of loans during the year.

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- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company and hence not commented upon.
- iv. According to the information and explanations given to us, the Company had not granted any loans or provided any guarantees under Sec 185 and neither had any investments during the year and therefore compliance in respect to provisions of Section 185 and 186 of the Companies Act, 2013 may not be applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, the provision of Clause 3(v) of the Order is not applicable to the Company.
- vi. The Company has not conducted audit of Cost Records, as required by Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014
- vii. According to the information and explanation provided to us, in respect of statutory dues:
- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income-Tax, Profession Tax and other material statutory dues applicable to it to the appropriate authorities, due to lack of availability of funds and no commercial activities.
- According to the information and explanations given to us, the undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income-Tax, professional Tax, TDS and other material statutory dues were in arrears as at March 31, 2023 for a period more than six months from the date they become payable. The cumulative amount of such liability was Rs. 343.11 lakhs.
- b. According to the records of the Company, and information and explanations given to us there are no dues of Provident fund, Employees State Insurance, Income-Tax, professional Tax, TDS and other material statutory dues as on 31st March 2023 which has not been deposited on account of disputes and are pending.
- viii. According to the information and explanations given to us, the Company does not have transactions, which are not recorded in the books of account but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the reporting under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) As per the information and explanations given to us and based on our audit, the Company has defaulted in repayment of dues to a financial institution or bank. These liabilities are pertaining to the period prior to the Insolvency Commencement Date i.e prior to 28 January 2022.

The details are as follows:

102, Ezzy Apartments, Shantipath, Shivdas Champs Road,
Mazagaon, Mumbai 400 010
abualizd@gmail.com; +919892276001

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Name of Bank	Amount Admitted* (Rs. In lakhs)
Bank of Baroda RAK ECB	55,877.07
EXIM Bank ECB	69,401.44
UBI FCTL	37,072.56
IOB FCTL	54,083.40
IDBI ECB	2,49,797.39
KKR Jupiter investors Pte. Ltd.	21,188.63
Asset Care & Reconstruction Enterprises Limited	4,095.30

*The figures have been frozen as on Insolvency Commencement date 28 January 2022 and the rate of exchange as on date used was 74.9513. Amount admitted as per NCLT order dated 13.03.2023 includes principal, interest, penal interest and charges admitted. The same has been settled on 01.06.2023.

- (b) According to the information and explanations given to us, the Company has been declared wilful defaulter by bank, financial institution and other lender. However, the Company has completed Corporate Insolvency Process as per NCLT order dated 13.03.2023 on 01.06.2023.
- (c) According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained and hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, the Company has not raised any short-term funds which have been utilised for long term purposes and hence reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) According to the information and explanations given to us, the Company has not raised any 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 to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, we have neither noticed any fraud by the Company or any fraud on the Company nor have the same been reported during the year. Hence reporting under clause 3(xi)(a) of the Order is not applicable to the Company.

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- (b) We have neither reported any fraud nor have we filed 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 issuance of this audit report. Thus, reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) To the best of our knowledge and according to the information and explanations given to us, we have not received any whistle-blower complaints during the year. Thus, reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and the explanations given to us, the transactions with the related parties were in compliance with Sec 177 and 188 of the Companies Act and the details of the same have been disclosed in Note 30 of the Ind AS financial statements. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, 'Related Party Disclosures' specified under Section 133 of the Act.
- xiv. Though the Company is required to have an internal audit system under section 138 of the Companies Act, 2013. However, it has not conducted internal audit during the year.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with them as prescribed under section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- b. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d. According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- xvii. The Company has incurred cash losses amounting to Rs. 3,087.74 lakhs during the financial year covered by our audit and Rs.52,697.58 lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. The Resolution Plan filed vide I.A. 899/2022 before the Adjudicating Authority Hon'ble NCLT Ahmedabad has been approved vide order dated 13.03.2023. The Resolution Plan as approved by NCLT vide order dated 13.03.2023 has been implemented on 01.06.2023 and the management and control of the affairs of the Company has been transferred to GAIL (India) Limited in accordance with the Implementation Schedule, contained in the Resolution Plan Approval Order. Thus, the Management has reported and maintained the books of accounts on a going concern basis.

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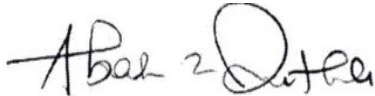
We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. In our opinion and according to the information and explanations given to us, the provisions of section 135 related to Corporate Social Responsibility is not applicable to the Company. Accordingly, the reporting under clause 3(xx) is not applicable to the Company.
- xxi. As the Company does not have any Subsidiaries, Associates or Joint Ventures, clause 3(xxi) of the Companies (Auditor's Report) Order 2020 is not applicable.

For **AZD & Associates**

Chartered Accountants

Firm Registration No. 146812W



Abuali Darukhanawala

Proprietor

Membership No: 108053

UDIN: 23108053BGUQCT1992

Place: United Arab Emirates

Date: 22nd July, 2023

AZD & Associates

Chartered Accountants

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF GAIL MANGALORE PETROCHEMICALS LIMITED (Formerly known as JBF Petrochemicals Limited)

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **GAIL MANGALORE PETROCHEMICALS LIMITED (Formerly known as JBF Petrochemicals Limited)** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

Because of the matters described in our main paragraphs and notes to the accounts, the Company needs to further strengthen its internal financial controls system over financial reporting of the Company.

AZD & Associates

Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of Management under the directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

We have been informed that there were no operations in the company during the period of audit. Thus, with respect to the operations of the Company during CIRP, the internal controls could not be tested and therefore we are unable to comment on the same.

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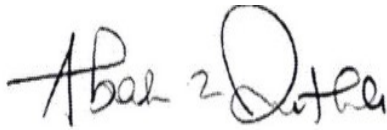
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A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over Ind AS financial statements, such that there is a reasonable possibility that a material misstatement of the Company's Ind AS financial statements will not be prevented or detected on a timely basis. There were no operations in the company during the period of audit, thus we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31 March, 2023. Accordingly, we do not express an opinion on the Company's internal financial controls over financial reporting.

For **AZD & Associates**

Chartered Accountants

Firm Registration No. 146812W



Abuali Darukhanawala

Proprietor

Membership No: 108053

UDIN: 23108053BGUQCT1992

Place: United Arab Emirates

Date: 22nd July, 2023

GAIL MANGALORE PETROCHEMICALS LIMITED
(Formerly known as JBF Petrochemicals Limited)

CIN : U24290DN2008PLC000287

Balance Sheet as at 31st March, 2023

(Rs. In Lakhs)

	Particulars	Note No.	31-Mar-23	31-Mar-22
I.	ASSETS			
(1)	Non-current Assets			
(a)	Property, Plant and Equipment	2	11,773.09	15,343.06
(b)	Capital Work in Progress	2	4,07,551.35	5,84,348.96
(c)	Other Intangible Assets	2	-	1.14
(d)	Other Non-current Assets	3	(0.00)	0.00
(e)	Non Current Tax Assets (Net)	4	-	430.84
(f)	Deferred Tax Asset	4A	45,386.73	-
	Total		4,64,711.17	6,00,124.00
(2)	Current Assets			
(a)	Inventories	5	-	1.00
(b)	Financial Assets			
(i)	Cash and Cash Equivalents	7	0.96	23.55
(ii)	Other financial assets	8	-	-
(c)	Other Current Assets	9	257.08	232.46
	Total		258.04	257.00
	TOTAL ASSETS		4,64,969.21	6,00,381.00
II.	EQUITY AND LIABILITIES			
	Equity			
(a)	Equity Share capital	10	1,08,664.17	1,08,664.17
(b)	Other equity	11	1,45,156.81	(1,61,586.75)
	Total		2,53,820.98	(52,922.58)
	Liabilities			
(1)	Non-current Liabilities			
(a)	Financial liabilities			
(i)	Lease Liabilities	12	1,005.60	972.21
	Total		1,005.60	972.21
(2)	Current Liabilities			
(a)	Financial liabilities			
(i)	Borrowings	13	2,02,119.92	5,73,886.77
(ii)	Other Financial Liabilities	14	7,474.64	77,365.61
(iii)	Current Lease Liabilities	15	3.06	94.47
(b)	Other Current Liabilities	16	545.03	984.51
	Total		2,10,142.64	6,52,331.37
	TOTAL EQUITY AND LIABILITIES		4,64,969.21	6,00,381.00

