# HPCL LNG LIMITED

# ANNUAL REPORT FOR FY 2023-24

# Board's Report

To,
The Members,

Your Directors have pleasure in presenting their Eleventh Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2024.

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

| Particulars | Financial Year ended Standalone | |
|---|---|---|
| | **March 31, 2024** | **March 31, 2023** |
| | (Amount in INR Lakhs) | |
| (Loss) before interest, depreciation and tax | (926.38) | (705.23) |
| Less: Interest | 65.34 | 34.22 |
| Depreciation and amortization expenses | 43.09 | 8.88 |
| (Loss) before tax | (1034.81) | (748.32) |
| Less: Provision for tax | - | - |
| Prior period tax adjustments | - | - |
| Deferred tax | - | - |
| Income Tax of earlier year | - | - |
| Profit (loss) after tax | (1034.81) | (748.32) |
| Other Comprehensive Income (loss) for the year | 0.12 | 9.17 |
| Total Comprehensive (Loss) for the year | **(1034.93)** | **(739.16)** |
| Appropriations | | |
| Proposed Dividend | - | - |
| Tax on Proposed Dividend | - | - |
| Balance carry forward to Balance Sheet | **(1034.93)** | **(739.16)** |

## 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.

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

The Company is setting up a 5 MMTPA LNG Storage & Regasification Terminal at the greenfield Port at Chhara, District Gir Somnath, Gujarat. The Terminal achieved mechanical completion in March 2023. Due to non-availability of RLNG evacuation pipeline, commissioning of the Terminal was delayed. Construction of the said pipeline by GSPL has been completed in early April 2024. In view of the same, the Company booked LNG cargo for commissioning of the terminal. The LNG vessel was successfully berthed on April 12, 2024 at the terminal. However, due to some technical issues at the jetty, the ship was de-berthed after a few days in order to attend to these issues. Commissioning the Terminal with the first cargo requires the ship to be berthed continuously for a minimum period of 10-12 days. As the predicted weather conditions were not conducive for the same, it was not found prudent to go ahead with commissioning of the Terminal. Further, the Company is targeting to commission the terminal by December 2024.The terminal shall be operated on a tolling model.

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 2023-24.

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

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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. 2023-24.

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. 2023-24.

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, 2024, 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 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.

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The company has not issued any shares during the year 2023-24. Hence, the issued/ subscribed/ paid up share capital of the Company as on March 31, 2024, 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 2023-24 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. Sreenivasa Rao Kota

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. Suresh Kasargod Shetty
- Mr. Vijay Agashe
- Mr. Sreenivasa Rao Kota
- Ms. Sujata Londhe

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

Director's Appointment & Cessation-

During the year under review, Mr. Sreenivasa Rao Kota, appointed as an Additional Director with effect from October 01, 2023, and Mr. Suresh Kasargod Shetty, as a Director of the Company in the AGM held on September 7, 2023. Ms. Sujata Londhe, Director retiring by rotation at the forthcoming Annual General Meeting and being eligible has offered herself for reappointment.

KMP's Appointment –

Mr. Sreenivasa Rao Kota, ceased to be Chief Executive Officer of the Company with closed of working hours of September 15, 2023.
Mr. Debasish Goswami, appointed as a Chief Executive Officer of the Company with effect from September 16, 2023.

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23. **Number of meetings:**

- **Details of Board Meetings:**

| Sr. No. | Meeting Number | Date of Board Meetings | Directors Present | Leave of Absence Granted To |
|---|---|---|---|---|
| 1 | 66th | May 2, 2023 | Mr. Rajneesh Narang<br>Ms. Sujata Londhe<br>Mr. Vijay Agashe<br>Mr. Suresh Kasargod Shetty | Mr. Dilip Kumar Pattanaik |
| 2 | 67th | July 21, 2023 | Mr. Rajneesh Narang<br>Mr. Suresh Kasargod Shetty<br>Mr. Vijay Agashe<br>Ms. Sujata Londhe | Mr. Dilip Kumar Pattanaik |
| 3 | 68th | September 13, 2023 | Mr. Rajneesh Narang<br>Mr. Suresh Kasargod Shetty<br>Mr. Vijay Agashe<br>Ms. Sujata Londhe | Mr. Dilip Kumar Pattanaik |
| 4 | 69th | October 20, 2023 | Mr. Rajneesh Narang<br>Mr. Suresh Kasargod Shetty<br>Mr. Vijay Agashe | Mr. K. Sreenivasa Rao |
| 5 | 70th | January 22, 2024 | Mr. Rajneesh Narang<br>Mr. Suresh Kasargod Shetty<br>Mr. Vijay Agashe<br>Ms. Sujata Londhe<br>Mr. K. Sreenivasa Rao | None |

**Details of Audit Committee Meetings:**

| Sr. No. | Meeting Number | Date of Audit Committee Meetings | Members Present | Leave of Absence Granted To |
|---|---|---|---|---|
| 1 | 36th | May 2, 2023 | Ms. Sujata Londhe<br>Mr. Suresh Kasargod Shetty<br>Mr. Vijay Agashe | Mr. Dilip Kumar Pattanaik |
| 2 | 37th | June 7, 2023 | Ms. Sujata Londhe<br>Mr. Vijay Agashe | Mr. Dilip Kumar Pattanaik<br>Mr. Suresh Kasargod Shetty |
| 3 | 38th | July 21, 2023 | Ms. Sujata Londhe<br>Mr. Suresh Kasargod Shetty<br>Mr. Vijay Agashe | Mr. Dilip Kumar Pattanaik |
| 4 | 39th | September 13, 2023 | Ms. Sujata Londhe<br>Mr. Suresh Kasargod Shetty<br>Mr. Vijay Agashe | Mr. Dilip Kumar Pattanaik |
| 5 | 40th | October 20, 2023 | Mr. Suresh Kasargod Shetty<br>Mr. Vijay Agashe | Ms. Sujata Londhe |
| 6 | 41st | January 22, 2024 | Ms. Sujata Londhe<br>Mr. Suresh Kasargod Shetty<br>Mr. Vijay Agashe<br>Mr. K. Sreenivasa Rao | None |

- **Details of Annual General Meetings:**

Last three years AGM details are as under

| Sr. No. | Meeting Number | Date of Meeting | Location |
|---|---|---|---|
| 1. | 8th | September 29, 2021 | Through VC |
| 2. | 9th | September 21, 2022 | Through VC |
| 3. | 10th | September 7, 2023 | Through VC |

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## 24. Committees of the Company:

### a) Audit Committee:

The present members of the Committee are –
- Ms. Sujata Londhe
- Mr. Vijay Agashe
- Mr. Suresh Kasargod Shetty
- Mr. Sreenivasa Rao Kota

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. Sreenivasa Rao Kota
- 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 has a mechanism of risk management to identify, quantify and manage risks that may affect strategic, legal, information technology and financial goals and then taking appropriate actions for documentations, mitigating controls and reporting mechanism of such risk.

## 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;

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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 2023-24, 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:** 01/05/2024

HPCL LNG Limited

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[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
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 **(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, 2024 (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, 2024 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 an 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, 2021;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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, 2021 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 maybe.

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**

| | |
|---|---|
| **Amit Jaste** | **FCS No.:7289** |
| **Proprietor** | **CP No.:12234** |

Date : 30th April 2024
Place: Mumbai
UDIN: **F007289F000277031**

**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,

**Annexure A**

The Members,
HPCL LNG LIMITED
HPCL Regional Office, Petroleum House,
Behind Memnagar Fire Station,
Navrangpura, Ahmedabad - 380009
Gujarat, India

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 Jaste** **FCS No.:7289**
**Proprietor** **CP No.:12234**

Date : 30th April 2024
Place: Mumbai
UDIN: **F007289F000277031**

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## 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.

