

INDEPENDENT AUDITOR'S REVIEW REPORT ON UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF HPCL-MITTAL ENERGY LIMITED

Introduction

1. We have reviewed the accompanying unaudited condensed consolidated balance sheet of **HPCL-Mittal Energy Limited** (the "Parent") as at September 30, 2021 and its subsidiary (the Parent and its subsidiary together referred to as the "Group"), the related unaudited condensed consolidated statement of profit and loss (including other comprehensive income), unaudited condensed consolidated statement of changes in equity and unaudited condensed consolidated statement of cash flows for the period then ended and selected notes (collectively, the "Unaudited Special Purpose Condensed Consolidated Interim Financial Information") and which includes a joint operation consolidated on a proportionate basis with the Parent. Management is responsible for the preparation and fair presentation of these Unaudited Special Purpose Condensed Consolidated Interim Financial Information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this Unaudited Special Purpose Condensed Consolidated Interim Financial Information based on our review.

Scope of review

2. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review conducted as stated in paragraph 2 above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Special Purpose Condensed Consolidated Interim Financial Information is not prepared, in all material respects, in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.



HPCL-MITTAL ENERGY LIMITED

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2021

(All amounts are in million Indian Rupees, unless otherwise stated)

Particulars	As at 30 September 2021 Unaudited	As at 31 March 2021 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	241,795	244,283
Capital work in progress	201,703	184,319
Intangible assets	237	269
Financial assets		
Other financial assets	547	547
Deferred tax assets (net)	14,437	15,264
Tax assets (net)	1,367	1,354
Other non-current assets	1,867	1,440
	<u>461,953</u>	<u>447,476</u>
Current assets		
Inventories	99,927	60,273
Financial assets		
Trade receivables	58,084	18,696
Cash and cash equivalents	9,853	9,021
Other bank balances	1,203	1,353
Other financial assets	123	586
Other current assets	2,250	2,834
	<u>171,440</u>	<u>92,763</u>
TOTAL ASSETS	<u>633,393</u>	<u>540,239</u>
EQUITY AND LIABILITIES		
Equity		
Equity share capital	80,411	80,411
Other equity	29,660	26,296
	<u>110,071</u>	<u>106,707</u>
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	329,302	321,506
Lease liabilities	454	536
Other financial liabilities	28,595	28,082
Provisions	1,228	1,197
Deferred tax liabilities (net)	3,484	3,058
Other non-current liabilities	5,907	2,717
	<u>368,970</u>	<u>357,096</u>
Current liabilities		
Financial liabilities		
Borrowings	17,101	6,905
Lease liabilities	110	71
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	60	47
Total outstanding dues of creditors other than micro enterprises and small enterprises	78,503	45,163
Other financial liabilities	17,527	13,514
Other current liabilities	39,929	9,490
Provisions	391	1,137
Current tax liabilities (net)	731	114
	<u>154,352</u>	<u>76,436</u>
TOTAL EQUITY AND LIABILITIES	<u>633,393</u>	<u>540,239</u>

The accompanying notes are an integral part of the unaudited special purpose condensed consolidated interim financial information

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Jitendra Agarwal
Partner



For and on behalf of the Board of Directors
HPCL-Mittal Energy Limited

M. K. Surana
Chairman
DIN 07464675

Rajan Tandon
Director
DIN 01968916

Prabh Das
Managing Director &
Chief Executive Officer
DIN 00164799

Place: New Delhi

Place: London

Place: Chandigarh

Harak Banthia
Chief Financial Officer

Sidhartha Tyagi
Company Secretary
Membership No. A 14544

Place: New Delhi

Place: New Delhi
Date: 25 October 2021

Place: New Delhi
Date: 25 October 2021



HPCL-MITTAL ENERGY LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(All amounts are in million Indian Rupees, unless otherwise stated)

Particulars	For half year ended 30 September 2021 Unaudited	For half year ended 30 September 2020 Unaudited
Income		
Revenue from operations	428,745	245,362
Other income	320	6,616
Total income	429,065	251,978
Expenses		
Cost of raw materials consumed	235,374	104,713
(Increase)/decrease in inventories	(4,945)	621
Excise duty on sale of goods	171,504	126,635
Employee benefits expense	1,856	1,654
Finance costs	5,022	4,708
Depreciation and amortisation expense	5,366	4,911
Other expenses	8,416	9,397
Total expenses	422,593	252,639
Profit/(loss) before tax	6,472	(661)
Tax expense		
Current tax (Minimum alternate tax)	1,146	
Deferred tax charge/(credit)	1,503	(1,324)
Total tax expense/(credit)	2,649	(1,324)
Profit for the period	3,823	663
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Re-measurement gain/(loss) on defined benefit obligations	42	22
Income tax impact	(13)	(8)
	29	14
Items that will be reclassified to profit and loss		
Net gain/(loss) on effective portion of cash flow hedges	(751)	2,058
Income tax impact	263	(719)
	(488)	1,339
Total other comprehensive income/(loss) for the period	(459)	1,353
Total comprehensive income for the period	3,364	2,016
Earnings per equity share in INR computed on the basis of profit for the period (not annualised)		
Basic	0.48	0.08
Diluted	0.48	0.08

