
HPCL LNG LIMITED

ANNUAL REPORT FOR FY 2022-23



HPCL LNG LIMITED

(100% Subsidiary Of Hindustan Petroleum Corporation Limited)
(Formerly Known As HPCL Shapoorji Energy Pvt. Ltd.)

Registered office: HPCL Regional Office, Petroleum House,
Behind Memnagar Fire Station, Navrangpura, Ahmedabad, 380009.

Corporate Office: Third Floor-West Wing, Forbes Building, Charanjit Rai Marg, Fort, Mumbai - 400001. Tel.: 022 62796666.
CIN : U40101GJ2013GOI077228

Board's Report

To,
The Members,

Your Directors have pleasure in presenting their Tenth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2023.

1. Financial summary or highlights/Performance of the Company:

Particulars	Financial Year ended	
	Standalone	
	March 31, 2023	March 31, 2022
	(Amount in INR Lakhs)	
(Loss) before interest, depreciation and tax	(705.23)	(1,396.40)
Less: Interest	34.22	6.12
Depreciation and amortization expenses	8.88	6.92
(Loss) before tax	(748.32)	(1,409.44)
Less: Provision for tax	-	-
Prior period tax adjustments	-	-
Deferred tax	-	-
Income Tax of earlier year	-	-
Profit (loss) after tax	(748.32)	(1,409.44)
Other Comprehensive Income (loss) for the year	9.17	(5.34)
Total Comprehensive (Loss) for the year	(739.16)	(1414.78)
Appropriations		
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Balance carry forward to Balance Sheet	(739.16)	(1414.78)

2. Dividend:

Your Directors have not recommended any dividend on Equity Shares for the year under review.

3. Reserves:

The Company has not transferred any amount to reserves.





4. Brief description of the Company's working during the year/State of Company's affair:

The Company is building and planning to operate a 5 MMTPA LNG Storage & Regasification terminal at the green-field Port at Chhara, District Gir Somnath, Gujarat. The Petroleum Explosive Safety Organization (PESO) has granted clearances/approvals for construction of LNG Terminal, Pipeline and Jetty at Chhara. The Ministry of Environment, Forests and Climate Change (MoEF & CC) has also granted Environmental and CRZ clearance for the project. The mechanical completion of the terminal has been achieved on March 28, 2023. The commissioning of the project is scheduled on April 1, 2024, However, the Company is targeting to commission the terminal by December 2023.

5. Change in the nature of business, if any:

There has been no change in the nature of business of the Company for the year under review.

6. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

There are no material changes and/or commitments which affected the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:

No significant and material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company and its future operations.

8. Change of Place of Registered Office:

The place of the Registered Office of the Company has not changed during the year under review.

9. Change of Status of the Company:

The status of the Company has not changed during the year under review.

10. Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

Based on the framework of the internal financial controls and compliance systems established and maintained by the Company, the work performed by the Statutory and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23.

The Directors have devised proper systems that are adequate and operating effectively to ensure compliance with the provisions of applicable laws.





11. Details of Subsidiary/Joint Ventures/Associate Companies:

Your Company did not have subsidiaries, associates and joint venture companies during the year under review.

12. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement:

During the year under review, your Company did not have subsidiaries, associates and joint venture companies.

13. Deposits:

Your Company has not accepted any deposits from public during the financial period under the review.

14. Auditors:

A) Statutory Auditors:

M/s R. Kabra & Co. LLP, Chartered Accountants, (Registration Number 104502W/W100721) are the Statutory Auditors of the Company for F.Y. 2022-23.

B) Secretarial Auditors:

Pursuant to the provisions Section 204 of the Companies Act, 2013 and the rules framed thereunder, the Company had appointed M/s. Amit Jaste & Associates., Practicing Company Secretaries, (Membership No. 7289) to undertake the Secretarial Audit of the Company for F.Y. 2022-23.

The draft Secretarial Audit Report issued by the Secretarial Auditor in MR-3 has been appended as **Annexure A** to this Report.

There are no adverse remarks, qualifications or reservation in the Secretarial Audit Report.

15. Auditors' Report:

The Auditors' Report for the financial year ended March 31, 2023, does not contain any qualification, reservation, adverse remark or disclaimer. The Auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013.

16. Share Capital:

A) Authorized Share Capital:

The authorized share capital of the Company is Rs. 1293,00,00,000/- divided into 129,30,00,000 Equity Shares of Rs. 10/- each during the year under the review.





B) Issued/Subscribed/Paid-up Share Capital:

The issued/ subscribed/ paid up share capital of the Company as on March 31, 2023, was Rs. 1257,00,00,000/- divided into 125,70,00,000 Equity Shares of Rs. 10/- each.

The company has not issued any shares during the year 2022-23. Hence, the issued/ subscribed/ paid up share capital of the Company as on March 31, 2023, is Rs. 1257,00,00,000/- divided into 125,70,00,000 Equity Shares of Rs. 10/- each.

17. Annual return:

Pursuant to Section 92 (3) and 134(3) (a) of the Act and rules made thereunder, the copy of Annual Return will be appended on the website of the Company at www.hplng.in.

18. Credit Rating:

The rating of the Company during 2022-23 was AA(Stable)/A1+ with stable outlook from ICRA for the National Long-Term rating.

19. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed as **Annexure B**.

20. Corporate Social Responsibility (CSR):

The Board of Directors of the Company have constituted the Corporate Social Responsibility (CSR) Committee as per the provisions of Section 135 Act and relevant applicable rule, consisting of following as the Members of the Committee-

- Mr. Rajneesh Narang
- Mr. Dilip Kumar Pattanaik

However, the contribution for CSR activities shall be considered, at the appropriate stage.

21. Composition of Board of Directors:

The Board of the company consist of the following members:

- Mr. Rajneesh Narang
- Mr. Dilip Kumar Pattanaik
- Mr. Vijay Agashe
- Ms. Sujata Londhe
- Mr. Suresh Kasargod Shetty

22. Changes in Directors and Key Managerial Personnel (KMP):

Director's Appointment & Cessation-

During the year under review, Mr. Suresh Kasargod Shetty, appointed as an Additional Director with effect from October 10, 2022, and Mr. Vijay Agashe, as a Director of the Company in the AGM held on September 21, 2022. Mr. Dilip Kumar Pattanaik, Director retiring by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for reappointment.





KMP's Appointment –

Ms. Aveetha Prabhu, appointed as a Chief Financial Officer of the Company with effect from April 26, 2022.

23. Number of meetings:

• **Details of Board Meetings:**

Sr. No.	Meeting Number	Date of Board Meetings	Directors Present	Leave of Absence Granted To
1	58 th	April 26, 2022	Mr. Rajneesh Narang Mr. Vijay Agashe Ms. Sujata Londhe	Mr. Dilip Kumar Pattanaik
2	59 th	May 16, 2022	Mr. Rajneesh Narang Mr. Vijay Agashe Ms. Sujata Londhe	Mr. Dilip Kumar Pattanaik
3	60 th	June 13, 2022	Mr. Rajneesh Narang Mr. Dilip Kumar Pattanaik Ms. Sujata Londhe	Mr. Vijay Agashe
4	61 st	July 25, 2022	Mr. Rajneesh Narang Ms. Sujata Londhe	Mr. Dilip Kumar Pattanaik Mr. Vijay Agashe
5	62 nd	October 20, 2022	Mr. Rajneesh Narang Mr. Vijay Agashe Mr. Suresh Kasargod Shetty	Mr. Dilip Kumar Pattanaik Ms. Sujata Londhe
6	63 rd	December 9, 2022	Mr. Rajneesh Narang Mr. Dilip Kumar Pattanaik Mr. Vijay Agashe Ms. Sujata Londhe Mr. Suresh Kasargod Shetty	None
7	64 th	January 19, 2023	Mr. Rajneesh Narang Mr. Vijay Agashe Ms. Sujata Londhe Mr. Suresh Kasargod Shetty	Mr. Dilip Kumar Pattanaik
8	65 th	March 17, 2023	Mr. Rajneesh Narang Ms. Sujata Londhe Mr. Suresh Kasargod Shetty	Mr. Dilip Kumar Pattanaik Mr. Vijay Agashe

Details of Audit Committee Meetings:

Sr. No.	Meeting Number	Date of Audit Committee Meetings	Members Present	Leave of Absence Granted To
1	31 st	April 26, 2022	Ms. Sujata Londhe Mr. Vijay Agashe	Mr. Dilip Kumar Pattanaik
2	32 nd	July 25, 2022	Ms. Sujata Londhe Mr. Dilip Kumar Pattanaik	Mr. Vijay Agashe
3	33 rd	October 20, 2022	Mr. Dilip Kumar Pattanaik Mr. Vijay Agashe	Ms. Sujata Londhe
4	34 th	January 19, 2023	Ms. Sujata Londhe Mr. Dilip Kumar Pattanaik Mr. Vijay Agashe Mr. Suresh Kasargod Shetty	None
5	35 th	March 17, 2023	Ms. Sujata Londhe Mr. Suresh Kasargod Shetty	Mr. Dilip Kumar Pattanaik Mr. Vijay Agashe





- **Details of Annual General Meetings:**

Last three years AGM details are as under

Sr. No.	Meeting Number	Date of Meeting	Location
1.	7 th	September 16, 2020	Through VC
2.	8 th	September 29, 2021	Through VC
3.	9 th	September 21, 2022	Through VC

24. Committees of the Company:

a) Audit Committee:

The present members of the Committee are –

- Ms. Sujata Londhe
- Mr. Dilip Kumar Pattanaik
- Mr. Vijay Agashe
- Mr. Suresh Kasargod Shetty

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting progress with a view to ensuring accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out by the management on the financial reporting process and the safeguards employed by them.

b) Allotment Committee:

The Board of Directors of the Company have constituted an Allotment Committee for the purpose of allotment of the securities to be issued by the Company from time to time, consisting of following as the Members of the Committee:

- Mr. Rajneesh Narang
- Mr. Dilip Kumar Pattanaik
- Company Secretary

25. Particulars of loans, guarantees or investments under Section 186:

There is no loan, guarantee or investment under Section 186 during the year under the review.

26. Particulars of contracts or arrangements with related parties:

The details of contract or arrangement entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 in Form AOC-2 is annexed as **Annexure C**.

