



J. S. M. & CO.

Chartered Accountants

C-77, Shyam Apartment,

Sarajni Marg, C-Scheme, Jaipur-302001

Telefax : 0141-2374815, 4006839

E-Mail: suniljms_amit@rediffmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
HPCL Rajasthan Refinery Limited

REPORT ON AUDIT OF THE IND AS FINANCIAL STATEMENTS

OPINION:

We have audited the accompanying Indian Accounting Standard ("Ind AS") financial statements of **HPCL RAJASTHAN REFINERY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of the 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 accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2021, its loss and other 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

EMPHASIS OF MATTER:

We invite attention to the following matters in the Notes to financial statements:

- Note Number-31** to the financial statements which states that the accounting treatment of Input Tax Credit available under the GST regime and its reversal on account of Input Tax Credit attributable to Exempt Supplies (Non GST) based on estimation made by the Company. The relevant adjustments/ accounting entries shall be made at the time of actual outward supplies/liability subsequent to commencement of Commercial Production based on the prevailing GST law/Rules.
- Note Number-33** to the financial statements which states that the company has restated its financial statements for the year ended March 31, 2020 in accordance with Ind AS-8, "Accounting Policies, Changes in Accounting Estimates and Errors" to rectify the Prior Period adjustment consist of errors/omission for recording the Insurance Expenses amounting Rs. 50,33,08,068/- which was earlier capitalized under Capital Work in Progress (CWIP) instead of charging the same to Statement to Profit and Loss. This has resulted into decrease in profit before tax as already reported, by Rs. 50,33,08,068/- with corresponding reduction of CWIP and other equity by Rs. 50,33,08,068/- for the previous year after restatement.
- Note Number-36** to the financial statements which states the management assessment of the impact of the outbreak of COVID-19 on the Company, the Company's management conclude that no adjustments are required in the financial statements as it does not impact the current financial year. However, the situation with second wave of COVID-19 is still evolving. Also, the various preventive measures taken (such as lockdown restrictions by the various State Governments, travel restrictions etc.) are still in force, leading to a highly uncertain economic environment. Due to these circumstances, the management's assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of such matters.





INFORMATIONS OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON:

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexure to Director's Report, but does not include the financial statements and our auditors' report thereon. The Other information is expected to be made available to us after the date of this Auditor's Report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

The Company's management and Board of Directors are 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 state of affairs (financial position), Profit (financial performance including other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS:

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

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

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- d) 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.
- e) 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.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, We report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our Opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended.
 - e) As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 164(2) of the Act, accordingly, 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 with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B'.
 - 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. As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 197 of the Act and hence we are not required to report as to whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations, on its financial position in its financial statements. Kindly Refer Note-23 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.





J. S. M. & CO.

Chartered Accountants

C-77, Shyam Apartment,

Sarojni Marg, C-Scheme, Jaipur-302001

Telefax : 0141-2374815, 4006839

E-Mail: suniljasm_amit@rediffmail.com

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

3. Based on the verification of records of the Company and based on information and explanations given to us, we give below a report on the directions issued by the Comptroller and Auditor General of India in terms of the section 143(5) of the Act.

| S. No. | Area to be examined | Observations |
|--------|--|---|
| a) | 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 maintains its accounts in Tally.ERP Accounting Package. All financial accounting transactions are completely entered /captured into the accounts through this accounting package. Several related working are maintained in supporting systems which are not automatically integrated into Tally.ERP accounting package but passed through Voucher entries. However, upon checking, no cases of discrepancies or mismatch were observed while integrating the transactions/ workings maintained in supporting systems into the Tally.ERP accounting package. There is however a need of automation of such processes to ensure complete data integrity. |
| b) | 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 loan? If yes, the financial impact may be stated. | There has been no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. by a lender to the company due to the company's inability to repay the loan. |
| c) | Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation. | No funds have been received/are receivable for specific schemes from Central/State agencies and thus the accounting/utilization for the same is not applicable. |

For J.S.M. & Co.

Chartered Accountants

Firm Regn. No 006781C



CA. Sunil Agarwal

Partner

Membership No. 075554

UDIN: 21075554AAAAACY1458

Dated: 18/05/2021

Place : Jaipur

**"ANNEXURE-A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE IND AS FINANCIAL STATEMENTS OF
HPCL RAJASTHAN REFINERY LIMITED**

(Referred to in paragraph 1, under the "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of HPCL Rajasthan Refinery Limited)

- (I) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets i.e. Property, Plant & Equipment (Fixed Assets).
- b) As explained to us, Property, Plant & Equipment (Fixed Assets) have been physically verified by the management at reasonable intervals. In our opinion and as per the information given by the management no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds/lease deeds/transfer deed/conveyance deed/agreements provided to us, we report that, the title deeds for immovable properties comprising land which are freehold, are held in the name of the Company as at the balance sheet date and in respect of immovable properties comprising of land, which are leasehold that have been taken on lease and disclosed as "Right to use Assets" in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the deed/agreement.
- (II) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company does not possess any inventory during the year therefore reporting requirements regarding inventory is not applicable to the Company.
- (III) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3 (iii) (a), (b) and (c) of the order are not applicable to the Company.
- (IV) In our opinion and according to the information and explanations given to us, there are no loans, investments, Guarantee and security provided to which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable, accordingly the clause 3(iv) of the order is not applicable to the Company.
- (V) According to the information and explanations given to us and the records of the Company examined by us, the company has not accepted any deposits, as such the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the of the Companies Act, 2013 and the rules framed there under, therefore the provisions of clause 3(v) of the order is not applicable to the Company.
- (VI) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (VII) a) According to the books and records produced to us and based on management representations, undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods & Service Tax, Cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2021 for a period of more than six months from the date they became payable.
- b) In our opinion and according to the information and explanations given to us and the records examined by us, there is no amount payable in respect of Income Tax, Service Tax, Sales Tax, Goods & Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess, to the extent applicable, which have not been deposited on account of any disputes except stated as below :-

| Name of Statute | Nature of Dues | Amount | Assessment Year | Forum where dispute is pending |
|----------------------|--------------------|--------------|-----------------|--------------------------------|
| Income Tax Act, 1961 | Demand u/s 143 (3) | 14,44,193.00 | A.Y. 2018-19 | CIT (Appeals) |





J. S. M. & CO.

Chartered Accountants

C-77, Shyam Apartment,

Sarojini Marg, C-Scheme, Jaipur-302001

Telefax : 0141-2374815, 4006839

E-Mail: suniljms_amit@rediffmail.com

- (VIII) In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- (IX) The Company has not raised money by way of Initial public offer or further public offer (including debt instruments). According to the information and explanations given to us and on the basis of the records examined by us, the Company has prima facie applied the term loan for the purpose for which it was obtained.
- (X) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (XI) As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 197 of the Act, accordingly, the question of reporting whether the payment of managerial remuneration is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act does not arise.
- (XII) As the company is not a Nidhi Company, hence the provisions of clause 3(xii) of the order are not applicable to the company.
- (XIII) In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has entered into transactions with the related parties in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standard.
- (XIV) In our opinion and according to the information and explanations given to us and based on our examination of the records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (XV) In our opinion and according to the information and explanations given to us and based on our examination of the records, the company has not entered into non-cash transactions with its directors or persons connected with him covered under the provisions of the section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (XVI) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

Dated: 18/05/2021

Place : Jaipur

For J.S.M. & Co.

Chartered Accountants

Firm Regn. No 006781C



[Signature]

CA. Sunil Agarwal
Partner

Membership No. 075554

UDIN: 21075554AAAACY1458



J. S. M. & CO.

Chartered Accountants

C-77, Shyam Apartment,

Sarajni Marg, C-Scheme, Jaipur-302001

Telefax : 0141-2374815, 4006839

E-Mail: suniljms_amit@rediffmail.com

**"ANNEXURE-B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE IND AS FINANCIAL STATEMENTS OF
HPCL RAJASTHAN REFINERY LIMITED**

(Referred to in paragraph 2(f), under the "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of HPCL Rajasthan Refinery Limited)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of **HPCL RAJASTHAN REFINERY LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.
4. 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 judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. 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.





J. S. M. & CO.

Chartered Accountants

C-77, Shyam Apartment,

Sarojini Marg, C-Scheme, Jaipur-302001

Telefax : 0141-2374815, 4006839

E-Mail: suniljsm_amit@rediffmail.com

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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 has, 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, 2021, 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.

For J.S.M. & Co.