Significant accounting policies and notes to financial statements

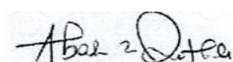
1 to 38

As per our report of even date

For AZD & Associates

Chartered Accountants

Firm Registration No. 146812W



Abul Darukhanawala

Proprietor

Membership No: 108053

Place: United Arab Emirates

Date: 22.07.2023

For and on behalf of the Board of Directors of

GAIL Mangalore Petrochemicals Limited



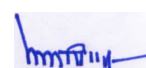
Amit Jhalani

Director

DIN : 10175550

Place: Mangalore

Date: 22.07.2023



Ajay Tripathi

Director

DIN : 10175571

Place: Mangalore

Date: 22.07.2023



Devika Srivastava

Company Secretary

Membership No. A54686



Sudhir Kumar Dixit

Chief Executive Office

GAIL MANGALORE PETROCHEMICALS LIMITED
(Formerly known as JBF Petrochemicals Limited)

CIN : U24290DN2008PLC000287

Statement of Profit and Loss for the year ended 31st March, 2023

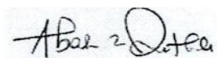
(Rs. In Lakhs)

	Particulars	Note No.	31-Mar-23	31-Mar-22
I.	Revenue from Operations	17	-	-
II.	Other Income	18	0.06	1.18
	Total Income (I+II)		0.06	1.18
IV.	Expenses:			
	Employee Benefits Expense	19	754.33	886.68
	Finance Costs	20	36.44	38,818.78
	Depreciation, Amortisation and Impairment Expense	21	33.63	60.75
	Other Expenses	22	2,297.03	12,993.30
	Total Expenses (IV)		3,121.43	52,759.51
V	Profit / (Loss) Before Exceptional Items & Tax (III- IV)		(3,121.37)	(52,758.33)
VI	Exceptional Items		-	-
	Impairment Provision	23	1,80,335.07	-
VII	Profit / (Loss) Before Tax (V - VI)		(1,83,456.44)	(52,758.33)
VIII	Tax Expenses			
	(1) Current Tax		-	-
	(2) Deferred Tax Credit		45,386.73	-
IX	Profit / (Loss) After Tax (VII -VIII)		(1,38,069.71)	(52,758.33)
X	Other Comprehensive Income			
	(i) Items that will not be subsequently reclassified to profit or loss			
	Remeasurements gains /(losses) on defined Income tax effect on above		-	-
	(ii) Items that will reclassified to profit or loss			
	Total Other Comprehensive Income		-	-
XI	Total Comprehensive Income/(Loss) for the year (IX + X)		(1,38,069.71)	(52,758.33)
XII	Earnings per Equity Share (Face value of Rs. 10 each)			
	Basic		(12.71)	(4.86)
	Diluted		(12.71)	(4.86)

Significant accounting policies and notes to financial statements 1 to 38

As per our report of even date

For AZD & Associates
Chartered Accountants
Firm Registration No. 146812W

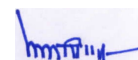


Abuali Darukhanawala
Proprietor
Membership No: 108053
Place: United Arab Emirates
Date: 22.07.2023

For and on behalf of the Board of Directors of
GAIL Mangalore Petrochemicals Limited



Amit Jhalani
Director
DIN : 10175550
Place: Mangalore
Date: 22.07.2023



Ajay Tripathi
Director
DIN : 10175571
Place: Mangalore
Date: 22.07.2023



Devika Srivastava
Company Secretary
Membership No. A54686



Sudhir Kumar Dixit
Chief Executive Officer

GAIL MANGALORE PETROCHEMICALS LIMITED
(Formerly known as JBF Petrochemicals Limited)

CIN : U24290DN2008PLC000287

Cash flow statement for the year ended 31st March, 2023

(Rs. In Lakhs)

Particulars	31-Mar-23	31-Mar-22
A Cash Flow from Operating Activities		
Profit/(loss) Before Tax	(1,83,456.44)	(52,758.33)
Adjustments for:		
Depreciation / amortisation	33.63	60.75
Deferred Tax		
Forex exchange (net)	-	2,844.28
Provision for doubtful debt and reinstatement of financial creditors	-	1,256.49
Impairment Provision	1,80,335.07	
Non cash item	2,623.42	
Interest expense	(36.44)	38,818.78
Interest income	(0.06)	(1.18)
Operating profit/(Loss) before working capital changes	(500.81)	(9,779.21)
Adjustments for:		
Decrease/(Increase) in Inventories	1.00	18.91
Decrease / (Increase) in other non - current and current assets	407.36	2,038.21
Decrease/(Increase) in Loans and Advances	0.00	725.88
(Decrease)/Increase in Liabilities and Provisions	33.38	(11.81)
Cash (used in) / generated from operations	(59.08)	(7,008.02)
Net cash (used in) / generated from operating activities	(59.08)	(7,008.29)
B Cash flow from Investing Activities		
Reinstatement of CWIP due to foreign exchange fluctuations.	-	(16,448.93)
Interest received	-	-
Net cash generated / (used in) investing activities	-	(16,448.93)
C Cash flow from Financing Activities		
Changes in financial liabilities	-	22,094.57
Proceeds from Short Term Borrowings (Net)	-	-
Capital Reserve		
Interest expense	36.44	
Interest Received	0.06	1.18
Net cash generated from / (used in) financing activities	36.50	22,095.75
Net (Decrease)/Increase in Cash and Cash equivalents (A+B+C)	(22.58)	(1,361.48)
Cash and Cash equivalents at the beginning of the year	23.55	1,385.02
Cash and Cash equivalents at the end of the year	0.96	23.55

Notes :

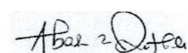
- 1 Bracket indicates cash outflow.
- 2 Previous Year's figures have been regrouped and rearranged, wherever necessary to make them comparable.
- 3 The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flow.

As per our report of even date

For AZD & ASSOCIATES

Chartered Accountants

Firm Registration No. 146812W



Abuali Darukhanawala

Proprietor

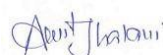
Membership No: 108053

Place: United Arab Emirates

Date : 22.07.2023

For and on behalf of the Board of Directors of

GAIL Mangalore Petrochemicals Limited



Amit Jhalani

Director

DIN : 10175550

Place: Mangalore

Date : 22.07.2023



Ajay Tripathi

Director

DIN : 10175571

Place: Mangalore

Date : 22.07.2023



Devika Srivastava

Company Secretary

Membership No. A54686



Sudhir Kumar Dixit

Chief Executive Officer

GAIL MANGALORE PETROCHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March, 2023

Note 1

(A) CORPORATE INFORMATION

GAIL Mangalore Petrochemicals Limited ('the company') is a limited company incorporated and domiciled in India. The registered office is located at Survey No 273 , Village Athola Silvassa- 396230, India. The Company is coming up with the PTA Plant, having a capacity of 1.25 million tonnes per annum, in SEZ Mangalore. The Company plans to produce PTA using BP Technology. The name of the company has been changed from JBF Petrochemicals Limited to GAIL Mangalore Petrochemicals Limited

(B) BASIS OF PREPARATION

The financial year statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value.

The financial statement are presented in Indian Rupees ("INR") and all values are to the nearest Lacs, except otherwise indicated.

(C) SIGNIFICANT ACCOUNTING POLICIES

1. Property, Plant and Equipment :

Property , plant and equipment are started at original cost net of tax/duty credit availed, less accumulated depreciation. Cost includes expenditure that is attributable to the acquisition of assets/ items.

Internally manufactured property, plant and equipment are capitalised at cost.

Capital work-in-progress include cost of property, plant and equipment under installation/under development as at the balance sheet date.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of retirement of property , plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of The assets residual values useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate.