27. Managerial Remuneration:

The Company being a Government Company is exempted from the provisions of section 197 of the Companies Act, 2013 as per Ministry of Corporate Affairs (MCA) notification dated June 5, 2015.





28. Risk management policy:

The Company is in process of developing risk management policy, commensurate to the progress of the project. Currently the Board is apprised of all the project related activities and associated risks which are discussed and deliberated by the Board. Adequate risk mitigations measures are put in place as per directions of the Board.

29. Directors' Responsibility Statement:

In terms of Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) they 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) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the annual accounts on a going concern basis; and
- e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. Vigil Mechanism:

As per the Directives of Ministry of Petroleum & Natural Gas (MOP & NG), the vigilance department of the promoter Company i.e. HPCL has been administering the vigilance function of the Company.

31. Whistle Blower Policy:

Your Company being a subsidiary of HPCL is covered under the HPCL's Whistle Blower Policy.

32. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013:

The Company has the Internal Complainants Committee (ICC) as prescribed under the act and during the financial year 2022-23, the Company has not received any complaints pertaining to sexual harassment.

33. Disclosure about Secretarial Standards:

The Company has complied with applicable Secretarial Standards.





34. General Disclosures:

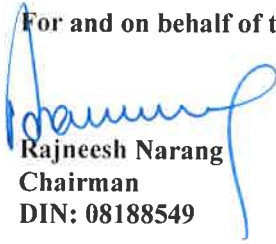
During the year under the review;

- The Company has not issued equity shares with differential voting rights.
- The Company has not issued sweat equity shares.
- The Company has not issued shares under Employee Stock Option Scheme.
- The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

35. Acknowledgements:

An acknowledgement to all with whose help, co-operation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors


Rajneesh Narang
Chairman
DIN: 08188549



Place: Mumbai
Date: May 2, 2023



AMIT JASTE & ASSOCIATES
Practising Company Secretaries

105, B Wing, Halkara Complex, C.S. Road, Avdhoot Nagar, Near Gavdevi Mandir, Dahisar(E), Mumbai - 400 068

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

HPCL LNG LIMITED

(Formerly Known as HPCL Shapoorji Energy Private Limited)

HPCL Regional Office, Petroleum House,

Behind Memnagar Fire Station,

Navrangpura, Ahmedabad - 380009

Gujarat, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HPCL LNG LIMITED** having CIN: U40101GJ2013GOI077228 (Formerly Known as HPCL Shapoorji Energy Private Limited (hereinafter called 'the Company')). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have conducted online verification of records, as facilitated by the Company.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (not applicable to the Company during the Audit period)



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(not applicable to the Company during the Audit period)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; **(not applicable to the Company during the Audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):- **(Following sub-clauses (a) to (h) are not applicable to the Company during the Audit period as Company continues to be a Unlisted Public Company in its Articles under Section 2(71) of the Act)**
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- (vi) Following specific laws applicable to the Company, as confirmed by the Company:
- (a) Petroleum Act, 1934; (b) Petroleum and Minerals Pipelines (Acquisition of Right of User Inland) Act, 1962; (c) Petroleum & Natural Gas Rules, 1959; (d) Petroleum Rules, 2002; (e) Petroleum & Natural Gas Regulatory Board Act, 2006 (f) Petroleum & Mineral Pipelines (Acquisition of Rights of User in Land) Act, 1962 (g) The Explosives Act, 1884.

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards (SS.1 relating to meetings of Board of Directors & SS.2 relating to General Meetings) issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not applicable to the Company during the Audit Period)**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:



I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except when meetings were called at shorter notice as permitted u/s. 173(3) of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of Board of Directors or Committee of Board as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc;

**For Amit Jaste & Associates
Practising Company Secretaries**

baul
Amit Jaste
Proprietor



FCS No.:7289
CP No.:12234

Date : 2nd May 2023
Place: Mumbai
UDIN: F007289E000222185

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report

To,
The Members,
HPCL LNG LIMITED
(Formerly Known as HPCL Shapoorji Energy Private Limited)
HPCL Regional Office, Petroleum House,
Behind Memnagar Fire Station,
Navrangpura, Ahmedabad - 380009
Gujarat, India

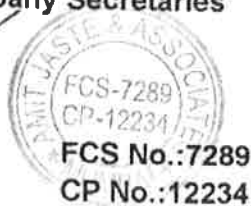
Annexure A

Our report of even date to be read along with this letter.

- 1) Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Amit Jaste & Associates
Practising Company Secretaries**

Amit
Amit Jaste
Proprietor



Date : 2nd May 2023

Place: Mumbai

UDIN: F007289E000222185



Annexure B

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

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

(A) Conservation of energy:

- (i) the steps taken or impact on conservation of energy:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

- (ii) the steps taken by the company for utilizing alternate sources of energy:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

- (iii) the capital investment on energy conservation equipment:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

(B) Technology absorption:

- (i) the efforts made towards technology absorption:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- (a) the details of technology imported:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

- (b) the year of import:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.





- (c) whether the technology been fully absorbed:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

- (iv) the expenditure incurred on Research and Development:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

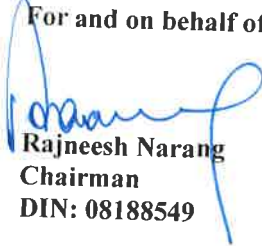
(C) Foreign exchange earnings and Outgo:

There were no foreign exchange earnings during the year. Foreign exchange outgo during the year is as follows:

(Amount in Millions)

Name of EPC contractor	USD	EUR	JPY
IHI Corporation	2.34	1.22	520.12

For and on behalf of the Board of Directors


Rajneesh Narang
Chairman
DIN: 08188549



Place: Mumbai
Date: May 2, 2023



Annexure C

FORM NO. AOC -2

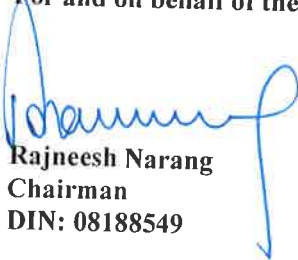
Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under forth proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at Arm's length basis: **NIL**
2. Details of contracts or arrangements or transactions at Arm's length basis.

a.	Name of the related party	Hindustan Petroleum Corporation Limited
b.	Nature of relationship	Holding Company
c.	Nature of contracts/arrangements/arrangement	1. Expenses for manpower on deputation 2. Lease rental for Registered Office 3. Deployment and Maintenance of Recruitment package
d.	Duration of contracts/arrangements/arrangement	April 2022 to March 23
e.	Salient terms of the contracts or arrangement or transactions including the value, if any	1. Expenses for manpower on deputation – Rs. 2,80,72,210/- 2. Rent for Registered Office – Rs. 5, 500/- plus taxes per month 3. Deployment and Maintenance of Recruitment package - Rs. 11,80,000/-
g.	Amount paid as advance	Nil
h.	Date on which the special resolution passed in general meeting as required under first proviso to Section 188	NA
i.	Date of approval by the Board	1. Expenses for manpower on deputation – Board Meeting dated April 26, 2022. 2. Rent for Registered Office – Board Meeting dated July 29, 2021. 3. Deployment and Maintenance of Recruitment package – Board Meeting dated March 17, 2023

For and on behalf of the Board of Directors


Rajneesh Narang
Chairman
DIN: 08188549



Place: Mumbai
Date: May 2, 2023

HPCL LNG LIMITED

STATUTORY AUDIT REPORT

for

YEAR ENDING 31 March 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HPCL LNG LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HPCL LNG LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, 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>Capital Work in progress – Rs.28,00,01.27 lakhs (refer note -3): Additions during the year: Rs.72002.34.</p> <p>The Company is developing a greenfield LNG Terminal at Chhara, district Gir-Somnath, Gujarat, India, an infrastructure facility, for which the capital work is in progress. During the year, the company has incurred capital expenditure of Rs. 72002.34 lakhs on the project under construction as capital work in progress.</p> <p>The company has issued 3 Engineering and Procurement Contracts (EPC) for the purpose of development of the above facilities on a fixed price contract basis during earlier years.</p> <p>A project management consultant has also been appointed for technical supervision and certification of the EPC contracts work carried out by the EPC Contractors, during the earlier years.</p> <p>Since the Capital work in progress amounts involved in the development of the above project was significant and material, the audit of the above area was considered to be a key audit matter for reporting purpose.</p>	<p>(A) Principal Audit Procedures Performed</p> <p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> (1) Reading the executive version of the contracts issued to various EPC Contractors and the Project management consultants (2) Review of the Board minutes relating to the EPC and Project Management Consultant's contracts and its approval if any, required during the year (3) Reviewing the terms of the work carried out at the site in accordance with the EPC contract terms by the Contractors (4) Site visit by the audit team to physically verify the progress of the development of the facilities undertaken as per the contracts (5) Reviewing the procedure for monthly measurements and certification of the jobs carried out by the project management consultants for capital work in progress, based on the running bills submitted by the contractors (6) We tested the effectiveness of checks relating to the issue of various contracts, identification of distinct performance obligations by the company as well as the EPC contractors (7) We selected a sample of contracts, compared the same with the running bills submitted by the EPC contractors, its certification by the project management consultants, and the subsequent payment by the accounts department in accordance with the terms and conditions of the contracts and by approval by the proper authorities, authorised for the payment of the running bills (8) Tracing the payments made by the accounts, based on the certification of the running bills by the project management consultants, with the bank statement.