Chartered Accountants

Firm Regn. No 006781C



CA. Sunil Agarwal
Partner

Membership No. 075554

UDIN: 21075554AAAACY1458

Dated: 18/05/2021

Place : Jaipur

HPCL RAJASTHAN REFINERY LIMITED

BALANCE SHEET AS AT MARCH 31, 2021

(Amount in Rs.)

| PARTICULARS | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|--|----------|-----------------------|-----------------------|
| I. ASSETS: | | | |
| Non-Current Assets | | | |
| (a) Property, Plant & Equipment | 2 | 213,85,58,639 | 210,89,43,668 |
| (b) Capital Work-In-Progress | 3 | 6420,15,99,962 | 2770,30,92,128 |
| (c) Other Intangible Assets | 2 | 1,27,782 | 2,07,850 |
| (d) Financial Assets | | | |
| (i) Other Financial Assets | 4 | 7,18,575 | - |
| (e) Deferred Tax Assets (Net) | 8 | 1,82,67,224 | 1,82,67,224 |
| (f) Other Non Current Assets | 5 | 817,07,72,814 | 293,81,12,339 |
| Total Non-Current Assets | | 7453,00,44,996 | 3276,86,23,209 |
| Current Assets | | | |
| (a) Financial Assets | | | |
| (i) Cash & Cash Equivalents | 6 | 134,35,79,041 | 201,59,17,314 |
| (ii) Bank Balances other than (i) above | 7 | - | 6,53,340 |
| (ii) Other Financial Assets | 9 | 3,41,047 | 7,57,988 |
| (b) Current Tax Assets (Net) | 10 | 2,78,62,721 | 1,63,31,218 |
| (c) Other Current Assets | 11 | 24,60,75,349 | 21,06,80,356 |
| Total Current Assets | | 161,78,58,158 | 224,43,40,216 |
| Total Assets | | 7614,79,03,154 | 3501,29,63,426 |
| II. EQUITY AND LIABILITIES: | | | |
| Equity | | | |
| (a) Equity Share Capital | 12 | 2430,05,00,000 | 1755,05,00,000 |
| (b) Other Equity | 13 | -95,92,67,975 | -62,51,47,192 |
| Total Equity | | 2334,12,32,025 | 1692,53,52,808 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 14 | 4390,24,81,045 | 1526,76,44,865 |
| (ii) Other Financial Liabilities | 15 | 48,28,68,640 | 50,80,72,208 |
| Total Non-Current Liabilities | | 4438,53,49,685 | 1577,57,17,073 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payable | | | |
| (A) Total Outstanding dues to Small Enterprises & Micro Enterprises | 16 | - | - |
| (B) Total Outstanding dues of Creditors other than Small Enterprises & Micro Enterprises | 16 | - | 8,34,625 |
| (ii) Other Financial Liabilities | 17 | 262,36,53,659 | 137,56,55,547 |
| (b) Other Current Liabilities | 18 | 579,76,67,785 | 93,54,03,373 |
| (c) Current Tax Liabilities (net) | | - | - |
| Total Current Liabilities | | 842,13,21,444 | 231,18,93,545 |
| Total Equity and Liabilities | | 7614,79,03,154 | 3501,29,63,426 |
| Significant Accounting Policies | 1 | | |

Significant Accounting Policies and Notes Forming Part of Accounts are an integral part of the Financial Statements.

As per our report of even date attached

For and on behalf of the Board

For J.S.M. & Co.
Chartered Accountants
Firm Regn. No. 006781C

CA. Sunil Agarwal
Partner
Membership No. 075554



Mukesh Kumar Surana
Chairman

DIN: 07464675

Shekhar P Gaikwad
Chief Executive Officer

Umesh Chandra Agrawal
Chief Financial Officer

V. Murali
Company Secretary

Dated: 18-05-2021
Place: Jaipur

Dated: 18-05-2021
Place: Mumbai

HPCL RAJASTHAN REFINERY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

| PARTICULARS | Note No. | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|--|----------|-----------------------------------|-----------------------------------|
| I Revenue | | | |
| Revenue from Operations | | - | - |
| Other Income: | | | |
| Interest on FDR | | 35,16,913 | 4,48,44,425 |
| Interest on Income Tax Refund | | - | 35,780 |
| Miscellaneous Income | | 8,34,625 | 4,76,374 |
| Total Revenue | | 43,51,538 | 4,53,56,579 |
| II Expenses | | | |
| Finance Cost | 19 | 64,889 | 9,82,686 |
| Loss on Foreign Currency Transaction & Translation (Net) | | 15,03,235 | 1,87,32,919 |
| Depreciation/Amortisation Expenses | 20 | 19,801 | 19,801 |
| Other Expenses | 21 | 33,68,84,396 | 51,08,75,001 |
| Total Expenses | | 33,84,72,321 | 53,06,10,408 |
| III Profit (+) / Loss (-) Before exceptional items and Tax | | -33,41,20,783 | -48,52,53,828 |
| IV Exceptional items | | - | - |
| V Profit (+) / Loss (-) Before Tax | | -33,41,20,783 | -48,52,53,828 |
| VI Tax Expense | | | |
| (i) Current Tax | | - | 30,35,496 |
| (ii) Deferred Tax Charge(+) / Credit (-) | | - | -30,35,496 |
| VII Profit (+) / Loss (-) for the Year | | -33,41,20,783 | -48,52,53,828 |
| VIII Other Comprehensive Income | | | |
| A: (i) Items that will not be reclassified to profit or loss in subsequent periods | | - | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| B: (i) Items that will be reclassified to Profit & Loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to Profit & Loss | | - | - |
| IX Other Comprehensive Income for the Year | | - | - |
| X Total Comprehensive Income for the Year | | -33,41,20,783 | -48,52,53,828 |
| IX Earnings per Equity Share | | | |
| Basic and Diluted Earnings Per Equity Share of Rs.10 each | 22 | -0.1784 | -0.3259 |
| Significant Accounting Policies | 1 | | |

Significant Accounting Policies and Notes Forming Part of Accounts are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

For J.S.M. & Co.
Chartered Accountants
Firm Regn. No. 006781C
CA. Sunil Agarwal
Partner
Membership No. 075554



Mukesh Kumar Surana
Chairman
DIN: 07464675

Shekhar P Gaikwad
Chief Executive Officer

Umesh Chandra Agrawal
Chief Financial Officer

V. Murali
Company Secretary

Dated : 18-05-2021
Place : Jaipur

Dated : 18-05-2021
Place : Mumbai

HPCL RAJASTHAN REFINERY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(A) EQUITY SHARE CAPITAL

(Amount in Rs.)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|----------------|----------------------|----------------|
| | No. of Shares | Amount in Rs | No. of Shares | Amount in Rs |
| Balance at the beginning of the reporting period | 175,50,50,000 | 1755,05,00,000 | 120,32,50,000 | 1203,25,00,000 |
| Changes in equity share capital during the year | 67,50,00,000 | 675,00,00,000 | 55,18,00,000 | 551,80,00,000 |
| Balance at the end of the reporting period | 243,00,50,000 | 2430,05,00,000 | 175,50,50,000 | 1755,05,00,000 |

(B) OTHER EQUITY

(Amount in Rs.)

| Particulars | Retained Earnings | |
|--|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Balance at the beginning of the reporting period | -62,51,47,192 | -13,98,93,364 |
| Profit (+) / Loss (-) for the year | -33,41,20,783 | -48,52,53,828 |
| Other Comprehensive Income for the Year | - | - |
| Balance at the end of the reporting period | -95,92,67,975 | -62,51,47,192 |

The accompanying Notes Forming Part of Accounts are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

For J.S.M. & Co.
Chartered Accountants
Firm Regn. No. 006781C

CA. Sunil Agarwal
Partner
Membership No. 075554



Mukesh Kumar Surana
Chairman
DIN: 07464675

Shekhar P Gaikwad
Chief Executive Officer

Umesh Chandra Agrawal
Chief Financial Officer

V. Murali
Company Secretary

Dated : 18-05-2021
Place : Jaipur

Dated : 18-05-2021
Place : Mumbai

| HPCL RAJASTHAN REFINERY LIMITED | | |
|--|-----------------------------------|-----------------------------------|
| STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021 | | |
| | (Amount in Rs.) | |
| Particulars | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
| A CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net (+) Profit/ (-) Loss before tax | -33,41,20,783 | -48,52,53,828 |
| Adjustments to reconcile net profit before tax to net cash used in operating activities: | | |
| Depreciation/Amortisation on Property, Plant & Equipment/ Intangible Assets | 19,801 | 19,801 |
| Interest Income | -35,16,913 | -4,48,80,205 |
| Finance Cost Paid (Charged to Statement of Profit & Loss) | 64,889 | 9,82,686 |
| Operating Profit before Changes in Assets & Liabilities | -33,75,53,006 | -52,91,31,545 |
| Increase/Decrease in Assets and Liabilities: | | |
| (Increase)/Decrease in Current Assets | -1,43,756 | - |
| (Increase)/Decrease in Non-Current Assets | - | - |
| Increase/(Decrease) in Financial Liabilities/Other Liabilities | -8,34,625 | -7,27,244 |
| | -9,78,381 | -7,27,244 |
| Cash Generated from Operations | -33,85,31,387 | -52,98,58,789 |
| Less: Income taxes paid (Net) | -1,15,31,503 | -1,22,33,590 |
| Net Cash from Operating Activities (A) | -35,00,62,890 | -54,20,92,379 |
| B CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Property, Plant & Equipment (including Capital Work in Progress excluding Interest Capitalised) | -3357,68,52,421 | -2116,12,54,852 |
| Fixed Deposit (Maturity more than 3 months but less than 12 month) | 6,53,340 | -6,53,340 |
| Investment in Fixed Deposit (Maturity more than 12 month) | -7,18,575 | - |
| Interest Received | 40,77,610 | 5,38,00,726 |
| Net Cash from Investing Activities (B) | -3357,28,40,046 | -2110,81,07,466 |
| C CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from Issuance of Share Capital | 675,00,00,000 | 551,80,00,000 |
| Proceeds from Term Loan | 2863,32,48,144 | 1525,00,00,000 |
| Interest on Term Loan Paid (Capitalised to Capital Work in Progress) | -212,37,39,418 | -289,371,029 |
| Finance Cost Paid (Charged to Statement of Profit & Loss) | -64,889 | -9,82,686 |
| Finance Cost Paid (Capitalized to Capital Work in Progress) | -88,79,174 | -25,36,62,768 |
| Proceeds from Lease Liabilities | - | - |
| Net Cash from Financing Activities (C) | 3325,05,64,663 | 2022,39,83,517 |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C) | -67,23,38,273 | -1,426,216,329 |
| Cash and Cash Equivalents as at Beginning of the Year | 201,59,17,314 | 344,21,33,643 |
| Cash and Cash Equivalents as at End of the Year | 134,35,79,041 | 201,59,17,314 |
| Notes | | |
| i) The above Cash Flow Statement has been prepared under the 'Indirect Method' in accordance with Ind AS - 7 Statement of Cash Flows | | |
| ii) Figures in (-) negative sign represents outflows/deductions. | | |

