



J. S. M. & CO.

Chartered Accountants

C-77, Shyam Apartment,

Sarajni Marg, C-Scheme, Jaipur-302001

Telefax : 0141-2374815, 4006839

E-Mail: suniljsm_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 Ind AS financial statements of **HPCL RAJASTHAN REFINERY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2019, its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER:

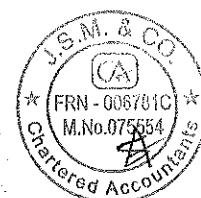
We draw attention to the following matters in the Notes to Ind AS financial statements:

- a) **Note Number-31** to the Ind AS 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.

Our opinion is not modified in respect of such matters.

RESPONSIBILITY OF MANAGEMENT FOR THE IND AS FINANCIAL STATEMENTS:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- a) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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:

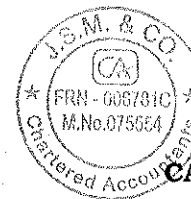
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure-A**", a statement on the matters specified in paragraph 3 and 4 of the Order, to the 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 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 Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure-B**'.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations, which would impact its financial position in its Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company



3. As required u/s 143(5) of the Companies Act,2013, the following are the observations on the Directions issued by the office of C&AG of India:

- a) 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.
- b) 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) 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

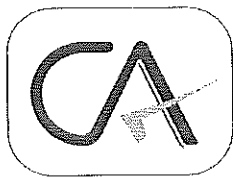


[Handwritten signature]

CA. Sunil Agarwal
Partner

Membership No. 075554

Dated: 03/05/2019
Place : Jaipur



J. S. M. & CO.

Chartered Accountants

C-77, Shyam Apartment,

Sarojni Marg, C-Scheme, Jaipur-302001

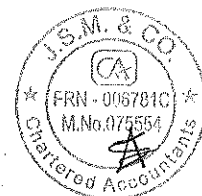
Telefax : 0141-2374815, 4006839

E-Mail: suniljsm_amit@rediffmail.com

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

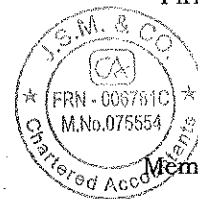
(Referred to in paragraph 1, under the "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (I) a) The Company is maintaining records showing particulars regarding quantitative details and situation of its fixed assets but particulars regarding Original Cost, year of purchase, useful life, residual value, component wise break-up (where applicable), rate/basis of depreciation/amortization, depreciation/amortization for the current year, accumulated depreciation/amortization etc. has not been being maintained hence the Company is not maintaining proper records showing full particulars of the fixed assets.
- b) As explained to us, fixed assets have been physically verified by the management at the year end and 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 lease deed/agreements provided to us, we report that in respect of immovable properties comprising of land, which are leasehold that have been taken on lease and disclosed as fixed asset in the Ind AS financial statements, the lease deeds/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 though there has been a delay in few cases. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2019 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, whichever applicable, which have not been deposited on account of any disputes.
- (VIII) In our opinion and according to the information and explanations given by the management, the Company does not have any dues on account of any loans or borrowings to a financial institution, bank, Government or due to debenture holders, hence the provisions of clause 3(viii) of the Order are not applicable to the Company.
- (IX) Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans hence the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (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. 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.

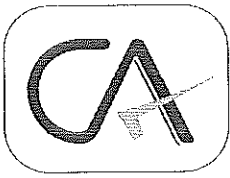
For J.S.M. & Co.
Chartered Accountants
Firm's Regn. No.006781C



CA. Sunil Agarwal
Partner

Membership No. 075554

Place : Jaipur
Dated : 03/05/2019



J. S. M. & CO.

Chartered Accountants

C-77, Shyam Apartment,

Sarojni 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)

Report on the Internal Financial Controls 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, 2019 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 Companies Act, 2013.

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 Companies Act, 2013, 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.



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 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, 2019, 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's Regn. No.006781C



[Signature]

CA. Sunil Agarwal

Partner

Membership No. 075554

Place : Jaipur
Dated: 03/05/2019

HPCL RAJASTHAN REFINERY LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

(Amount in Rs.)