		<p>(9) Determination as to whether the percentage of completion of the contract costs accounted for are corresponding to the liabilities and/or payments made by the company including reconciliations, if any.</p> <p>(10) Review of the monthly progress report submitted by the project management consultants</p> <p>(11) Discussing the issues and observations of Capital Work in Progress with the management/accounts and finance team for clarification as and when required</p>
2	<p>Bank Borrowings :</p> <p>Non Current Rs.176,848.01 lacs (refer note 12). Borrowings during the year by the Company Rs.147,649.48 lakhs</p> <p>The company has obtained secured bank finance from State Bank of India (SBI). The secured long term loan of Rs 3,000 crores was sanctioned by the SBI Bank for financing the greenfield LNG Terminal at Chhara, district Gir-Somnath, Gujarat, India, during the year ended 31st March 2022.</p> <p>Since the loan amounts obtained during the year were material, and had significant effect on the financial statements of the company, it was considered to be a key audit matter.</p>	<p>Principal Audit Procedures Performed</p> <p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> (1) Reading the sanction letters received from the bank and the terms and condition on which these have been granted (2) Reading the provision of the Act relating to the borrowing powers of the company and its Board of the directors (3) Reading the minutes of the shareholders and the Board of directors for authorisation and approval for obtaining these loans and whether these are within the limits of authorisation. (4) Compliance with the provisions of the Act relating to borrowings, e-filing of the forms i.e. CHG 1, within the stipulated period where the creation of charge was required for secured loans from SBI (5) Verifying the drawdown of secured loan as per the sanction letter in respect of secured loan from SBI and the payments to the suppliers. (6) Verification of the bank statement for the loan amounts obtained and accounting thereof in the books of account including



		<p>the accounting of interest on effective rate of interest basis.</p> <p>Obtaining external confirmation directly from the bank for the balance for borrowings.</p> <p>(7) Disclosure in the financial statements in accordance with the requirement of Schedule III and Ind Accounting Standard, 23 – “Borrowing Costs”.</p>
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Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, but does not include the financial statements, and our auditor’s report thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibilities for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes cash flows and in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude, that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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

1. As required by Section 143(3) of the Act, and based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, as applicable.
 - e) As per Notification No. G.S.R. 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs (MCA), Government Companies are exempted from applicability of the provisions of Sec. 164 (2) of the Act. Therefore, we are not required to report whether any of the directors of the Company are disqualified in terms of provisions contained in the said section;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, the Government companies are



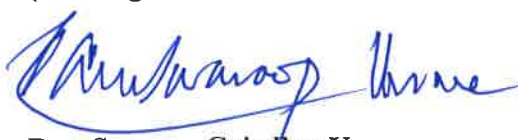
exempted from the provisions of section 197 of the Act as per notification no. G.S.R 463(E) dated 5th June 2015. Therefore, we are not required to report as to whether the remuneration paid, if any, by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

- h) With respect to the matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and accordingly to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- i) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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 the 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 (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- j) The Company has not declared nor proposed or paid any dividends during the year and therefore compliance under section 123 of the Act is not applicable to the Company.



2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required under section 143(5) of the Act, and based on our audit as aforesaid, we report on the directions including additional directions issued by the Comptroller and Auditor General of India (C&AG) as per Annexure "C"

For R Kabra & Co LLP
Chartered Accountants
(Firm Registration No. 104502W/W100721)



Ram Swaroop Gajadhar Verma
Partner
Membership No.: 038913
UDIN: 23038913BGPUYL7035



Place: Mumbai
Date: 02nd May 2023

ANNEXURE "A TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of HPCL LNG LIMITED (the "Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company 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 Institute of Chartered Accountants of India (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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting 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.

For R Kabra & Co LLP

Chartered Accountants

(Firm Registration No. 104502W/W100721)

Ram Swaroop Gajadhar Verma

Partner

Membership No.: 038913

UDIN: 23038913BGPUYL7035



Place: Mumbai

Date: 02nd May 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report for the year ended March 31, 2023 to the Members of HPCL LNG LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company is maintaining proper records showing full particulars of intangible assets.
 - (b) The Property, Plant and Equipment and right-of-use assets have been physically verified by the management at regular intervals. No material discrepancies were noticed on such verification and therefore no adjustments are required to be made in the books of account.
 - (c) Based on our examination of the self constructed building and lease agreements for land on which terminal facilities are being constructed, we report that, the title in respect of self-constructed buildings and title deeds of properties (where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.
 - (e) As per the information and explanations given to us, no proceedings have been initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988, as amended) and rules made thereunder. In absence of the above, the question of disclosing the details appropriately in the financial statements does not arise.
- ii. (a) Since the Company does not have any inventory, sub-clause 3(ii)(a) of the Order is not applicable.

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



- iii. The Company has not made any investments in, nor provided any guarantees or security, nor granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, during the year. Accordingly, sub-clause 3(iii) of the Order is not applicable.
- iv. The Company has not granted any loans, made any investments, given any guarantees and securities during the year. Accordingly provisions of sections 185 and 186 are not applicable. Hence sub-clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, sub-clause 3(v) of the Order is not applicable.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. Hence, sub-clause 3 (vi) of the Order is not applicable.
- vii. In respect of statutory dues:
(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) In our opinion and as per the information and explanations given to us, there are no statutory dues referred to in clause (a) above, which have not been deposited on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) The term loans were applied for the purpose for which these were obtained.



(d) Based on the examination of the financial statements of the Company, in our opinion, no funds have been raised on short term basis. Therefore, no comment is called for utilizing the same , prima facie, for long-term purposes by the Company. No long term funds have been utilised by the company for short term purpose.

(e) Since the Company does not have any subsidiary, the question of taking any funds from any entity or person on account of or to meet the obligations of its subsidiaries does not arise. Therefore, sub-clause 3(ix)(e) of the Order is not applicable.

(f) Since the Company does not have any subsidiaries, joint ventures or associate companies, the question of raising any loan on the pledge of securities held in their name does not arise. Therefore sub-clause 3(ix)(f) of the Order is not applicable.

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

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

xii. (a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.

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

(c) We have taken into consideration the whistle blower complaints, if any, received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xiii. The Company is not a Nidhi Company. Therefore sub-clauses 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.

xiv. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xv. (a) In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the company during the year and till date. However, we have not reassessed or modified our audit



procedures in determining the nature, timing , and extent of our audit based on the internal audit.

xvi. In our opinion, the Company has not entered into any non-cash transactions with its Directors or persons connected with them. Hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore the question of conducting the above activities without a valid Certificate of Registration does not arise.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore the condition of fulfilling the criteria for CIC is not applicable. The Company is neither an exempted nor an unregistered CIC and therefore the continuing the criteria of a CIC, by the Company are not applicable.

(d) As per the information and explanations given to us, since the Company is not a Core Investment Company, the Group does not have any CIC investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly sub-clause 3(xvi)(d) of the Order is not applicable.

xviii. The Company has incurred cash losses during the financial year amounting to Rs. 739.45 lakhs and also during the immediately preceding financial year amounting to Rs. 1402.52 lakhs.

xix. There has been no resignation of the statutory auditors of the Company during the year. Therefore the question of taking into consideration any of issues, objections or concerns raised by the outgoing auditors does not arise. Accordingly sub-clause 3(xviii) of the Order is not applicable.

xx. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

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



xxi.(a) The Company is not covered under the provisions of section 135 read with rules made thereunder and the Schedule VII. Accordingly, sub-clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable for the year covered under the audit.

For R Kabra & Co LLP
Chartered Accountants
(Firm Registration No. 104502W/W100721)



Ram Swaroop Gajadhar Verma
Partner
Membership No.: 038913
UDIN: 23038913BGPUYL7035



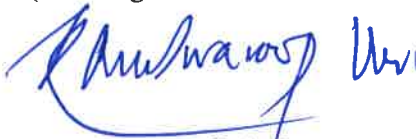
Place: Mumbai
Date: 2nd May 2023

ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report for the year ended March 31, 2023 to the Members of HPCL LNG LIMITED of even date)

Directions including additional directions issued by the Comptroller and Auditor General of India	Our observations/comments
1. Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has all its accounting transactions through IT systems.
2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the load? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company)	Not applicable since there are no restructuring of any existing loans or case of waiver/write off of debts/loans/interest etc made by any lender to the company due to its inability to repay the loan. In view of the above facts, the question of stating any financial impact or properly accounting of the same does not arise.
3. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Not applicable since no funds (grants/subsidy etc.) are received/receivable for any specific scheme from the Central/State Government or its agencies. In view of the above the question of properly accounting or utilisation of the funds as per terms and conditions does not arise.

For R Kabra & Co LLP
Chartered Accountants
(Firm Registration No. 104502W/W100721)


Ram Swaroop Gajadhar Verma
Partner
Membership No.: 038913
UDIN: 23038913BGPUYL7035



Place: Mumbai
Date: 02nd May 2023

Compliance Certificate

We have conducted the audit of accounts of HPCL LNG Limited for the year ended 31st March 2023 in accordance with the directions/sub directions issued by C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub directions issued to us.

For R Kabra & Co. LLP
Chartered Accountants
Firm Registration No. 104502W/W100721

Ram Swaroop Gajadhar Verma
Partner
Membership No. 038913
Place: Mumbai
Date: 04th May, 2023



HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
BALANCE SHEET AS AT MARCH 31, 2023

(Amount in Rs. Lakhs)

PARTICULARS	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	31.73	20.00
(b) Right of use assets	2	10,364.90	9,961.49
(c) Capital work-in-progress	3	2,80,001.27	2,07,998.93
(d) Intangible assets	4	0.35	0.93
(e) Financial assets			
(i) Other financial assets	5	24.90	24.64
(f) Other non-current assets	6	38,687.25	34,286.93
		3,29,110.40	2,52,292.92
Current assets			
(a) Financial assets			
(i) Cash & cash equivalents	7	3,629.80	912.61
(ii) Other financial assets	8	0.12	-
(b) Other current assets	9	50.97	173.39
		3,680.89	1,086.01
Total Assets		3,32,791.29	2,53,378.92
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	1,25,700.00	1,25,700.00
(b) Other Equity	11	(3,385.06)	(2,645.90)
		1,22,314.94	1,23,054.10
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	1,76,848.01	29,198.53
(ia) Lease liabilities	13	12,353.04	11,297.05
(b) Provisions	14	31.71	28.73
(c) Other non current liabilities	15	123.67	14.77
		1,89,356.43	40,539.07
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	-	79,984.50
(ia) Lease liabilities	17	1,118.05	817.83
(ii) Trade Payables:	18		
Outstanding dues of micro enterprises and small enterprises		4.81	2.97
Outstanding dues of creditor other than micro and small enterprises		4.65	2.01
(iii) Other Financial Liabilities	19	19,209.03	8,177.85
(b) Other current liabilities	20	776.44	796.49
(c) Provisions	21	6.94	4.10
		21,119.92	89,785.75
Total Equity and Liabilities		3,32,791.29	2,53,378.92
Significant accounting policies	1		

The accompanying notes 1 to 40 form an integral part of Financial Statements.

Signatures to the Balance Sheet and Notes to Financial Statements

As per our report of even date.