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(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 | SGD |
|---|---|---|---|---|
| DMG Events (UK) Ltd | - | - | - | 0.01136 |
| IHI Corporation | 2.82 | 1.02 | 66.26 | - |

**For and on behalf of the Board of Directors**

**Rajneesh Narang**
**Chairman**
**DIN: 08188549**

**Place:** Mumbai
**Date:** 01/05/2024

HPCL LNG Limited

## 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<br>2. Recruitment package application maintenance charges<br>3. Regasification charges<br>4. Rent for Registered Office<br>5. Charges for Corporate Office<br>6. Charges for co-location of server<br>7. Purchase of HSD<br>8. Purchase of Lube |
| d. | Duration of contracts/arrangements/ arrangement | April 2023 to March 24 |
| e. | Salient terms of the contracts or arrangement or transactions including the value, if any | 1. Expenses for manpower on deputation – Rs. 3,50,00,000/-<br>2. Recruitment package application maintenance charges – Rs. 11,50,000/-<br>3. Regasification charges – Rs. 125,00,00,000/-<br>4. Rent for Registered Office – Rs. 5, 500/- plus taxes per month<br>5. Charges for Corporate Office - Rs. 2,40,00,000/-<br>6. Charges for co-location of server - Rs. 1,10,000/-<br>7. Purchase of HSD - Rs. 1,00,00,000/-<br>8. Purchase of Lube - Rs. 18,00,000/- |
| 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 May 2, 2023.<br>2. Recruitment package application maintenance charges – Board Meeting dated May 2, 2023.<br>3. Regasification charges – Board Meeting dated May 2, 2023.<br>4. Rent for Registered Office -– Board Meeting dated May 2, 2023.<br>5. Charges for Corporate Office – Circular Resolution approved on June 21, 2023<br>6. Charges for co-location of server – Circular Resolution approved on June 21, 2023<br>7. Purchase of HSD - Board Meeting dated September 13, 2023<br>8. Purchase of Lube – Board Meeting dated January 22, 2024 |

**For and on behalf of the Board of Directors**

**Rajneesh Narang**
**Chairman**
**DIN: 08188549**
**Place:** Mumbai
**Date:** 01/05/2023

HPCL LNG Limited

# HPCL LNG LIMITED

# STATUTORY AUDIT REPORT

for

YEAR ENDING 31 March 2024

R. Kabra & Co LLP
CHARTERED ACCOUNTANTS

515, Tulsiani Chambers, Nariman Point,
Mumbai 400 021. INDIA
Tel.: 91-22-22044737 / 22830990
Email: enquiry@rkabra.in

# 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, 2024, 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, 2024 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 that there are no the key audit matters to be communicated in our report.

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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

R KABRA & CO LLP MUMBAI CHARTERED ACCOUNTANTS 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

R. KABRA & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI 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 of 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;

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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.

k) Based on our examination which included test checks, the company has used an accounting software (Tally) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the said software. Further, during the course of our audit, we did not

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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 S Verma**
Partner
Membership No.: 038913
UDIN: 24038913BKFXFR4685

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**Place:** Mumbai
**Date:** 01-05-2024

## 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, 2024 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.

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### 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, 2024, 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 S Verma**
Partner
Membership No.: 038913
UDIN: 24038913BKFXFR4685

**Place:** Mumbai
**Date:** 01-05-2024

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## 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 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 are pending against the Company as at March 31, 2024 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) The physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate.
There were no discrepancies of ten % or more in the aggregate or the inventory noticed during such physical verification.

(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

R KABRA & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI 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, 2024 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.

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(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) The company has not raised any funds on short term basis during the year. Therefore, sub-clause 3(ix)(d) of the Order is not applicable.

(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.

(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.

**xi.** (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.

**xii.** 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.

**xiii.** 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.

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**xiv.** (a) The internal audit system of the Company is adequate and commensurate, however, the same needs to be revisited for further broadening upon commissioning of the ongoing project, to align it with the size and nature of its business.

(b) Internal Audit report was received during the later course of our audit and did not have any material impact in determining the nature, timing and extent of our audit procedures.

**xv.** 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.

**xvi.** (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.

**xvii.** The Company has incurred cash losses during the financial year amounting to Rs. 1078.02 lakhs and the also during the immediately preceding financial year amounting to Rs. 730.28 lakhs.

**xviii.** 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.

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

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

**xx.** (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 S Verma**
**Partner**
**Membership No.: 038913**
**UDIN:** 24038913BKFXFR4685

R KABRA & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

**Place: Mumbai**
**Date:** 01-05-2024

## 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 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.<br><br>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.<br><br>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 S Verma**
**Partner**
**Membership No.: 038913**
**UDIN:** 24038913BKFXFR4685

**Place: Mumbai**
**Date:** 01-05-2024

R KABRA & CO LLP CHARTERED ACCOUNTANTS MUMBAI

# Compliance certificate

We have conducted the audit of accounts of HPCL LNG Limited for the year ended 31st March 2024 in accordance with the directons/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 S Verma**
Partner
Membership No.: 038913

R KABRA & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

**Place:** Mumbai
**Date:** 01-05-2024

**HPCL LNG LIMITED**
**CIN : U40101GJ201GOI077228**
**BALANCE SHEET AS AT MARCH 31, 2024**

**(Amount in Rs. Lakhs)**

| PARTICULARS | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 2 | 12,961.05 | 31.73 |
| (b) Right of use assets | 2 | 403.05 | 10,364.90 |
| (c) Capital work-in-progress | 3 | 3,38,481.26 | 2,80,001.27 |
| (d) Intangible assets | 4 | 0.75 | 0.35 |
| (e) Financial assets | | | |
| (i) Other financial assets | 5 | 3.00 | 24.90 |
| (f) Other non-current assets | 6 | 47,370.05 | 38,687.25 |
| | | **3,99,219.16** | **3,29,110.40** |
| **Current assets** | | | |
| (a) Inventories | 7 | 39.08 | - |
| (b) Financial assets | | | |
| (ii) Cash & cash equivalents | 8 | 4,007.56 | 3,629.80 |
| (iii) Other financial assets | 9 | - | 0.12 |
| (c) Other current assets | 10 | 52.39 | 50.97 |
| | | **4,099.03** | **3,680.89** |
| **Total Assets** | | **4,03,318.19** | **3,32,791.29** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 11 | 1,25,700.00 | 1,25,700.00 |
| (b) Other Equity | 12 | (4,419.98) | (3,385.06) |
| | | **1,21,280.02** | **1,22,314.94** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 2,43,760.02 | 1,76,848.01 |
| (ii) Lease liabilities | 14 | 316.98 | 12,353.04 |
| (b) Provisions | 15 | 43.68 | 31.71 |
| (c) Other non current liabilities | 16 | 133.80 | 123.67 |
| | | **2,44,254.48** | **1,89,356.43** |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Lease liabilities | 17 | 108.98 | 1,118.05 |
| (ii) Trade Payables: | 18 | | |
| Outstanding dues of micro enterprises and small enterprises | | 1.18 | 4.81 |
| Outstanding dues of creditor other than micro and small enterprises | | 32.32 | 4.65 |
| (iii) Other Financial Liabilities | 19 | 36,222.98 | 19,209.03 |
| (b) Other current liabilities | 20 | 1,408.51 | 776.44 |
| (c) Provisions | 21 | 9.72 | 6.94 |
| | | **37,783.69** | **21,119.92** |
| **Total Equity and Liabilities** | | **4,03,318.19** | **3,32,791.29** |
| Material accounting policies | 1 | | |

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

As per our report of even date.

