

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

INDEPENDENT AUDITOR'S REPORT To the Members of HPCL RAJASTHAN REFINERY LIMITED

REPORT ON THE IND AS FINANCIAL STATEMENTS:

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, 2018, the Statement of Profit & Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

AUDITOR'S RESPONSIBILITY:

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

OFINION:

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 of the Company as at 31st March,2018 and its Loss (including Other Comprehensive Income) and its Cash Flows and the Changes in Equity for the year ended on that date.

EMPHASIS OF MATTER:

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

- a) **Note Number-28** to the Ind AS financial statements which describes that the land allotted by Government of Rajasthan (GOR), was not accounted for pending execution of lease deed/agreement till the financial year 2016-17 but during the year same is accounted for adjusting lease rent amounting Rs. 3,19,59,396/- payable up to 31st March,2017.
- b) Note Number-30 to the Ind AS financial statements which states 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.

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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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:



- The Company has disclosed the impact of pending litigations on its imancial position its Ind AS financial statements-Refer Note-19 "Contingent Liabilities & Commitments" to i.
 - The Company did not have any long-term contracts including derivative contracts for the Ind AS financial statements. which there were any material foreseeable losses. ii.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- 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: 3.
 - As Government of Rajasthan (GOR) had allotted a Leasehold Land Pachpadra Village, Barmer District vide letter dated. 11.10.2013 and during the year Lease Deed/Agreement for such land was executed on 27/09/2017 and the same was got registered on 29/09/2017, a) accordingly the Company has Lease Deed/Agreement for such Leasehold Land.
 - As per books of accounts produced before us for verification we have not noticed any case of waiver/write off debts/loans/interest etc. except a sum of Rs. 9,69,116/- receivable towards Cenvat Credit has been write/off transferring to Capital Work in Progress as the same was not b)
 - As informed by the management and as per books of accounts produced before us for verification, we observed that no inventories lying with third parties & no asset received as gift c) from Government or other authorities. For J.S.M. & Co.

Chartered Accountants Firm Regn. No 006781C

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FRN - 0067810

M.No.075554

Cha

Dated: 09/05/2018

Place: Jaipur

CA. Sunil Agarwal

Partner ered Acco Membership No. 075554



J. S. M. & CO.

Chartered Accountants
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"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 including quantitative details and situation of its fixed assets but such records is in process for further updation as this was the first year in which fixed assets has been purchased by the Company.
 - 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.
 - 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 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 deed/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, 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, 2018 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) 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 paid or provide managerial remuneration during the year, therefore the provisions of section 197 read with Schedule-V to the Companies Act, 2013 are not applicable.
- (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

A Sunil Agarwal

Membership No. 075554

Place: Jaipur Dated: 09/05/2018





Chartered Accountants
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"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")

 We have audited the internal financial controls over financial reporting of HPCL RAJASTHAN REFINERY LIMITED ("the Company") as of March 31, 2018 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;
 - 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, 2018, 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

CA. Sunil Agarwal

Partner Membership No. 075554

FRN - 0067810 M.No.075554

ed Acco

Place : Jaipur

Dated: 09/05/2018

BALANCE SHEET AS AT MARCH 31, 2018

(Amount in Rs.) Note As at As at **PARTICULARS** March 31,2018 March 31,2017 No. ASSETS Non-Current Assets (a) Property, Plant & Equipment 2 198,37,26,569 0 (b) Capital Work-In-Progress 3 83,58,93,454 28,33.80,020 (c) Intangible Assets 2 78,337 (d) Other Non Current Assets 4 5,14,79,577 9.69.116 287,11,77,937 28,43,49,136 **Current Assets** (a) Financial Assets (I) Cash & Cash Equivalents 5 63,95,38,914 4.98.219 (ii) Other Bank Balances 6 55,03,50,000 0 (ii) Other Financial Assets 7 16,21,317 0 (b) Current Tax Assets (Net) 8 2.73.217 0 119,17,83,448 4,98,219 Total 406,29,61,385 28,48,47,355 **EQUITY AND LIABILITIES** Equity (a) Equity Share Capital 9 255,05,00,000 5.00.000 (b) Other Equity 10 (21,38,82,866)(2.02.47.414)233,66,17,134 (1,97,47,414)Liabilities Non-Current Liabilities (a) Financial Liabilities (i) Borrowings 11 9,63.23,613 0 (ii) Other Financial Liabilities 0 0 **Current Liabilities** (a) Financial Liabilities (i) Trade Payable 12 5,93 51,256 (ii) Other Financial Liabilities 13 153,08,53,144 30,45,36,699 (b) Other Current Liabilities 14 3,98,16,238 58.070 (c) Current Tax Liabilities (net) 172,63,44,251 30,45,94,769 Total 406,29,61,385 28,48,47,355 Significant Accounting Policies