For R. KABRA & CO. LLP
Chartered Accountants
Firm Registration Number: 104502W/W100721



RAM SWAROOP GAJADHAR VERMA
(Partner)
Membership Number 038913
UDIN:23038913BGPUYL7035
Place : Mumbai
Dated : May 2, 2023

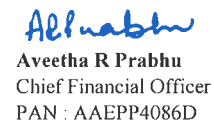


For and on behalf of the Board


Rajneesh Narang
Director
DIN : 08188549


K. Sreenivasa Rao
Chief Executive Officer
PAN : AFNPK5928F


Sujata Londhe
Director
DIN : 09027824


Aveetha R Prabhu
Chief Financial Officer
PAN : AAEP4086D


Pranali Chavan
Company Secretary
ACS : 32279



HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in Rs. Lakhs)

PARTICULARS	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Other Income	23	16.08	45.08
Total Income		16.08	45.08
EXPENSES			
Employee benefits expense	24	23.57	27.05
Finance costs	25	34.22	379.92
Depreciation and amortization expenses	26	8.88	6.92
Other expenses	27	697.73	1,040.64
Total expenses		764.40	1,454.52
(Loss) before Tax		(748.32)	(1,409.44)
Tax expense			
(i) Current tax	28 (a)	-	-
(ii) Deferred tax Charge/ (Credit)	28 (b)	-	-
(Loss) for the period		(748.32)	(1,409.44)
Other Comprehensive Income			
A (i) Items that will not be subsequently reclassified to profit or loss			
Actuarial gains/ (loss) on defined benefit Plan		9.17	(5.34)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income/(Loss) for the period		9.17	(5.34)
Total Comprehensive Income/(Loss) for the period		(739.16)	(1,414.78)
Earnings per Share			
Basic and Diluted Earnings Per Share of Face Value Rs.10 each	29	(0.06)	(0.11)

The accompanying notes 1 to 40 form an integral part of Financial Statements.

Signatures to the Statement of Profit And Loss and Notes to Financial Statements

As per our report of even date:

For R. KABRA & CO. LLP
Chartered Accountants
Firm Registration Number: 104502W/W100721



RAM SWAROOP GAJADHAR VERMA
(Partner)

Membership Number 038913
UDIN:23038913BGPUYL7035
Place : Mumbai
Dated : May 2, 2023




For and on behalf of the Board


Rajneesh Narang
Director
DIN : 08188549


K. Sreenivasa Rao
Chief Executive Officer
PAN : AFNPK5928F


Sujata Londhe
Director
DIN : 09027824


Aveetha R Prabhu
Chief Financial Officer
PAN : AAEP4086D


Pranali Chavan
Company Secretary
ACS : 32279



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in Rs. Lakhs)		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES:		
(Loss) before tax for the year	(748.32)	(1,409.44)
Adjustments for:		
Depreciation and Amortization Expense	8.88	6.92
Loss/(Gain) on adjustment of Carrying Value of Payables	-	6.87
Interest Income	-	(44.28)
Gain / (Loss) on Remeasurement of Defined benefit plans	9.17	(5.34)
Interest expense	34.21	6.12
Operating Profit before Changes in Assets & Liabilities [Sub Total - (i)]	(696.06)	(1,439.15)
Change in Assets and Liabilities:		
Decrease/ (Increase) other financial assets and Other current & non current Assets	(10,733.80)	(11,744.84)
(Decrease)/ Increase Provisions and Other Current Liabilities	100.39	(945.51)
Sub Total - (ii)	(10,633.41)	(12,690.35)
Cash Generated from Operations	(11,329.48)	(14,129.50)
Less: Direct Taxes (paid) / refund received	(6.97)	(1.97)
Net Cash Flow generated from/ (used in) Operating Activities (A)	(11,322.51)	(14,127.53)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment (including Capital Work in Progress/ excluding Lease payments and Interest Payments)	(49,317.69)	(1,30,582.18)
Sale of Property, Plant & Equipment	-	0.02
Capital Advances	6,448.56	10,186.56
Interest Received	-	48.80
Net Cash Flow generated from/ (used in) Investing Activities (B)	(42,869.13)	(1,20,346.80)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issuance of Share Capital	-	8,500.00
Proceeds / (repayment) of Short Term Borrowings	(79,984.50)	79,984.50
Proceeds from Long Term Borrowings	1,47,740.41	29,198.53
Transaction cost related to issuance of share capital	-	(0.44)
Interest Paid	(10,237.77)	(2,101.61)
Repayment of Finance cost on lease liability	(609.30)	(848.50)
Net Cash Flow generated from/ (used in) Financing Activities (C)	56,908.83	1,14,732.48
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	2,717.19	(19,741.85)
Cash And Cash Equivalents - Opening Balance	912.61	20,654.46
Cash And Cash Equivalents - Closing Balance	3,629.80	912.61
Details of Cash and Cash equivalents at the end of the period:		
Cash and Cash Equivalents as on		
Balances with banks on current account	3,629.80	912.61
Cash on hand	0.004	0.004
Cash and Cash equivalents at the end of the period	3,629.80	912.61

Notes

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 - Statement of Cash Flow, and presents cash flows by operating, investing and financing activities.
- Reconciliation of liabilities arising from Financing Activities

(Amount in Rs. Lakhs)		
Particulars	Current borrowings	Non current borrowings
Balance as at 01 April 2022	79,984.50	29,198.53
Cash inflow / (outflow) (net)	(79,984.50)	1,47,740.41
Movement on account of non-cash adjustment (IndAS 109)	-	(90.92)
Adjustment on account of regrouping	-	-
Balance as at 31 March 2023	-	1,76,848.01

(Amount in Rs. Lakhs)		
Particulars	Current borrowings	Non current borrowings
Balance as at 01 April 2021	-	-
Cash inflow / (outflow) (net)	79,984.50	29,198.53
Movement on account of non-cash adjustment (IndAS 109)	-	-
Adjustment on account of regrouping	-	-
Balance as at 31 March 2022	79,984.50	29,198.53

As per our report of even date

For R. KABRA & CO. LLP
Chartered Accountants
Firm Registration Number : 104502W/W100721

Ram Swaroop Gajadhar Verma

RAM SWAROOP GAJADHAR VERMA
(Partner)
Membership Number 038913
UDIN:23038913BGPVYL7035
Place : Mumbai
Dated : May 2, 2023



Signatures to the Statement Cash Flows and Notes to Financial Statements

For and on behalf of the Board

Rajneesh Narang
Rajneesh Narang
Director
DIN : 09188549

Stijana Londhe
Stijana Londhe
Director
DIN : 09027824

K. Sreenivasa Rao
K. Sreenivasa Rao
Chief Executive Officer
PAN : AFINPK5928F

Aveetha R Prabhu
Aveetha R Prabhu
Chief Financial Officer
PAN : AAEP4086D

Brahli Chavan
Brahli Chavan
Company Secretary
ACS : 32279



HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(A) EQUITY SHARE CAPITAL

(Amount in Rs. Lakhs)				
Balance as at April 01, 2022	Changes in equity share capital due to prior period errors	Restated Balance as at April 01, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
1,25,700	-	1,25,700	-	1,25,700

(Amount in Rs. Lakhs)				
Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated Balance as at April 01, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,17,200	-	1,17,200	8,500	1,25,700

(B) OTHER EQUITY

Particulars	Reserves & Surplus		Total Other Equity
	Retained Earnings	Other comprehensive income / (loss) arising from measurement of defined benefit obligation (net of tax)	
Balance as at April 1, 2022	(2,640.56)	(5.34)	(2,645.90)
Changes in accounting policy or prior period errors			-
Restated Balance as at April 1, 2021	(2,640.56)		(2,640.56)
Loss for the year	(748.32)	-	(748.32)
Other Comprehensive Income/(Loss) for the year	-	9.17	9.17
Total Comprehensive Income/(Loss) for the year	(748.32)	9.17	(739.16)
Transaction cost related to Equity Share Capital	-	-	-
Balance as at March 31, 2023	(3,388.89)	3.83	(3,385.06)

Particulars	Reserves & Surplus		Total Other Equity
	Retained Earnings	Other comprehensive income / (loss) arising from measurement of defined benefit obligation (net of tax)	
Balance as at April 1, 2021	(1,230.68)	-	(1,230.68)
Loss for the year	(1,409.44)	-	(1,409.44)
Other Comprehensive Income/(Loss) for the year	-	(5.34)	(5.34)
Total Comprehensive Income/(Loss) for the year	(1,409.44)	(5.34)	(1,414.78)
Transaction cost related to Equity Share Capital	(0.44)	-	(0.44)
Balance as at March 31, 2022	(2,640.56)	(5.34)	(2,645.90)

Signatures to the Statement of Changes in Equity and
Notes to Financial Statements

As per our report of even date.

For R. KABRA & CO. LLP
Chartered Accountants
Firm Registration Number :104502W/W100721

Ram Swaroop Gajadhar Verma
RAM SWAROOP GAJADHAR VERMA
(Partner)
Membership Number 038913
UDIN:23038913BGPUYL7035
Place : Mumbai
Dated : May 2, 2023



For and on behalf of the Board
Rajneesh Narang
Rajneesh Narang
Director
DIN : 08188549

K. Sreenivasa Rao
K. Sreenivasa Rao
Chief Executive Officer
PAN : AFNPK5928F

Sujata Londhe
Sujata Londhe
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Aveetha R Prabhu
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**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

Note 1:

1.1 Company Overview:

HPCL LNG Limited (formerly known as HPCL Shapoorji Energy Pvt. Ltd.) is an unlisted Company domiciled in India. The Company was incorporated on October 15, 2013 under the Companies Act, 1956 and has its registered office at HPCL Regional Office, Petroleum House, Behind Memnagar Fire Station, Navrangpura, Ahmedabad - 380009, Gujarat. The Company is a Wholly-owned Subsidiary (“WOS”) of HPCL with effect from March 30, 2021 and it is proposed to be engaged in operating and maintaining a Liquefied Natural Gas (LNG) regasification terminal at Chhara Port in Gir, Somnath, in the state of Gujarat.

The Financial Statements of the Company for the year ended March 31, 2023 were authorized for issue in accordance with a resolution of the Board of Directors on May 2, 2023.

1.2 Basis of Preparation:

- (a) The Financial statements are prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under section 133 of the Companies Act, 2013 (“the Act”), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2021 and other relevant provisions of the Act, amended rules issued thereafter as applicable.
- (b) The Financial Statements have been prepared under historical cost convention basis except for the following:
 - i) Certain financial assets and liabilities that are measured at fair value;
 - ii) defined benefit plans - plan assets measured at fair value;
- (c) As the operating cycle cannot be identified in normal course due to the company being in construction phase, the same has been assumed to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in Ind AS-1 ‘Presentation of Financial Statements’ and Schedule III to the Companies Act, 2013.
- (d) These financial statements are presented in Indian rupees, which is the Company’s functional currency. All amounts have been rounded to Rupees in Lakhs.