Signatures to the Balance Sheet and Notes to Financial Statements

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

**Ram S Verma**
**(Partner)**
**Membership Number 038913**
**UDIN:** 24038913BKFXFR4685
Place : Mumbai
Dated : 01-05-2024

R. KABRA & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

**For and on behalf of the Board**

**Rajneesh Narang**
Director
DIN : 08188549

**Sujata Londhe**
Director
DIN : 09027824

**Debasish Goswami**
Chief Executive Officer
PAN : ACLPG8058R

**Aveetha R Prabhu**
Chief Financial Officer
PAN : AAEPP4086D

**Pranali Chavan**
Company Secretary
ACS : 32279

HPCL LNG Limited ★

**HPCL LNG LIMITED**
**CIN : U40101GJ201GOI077228**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024**

**(Amount in Rs. Lakhs)**

| PARTICULARS | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Income** | | | |
| Other Income | 23 | 0.04 | 16.08 |
| **Total Income** | | **0.04** | **16.08** |
| **EXPENSES** | | | |
| Employee benefits expense | 24 | 30.51 | 23.57 |
| Finance costs | 25 | 65.34 | 34.22 |
| Depreciation and Amortization expenses | 26 | 43.09 | 8.88 |
| Other expenses | 27 | 895.91 | 697.73 |
| **Total expenses** | | **1,034.85** | **764.40** |
| **(Loss) before Tax** | | **(1,034.81)** | **(748.32)** |
| **Tax expense** | | | |
| (i) Current tax | 28 (a) | - | - |
| (ii) Deferred tax Charge/ (Credit) | 28 (b) | - | - |
| **(Loss) for the period** | | **(1,034.81)** | **(748.32)** |
| **Other Comprehensive Income** | | | |
| A (i) Items that will not be subsequently reclassified to profit or loss<br>Actuarial gains/ (loss) on defined benefit Plan | | (0.12) | 9.17 |
| (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** | | **(0.12)** | **9.17** |
| **Total Comprehensive Income/(Loss) for the period** | | **(1,034.93)** | **(739.16)** |
| **Earnings per Share** | | | |
| Basic and Diluted Earnings Per Share of Face Value Rs.10 each | 29 | **(0.08)** | **(0.06)** |

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 S Verma**
**(Partner)**
**Membership Number 038913**
**UDIN:** 24038913BKFXFR4685
Place : Mumbai
Dated : 01-05-2024

R. KABRA & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

**For and on behalf of the Board**

**Rajneesh Narang**
Director
DIN : 08188549

**Sujata Londhe**
Director
DIN : 09027824

**Debasish Goswami**
Chief Executive Officer
PAN : ACLPG8058R

**Aveetha R Prabhu**
Chief Financial Officer
PAN : AAEPP4086D

**Pranali Chavan**
Company Secretary
ACS : 32279

HPCL LNG Limited ★

**HPCL LNG LIMITED**
**CIN : U40101GJ201GOI077228**
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024**

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| (Loss) before tax for the year | (1,034.81) | (748.32) |
| **Adjustments for:** | | |
| Depreciation and Amortization Expense | 43.09 | 8.88 |
| Gain / (Loss) on Remeasurement of Defined benefit plans | (0.12) | 9.17 |
| Interest Expenses | 58.49 | 34.21 |
| **Operating Profit before Changes in Assets & Liabilities {Sub Total - (i)}** | **(933.35)** | **(696.06)** |
| **Change in Assets and Liabilities:** | | |
| Decrease/ (Increase) other financial assets and Other current & non current Assets | (8,316.27) | (10,733.81) |
| (Decrease)/ Increase Provisions and Other Current Liabilities | 689.62 | 100.39 |
| **Sub Total - (ii)** | **(7,626.65)** | **(10,633.42)** |
| **Cash Generated from Operations** | **(8,560.00)** | **(11,329.49)** |
| Less: Direct Taxes (Paid) / Refund Received | (0.13) | (6.97) |
| **Net Cash Flow generated from/ (used in) Operating Activities (A)** | **(8,560.13)** | **(11,322.52)** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES:** | | |
| Purchase of Property, Plant and Equipment (including Capital Work in Progress/ excluding Lease payments and Interest Payments) | (26,203.76) | (49,317.69) |
| Capital Advances | (384.87) | 6,448.56 |
| **Net Cash Flow generated from/ (used in) Investing Activities (B)** | **(26,588.63)** | **(42,869.13)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| Proceeds / (repayment) of Short Term Borrowings | - | (79,984.50) |
| Proceeds from Long Term Borrowings | 66,912.01 | 1,47,740.41 |
| Interest on borrowings | (17,813.92) | (10,237.77) |
| Repayment of lease liability | (13,571.57) | (609.30) |
| **Net Cash Flow generated from/ (used in) Financing Activities (C)** | **35,526.52** | **56,908.84** |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)** | **377.76** | **2,717.19** |
| **Cash And Cash Equivalents - Opening Balance** | 3,629.80 | 912.61 |
| **Cash And Cash Equivalents - Closing Balance** | **4,007.56** | **3,629.80** |
| **Details of Cash and Cash equivalents at the end of the period:** | | |
| **Cash and Cash Equivalents as on** | | |
| Balances with banks on current account | 4,007.56 | 3,629.80 |
| Cash on hand | - | - |
| Fixed deposit with original maturity less than 3 months | - | - |
| **Cash and Cash equivalents at the end of the period** | **4,007.56** | **3,629.80** |

**Notes**

1. 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.

2. Reconciliation of liabilities arising from Financing Activities.

(Amount in Rs. Lakhs)

| Particulars | Current borrowings | Non current borrowings |
|---|---|---|
| **Balance as at 01 April 2023** | - | 1,76,848.01 |
| Cash inflow / (outflow) (net) | - | 66,912.01 |
| Movement on account of non-cash adjustment (IndAS 109) | - | - |
| Adjustment on account of regrouping | - | - |
| **Balance as at 31 March 2024** | - | **2,43,760.02** |

(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** |

As per our report of even date.