As per our report of even date attached

For J.S.M. & Co.
Chartered Accountants
Firm Regn. No. 006781C

CA. Sunil Agarwal
Partner
Membership No. 075554



For and on behalf of the Board

Mukesh Kumar Surana
Chairman
DIN: 07464675

Shekhar P Gaikwad
Chief Executive Officer

Umesh Chandra Agrawal
Chief Financial Officer

V. Murali
Company Secretary

Dated: 18-05-2021
Place: Jaipur

Dated: 18-05-2021
Place: Mumbai

HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Corporate Information

HPCL Rajasthan Refinery Limited referred to as "HRRL" or "the Company" was incorporated on 18th September, 2013. HRRL was promoted as a joint venture company by Hindustan Petroleum Corporation Limited ('HPCL'), and Government of Rajasthan ('GOR') for setting up 9 MMTPA Integrated Refinery cum Petrochemical Complex at Pachpadra, Barmer in the State of Rajasthan. HRRL is subsidiary of HPCL.

Authorization of financial statements

The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors on 18th May, 2021.

Note 1: Significant Accounting Policies

a. Basis of preparation

The Financial Statements are prepared in accordance with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant Provisions of Companies Act, 2013 and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis except for certain assets and liabilities measured at fair value.

The Company's presentation and functional currency is Indian Rupees (INR). All values are rounded to the nearest rupee, except where otherwise indicated.

b. Use of judgements and estimates

Necessary judgements, estimates and assumptions that affect the amounts reported in the financial statements and notes thereto are made during the reporting period and difference between the actual and the estimates are recognized in the period in which the results materialize.

c. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost net of accumulated depreciation / amortization and impairment loss, if any.

Related expenditure (including temporary facilities and crop compensation expenses) incurred during construction period in respect of plan projects and major non-plan projects are capitalized.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Technical know-how / license fee relating to plants/ facilities are capitalized as part of cost of the underlying asset.

Spare parts which meet the definition of property plant and equipment are capitalized as property, plant and equipment. In other cases, the spare parts are accounted as inventory on procurement and charged to Statement of Profit & Loss on consumption.

Depreciation on Property, Plant and Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant and Equipment and has adopted the useful lives and residual value as prescribed in Schedule II of Companies Act, 2013.

In line with the provisions of Schedule II of the Companies Act 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components has been assessed based on the historical experience and internal technical inputs.

All assets costing up to Rs.5,000/- are fully depreciated in the year of capitalization.

Right of Use Assets (ROU) is amortized over the period of lease.

d. Intangible assets

Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets.

Cost of Software directly identified with hardware is capitalized along with the cost of hardware. Application software is capitalized as Intangible Asset.

Intangible assets with finite lives are amortized on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each financial year end. The amortization expense on intangible assets with finite lives and impairment loss is recognized in the statement of Profit & Loss.

Intangible assets with indefinite useful lives, such as right of way, are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

impairment loss on intangible assets with indefinite life is recognized in the statement of Profit & Loss.

Estimated lives for current and comparative periods in relation to application of straight line method of amortization of intangible assets (acquired) are as follows:

- Software – up to 4 years
- Technical know-how/license fees – up to 10 years

e. Borrowing Cost

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

Borrowing cost includes exchange rate variation to the extent regarded as an adjustment to interest cost.

Borrowing cost, if any, incurred on general borrowings used for projects during the construction period is capitalized at the weighted average cost.

f. Impairment of non - financial assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment. An impairment loss is recognized whenever the carrying amount of assets of cash generating units (CGU) exceeds their recoverable amount.

g. Foreign currency transactions

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 recognized in Statement of profit & loss.

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.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

h. Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

i. Inventories

Stores and spares which do not meet the recognition criteria under Property, Plant and Equipment are valued at weighted average cost. Stores and Spares in transit are valued at cost.

Value of surplus, obsolete and slow moving stores and spares, if any, is reduced to net realizable value. Surplus items, when transferred from completed projects are valued at cost / estimated value, pending periodic assessment / ascertainment of condition.

j. Government Grants

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as liability (deferred income), which is recognized in the Statement of Profit & Loss over the period and in the proportion in which depreciation is charged. Grants received against revenue items are recognized as income.

k. Employee benefits

Employee benefits include benefit payables to employees. IND AS 19 is relevant for all employee benefits.

l. Revenue recognition

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods has been transferred to the buyer and Company retains neither managerial nor effective control over the goods sold.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Sales are measured at the fair value of the consideration received or receivable and are net of discount, include applicable excise duty, surcharge and other elements as are allowed to be recovered as part of the price but excludes taxes.

Income from sale of scrap is accounted for on realization.

Interest income is recognized on an effective interest rate (EIR) basis.

m. Taxes on income

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax liability/asset on account of temporary differences between the tax base and carrying amount of assets and liabilities is recognized using tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date. In the event of unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized, if there is reasonable certainty that sufficient future taxable income will be available to realize such assets.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, is considered as an asset (presented under Deferred Tax) when it is probable that the future economic benefits associated with it, will flow to the Company.

In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Act, 2019, company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit. The company will exercise this option at the time of commencement of production and generation of taxable revenue at appropriate time.

n. Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and its fair value less costs to sell.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

o. Provisions and contingent liabilities

Contingent Liabilities are disclosed in respect of:

- a) A possible obligation that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- b) A present obligation where it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or a reliable estimate of the amount of obligation cannot be made.
- c) Contingent Liabilities are considered only for items exceeding Rs.5 lakhs in each case. Contingent Liabilities in respect of show-cause notices are considered only when converted into demands. Capital Commitments are considered only for items exceeding Rs.1 lakh in each case.

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

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

p. Financial Instruments

Financial Assets

Initial recognition and measurement

Financial assets are recognized initially at fair value, normally being the transaction price plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Impairment of financial assets

Loss allowances on trade receivables and other financial assets carried at amortized cost are measured following Expected Credit Loss method at each reporting date.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value net of transaction costs that are attributable to the respective liabilities.

Financial Liabilities are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The EIR amortization is included as finance costs in the Statement of Profit & Loss.

q. Accounting/ classification of expenditure and income

Insurance claims are accounted on acceptance basis.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Income and expenditure of previous years which are considered to be insignificant are not considered for restatement of financial statements of previous years.

r. Earnings per share

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.

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.

s. Leases

Wherever a Contract conveys the right to control the Use of an identified Asset by either of the Parties for a period of time and in exchange for consideration, there arises a Lease Contract. At inception of every Contract, the Company examines the existence to the lease elements in a Contract and thereafter carries out appropriate accounting.

At the commencement of the lease, the Company recognizes right-of-use asset and lease liability, with an exception of short-term leases or lease of low-value underlying assets. The right-of-use asset is measured at cost, made up of the initial measurement of the lease liability, initial direct costs, an estimate of dismantling cost including removal of the asset at the end of the lease and any lease payments on or before commencement (net of any incentives received) of the lease.