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

Dated: 09 /05/2018

Place: Jaipur

For and on behalf of the Board

M K Surana Chairman

DIN:07464675

J Ramaswamy

Director

DIN:06627920

Manoj Gupta

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2018

PARTICU	JLARS	Note No.	For the Year ended March 31, 2018	(Amount in Rs. For the Year ended March 31,
I Revenue		-		2017
Revenue from Operat	ions			
Other Income:			0	0
Interest on FDR			43,50,656	
Total Revenue			43,50,656	0
II Expenses			40,00,000	0
Finance Cost		15		
Depreciation/Amortisa	tion Expenses	16	0	0
Other Expenses		17	1,667	0
Total Expenses			19,79,84,441 19,79,86,108	73,670
III Profit/ (Loss) Refore T			13,73,00,100	73,670
III Profit/ (Loss) Before T	ax		(19,36,35,452)	(73,670)
IV Tax Expense				(,-,-,
(i) Current Tax			0	0
(ii) Deferred Tax Char	ge/ (Credit)		0	0
V Profit/ (Loss) for the Ye	ear		(19,36,35,452)	(73,670)
VI Other Comprehensive	Income			(10,010)
A: (i) Items that will not be i	eclassified to profit or			
loss in subsequent perio	ds		0	0
(ii) Income tax relating to				
reclassified to profit or lo	SS SS		0	0
B: (i) Items that will be recla	assified to Profit & Loss			
(II) Income tax relating to	items that will be		0	0
reclassified to Profit & Lo	OSS		U	0
VII Other Comprehensive	ncome for the Year			
			0	0
VIII Total Comprehensive I	ncome for the Year		(19,36,35,452)	(73,670)
IX Earnings per Equity Sh	are			,
Basic and Diluted Earnin	as Per Equity Share of	18	147 55	
Rs.10 each	go . o. r.quity offale 01	10	(17.52)	(1.47)
Significant Accounting Po	olicies			
J J Accounting F	JIICIOS	1		

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

M.No.075554

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As per our report of even date

For J.S.M. & Co.

Chartered Accountants Firm Regn. No. 006781C

CA. Sunil Agarwal

Dated: 09/05/2018

Place: Jaipur

Partner

Membership No. 075554

For and on behalf of the Board

M K Surana Chairman

DIN:07464675

J Ramaswamy

Director

DIN:06627920

Manoj Gupta

Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the Year ended March 31, 2018	(Amount in Rs For the Year ended March 31
	Watch 31, 2018	2017
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax		
Here to the (2003) before (ax	(19,36,35,452)	(73,670
Adjustments to reconcile net profit to net cash used in operating		
activities		
Depreciation/Amortisation on Property Plant & Equipment/Intangible		
Assets Interest Income	1.667	
	(43,50,656)	
Operating Profit before Changes in Assets & Liabilities	(19,79,84,441)	(73,670
Changes in Assets and Liabilities:		3.00
(Increase)/Decrease in Current Assets		
(Increase)/Decrease in Non-Current Assets	0	(9,69,116
Increase/(Decrease) in Financial Liabilities/Other Liabilities	6,14,26,586	10 42 45
F	6,14,26,586	10,42,15 73,03
Cash Generated from Operations	(13,65,57,855)	(633
Income taxes refund / (paid)	0	
Net Cash from Onesetting Author	Ü	(
Net Cash from Operating Activities (A)	(13,65,57,855)	(633)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant & Equipment (including Capital WIP)	(00.00.00	
investment in Fixed Deposit (more than 3 month)	(66,90,75,297)	-
Interest Received	(55,03,50,000) 24,58,605	
Net Cash from Investing Activities (B)	(1,21,69,66,692)	_
CASH ELOW FROM SINANDANA	1,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
CASH FLOW FROM FINANCING ACTIVITIES: Proceeds from Issuance of Share Capital		
Proceeds from Borrowings (Finance Lease Obligations)	1,88,70,00,000	2.2
(Finance Lease Obligations)	10,55,65,242	-
Net Cash from Financing Activities (C)	1,99,25,65,242	-
Net Increase//Decrease) in Cook & Cook &		720000000000000000000000000000000000000
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	63,90,40,695	(633)
Cash and Cash Equivalents As At Beginning of the Year	100.015	
	4,98,219	4,98,852
Cash and Cash Equivalents As At End of the Year	63,95,38,914	4.00.010
Notes	00,30,30,314	4,98,219

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 brackets are outflows / deductions.

iii) Cash and cash equivalents represent bank balances.