1.3 Use of judgments, estimates & assumptions:

While preparing financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities as at the date of preparation of statement of financial position and the reported amount of income and expenses for the reporting period. Financial reporting results rely on such estimates of the effect of certain matters that are inherently



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- (a) Determination of the estimated useful lives of tangible assets
- (b) Recognition and measurement of defined benefit obligations
- (c) Recognition of deferred tax assets
- (d) Discounting of long-term financial assets / liabilities
- (e) Leases
- (f) Fair value measurement of financial instruments:
- (g) Impairment of financial assets:

1.4 Significant accounting policies:

1.4.1 Employee Benefits:

(a) Short-term employee benefit:

Short-term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

(b) Post-employment benefits:

Defined Contribution Plans: Obligations for contributions to defined contribution plans are expensed in the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

Defined Benefit Plans: The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit method.



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the Employee benefit expense in the statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity in the balance sheet.

(c) Other long-term employee benefits:

The company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absence occurs. Re-measurements gains and losses are recognized in the Statement of Profit and Loss in the period in which they arise.

1.4.2 Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets:

- (a) Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses if any. The initial cost of an asset comprises, its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary, for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.
- (b) Any excess of net sale proceeds of items produced over the cost of testing, if any, is deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.
- (c) Depreciation on tangible property, plant and equipment is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method except Building (Barbed Fencing) for which estimated useful life of 2 years is considered as against 5 years as per the Schedule II.
- (d) Any item of Property, Plant and Equipment costing Rupees 10,000 or less are depreciated at 100 percent in the year of acquisition/purchase.



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

- (e) Depreciation on additions / deductions is calculated on pro rata basis from/up to the date of additions/deductions.
- (f) An intangible asset having finite useful life are carried at its cost less any accumulated amortisation and any accumulated impairment losses. Application software and Website development cost is capitalised as Intangible Asset

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

- (g) Computer software and Website development cost is amortized over a period of three years.
- (h) Where the Cost of the Part of the Asset ("Asset Component") is significant to the total cost of the Asset and the useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such component is depreciated over its separate useful life.
- (i) Leasehold improvements are amortized over primary lease period.
- (j) Capital Work in Progress: Property Plant and Equipment that are not ready for their intended use are carried at cost, direct expenses incurred during construction period on capital projects, related incidental expenses and attributable interest, these expenses related to and incurred during implementation of capital projects are disclosed under "Capital Work in Progress" are capitalised. The same will be transferred to the respective fixed assets on their subsequent completion of construction/ erection. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets.

1.4.3 Impairment of Non-financial assets:

The Company assesses whether there is an indication that an asset may be impaired at each Balance Sheet date and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If the carrying amounts of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount.

The recoverable amount is determined at the higher of the fair value less cost of disposal and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rates that reflects current market assessments of the time value of money and the risk specific to the asset.

If the assets are considered to be impaired, the impairment is recognized in the Statement of Profit and Loss. When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

1.4.4 Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.4.5 Revenue recognition: Interest income is recognised taking into account the amount outstanding and the applicable effective interest rate.

1.4.6 Foreign currency transactions:

(a) Monetary items:

Transactions in foreign currencies are initially recorded at their respective spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

(b) Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(c) Effective April 1, 2018, the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

1.4.7 Cash Flow Statement:

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

1.4.8 Cash and Cash Equivalents:

Cash and cash equivalent in the balance sheet comprises balance at banks, Cash on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

1.4.9 Taxes on Income:

(a) Current Tax:

- i. Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act 1961.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the time of reporting.

- ii. Current Tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the statement of Profit or Loss (either in other comprehensive income or in equity). Current Tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(b) Deferred tax:

- i. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- ii. Deferred tax liabilities are recognised for all taxable temporary differences.
- iii. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
- iv. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- v. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- vi. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- vii. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

1.4.10 Provisions & Contingent Liabilities:

- (a) Provisions are recognized when there is a present obligation (legal or 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.
- (b) The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.
- (c) 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 recognized as a finance cost.
- (d) Contingent liabilities is disclosed in the case of:
- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
 - ii. a present obligation arising from past events when no reliable estimate is possible.
 - iii. a possible obligation arising from past events unless the probability of outflow of resource is remote.

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

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

(e) Commitments:

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

- i. estimated amount of contracts remaining to be executed on capital account and not provided for;
- ii. uncalled liability on shares and other investments partly paid;
- iii. funding related commitment to subsidiary, associate and joint venture companies; and
- iv. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management
- v. Contingent liabilities are considered only when show cause notice is considered into demand.

1.4.11 Earnings per share:

- (a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

- (b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.4.12 Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the balance sheet on recurring basis, the company determines whether transfers have occurred between level in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the assets or liability and the level of the fair value hierarchy as explained above.



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

1.4.13 Financial Instruments:

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(A) Financial assets:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair Value, depending on the classification of the financial assets.

a) Classification:

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii. The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

b) Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

c) Financial assets at fair value through profit or loss (FVTPL):

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

d) Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables, financial guarantees not designated as at FVTPL and other contractual rights to receive cash or other financial asset.

e) Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

(B) Financial liabilities and equity instruments:

a) Classification as debt or equity:

Debt and equity instruments issued by a Company are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

c) Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

d) Share capital:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares is accounted as deduction from Retained earnings (Other Equity).

1.4.14 Lease:

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY
PRIVATE LIMITED)**

**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023**

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

1.4.15 Standards Issued but not Effective on March 31, 2023:

The Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company:

- i. Ind AS 1 – Presentation of Financial Statements
- ii. Ind AS 107 – Financial Instrument
- iii. Ind AS 109 – Financial Instrument
- iv. Ind AS 115 - - Revenue from contracts with customers
- v. Ind AS 34 – Interim Financial Reporting

Application of above standards are not expected to have any significant impact on the company's financial statements.



HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 2: Property, Plant and Equipment

The following are the carrying values of Property, Plant and Equipments:

(Amount in Rs. Lakhs)

Particulars	Property, Plant and Equipment				Total
	Right of Use of Assets	Building	Furniture & Fixtures	Office Equipments (including Computers)	
Gross Block:					
As at March 31, 2021	11,220.19	42.26	8.37	28.60	11,299.42
Additions during the year	-	-	0.81	6.03	6.84
Deductions during the year	-	-	-	0.49	0.49
As at March 31, 2022	11,220.19	42.26	9.19	34.14	11,305.77
Additions during the year	792.75	-	0.07	19.87	812.69
Deductions during the year	-	-	-	-	-
As at March 31, 2023	12,012.94	42.26	9.26	54.01	12,118.47
Accumulated Depreciation :					
Upto March 31, 2021	874.08	33.01	3.04	15.82	925.95
Depreciation charge for the year	384.62	8.09	0.81	5.28	398.80
Depreciation on deductions	-	-	-	0.47	0.47
Upto March 31, 2022	1,258.70	41.10	3.85	20.64	1,324.28
Depreciation charge for the year	389.33	-	0.95	7.26	397.54
Depreciation on deductions	-	-	-	-	-
Upto March 31, 2023	1,648.03	41.10	4.80	27.90	1,721.83
Net Book Value:					
As at March 31, 2023	10,364.90	1.16	4.46	26.11	10,396.63
As at March 31, 2022	9,961.49	1.16	5.34	13.50	9,981.49

Note 2A: Right of use of Assets represents Lease Hold Land at site

Note 2B: All the property, plant and equipment has been offered as a security for Long term loan at the balance sheet date (refer note 12)

Note 3: Capital Work in Progress

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Construction period expenses pending apportionment:		
Opening Balance	2,07,998.93	1,07,483.22
Add: Expenses incurred during the year		
Engineering, Procurement and Construction Cost	55,021.24	93,715.46
Project Management Consultancy	1,491.21	2,062.00
Finance cost of Lease obligation (refer note 25)	1,178.86	1,128.75
Depreciation/Amortization of Right of Use of Assets and other Assets (refer note 26)	389.33	392.71
Interest on borrowings (refer note 25)	10,112.64	2,095.48
Salaries & Wages including Manpower service on deputation	387.32	339.70
Site Expenses	185.78	332.91
Legal & Professional Fees	128.46	102.13
Corporate Environmental Responsibility Expenses	35.95	206.08
Others	2,810.71	(52.83)
Project Related Expenditure transferred from Profit & Loss Accounts:		
Employee Benefits Expense (refer note 24)	143.75	80.01
Other Expenses (refer note 27)	117.10	113.32
Closing Balance	2,80,001.27	2,07,998.93

Note 3A: All the capital work in progress has been offered as a security for Long term loan at the balance sheet date (refer note 12)

Note 3B: The Ageing schedule of CWIP is as follows:

(Amount in Rs. Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Year	2-3 year	More than 3 year	
LNG Regasification Terminal:					
Project in Progress					
As on 31/03/2023	79,199.17	1,25,035.52	59,072.82	15,793.77	2,80,001.27
As on 31/03/2022	1,00,515.71	70,428.89	32,632.11	4,422.22	2,07,998.93
Projects temporarily suspended					
As on 31/03/2023	-	-	-	-	-
As on 31/03/2022	-	-	-	-	-

Note 3C: The Ageing schedule of CWIP whose completion is overdue or has exceeded its cost compared to its original plan is as follows:

(Amount in Rs. Lakhs)

Particulars	To be completed in				Total
	Less than 1 Year	1-2 Year	2-3 year	More than 3 year	
LNG Regasification Terminal:					
Project in Progress					
As on 31/03/2023	2,80,001.27	-	-	-	2,80,001.27
As on 31/03/2022	-	-	-	-	-

Note 3D: The substantial project work has been completed and the scheduled commercial operations are estimated to commence from April 1, 2024 from the earlier original estimated completion date in July 1, 2022, with no change in project costs

HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE 4: Intangible Assets

The following are the carrying values of Intangible Assets:

(Amount in Rs. Lakhs)

