

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF 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, 2019 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 half year 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 issue a report on the 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.



Other matter

4. We did not review the total liabilities amounting to INR 228 million as at September 30, 2019 included in the Unaudited Special Purpose Condensed Consolidated Interim Financial Information in respect to the joint operation not operated by the Company. This unaudited account balance has been compiled and certified by the management based on the unaudited information provided by the operator of the joint operation and has not been subjected to audit or review by independent auditors. Our conclusion on the Unaudited Special Purpose Condensed Consolidated Interim Financial Information, in so far as it relates to the amounts included in respect of the joint operation, is based solely on such unaudited or un-reviewed account balance.

Our conclusion on the Unaudited Special Purpose Condensed Consolidated Interim Financial Information is not modified in respect of this matter.

Basis of Preparation and Restriction on use and distribution

5. Without modifying our opinion, we draw attention to Note 2 to the Unaudited Special Purpose Condensed Consolidated Interim Financial Information which describes the basis of preparation. This report is being issued at the request of the management for submission to the Company's shareholders and lenders. The Unaudited Special Purpose Condensed Consolidated Interim Financial Information is not a complete set of financial statements of the Group in accordance with the Indian Accounting Standards prescribed under section 133 of the Act, as applicable and is not intended to give a true and fair view of the financial position of the Group as of September 30 2019, and of its consolidated financial performance (including other comprehensive income), statement of consolidated changes in equity, and its consolidated cash flows for the half yearly then ended in accordance with the Indian Accounting Standards prescribed under section 133 of the Act, as applicable. The Unaudited Special Purpose Condensed Consolidated Interim Financial Information may, therefore, not be suitable for any other purpose or distributed to any other person, without our prior written consent.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Jitendra Agarwal

Partner

(Membership No. 87104)

UDIN: 19087104 AAAA FW 9646

Place: NEW DELHI

Date: NOVEMBER 06, 2019

HPCL-MITTAL ENERGY LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2019

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

Particulars	As at 30 September 2019 Unaudited	As at 31 March 2019 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	235,776	230,359
Capital work in progress	85,642	68,321
Intangible assets	193	223
Financial assets		
Loans	549	311
Other financial assets	-	1,347
Deferred tax assets (net)	10,857	9,338
Tax assets (net)	1,517	935
Other non-current assets	13,172	8,083
	347,706	318,917
Current assets		
Inventories	74,085	67,766
Financial assets		
Investments	-	1,817
Trade receivables	27,640	25,651
Cash and cash equivalents	125	1,476
Other bank balances	6,468	45
Other financial assets	464	452
Other current assets	1,248	1,567
	110,030	98,774
TOTAL ASSETS	457,736	417,691
EQUITY AND LIABILITIES		
Equity		
Equity share capital	80,411	80,411
Other equity	24,454	25,087
	104,865	105,498
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	235,059	211,722
Other financial liabilities	4,425	1,300
Provisions	1,470	1,180
Deferred tax liabilities (net)	2,231	2,023
Other non-current liabilities	1,786	3,486
	244,971	219,711
Current liabilities		
Financial Liabilities		
Borrowings	11,667	18,611
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	62,427	60,309
Other financial liabilities	17,987	8,409
Other current liabilities	15,416	4,066
Provisions	403	337
Current tax liabilities (net)	-	750
	107,900	92,482
TOTAL EQUITY AND LIABILITIES	457,736	417,691

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

 Rajan Tandon
Director
DIN 01968916

 R. Kesavan
Director
DIN 08202118

 Prabh Das
Managing Director &
Chief Executive Officer
DIN 00164799

 Harak Banthia
Chief Financial Officer

 Sidhartha Tyagi
Company Secretary
Membership No. A 14544

 Place: New Delhi
Date: 6 November 2019

HPCL-MITTAL ENERGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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

Particulars	For half year ended 30 September 2019 Unaudited	For half year ended 30 September 2018 Unaudited
Income		
Revenue from operations	276,318	312,143
Other income	3,402	4,083
Total income	279,720	316,226
Expenses		
Cost of raw materials consumed	190,379	204,470
(Increase)/decrease in inventories	(4,743)	(8,691)
Excise duty on sale of goods	71,255	78,201
Employee benefits expense	1,710	1,590
Finance costs	6,162	7,545
Depreciation and amortisation expense	6,351	6,138
Other expenses	9,064	19,099
Total expenses	280,178	308,352
Profit/(loss) before tax	(458)	7,874
Tax expense/(credit)		
Current tax (Minimum alternate tax)	207	1,684
Deferred tax charge/(credit)	(1,294)	(308)
Total tax expense/(credit)	(1,087)	1,376
Profit for the period	629	6,498
Other comprehensive income		
Other comprehensive income not to be reclassified to profit or (loss) in subsequent periods:		
Re-measurement losses on defined benefit obligations	(48)	(45)
Income tax (charge)/credit	17	16
Net other comprehensive income/(loss) not to be reclassified to profit or (loss) in subsequent periods	(31)	(29)
Total comprehensive income for the period	598	6,469
Earnings per equity share in INR computed on the basis of profit for the period (not annualised)		
Basic	0.08	0.81
Diluted	0.08	0.81