The lease liability is measured at Present Value of the lease payments to be made during the course of the lease. The company has elected not to separate non-lease components in a contract and account as one unified lease contract under PPE covering all underlying assets by using the practical expedient prescribed in the Standard.

t. Cash and Cash equivalents

Cash and cash equivalents comprises cash in hand, cash at banks and demand deposit with banks which are Short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 2: Property, Plant & Equipments

| Particulars | Land-Freehold # | Right of Use Land ## | Building ### | Furniture & Fixtures | Office Equipment | Computers & Data Processing units | Total |
|--|-----------------|----------------------|--------------|----------------------|------------------|-----------------------------------|---------------|
| Gross Block: | | | | | | | |
| As on 01-04-2020 | - | 212,46,33,935 | 90,91,398 | 1,15,03,833 | 27,51,682 | 29,62,808 | 215,09,43,657 |
| Addition during April 2020 - March 2021 | 5,01,700 | - | - | 4,70,06,868 | 6,07,789 | 10,81,777 | 4,91,98,134 |
| As on 31-03-2021 | 5,01,700 | 212,46,33,935 | 90,91,398 | 5,85,10,701 | 33,59,471 | 40,44,586 | 220,01,41,791 |
| Accumulated Depreciation/ Amortization: | | | | | | | |
| As on 01-04-2020 | - | 3,26,13,958 | 57,78,083 | 18,20,913 | 6,46,437 | 11,40,598 | 4,19,99,989 |
| Addition during April 2020 - March 2021 | - | 1,09,21,404 | 23,83,341 | 50,07,093 | 5,73,230 | 6,98,094 | 1,95,83,163 |
| As on 31-03-2021 | - | 4,35,35,362 | 81,61,424 | 68,28,006 | 12,19,667 | 18,38,692 | 6,15,83,152 |
| Net Block: | | | | | | | |
| As on 31-03-2021 | 501,700 | 208,10,98,573 | 9,29,974 | 5,16,82,695 | 21,39,804 | 22,05,893 | 213,85,58,639 |
| As at 31-03-2020 | - | 209,20,19,977 | 33,13,315 | 96,82,920 | 21,05,246 | 18,22,211 | 210,89,43,668 |

Land acquired for Pipelines.

Refer Note No. 30

Porta Cabins are shown under Buildings as Temporary Structure.

Addition to Gross Block includes an adjustment amounting Rs.29,299/- under Furniture & Fixtures and Rs.1,696/- under Office Equipment for ITC claimed in earlier years.

Cost of PPE under Gross Block has been shown inclusive of GST.

Note 2: Intangible Assets

| Particulars | Software |
|---|----------|
| Gross Block | |
| As on 01-04-2020 | 3,23,505 |
| Addition during April 2020 - March 2021 | - |
| As on 31-03-2021 | 3,23,505 |
| Depreciation/ Amortization | |
| As on 01-04-2020 | 1,15,655 |
| Addition during April 2020 - March 2021 | 80,067 |
| As on 31-03-2021 | 1,95,722 |
| As on 31-03-2021 | 1,27,782 |
| As at 31-03-2020 | 2,07,850 |



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 3: Capital Work In Progress

(Amount in Rs.)

| Particulars | As at March 31, 2020 | Additions | # Deductions/ Adjustments | As at March 31, 2021 |
|--|-------------------------|-----------------------|------------------------------|-------------------------|
| Construction of Boundry Wall | 110,89,26,684 | 51,49,48,674 | 46,209 | 162,38,29,149 |
| Development/Construction of Town Ship | 3,34,70,415 | 21,25,65,462 | - | 24,60,35,877 |
| Hoarding at Site | - | 34,38,431 | - | 34,38,431 |
| Site Preparation/Grading/Development Exp. | 446,97,86,384 | 106,74,89,876 | 5,808,390 | 553,14,67,870 |
| Licence Fee | 321,79,07,702 | 17,14,87,266 | - | 338,93,94,968 |
| Basic Design & Engineering Fee (BDEP) | 378,59,18,761 | 59,07,25,112 | - | 437,66,43,873 |
| Open Book Estimate (OBE) CWIP | 422,18,35,806 | 799,38,79,061 | - | 1221,57,14,867 |
| Building | 8,75,45,762 | 7,21,08,852 | 1,269,319 | 15,83,85,295 |
| Construction Power | 39,69,57,756 | 28,69,694 | -170,460 | 39,99,97,910 |
| Construction Water | 1,02,27,449 | - | - | 1,02,27,449 |
| Cooling Tower | - | 68,66,49,178 | 13,073,511 | 67,35,75,667 |
| Project Management Consultancy ### | 332,01,28,765 | 138,15,33,752 | -27,70,80,690 | 497,87,43,207 |
| Water Reservoir at Refinery site | 39,79,64,136 | 1,27,37,059 | -2,844 | 41,07,04,039 |
| Crude Pipeline | 9,87,84,050 | 30,03,18,046 | - | 39,91,02,096 |
| Right of Use of Land - Pipeline | - | 2,51,67,444 | - | 2,51,67,444 |
| Crude Oil Terminal | - | 7,00,000 | - | 7,00,000 |
| Open Book Estimate (OBE) Fee | 132,38,21,828 | 156,06,19,141 | - | 288,44,40,969 |
| Crude Distillation Unit (CDU) / Vacuum Distillation Unit (VDU) | 1,09,19,556 | 354,61,58,186 | 4,99,89,552 | 350,70,88,190 |
| Compressed Air & Cryogenic Nitrogen Plant | - | 24,86,49,492 | - | 24,86,49,492 |
| Dual Feed Cracker Unit (DFCU) | - | 122,01,32,841 | - | 122,01,32,841 |
| Linear Low/ High density Polyethylene (LLDPE/HDPE) | - | 1,75,62,892 | - | 1,75,62,892 |
| Fluidised Catalytic Cracker Unit (PFCCU) | - | 116,97,85,257 | - | 116,97,85,257 |
| Delayed Coker Unit (DCU) | 2,99,80,528 | 347,64,19,261 | 70,173,478 | 343,62,26,311 |
| Diesel Hydrotreating Unit (DHDT) | 45,27,871 | 251,20,65,778 | - | 251,65,93,649 |
| Distributed Control System (DCS) | - | 11,31,24,733 | - | 11,31,24,733 |
| Effluent Treatment Plant (ETP) | - | 39,46,03,056 | - | 39,46,03,056 |
| Vacuum Gas Oil Hydrotreating Unit | 59,40,545 | 232,19,00,692 | 44,743,070 | 228,30,98,167 |
| Water Reservoir at Township | 10,26,40,943 | 122,99,92,472 | - | 133,26,33,415 |
| Water Pipeline | 121,84,17,758 | 89,05,95,754 | - | 210,90,13,512 |
| Water Reservoir Nachna | 36,29,21,335 | 127,91,58,784 | 7,254,281 | 163,48,25,838 |
| Water Block at Site | - | 41,24,14,013 | - | 41,24,14,013 |
| Warehouse Building | 45,42,14,630 | 38,29,53,390 | 23,39,413 | 83,48,28,607 |
| Finance Cost (Refer Note-18) ## | 97,59,40,664 | 213,26,18,592 | 67,41,099 | 310,18,18,157 |
| Establishment Expenses (Refer Note -20) ### | 202,22,38,408 | 73,49,93,181 | 27,73,16,690 | 247,99,14,900 |
| Depreciation/Amortisation (Refer Note-19) | 4,20,74,391 | 1,96,43,430 | - | 6,17,17,821 |
| As at the end of the Current year | 2770,30,92,128 | 3670,00,08,852 | 20,15,01,018 | 6420,15,99,962 |
| As at the end of the Previous year | 914,47,60,860 | 1857,48,62,940 | 1,65,31,672 | 2770,30,92,128 |

(#) Interest on mobilisation advance Rs.17,99,83,230 /- (Previous year 64,90,874/-). Interest on early payment Rs. 1,47,76,689/- (Previous year Rs. 78,10,152/-).

(##) Interest on FDR Rs. 67,41,099/- (Previous Year Rs. 22,28,864/-) attributable to the temporary investment in FDR out of borrowed funds pending expenditure for qualifying asset.

(###) Rs. 27,73,16,690/- (Previous Year Rs. Nil) have been re-classified/ re-grouped from Establishment Expenses to Project Management Consultancy amounting Rs.27,70,80,690 and Construction Power amounting Rs.2,36,000.

Note 4 :Other Financial Assets

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Fixed Deposits with Maturity for more than 12 Months * | 7,18,575 | - |
| Total | 7,18,575 | - |

* Held as Margin Money of Bank Guarantee

Note 5:Other Non-Current Assets

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Capital Advances | 529,76,95,164 | 161,36,64,874 |
| <u>Advances other than Capital Advances:</u> | | |
| Security Deposit | 1,20,19,853 | 29,55,950 |
| Prepaid Expenses | 5,26,98,736 | 7,20,18,824 |
| Balance with Goods & Service Tax | 280,83,59,061 | 124,94,72,691 |
| Total | 817,07,72,814 | 293,81,12,339 |



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 6: Cash & Cash Equivalents

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Balances with Banks | | |
| Current Accounts | 14,37,14,003 | 6,53,99,507 |
| Fixed Deposits with Maturity Less than 3 Months | 119,98,65,038 | 195,05,17,807 |
| Total | 134,35,79,041 | 201,59,17,314 |

Note 7 :Other Bank Balances

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Balances with Banks | | |
| Fixed Deposits with Maturity for more than 3 months but Less than 12 Months * | - | 6,53,340 |
| Total | - | 6,53,340 |

* Held as Margin Money of Bank Guarantee

Note 8: Deferred Tax Assets

(Amount in Rs.)