Particulars	Computer Software	Website Development Cost	Total
Gross Block:			
As at March 31, 2021	3.05	1.58	4.63
Additions during the year	0.28	-	0.28
Deductions during the year	-	-	-
As at March 31, 2022	3.33	1.58	4.91
Additions during the year	0.11	-	0.11
Deductions during the year	-	-	-
Upto March 31, 2023	3.44	1.58	5.01
Accumulated Depreciation :			
Upto March 31, 2021	2.74	0.41	3.15
Depreciation charge for the year	0.30	0.53	0.83
Depreciation on deductions	-	-	-
Upto March 31, 2022	3.04	0.94	3.98
Depreciation charge for the year	0.16	0.53	0.68
Depreciation on deductions	-	-	-
Upto March 31, 2023	3.20	1.47	4.66
Net Book Value:			
As at March 31, 2023	0.24	0.11	0.35
As at March 31, 2022	0.29	0.64	0.93

Note 4(A): All the intangible assets have been offered as a security for Long term loan at the balance sheet date (refer note 12)



HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 5: Other Financial Assets

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Unsecured Security Deposits, Considered good	24.90	24.64
Total	24.90	24.64

Note 6: Other Non-Current Assets

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Capital Advances (refer note 6.1)	1,313.06	7,761.61
Balance with Government authorities	37,372.76	26,515.93
Prepaid Expenses	0.36	1.33
Tax Collected at Source	0.30	-
Tax Deducted at Source	0.78	8.05
Total	38,687.25	34,286.93

Note 6.1

Capital Advances paid to EPC Contractors for LNG Storage Tanks, Regasification Facilities and Marine Facilities are secured by Bank Guarantee of Rs. 1,889.00 Lakhs (Previous period Rs. 226.07.21 Lakhs)

Note 7: Cash & Cash Equivalents

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
i) Balances with Scheduled Banks		
Current Account	3,629.80	912.61
ii) Cash on hand	0.004	0.004
Total	3,629.80	912.61

Note 8: Other Financial Assets

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Receivable for sale of surplus project material	0.12	-
Total	0.12	-

Note 9: Other Current Assets

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Advance to employees	-	0.20
Prepaid Expenses	50.97	173.19
Total	50.97	173.39

Note 10: Equity Share Capital

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Authorized:		
129,30,00,000 Equity Shares of Rs. 10 each	1,29,300.00	1,29,300.00
Issued, Subscribed and Fully Paid-up:		
125,70,00,000 (Previous year 125,70,00,000) Equity Shares of Rs. 10 each fully paid up	1,25,700.00	1,25,700.00
Total	1,25,700.00	1,25,700.00

Rights, preferences and restrictions attached to Shares:

Equity Shares - The Company has only one class of Equity Shares having a par value of Rs.10/- per share. Each Shareholder is eligible for one vote per share held and dividends declared by the company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

Reconciliation of the number of shares outstanding at the beginning and at the end of the Year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount (Rs. In Lakhs)	No. of Shares	Amount (Rs. In Lakhs)
Equity Shares				
Outstanding at the beginning of the year	1,25,70,00,000	1,25,700	1,17,20,00,000	1,17,200
Add: Equity shares issued during the year	-	-	8,50,00,000	8,500
Outstanding at the end of the year	1,25,70,00,000	1,25,700	1,25,70,00,000	1,25,700

Details of shares held by each shareholder, holding more than 5% shares:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Hindustan Petroleum Corporation Limited and nominee shareholders	1,25,70,00,000	100	1,25,70,00,000	100
Total	1,25,70,00,000	100	1,25,70,00,000	100

Shares held by holding company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Hindustan Petroleum Corporation Limited and nominee shareholders	1,25,70,00,000	100%	1,25,70,00,000	100%
Total	1,25,70,00,000	100%	1,25,70,00,000	100%

Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter Name	Shares held by Promoters				% change during the period (No. of Shares)
	As at March 31, 2023		As at March 31, 2022		
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Hindustan Petroleum Corporation Limited and nominee shareholders	1,25,70,00,000	100%	1,25,70,00,000	100%	-
Total	1,25,70,00,000	100%	1,25,70,00,000	100%	-

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Promoter Name	Shares held by Promoters				% change during the period (No. of Shares)
	As at March 31, 2022		As at March 31, 2021		
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Hindustan Petroleum Corporation Limited and nominee shareholders	1,25,70,00,000	100%	1,17,20,00,000	100%	7.25%
Total	1,25,70,00,000	100%	1,17,20,00,000	100%	7.25%



HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 11: Other Equity

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
(a) Retained Earnings		
As at last Balance Sheet	(2,640.56)	(1,230.68)
Add: (Loss) for the Year	(748.32)	(1,409.44)
	(3,388.89)	(2,640.12)
Transaction cost related to Equity Share Capital	=	(0.44)
Total (A)	(3,388.89)	(2,640.56)
(b) Other comprehensive income / (loss) arising from measurement of defined benefit obligation (net of tax)		
As at last Balance Sheet	(5.34)	=
Add: Gain / (Loss) during the Year	9.17	(5.34)
Total (B)	3.83	(5.34)
Total Other Equity [A+B]	(3,385.06)	(2,645.90)

Note 12: Financial Liabilities - Borrowings

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Secured		
Term Loan		
From Banks		
Long term loan (refer note 12.1)	1,76,848.01	29,198.53
Total	1,76,848.01	29,198.53

Note 12.1:

1. The Long term loan facility is availed from State Bank of India on the basis of promoter support undertaking provided by the Promoter

2. The Term loan facility is secured by the first charge over:

(i) all the immovable assets (including leasehold land);

(ii) all movable assets, moveable plant and machinery, machinery spares, tools and accessories both present and future of the company (including existing plants and all of its present/future assets);

(iii) the intangible assets of the Company (all rights, titles and interests in, to and under all assets (present/future) of the Project);

(iv) all the material project document, clearances and all the right, title, interest, benefits, claims and demands whatsoever of the borrowing in the insurance contracts / policies / insurance proceeds, licenses, performance bonds, guarantees in, to, and under all assets of the company or procured by any of its contractors favoring the Company;

(v) the present & future cash flows/revenues/receivables of the Company;

(vi) all the bank accounts of the Company including but not limited to the Trust & Retention Account, its sub accounts and each of other account required to be created by the Company;

3. The applicable interest rate for the long term loan shall be floating linked to the prevailing SBI 1-year MCLR with spread of 0.05%, present effective applicable rate is 8.45% p a (7.05% p a till 4th February 2023)

4. The Loan is to be repaid in stepped up 38 installments over a period of 13 years including moratorium period of 2 years. The quarterly repayment schedule for Long Term loans shall be started from 01-04-2025 till 30-09-2034

Note 13: Lease Liabilities

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	12,353.04	11,297.05
Total	12,353.04	11,297.05

Note 14: Provisions

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Provisions for Employee Benefits		
Gratuity	16.02	17.34
Compensated absences	15.69	11.38
Total	31.71	28.73

Note 15: Other non current liabilities

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Other Expenses Payable	123.67	14.77
Total	123.67	14.77

Note 15(a) The impact of duty deferment under Manufacturing and Other Operations in Warehouse Regulations, 2019 scheme is treated as Government Grant in accordance with IndAS-20 "Accounting for Government Grants and Disclosure of Government Assistance". During the year, an amount of Rs. 6.09 lakhs (2021-2022: Nil) has been transferred to Capital work-in-progress, towards unwinding of custom duty liability.

Note 16: Borrowings

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Loans Repayable on demand		
Un-secured		
From Banks		
Short term loan (refer note 16.1)	=	79,984.50
Total	=	79,984.50

Note 16.1

The short term loan facility was availed from HDFC Bank Ltd on the basis of Letter of Comfort provided by the holding company and the effective interest rate was 4.19% p a. The said term loan was repaid on 10th June 2022.

Note 17: Lease Liabilities

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Current Maturity of Lease liability	1,118.05	817.83
Total	1,118.05	817.83

Note 18: Trade Payables

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Trade Payables:		
i) Outstanding dues of micro enterprises and small enterprises	4.81	2.97
ii) Outstanding dues of creditor other than micro and small enterprises	4.65	2.01
Total	9.46	4.98



**HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Note: The Ageing schedule of Trade Payables as at 31st March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Unbilled	Less than 1 Year	2-3 Years	More than 3 Years	
(i) MSME	4.56	0.25	-	-	4.81
(ii) Others	4.39	0.27	-	-	4.65
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

Note: The Ageing schedule of Trade Payables as at 31st March 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Unbilled	Less than 1 Year	2-3 Years	More than 3 Years	
(i) MSME	2.70	0.27	-	-	2.97
(ii) Others	1.59	0.42	-	-	2.01
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

Note 19: Other Financial Liabilities

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Others:		
Capital Creditors		
i) Outstanding dues of micro enterprises and small enterprises	357.09	26.01
ii) Outstanding dues of creditor other than micro and small enterprises	2,156.58	1,697.25
Capital Expenses Payable		
i) Outstanding dues of micro enterprises and small enterprises	771.51	19.60
ii) Outstanding dues of creditor other than micro and small enterprises	15,922.47	6,434.85
Other Expenses Payable	1.38	0.14
Total	19,209.03	8,177.85

Note 20: Other Current Liabilities

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Statutory Dues	776.44	796.49
Total	776.44	796.49

Note 21: Provisions

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Provisions for Employee Benefits		
Gratuity	3.02	1.41
Compensated absences	3.92	2.70
Total	6.94	4.11

Note 22: Contingent Liabilities and Capital and other commitments

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2023	As at March 31, 2022
I. Contingent Liabilities		
(a) Guarantees excluding financial guarantees:		
i) Performance Bank Guarantee issued to Gujarat Maritime Board (GMB) - validity till 31st July 2023	1,080.00	1,080.00
ii) Bank Guarantee issued to Customs Department - validity till 05th November 2023	100.00	100.00
iii) Bank Guarantee issued to Paschim Gujarat Vij Company Limited (PGVCL) - validity till 28th June 2023	481.33	481.33
(b) Other money for which the company is contingently liable (Refer Note 22.1)	47.10	-
(c) Claims against the Company not acknowledged as debts	-	37.68
Total	1,708.43	1,699.01

Note 22.1 Other money for which the company is contingently liable comprises of commitment fees @ 1.25% on short disbursement of loan which may be charged by the bank as per the terms and conditions of the sanction letter

2. Capital and other Commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) Rs. 54,326.43 Lakhs (Previous Year Rs. 1,18,985.38 Lakhs)