PARTICULARS	Note No.	As at March 31,2019	As at March 31,2018
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipment	2	212,13,18,101	198,37,26,569
(b) Capital Work-In-Progress	3	914,47,60,860	83,58,93,454
(c) Intangible Assets	2	2,87,918	78,337
(d) Deferred Tax Assets (Net) (Refer Note-23)		1,52,31,728	0
(e) Other Non Current Assets	4	37,78,16,902	5,14,79,577
		1165,94,15,507	287,11,77,937
Current Assets			
(a) Financial Assets			
(i) Cash & Cash Equivalents	5	344,21,33,643	63,95,38,914
(ii) Other Bank Balances	6	0	55,03,50,000
(ii) Other Financial Assets	7	96,78,509	16,21,317
(b) Current Tax Assets (Net)	8	71,33,124	2,73,217
(c) Other Current Assets	9	4,90,182	0
		345,94,35,458	119,17,83,448
Total		1511,88,50,966	406,29,61,385
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	1203,25,00,000	255,05,00,000
(b) Other Equity	11	(139,893,364)	(213,882,866)
		1189,26,06,636	233,66,17,134
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	1,61,87,950	9,63,23,613
(ii) Other Financial Liabilities		0	0
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payable			
(A) Total Outstanding dues to Small Enterprises & Micro Enterprises	13	0	0
(B) Total Outstanding dues of Creditors other than Small Enterprises & Micro Enterprises	13	15,68,989	5,93,51,256
(ii) Other Financial Liabilities	14	256,41,66,745	153,08,53,144
(b) Other Current Liabilities	15	64,43,20,646	3,98,16,238
(c) Current Tax Liabilities (net)		0	0
		322,62,44,330	172,63,44,251
Total		1511,88,50,966	406,29,61,385
Significant Accounting Policies	1		

The accompanying Notes Forming Part of Accounts are an integral part of the Financial Statements
As per our report of even date

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
Mukesh Kumar Surana
Chairman
DIN:07464675

Shekhar P Gaikewad
Shekhar P Gaikewad
Chief Executive Officer

Ajay Kumar Singhal
Ajay Kumar Singhal
Chief Financial Officer

V. Murali
V Murali
Company Secretary

Dated : 03-05-2019
Place : Jaipur

HPCL RAJASTHAN REFINERY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in Rs.)

PARTICULARS	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I Revenue			
Revenue from Operations		0	0
<u>Other Income:</u>			
Interest on FDR		78,917,039	4,350,656
Gain on Foreign Currency Transaction & Translation		6,954,654	0
Total Revenue		85,871,693	4,350,656
II Expenses			
Finance Cost	16	0	0
Depreciation/Amortisation Expenses	17	19,784	1,667
Other Expenses	18	11,862,407	197,984,441
Total Expenses		11,882,191	197,986,108
III Profit/ (Loss) Before Tax		73,989,502	(193,635,452)
IV Tax Expense			
(i) Current Tax		15,231,728	0
(ii) Deferred Tax Charge/ (Credit)		(15,231,728)	0
V Profit/ (Loss) for the Year		73,989,502	(193,635,452)
VI Other Comprehensive Income			
A: (i) Items that will not be reclassified to profit or loss in subsequent periods		0	0
(ii) Income tax relating to items that will not be reclassified to profit or loss		0	0
B: (i) Items that will be reclassified to Profit & Loss		0	0
(ii) Income tax relating to items that will be reclassified to Profit & Loss		0	0
VII Other Comprehensive Income for the Year		0	0
VIII Total Comprehensive Income for the Year		73,989,502	(193,635,452)
IX Earnings per Equity Share			
Basic and Diluted Earnings Per Equity Share of Rs.10 each	19	0.18	(17.52)
Number of Equity Shares 25,50,50,000 (50,000)			
Significant Accounting Policies	1		