Depreciation on the property plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act 2013, succeeding to the month of addition. Property, plant and equipment which are added / disposed off during the year , depreciation is provided on prorata basis with reference to the The useful lives of the property, plant and equipment are as follows :

* Building- 60 Years

* Plant and Machinery - 15 Years

* Furniture and Fixtures/ Electrical Installation - 10 Years

* Vehicles- 8 Years

* Equipments - 5 Years

Right of Use Asset

Leased lands are amortised over the period of lease, from the date of lease commencement. Building constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Company Act, 2013 where the lease period of the land is beyond the life of the building. In other case building constructed on leasehold lands are amortised over the primary lease period of the lands.

2. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefit that are attributable to the assets still flow to the company and the cost of the assets can be measured reliably. Internally generated intangible excluding capitalised development costs are not capitalised and the expenditure is reflected in profit and loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation for an intangible assets 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 assumption of future economic benefit embodied in the assets are considered to modify the amortisation period or method as appropriate and are treated as changes in accounting estimates. Intangible assets with finite lives are amortised over the useful economic life.

Intangible assets are amortised as follow :

Specialised Software : over a period of five to six years.

3. Inventories:

Inventories are carried in the balance sheet as follows :

(a) Raw Material , Packing Material , Stores and Spares : at lower of cost on FIFO basis and net realisable value

(b) Work-in-progress: at lower of cost of material, plus appropriate production overhead and net realisable value

(c) Finished Goods: at lower cost of material plus appropriate production overheads, and net realisable value

The cost of inventories have been computed to include all cost of purchase , cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and Non-moving material , obsolescence, defective inventories are duly provided for and value at net realisable value . Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet, material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are

4. Cash and Cash Equivalents :

Cash and Cash Equivalents comprise cash on hand, demand deposit with banks which are short- term, highly liquid investment that are readily convertible into known amount of cash and which are subject to insignificant risk of changes in value.

5. Foreign currency transaction :

The company financial statement are presented in INR which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Fluctuation arising on account of reporting of long term monetary liabilities as on the balance sheet date has been dealt in with the IND AS. The exchange difference in respect to loans borrowed on or before 31st March, 2016 has been capitalized whereas the ones taken after 31st March, 2016 have been shown under the Profit and Loss.

6. Interest Income

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

7. Employee Benefits :

All employee benefit payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences performance incentives etc, and the expected cost of bonus ex-gratia are recognised during the period in which the employee renders Payment to defined contribution retirement benefit plans are recognised as an expense when employee have rendered the service entitling them to the contribution.

Leave Encashment being a short term benefit is accounted for using the projected unit method, on the basis of actuarial valuations carried out by the third party actuaries at 31 March 2022, whereas the liability towards leave encashment as at 31 March 2023 has been booked based on actual liabilities.

The cost of providing gratuity, the defined benefit plan, is determined using the projected unit credit method with actuarial valuations being carried out at 31 March 2022, using projected unit credit method, whereas the liability as at 31 March 2023 has been booked based on Company's estimate (Payment of Gratuity Act, 1972). Costs such as service costs, past services costs gain and loss on curtailments and non-routine settlements and net interest expense or income are accounted in the statement of profit and loss.

8. Borrowing Cost

(a) Borrowings costs that are attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of such assets till such time that assets is ready for its intended use or sale . A qualifying assets is an assets that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale. At present all the borrowings taken are meant for such

(b) All other borrowing cost are recognised as expense in the period in which they are incurred.

9. Leases

The determination of whether an agreement is, or contains a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the assets even if that right is not explicitly specified in Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased assets is depreciated over the useful life of the asset. However if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the assets is depreciated over the shorter of the estimated useful life of the assets and the lease term.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases, lease rentals are charged to the statement of profit and loss on straight line

10. Earning per share

Basic earning per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the company by the weighted average number of equity shares outstanding

11. Taxes on Income

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of Current income relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss, management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is providing using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liability and their carrying amount for financial reporting purposes at the The carrying amount of deferred tax assets is reviewed at each reporting date reduced to the extent that it is on longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax to be recovered.

Deferred tax assets and liability are measured at the tax rate that are expected to apply in the year when the asset is realised or the liability is settled based on tax rate (and tax law) that have been enacted or substantively enacted at the reporting date. Liability is settled based on tax rate (and tax law) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax item are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liability are offset if a legally enforceable right exists to set off current tax assets against current income tax liability and the deferred taxes relate to the same taxable entity and same The break-up of the major components of the deferred tax assets and liability as at balance sheet date has been arrived at after setting off deferred tax assets and liability where the company have legally enforceable right to set-off assets against liability and where such assets and liability relate to tax on income levied by the same

12. Provisions, Contingent liability, Contingent assets and commitments

Provisions are recognised when the company has a present obligation (legal constructive) as a result of a 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate , the risks specific to the liability, when discounting is used the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of :

- * a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

- * a present obligation arising from past events, when no reliable estimate is possible;

- * a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liability , contingent assets and commitments are reviewed at each balance sheet date.

13. Current and Non-Current Classification

The company presents assets and liability in the balance sheet based on current/ non current classification

An assets is current when it is:

- * excepted to be realised or intended to sold or consumed in normal operating cycle

- * held primarily for the purpose of trading

- * expected to be realised within twelve month after the reporting period

- * Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current.

A liability is current when:

- * it is expected to be settled in normal operating cycle

- * it is held primarily for the purpose of trading

- * due to be settled within twelve month after the reporting period

- * there is no unconditional right to defer the settlement of the liability for at least twelve months after the

Deferred tax assets / liability are classified as non-current .

All other liabilities are classified as non current.

14. Policy of Impairment of PPE/CWIP/Right of Use Assets

The Company's non-financial assets, other than inventories and 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 Company has single CGU.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value

(D). SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS

The preparation of the company financial statement require management to make judgement, estimate and assumption that may affect the reported amount of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or

Lease of equipment not in legal form of lease

Significant judgement is required to apply lease accounting rules under appendix C to Ind AS 17. determine whether an arrangement contains a "Lease" in assessing the applicability to arrangements entered into the company, management underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whatever the arrangements meet the criteria under appendix C to Ind AS 17

Estimates and assumptions

The key assumption 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 assumption and estimates on parameters available when the financial year are described below. The company based its assumption and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumption about future development however may change due to market changes or circumstances arising that are beyond the control of the company so changes are reflected in the assumptions when they occur.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumption that may differ from actual development in the future. These include the determination of the discount rate, future salary increases, mortality rate and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is sensitive to change in these assumption, all assumption are reviewed at each reporting date.

Note 2:

(Rs. In Lakhs)

Property, Plant and Equipment

Particulars	Land - Leasehold	Building	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer and Peripherals	Total
Gross Carrying Value								
As at April 01, 2020	14,750.33	459.65	66.05	129.99	37.92	315.11	192.35	15,951.40
Additions	51.18	-	-	-	-	-	-	51.18
Disposals/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2021	14,801.51	459.65	66.05	129.99	37.92	315.11	192.35	16,002.58
As at April 01, 2021	14,801.51	459.65	66.05	129.99	37.92	315.11	192.35	16,002.58
Additions	-	-	-	-	-	-	-	-
Disposals/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2022	14,801.51	459.65	66.05	129.99	37.92	315.11	192.35	16,002.58
As at April 01, 2022	14,801.51	459.65	66.05	129.99	37.92	315.11	192.35	16,002.58
Additions	-	-	-	-	-	-	-	-
Disposals/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2023	14,801.51	459.65	66.05	129.99	37.92	315.11	192.35	16,002.58
Accumulated depreciation								
As at April 01, 2020	-	25.35	21.75	67.13	16.16	219.05	153.69	503.13
For the year	-	7.26	6.28	9.91	4.50	52.13	15.55	95.63
Disposals/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2021	-	32.61	28.03	77.04	20.66	271.18	169.24	598.76
As at April 01, 2021	-	32.61	28.03	77.04	20.66	271.18	169.24	598.76
For the year	-	7.26	7.02	9.30	4.50	24.75	7.92	60.75
Disposals/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2022	-	39.87	35.05	86.34	25.17	295.93	177.16	659.52
As at April 01, 2022	-	39.87	35.05	86.34	25.17	295.93	177.16	659.52
For the year	-	7.26	6.51	8.72	4.50	2.44	3.06	32.49
Disposals/Adjustment	-3,450.19	-	-	-	-	-	-	-3,450.19
As at March 31, 2023	3,450.19	47.14	41.56	95.06	29.67	298.37	180.22	4,142.19
Impairment gain/(Loss)								(87.29)
Net carrying value as at March 31, 2023	11,351.32	412.51	24.49	34.93	8.25	16.74	12.13	11,773.09
Net carrying value as at March 31, 2022	14,801.51	419.78	31.00	43.65	12.75	19.18	15.19	15,343.06