(A) Recognised Deferred Tax and Liabilities

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Deferred Tax Assets: | | |
| MAT Credit Entitlement | 1,82,67,224 | 1,82,67,224 |
| Net Deferred Tax Assets/(Liabilities) | 1,82,67,224 | 1,82,67,224 |

(B) Movement in Deferred Tax balances

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Deferred Tax Assets: | | |
| MAT Credit Entitlement: | | |
| Opening Balance | 1,82,67,224 | 1,52,31,728 |
| Add: Recognised in Statement of Profit & Loss | - | 30,35,496 |
| Closing Balance | 1,82,67,224 | 1,82,67,224 |

(C) Reconciliation of Effective Tax Rate**

| Particulars | As at March 31, 2021 | | As at March,31 2020 | |
|--|----------------------|---------------|---------------------|------------------|
| | % | Rs | % | Rs |
| (+) Profit/(-) Loss before Tax (After Restatement) | | -33,41,20,783 | | -48,52,53,828 |
| Adjustment for the reasons stated in Note-33 | | - | | 50,33,08,068 |
| (+) Profit/(-) Loss before Tax (before Restatement) | | -33,41,20,783 | | 1,80,54,240 |
| Tax as per Corporate Tax Rate (MAT) | 0.00% | - | 16.69% | 30,13,614 |
| Tax Effect of: | | | | |
| Interest Expenses u/s 234B & C not deductible for tax purpose. | 0.00% | - | 0.12% | 21,882 |
| Income Tax Expense for the year | 0.00% | - | 16.81% | 30,35,496 |

*Tax payable under the normal provisions of the Income Tax Act, 1961 is Rs. Nil (Previous Year Nil) for the year ended 31.03.2021, hence reconciliation of effective tax rate under the normal tax computation does not arise.

**Tax Payable under section 115JB of the Income Tax Act 1961 is Rs. Nil (Previous Year Rs. 30,35,496/- on Profit as previously reported before Restatement), hence the effective tax rate reconciliation was provided as per the rate applicable for MAT.

(D) Uncertainty over Income Tax Treatment (IND AS 12 - Appendix C):

Currently the Company engaged in Refinery Project execution stage and does not have any Operational Income. However, company temporarily invests surplus funds in Fixed Deposits as may be required. Such kind of receipts are considered as capital receipts while computing the Income Tax Liability as per the Income Tax Act, 1961. Financial Statement have been prepared as per the provisions of Ind AS and MAT has been paid in accordance with book profits. Therefore, the Company is of the view that there is no uncertainty on Income Tax Treatment.

Note 9: Other Financial Current Assets

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------|-------------------------|-------------------------|
| Interest Accrued on FDR | 97,291 | 6,57,988 |
| Petty Cash Fund | 2,43,756 | 1,00,000 |
| Total | 3,41,047 | 7,57,988 |



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 10: Current Tax Assets (Net)

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Income Tax Refundable | 1,66,43,519 | 6,585,580 |
| Advance Tax & Tax Deducted/Collected at Source (Net of provision for Tax) | 1,12,19,202 | 97,45,638 |
| Total | 2,78,62,721 | 1,63,31,218 |

Note 11: Other Current Assets

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------|-------------------------|-------------------------|
| Prepaid Expenses | 24,60,75,349 | 21,06,80,356 |
| Total | 24,60,75,349 | 21,06,80,356 |

Note 12: Share Capital

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Authorized: 400,00,00,000 (400,00,00,000 equity shares as at 31.03.2020) Equity Shares of Rs.10 each | 4000,00,00,000 | 4000,00,00,000 |
| | 4000,00,00,000 | 4000,00,00,000 |
| Subscribed Capital 243,00,50,000 (175,50,50,000 equity shares as at 31.03.2020) Equity Shares of Rs.10 each | 2430,05,00,000 | 1755,05,00,000 |
| | 2430,05,00,000 | 1755,05,00,000 |
| Issued and fully Paid-up: 243,00,50,000 (175,50,50,000 equity shares as at 31.03.2020) Equity Shares of Rs.10 each | 2430,05,00,000 | 1755,05,00,000 |
| | 2430,05,00,000 | 1755,05,00,000 |

Rights, preferences and restrictions attached to Shares:

Equity Shares - The company has one class of Equity Shares having a par value of Rs.10 each, per share. Each Shareholder is eligible for one vote per share held. 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 reporting period:

| Particulars | As at March 31, 2021 | | As at March,31 2020 | |
|--------------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| Equity Shares | | | | |
| Number of Shares at the Beginning | 175,50,50,000 | 1755,05,00,000 | 120,32,50,000 | 1203,25,00,000 |
| Add: Equity shares issued | 67,50,00,000 | 675,00,00,000 | 55,18,00,000 | 551,80,00,000 |
| Balance at the Reporting Date | 243,00,50,000 | 2430,05,00,000 | 175,50,50,000 | 1755,05,00,000 |

Shares held by Holding Company - HPCL

| Particulars | As at March 31, 2021 | | As at March,31 2020 | |
|--------------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| Equity Shares | | | | |
| Number of Shares at the Beginning | 129,87,37,000 | 1298,73,70,000 | 89,04,05,000 | 890,40,50,000 |
| Add: Equity shares issued | 49,95,00,000 | 499,50,00,000 | 40,83,32,000 | 408,33,20,000 |
| Balance at the Reporting Date | 179,82,37,000 | 1798,23,70,000 | 129,87,37,000 | 1298,73,70,000 |

Shareholders holding more than five percent of holdings:

| Particulars | As at March 31, 2021 | | As at March,31 2020 | |
|--|----------------------|------------|----------------------|------------|
| | No. of Shares | % Holdings | No. of Shares | % Holdings |
| Hindustan Petroleum Corporation Limited and nominee shareholders | 179,82,37,000 | 74 | 129,87,37,000 | 74 |
| Government of Rajasthan and nominee shareholders | 63,18,13,000 | 26 | 45,63,13,000 | 26 |
| Total | 243,00,50,000 | 100 | 175,50,50,000 | 100 |

Note 13: Other Equity

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Retained Earnings: | | |
| opening Balance | -62,51,47,192 | -13,98,93,364 |
| Profit(+) /Loss (-) as per Statement of Profit and Loss | -33,41,20,783 | -48,52,53,828 |
| Closing Balance | -95,92,67,975 | -62,51,47,192 |



Note 14: Borrowings

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Un-secured: | | |
| Lease Liability (under Ind AS-116) | 1,92,32,901 | 1,76,44,865 |
| Secured: | | |
| Syndicated term Loan from Consortium of Banks / Fills (refer note 14.2) (*) | 4388,32,48,144 | 1525,00,00,000 |
| Total | 4390,24,81,045 | 1526,76,44,865 |

14.1 Non Fund based sanctioned limit is Rs. 96,67,51,856/- (Previous Year Rs.Nil) from SBI for issuing LC's/BG's. Details of BG/ LCs issued are provided in Note 23 (Contingent Liabilities).

14.2 The estimated cost of the Project is Rs. 43,129 crores to be funded in the Debt/ Equity ratio of 2:1. Accordingly Financial Closure of Rs. 28,753 crores, comprising of Rs.27,750 crores from consortium of Indian Banks and Rs.1,003 crores (USD 140,708,734 @ USD/INR 71.282) from IIFC - UK, Financial Institution through ECB route was made on 28-01-2019. The break-up of Term Loan availed is given as under:

| Name of Bank/ Fills | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| State Bank of India | 2327,70,48,144 | 824,35,00,000 |
| Bank of Baroda | 646,45,00,000 | 219,78,00,000 |
| Canara Bank | 323,24,00,000 | 109,91,00,000 |
| Erstwhile Indian Bank (Now merged with Allahabad Bank) | 323,24,00,000 | 109,91,00,000 |
| Erstwhile Oriental Bank of Commerce (Now merged with Punjab National Bank) | 282,86,00,000 | 96,20,00,000 |
| Punjab National Bank | 323,24,00,000 | 109,91,00,000 |
| Union Bank of India | 161,59,00,000 | 54,94,00,000 |
| IIFC- UK | - | - |
| Total | 4388,32,48,144 | 1525,00,00,000 |

The applicable interest rate on INR Term loan is MCLR plus 0.45% spread and for ECB loan is 6 Month LIBOR plus 2.75%. The repayment schedule for INR Term loans shall be started from 31-03-2026 till 31-03-2043 and for ECB Term Loan shall be started from 31-03-2026 till 30-09-2033. There has been no default in payment of Interest on Term Loans.

Security on assets of the company has been created on 08.11.2019 by executing the Deed of Hypothecation (DOH). The necessary charge document has been filed with the Registrar of Companies. Further, the Company has also executed the Indenture of Mortgage on tangible, intangible, movable assets viz. P&M, Inventories and immovable assets viz Right of Use Assets situated at Pachpadra in Barmer Distt and at Nachna at Jaisalmer Distt. of the company towards perfection of security as per the provisions of the Facility Agreements. The Indenture of Mortgage has been adjudicated/ registered on 17-08-2020 and charge has also been registered with the Registrar of companies.