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

**Ram S Verma**
**(Partner)**
**Membership Number 038913**
UDIN: 24038913BKFKFR4685
Place : Mumbai
Dated : 01-05-2024

R KABRA & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Signatures to the Statement Cash Flows and Notes to Financial Statements

**For and on behalf of the Board**

**Rajneesh Narang**
Director
DIN : 08188549

**Sujata Londhe**
Director
DIN : 09027824

**Debasish Goswami**
Chief Executive Officer
PAN : ACLPG8058R

**Aveetha R Prabhu**
Chief Financial Officer
PAN : AAEPP4086D

**Pranali Chavan**
Company Secretary
ACS : 32279

HPCL LNG Limited ★

HPCL LNG LIMITED
CIN : U40101GJ201GOI077228
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

**(A) EQUITY SHARE CAPITAL**

(Amount in Rs. Lakhs)

| Balance as at April 01, 2023 | Changes in equity share capital due to prior period errors | Restated Balance as at April 01, 2023 | Changes in equity share capital during the year | Balance as at March 31, 2024 |
|---|---|---|---|---|
| 1,25,700 | - | 1,25,700 | - | 1,25,700 |

(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 |

**(B) OTHER EQUITY**

(Amount in Rs. Lakhs)

| 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, 2023** | (3,388.88) | 3.83 | (3,385.05) |
| Changes in accounting policy or prior period errors | - | - | - |
| Restated Balance as at April 1, 2023 | **(3,388.88)** | - | (3,388.88) |
| Loss for the year | (1,034.81) | - | (1,034.81) |
| Other Comprehensive Income/(Loss) for the year | - | (0.12) | (0.12) |
| Total Comprehensive Income/(Loss) for the year | **(1,034.81)** | **(0.12)** | **(1,034.94)** |
| Transaction cost related to Equity Share Capital | - | - | - |
| **Balance as at March 31, 2024** | **(4,423.69)** | **3.71** | **(4,419.98)** |

(Amount in Rs. Lakhs)

| 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, 2022 | **(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** | **(3,388.88)** | **3.83** | **(3,385.05)** |

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 S Verma**
**(Partner)**
**Membership Number 038913**
**UDIN:** 24038913BKFKFR4685
Place : Mumbai
Dated : 01-05-2024

R KABRA & CO LLP CHARTERED ACCOUNTANTS MUMBAI

**For and on behalf of the Board**

**Rajneesh Narang**
Director
DIN : 08188549

**Sujata Londhe**
Director
DIN : 09027824

**Debasish Goswami**
Chief Executive Officer
PAN : ACLPG8058R

**Aveetha R Prabhu**
Chief Financial Officer
PAN : AAEPP4086D

**Pranali Chavan**
Company Secretary
ACS : 32279

HPCL LNG Limited

**HPCL LNG LIMITED**
**CIN: U4010GJ201GOI077228**
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Note 1:**

## 1.1 Company Overview:

HPCL LNG Limited is an unlisted Company domiciled in India, registered office of the company is situated at HPCL Regional Office, Petroleum House, Behind Memnagar Fire Station, Navrangpura, Ahmedabad - 380009,Gujarat, incorporated on October 15, 2013 under Companies Act, 1956. The Company is a Wholly-owned Subsidiary ("WOS") of HPCL with effect from March 30, 2021. The Company is proposed to engage for operating and maintaining a Liquified Natural Gas (LNG) regasification terminal at Chhara Port in Gir Somnath, District of Gujarat.

The Financial Statements of the Company for the year ended March 31, 2024 were authorized for issue in accordance with a resolution of the board of directors on April 29, 2024.

## 1.2 Basis of Preparation:

(a) The Financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended 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 is in construction phase, the same has been assumed to have 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 the nearest decimals.

## 1.3 Use of judgments, estimates & assumptions:

While preparing financial statements in conformity with Ind AS, we make 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 at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently 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. We 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 Material 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.

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.

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HPCL LNG Limited

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) Freehold lands are carried at cost. All other items of Property and Equipment are stated are cost, net of accumulated depreciation and impairment losses, if any.

(b) 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 (including import duties and non-refundable taxes), 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.

(c) Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method except Building (Barbed Fencing) has useful life of 2 years.

(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

(e) Depreciation on additions / deductions is calculated on pro rata basis from/up to the date of additions/deductions.

R KABRA & CO LLP MUMBAI CHARTERED ACCOUNTANTS

HPCL LNG Limited

(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 amount 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 to be 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.

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HPCL LNG Limited

### 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 Inventories:

Valuation of stores and spares which do not meet the recognition criteria under Property, Plant and Equipment are valued at average cost. Surplus, obsolete and slow moving inventories and spares, if any are valued at cost or net realisable value whichever is lower.

### 1.4.7 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.

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HPCL LNG Limited

### 1.4.8 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### 1.4.9 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.

### 1.4.10 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.

### 1.4.11 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

R KABRA & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

HPCL LNG Limited

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.

**1.4.12 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

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HPCL LNG Limited ★

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.

**1.4.13 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.

(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.

**1.4.14 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

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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.

### 1.4.15 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.

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**(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.

**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.

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**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.

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).

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**1.4.16 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.

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.

**1.4.17 Standards issued and after 1st April 2023:**

There are no standards issued after 1st April 2023 resulting into any amendments in IND AS.

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**Note 2: Property, Plant and Equipment**

**The following are the carrying values of Property, Plant and Equipments:** **(Amount in Rs. Lakhs)**

| Particulars | Right of Use of Assets | Freehold Land* | Building | Furniture & Fixtures | Office Equipments (including Computers) | Plant and Machinery | Total |
|---|---|---|---|---|---|---|---|
| **Gross Block:** | | | | | | | |
| **As at April 1, 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** |
| Additions during the period | 496.06 | 12,014.43 | 780.15 | 52.31 | 119.24 | 0.43 | 13,462.61 |
| Deductions during the period | 12,012.94 | - | - | - | - | - | 12,012.94 |
| **As at March 31, 2024** | **496.06** | **12,014.43** | **822.41** | **61.57** | **173.25** | **0.43** | **13,568.15** |
| **Accumulated Depreciation :** | | | | | | | |
| **Upto April 1, 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** |
| Depreciation charge for the period | 93.01 | - | 7.92 | 4.04 | 25.27 | 0.02 | 130.25 |
| Depreciation on deductions | 1,648.03 | - | - | - | - | - | 1,648.03 |
| **Upto March 31, 2024** | **93.01** | - | **49.02** | **8.84** | **53.17** | **0.02** | **204.06** |
| **Net Book Value:** | | | | | | | |
| **As at March 31, 2024** | **403.05** | **12,014.43** | **773.39** | **52.73** | **120.08** | **0.41** | **13,364.09** |
| **As at March 31, 2023** | **10,364.90** | - | **1.16** | **4.46** | **26.11** | - | **10,396.63** |

* Does not include 24.55 acres land which is still under the leasehold agreement without payment of lease charges as per the agreed terms & condiitons against which part payment of 957 lakhs has been made and disclosed as capital advance (refer note 6)

Note 2A: Right of use of Assets represents Lease Hold Land at site and lease for corporate office.The Lease for Land has been terminated w.e.f. 13th April 2023.

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 13)

**Note 3: Capital Work in Progress**

**(Amount in Rs. Lakhs)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Construction period expenses pending apportionment:** | | |
| Opening Balance | **2,80,001.27** | **2,07,998.93** |
| **Add: Expenses incurred during the year** | | |
| Engineering, Procurement and Construction Cost | 40,106.84 | 55,021.24 |
| Project Management Consultancy | 467.07 | 1,491.21 |
| Finance cost of Lease obligation (refer note 25) | 37.31 | 1,178.86 |
| Depreciation/Amortization of Right of Use of Assets and other Assets (refer note 26) | 118.71 | 389.33 |
| Interest on borrowings (refer note 25) | 17,757.25 | 10,112.64 |
| Salaries & Wages including Manpower service on deputation | 321.94 | 387.32 |
| Legal & Professional Fees | 310.25 | 128.46 |
| Corporate Environmental Responsibility Expenses | 69.28 | 35.95 |
| Others | 2,116.42 | 2,810.71 |
| **Project Related Expenditure transferred from Profit & Loss Account:** | | |
| Employee Benefits Expense (refer note 24) | 426.65 | 143.75 |
| Other Expenses (refer note 27) | 357.93 | 117.10 |
| Less: - Site Expenses | (719.42) | 185.78 |
| Gain on Cancellation of Lease Liability / Right of Use Assets | (2,890.23) | - |
| **Closing Balance** | **3,38,481.26** | **2,80,001.27** |