Note 2:

Capital work-in-progress ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended *					
Impairment gain/(Loss)					(1,80,247.77)
As at 31st March, 2023	-	-	-	5,87,799.13	4,07,551.35
As at 31st March, 2022	-	-	-	5,84,348.96	5,84,348.96

* New management has taken over the control of the plant and the revival activities has been started from June 2023

GAIL MANGALORE PETROCHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March, 2023
Note 2:

Intangible Asset		(Rs. In Lakhs)	
Particulars	Computer Software	Total	
Gross Carrying Value			
As at April 01, 2020	22.82	22.82	
Additions	-	-	
Disposals/Adjustment	-	-	
As at March 31, 2021	22.82	22.82	
As at April 01, 2021	22.82	22.82	
Additions	-	-	
Disposals/Adjustment	-	-	
As at March 31, 2022	22.82	22.82	
As at April 01, 2022	22.82	22.82	
Additions	-	-	
Disposals/Adjustment	-	-	
As at March 31, 2023	22.82	22.82	
Accumulated depreciation			
As at April 01, 2020	21.68	21.68	
For the year	-	-	
Disposals/Adjustment	-	-	
As at March 31, 2021	21.68	21.68	
As at April 01, 2021	21.68	21.68	
For the year	-	-	
Disposals/Adjustment	-	-	
As at March 31, 2022	21.68	21.68	
As at April 01, 2022	21.68	21.68	
For the year	1.14	1.14	
Disposals/Adjustment	-	-	
As at March 31, 2023	22.82	22.82	
Net carrying value as at March 31, 2023	-	-	
Net carrying value as at March 31, 2022	1.14	1.14	

Notes:-

1) Land is leased out to the Company for 49 years, ending in 2060.

2) The company is incurring expenditure for the ongoing project of Purified Terephthalic Acid (PTA), in Special Economic Zone, Mangalore. All the expenses whether revenue in nature or otherwise incurred for project period till 31st March 2018 are accumulated under the head "capital-work-in progress" and all revenue expenditures incurred from 1st April 2018 are charged to Profit & Loss account. The expenses capitalised till the financial year 2017-18 will be appropriately apportioned to the project and ultimately to respective fixed assets, on its commercial operations, on a reasonable and fair basis as per Ind AS-16 i.e. "Property, Plant and Equipments".

Particulars	(Rs. in Lakhs)	
	31-Mar-23	31-Mar-22
Note 3: Other Non-current Assets		
Unsecured		
Capital advances	737.85	742.96
Less: Provision for doubtful capital advances*	(737.85)	(742.96)
Total	0.00	0.00
*The realisable value as per the Management estimates , Capital advances amounting to Rs.737.85 Lakhs is fully impaired.		
Note 4: Non Current Tax Assets (Net)		
Advance Tax	430.63	430.84
Less:- Provision	(430.63)	-
Total	0.00	430.84
Note 4A: Deferred Tax Assets		
Deferred Tax Assets	45,386.73	-
Total	45,386.73	-
Note 5: Inventories*		
Raw Materials	-	-
Colours and Chemicals	19.90	19.90
Less: Provision for obsolescence	(19.90)	(18.91)
Total	-	1.00
*Diminution in the value of stock on account of Management estimates at net realisable value is Rs. 19.90 Lakhs (PY: Rs. 18.91 Lakhs).		
Note 7: Cash and Cash Equivalents		
Cash on hand	-	0.01
Balance with Bank	-	-
- In Current Accounts	0.96	23.54
Total	0.96	23.55
Note 8: Current Financial Assets - Others		
Unsecured		
Advance to Staff	-	-
Interest receivable	37.82	37.82
Less: Provision for doubtful advances*	(37.82)	(37.82)
Total	-	-
*The realisable value as per the Management estimates , Interest receivables amounting to Rs. 37.82 Lakhs is fully impaired.		
Note 9: Other Current Assets		
Unsecured		
Balance with Statutory Authorities*	167.40	167.40
Provision for Balance with Statutory Authorities	(167.40)	(167.40)
Prepaid Expenses	154.67	132.24
Other Deposits**	160.30	158.54
Less: Provision for doubtful balances	(57.55)	(58.32)
Total	257.08	232.46
*The realisable value as per the Management estimates , Balance with Statutory Authorities amounting to Rs. 167.40 Lakhs is fully impaired.		
**The realisable value as per the Management estimates, other deposit amounting to Rs. 57.55 Lakhs is impaired.		
Note 10: Equity Share Capital		
Authorised		
1250000000 Equity shares of Rs10/- each (previous year 1250000000 Equity shares of Rs. 10/- each)	1,25,000.00	1,25,000.00
Total	1,25,000.00	1,25,000.00
Issued, Subscribed and fully paid-up		
1086641691 Equity shares of Rs.10/- each (Previous year 1086641691 Equity shares of Rs.10/- each) fully paid up	1,08,664.17	1,08,664.17
Total	1,08,664.17	1,08,664.17

10.1: Terms/rights attached to Equity shares:

The holders of equity shares of Rs.10 each are entitled to one vote per share. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of the year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive out of the remaining assets of the company, after distribution of Preferential amounts if any. The distribution will be in proportion to the number of equity shares held by share holders.

10.2: Reconciliation of number of shares and amount outstanding at the beginning and end of the year

Particulars	31-Mar-23		31-Mar-22	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Shares outstanding at the beginning of the year	1,08,66,41,691	1,08,664.17	1,08,66,41,691	1,08,664.17
Shares outstanding at the end of the year	1,08,66,41,691	1,08,664.17	1,08,66,41,691	1,08,664.17

10.3: Terms/Rights, preferences and restrictions attached to equity shares

The Company has single class of equity shares. Each shareholders is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

10.4: Shareholders holding more than 5 percent shares in the Company

Name of Shareholder	31-Mar-23		31-Mar-22	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IDBI trusteeship services ltd	55,41,87,267	51%	55,41,87,267	51%
JBF Global Pte Ltd	53,24,54,424	49%	53,24,54,424	49%
Total	1,08,66,41,691	100%	1,08,66,41,691	100%

JBF Petrochemicals Ltd was wholly owned subsidiary of JBF Global Pte Ltd. As per the loan agreement JBF Global Pte Ltd. has pledged 51% of its holding in JBF Petrochemicals Ltd in favour of Security trustee of IDBI led consortium bank. The said pledged shares were invoked in the year 2017-18 by IDBI led consortium through Security trustee (i.e. IDBI trusteeship services ltd). The company has represented that the transfer is made as security and does not provides the discharge of the loan liability. In the absence of any confirmation to the contrary of such representations, the accounts have been prepared disclosing the full loan liability along with interest without any change in liability on the loan and transfer of shares.