FRN - 006781C M.No.075554

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: 09/05/2018 Place: Jaipur

For and on behalf of the Board

M K Surana Chairman

DIN:07464675

J Ramaswamy Director

DIN:06627920 pranis Gro

Manoj Gupta Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(A) EQUITY SHARE CAPITAL

Particulars	For Year ended	March 31, 2018	For year ended N	March 31, 2017
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Balance at the beginning of the reporting period	50,000	5,00,000	50,000	5,00,000
Changes in equity share capital during the year	25,50,00,000	255,00,00,000	0	0
Balance at the end of the reporting period	25,50,50,000	255,05,00,000	50,000	5,00,000

(B) OTHER EQUITY

Reserves and Surplus

(Amount in Rs.)

	Retained	Earnings
Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Balance at the beginning of the reporting period	(2,02,47,414)	(2,01,73,744)
Profit / (Loss) for the year	(19,36,35,452)	(73,670)
Other Comprehensive Income for the Year	_	-
Balance at the end of the reporting period	(21,38,82,866)	(2,02,47,414)

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

Dated: 09/05/2018

Place: Jaipur

J Ramaswamy

DIN:07464675

For and on behalf of the Board

Director

Chairman

DIN:06627920

Manoj Gupta

Company Secretary

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 May 09, 2018.

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.

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.





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.



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.





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.





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.

I. 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,





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.

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.





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





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, 2018

Note 2: Property, Plant & Equipments

Particulars	Leasehold Land	Building #	Furniture & Fixtures	Office Equipment	Network & Server	lotal
Gross Block						
A = 5 04 04 3047		1	1	,		
AS ON 01-04-2017			10000	1 21 674	20 02 007	1 99 46 88 961
Addition during the year	1,98,56,89,954	56,35,734	11,48,692	1,2,10,14	106,26,02	1,00,10,00,00
24 03 2048	1 98 56 89 954	56.35.734	11,48,692	1,21,674	20,92,907	1,99,46,88,961
No 011 01-00-1010						
Depreciation/ Amortization						
As on 01-04-2017	1	1	,			100 60 200
Ear the year 2017-18	1.02.09.203	6,16,820	94,404	13,188	28,777	1,09,02,392
ורטו נווב אבמו בטוו-וט				42 400	70 777	1 09 62 392
As on 31-03-2018	1,02,09,203	6,16,820	1,08,486	13,188	28,777	1,00,02,02
Net Block as on 31-03-2018	1,97,54,80,751	50,18,914	10,54,288	1,08,486	20,64,130	1,98,37,26,569
Net Block as on 31-03-2017	1					

Pota Cabins are shown under Buildings as Temporary Structure.

Note 2: Intangible Assets

	Net block do of a 1-03-2017
0.00	Not Block of of 34 03 2047
78,337	Net Block as of 31-03-2018
1,667	As on 31-03-2018
1,667	For the year 2017-18
L	As on 01-04-17
	Depreciation/ Amortization
80,004	As of 31-03-2018
80,004	Addition during the year
	As on 01-04-17
	Gross Block
	Faiticulais
Software	Darticulare





NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 3: Capital Work In Progress

(Amount in Rs.)