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 13)

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 31/03/2024 | 58,479.99 | 72,002.34 | 1,32,047.51 | 75,951.42 | 3,38,481.26 |
| As on 31/03/2023 | 79,199.17 | 1,25,035.52 | 59,972.82 | 15,793.77 | 2,80,001.27 |
| **Projects temporarily suspended** | | | | | |
| As on 31/03/2024 | - | | - | - | - |
| As on 31/03/2023 | - | | - | - | - |

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 31/03/2024 | 58,479.99 | 2,80,001.27 | - | - | 3,38,481.26 |
| As on 31/03/2023 | 2,80,001.27 | - | - | - | 2,80,001.27 |

Note 3D: The Company has achieved mechanical completion of the Terminal on March 2023. However, the commissioning of the Terminal has been delayed due to non-availability of gas evacuation pipeline, the construction of which was completed by April 2024. The Company had successfully berthed the ship containing commissioning cargo. However, due to technical issues and predicted weather conditions, which prevented continuous berthing of ship for 10-12 days as required for commissioning process to be completed, the commissioning of the Terminal has been postponed to the next fair weather season.

Note 3E: The company does not have any project where its cost has been exceeded as compared to its original plan.

**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 April 1, 2022** | 3.33 | 1.58 | 4.91 |
| Additions during the year | 0.11 | - | 0.11 |
| Deductions during the year | - | - | - |
| **As at March 31, 2023** | **3.44** | **1.58** | **5.02** |
| Additions during the period | 0.67 | - | 0.67 |
| Deductions during the period | - | - | - |
| **As at March 31, 2024** | **4.11** | **1.58** | **5.69** |
| Accumulated Depreciation : | | | - |
| **Upto April 1, 2022** | 3.04 | 0.94 | 3.98 |
| Depreciation charge for the year | 0.15 | 0.53 | 0.68 |
| Depreciation on deductions | - | - | - |
| **Upto March 31, 2023** | **3.19** | **1.47** | **4.66** |
| Depreciation charge for the period | 0.17 | 0.11 | 0.28 |
| Depreciation on deductions | - | - | - |
| **Upto March 31, 2024** | **3.36** | **1.58** | **4.94** |
| **Net Book Value:** | | | |
| **As at March 31, 2024** | **0.75** | - | **0.75** |
| **As at March 31, 2023** | **0.25** | **0.11** | **0.35** |

Note 4(A): All the intangible assets have been offered as a security for Long term loan at the balance sheet date.(refer note 13)

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**Note 5: Other Financial Assets**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Unsecured | | |
| Security Deposits, Considered good | 3.00 | 24.90 |
| Total | 3.00 | 24.90 |

**Note 6: Other Non-Current Assets**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Capital Advances (refer note 6.1) | 1,697.92 | 1,313.06 |
| Balance with Government authorities | 45,670.03 | 37,372.76 |
| Prepaid Expenses | 0.89 | 0.36 |
| Tax Collected at Source | 0.33 | 0.30 |
| Tax Deducted at Source | 0.88 | 0.78 |
| Total | 47,370.05 | 38,687.25 |

Note 6.1 Capital Advances paid to EPC Contractors for LNG Storage Tanks, Regasification Facilties and Marine Facilities are secured by Bank Guarantee of Rs Nil Lakhs. (Previous period Rs. 1,889.00 Lakhs)

**Note 7: Inventories**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Stores & Spares | 39.08 | - |
| Total | 39.08 | - |

Note 7.1 For basis of valuation of inventories, refer note 1.4.6
Note 7.2 The above inventories are hypothecated against term borrowings

**Note 8: Cash & Cash Equivalents**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **i) Balances with Scheduled Banks** | | |
| Current Account | 4,007.56 | 3,629.80 |
| **ii) Cash on hand (Rs. 363, Previous Year Rs. 363)** | - | - |
| Total | 4,007.56 | 3,629.80 |

**Note 9: Other Financial Assets**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Receivable for sale of surplus project material | - | 0.12 |
| Total | - | 0.12 |

**Note 10: Other Current Assets**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advance to employees | 0.01 | - |
| Prepaid Expenses | 51.51 | 50.97 |
| Others Advances- Insurance | 0.87 | - |
| Total | 52.39 | 50.97 |

**Note 11: Equity Share Capital**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Authorized:** | | |
| 129,30,00,000 Equity Shares of Rs.10 each | 1,29,300.00 | 1,29,300.00 |
| | 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, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | 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 | 1,25,70,00,000 | 1,25,700 |
| Add: Equity shares issued during the year | - | - | - | - |
| 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, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | 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, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | 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, 2024 is as follows:

| Shares held by Promoters | | | | | % change during the period (No. of Shares) |
|---|---|---|---|---|---|
| | As at March 31, 2024 | | As at March 31, 2023 | | |
| Promoter Name | 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% | - |

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**Note 12: Other Equity**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(a) Retained Earnings** | | |
| As at last Balance Sheet | (3,388.88) | (2,640.56) |
| Add: (Loss) for the Year | (1,034.81) | (748.32) |
| | (4,423.69) | (3,388.88) |
| Transaction cost related to Equity Share Capital | - | |
| **Total (A)** | (4,423.69) | (3,388.88) |
| **(b) Other comprehensive income / (loss) arising from measurement of defined benefit obligation (net of tax)** | | |
| As at last Balance Sheet | 3.83 | (5.34) |
| Add: Gain / (Loss) during the Year | (0.12) | 9.17 |
| **Total (B)** | 3.71 | 3.83 |
| **Total Other Equity (A+B)** | (4,419.98) | (3,385.06) |

**Note 13: Financial Liabilities - Borrowings**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Secured | | |
| Term Loan | | |
| From Banks | | |
| Long term loan (refer note 13.1) | 2,43,760.02 | 1,76,848.01 |
| **Total** | 2,43,760.02 | 1,76,848.01 |

**Note 13.1:**
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 8.7% p.a (8.45% p.a. till 4th February 2024).
4.The Loan is to be repaid in stepped up 38 installments over a period of 13 years including morotorium period of 2 years. The quarterly repayment schedule for Long Term loans shall be started from 01-04-2026 til 30-09-2035.

5. For non-creation of security, penal interest may be charged at 1% of the outstanding loan amount subject to fullfiment of the terms & conditions as metioned in the Sacntioned Letter.

**Note 14: Lease Liabilities**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Lease Liabilities | 316.98 | 12,353.04 |
| **Total** | 316.98 | 12,353.04 |

Note 14.1 For disclosure as per IND AS 116, refer note 33

**Note 15: Provisions**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Gratuity | 18.50 | 16.02 |
| Compensated absences | 25.18 | 15.69 |
| **Total** | 43.68 | 31.71 |

**Note 16: Other non current liabilities**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Custom Duty Payable | 133.80 | 123.67 |
| **Total** | 133.80 | 123.67 |

Note 16.1 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 andDisclosure of Government Assistance". During the year, an amount of Rs. 8.77 lakhs (2022-2023: 6.09 lakhs) has been transferred to Capital work-in-progress, towards unwinding of custom duty liability.