Particulars	(Rs. in Lakhs)	
	31-Mar-23	31-Mar-22
Note 11: Other Equity		
Securities Premium Reserve		
As per last Balance Sheet	4,715.24	4,715.24
Retained Earnings		
As per last Balance Sheet	(1,66,301.98)	(1,13,543.65)
Adj : Last Year on account of lease transaction	-	-
Adj : Last Year on account of foreign exchange gain/loss	-	-
Less: (Loss) for the year	(1,38,069.71)	(52,758.33)
	(3,04,371.69)	(1,66,301.98)
Capital Reserve		
As per last Balance Sheet	-	-
Adjustment of extinguishment of liabilities as per NCLT order #	4,44,813.26	-
# NCLT order dated 13.03.23 in IA 899 /2022	-	-
Total	1,45,156.81	(1,61,586.75)
Note 12: Non-current Financial Liabilities - Others		
Lease Liabilities	1,005.60	972.21
Total	1,005.60	972.21

Particulars	(Rs. in Lakhs)	
	31-Mar-23	31-Mar-22
Note 13: Current Financial Liabilities - Borrowings		
Unsecured		
From Financial Institutions*	1,438.73	24,095.30
Borrowing reclassified from Non-Current Borrowing pursuant to Ind AS -1*#	2,00,681.18	3,56,812.30
Interest accrued and due**	-	1,09,277.62
From Related Parties	-	83,394.98
From Director	-	66.58
From Others	-	240.00
Total	2,02,119.92	5,73,886.77
*The borrowings have been restated on the basis of the financial claims received under the CIRP Process		
Note 14: Current Financial Liabilities - Other		
Funding for CIRP cost	915.18	51.57
Creditors for Capital Goods	3,924.08	58,947.68
Interest Payable to JBF Industries Limited	-	5,275.00
Creditors for Others	7.19	157.96
Salary Wages and Allowance	1,519.98	976.05
Guarantee Commission Payable^ (BG Commission for FY 23)	38.38	10,120.19
Others	1,069.83	1,837.17
Total	7,474.64	77,365.61

Particulars	(Rs. in Lakhs)	
	31-Mar-23	31-Mar-22
Note 15: Current Lease Liabilities		
Lease liabilities	3.06	94.47
Total	3.06	94.47

*The borrowings have been restated on the basis of the financial claims received under the CIRP Process as on 28th January 2022 (applicable for FY 22

**On account of loans being reclassified as Non-Performing Assets (NPA) by all lenders, interest has been provided for in the books of accounts:

Pre CIRP date interest is calculated on the basis of actual claim received from the financial creditors and included in the respective facility

Post CIRP date interest and penal interest is not provided in the books of accounts. The liabilities of the financial creditors including principal, interest, penal interest, management fee etc. is restated in the books of accounts as on Insolvency Commencement Date i.e. as on 28 January 2022 (applicable for FY 22 only). The statement of the liabilities for FY 23 has been made giving effect to the NCLT order dated 13.03.23 in IA 899 / 2022

^ Guarantee Commission Payable includes INR 38.18 Lakhs pertaining to BG commission payable during the CIRP period which is payable as CIRP cost.

Encashment of INR 10 Crore guarantee during the current year given by IDBI Bank to Mangalore Refineries and Petrochemicals Limited (MRPL) has been included in the borrowing. The same has also been shown as receivable from MRPL. The statement of the liabilities for FY 23 has been made giving effect to the NCLT order dated 13.03.23 in IA 899 / 2022

Capital & Trade Payable ageing schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Payable — considered good	-	-	-	-	-	-
(ii) Undisputed Trade Payable — which have significant increase in credit risk	3,931.27	-	-	-	-	3,931.27
(iii) Undisputed Trade Payable — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Payable — considered good	-	-	-	-	-	-
(v) Disputed Trade Payable — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Payable — credit impaired	-	-	-	-	-	-

Capital & Trade Payable ageing schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Payable — considered good	0.32	-	-	-	-	0.32
(ii) Undisputed Trade Payable — which have significant increase in credit risk	-	62.24	64.99	6.21	24.20	157.64
(iii) Undisputed Trade Payable — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Payable — considered good	-	-	-	-	-	-
(v) Disputed Trade Payable — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Payable — credit impaired	-	-	-	-	-	-

Particulars	(Rs. in Lakhs)	
	31-Mar-23	31-Mar-22
Note 16: Other Current Liabilities		
Statutory Dues, Provisions and Other Liabilities ^	358.83	775.08
Gratuity (Unfunded)	112.80	91.09
Leave encashment (Unfunded)	73.40	65.99
Forex exchange payable	-	62.35
Total	545.03	984.51

GAIL MANGALORE PETROCHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March, 2023

Note 30: Related Party Transactions

In accordance with the requirements of IND AS 24, "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported period, are as detail below:

Names of Related Party	Relation with the Company	Designation
JBF Industries Ltd	Enterprises over which the Key Managerial personnel & their relatives have significant influence	
JBF Global PTE Ltd	Enterprises over which the Key Managerial personnel & their relatives have significant influence	
JBF Rak LLC	Fellow Subsidiary	
JBF Bahrain S.P.C.	Fellow Subsidiary	
Mr. Bhagirath C. Arya	Key Management Personnel	Executive Chairman (Suspended Board of Directors)
Mr. S. N. Shetty	Key Management Personnel	Executive Director (Suspended Board of Directors)
Mrs. Ujjwala G. Apte	Key Management Personnel	Director(Suspended Board of Directors)
Vaidic Resources Pvt Ltd	Enterprises over which the Key Managerial personnel & their relatives have significant influence	

Related party transactions during the year are as under:

(Rs in Lakhs)

Sr. No.	Nature of Transaction	Holding Company (Incl. Ultimate Holding Company)		Enterprises over which the Key Managerial personnel & their relatives have significant influence		Key Managerial Personnel		Total	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
1	Loan & Advances								
	i) JBF Industries Ltd								
	a) Opening Balance	78,138.98	72,763.61	-	-	-	-	78,138.98	72,763.61
	b) Taken during the year	-	5,375.37	-	-	-	-	-	5,375.37
	c) Refunded/ Adjusted during the year	-	-	-	-	-	-	-	-
	d) Balance as at 31.03.2022	78,138.98	78,138.98	-	-	-	-	78,138.98	78,138.98
	ii) Vaidic Resources Pvt Ltd								
	a) Opening Balance	-	-	5,256.00	5,256.00	-	-	5,256.00	5,256.00
	b) Taken/ Adjustment during the year	-	-	-	-	-	-	-	-
	c) Refunded/ Adjusted during the year	-	-	-	-	-	-	-	-
	d) Balance as at 31.03.2022	-	-	5,256.00	5,256.00	-	-	5,256.00	5,256.00
	ii) B C Arya								
	a) Opening Balance	-	-	-	-	66.58	66.58	66.58	66.58
	b) Taken/ Adjustment during the year	-	-	-	-	-	-	-	-
	c) Refunded/ Adjusted during the year	-	-	-	-	-	-	-	-
	d) Balance as at 31.03.2022	-	-	-	-	66.58	66.58	66.58	66.58
2	Creditors for Capital Goods	628.69	628.69	-	-	-	-	628.69	628.69
3	Other payable	10,120.12	10,120.12	-	-	-	-	10,120.12	10,120.12
4	Interest Payable	5,275.00	5,275.00	-	-	-	-	5,275.00	5,275.00

Notes:-

- Creditors for Capital Goods represents amount payable to JBF Industries Limited.
- Other Payable represents Guarantee Commission payable to JBF Industries Limited.
- Interest Payable represents amount payable to JBF Industries Limited & Vaidic Resources Pvt Ltd .
- The transactions and balances reported pertains to pre CIRP date as no related party transactions are undertaken by the RP as per the provision of the IBC, 2016
- The RP was not provided with loan agreements and documents for these past transactions which were claimed as Financial claim during the CIRP by the suspended board and management.

GAIL MANGALORE PETROCHEMICALS LIMITED
Statement of Changes in Equity for the year ended 31st March, 2023

A) Equity Share Capital

(Rs. In Lakhs)

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,08,664.17	-	1,08,664.17	-	1,08,664.17

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,08,664.17	-	1,08,664.17	-	1,08,664.17

B) Other Equity

(1) Current reporting period

Particulars	Reserves & Surplus			Total
	Securities Premium Reserve	Retained earnings	Capital Reserve	
Opening balance as at 1st April 2022	4,715.24	(1,66,301.98)	0	(1,61,586.75)
Profit / (Loss) for the year	-	(1,38,069.71)	444813.262	3,06,743.56
Closing balance as at 31st March 2023	4,715.24	(3,04,371.69)	4,44,813.26	1,45,156.81

(2) Previous reporting period

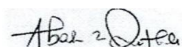
Balance as at 1st April 2021	4,715.24	(1,13,543.65)	(1,08,828.41)
Profit / (Loss) for the year	-	(52,758.33)	(52,758.33)
Last Year on account of lease transaction	-	-	-
Last Year on account of foreign exchange gain/loss	-	-	-
Closing balance as at 31st March 2022	4,715.24	(1,66,301.98)	(1,61,586.75)

Significant accounting policies and notes to financial statements 1 to 37

As per our report of even date

For AZD & ASSOCIATES
Chartered Accountants
Firm Registration No. 146812W

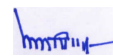
For and on behalf of the Board of Directors of
GAIL Mangalore Petrochemicals Limited



Abuali Darukhanawala
Proprietor
Membership No: 108053
Place: United Arab Emirates
Date: 22.07.2023



Amit Jhalani
Director
DIN : 10175550
Place: Mangalore
Date: 22.07.2023



Ajay Tripathi
Director
DIN : 10175571
Place: Mangalore
Date: 22.07.2023



Devika Srivastava
Company Secretary
Membership No. A54686



Sudhir Kumar Dixit
Chief Executive Officer

GAIL MANGALORE PETROCHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March, 2023

Particulars	31-Mar-23	31-Mar-22
Note 6: Trade Receivables		
Unsecured :		
Disputed	525.55	525.55
Less: Provision for doubtful debt*	(525.55)	-525.55
Total	-	-

*The realisable value as per the Management estimates , trade receivables amounting to Rs.525.55 Lakhs is fully impaired.

