

Independent Auditor's Review Report On Unaudited Special Purpose Consolidated Condensed Interim Ind AS Financial Information

**Review Report to
The Board of Directors
HPCL-Mittal Energy Limited**

We have reviewed the accompanying Special Purpose Consolidated Condensed Interim Ind AS financial information of **HPCL-Mittal Energy Limited** (the "Company") and its subsidiaries (together referred as "the Group"), which comprise the condensed Consolidated Balance Sheet as at September 30, 2022, and the related Consolidated Statements of Profit and Loss including other comprehensive income Cash Flows and Changes in Equity for the period ended September 30, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as the "Special Purpose Consolidated Condensed Interim Ind AS Financial Information").

The Special Purpose Consolidated Condensed Interim IND AS Financial Information are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to issue a report on the Special Purpose Consolidated Condensed Interim Ind AS Financial Information based on our review.

We conducted our review in accordance with the 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Consolidated Condensed Interim Ind AS Financial Information have not been prepared in all material respects in accordance with recognition and measurement principles of Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies.

Basis of preparation and Restriction on use and distribution

Without modifying our conclusion, we draw attention to note no. 2 of the unaudited Special Purpose Consolidated Condensed Interim IND AS Financial Information. This report is being issued at the request of the management for submission to the company's shareholders and lenders. The unaudited Special Purpose Consolidated Condensed Interim Financial Information is not a complete set of financial statements of the company in accordance with the Indian Accounting Standards prescribed under section 133 of act, as applicable and is not intended to give a true and fair view of the financial position of the company as of September 30 2022 and of its financial performance including other comprehensive income, statement of changes in equity, and its cash flows for the six month period then ended in accordance with the Indian Accounting Standards prescribed under section 133 of act, as applicable. The unaudited Special Purpose Consolidated Condensed Interim financial Information may, therefore, not be suitable for any other purpose and should not be distributed to any other person, without our prior written consent.

For S.R. BATLIBOI & CO. LLP

ICAI Firm registration number: 301003E /E300005

Chartered Accountants



Per Naman Agarwal

Partner

Membership No.: 502405

UDIN: 22502405BBKYIC5530



Place: Gurugram

Date: October 31, 2022

HPCL-MITTAL ENERGY LIMITED

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2022

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

Particulars	As at 30 September 2022 Unaudited	As at 31 March 2022 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	237,167	237,890
Capital work in progress	241,672	220,327
Intangible assets	283	302
Financial assets		
Other financial assets	811	584
Tax assets (net)	1,859	1,113
Other non-current assets	4,357	2,221
	486,149	462,437
Current assets		
Inventories	137,155	104,798
Financial assets		
Trade receivables	40,828	35,970
Cash and cash equivalents	14,277	15,812
Other bank balances	8,020	2,211
Other financial assets	1,234	676
Other current assets	1,651	4,583
	203,165	164,050
TOTAL ASSETS	689,314	626,487
EQUITY AND LIABILITIES		
Equity		
Equity share capital	80,411	80,411
Other equity	54,315	31,445
	134,726	111,856
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	334,116	329,762
Lease liabilities	635	560
Other financial liabilities	17,279	17,901
Provisions	1,206	1,140
Deferred tax liabilities (net)	24,220	16,023
Other non-current liabilities	11,993	8,542
	389,449	373,928
Current liabilities		
Financial Liabilities		
Borrowings	49,710	11,130
Lease liabilities	160	88
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	76	108
Total outstanding dues of creditors other than micro enterprises and small enterprises	70,083	94,542
Other financial liabilities	25,219	25,180
Other current liabilities	19,705	9,480
Provisions	186	175
	165,139	140,703
TOTAL EQUITY AND LIABILITIES	689,314	626,487

The accompanying notes are an integral part of the Unaudited Special Purpose Condensed Consolidated Interim Ind AS Financial Information

In terms of our report attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



Narpan Agarwal

Partner

Membership No. 502405



Place: Gurugram

Date: 31 October 2022

For and on behalf of the Board of Directors

HPCL-Mittal Energy Limited

Rajan Tandon

Director

DIN 01968916

Rajneesh Narang

Director

DIN 08188549

Prabh Das

Managing Director &

Chief Executive Officer

DIN 00164799

Place: London

Place: Mumbai

Place: Noida



Harak Banthia

Chief Financial Officer



Sidhartha Tyagi

Company Secretary

Membership No. A 14544

Place: Noida

Date: 31 October 2022

Place: Noida



HPCL-MITTAL ENERGY LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Particulars	For half year ended 30 September 2022 Unaudited	For half year ended 30 September 2021 Unaudited
Income		
Revenue from operations	527,794	428,745
Other income	646	320
Total income	528,440	429,065
Expenses		
Cost of raw materials consumed	371,820	235,374
(Increase)/decrease in inventories	(11,193)	(4,945)
Excise duty on sale of goods	97,414	171,504
Employee benefits expense	2,002	1,856
Finance costs	5,700	5,022
Depreciation and amortisation expense	5,436	5,366
Other expenses	23,817	8,416
Total expenses	494,996	422,593
Profit before tax	33,444	6,472
Tax expense		
Current tax (Minimum alternate tax) expense	-	1,146
Deferred tax charge	8,795	1,503
Total tax expense	8,795	2,649
Profit for the period	24,649	3,823
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Re-measurement gain/(loss) on defined benefit obligations	(23)	42
Income tax impact	6	(13)
	(17)	29
Items that will be reclassified to profit and loss		
Net gain/(loss) on effective portion of cash flow hedges	(2,354)	(751)
Income tax impact	592	263
	(1,762)	(488)
Total other comprehensive income/(loss) for the period	(1,779)	(459)
Total comprehensive income for the period	22,870	3,364
Earnings per equity share in INR computed on the basis of profit for the period (not annualised)		
Basic	3.07	0.48
Diluted	3.07	0.48