		(Amount in Rs.)
Particulars	As at	As at
	March 31, 2018	March 31, 2017
As at the beginning of the year	28,33,80,020	27.68.83.070
Add: Expenditure during the year		
Construction of Boundry Wall	1,83,36,584	0
Site Preparation/Grading/Development Expenses	10,23,44,212	0
Interest Expenses	1,21,18,418	0
Depreciation/Amortisation	1,09,62,392	0
Establishment Expenses including Salaries & Wages	40,87,51,828	64,96,950
	83,58,93,454	28,33,80,020
Less: Deductions during the year	0	0
As at the end of the year	83,58,93,454	28,33,80,020

Note 4:Other Non-Current Assets

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital Advances	1,85,76,133	0
Security Deposit	3,550	0
Goods & Service Tax/CENVAT Receivable (Refer Note-30)	3,28,99,894	9,69,116
Total	5,14,79,577	9,69,116

Note 5: Cash & Cash Equivalents

		(Amount in Rs.)
Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
Current Account	5,69,58,667	4,98,219
Fixed Deposits with Maturity Less than 3 Months	58,25,80,247	0
Total	63,95,38,914	4,98,219

Note 6 : Other Bank Balances

		(Amount in Rs.)
Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
Fixed Deposits with Maturity for more than 3 months but Less than 12 Months	55,03,50,000	0
Total	55,03,50,000	0

Note 7: Other Financial Current Assets

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest Accrued on FDR Imprest Fund	16,18,834 2,483	C
Total	16,21,317	0

Note 8: Current Tax Assets (Net)

Particulars	As at March 31, 2018	As at March 31, 2017
Income Tax Receivable (TDS)	2.73,217	0
Total	2,73,217	0





NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 9: Share Capital

(Amount in Rs.) **Particulars** As at As at March 31, 2018 March 31, 2017 Authorized: 4,000,000,000 (4,000,000,000 equity shares as at 31.03.16) Equity Shares of Rs. 4000,00,00,000 4000,00,00,000 10 each 4000,00,00,000 4000,00,00,000 Subscribed Capital 25,50,50,000 (10,00,00,000 equity shares as at 31.03.17) Equity Shares of Rs. 10 255,05,00,000 100.00.00.000 each 255,05,00,000 100,00,00,000 Issued and fully Paid-up: 25,50,50,000 (50,000 equity shares as at 31.03.17) Equity Shares of Rs.10 each fully 255,05,00,000 5.00.000 255,05,00,000 5.00.000 Subscribed but not fully paid up: Nil (9,99,50,000 equity shares of Rs. 10 each as at 31.03.17) 0 99,95,00,000 0 99,95,00,000

As per Memorandum of Association (MoA) and Articles of Association (AoA) of the company, total number of shares subscribed by subscribers to MoA and AoA as of March 31, 2017 was 10,00,00,000 equity shares of Rs.10/- each amounting to Rs.100,00,00,000/-. However, the amount had been paid only for 50,000 shares amounting to Rs. 5,00,000 and amount of Rs. 99,95,00,000 towards the balance of 99,50,000 shares subscribed was to be paid by the subscribers of MoA. This was payable by the subscribers of MoA/AoA as of March 31,2017 and was debt due from them to the company, as per Section 10(2) of the Companies Act, 2013.

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, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity Shares			itor or original	Amount (NS.)
Number of Shares at the Beginning	50.000	5.00.000	50.000	5.00.000
Add: Equity shares issued	25,50,00,000	255.00.00.000	30,000	3,00,000
Balance at the Reporting Date	25,50,50,000	255,05,00,000	50,000	5,00,000

Shares held by Holding Company - HPCL

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity Shares			Troi or orial co	Amount (NS.)
Number of Shares at the Beginning	37.000	3.70.000	37.000	2 70 000
Add: Equity shares issued	18,87,00,000	188,70,00,000	37,000	3,70,000
Balance at the Reporting Date	18,87,37,000	188,73,70,000	37.000	3,70,000

Shareholders holding more than five percent of holdings:

	As at March	31, 2018	As at March	31, 2017
Particulars	No. of Shares	% Holdings	No. of Shares	% Holdings
Hindustan Petroleum Corporation Limited and nominee shareholders	18,87,37,000	74	37,000	74
Government of Rajasthan and nominee shareholders	6,63,13,000	26	13,000	26
Total	25,50,50,000	100	50.000	S.M. & C100



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 10: Other Equity

		(Amount in Rs.)
Particulars	As at March 31, 2018	As at March 31, 2017
Reserves and Surplus		
Retained Earnings Balance at the Beginning Profit/(Loss) as per Statement of Profit and Loss Balance at the Reporting Date	(2,02,47,414) (19,36,35,452) (21,38,82,866)	(2,01,73,744) (73,670) (2,02,47,414)
Total	(21,38,82,866)	(2,02,47,414)