Trade Receivables ageing schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	525.55	525.55
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	525.55	525.55
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

GAIL MANGALORE PETROCHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March, 2023

(Rs in Lakhs)

Particulars	31-Mar-23	31-Mar-22
Note 17: Revenue from Operations		
Sale of Raw Materials	-	-
Total	-	-
Note 18: Other Income		
Interest Income		
- Others	0.06	1.18
Forex Gain & Loss	-	-
Total	0.06	1.18
Note 19: Employee Benefit Expenses		
Salaries and Wages	732.08	869.64
Contribution to Provident and Other Funds	0.55	0.94
Gratuity	21.71	16.09
Total	754.33	886.68
Note 20: Finance Costs		
Interest expense	-	-
Interest on lease liabilities	36.44	-
Interest on Loan	-	38,818.78
Total	36.44	38,818.78
Note 21: Depreciation, Amortisation and Impairment Expense		
Depreciation of Property Plant and Equipment	33.63	60.75
Total	33.63	60.75
Note 22: Other Expenses		
Power and Fuel	-	25.77
Provision for doubtful debt and reinstatement of financial creditors	-	1,256.49
Professional fees to resolution professional	-	8.48
Water Charges	-	7,229.26
Treated Effluent Disposal Charges	-	149.95
Legal & Professional Fees	195.37	1,042.27
Security Charges	192.01	72.92
House Keeping Expense	-	2.01
Office Maintenance Charges	-	44.03
Repair & Maintenance Others	1.89	3.15
Consumables Project	-	0.53
Forex Loss	-	2,844.28
Vehicle Running Charges	-	33.46
Interest on late payment of taxes	-	35.01
Insurance Charges	440.80	214.30
IPE Support Fees	158.52	-
Rent	271.27	-
BG Commission charges	38.38	-
Regulatory Fees	527.88	-
Water Charges-Admin Building	-	-
Payment to Auditors (Refer Note 23.2)	6.00	6.00
Other Expenses including the provision made	464.92	25.38
Total	2,297.03	12,993.30

Particulars	31-Mar-23	31-Mar-22
22.1: Details of Payment to Auditors		
Audit Fees	6.00	6.00
Total	6.00	6.00

22.2: Details of CIRP Costs*

Particulars	Amount (INR)	(Rs in Lakhs)
Administrative Expenses	3,56,85,007	356.85
Advertisement Cost	2,11,903	2.12
BG Commission	38,38,178	38.38
CIRP Process related expenses	1,17,76,288	117.76
Employee Related Cost	10,41,93,451	1,041.93
Insurance Cost	4,64,00,000	464.00
Legal Expenses	92,06,659	92.07
Regulatory Fees	5,27,88,839	527.89
RP and IP Support Entity fees	1,97,64,727	197.65
Security Expenses	1,94,16,812	194.17
Statutory Audit and Compliances	16,73,375	16.73
Storage Costs	2,54,750	2.55
TOTAL	30,52,09,989	3,052.10

* - The CIRP Cost for the period 28 January 2022 to 13 March 2023 are as above and are reclassified in P&L as per the prevailing Ind AS

GAIL MANGALORE PETROCHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March, 2023

22.2: Details of Interim Period Costs* (i.e. From 13 March 2023 till 31 March 2023)

Particulars	Amount (INR)	Amount (INR in Lakhs)
Rent	15,03,114.00	15.03
Compliances	5,000.00	0.05
Power and Electricity	13,483.00	0.13
Security Expenses	8,51,226.00	8.51
Cost payable to Asset Preservation Team	7,70,744.00	7.71
TOTAL	31,43,567.00	31.44

* - The Interim Period Cost for the period 13 March 2023 to 31 March 2023 are as above and are reclassified in P&L as per the prevailing Ind AS

Note 23: Impairment Loss*(Rs in Lakhs)*

Particulars	31-Mar-23	31-Mar-22
Impairment Loss	1,80,335.07	
Total	1,80,335.07	-

Note 24: Earnings Per Equity Share*(Rs in Lakhs)*

Particulars	31-Mar-23	31-Mar-22
Net Profit / (Loss) for the year attributable to Equity Shareholders for Basic EPS and diluted EPS (Rs. In lakh)	(1,38,069.71)	(52,758.33)
Weighted average number of equity shares outstanding during the year for Basic EPS and Diluted EPS (in Nos.)	1,08,66,41,691	1,08,66,41,691
Basic and Diluted Earning per share of Rs. 10 each (in Rs.)	(12.71)	(4.86)

Note 25

The Resolution Plan filed vide I.A. 899/2022 before the Adjudicating Authority Hon'ble NCLT Ahmedabad has been approved vide order dated 13.03.2023. The Resolution Plan is currently under implementation and the management and control of the affairs of the Company shall be transferred to GAIL (India) Limited in accordance with the Implementation Schedule, contained in the Resolution Plan Approval Order.

Further, the Resolution Plan is a complete financial settlement of all past liabilities providing the Company a fresh start. As such, all the past claims against the Company have been settled and finalised vide the approval of the Resolution Plan, in terms of the law laid in Ghanashyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited & Ors. Thus, all the past claims that do not form part of the Resolution Plan stands extinguished.

Note 26: Contingent Liabilities and Commitments

The Resolution Plan as approved by the Hon'ble NCLT Ahmedabad is currently under implementation and the management and control of the affairs of the Corporate Debtor shall be transferred to GAIL (India) Limited in accordance with the Implementation Schedule, contained in the Resolution Plan Approval Order. Further, the Resolution Plan is a complete financial settlement of all past liabilities providing the Company JBF Petrochemicals Limited a fresh start. As such, all the past claims against the Corporate Debtor have been settled and finalised vide the approval of the Resolution Plan, in terms of the law laid in Ghanashyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited & Ors all past claims that do not form part of the Resolution Plan stands extinguished.

Note 26.1: Contingent Liabilities (to the extent not provided for)*(Rs in Lakhs)*

Claims against the Company not acknowledged as debts

Particulars	31-Mar-23	31-Mar-22
Other Money for Which the Company is contingently liable*		
(a) the carrying amount at the beginning	-	17,794.22
(b) additions made in the period**	-	1,42,970.86
(c) Provisions made/reversal during the period *	-	17,794.22
Carrying amount at the end of the year	-	1,42,970.86

Note 27: Employee Benefits

27.1: As per Ind AS 19 'Employee Benefits', the disclosure of Employee benefits as defined in the Ind AS are given below:

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the years are as under:

(Rs. in lakh)

Particulars	31-Mar-23		31-Mar-22	
Benefits (Contribution to):				
Provident Fund	54.90		0.94	
Employee State Insurance Scheme	6.02		-	
Total	60.92		0.94	

The contribution to provident fund is made to Employees' Provident Fund managed by Provident Fund Commissioner. The contribution towards ESIC made to Employees' State Insurance Corporation. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

As per Resolution Plan approved by the NCLT by way of order dated 13.03.2023, all the employees and workmen contracts are terminated as on the Effective Date i.e. 13 March 2023 by operation of the NCLT order, accordingly, there are no employees and workmen employed by the company as on 31 March 2023

(b) Defined Benefit Plan:

The present value of Employees' Gratuity obligation for FY 2021-22 is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation, whereas the expenses for FY 2022-23 has been booked based on Company's estimate as per Payment of Gratuity Act, 1972.