The accompanying notes are an integral part of the Unaudited Special Purpose Condensed Consolidated Interim Ind AS Financial Information

In terms of our report attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005


 Naman Agarwal
 Partner
 Membership No. 502405



Place: Gurugram

Date: 31 October 2022

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


 Rajan Tandon
 Director
 DIN 01968916

Place: London


 Harak Banthia
 Chief Financial Officer

Place: Noida

Date: 31 October 2022


 Rajneesh Narang
 Director
 DIN 08188549

Place: Mumbai


 Aradhna Das
 Managing Director &
 Chief Executive Officer
 DIN 00164799

Place: Noida


 Sidhartha Tyagi
 Company Secretary
 Membership No. A 14544

Place: Noida



HPCL-MITTAL ENERGY LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

(a) Equity share capital
As at 31 March 2021 (Audited)

Changes in equity share capital during the period

As at 30 September 2021 (Unaudited)

Changes in equity share capital during the period

As at 31 March 2022 (Audited)

Changes in equity share capital during the period

As at 30 September 2022 (Unaudited)

No. million	INR million
8,041	80,411
-	-
8,041	80,411
-	-
8,041	80,411
-	-
8,041	80,411

(b) Other equity

Particulars	Retained Earnings	Debenture Redemption Reserve	Cash Flow Hedge Reserve	Total
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
As at 31 March 2022 (Audited)	31,079	2,676	(2,310)	31,445
Profit for the period	24,649	-	-	24,649
Other comprehensive income/(loss) for the period - Effective portion of cash flow hedges (net of tax)	-	-	(1,762)	(1,762)
Other comprehensive income/(loss) for the period - Re-measurement of defined benefit liability (net of tax)	(17)	-	-	(17)
Transfer to retained earnings	230	(230)	-	-
As at 30 September 2022 (Unaudited)	55,941	2,446	(4,072)	54,315

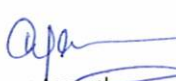
The accompanying notes are an integral part of the Unaudited Special Purpose Condensed Consolidated Interim Ind AS Financial Information

In terms of our report attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005


 Naman Agarwal
 Partner
 Membership No. 502405


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


 Rajan Tandon
 Director
 DIN 01968916

Place: London


 Harak Banthia
 Chief Financial Officer

Place: Noida

Date: 31 October 2022


 Rajneesh Narang
 Director
 DIN 08188549

Place: Mumbai


 Prash Das
 Managing Director &
 Chief Executive Officer
 DIN 00164799

Place: Noida


 Sidhartha Tyagi
 Company Secretary
 Membership No. A 14544

Place: Noida

Place: Gurugram

Date: 31 October 2022



HPCL-MITTAL ENERGY LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Particulars	For half year ended 30 September 2022 Unaudited	For half year ended 30 September 2021 Unaudited
Profit before tax	33,444	6,472
Adjustments for non-operating activities	18,966	11,751
Movements in working capital	(43,781)	(10,124)
Direct tax (paid)/refund (net)	(746)	(541)
A Net cash generated from operating activities	7,883	7,558
B Net cash used in investing activities	(25,565)	(12,563)
C Net cash from financing activities	16,147	5,837
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,535)	832
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	15,812	9,021
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	14,277	9,853
Balances with scheduled banks		
-On current accounts	305	229
-Deposits with original maturity of upto 3 months	13,972	9,624
Cash and cash equivalents	14,277	9,853

The accompanying notes are an integral part of the Unaudited Special Purpose Condensed Consolidated Interim Ind AS Financial Information

In terms of our report attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Naman Agarwal
Partner
Membership No. 502405



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

Rajan Tandon
Director
DIN 01968916

Place: London

Harak Banthia
Chief Financial Officer

Place: Noida
Date: 31 October 2022

Rajneesh Narang
Director
DIN 08188549

Place: Mumbai

Prabh Das
Managing Director &
Chief Executive Officer
DIN 00164799

Place: Noida

Sidhartha Tyagi
Company Secretary
Membership No. A 14544

Place: Noida

Place: Gurugram
Date: 31 October 2022



HPCL-MITTAL ENERGY LIMITED

NOTES TO UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM IND AS FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(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 Talwandi 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 Ind AS financial information have been approved by the Board of Directors at its meeting held on 31 October 2022. The Statutory Auditors have issued unmodified conclusion on these unaudited special purpose condensed consolidated interim Ind AS financial information for the period ended 30 September 2022.

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 Ind AS financial information for the period ended 30 September 2022 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 Ind AS 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 2022. There has been no material change in the accounting policies adopted by the Group since its last annual consolidated financial statements as at and for year ended 31 March 2022.

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


Rajan Tandon
Director
DIN 01968916

Place: London


Harak Banthia
Chief Financial Officer

Place: Noida
Date: 31 October 2022


Rajneesh Narang
Director
DIN 08188549

Place: Mumbai


Prabh Das
Managing Director &
Chief Executive Officer
DIN 00164799

Place: Noida


Sidhartha Tyagi
Company Secretary
Membership No. A 14544

Place: Noida