**Note 17: Lease Liabilities**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Current Maturity of Lease liability | 108.98 | 1,118.05 |
| **Total** | 108.98 | 1,118.05 |

Note 17.1 For disclosure as per IND AS 116, refer note 33

**Note 18: Trade Payables**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Trade Payables** | | |
| i) Outstanding dues of micro enterprises and small enterprises | 1.18 | 4.81 |
| ii) Outstanding dues of creditor other than micro and small enterprises | 32.32 | 4.65 |
| **Total** | 33.50 | 9.46 |

Note : The Ageing schedule of Trade Payables as at 31st March 2024 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 | - | 1.18 | | | 1.18 |
| (ii) Others | 26.47 | 5.85 | | | 32.32 |
| (iii) Disputed Dues - MSME | | | | | - |
| (iv) Disputed Dues - Others | | | | | - |

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HPCL LNG Limited

**HPCL LNG LIMITED**
**CIN : U40101GJ201GOI077228**
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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 19: Other Financial Liabilities**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Capital Creditors** | | |
| Due to related parties | | |
| i) Outstanding dues of micro enterprises and small enterprises | - | - |
| ii) Outstanding dues of creditor other than micro and small enterprises | 244.36 | 48.71 |
| Due to others | | |
| i) Outstanding dues of micro enterprises and small enterprises | 402.33 | 357.09 |
| ii) Outstanding dues of creditor other than micro and small enterprises | 21,263.85 | 2,107.87 |
| **Capital Expenses Payable** | | |
| Due to related parties | | |
| i) Outstanding dues of micro enterprises and small enterprises | - | - |
| ii) Outstanding dues of creditor other than micro and small enterprises | 51.48 | - |
| Due to others | | |
| i) Outstanding dues of micro enterprises and small enterprises | 25.09 | 771.51 |
| ii) Outstanding dues of creditor other than micro and small enterprises | 14,225.86 | 15,922.47 |
| Other Expenses Payable | 10.01 | 1.38 |
| **Total** | **36,222.98** | **19,209.03** |

**Note 20: Other Current Liabilities**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Statutory Dues | 1,408.51 | 776.44 |
| **Total** | **1,408.51** | **776.44** |

**Note 21: Provisions**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Gratuity | 3.49 | 3.02 |
| Compensated absences | 6.23 | 3.92 |
| **Total** | **9.72** | **6.94** |

**Note 22: Contingent Liabilities and Capital and other commitments**

(Amount in Rs. Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **1. Contingent Liabilities** | | |
| (a) Guarantees excluding financial guarantees: | | |
| i) Performance Bank Guarantee issued to Gujarat Maritime Board (GMB) - validity till 31st December 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 2025. | 481.33 | 481.33 |
| (b) Other money for which the company is contingently liable (Refer Note 22.1) | 375.01 | 47.10 |
| (c) Claims against the Company not acknowledged as debts | 95.11 | - |
| **Total** | 2,131.45 | 1,708.43 |

Note 22.1 Other money for which the company is contingently liable comprises of committement fees @1.25% on short disbursement of loan and 1% penal interest on the entire outstanding amount for non creation of charge, 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.17193.25 Lakhs (Previous Year Rs. 54,326.43 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**

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Interest** | | |
| Gain on Foreign Currency Transition and Translation (net) | - | 15.74 |
| Interest Income | | |
| (i) Interest on Security Deposit | 0.02 | - |
| (ii) Interest on Income Tax Refund | 0.02 | 0.34 |
| **Total** | **0.04** | **16.08** |

**Note 24: Employee Benefits Expense**

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Salaries and wages | 363.19 | 116.56 |
| Contribution to provident fund and other funds | 30.30 | 1.30 |
| Gratuity and Leave encashment benefits | 24.66 | 21.80 |
| Staff welfare expenses | 39.01 | 27.66 |
| | **457.16** | **167.32** |
| Less: Transferred to Capital Work in Progress (refer note 3) | (426.65) | (143.75) |
| **Total** | **30.51** | **23.57** |

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**Note 25: Finance Cost**

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| (1) Interest : | | |
| (i) on Borrowings | 17,813.92 | 10,237.77 |
| (2) Other Borrowing Cost : | | |
| (i) Finance cost on deferement of custom duty | 8.77 | 6.09 |
| (ii) Finance cost on Lease liability | 30.36 | 1,172.78 |
| (3) Interest on others | 6.85 | 0.00 |
| | 17,859.90 | 11,416.65 |
| Less: Transferred to Capital Work in Progress (refer note 3) | (17,794.56) | (11,382.42) |
| Total | 65.34 | 34.22 |

**Note 26: Depreciation and Amortisation Expenses**

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Depreciation and Amortisation Cost | 161.80 | 398.21 |
| Less: Transferred to Capital Work in Progress (refer note 3) | (118.71) | (389.33) |
| Total | 43.09 | 8.88 |

**Note 27: Other Expenses**

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Consumption of Stores & Spares (refer note 27.1) | 104.81 | |
| Lease Rental | 27.11 | 108.88 |
| Electricity | 224.73 | 8.68 |
| Legal & Professional Fee | 26.17 | 2.55 |
| Repair & Maintenance Expenses | 7.08 | 7.15 |
| Insurance | 808.44 | 663.62 |
| Auditor's Remuneration: | | |
| Statutory Audit Fees | 3.50 | 3.50 |
| Limited Review Fees | 3.40 | 3.00 |
| Certification Fees | - | 0.02 |
| Out of pocket expense | 0.01 | - |
| Postage, Telephone & Communication | 7.03 | 3.74 |
| Printing & Stationary | 1.29 | 2.91 |
| ROC Fees | 0.39 | - |
| Loss on Foreign Currency Transaction and Translation (net) | 21.68 | - |
| Miscellaneous Expenses | 18.20 | 10.78 |
| | 1,253.84 | 814.83 |
| Less: Transferred to Capital Work in Progress (refer note 3) | (357.93) | (117.10) |
| Total | 895.91 | 697.73 |

**Note 27.1: Consumption of Stores & Spares**

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Opening Stock | - | - |
| Add: Purchases | 143.89 | - |
| less: Closing Stock | 39.08 | - |
| Cost of Materials Consumed | 104.81 | - |
| Less: Transferred to Capital Work in Progress (refer note 3) | (104.81) | - |
| Total | - | - |

**Note 28: Tax expense**

**28 (a) Amount recognised in Statement of Profit and Loss**

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **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** | - | - |

**28 (b) Amount recognised in Other Comprehensive Income**

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2024 | | | For the year ended | | |
|---|---|---|---|---|---|---|
| | Before tax | Tax expense/(benefit) | Net of tax | Before tax | Tax expense/(benefit) | Net of tax |
| **Items that will not be reclassified to profit or loss:** | | | | | | |
| Remeasurement of defined benefit Plans | (0.12) | - | (0.12) | 9.17 | - | 9.17 |

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**28 (c) Reconciliation of effective tax rate** (Amount in Rs. Lakhs)

| Particulars | For the year ended | | For the year ended | |
|---|---|---|---|---|
| | % | (Rs. In Lakhs) | % | (Rs. In Lakhs) |
| (Loss) before income tax expense | | (1,034.81) | | (748.32) |
| Taxes as per corporate tax rate | 26.00% | (269.05) | 26.00% | (194.56) |
| Tax effect of: | | | | |
| Non-deductible tax expenses | -21.95% | 227.19 | -24.25% | 181.44 |
| Temporary differences on fixed asset, CWIP and ROU asset | 2.26% | (23.34) | 0.06% | (0.48) |
| Temporary differences on lease liability | -0.05% | 0.47 | 0.00% | - |
| Temporary differences on business losses | -5.88% | 60.89 | -1.62% | 12.10 |
| Temporary differences on employee benefits | -0.37% | 3.84 | -0.20% | 1.51 |
| **Income tax expense** | 0.00% | 0.00 | 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 404.00 lakhs (Previous Year Rs. Rs. 716.88 lakhs) is not recognised.