Note: The uncertified amount billed to the company, if any, by EPC contractor(s) has been included in capital commitment since the company recognise the liability only to the extent of amount certified by the company's representative towards the progress measurement which is in accordance with the terms of the agreement with the contractors

Note 23: Other Income

Particulars	(Amount in Rs. Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest		
Interest Income on Financial Assets carried at Amortized Cost		
(a) Interest on Fixed Deposit	-	44.28
(b) Interest on Income Tax Refund	0.34	0.38
Gain on Foreign Currency Transition and Translation (net)	15.74	-
Other non operating income		
(a) Document Fee	-	0.42
Total	16.08	45.08

Note 24: Employee Benefits Expense

Particulars	(Amount in Rs. Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	116.56	81.85
Contribution to provident fund and other funds	23.10	19.69
Staff welfare expenses	27.66	5.52
	167.32	107.05
Less: Transferred to Capital Work in Progress (refer note 3)	(143.75)	(80.01)
Total	23.57	27.05

Note 25: Finance Cost

Particulars	(Amount in Rs. Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(1) Interest :		
(i) on Borrowings	10,237.77	2,101.61
(2) Other Borrowing Cost :		
(i) Finance cost on deferment of custom duty	6.09	-
(ii) Finance cost on Lease liability	1,172.78	1,128.75
(iii) Processing Fees	-	372.37
(3) Interest on others	0.00	1.42
	11,416.65	3,604.15
Less: Transferred to Capital Work in Progress (refer note 3)	(11,382.42)	(3,224.23)
Total	34.22	379.92



HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 26: Depreciation and Amortisation Expenses

Particulars	(Amount in Rs. Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation and Amortisation Cost	398.21	399.63
Less: Transferred to Capital Work in Progress (refer note 3)	(389.33)	(392.71)
Total	8.88	6.92

Note 27: Other Expenses

Particulars	(Amount in Rs. Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term lease rentals	108.88	108.88
Electricity	8.68	5.12
Legal & Professional Fee	2.55	4.47
Repair & Maintenance Expenses - Others	7.15	6.46
Insurance	663.62	966.25
Auditor's Remuneration:		
Statutory Audit Fees	3.50	3.00
Limited Review Fees	3.00	3.00
Certification Charges	0.02	0.20
Postage, Telephone & Communication	3.74	3.74
Printing & Stationary	2.91	3.87
Loss on Foreign Currency Transaction and Translation (net)	0.00	26.29
Miscellaneous Expenses	10.78	22.68
	814.83	1,153.96
Less: Transferred to Capital Work in Progress (refer note 3)	(117.10)	(113.32)
Total	697.73	1,040.64

Note 28: Tax expense

Particulars	(Amount in Rs. Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
28 (a) Amount recognised in Statement of Profit and Loss		
Current tax expense	-	-
Current year	-	-
Changes in estimates related to prior years	-	-
Deferred tax expense	-	-
Origination and reversal of temporary differences	-	-
Changes in estimates related to prior years	-	-
Tax expense recognised	-	-

Particulars	(Amount in Rs. Lakhs)		
	For the year ended March 31, 2023		
	Before tax	Tax expense/(benefit)	Net of tax
28 (b) Amount recognised in Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit Plans	9.17	-	9.17
			(5.34)

Particulars	(Amount in Rs. Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
28 (c) Reconciliation of effective tax rate:		
	%	(Rs. In Lakhs)
(Loss) before income tax expense		(748.32)
Taxes as per corporate tax rate	26.00%	(194.56)
Tax effect of:		
Non-deductible tax expenses	-24.25%	181.44
Temporary differences on fixed asset, CWIP and ROU asset	0.06%	(0.48)
Temporary differences on lease liability	0.00%	-
Temporary differences on business losses	-1.62%	12.10
Temporary differences on employee benefits	-0.20%	1.51
Income tax expense	0.00%	0.00

Note 28 (d): Since there is lack of virtual uncertainty of future taxable profits, the deferred tax asset as at end of the reporting date amounting Rs. 716.88 lakhs (Previous Year Rs. 481.13 lakhs) is not recognised.

28 (e) Tax Losses Carried Forward

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gross Amount	Expiry Date (Assessment Year)	Gross Amount	Expiry Date (Assessment Year)
Unabsorbed Business Losses	53.33	2030-31	-	-
Unabsorbed Business Losses	35.77	2029-30	35.77	2029-30
Unabsorbed Business Losses	17.86	2028-29	17.86	2028-29
Unabsorbed Business Losses	31.61	2027-28	31.61	2027-28
Unabsorbed Business Losses	28.00	2026-27	28.00	2026-27
Unabsorbed Business Losses	28.93	2025-26	28.93	2025-26
Unabsorbed Business Losses	56.66	2024-25	56.66	2024-25
Total	252.15		198.82	

Note 29: Earnings Per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Net (loss) as per the Statement of Profit & Loss available for Equity Shareholders	(748.32)	(1,409.44)
(ii) Weighted average number of equity shares used as denominator for calculating EPS	12,570.00	12,430.82
(iii) Basic and Diluted earnings per share (i/ii)	(0.06)	(0.11)
(iv) Nominal value of shares	10	10

Note 30:

a. Defined Contribution Plans:

The Company has recognized the contribution made to the following defined contribution plan in the statement of Profit & Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident Fund	1.30	8.48



HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

b. Defined Benefit Plans:

Gratuity is payable to all eligible employees on death or on separation / termination.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The Following table sets out the status of the gratuity plan and the amount recognised in the company's Financial Statements.

(Amount in Rs. Lakhs)				
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022		
(A) Change in benefit obligations				
Benefit obligations at the beginning of the year	18.75	(11.02)		
Interest Cost	1.12	0.55		
Current Service Cost	8.34	4.06		
Past Service Cost	-	-		
Curtailments	-	-		
Remeasurements-Actuarial (Gain)/Loss	(9.17)	5.34		
Benefits Paid	-	(1.22)		
Benefit obligations at the end of the year	<u>19.04</u>	<u>18.75</u>		
(B) Change in Plan Assets				
Fair value of Plan Assets at the beginning of the year	-	-		
Interest Income	-	-		
Remeasurements -Actuarial (Gain)/Loss on Plan Assets	-	-		
Contribution	-	1.22		
Benefits Paid	-	(1.22)		
Fair value of Plan Assets at the end of the year	<u>-</u>	<u>-</u>		
(C) Amount Recognized in the Balance Sheet				
Present value of Obligation at the end of the year	19.04	18.75		
Fair value of Plan Assets at the end of the year	-	-		
Net Asset/(Liability) recognized in the balance sheet	<u>(19.04)</u>	<u>(18.75)</u>		
(D) Amount Recognized in the Statement of Profit & Loss				
Interest Cost	1.12	0.55		
Current Service Cost	8.34	4.06		
Past Service Cost	-	-		
Expenses recognized in the statement of Profit & Loss	<u>9.46</u>	<u>4.61</u>		
(E) Amount Recognized in the Statement of other comprehensive income:				
Actuarial (gains)/ losses recognized for the year	(9.17)	5.34		
Return on Plan Assets excluding net interest	-	-		
Unrecognized Actuarial (Gains)/Loss from previous year	-	-		
Total Actuarial (Gains)/Loss recognized in the statement of other comprehensive income	<u>(9.17)</u>	<u>5.34</u>		
(F) Actuarial (Gains)/ Loss on obligation				
Due to Demographic Assumption	-	-		
Due to Financial Assumption	(0.87)	(9.41)		
Due to Experience	(8.30)	14.76		
Total Actuarial (Gain)/ Loss	<u>(9.17)</u>	<u>5.34</u>		
(G) Actuarial Assumptions				
Discount Rate	7.14%	6.20%		
Expected rate of return on Plan Assets	-	-		
Salary Escalation rate	3.00%	5.00%		
(H) Sensitivity Analysis				
	Discount Rate (DR)		Salary Escalation rate (ER)	
	DR + 1%	DR - 1%	ER + 1%	ER - 1%
Present value of obligation at the end of the year	18.19	19.97	19.90	18.24

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(I) Expected Payout		
Expected payout of Gratuity (Unfunded):		
Year		
First		3.02
Second		3.01
Third		2.96
Fourth		2.68
Fifth		2.32
Six to ten years		7.64

c. Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary worked out by dividing 22 days for all employees for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2023 based on actuarial valuation using the projected accrued benefit method is Rs. 12.34 Lakhs (Previous year : Rs. 6.59 Lakhs).

Note 31: Due to Micro and Small Enterprises

To the extent Micro and Small Enterprises have been identified, the outstanding balance, including interest thereon, if any, as at balance sheet date is disclosed on which Auditors have relied upon.

(Amount in Rs. Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
1) Principle	361.90	28.98
2) Interest	-	0.07
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:		
1) Principle	-	11.39
2) Interest	0.14	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006:		
	-	-
The amount of interest accrued and remaining unpaid at the end of accounting Year and:		
	-	0.14
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.		
	-	0.07

Note 32: Segment Information

The Company is under construction phase, hence the disclosure under "Ind-AS 108 - Operating Segments" issued by MCA under the provisions of Companies Act 2013 is not applicable.

Note 33: Leases where company is a lessee

The Corporation enters into lease arrangements primarily consisting of leases for land and buildings. Lease Liability and Right-of-use Assets, wherever the term of lease is in excess of 12 months have been appropriately disclosed, unless the underlying Asset is of low value and classified as short term lease.