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

As per our report of even date

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

Ajay Kumar Singhal
Chief Financial Officer

V. Murali
Company Secretary

Dated : 03-05-2019
Place : Jaipur

HPCL RAJASTHAN REFINERY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in Rs.)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax	73,989,502	(193,635,452)
Adjustments to reconcile net profit to net cash used in operating activities		
Depreciation/Amortisation on Property Plant & Equipment/Intangible Assets	19,784	1,667
Interest Income	(78,917,039)	(4,350,656)
Operating Profit before Changes in Assets & Liabilities	(4,907,753)	(197,984,441)
Changes in Assets and Liabilities:		
(Increase)/Decrease in Current Assets	(97,517)	0
Increase/(Decrease) in Financial Liabilities/Other Liabilities	(60,464,146)	61,426,586
	(60,561,663)	61,426,586
Cash Generated from Operations	(65,469,416)	(136,557,855)
Income taxes refund / (paid)	(14,000,000)	0
Net Cash from Operating Activities (A)	(79,469,416)	(136,557,855)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant & Equipment (including Capital WIP)	(5,635,020,262)	(669,075,297)
Investment in Fixed Deposit (more than 3 month)	550,350,000	(550,350,000)
Interest Received	62,865,729	24,58,605
Net Cash from Investing Activities (B)	(5,021,804,533)	(1,216,966,692)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issuance of Share Capital	7,993,245,970	1,887,000,000
Proceeds from Borrowings (Finance Lease Obligations)	(89,377,292)	105,565,242
Net Cash from Financing Activities (C)	7,903,868,678	1,992,565,242
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	2,802,594,729	639,040,695
Cash and Cash Equivalents As At Beginning of the Year	639,538,914	498,219
Cash and Cash Equivalents As At End of the Year	3,442,133,643	639,538,914

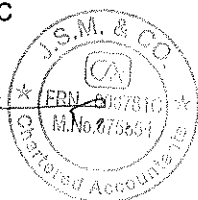
Notes

- The above Cash Flow Statement has been prepared under the 'Indirect Method' in accordance with Ind AS - 7 Statement of Cash Flows
- Figures in brackets are outflows / deductions.
- Cash and cash equivalents represent bank balances.

As per our report of even date

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

Ajay Kumar Singhal
Chief Financial Officer

V. Murali
Company Secretary

Dated : 03-05-2019
Place : Jaipur

HPCL RAJASTHAN REFINERY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(A) EQUITY SHARE CAPITAL

Particulars	For Year ended March 31, 2019		For year ended March 31, 2018	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Balance at the beginning of the reporting period	255,050,000	2,550,500,000	50,000	500,000
Changes in equity share capital during the year	948,200,000	9,482,000,000	255,000,000	2,550,000,000
Balance at the end of the reporting period	1,203,250,000	12,032,500,000	255,050,000	2,550,500,000

(B) OTHER EQUITY

(Amount in Rs.)

Particulars	Retained Earnings	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Balance at the beginning of the reporting period	(213,882,866)	(20,247,414)
Profit / (Loss) for the year	73,989,502	(193,635,452)
Other Comprehensive Income for the Year	0	0
Balance at the end of the reporting period	(139,893,364)	(213,882,866)

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

As per our report of even date

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

Ajay Kumar Singhal
Chief Financial Officer

V. Murali
Company Secretary

Dated : 03-05-2019
Place : Jaipur

HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 a subsidiary HPCL.

Authorization of financial statements

The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors on 03-05-2019.

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 recognised 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.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

Lease arrangements for land are identified as finance lease in case such arrangements result in transfer of the substantially all risks and rewards to the Company. Accordingly, the Company identifies any land lease arrangement with a term in excess of 99 years as a finance lease.

Technical know-how / licence 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.

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 capitalisation.

Land on finance lease is amortised over the period of lease.

d. Intangible assets

Intangible assets are carried at cost less any accumulated amortisation 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 capitalised along with the cost of hardware. Application software is capitalised as Intangible Asset.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Intangible assets with finite lives are amortised 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 amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the statement of Profit & Loss.

Intangible assets with indefinite useful lives, such as right of way, are not amortised, 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 impairment loss on intangible assets with indefinite life is recognised in the statement of Profit & Loss.

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

- Software – upto 4 years
- Technical know-how/license fees – upto 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 capitalised 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 capitalised 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 recognised whenever the carrying amount of assets of cash generating units (CGU) exceeds their recoverable amount.



HPCL RAJASTHAN REFINERY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2019

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 recognised 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.

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 categorised 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.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Value of surplus, obsolete and slow moving stores and spares, if any, is reduced to net realisable 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 recognised in the Statement of Profit & Loss over the period and in the proportion in which depreciation is charged.

Grants received against revenue items are recognised 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 recognised 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.

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 realisation.

Interest income is recognised 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 recognised 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,



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

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.