The accompanying notes are an integral part of the unaudited special purpose condensed consolidated interim financial information

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Jitendra Agarwal
Jitendra Agarwal
Partner



Place: New Delhi
Date: 25 October 2021

For and on behalf of the Board of Directors
HPCL-Mittal Energy Limited

M. K. Surana
M. K. Surana
Chairman
DIN 07464675

Rajan Tandon
Rajan Tandon
Director
DIN 01968916

Place: New Delhi
Harak Banthia
Harak Banthia
Chief Financial Officer

Place: New Delhi
Date: 25 October 2021

Prabh Das
Prabh Das
Managing Director &
Chief Executive Officer
DIN 00164799

Place: Chandigarh
Sidhartha Tyagi
Sidhartha Tyagi
Company Secretary
Membership No. A 14544

Place: New Delhi



HPCL-MITTAL ENERGY LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(All amounts are in million Indian Rupees, unless otherwise stated)

(a) Equity share capital

	No. million	INR million
As at 31 March 2020 (Audited)	8,041	80,411
Changes in equity share capital during the period	-	-
As at 30 September 2020 (Unaudited)	8,041	80,411
Changes in equity share capital during the period	-	-
As at 31 March 2021 (Audited)	8,041	80,411
Changes in equity share capital during the period	-	-
As at 30 September 2021 (Unaudited)	8,041	80,411

(b) Other equity

Particulars	Retained Earnings	Debenture Redemption Reserve	Cash Flow Hedge Reserve	Total
As at 31 March 2020 (Audited)	21,231	1,942	(3,451)	19,722
Profit for the period	663	-	-	663
Other comprehensive Income/(loss) for the period - Effective portion of cash flow hedges (net of tax)	-	-	1,339	1,339
Other comprehensive Income/(loss) for the period - Re-measurement of defined benefit liability (net of tax)	14	-	-	14
Transfer from retained earnings	(615)	615	-	-
As at 30 September 2020 (Unaudited)	21,293	2,557	(2,112)	21,738
As at 31 March 2021 (Audited)	24,632	2,633	(969)	26,296
Profit for the period	3,823	-	-	3,823
Other comprehensive Income/(loss) for the period - Effective portion of cash flow hedges (net of tax)	-	-	(488)	(488)
Other comprehensive Income/(loss) for the period - Re-measurement of defined benefit liability (net of tax)	29	-	-	29
Transfer to retained earnings	10	(10)	-	-
As at 30 September 2021 (Unaudited)	28,494	2,623	(1,457)	29,660

The accompanying notes are an integral part of the unaudited special purpose condensed consolidated interim financial information

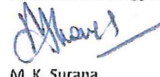
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants


Jitendra Agarwal
Partner


Place: New Delhi
Date: 25 October 2021

For and on behalf of the Board of Directors
HPCL-Mittal Energy Limited


M. K. Surana
Chairman
DIN 07464675


Rajan Tandon
Director
DIN 01968916

Place: New Delhi
Date: 25 October 2021


Prabh Das
Managing Director &
Chief Executive Officer
DIN 00164799


Sidhartha Tyagi
Company Secretary
Membership No. A 14544

Place: New Delhi



HPCL-MITTAL ENERGY LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(All amounts are in million Indian Rupees, unless otherwise stated)

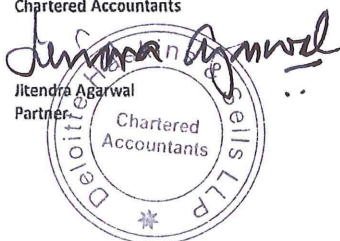
Particulars	For half year ended 30 September 2021 Unaudited	For half year ended 30 September 2020 Unaudited
Profit/(loss) before tax	6,472	(661)
Adjustments for non-operating activities	11,751	6,980
Movements in working capital	(10,124)	(8,976)
Direct tax (paid)/refund (net)	(541)	436
A Net cash generated from/ (used in) operating activities	7,558	(2,221)
B Net cash used in investing activities	(12,563)	(14,700)
C Net cash from financing activities	5,837	14,118
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	832	(2,803)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	9,021	16,813
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9,853	14,010
Balances with scheduled banks		
-On current accounts	229	560
-Deposits with original maturity of upto 3 months	9,624	13,450
Cash and cash equivalents	9,853	14,010