Note 15: Other Non Current Financial Liabilities

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Security Deposit and PBG Retention Money | 48,05,63,904 | 50,80,72,208 |
| Retention Money-Others | 23,04,736 | - |
| Total | 48,28,68,640 | 50,80,72,208 |

Note 16: Trade Payable

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Micro, Small and Medium Enterprises | - | - |
| Other than Micro, Small and Medium Enterprises | - | 8,34,625 |
| Total | - | 8,34,625 |

Note 17: Other Current Financial Liabilities

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Current Maturities of Lease Liabilities | - | - |
| Retention Money-Others | 84,06,47,462 | 35,55,32,556 |
| Earnest Money Deposit | 6,45,873 | 14,51,673 |
| Payable for Capital Expenditure: | | |
| Micro, Small and Medium Enterprises | 1,44,81,401 | 7,37,734 |
| Other than Micro, Small and Medium Enterprises * | 176,78,78,924 | 101,79,33,584 |
| Total | 262,36,53,659 | 137,56,55,547 |

* Amount Payable to HPCL (Related Party) as disclosed in Note-27

Note 18: Other Current Liabilities

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------|-------------------------|-------------------------|
| Statutory Payables | 30,40,33,873 | 19,72,45,253 |
| Accrued Expenses | 549,36,33,912 | 73,81,58,120 |
| Total | 579,76,67,785 | 93,54,03,373 |



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 19: Finance Cost

| | (Amount in Rs.) | |
|---|--------------------------------------|--------------------------------------|
| Particulars | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
| Interest on Term Loan | 212,37,39,418 | 28,93,71,029 |
| Financing Charges | 65,35,963 | 11,46,42,690 |
| Financial Closure Expenses | 7,55,175 | 13,75,63,163 |
| Finance Cost on Lease Liabilities | 15,88,036 | 14,56,915 |
| Interest on Income Tax | - | 1,31,094 |
| Interest on GST | 64,889 | - |
| Interest on TDS | - | 8,51,592 |
| | 213,26,83,481 | 54,40,16,483 |
| Less: Transferred to Capital Work in Progress | 213,26,18,592 | 54,30,33,797 |
| Total | 64,889 | 9,82,686 |

Note 20: Depreciation and Amortisation Expenses

| | (Amount in Rs.) | |
|---|--------------------------------------|--------------------------------------|
| Particulars | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
| Depreciation/Amortization of Tangible Assets | 1,95,83,163 | 1,61,69,248 |
| Amortization of Intangible Assets | 80,067 | 80,067 |
| | 1,96,63,230 | 1,62,49,315 |
| Less: Transferred to Capital Work in Progress | 1,96,43,429 | 1,62,29,514 |
| Total | 19,801 | 19,801 |

Note 21: Other Expenses

| | (Amount in Rs.) | |
|---|--------------------------------------|--------------------------------------|
| Particulars | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
| Manpower and Welfare charges (Employees of HPCL on deputation to execute Refinery Project) | 46,90,20,966 | 35,55,36,914 |
| Consultancy & Technical Services * | 7,61,46,908 | 19,07,18,746 |
| Legal Professional & Consultancy Charges | 2,69,480 | 4,70,743 |
| Advertisement/Publicity Expenses | 39,171 | 21,138 |
| Insurance & Safety** | 33,55,61,888 | 50,38,78,816 |
| Rentals for office | 5,62,84,206 | 5,59,98,135 |
| Statutory Fees, Filing Fees/Expenses | 4,84,613 | 78,56,689 |
| Travelling Expenses-Domestic | 1,36,88,762 | 94,53,749 |
| Travelling Expenses-Foreign | - | 81,77,638 |
| Conveyance Expenses | 1,90,51,974 | 99,93,987 |
| <u>Auditor's Remuneration**</u> | | |
| Statutory Audit Fees | 1,57,672 | 1,05,300 |
| Limited Review Fees | 99,756 | 99,756 |
| Taxation Matters | 27,710 | 27,710 |
| Certification Charges | 5,542 | 5,542 |
| Taxi Hire Charges | 1,47,46,720 | 69,95,991 |
| Bank Charges | 36,45,474 | 9,06,428 |
| Security Charges | 2,12,86,676 | 1,03,13,651 |
| House Keeping | 49,51,060 | 69,17,033 |
| Telephone & Internet Charges | 74,99,358 | 33,45,775 |
| Camp Office Expenses etc | 1,88,35,720 | 72,97,317 |
| Electricity & Water | 2,26,28,389 | 98,75,754 |
| Repair & Maintenance | 54,55,865 | 7,36,043 |
| Printing & Stationery | 19,89,667 | 9,72,364 |
| Total | 107,18,77,577 | 118,97,05,219 |
| Less : Project related expenses transferred to CWIP | 73,49,93,181 | 67,88,30,218 |
| Total | 33,68,84,396 | 51,08,75,001 |

(*) Adjusted Rs. Nil (Previous Year 1782/-) towards Interest received for early payment/Mobilisation advance to Suppliers.

(**) Net of ITC under the GST

Note 22: Earnings Per Share

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| (i) Net (+) Profit / (-) loss as per the Statement of Profit & Loss available for Equity Shareholders. | -33,41,20,783 | -48,52,53,828 |
| (ii) Weighted average number of equity shares used as denominator for calculating EPS | 187,25,92,467 | 148,90,29,178 |
| (iii) Basic and Diluted earnings per share (i/ii) | (0.1784) | (0.3259) |
| (iv) Nominal value of shares | 10.00 | 10.00 |



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 23: Contingent Liabilities and Capital and other commitments

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 1. <u>Contingent Liabilities:</u> | | |
| a) Claim against the Company not acknowledged as debt | - | - |
| b) Bank Guarantees Given | 40,73,340 | 6,53,340 |
| c) Letter of Credit Issued | 70,36,64,500 | - |
| d) Disputed Income Tax demands (Appeal filed by the Company) | 14,44,193 | - |
| 2. <u>Capital and other Commitments:</u> | | |
| Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) | 32053,26,78,930 | 17268,14,20,992 |
| Total | 32124,18,60,963 | 17268,20,74,332 |

Note 24: The Company does not have any employee in its payroll. Therefore, IND AS-19 on "Employee Benefits" is not applicable to the Company. However the Company has incurred a sum of Rs. **46,90,20,966** during the period from April 2020 - March 2021, (Previous FY 2019-20 Rs.35,55,36,914/-) towards Salary, Wages, Bonus and other welfare charges for the Employees of HPCL on deputation to execute the Refinery Project of the Company."

Note 25: No provision of income tax has been made under the normal provisions of Income Tax Act, 1962 as the project is under construction/erection stage and all the expenditures incurred after adjusting the Income, if any are being capitalized under the Income Tax Act, 1961. Further the Company has also not made provision of income tax under section 115JB of the Income Tax Act, 1961 as there is no accounting profit during the year, however the Company had made provision of income tax (MAT) for Rs. 30,35,496/- under section 115JB on profit already reported earlier for the year 2019-20 before re-statement. Kindly Refer Note-8(C).

Note 26: To the extend Micro, Small and Medium 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.)

| Sr. No. | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------|---|-------------------------|-------------------------|
| 1 | Amount of principal and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:- | | |
| | -Principal | 1,44,81,401 | 7,37,734 |
| | -Interest | - | - |
| 2 | Amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:- | - | - |
| | - Principal | | |
| | - Interest | | |
| 3 | 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 Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| 4 | Amount of interest accrued and remaining unpaid at the end of accounting year; | - | - |
| 5 | 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 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

Note 27: RELATED PARTY DISCLOSURE

HRRL is a Government related entity under Joint Venture with HPCL & Govt. of Rajasthan, engaged in the business of refining of crude oil, controlled by the Central /State governments through its government authorities, agencies, affiliations and other organizations (collectively referred as "Government related entities").

A. Name and Relationship with Related Parties

1. Name of Related Parties:

- Hindustan Petroleum Corporation Limited (HPCL)
- Government of Rajasthan (GOR)



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

2. Key Management Personnel :

| | |
|---|-------------------------|
| i. Shri Mukesh Kumar Surana, Nominee Director | w.e.f. 01.04.2016 |
| ii. Shri Pushp Kumar Joshi, Nominee Director | w.e.f. 18.09.2013 |
| iii. Shri Vinod Sadanand Shenoy, Nominee Director | w.e.f. 24.11.2016 |
| iv. Shri R. Kesavan, Nominee Director | w.e.f. 23.09.2019 |
| v. Shri Akhil Arora, Nominee Director | w.e.f. 21.01.2021 |
| vi. Shri Ajitabh Sharma, Nominee Director | w.e.f. 05.01.2021 |
| vii. Shri Shekhar P Gaikwad, CEO | w.e.f. 30.07.2018 |
| viii. Shri Umesh Chandra Agrawal, CFO | w.e.f. 07.10.2019 |
| ix. Shri V Murali, Company Secretary, CS | w.e.f. 30.07.2018 |
| x. Shri Kunji Lal Meena, Nominee Director | w.e.f. 16.03.2020 |
| xi. Shri Subodh Agarwal, Nominee Director | w.e.f. 10.08.2020 |
| xii. Shri Niranjn Arya, Nominee Director | w.e.f. 03.01.2019 |
| xiii. Shri Kunji Lal Meena, Nominee Director | Cessation on 10.08.2020 |
| xiv. Shri Subodh Agarwal, Nominee Director | Cessation on 05.01.2021 |
| xv. Shri Niranjn Arya, Nominee Director | Cessation on 21.01.2021 |

B. Details of Transactions and outstanding balances with related parties:-

(Amount in Rs.)

| Nature of Transactions and outstanding balances | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 1. HRRL expenditures / assets charged by HPCL | 59,75,46,107 | 48,02,43,092 |
| 2. Leasehold Land taken from Govt. of Rajasthan | - | - |
| 3. Receivable (+) from / Payable (-) to Govt. of Rajasthan | - | - |
| 4. Receivable (+) from / Payable (-) to HPCL | -9,58,39,324 | -7,71,34,277 |

These transactions are conducted in the ordinary course of the company business on terms comparable to those with other entities that are not Government related. The amount shown above is inclusive of GST.