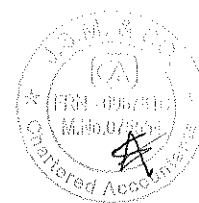
o. Provisions and contingent liabilities

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
- 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 recognised 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.



HPCL RAJASTHAN REFINERY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2019

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

Financial Liabilities are subsequently measured at amortised cost. Amortised 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 amortisation 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.

All other claims/entitlements are accounted on the merits of each case/realisation.

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



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

s. Leases

Leases where the lessor effectively retains substantially all the risks and rewards of the ownership are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

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.

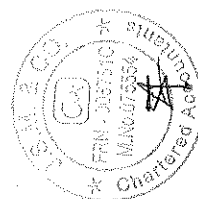


NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Leasehold Land #	Building # #	Furniture & Fixtures	Office Equipment	Computers & Data Processing units	Total
Gross Block						
As on 01-04-2018	1,985,689,954	5,635,734	1,148,692	121,674	2,092,907	1,994,688,961
Addition during the year	138,943,981	3,446,964	7,857,778	1,347,054	864,103	152,459,881
As on 31-03-2019	2,124,633,935	9,082,698	9,006,470	1,468,728	2,957,010	2,147,148,842
Depreciation/ Amortization						
As on 01-04-2018	10,209,203	616,820	94,404	13,188	28,777	10,962,392
For the year 2018-19	11,483,351	2,163,494	609,556	84,942	527,005	14,868,348
As on 31-03-2019	21,692,554	2,780,314	703,960	98,130	555,782	25,830,740
Net Block as on 31-03-2019	2,102,941,381	6,302,384	8,302,510	1,370,598	2,401,228	2,121,318,101
Net Block as on 31-03-2018	1,975,480,751	5,018,914	1,054,288	108,486	2,064,130	1,983,726,569

Pota Cabins are shown under Buildings as Temporary Structure.

Particulars	Software
Gross Block	
As on 01-04-18	80,004
Addition during the year	243,501
As of 31-03-2019	323,505
Depreciation/ Amortization	
As on 01-04-18	1,667
For the year 2018-19	33,920
As on 31-03-2019	35,587
Net Block as of 31-03-2019	287,918
Net Block as of 31-03-2018	78,337



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 3: Capital Work In Progress

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
As at the beginning of the year	835,893,454	283,380,020
Add: Expenditure during the year		
Construction of Boundry Wall	201,144,969	18,336,584
Site Preparation/Grading/Development Expenses*	3,058,507,637	102,344,212
Licence Fee	902,709,977	0
Basic Design & Engineering Fee**	1,718,658,221	0
Building	35,806,982	0
Construction Power	263,778,363	0
Construction Water	8,342,718	0
Project Consultancy	718,186,116	0
Water Reservoir***	203,644,807	0
Pipe Line Route Survey	53,256,436	0
OBE Fee	55,655,040	0
Finance Cost (Refer Note-16)	420,769,464	14,366,267
Depreciation/Amortisation (Refer Note-17)	14,882,485	10,962,392
Other Expenses including Man-Power Charges (Refer Note-18)	653,524,191	406,503,979
	9,144,760,860	835,893,454
Less: Deductions during the year	-	0
As at the end of the year	9,144,760,860	835,893,454

* adjusted Rs. 31,81,727/- ** Rs. 1,03,972/- *** Rs. 54,30,172/- towards Interest received for early payment/Mobilisation advance to Suppliers

Note 4: Other Non-Current Assets

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	40,402,423	18,576,133
Security Deposit	166,950	3,550
Goods & Service Tax/CENVAT Receivable (Refer Note-31)	337,247,529	32,899,894
Total	377,816,902	51,479,577

Note 5: Cash & Cash Equivalents

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
Current Account	2,054,207	56,958,667
Fixed Deposits with Maturity Less than 3 Months	3,440,079,436	582,580,247
Total	344,21,33,643	63,95,38,914

Note 6 : Other Bank Balances

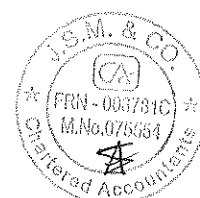
(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
Fixed Deposits with Maturity for more than 3 months but Less than 12 Months	0	550,350,000
Total	0	550,350,000