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: 6 November 2019

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

Rajan Tandon
Director
DIN 01968916

R. Kesavan
Director
DIN 08202118

Prabh Das
Managing Director &
Chief Executive Officer
DIN 00164799

Harak Banthia
Chief Financial Officer



Sidhartha Tyagi
Company Secretary
Membership No. A 14544

HPCL-MITTAL ENERGY LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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

(a) Equity share capital
As at 31 March 2018 (Audited)

Changes in equity share capital during the period

As at 30 September 2018 (Unaudited)

Changes in equity share capital during the period

As at 31 March 2019 (Audited)

Changes in equity share capital during the period

As at 30 September 2019 (Unaudited)

	No. million	INR million
As at 31 March 2018 (Audited)	8,041	80,411
Changes in equity share capital during the period	-	-
As at 30 September 2018 (Unaudited)	8,041	80,411
Changes in equity share capital during the period	-	-
As at 31 March 2019 (Audited)	8,041	80,411
Changes in equity share capital during the period	-	-
As at 30 September 2019 (Unaudited)	8,041	80,411

(b) Other equity

Particulars	Retained Earnings	Debenture Redemption Reserve	Total
As at 31 March 2018 (Audited)	7,819	3,865	11,684
Profit for the period	6,498	-	6,498
Other comprehensive income for the period	(29)	-	(29)
Transfer from retained earnings	(200)	200	-
Final dividend for financial year 2017-18	(1,020)	-	(1,020)
Dividend distribution tax on above	(210)	-	(210)
As at 30 September 2018 (Unaudited)	12,858	4,065	16,923
As at 31 March 2019 (Audited)	20,908	4,179	25,087
Profit for the period	629	-	629
Other comprehensive income for the period	(31)	-	(31)
Transfer from retained earnings	(195)	195	-
Final dividend paid for financial year 2018-19	(1,021)	-	(1,021)
Dividend distribution tax on above	(210)	-	(210)
As at 30 September 2019 (Unaudited)	20,080	4,374	24,454

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

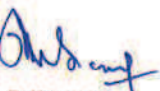


Place: New Delhi

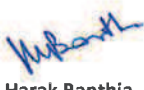
Date: 6 November 2019

For and on behalf of the Board of Directors
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 DIN 01968916


R. Kesavan
 Director
 DIN 08202118


Prabir Das
 Managing Director &
 Chief Executive Officer
 DIN 00164799


Harak Banthia
 Chief Financial Officer




Sidhartha Tyagi
 Company Secretary
 Membership No. A 14544

HPCL-MITTAL ENERGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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

Particulars	For half year ended 30 September 2019 Unaudited	For half year ended 30 September 2018 Unaudited
Profit/(loss) before tax	(458)	7,874
Adjustments for non-operating activities	14,036	21,239
Movements in working capital	4,771	(18,570)
Direct tax paid (net of refund)	(1,523)	(1,957)
A Net cash generated from operating activities	16,826	8,586
B Net cash used in investing activities	(29,006)	(25,333)
C Net cash from financing activities	10,829	17,024
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,351)	277
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,476	67
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	125	344
Balances with scheduled banks		
-On current accounts	108	64
-Deposits with original maturity of upto 3 months	17	280
Cash and cash equivalents	125	344

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: 6 November 2019

For and on behalf of the Board of Directors
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Chief Financial Officer

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Company Secretary
Membership No. A 14544



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 (MMPA) 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. During the FY 2018-19, a non-profit organisation has also been incorporated under Section 8 of the Companies Act, 2013 ('Act'), which is wholly owned by the Company.

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 half year ended 30 September 2019 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 2019.

3. Adoption of new Indian Accounting Standard

Effective 1 April 2019, the Group adopted Ind AS 116 ('Leases') and applied the standard to all lease contracts existing on 1 April 2019 using the modified approach. Accordingly, the Group has not restated the comparative information on initial application. The Group's leases primarily consist of leases for land and buildings. Consequently, the Group has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use assets at its carrying amount. On transition, the adoption of new standard resulted in recognition of right-of-use assets of INR 784 million and a lease liability of INR 660 million.

With respect to contracts executed prior to 1 April 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

4. Direct Taxation Laws (Amendment) Ordinance 2019

The Government of India vide the Taxation Laws (Amendment) Ordinance dated 20 September 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 Group has so far not exercised the option in preparation of these Unaudited Special Purpose Condensed Consolidated Interim Financial Information.



For and on behalf of the Board of Directors
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Place: New Delhi
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