Note 11: Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Secured:		Water 51, 2017
Finance Lease Obligations	9,63,23,613	0
Total Finance Lease Obligation is secured agaisnt Leased Assets	9,63,23,613	0

Note 12: Trade Payable

(Amount in Rs.) As at **Particulars** As at March 31, 2018 March 31, 2017 Micro, Small and Medium Enterprises 0 0 Others 5,93,51,256 0 Total 5,93,51,256

0

Note 13: Other Financial Liabilities

		(Amount in Rs.)
Particulars	As at March 31, 2018	As at March 31, 2017
Current Maturities of Finance Lease Obligation Payable to HPCL* Payable to GOR ** Retention Money Earnest Money Deposit	92,41,629 3,43,67,747 122,92,43,130 36,29,627 81,34,073	0 30,45,36,699 0
Other payable ***	24,62,36,938	0
Total	153,08,53,144	30,45,36,699

^{*}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 14: Other Current Liabilities

		(Amount in Rs.)
Particulars	As at March 31, 2018	As at March 31, 2017
Statutory Payables Accrued Expenses	2,54,31,279 1,43,84,959	
Total	3,98,16,238	58,070



^{**}Payble to GOR (Promoter), is towards the cost of land and lease money, which will be adjusted to their share of equity, as and when equity call will be made, It is expected to settled the same within 12 month

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 HPCL RAJASTHAN REFINERY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 15: Finance Cost

		(Amount in Rs.)
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest Expenses	1 21 10 410	A STATE OF THE STA
(Finance Cost on Finance Lease)	1,21,18,418	0
Less: Interest Capitalised transferred to Capital Work in Progress	1,21,18,418	0
	1,21,18,418	0
Total		
	0	0

Note 16: Depreciation and Amortisation Expenses

		(Amount in Rs.)
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Depreciation/Amortization of Tangible Assets Amortization of Intangible Assets	1,09,62,392 1,667	0
Less: Transferred to Capital Work in Progress	1,09,64,059 1,09,62,392	
Total	1,667	0

Note 17: Other Expenses (Refer Note: 29)

		(Amount in Rs.)
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salary & Wages (Employees on deputation by HPCL) Technical Consultancy Charges Legal, Professional & Consultancy Expenses	1,92,69,102 32,47,02,303	64,96,950
Event Management Advertisement/Publicity Expesss	75,52,306 8,77,57,597 6,26,52,644	0
Safety & Insurance Statutory Fees, Filing Fees/Expenses Travelling, Boarding & Lodging Expenses	20,88,655 5,68,55,247	0
Auditor's Remuneration - Statutory Audit Fees	2,62,23,021	0
- Limited Review Fees Taxi Hire Charges Expenses for Refinery Model	35,400 69,78,928	50,000
Equipment Charges Bank Charges	19,03,129 37,06,722 1,941	0
Security Charges Telephone Expenses	13,45,512 8,64,702	633
Miscellaneous Expenses Less: Project related expenses transferred to Capital Work In progress	46,81,059 60,67,36,269	65,70,620
Total	40,87,51,828 19,79,84,441	64,96,950 73,670

Note 18: Earnings Per Share

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Net (loss) as per the Statement of Profit & Loss available for Rs. Equity Shareholders. (ii) Weighted average number of equity shares used as	(19,36,35,452)	(73,670)
denominator for calculating EPS	1,10,50,000	50,000
(iii) Basic and Diluted earnings per share (i/ii)	(17.52)	(1.47)
(iv) Nominal value of shares	10.00	10.00



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 19: Contingent Liabilities and Capital and other commitments

Particulars	As at March 31, 2018	As at March 31, 2017
Contingent Liabilities: Capital and other Consultations	0	0
Capital and other Commitments: Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	4,59,15,23,248	24,00,00,000
Total	4,59,15,23,248	24,00,00,000

Note 20: 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. 1,92,69,102/- towards Salary & Wages to the Employees of HPCL deputed in the Company during the year.

Note 21: Deferred Tax Asset has not been recognised in accordance with IND AS-12, in view of uncertainty over set off of the losses against taxable income in definitive future.

Note 22: No provision of income tax has been made as the project is under construction/erection stage and expenditure incurred are being capitalized.