Note 7: Other Financial Current Assets

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Accrued on FDR	9,578,509	1,618,834
Petty Cash Fund	100,000	2,483
Total	9,678,509	1,621,317



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 8: Current Tax Assets (Net)

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Tax & Tax Deducted at Source (Net of provision for Tax)	7,133,124	273,217
Total	7,133,124	273,217

Note 9 : Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid Expenses	490,182	0
Total	490,182	0

Note 10: Share Capital

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorized: 400,00,00,000 (400,00,00,000 equity shares as at 31.03.18) Equity Shares of Rs. 10 each	40,000,000,000	40,000,000,000
	40,000,000,000	40,000,000,000
Subscribed Capital 120,32,50,000 (25,50,50,000 equity shares as at 31.03.18) Equity Shares of Rs. 10 each	12,032,500,000	2,550,500,000
	12,032,500,000	2,550,500,000
Issued and fully Paid-up: 120,32,50,000 (25,50,50,000 equity shares as at 31.03.18) Equity Shares of Rs. 10 each	12,032,500,000	2,550,500,000
	12,032,500,000	2,550,500,000

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, 2019		As at March 31, 2018	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity Shares				
Number of Shares at the Beginning	255,050,000	2,550,500,000	50,000	500,000
Add: Equity shares issued	948,200,000	9,482,000,000	255,000,000	2,550,000,000
Balance at the Reporting Date	1,203,250,000	12,032,500,000	255,050,000	2,550,500,000

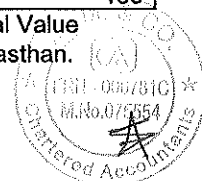
Shares held by Holding Company - HPCL

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity Shares				
Number of Shares at the Beginning	188,737,000	1,887,370,000	37,000	370,000
Add: Equity shares issued	701,668,000	7,016,680,000	188,700,000	1,887,000,000
Balance at the Reporting Date	890,405,000	8,904,050,000	188,737,000	1,887,370,000

Shareholders holding more than five percent of holdings:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Hindustan Petroleum Corporation Limited and nominee shareholders	890,405,000	74	188,737,000	74
Government of Rajasthan and nominee shareholders (#)	312,845,000	26	66,313,000	26
Total	1,203,250,000	100	255,050,000	100

(#) Government of Rajasthan has allotted 14,88,75,403 (Previous Year 6,63,00,000) Equity Shares having Nominal Value Rs.148,87,54,030 (Previous Year 66,30,00,000) towards cost of land/ lease rentals payable to Government of Rajasthan.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 11: Other Equity

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings		
Balance at the Beginning	(213,882,866)	(20,247,414)
Profit/(Loss) as per Statement of Profit and Loss	73,989,502	(193,635,452)
Balance at the Reporting Date	(139,893,364)	(213,882,866)
Total	(139,893,364)	(213,882,866)

Note 12: Borrowings

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured:		
Finance Lease Obligations	16,187,950	96,323,613
Total	16,187,950	96,323,613

Finance Lease Obligation is secured against Leased Assets

Note 13: Trade Payable

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Micro, Small and Medium Enterprises	0	0
Others	1,568,989	59,351,256
Total	1,568,989	59,351,256

Note 14: Other Current Financial Liabilities

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Finance Lease Obligation	0	9,241,629
Payable to HPCL*	77,001,310	34,367,747
Payable to GOR	0	1,229,243,130
Security Deposit & Retention Money	380,656,061	3,629,627
Earnest Money Deposit	1,062,509	8,134,073
Other payable**	2,105,446,865	246,236,938
Total	2,564,166,745	1,530,853,144

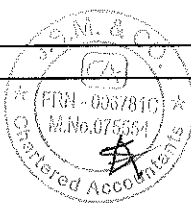
*Expenditure incurred by HPCL (Promoter), has been shown under other current liabilities since they are due to be settled within 12 months.