The leave encashment benefit in respect of the employee's accrued leave balance is payable on death whilst in service or on withdrawal from service due to resignation, termination or early retirement, or on retirement from service at normal retirement age of members.

Leave Encashment expense is accounted for using the projected unit method, on the basis of actuarial valuations carried out by the third party actuaries for FY 2021-22, whereas the expense towards leave encashment for FY 2022-23 has been booked based on Company's estimate based on actual calculation.

Particulars	Gratuity (Unfunded) As at		Leave Encashment (Unfunded) As at	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Actuarial Assumptions				
Mortality Table	Indian Assured Lives Ultimate Mortality (2012-14)		Indian Assured Lives Ultimate Mortality (2012-14)	
Salary Growth	0.00%	5.00%	0.00%	5.00%
Discount Rate	0.00%	7.37%	0.00%	6.75%
Withdrawal Rates	0.00%	1.00%	0.00%	1.00%
Retirement Age	0	60 Years	0	60 Years

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Change in present value of defined benefit obligation during the year				
Present value of defined obligation at the beginning of the year	-	95.48	-	73.40
Interest cost	-	6.21	-	4.86
Current service cost	-	13.82	-	3.46
Past service cost	-	-	-	-
Benefit paid	-	-	-	-
Other Comprehensive Income(OCI)	-	(24.44)	-	-
Net actuarial gain/ loss	-	-	-	(15.73)
Present value of defined benefit obligation at the end of the year	112.80	91.07	73.40	65.99
Expenses to be recognised in the statement of profit and loss for the year				
Current service cost	-	13.82	-	3.46
Interest cost on benefit obligation (Net)	-	6.21	-	4.86
Total expenses included in employee benefits expense	21.70	20.03	7.40	8.32
Recognised in other comprehensive income for the year				
Net actuarial gain/ loss	-	-	-	(15.73)
Return on plan assets excluding interest income	-	-	-	-
Recognised in other comprehensive income	-	-	-	(15.73)

Net liability recognised in the balance sheet

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Present value of defined obligation at the end of the year	112.80	91.07	73.40	65.99
Less: Fair value of plan assets at the end of the year.	-	-	-	-
Net liability recognised in the balance sheet	112.80	91.07	73.40	65.99
-Current	112.80	11.89	73.40	2.59
-Non-current	-	79.18	-	63.40

The estimate of rate of escalation in Salary considered in actuarial valuation for FY 2021-22 only, takes into account inflation, seniority, promotion and other retirement factors including supply & demand in the employment market. The above information is certified by the actuary for FY 2021-22 only.

27.2: Risk exposures

Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Interest Risk

The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the

Salary Risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Variability in withdrawal rates:

If actual withdrawal rates are higher than assumed withdrawal rate than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Note 28: Disclosure regarding unhedged foreign currency exposure:

The year end foreign currency exposures that have not been hedged by a derivative instruments or otherwise are given below

Particulars	Currency	31-Mar-23		31-Mar-22	
		Amount in FC (in millions)	Amount (in Rs lakhs)	Amount in FC (in millions)	Amount (in Rs lakhs)
Loan Aailed	USD	-	-	463.51	3,56,812.30
Interest Payable	USD	-	-	156.98	1,09,277.62
Creditors Payable*	USD	-	-	1.35	1,018.74
Creditors Payable*	EURO	-	-	0.49	413.09
Creditors Payable*	JPY	-	-	0.28	1.74
Advances and Other Receivables*	USD	-	-	5.53	454.24
Advances and Other Receivables*	EURO	-	-	0.11	95.69

*Confirmation for these heads is not confirmed to the RP by the erstwhile management

On approval of the resolution plan by the NCLT, the company has no liability in foreign currency

Note 29: Expenditure in foreign currency during the period on account of :

Particulars	31-Mar-23	31-Mar-22
Interest **	-	-
Others	-	-

** We are unable to ascertain the interest amount for the FY 2022 & FY 2023 since this information has not been made available to the RP by the erstwhile management despite sendd requisitions. However, the liabilities of Financial creditors including interest have been restated in the financial basis claim as on Insolvency Commencement Date i.e. as on 28 January 2022.

Note 32: Impairment of Property, Plant & Equipment

The Company has carried out impairment testing of the cash generating unit (comprising of property plant equipment and capital work in progress) as on 31 March 2023. The assets have been impaired and necessary accounting effects have been provided in the financials, as per valuation reports submitted by independent valuers. The particulars of the impairment are as below:

Sr. No.	Particulars of the asset	Carrying value before impairment testing	Recoverable value	Impairment
1	Property Plant and Equipment	11,861.16	11,948.45	87.29
2	Capital work in progress	5,87,717.91	7,67,965.68	1,80,247.77
Total		5,99,579.07	7,79,914.13	1,80,335.06

Note 33: Financial Ratios

Since the company was not in operation during the CIRP Period this is not applicable for FY 2022-23.

Note 34:

1. Update on the Corporate Insolvency Resolution Process in respect of JBF Petrochemicals Limited

IDBI Bank being the financial creditor of JBF Petrochemicals Limited ("Corporate Debtor") filed an application (company petition no. CP (IB) no.232 of 2018) under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 before the National Company Law Tribunal ("NCLT"), at Ahmedabad for initiation of Corporate Insolvency Resolution Process ("CIRP") of the Corporate Debtor. The said application for initiation of CIRP was admitted by the Hon'ble NCLT Ahmedabad bench vide its order dated 28.01.2022 (written copy of order received on 02.02.2022) and vide the said order had appointed Mr. Sundaresh Bhat (Insolvency Resolution Professional having registration no. IBBI/PA-001/IP-P00077/2017-18/10162), as the Interim Resolution Professional ("IRP") for conducting the CIRP. Subsequently, the Committee of Creditors confirmed the appointment of the IRP as Resolution Professional ("RP"). During the CIRP, The Resolution Professional had received a resolution plan from M/s GAIL (India) Limited which was duly voted and approved by the Committee of Creditors with 100% majority voting share. The said resolution plan was filed vide I.A. 899/2022 by the RP before the Adjudicating Authority - Hon'ble NCLT Ahmedabad, who have approved the Resolution Plan vide its orders dated 13.03.2023. The said NCLT orders ("Resolution Plan Approval Order") are available on the website of the Corporate Debtor. The copy of the Resolution Plan Approval Order is appended to the financials dated 31 March 2023.

2. Implementation of the NCLT Approved Resolution Plan submitted by M/s GAIL (India) Limited in respect of the Corporate Debtor

The Resolution Plan submitted by GAIL (India) Limited as approved by the Hon'ble NCLT Ahmedabad is successfully implemented as on 10.06.2023. The Monitoring Committee constituted in accordance with the NCLT approved resolution plan comprising of IDBI Bank, GAIL (India) Limited and Monitoring Agent – BDO Consulting Private Limited ("BCPL") has overseen the successful implementation of the resolution plan. As on 10.06.23, the Board is reconstituted, the management and control of the affairs of the Corporate Debtor has been transferred to GAIL (India) Limited in accordance with the Implementation Schedule contained in the Resolution Plan Approval Order on the said date.

3. Settlement of the liabilities under the NCLT approved resolution plan and custody and control of the company

The Resolution Plan submitted by GAIL (India) Limited as approved by the Hon'ble NCLT Ahmedabad is successfully implemented as on 10.06.2023. The Monitoring Committee constituted in accordance with the NCLT approved resolution plan comprising of IDBI Bank, GAIL (India) Limited and Monitoring Agent – BDO Consulting Private Limited ("BCPL") has overseen the successful implementation of the resolution plan. As on 10.06.23, the Board is reconstituted, the management and control of the affairs of the Corporate Debtor has been transferred to GAIL (India) Limited in accordance with the Implementation Schedule contained in the Resolution Plan Approval Order on the said date.