The accompanying notes are an integral part of the unaudited special purpose condensed consolidated interim financial information

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Jitendra Agarwal
Partner



Place: New Delhi
Date: 25 October 2021

For and on behalf of the Board of Directors
HPCL-Mittal Energy Limited

M. K. Surana
Chairman
DIN 07464675

Place: New Delhi

Harak Banthia
Chief Financial Officer

Place: New Delhi
Date: 25 October 2021

Rajan Tandon
Director
DIN 01968916

Place: London

Prash Das
Managing Director &
Chief Executive Officer
DIN 00164799

Place: Chandigarh

Sidhartha Tyagi
Company Secretary
Membership No. A 14544

Place: New Delhi



HPCL-MITTAL ENERGY LIMITED

NOTES TO UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in million Indian Rupees, unless otherwise stated)

1. Corporate Information

HPCL-Mittal Energy Limited ('HME' or 'the Company') was incorporated in the year 2000 as a wholly owned subsidiary of Hindustan Petroleum Corporation Limited ('HPCL'), a Government Company. Subsequently, the Company, pursuant to a joint venture agreement entered into between HPCL and Mittal Energy Investments Pte. Limited, Singapore (a wholly owned subsidiary of Mittal Investments S.a.r.l, Luxembourg) ('Mittal Energy') became a joint venture Company with equal equity participation by HPCL and Mittal Energy. The Company is domiciled in India and is limited by shares. The registered office of the Company is located at Village Phulokhari, Taluka Takwandi Saboo, Bathinda, Punjab - 151301.

The Company is engaged in the business of refining of crude oil and has a petroleum refinery of 11.3 Million Metric Tonne Per Annum (MMTPA) called Guru Gobind Singh Refinery at Bathinda, Punjab.

The Company has a wholly owned subsidiary, viz. HPCL-Mittal Pipelines Limited ('HMPL'), domiciled in India and limited by shares which owns and operates a Single Point Mooring ('SPM'), crude receipt and storage facility at Mundra port, Gujarat and 1,017 kilometers cross country pipeline for storage and transportation of crude oil. The Company also has a wholly owned non-profit organisation incorporated under Section 8 of the Companies Act, 2013 ('Act'), viz. HPCL-Mittal Foundation.

These unaudited special purpose condensed consolidated interim financial information have been approved by the Board of Directors at its meeting held on 25 October 2021. The Statutory Auditors have issued unmodified conclusion on these unaudited special purpose condensed consolidated interim financial information for the period ended 30 September 2021.

The Company along with its subsidiary is collectively hereinafter referred to as 'the Group'.

2. Basis of preparation and Group's accounting policies

These are unaudited special purpose condensed consolidated interim financial information for the period ended 30 September 2021 and have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India for the purpose of reporting by the Group to its shareholders and lenders.

The unaudited special purpose condensed consolidated interim financial information do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 March 2021.

3. Disclosure on COVID-19

The Group has assessed the possible effects that may result from the COVID-19 pandemic on the carrying amounts of Property, plant and equipment, Inventories, Receivables and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these unaudited special purpose condensed consolidated interim financial information, has used internal and external sources of information on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates, expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial information may differ from that estimated as at the date of approval of these unaudited special purpose condensed consolidated interim financial information.

4. Taxation Laws (Amendment) Act 2019

The Government of India vide the Taxation Laws (Amendment) Act, 2019 has inserted Section 115BAA in Income Tax Act, 1961 which provides domestic companies a non-reversible option (the "option") to pay corporate tax at reduced rates effective from financial year beginning 1 April 2019 subject to certain conditions. The Company (HPCL-Mittal Energy Limited) has so far not exercised the option in preparation of these unaudited special purpose condensed consolidated interim financial information. However, the subsidiary (HPCL-Mittal Pipelines Limited) has recognised the impact of this change along with remeasurement of its deferred tax balances basis the rates prescribed under the said section, in tax expense for financial year ended 31 March 2020.

5. Pursuant to the amendments in Schedule III notified by Ministry of Corporate Affairs vide Notification G.S.R. 207(E) dated 24 March 2021 (effective 1 April 2021), the Group has reclassified/regrouped the figures for the previous period, wherever necessary, to correspond with current period's classification.



For and on behalf of the Board of Directors
HPCL-Mittal Energy Limited

M. K. Surana
Chairman
DIN 07464675

Rajesh Tandon
Director
DIN 01968916

Prabhu Das
Managing Director &
Chief Executive Officer
DIN 00164799

Place: New Delhi

Place: London

Place: Chandigarh

Harak Banthia
Chief Financial Officer

Place: New Delhi
Date: 25 October 2021

Sidhartha Tyagi
Company Secretary
Membership No. A 14544

Place: New Delhi