** Other payable includes Creditors for Capital Expenditure

Note 15: Other Current Liabilities

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Payables	632,617,566	25,431,279
Accrued Expenses	11,703,080	14,384,959
Total	644,320,646	39,816,238



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 16: Finance Cost

(Amount in Rs.)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Interest Expenses (Finance Cost on Finance Lease)	31,189,627	12,118,418
Upfront Fee /Processing Fee paid	254,060,987	0
Cost of Financial Closure	135,518,850	2,247,849
	420,769,464	14,366,267
Less: Interest Capitalised transferred to Capital Work in Progress	420,769,464	14,366,267
Total	0	0

Note 17: Depreciation and Amortisation Expenses

(Amount in Rs.)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Depreciation/Amortization of Tangible Assets	14,868,348	10,962,392
Amortization of Intangible Assets	33,920	1,667
	14,902,269	10,964,059
Less: Transferred to Capital Work in Progress	14,882,485	10,962,392
Total	19,784	1,667

Note 18: Other Expenses (Refer Note:30)

(Amount in Rs.)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Man Power Charges	168,499,023	19,269,102
(Salaries, Wages & Bonus paid for Employees of HPCL on deputation)		
Welfare Expenses for Employees of HPCL on deputation	3,157,048	0
Consultancy & Technical Services	386,305,565	324,702,303
Legal, Professional & Consultancy Expenses	11,626,027	5,304,457
Event Management	0	87,757,597
Advertisement/Publicity Expenses	50,000	62,652,644
Safety & Insurance	309,721	2,088,655
Statutory Fees, Filing Fees/Expenses	2,400,871	56,855,247
Travelling Expenses-Domestic	26,921,029	26,223,021
Travelling Expenses-Foreign	21,123,384	0
Conveyance Expenses	7,989,301	0
<u>Auditor's Remuneration</u>		
- Statutory Audit Fees	141,600	118,000
- Limited Review Fees	0	35,400
Taxi Hire Charges	4,659,109	6,978,928
Expenses for Refinery Model	0	1,903,129
Equipment Charges	0	3,706,722
Bank Charges	190,897	1,941
Security Charges	3,288,076	1,345,512
Telephone & Internet Charges	4,573,841	864,702
Miscellaneous Expenses	4,408,486	4,426,691
Electricity & Water	2,602,451	174,728
Repair & Maintenance	39,337	0
Printing & Stationery	646,500	79,640
Rentals	16,454,331	0
	665,386,598	604,488,420
Less : Project related expenses transferred to Capital Work In progress	653,524,191	406,503,979
Total	11,862,407	197,984,441

Note 19: Earnings Per Share

Particulars		As at March 31, 2019	As at March 31, 2018
(i) Net (loss) as per the Statement of Profit & Loss available for Equity Shareholders.	Rs.	73,989,502	(193,635,452)
(ii) Weighted average number of equity shares used as denominator for calculating EPS		422,736,575	11,050,000
(iii) Basic and Diluted earnings per share (i/ii)	Rs.	0.18	(17.52)
(iv) Nominal value of shares	Rs.	10.00	10.00



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 20: Contingent Liabilities and Capital and other commitments

Particulars	As at March 31, 2019	As at March 31, 2018
1. Contingent Liabilities:	0	0
2. Capital and other Commitments:	89,519,122,632	4,591,523,248
Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)		
Total	89,519,122,632	4,591,523,248

Note 21: 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 paid a sum of Rs. 16,84,99,023/- (Previous Year Rs. 1,92,69,102/-) towards Salary, Wages & Bonus to the Employees of HPCL deputed in the Company.

Note 22: 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. However the Company has made provision towards MAT as per section 115JB of Income Tax Act, 1962 as per section 115JB of Income Tax Act, 1962, @20.5868% (Tax rate @18.5% plus surcharge @7% on Tax rate plus Education cess @4% on Tax and surcharge) on adjusted book profit of Rs. 7,39,87,535/-

Note 23: The movement in Deferred Tax Assets balances is given below:

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Deferred Tax Assets:</u>		
MAT Credit		
Opening Balance as of 01.04.2018	0	0
Add: Recognised in Profit & Loss	15,231,728	0
Closing Balance as of 31.03.2019	15,231,728	0

Note 24: To the extent Micro and Small Enterprises have been identified, the outstanding balance, including interest thereon, if any, as at balance sheet date is disclosed on which Auditors have relied upon :

(Amount in Rs.)