Information about leases for which the company is lessee is presented below:



HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(A)(ia) Changes in the carrying value of Right-of-use Assets

Particulars	Category of ROU Asset	
	Land at site	Total
Balance as at 31 March 2022	11,220.19	11,220.19
Additions	792.75	792.75
Deletion	-	-
Accumulated depreciation including current year charge	1,648.03	1,648.03
Balance as at 31 March 2023	10,364.90	10,364.90

(ib) Changes in the Lease liabilities

Particulars	Lease liability	Total
Balance as at 31 March 2022	12,114.88	12,114.88
Add Movements during the year	792.75	792.75
Add Interest cost accrued during the year	1,172.78	1,172.78
Less Lease Payments	609.31	609.31
Balance as at 31 March 2023	13,471.09	13,471.09

(ii) Break-up of current and non-current lease liabilities

Particulars	31-Mar-23	31-Mar-22
Current Lease Liabilities	1,118.05	817.83
Non-current Lease Liabilities	12,353.04	11,297.05
Total	13,471.09	12,114.88

(iii) Maturity analysis of lease liabilities

The table below analyze the Company financial liabilities into relevant maturity analysis based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash outflows

Contractual maturities of lease liabilities	31-Mar-23	31-Mar-22
Less than one year	902.10	817.83
One to five years	4,077.95	3,701.19
More than five years	38,189.07	36,689.34
Total	43,169.12	41,208.36

(iv) Amounts recognised in statement of Profit and Loss account

Particulars	31-Mar-23	31-Mar-22
Interest on Lease liabilities	-	-
Short-term leases expensed	6.53	6.53
Total	6.53	6.53

(v) Amounts recognised in statement of Cash Flows

Particulars	31-Mar-23	31-Mar-22
Total Cash outflow for leases	718.19	890.86

Note 34: Related Party Disclosure

A. Nature of Relationship

Ultimate Holding Company
Oil and Natural Gas Corporation Limited
Holding Company
Hindustan Petroleum Corporation Limited

Key Management Personnel:

Mr. Rajneesh Narang- Director
Mr. Dilip Kumar Pattanaik- Director
Ms. Sujata Londhe- Woman Director
Mr. Vijay Agashe- Director (w.e.f. 05-04-2022)
Mr. Suresh Shetty - Additional Director (w.e.f. 10-10-2022)
Mr. K. Sreenivasa Rao- Chief Executive Officer
Ms. Aaveetha R. Prabhu- Chief Financial Officer (w.e.f. 26-04-2022)
Ms. Pranali Chavan- Company Secretary

B. Details of transactions with Related Parties :

(Amount in Rs. Lakhs)

Nature of Transaction	As at March 31, 2023	As at March 31, 2022
1. Transaction with the Holding Company		
Holding Company		
Hindustan Petroleum Corporation Limited		
1) Financing through equity contribution	-	8,500.00
2) Manpower Services on Deputation	280.72	172.16
3) Lease Rental of Registered Office	0.66	0.44
4) Professional Services for Oxygen Plant (CER Expenses)	-	31.60
5) Charges for IT related services	11.80	-
6) Payable at the year end	48.70	53.99

2. Remuneration paid to Key Management Personnel

Particulars	Ms. Pranali Chavan		Ms. Aaveetha R Prabhu		Mr. K. Sreenivasa Rao	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Short term employee benefits:						
Remuneration	11.56	9.58	48.19	-	63.06	72.74
Long term employee benefits:						
Post -employment Benefits	0.45	1.08	10.35	-	12.00	10.57
Other Long term benefits	0.87	0.44	4.22	-	4.89	4.31
Total	12.88	11.10	62.76	-	79.95	87.62



HPCL LNG LIMITED (FORMERLY KNOWN AS HPCL SHAPOORJI ENERGY PVT. LTD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 35:

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Amount in Rs. Lakhs)

As at 31/03/2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Security Deposits	-	-	24.90	24.90	-	-	-	-
Current								
Cash and cash equivalents	-	-	3,629.80	3,629.80	-	-	-	-
Others	-	-	0.12	0.12	-	-	-	-
	-	-	3,654.82	3,654.82	-	-	-	-
Financial liabilities								
Non-current								
Borrowings	-	-	1,76,848.01	1,76,848.01	-	-	-	-
Lease Liabilities	-	-	12,353.04	12,353.04	-	-	-	-
Other Non Current financial liabilities	-	-	123.67	123.67	-	-	-	-
Current								
Lease Liabilities	-	-	1,118.05	1,118.05	-	-	-	-
Trade Payables	-	-	9.46	9.46	-	-	-	-
Other Current financial liabilities	-	-	19,209.03	19,209.03	-	-	-	-
	-	-	2,09,664.26	2,09,664.26	-	-	-	-

(Amount in Rs. Lakhs)

As at 31/03/2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Security deposits	-	-	24.64	24.64	-	-	-	-
Current								
Cash and cash equivalents	-	-	912.61	912.61	-	-	-	-
Others	-	-	-	-	-	-	-	-
	-	-	937.25	937.25	-	-	-	-
Financial liabilities								
Non-current								
Borrowings	-	-	29,198.53	29,198.53	-	-	-	-
Lease Liabilities	-	-	11,297.05	11,297.05	-	-	-	-
Other Non Current financial liabilities	-	-	14.77	14.77	-	-	-	-
Current								
Borrowings	-	-	79,984.50	79,984.50	-	-	-	-
Lease Liabilities	-	-	817.83	817.83	-	-	-	-
Trade Payables	-	-	4.98	4.98	-	-	-	-
Other Current financial liabilities	-	-	8,177.85	8,177.85	-	-	-	-
	-	-	1,29,495.51	1,29,495.51	-	-	-	-

FVTPL - Fair Value Through Profit and Loss

FVTOCI - Fair Value Through Other Comprehensive Income

B. Financial risk management and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks identified are credit risk, liquidity risk and foreign currency risk. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that counter party may not be able to settle their obligations as agreed. The Company's exposure to credit risk arises primarily from capital advances, bank balances, security deposit and other receivables which the Company minimises such risk by dealing exclusively with high credit rating counterparties and by way of securing against advance bank guarantees.

(b) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from equity infusion from the promoters, short term borrowings and long term borrowings. The company has executed a term loan agreement with the Lenders for fund requirement of the project and Company has long term borrowings as on the reporting date. The Company believes that the Debt and Equity are sufficient to meet the requirement of the Project. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods.

(Amount in Rs. Lakhs)

Non-derivative financial liabilities	Less than 1 Year	1 Year to 3 Year	3 Year to 5 Year	More than 5 Year
As at 31st March 2023				
Borrowings	14,951.34	41,268.93	60,832.68	1,48,255.68
Trade Payables	9.46	-	-	-
Capital Creditors	2,513.67	-	-	-
Capital Expenses Payable	16,693.98	-	-	-
Other Expenses Payable	1.38	-	-	-
Lease Obligation	902.10	1,938.39	2,139.56	38,189.07
Total	35,071.93	1,938.39	2,139.56	38,189.07
As at 31st March 2022				
Borrowings	2,058.50	4,116.99	29,134.18	82,183.03
Trade Payables	4.98	-	-	-
Capital Creditors	1,723.26	-	-	-
Capital Expenses Payable	6,454.45	-	-	-
Other Expenses Payable	0.14	-	-	-
Lease Obligation	817.83	1,533.25	2,167.94	36,689.34
Total	11,059.15	1,533.25	2,167.94	36,689.34



(c) Foreign Currency Risk

The Company has awarded Lump-Sum Turn Key (LSTK) EPC contract for LNG Storage Tanks, Regasification Facilities and Marine Facilities. The Foreign Exchange involved in making payment to one EPC contractor (foreign entity) and foreign currency risk is also taken care in total Project Cost.

(d) Market Risk

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

(e) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has taken short term and long term loan with the floating rate of interest for meeting the funding requirements for the Project. The short term loan has been repaid on 10th June 2022. It has no impact on Profit or Loss and Equity.

(f) Capital Management

For the purpose of the company's capital management, capital includes issued capital and all equity reserves. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The company manages its capital structure and make adjustments in the light of changes in economic environment and the requirement of the financial covenants.

Note 36:

Foreign Exchange Difference

The amount of Exchange Gain/Loss included in the Statement of Profit & Loss is as below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Gain / (loss) on Foreign Currency Transaction	15.74	(26.29)
Total	15.74	(26.29)

Note 37:

Ratios

The Ratios are as below:

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance %	Remarks / Reason for Variance
Current Ratio	NA	NA	NA	NA	NA	The company is under construction phase.
Debt-Equity Ratio (Borrowings (Long Term + Short Term) / Equity)	1.76,848.01 (PY 1,09,183.03)	1.22,314.95 (PY 1,23,054.09)	1.45	0.89	62.95%	The company has borrowed additional debt funds for Greenfield 5 MMTPA LNG Terminal and allied facilities at Chikara, Gujarat.
Debt Service Coverage Ratio	NA	NA	NA	NA	NA	The company is under construction phase.
Return on Equity Ratio	NA	NA	NA	NA	NA	The company is under construction phase.
Inventories turnover ratio	NA	NA	NA	NA	NA	The company is under construction phase.
Trade Receivables turnover ratio	NA	NA	NA	NA	NA	The company is under construction phase.
Trade payables turnover ratio	NA	NA	NA	NA	NA	The company is under construction phase.
Net capital turnover ratio	NA	NA	NA	NA	NA	The company is under construction phase.
Net profit ratio	NA	NA	NA	NA	NA	The company is under construction phase.
Return on Capital employed	NA	NA	NA	NA	NA	The company is under construction phase.
Return on investment	NA	NA	NA	NA	NA	The company is under construction phase.

Note 38: Additional regulatory information

- (i) The Company has not carried out revaluation of Property, Plant and Equipment, Capital Work-in-progress, Right-of-Use Assets and Intangible Assets.
- (ii) Revaluation of Intangible assets is not applicable and hence no transaction to report.
- (iii) The Company has not carried out transactions relating to Loans or advances in the nature of loans to Promoters, Directors, KMPs and Related Parties.
- (iv) The Company is not holding any benami property.
- (v) The company has not been declared Willful defaulter by any bank or financial institution.
- (vi) There are neither any transactions nor any balances with struck off companies as on 31st March 2023 as well as 31st March 2022.
- (vii) There are no unrecorded transactions, which have been surrendered or disclosed as Income during the year in the tax assessments under the Income tax act, 1961.
- (viii) There are no immovable properties which are not held in the name of the Company.
- (ix) No funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ('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.
- (x) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ('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.
- (xi) Since the company does not have average net profits as contemplated under section 135 for CSR expenditure, no CSR expenditure have been incurred during the year. Therefore no disclosure is made on account of CSR expenditure.
- (xii) The Company does not trade or invest in Crypto currency or Virtual Currency during the financial year.

Note 39: Events after the Reporting Period

Non-adjusting event

The company has acquired land measuring 101.30 acre at Chikara, Gujarat on 13th April 2023 vide purchase agreement entered with Sinar Port Pvt. Ltd. The Greenfield 5 MMTPA LNG Terminal project and allied facilities at Chikara, Gujarat is getting commissioned on the land. Till the reporting date, the company has recognized lease liability and ROU asset for the said land on the basis of lease agreement.

Note 40:

Previous year figures have been regrouped/ restated wherever necessary to conform to the current years classification.