**28 (e) Tax Losses Carried Forward**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Gross Amount | Expiry Date (Assessment Year) | Gross Amount | Expiry Date (Assessment Year) |
| Unabsorbed Business Losses | 46.52 | 2031-32 | - | - |
| Unabsorbed Business Losses | 45.23 | 2030-31 | 45.23 | 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** | **290.58** | | **244.04** | |

**Note 29: Earnings Per Share**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| (i) Net (loss) as per the Statement of Profit & Loss available for Equity Shareholders. | (1,034.81) | (748.32) |
| (ii) Weighted average number of equity shares used as denominator for calculating EPS | 12,570.00 | 12,570.00 |
| (iii) Basic and Diluted earnings per share (i/ii) | (0.08) | (0.06) |
| (iv) Nominal value of shares | 10 | 10 |

**Note 30:**
**a. Defined Contribution Plans:**
The Company has recognized the contribution made to the followings defined contribution plan in the statement of Profit & Loss:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Provident Fund | 1.38 | 1.30 |

**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:
**Gratuity (Unfunded)** (Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **(A) Change in benefit obligations** | | |
| Benefit obligations at the beginning of the year | 19.04 | 18.75 |
| Interest Cost | 1.25 | 1.12 |
| Current Service Cost | 6.45 | 8.34 |
| Past Service Cost | - | - |
| Curtailments | - | - |
| Remeasurements-Actuarial (Gain)/Loss | 0.12 | (9.17) |
| Benefits Paid | (4.87) | - |
| Benefit obligations at the end of the year | **21.99** | **19.04** |
| **(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 | - | - |
| Benefits Paid | - | - |
| Fair value of Plan Assets at the end of the year | - | - |
| **(C) Amount Recognized in the Balance Sheet** | | |
| Present value of Obligation at the end of the year | 21.99 | 19.04 |
| Fair value of Plan Assets at the end of the year | - | - |
| Net Asset/(Liability) recognized in the balance sheet | **(21.99)** | **(19.04)** |
| **(D) Amount Recognized in the Statement of Profit & Loss** | | |
| Interest Cost | 1.25 | 1.12 |
| Current Service Cost | 6.45 | 8.34 |
| Past Service Cost | | - |
| Expenses recognized in the statement of Profit & Loss | **7.70** | **9.46** |
| **(E) Amount Recognized in the Statement of other comprehensive income:** | | |
| Actuarial losses / (gains) recognized for the year | 0.12 | (9.17) |
| Return on Plan Assets excluding net interest | - | - |
| Unrecognized Actuarial (Gains)/Loss from previous year | - | - |
| Total Actuarial Loss / (Gains) recognized in the statement of other comprehensive income | **0.12** | **(9.17)** |

| (F) Actuarial (Gains)/ Loss on obligation | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Due to Demographic Assumption | - | - |
| Due to Financial Assumption | 0.17 | (0.87) |
| Due to Experience | (0.05) | (8.30) |
| Total Actuarial (Gain)/ Loss | **0.12** | **(9.17)** |

| (G ) Actuarial Assumptions | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Discount Rate | 6.97% | 7.14% |
| Expected rate of return on Plan Assets | | |
| Salary Escalation rate | 3.00% | 3.00% |

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HPCL LNG Limited

| (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 | 21.00 | 23.09 | 23.01 | 21.05 |

| (I ) Expected Payout | Amount in Rs. Lakhs |
|---|---|
| Expected payout of Gratuity (Unfunded): | |
| **Year** | |
| First | 3.49 |
| Second | 3.63 |
| Third | 3.14 |
| Fourth | 2.71 |
| Fifth | 2.73 |
| Six to ten years | 9.02 |

**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 2024 based on actuarial valuation using the projected accrued benefit method is Rs. 16.95 Lakhs (Previous year : Rs. 12.34 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, 2024 | As at March 31, 2023 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| 1) Principle | 403.52 | 361.90 |
| 2) Interest | 0.77 | - |
| 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 | - | - |
| 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; | - | - |
| 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. | 0.77 | - |

**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:

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

| Particulars | Category of ROU Asset | | |
|---|---|---|---|
| | *Land at site* | *Building* | 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** | **10,364.91** | - | **10,364.91** |
| Additions | - | 496.06 | 496.06 |
| Deletion | 10,364.91 | - | 10,364.91 |
| Accumulated depreciation including current year charge | - | 93.01 | 93.01 |
| **Balance as at 31 March 2024** | - | **403.05** | **403.05** |

(ib) Changes in the Lease liabilities

| Particulars | Category of Lease liability | | |
|---|---|---|---|
| | *Land at site* | *Building* | 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** | **13,471.10** | - | **13,471.10** |
| Add: Movements during the year | - | 496.06 | 496.06 |
| Add: Interest cost accrued during the year | - | 30.36 | 30.36 |
| Less: Lease Payments | 13,471.10 | 100.47 | 13,571.57 |
| **Balance as at 31 March 2024** | - | **425.95** | **425.95** |

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

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| Current Lease Liabilities | 108.98 | 1,118.05 |
| Non-current Lease Liabilities | 316.98 | 12,353.04 |
| **Total** | **425.96** | **13,471.09** |

(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-24 | 31-Mar-23 |
|---|---|---|
| Less than one year | 141.76 | 902.10 |
| One to five years | 350.83 | 4,077.95 |
| More than five years | - | 38,189.07 |
| **Total** | **492.59** | **43,169.12** |

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

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| Interest on Lease Liabilities | 1.82 | - |
| Short-term leases expensed | 12.54 | 6.53 |
| **Total** | 14.36 | 6.53 |

(v) Amounts recognised in statement of Cash Flows

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| Total Cash outflow for leases | 13,498.21 | 718.19 |

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**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 (till 30.09.2023)
Ms. Sujata Londhe- Woman Director
Mr. Vijay Agashe- Director
Mr. Suresh Shetty- Additional Director (till 07-09-2023)
Mr. Suresh Shetty- Director (w.e.f 07-09-2023)
Mr. K. Sreenivasa Rao - Chief Executive Officer (till 15-09-2023)
Mr. K. Sreenivasa Rao - Additional Director (w.e.f 01-10-2023)
Mr. Debasish Goswami - Chief Executive Officer (w.e.f 16-09-2023)
Ms. Aveetha R Prabhu- Chief Financial Officer
Ms. Pranali Chavan-Company Secretary

B. Details of transactions with Related Parties :

(Amount in Rs. Lakhs)

| Nature of Transaction | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **1. Transaction with the Holding Company** | | |
| **Holding Company** | | |
| **Hindustan Petroleum Corporation Limited** | | |
| 1) Manpower Services on Deputation | 304.30 | 280.72 |
| 2) Lease Rental of Registered Office & Head Office | 112.78 | 0.66 |
| 3) Charges for IT related services | 1.98 | 11.80 |
| 4) Fuel Expenses | 100.34 | - |
| 5) Water Charges | 0.72 | - |
| 6) Electricity Charges | 5.64 | - |
| 7) Recuritment Charges | 9.60 | |
| 8) Lubes & Lubricants | 6.60 | |
| **2. Outstanding at Year end** | | |
| 1) Payable at the year end | 244.36 | 48.70 |
| 2) Lubes & Lubricants Payable | 6.60 | |
| 3) Fuel Expenses Payable | 36.65 | - |

The balances are subject to confirmation & reconciliation.