Sr. No.	Particulars	2018-19	2017-18
1	Amount of principal and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:- - Principal - Interest	0	0
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	0	0
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	0	0
4	Amount of interest accrued and remaining unpaid at the end of accounting year;	0	0
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.	0	0



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 25: 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

- i. HPCL
- ii. Government of Rajasthan

2 Key Management Personnel

i. Shri Mukesh Kumar Surana, Director	w.e.f. 01.04.2016
ii. Shri Pushp Kumar Joshi, Director	w.e.f. 18.09.2013
iii. Shri Vinod Sadanand Shenoy, Director	w.e.f. 16.11.2016
iv. Shri Sudarshan Sethi, Nominee Director	w.e.f. 03.01.2019
v. Shri Niranjn Arya, Nominee Director	w.e.f. 03.01.2019
vi. Shri Shekhar P Gaikwad, CEO	w.e.f. 30.07.2018
vii. Shri Ajay Kumar Singhal, CFO	w.e.f. 30.07.2018
viii. Shri V Murali, Company Secretary	w.e.f. 30.07.2018
ix. Shri J Ramaswamy, Director	Upto 28.02.2019
x. Ms Aparna, Nominee Director	Upto 03.01.2019
xi. Shri Mukesh, Nominee Director	Upto 03.01.2019
xii. Shri Manoj Gupta, Company Secretary	Upto 14.05.2018

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

No.	Nature of Transactions and outstanding balances	2018-19	2017-18
1	HRRL expenditures / assets charged by HPCL before adjusting credit of GST	235,520,602	34,367,747
2	Leasehold Land taken from Govt. of Rajasthan	259,510,900	1,892,243,130
3	Receivable from / (Payable to) Govt. of Rajasthan	0	(1,229,243,130)
4	Receivable from / (Payable to) HPCL	(77,001,310)	(34,367,747)

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.

HRRL Expenses/ Assets charged by HPCL before adjustment credit of GST include Rs. 60,67,324 (P.Y. Rs. Nil) towards remuneration and other reimbursement to CEO and Rs. 43,79,052 (P.Y. Rs. Nil) towards remuneration and other reimbursement to CFO during the current Financial Year.

Note 26: OTHER NOTES

(Amount in Rs.)

Particulars	2018-19	2017-18
A Payment to Auditors		
- Audit fees	141,600	118,000
- Limited Review Fees	0	35,400
B CIF value of imports during the year (excluding canalised imports):	0	0
C Earning in Foreign exchange	0	0
D Expenses in Foreign currency*	987,966,852	0

* Amount Released to various Licensors (In EUR) and IIFC UK and Link Corporate Trustee (In USD)

Note 27: Segment Information

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

Note 28: LEASES

The Company has taken Lands under finance leases. The following is the summary future minimum lease rental payment under finance leases entered into by the Company

	2018-19	2017-18
Not Later than One Year	0	9,241,629
Later than One Year but not less than Five Years	0	36,966,516
Later than Five Years	3,589,728,319	3,642,636,595
	3,589,728,319	3,688,844,740
Less Future Finance Cost	3,573,540,368	3,583,279,498
Present Value of Minimum Lease Payments	16,187,950	105,565,242
Disclosure in Financial Statements:		
Non Current Financial Liabilities	16,187,950	96,323,613
Other Current Financial Liabilities	0	9,241,629
	16,187,950	105,565,242



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 29: Government of Rajasthan (GOR) had allotted a Land (Refinery Land) at Pachpadra Village, Barmer District vide letter dated 11.10.2013, but the Company had not accounted for this transaction, till FY 2016-17, in the books of accounts due to pending execution of Lease deed/agreement for the same. During the financial year 2017-18, Lease deed/Agreement dated 27/09/2017 was executed and the same was registered on 29/09/2017. Accordingly, the Company had accounted for such Land taken on Lease from GOR, as Assets held under Finance Lease and the same is initially recognized as assets of the Company at the lower of the present value of the minimum lease payments and the fair value of the assets. The Company has taken the date of execution of Lease Agreement/Deed as the inception date of Lease. Further the minimum Lease Rentals payable from 11/10/2013 to 31/03/2017, as per lease agreement, amounting Rs.3,19,59,396 has also been accounted during the previous year.

During the current financial year 2018-19, Government of Rajasthan (GOR) has also allotted a land at Nachna for water reservoir and executed the lease deed/ agreement dated 13-02-2019. The Company has accounted for such land taken on lease from GOR as assets held under Finance lease and same is recognized as assets of the Company at the lower of the present value of the minimum lease payments and the fair value of assets.