Note 23: To the extend 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 :

Sr. No.	Particulars	2017-18	(Amount in Rs
1	Amounts payable to "suppliers" under MSMED Act: Principal - Interest	0	0
2	Amounts payable to "suppliers" under MSMED Act, beyond appointed day during F.Y 2017-18 (irrespective of whether it pertains to current year or earlier years) - Principal - Interest	0	0
3	Amount of interest due / payable on delayed principal which has already been paid during the current year (without interest or with part interest)	0	0
4	Amount accrued and remaining unpaid at the end of Accounting Year.	0	0
5	Amount of interest which is due and payable, which is carried forward from last year.	0	0

Note 24: 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 Manoj Gupta, Company Secretary

B Details of Transactions and outstanding balances with related parties:

No.	Nature of Transactions and outstanding balances	2017-18	2016-17
1	HRRL expenditure/assets charged by HPCL	3.43.67.747	75,39,103
2	Salary / Other Benefits to Shri Manoj Gupta	0	70,00,100
3	Leasehold Land taken from Govt. of Rajasthan	1,98,56,89,954	
4	Receivable from / (Payable to) Govt. of Rajsthan	(1,22,92,43,130)	
5	Receivable from / (Payable to) HPCL	(3.43.67.747)	(30.45.36.699)

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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

A	Payment to Auditors	2017-18	2016-17
В	- Audit fees - Limited Review Fees CIF value of imports during the year (excluding canalised	1,18,000 35,400	50,000
C	imports): Earning in Foreign exchange		
)	Expenses in Foreign currency	0	

Note 26: Segment Information

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

Note 27: LEASES

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

	N. I.	2017-18	2016-17
	Not Later than One Year	1,23,84,84,759	0
	Later than One Year but not less than Five Years Later than Five Years	4,62,08,145	
		3,63,33,94,966	0
		4,91,80,87,870	0
	Less Future Finance Cost	3,58,32,79,498	0
	Present Value of Minimum Lease Payments	1,33,48,08,372	0
	Disclosure in Financial Statements: Non Current Financial Liabilities	9,63,23,613	O
	Other Current Financial Liabilities	1,23,84,84,759	0
		1,33,48,08,372	0

Note 28: As the Government of Rajasthan (GOR) had allotted a 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. Now during the year Lease deed/Agreement dated 27/09/2017 was executed and the same was registered on 29/09/2017 hence the Company has accounted for such Land taken on Lease from Government of Rajasthan, 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 year.

Note 29: The Other Expenses as stated in Note No. 17 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 30: A Balance of Rs. 7,01,87,048 is shown as per Electronic Credit ledger (GST Portal) of the company as of March 2018 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 amounting Rs. 8,27,20,717/-, on supply of goods & services including capital goods and services, as per existing GST law/Rule but the Company has made reversal of Input Tax Credit to the tune of Rs. 4,98,20,823/- attributable to Exempt Supplies (Non GST) calculated keeping in view of proposed project cost/ product slate and accordingly accounted for the Net Input Tax Credit (GST) of Rs. 3,28,99,894 in the books of accounts.





NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 31 : 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.

	Carrying amount			(Amount in Rs.)
As at MARCH 31, 2018	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				Total
Current				
Cash and cash equivalents	0	ام	63.95.38.914	63.95.38.914
Other Bank Balance			55,03,50,000	55.03.50.000
Other Financial Assets			16,21,317	
	0	0		16,21,317
		U	1,19,15,10,231	1,19,15,10,231
Financial liabilities				
Non-Current				
Borrowings (Finance Lease Obligations)			9.63.23.613	9.63.23.613
Current			3,03,23,013	9,03,23,013
Other Current financial liabilities	0	0	1,53,08,53,144	1.53.08:53.144
Trade payable			5,93,51,256	5.93.51.256
100100000000000000000000000000000000000	0	0	1,68,65,28,013	1.68.65.28.013

	Carrying amount			(Amount in Rs.)
As at March 31, 2017	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Current				
Cash and cash equivalents	0	0	4,98,219	4,98,219
	0	0	4,98,219	4,98,219
Financial liabilities Current				
Other Current financial liabilities	0	0	30,45,94,769	30,45,94,769
	0	0	30,45,94,769	30,45,94,769

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.

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. 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





NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 32: 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.

FRN - 0067810 M.No.075554

Note 33 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: 09/05/2018

Place . Jaipur

For and on behalf of the Board

M K Surana Chairman DIN:07464675

J Ramaswamy

Director

DIN:06627920

Manoj Gupta

Company Secretary