The resolution plan duly approved by the Hon'ble NCLT Ahmedabad being a complete document has dealt with all the outstanding dues of the Corporate Debtor including contingent claims if any. All the liabilities including contingent liabilities of the Corporate Debtor JBF Petrochemicals Limited stand fully satisfied under the NCLT approved resolution plan.

Pursuant to the implementation of the resolution plan the below liabilities including all the liabilities stand satisfied as on 10.06.23:

- a.CIRP costs
- b.Liabilities to the operational creditors including employees, workmen, creditors of the company and statutory / government dues
- c.Liabilities to the financial creditors
- d.Any existing, known, unknown, contingent liabilities, claims etc. as per the NCLT approved resolution plan.

Till 13.03.2023, management and affairs of the company including custody and control of company was with RP. RP has maintained the records and prepared books of accounts and submitted duly certified accounts till 13.03.2023 to the new management. From 14.03.2023 till implementation of resolution plan, the management and affairs of the company was under the Management Committee. The management and affairs of the company including custody and control are transferred in favour of GAIL (India) Limited as on 10.06.23.

The company has passed necessary accounting entries in the financials as on 31.03.23 to give effect to the NCLT approved resolution plan.

As per the approved Resolution Plan, the amount outstanding in the books with respect to the Financial, Operational Creditors and Statutory Creditors reduced by amount payable to them under the Resolution Plan shall be transferred to the Capital Reserve in the books of the Corporate Debtor. Accordingly, Company has transferred the difference to Capital Reserve as under:
 Sr. No. Carrying amounts of liabilities before approval of the resolution plan Approved amounts as per the resolution plan Amounts transferred to capital reserve

4.Reconstitution of the board and update on the secretarial matters

NCLT order dated 13.03.2023 was filed with ROC in e-form INC 28 and the same was approved by RoC. As per decision of the Monitoring Committee in its meeting held on 01.06.2023, requisite form for cessation of Directors of erstwhile management was filed with RoC and the Company's Board was re-constituted comprising of GAIL nominated Directors.

As per approved Resolution Plan, GAIL (India) Limited infused Rs. 2,101 crores (Equity – Rs. 625.00 crore and Debt - Rs 1,476.00 crore) towards Total Resolution Plan amount in JBF Petrochemicals Limited (JBFPPL) on 01.06.2023. Pursuant to implementation of Resolution Plan:

- a) 100% of the existing issued, subscribed and paid-up share capital of JBF Petrochemicals Limited (JBFPPL) stands cancelled and extinguished;
- b) New equity shares have been issued and allotted to GAIL (India) Limited against the equity contribution of Rs. 625.00 crore.

Accordingly, JBFPPL has become a wholly-owned subsidiary of GAIL with effect from 01.06.2023. Further, Lenders have handed provided No Object Certificate in respect of charges on the assets and property of the Company, e-form CHG-4 was filed with RoC and charges stand satisfied in the records of RoC. Loan agreement for Rs 1,476.00 crore has been signed with GAIL and creation of charge on the assets and property of the Company as per the Loan Agreement is under process.

5.Change in the name of the Company

The name of 'JBF Petrochemicals Limited,' has been changed to 'GAIL Mangalore Petrochemicals Limited' with effect from 18.07.2023. Reduction

6. Avoidance / PUFEE transactions filed by the RP before Hon'ble NCLT Ahmedabad

As required under the I&B code, discharging his duties under the code, below transactions were filed under Section 43-66 of the I&B Code ("PUFEE Transactions") before the Hon'ble NCLT Ahmedabad seeking appropriate reliefs under the code:

Sr.No	Nature of PUFEE transaction under I&B Code	Interlocutory Application No.	Amounts involved (in Lakhs)
1	Section 43 – Preferential Transactions- Preferential transactions in the nature of preferential payments to certain vendors within the look-back period as covered under Section 43 of the I&B Code 2016	I.A. 615 of 2022	70.00
2	Section 45 – Undervalued Transactions- Undervalued transactions being sale of raw material at undervaluation to various parties as covered under Section 45 of the I&B Code 2016	I.A. 603 of 2022	17.65
3	Section 66 – Fraudulent Transactions- Fraudulent transactions being sale of raw material at undervaluation to various parties, payment & provisioning of Corporate Guarantee Commission to related parties, equity infusion through round tripping of funds as covered under Section 45 of the I&B Code 2016	I.A. 617 of 2022	21,624.62
4	Section 66 - Fraudulent Transactions - Fraudulent transactions being Corporate Guarantee provided to JBF Industries Ltd. Huge sums were booked by the Corporate Debtor payable to JBFIL towards corporate guarantee commission.	I.A. 668 of 2022	10,851.71
	Total		32,563.99

Note: The above interlocutory application are currently pending before the Hon'ble NCLT Ahmedabad for final adjudication as on date. The proceeds from realisation out of the above interlocutory applications shall be dealt with in accordance with the terms contained in the approved resolution plan.

7. Status of the termination of the land lease pertaining to the Mangalore plant of the Corporate Debtor by Mangalore SEZ Limited (MSEZ")

The company had received a notice dated 31 December 2021 from Mangalore SEZ Limited for alleged breach of the terms and conditions of lease deed agreement dated 29 Feb 2012, 29 Sep 2012 and 9 Dec 2014 entered between MSEZ and the Corporate Debtor, wherein MSEZ had intimated that it has terminated the land lease granting one month's time to respond to the notice.

However, before the end of the stipulated time period, the CIRP has been initiated and moratorium under Section 14 of the I&B Code is effective in the company's case. The matter was duly discussed and agreed with MSEZ. MSEZ are sensitive of the critical infrastructure made available to the Corporate Debtor and are not contemplating diversion or termination of the critical infrastructure made available under MSEZ to any other allottee and shall continue to maintain status quo till a resolution can be achieved in respect of the Corporate Debtor, to enable the resolution process. The RP is in receipt of a letter by MSEZ dated 19 May 2022 confirming the maintenance of the status quo of the lease agreements.

GAIL MANGALORE PETROCHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March, 2023

Note 35:

As a part of CIRP, creditors of the company were called upon to submit their claims to the RP in terms of the applicable provisions of Insolvency and Bankruptcy Code, 2016. Trade payables and employees and workers payable are not reinstated on the basis of the Operational Claims and Worker and employee claims received under Corporate Insolvency Resolution Process due to certain practical difficulties. However, Financials claims have been reinstated in the books to the extent they are fund based as on 28th January 2022. The final amount accepted under Insolvency and Bankruptcy Code, 2016 is available on the company's website and summarised as below.

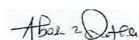
Particulars of Claimants	Amount Claimed INR Crore	Claims Admitted INR Crore	Amounts payable as per the NCLT order
Financial Creditors Claims	6,013.51	4,915.15	2,029.90
Operational Creditors Claims – Other than employees and	1,893.20	703.66	40.11
Operational Creditors Claims – Employees	7.98	6.33	6.33
Operational Creditors Claims – Workmen	3.86	2.89	2.89
Grand Total	7,918.56	5,628.04	2,079.24

Note 37: In accordance with the approved resolution plan, a Monitoring Committee has been constituted on 16.03.2023. Pursuant to the approval of the resolution plan and constitution of the Monitoring Committee, the Resolution Professional has demitted his office.

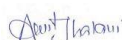
Note 38: Previous year figures have been regrouped and reclassified, wherever necessary to confirm to the current years classification. During the year, the company has transferred all extinguished liabilities based on NCLT approved resolution plan order to capital reserve and hence previous period figures are not comparable

As per our report of even date
For AZD & Associates
Chartered Accountants
Firm Registration No: 146812W

For and on behalf of the Board of Directors of
GAIL Mangalore Petrochemicals Limited



Abuali Darukhanawala
Proprietor
Membership No: 108053
Place: United Arab Emirates
Date: 22.07.2023



Amit Jhalani
Director
DIN : 10175550
Place: Mangalore
Date: 22.07.2023



Ajay Tripathi
Director
DIN : 10175571
Place: Mangalore
Date: 22.07.2023



Devika Srivastava
Company Secretary
Membership No. A54686



Sudhir Kumar Dixit
Chief Executive Officer