During the current financial year 2018-19, it has been decided by the Board that Lease rentals payable to GOR in respect of Land (Refinery Land) at Pachpadra Village, Barmer District for the period from 1.4.2018 to 10.10.2043, has been adjusted towards the Equity Contribution of GOR. Accordingly the Company has revised/reassess the value of Land (Refinery Land) held under Finance Lease, determined in the previous financial year 2017-18. The details of revised calculation and its variation with previous financial year calculation, are given below:-

Particulars	At the time of inception of Lease i.e. 2017-18	Revised / Reassessed as stated above during the year 2018-19	Difference adjusted in 2018-19
Value of Land held under Finance Lease	1,985,689,954	2,100,833,516	115,143,562
Finance Lease Obligations	1,985,689,954	2,100,833,516	115,143,562
Depreciation for 2017-18	10,209,203	10,801,201	591,998
Finance Charges for 2017-18	12,118,418	22,481,338	10,362,921

The above differences are adjusted in respective accounting heads during the current financial year.

Note 30: During the previous financial year 2017-18, the Other Expenses as stated in Note No. 18 includes the expenses towards Revised MOU/Joint Venture Agreement which was executed between Hindustan Petroleum Corporation Ltd and Government of Rajasthan and also for Project Commencement Ceremony which was inaugurated by the Hon'ble Prime Minister of India.

Note 31: A Balance of Rs. 59,98,81,591 (Previous Year Rs. 7,01,87,048/-) is shown as per Electronic Credit ledger (GST Portal) of the company as of March 2019 on the basis of monthly Return filed in Form 3B. However, at the year end, the Company has worked out total eligible Input Tax Credit (GST) after reducing the blocked Input Tax Credit as per existing GST law/ Rule and considering proportionate reversal for Exempt Supplies (Non GST) calculated keeping in view of proposed project cost/ product slate and accordingly accounted for the Cumulative Net Input Tax Credit (GST) of Rs. 33,72,47,529/- (Previous Year Rs. 3,28,99,894/-) in the books of accounts.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, 2019	Carrying amount			(Amount in Rs.)
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Current				
Cash and cash equivalents	0	0	3,442,133,643	3,442,133,643
Other Bank Balance			0	0
Other Financial Assets			9,678,509	9,678,509
	0	0	3,451,812,152	3,451,812,152
Financial liabilities				
Non-Current				
Borrowings (Finance Lease Obligations)			16,187,950	16,187,950
Current				
Other Current financial liabilities	0	0	2,564,166,745	2,564,166,745
Trade payable			1,568,989	1,568,989
	0	0	2,581,923,684	2,581,923,684

As at MARCH 31, 2018	Carrying amount			(Amount in Rs.)
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Current				
Cash and cash equivalents	0	0	639,538,914	639,538,914
Other Bank Balance			550,350,000	550,350,000
Other Financial Assets			1,621,317	1,621,317
	0	0	1,191,510,231	1,191,510,231
Financial liabilities				
Non-Current				
Borrowings (Finance Lease Obligations)			96,323,613	96,323,613
Current				
Other Current financial liabilities	0	0	1,530,853,144	1,530,853,144
Trade payable			59,351,256	59,351,256
	0	0	1,686,528,013	1,686,528,013

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 apprised 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.

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 and the source of liquidity is capital infusion from promoters.



HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 33: Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. 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.

The company is under implementation stage and has not taken loans / borrowings from financial institutions.

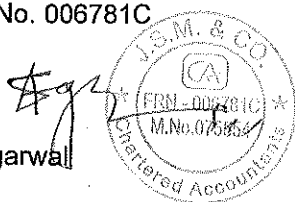
Note 34: Figures of previous year have been recast wherever necessary and figures in the bracket indicate figures in minus.

As per our report of even date

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

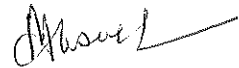
CA. Sunil Agarwal
Partner

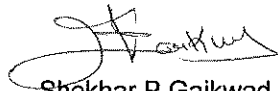
Membership No. 075554



Dated : 03-05-2019
Place : Jaipur

For and on behalf of the Board


Mukesh Kumar Surana
Chairman
DIN:07464675


Shekhar P Gaikewad
Chief Executive Officer


Ajay Kumar Singhal
Chief Financial Officer


V Murali
Company Secretary