HRRL Expenses/ Assets charged by HPCL include Rs. 92,50,457 (P.Y. Rs.79,31,093/-) towards remuneration and other reimbursement to CEO and Rs.74,18,418 (P.Y. Rs.84,36,622/-) towards remuneration and other reimbursement to CFO during the current Financial Year.

Note 28: OTHER NOTES

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| A. Payment to Auditors:* | | |
| <u>As Auditor:</u> | | |
| - Audit fees | 157,672 | 1,05,300 |
| - Limited Review Fees | 99,756 | 99,756 |
| <u>In Other Capacity:</u> | | |
| - Taxation Matters | 27,710 | 27,710 |
| - Certification | 5,542 | 5,542 |
| B. CIF value of imports during the year (excluding canalised imports): | - | - |
| C. Earning in Foreign exchange | - | - |
| D. Expenses in Foreign currency** | 91,86,84,917 | 486,39,48,421 |

* Net of ITC under GST

** Amount Released to various Foreign Licensors/Vendors (In EUR/USD)

Note 29: SEGMENT INFORMATIONS:

As the company has only one identifiable segment, hence disclosure under "Ind AS-108 Segment Reporting" is not applicable.

Note 30: LEASES

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases, replacing the existing Standard Ind AS 17, to be effective from Accounting Period beginning with April 01, 2019. The adoption of Standard calls for recognition of 'Lease Liability' & 'Right of Use Assets', wherever the term of lease is in excess of 12 months, unless the underlying Asset is of low value. Applicable for Lessees, this Standard removes distinctive recognition, measurement and disclosure requirements between Operating Lease & Finance lease, hitherto prevalent.

On April 1, 2019, the Company has adopted Ind AS 116, Leases, using modified retrospective approach along with the transaction option to recognize Right-of-Use Assets (ROU) at an amount equal to the lease liabilities. The lease liabilities are repayable in installments as per the terms of the respective lease agreement. The Company enters into lease arrangements for underlying assets such as land and office premises.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The Company has used the following practical expedients:

1. Applying a single discount rate to a portfolio of leases with similar remaining lease term.
2. Not applying the transition requirements to leases for which the lease term ends within 12 months of the date of initial application i.e. April 01, 2019.

A. Maturity analysis of lease liabilities:

The amounts disclosed in the table below are the contractual undiscounted cash flows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Less than One year | - | - |
| Between one and three years | - | - |
| More than three years | 358,97,28,319 | 358,97,28,319 |
| | 358,97,28,319 | 358,97,28,319 |
| Less Future Finance Cost | 357,04,95,418 | 357,20,83,454 |
| Present Value of Minimum Lease Payments | 1,92,32,901 | 1,76,44,865 |
| Disclosure in Financial Statements: | | |
| Non Current Financial Liabilities | 1,92,32,901 | 1,76,44,865 |
| Other Current Financial Liabilities | - | - |
| | 1,92,32,901 | 1,76,44,865 |

B. Other Disclosures

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| a) Expense relating to short-term leases | 69,38,100 | - |
| b) Expense relating to leases of low-value assets | - | - |
| c) Expense relating to variable lease payments not included in the measurement of lease liabilities | - | - |
| d) Income from sub-leasing of 'right-of-use' | - | - |
| e) Interest expense on lease liabilities | 15,88,036 | 14,56,915 |
| f) Total cash outflow for leases | 69,38,100 | - |

C. The following are the carrying values of Right of use ("ROU") Land:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Opening Gross Block | 212,46,33,935 | - |
| Right of Use asset recognised on initial application of Standard | - | 212,46,33,935 |
| Additions/ Re-classifications | - | - |
| Closing Gross Block | 212,46,33,935 | 212,46,33,935 |
| Opening Depreciation/ Amortisation | 3,26,13,958 | - |
| Depreciation recognised on initial application of Standard | - | 2,16,92,554 |
| For the year | 1,09,21,404 | 1,09,21,404 |
| Closing Depreciation/ Amortisation | 4,35,35,362 | 3,26,13,958 |
| Net Block | 208,10,98,573 | 209,20,19,977 |

Note 31:

Input Tax Credit (IGST+CGST+SGST) for eligible goods/services through GSTR-3B Return, has been claimed as per existing GST law/Rule which accumulates a Balance as on 31/03/2021 of Rs.706,18,56,451/- (Previous Year Rs. 314,11,69,917/- in Electronic Credit ledger (IGST+CGST+SGST) at GST Portal of the Company but proportionate reversal for Exempt Supplies (Non GST) in accordance with Rule 41 & Rule 42 of the CGST Act, has not been made in GSTR-3B Return due to absence of value of outward supplies as currently Company engaged in process of implementation of Refinery Project. However, in the books of accounts, such proportionate reversal for Exempt Supplies (Non GST) has been calculated keeping in view of proposed project cost/product slate i.e. 60.23%. Accordingly 39.77% of Input Tax Credit (IGST+CGST+SGST) for eligible goods/services, has been recorded in the books of accounts which accumulates a Balance as on 31/03/2021 of Rs. 280,83,59,061/- (Previous Year Rs. 124,94,72,691/-). The necessary adjustment/ accounting entries shall be carried out at the time of actual outward supplies/liability subsequent to commencement of Commercial Production base on the prevailing GST law/Rules.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 32 : 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:

| As at March 31, 2021 | Carrying amount | | | (Amount in Rs.) |
|--|-----------------|--------|----------------|-----------------|
| | FVTPL | FVTOCI | Amortised Cost | Total |
| Financial assets | | | | |
| Current | | | | |
| Cash and cash equivalents | - | - | 134,35,79,041 | 134,35,79,041 |
| Other Bank Balance | - | - | - | - |
| Other Financial Assets | - | - | 3,41,047 | 3,41,047 |
| | - | - | 134,39,20,088 | 134,39,20,088 |
| Financial liabilities | | | | |
| Non-Current | | | | |
| Borrowings (Term Loans/ Lease Liability) | - | - | 4390,24,81,045 | 4390,24,81,045 |
| Other Financial Liabilities | - | - | 48,28,68,640 | 48,28,68,640 |
| Current | | | | |
| Other Current financial liabilities | - | - | 262,36,53,659 | 262,36,53,659 |
| Trade payable | - | - | - | - |
| | - | - | 4700,90,03,344 | 4700,90,03,344 |

| As at March 31, 2020 | Carrying amount | | | (Amount in Rs.) |
|---|-----------------|--------|----------------|-----------------|
| | FVTPL | FVTOCI | Amortised Cost | Total |
| Financial assets | | | | |
| Current | | | | |
| Cash and cash equivalents | - | - | 201,59,17,314 | 201,59,17,314 |
| Other Bank Balance | - | - | 6,53,340 | 6,53,340 |
| Other Financial Assets | - | - | 7,57,988 | 7,57,988 |
| | - | - | 201,73,28,642 | 201,73,28,642 |
| Financial liabilities | | | | |
| Non-Current | | | | |
| Borrowings (Term Loans/Lease Liability) | - | - | 1526,76,44,865 | 1526,76,44,865 |
| Other Financial Liabilities | - | - | 50,80,72,208 | 50,80,72,208 |
| Current | | | | |
| Other Current financial liabilities | - | - | 137,56,55,547 | 137,56,55,547 |
| Trade payable | - | - | 8,34,625 | 8,34,625 |
| | - | - | 1715,22,07,245 | 1715,22,07,245 |

FVTPL - Fair Value Through Profit and Loss

FVTOCI - Fair Value Through Other Comprehensive Income

B. Financial Risk Management

I. Risk management Framework

Currently Board is appraised of all the project related activities and associated risks which are discussed and deliberated by the Board. Adequate risk mitigation measures have been put in place as per directions of the Board.

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

- Credit Risk
- Liquidity Risk

i. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or the counterparty to a financial instrument fails to meet its contractual obligation.

The cash and cash equivalents represents balances held in bank and bank fixed deposits.

ii. 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 is under implementation stage of Refinery Project and the source of liquidity is capital infusion from promoters and Terms Loans from Banks/FIIS.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note-33: As the Insurance Expenses for marine cum erection insurance policy for coverage of all its equipment's, storage & erection and commissioning of the equipment, which also includes other project related insurance for associated costs for delayed commencement of project due to insured perils, being capitalized under Capital Work in Progress (CWIP) by the Company relying on the facts that setting up the Refinery Project of such a magnitude and bringing Property, Plant and Equipment to its present location without taking insurance policy for coverage is not considered commercially feasible and in case, the company had not taken this policy, then individual supplier and contractor would have taken the specific policy for marine as well as erection and had included this cost in their quoted price, hence the premium paid under the insurance policy is directly attributable to project as the insurance cost is an essential cost to be incurred for successful execution of refinery project and the same is to be included in the project cost eligible for capitalization as per paragraph 16 (b) of Ind AS 16.