**2. Remuneration paid to Key Management Personnel**

| Particulars | Ms. Pranali Chavan | | Ms. Aveetha R Prabhu | | Mr. Debasish Goswami | |
|---|---|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **Short term employee benefits:** | | | | | | |
| Remuneration | 13.48 | 11.56 | 54.37 | 48.19 | 35.64 | - |
| **Long term employee benefits:** | | | | | | |
| Post -employment Benefits | 1.04 | 0.45 | 11.84 | 10.35 | 7.52 | - |
| Other Long term benefits | 1.30 | 0.87 | 4.82 | 4.22 | 3.06 | - |
| **Total** | **15.82** | **12.88** | **71.03** | **62.76** | **46.22** | **-** |

| Particulars | Mr. K. Sreenivasa Rao | |
|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 |
| **Short term employee benefits:** | | |
| Remuneration | 32.49 | 63.06 |
| **Long term employee benefits:** | | |
| Post -employment Benefits | 5.89 | 12.00 |
| Other Long term benefits | 2.40 | 4.89 |
| **Total** | **40.78** | **79.95** |

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**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)**

| | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| **As at March 31, 2024** | **FVTPL** | **FVTOCI** | **Amortised Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Security Deposits | - | - | 3.00 | 3.00 | - | - | - | - |
| **Current** | | | | | | | | |
| Cash and cash equivalents | - | - | 4,007.56 | 4,007.56 | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| | - | - | **4,010.56** | **4,010.56** | - | - | - | - |
| **Financial liabilities** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Borrowings | - | - | 2,43,760.02 | 2,43,760.02 | - | - | - | - |
| Lease Liabilities | - | - | 316.98 | 316.98 | - | - | - | - |
| Other Non Current financial liabilities | - | - | 133.80 | 133.80 | | | | |
| **Current** | | | | | | | | |
| Lease Liabilities | - | - | 108.98 | 108.98 | - | - | - | - |
| Trade Payables | - | - | 33.50 | 33.50 | - | - | - | - |
| Other Current financial liabilities | - | - | 36,222.98 | 36,222.98 | - | - | - | - |
| | - | - | **2,80,576.26** | **2,80,576.26** | - | - | - | - |

**(Amount in Rs. Lakhs)**

| | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| **As at March 31, 2023** | **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** | | | | | | | | |
| Borrowings | - | - | - | - | | | | |
| Lease Liabilities | - | - | 1,118.05 | 1,118.05 | - | - | - | - |
| Trade Payables | - | - | 9.46 | 9.46 | - | - | - | - |
| Other Current financial liabilities | - | - | 19,209.03 | 19,209.03 | - | - | - | - |
| | - | - | **2,09,661.26** | **2,09,661.26** | - | - | - | - |

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 March 31, 2024** | | | | |
| Borrowings | 21,208.86 | 53,765.23 | 73,197.73 | 2,39,677.41 |
| Trade Payables | 33.50 | - | - | - |
| Capital Creditors | 21,910.54 | - | - | - |
| Capital Expenses Payable | 14,302.43 | - | - | - |
| Other Expenses Payable | 10.01 | - | - | - |
| Lease Obligation | 141.76 | 308.81 | 42.02 | - |
| **Total** | **57,607.11** | **54,074.04** | **73,239.75** | **2,39,677.41** |
| **As at March 31, 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** | **43,207.32** | **62,972.24** | **1,86,444.75** |

R KABRA & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

HPCL LNG Limited

**HPCL LNG LIMITED**
**CIN : U40101GJ201GOI077228**
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**(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 returns.

**(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 long term loan with the floating rate of interest for meeting the funding requirements of the Project.

**(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, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Net Gain / (loss) on Foreign Currency Transaction | (21.68) | 15.74 |
| **Total** | **(21.68)** | **15.74** |

**Note 37:**
**Ratios**
The Ratios are as below.

| Particulars | Numerator | Denominator | As at March 31, 2024 | As at March 31, 2023 | Variance % | Remarks / Reason for Variance |
|---|---|---|---|---|---|---|
| Current Ratio | 4,099.03 | 37,783.69 | 0.11 | 0.17 | -38% | Significant increase in creditors |
| | (PY 3,680.89) | (PY 21,119.91) | | | | |
| Debt-Equity Ratio (Borrowings (Long Term + Short Term) / Equity) | 2,43,760.02 | 1,21,280.02 | 2.01 | 1.45 | 39% | The company has borrowed additional debt funds for Greenfield 5 MMTPA LNG Terminal and allied facilities at Chhara, Gujarat |
| | (PY 1,76,848.01) | (PY 1,22,314.95) | | | | |
| 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. |
| Inventory 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 to Promoters, Directors, KMPs and Related Parties.
(iv) The Company is not holding any benami property
(v) The company has not been declared Wilful defaulter by any bank or financial institution.
(vi) There are neither any transactions nor any balances with struck off companies as on 31st March 2024 as well as 31st March 2023.
(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 has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(xiii) Ministry of Environment, Forest and Climate Change has granted the environmental clearance to the Company on March 5, 2019. The public hearing for the Company's Environmental Clearance (EC) approval was held on December 18, 2015 and the approval was given in accordance with the rules and regulations after following the due process. Subsequently, cases were filed with the National Green Tribunal (NGT) challenging the EC granted to the Company. The cases are being heard before NGT, who have not issued any stay on the Environmental Clearance granted to the Company, which allows the Company to continue with its operations.

(xiv) As per the sub-concessionaire agreement between Gujarat Maritime Board (GMB) and the Company, the Company undertakes that it shall complete the construction of the LNG Terminal within a period of Thirty-six months from 1 November 2019, i.e. by October 31, 2022 and if the Company, fails to obtain the Certificate of Completion within the scheduled construction period, the GMB shall levy liquidated damages.
GMB vide letter dated 18 September 2023 granted extension to the Company for the further period of 12 months i.e. till October 31, 2023. Again, GMB vide letter dated 27 December 2023 granted provisional permission to the Company for its cargo operations during fair weather from its LNG berth at Charra port. Such permission is valid till 14 May 2024. There are no claims on the Company from GMB. Accordingly, based on management assessment, no provision for penalty for delay in commissioning of the project has been made in the books of account.

**Note 39: Non Adjusting Events after the Reporting Period**
The Company is setting up a 5 MMTPA LNG Storage & Regasification Terminal at the greenfield Port at Chhara, District Gir Somnath, Gujarat. The Terminal achieved mechanical completion in March 2023. Due to non-availability of RLNG evacuation pipeline, commissioning of the Terminal was delayed. Construction of the said pipeline by GSPL has been completed in early April 2024. In view of the same, the Company booked LNG cargo for commissioning of the terminal. The LNG vessel was successfully berthed on April 12, 2024 at the terminal. However, due to some technical issues at the jetty, the ship was de-berthed after a few days in order to attend to these issues. Commissioning the Terminal with the first cargo requires the ship to be berthed continuously for a minimum period of 10-12 days. As the predicted weather conditions were not conducive for the same, it was not found prudent to go ahead with commissioning of the Terminal. Further, the Company is targeting to commission the terminal by December 2024.The terminal shall be operated on a tolling model.
There is no impact of the above event on the financial for the year ended 31st March 2024.
The financial impact if any, for subsequent years is not yet ascertainable at this stage

**Note 40:**
Previous year figures have been regrouped/ restated wherever necessary to conform to the current years classification.

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HPCL LNG Limited