While the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India has opined that an insurance policy is normally taken to protect/safeguard against the loss that may arise in unforeseen future and may not be ordinarily essential for or will contribute to construction activity as such, therefore, it cannot be considered as directly attributable to construction/acquisition of the project. The Committee also notes that the marine-cum-erection insurance policy has been taken to ensure that all the possible risks from supply/installation of goods/equipment till their complete erection are covered. Accordingly, considering the facts provided and considering the nature of directly attributable costs as per paragraphs 16 and 17 of Ind AS 16, the Committee is of the view that the expenses of project insurance cannot be considered as directly attributable costs and should accordingly be recognized in the Statement of Profit and Loss.

As the Company had capitalized the Insurance expenses of the marine-cum-erection insurance policy amounting Rs.50,33,08,068/- under CWIP in the financial year 2019-20 instead of charging the same into the Statement of Profit and Loss. In lieu of the opinion of the EAC, such error has been corrected by restating each of the affected financial statement line items for the financial year 2019-20.

Besides above the re-classification of Security Deposit and Retention Money amounting Rs.50,80,72,208/- from current to non-current assets has also been made for the financial year 2019-20.

The following tables summarises the impacts on the Company's financial statements

| Statement of Profit and Loss | For the year ended March 31,2020 (As previously Reported) | Adjustment (+) Increase / (-) Decrease | For the year ended March 31,2020 (As Re-Styled) |
|---|--|--|---|
| 1 Other Expenses including Insurance & Safety | 118,97,05,219 | - | 118,97,05,219 |
| Less : Project related expenses transferred to CWIP | 118,21,38,286 | -50,33,08,068 | 67,88,30,218 |
| Transferred to Statement of Profit & Loss Account | 75,66,933 | 50,33,08,068 | 51,08,75,001 |
| 2 Profit (+) / Loss (-) Before Tax | 1,80,54,240 | -50,33,08,068 | -48,52,53,828 |
| Tax Expense | | | |
| (i) Current Tax | 30,35,496 | - | 30,35,496 |
| (ii) Deferred Tax Charge(+) / | -30,35,496 | - | -30,35,496 |
| Profit/ (Loss) for the Year | 1,80,54,240 | -50,33,08,068 | -48,52,53,828 |
| 3 Earning per Share | | | |
| (i) Net (+) Profit / (-) loss as per the Statement of Profit & Loss | 1,80,54,240 | -50,33,08,068 | -48,52,53,828 |
| (ii) Weighted average number of equity shares used as denominator for calculating EPS | 148,90,29,178 | - | 148,90,29,178 |
| (iii) Basic and Diluted earnings per share (i/ii) | 0.0121 | - | -0.3259 |
| Balance Sheet | As at March 31,2020 (As previously Reported) | Adjustment (+) Increase / (-) Decrease | As at March 31,2020 (As Re-Styled) |
| 1 Total Assets | 3551,62,71,494 | -50,33,08,068 | 3501,29,63,426 |
| Capital Work-In-Progress | 2820,64,00,196 | -50,33,08,068 | 2770,30,92,128 |
| Total Non-Current Assets | 3327,19,31,278 | -50,33,08,068 | 3276,86,23,209 |
| 2 Total Liabilities | 3551,62,71,494 | -50,33,08,068 | 3501,29,63,426 |
| Other Equity | | | |
| Retained Earning | | | |
| Opening Balance as at 01-04-2019 | -13,98,93,364 | - | -13,98,93,364 |
| Profit(+) /Loss (-) as per Statement of Profit and Loss | 1,80,54,240 | -50,33,08,068 | -48,52,53,828 |
| | -12,18,39,124 | | -62,51,47,192 |
| Total Equity | 1742,86,60,876 | -50,33,08,068 | 16,925,352,808 |
| Other Financial Liabilities (Security Deposit and PBG Retention Money) | - | 50,80,72,208 | 50,80,72,208 |
| Total Non-Current Liabilities | 1526,76,44,865 | 50,80,72,208 | 1577,57,17,073 |
| Total Current Liabilities | 281,99,65,753 | -50,80,72,208 | 231,18,93,545 |
| Other Current Liabilities | 188,37,27,755 | -50,80,72,208 | 137,56,55,547 |
| Retention Money-Others | 86,36,04,764 | -50,80,72,208 | 35,55,32,556 |



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

| Cash Flow Statement | As at March 31, 2020 (As previously Reported) | Adjustment (+) Increase / (-) Decrease | As at March 31, 2020 (As Re-Styled) |
|---|--|--|---|
| 1 Cash Flow from operating activities | | | |
| Net Profit (+) / Loss (-) before tax | 1,80,54,240 | -50,33,08,068 | -48,52,53,828 |
| Operating Profit before Changes in Assets & Liabilities | -2,58,23,477 | 5033,08,068 | -52,91,31,545 |
| Cash Generated from Operations | -2,65,50,721 | -50,33,08,068 | -52,98,58,789 |
| Net Cash from Operating Activities | -3,87,84,311 | -50,33,08,068 | -54,20,92,379 |
| 2 Cash Flow from investing activities | | | |
| Purchase of PPE (including CWIP) | -2166,45,62,920 | -50,33,08,068 | -2116,12,54,852 |
| Net Cash from Investing Activities | -2161,14,15,534 | -50,33,08,068 | -2110,81,07,466 |

Note-34: Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The Company is under Project implementation stage and has availed Term Loans from Consortium of Banks. The primary objective of the Company's capital management is to maximize shareholders' value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. (refer Note-12)

Note-35: Supplier's Accounts are reconciled on an ongoing basis and are subject to confirmations and reconciliation. Such accounts are also under the process of confirmation and reconciliation at the year end and subsequent accounting adjustments wherever required. Such reconciliation is not likely to a material impact on the outstanding or classification of the accounts.

Note 36: Impact of COVID-19

World Health Organization (WHO) has assessed risk relating to outbreak of Coronavirus disease (known as Covid-19) and characterized it as global pandemic, in view of the alarming levels of spread and severity. The Government of India (GOI) announced a nationwide lockdown effective from 25th March, 2020 which was extended till 31st May, 2020.

As a result, the construction work at the company's refinery project site located at Pachpadra, in Barmer district in the State of Rajasthan, was halted. After the GOI/State Government announced partial relaxation to commence the construction activities, with effect from 20th April, 2020, the construction work at refinery project site was resumed and thereafter construction work at site is regularly going on without any obstruction. Now looking to the current scenerio of second wave of Covid-19, the partial lockdown imposed by State Govt. but the construction work is permissible under such partial lock down and construction work at site is going on as on the date of report.

Management, administrative, commercial, financial and other back end activities, continued uninterrupted during lock down period with the help of Information Technology Infrastructure by operating from admin locations or work from home. The management has ensured that all financial and reporting controls are in place.

Since the refinery project is under construction stage and normal business operations has not commenced, the company does not have Inventories of raw material and finished goods. The management on restarting of construction work at project site has reviewed its non-financial assets including Capital Work in Progress (CWIP) & Property, Plant and Equipment (PPEs). Based on the assumptions used basis the internal and external information / indicators of future economic conditions, it expects to recover the carrying amount of these assets. The company does not have any Trade receivables. The financial assets comprise of advances to vendors and GST ITC recoverable. These are adjustable in the future supplies and payments. Management does not foresee any impairment therein and also any impact on the going concern basis accounting and existence of material uncertainty related to going concern.

The company has tied-up its finances and expects that the term loans and equity contributions would be released as the work progresses. All statutory dues and interest have been serviced on time.

The impact of the global health pandemic may be different from that estimated one of these financial results. Hence, the company will continue to closely monitor any material changes of any future economic conditions. In lieu of above assessment, the management concluded that no adjustments are required in the financial statements as it does not impact the current financial period.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 37: An amount of Rs. 8,34,625 (Previous Year Rs. 4,76,374/-) which was lying under "Trade Payables" is not payable and hence, this amount has been written on and shown as "Misc. Income".

Note 38: Figures of previous year have been re-stated due to the reasons stated under Note-33.

Note 39: Figures of previous year have been reclassified/regrouped wherever necessary and figures in the bracket indicate figures in minus.

As per our report of even date

For and on behalf of the Board

For J.S.M. & Co.
Chartered Accountants
Firm Regn. No. 006781C

CA. Sunil Agarwal
Partner
Membership No. 075554



Mukesh Kumar Surana
Chairman
DIN: 07464675

Shekhar P Gaikwad
Chief Executive Officer

Umesh Chandra Agrawal
Chief Financial Officer

V. Murali
Company Secretary

Dated : 18-05-2021
Place : Jaipur

Dated : 18-05-2021
Place : Mumbai