INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HPCL SHAPOORJI ENERGY PRIVATE LIMITED.

Report on Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **HPCL SHAPOORJI ENERGY PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2021, and it's Loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

a) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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 Act, we give in "Annexure A", a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes 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 Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **“Annexure B”**; and

g) The Company is a Government Company, accordingly, vide notification G.S.R. 463(E) dated June 5, 2015, the provisions of Section 197 read with Schedule V of the Act, are not applicable.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations, which would impact its financial position in its Ind AS Financial Statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There are no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

i) We refer to Note 34 of the Ind AS Financial Statement wherein the Company has become a wholly owned subsidiary of Hindustan Petroleum Corporation Limited, a listed entity, on March 30, 2021, as a result of which provisions of a Public company under The Companies Act, 2013 are applicable to the Company. The Company is in process of complying with the applicable provisions of the Act.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
UDIN: 21127355AAAAEF7282
Place: Mumbai
Date: May 12, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2021.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us the immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the company where the company is the lessee.

ii. The Company does not have any inventory and hence the provisions of paragraph 3 (ii) of the Order are not applicable.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3(iii) of the Order, are not applicable.

iv. In our opinion and according to the information and explanation given to us and the records examined by us, the Company has not advanced any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186. Therefore, the provisions of clause 3(iv) of the order are not applicable to the company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.

vi. In our opinion and according to the information and explanations given to us, the maintenance of cost records under sub section (1) of Section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014.

vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and service tax and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax outstanding on account of any dispute.

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viii. The Company does not have any dues to financial institutions, banks, government or debenture holders, hence the provisions of paragraph 3 (viii) of the Order are not applicable.

ix. The Company has not raised money through initial public offer or further public offer and term loans, hence the provisions of paragraph 3 (ix) of the Order are not applicable.

x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company, has been noticed or reported during the year.

xi. The Company is a Government Company, accordingly, vide Notification G.S.R. 463(E) dated June 5, 2015, the provisions of section 197 read with Schedule V of the Act, are not applicable. Hence, the provisions of paragraph 3(xi) of the order are not applicable.

xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has raised money through Rights issue during the year. The money was utilized for the purpose for which it was raised.

xv. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence the provisions of Section 192 of the Act are not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 hence the provisions of paragraph 3 (xvi) of the Order are not applicable.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
UDIN: 21127355AAAAEF7282
Place: Mumbai
Date: May 12, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Ind AS Financial Statements for the year ended March 31, 2021.

Report on the Internal Financial Controls with reference to Financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of **HPCL SHAPOORJI ENERGY PRIVATE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") 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 the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 Act, 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 ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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 with reference to financial statements.

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MUMBAI

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such Internal Financial Controls with reference to financial statements were operating effectively as at March 31, 2021, 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 KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
UDIN: 21127355AAAAEF7282
Place: Mumbai
Date: May 12, 2021

HPCL SHAPOORJI ENERGY PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

(Amount in Rupees)

PARTICULARS	Notes	As at March 31, 2021	As at March 31, 2020 (Restated*)
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	1,037,347,126	1,080,164,325
(b) Capital Work-in-Progress	3	10,748,322,053	3,705,433,150
(c) Other Intangible Assets	4	147,935	89,616
(d) Intangible Assets under Development	4	-	150,000
(e) Financial Assets			
(i) Loans	5	2,464,300	2,464,300
(f) Deferred Tax Assets (Net)	6	-	-
(g) Other Non-Current Assets	7	3,020,620,644	2,205,195,179
		14,808,902,058	**6,993,496,570**
Current Assets			
(a) Financial Assets			
(i) Cash & Cash Equivalents	8	2,065,446,222	16,445,117
(ii) Other Bank Balances	9	122,450,683	109,138,438
(iii) Other Financial Assets	10	451,872	363,297
(b) Current Tax Assets (Net)	11	1,002,378	709,320
(c) Other Current Assets	12	146,327,400	118,313,742
		2,335,678,555	**244,969,914**
Total Assets		**17,144,580,613**	**7,238,466,484**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	11,720,000,000	3,500,000,000
(b) Other Equity	14	(123,068,458)	(63,053,533)
		11,596,931,542	**3,436,946,467**
Liabilities			
Non-Current Liabilities			
(a) Provisions	15	1,704,550	1,444,842
(b) Other Financial Liabilities	16	1,098,610,244	1,067,013,380
		1,100,314,794	**1,068,458,222**
Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	17	4,270,891,698	2,593,541,692
(b) Other Current Liabilities	18	176,255,002	139,374,234
(c) Provisions	19	187,577	145,869
		4,447,334,277	**2,733,061,795**
Total Equity and Liabilities		**17,144,580,613**	**7,238,466,484**
Accounting Policies	1		

*Certain amounts shown here do not correspond to the Financial Statements of 2019-2020 and reflects adjustments made, refer Note 33.

The accompanying notes 1 to 35 form an integral part of the Financial Statements.

As per our report of even date.

Signatures to the Balance Sheet and Notes to Financial Statements

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place : Mumbai
Date : May 12, 2021

For and on behalf of the Board

Rakesh Misri
Director
DIN : 07340288

Rajneesh Narang
Director
DIN : 08188549

Pranali Chavan
Company Secretary
ACS : 32279

HPCL Shapoorji Energy Pvt. Ltd.

HPCL SHAPOORJI ENERGY PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rupees)

PARTICULARS	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated*)
REVENUE			
Other Income	21	3,739,958	10,459,361
Total Revenue		**3,739,958**	**10,459,361**
EXPENSES			
Employee Benefits Expense	22	1,490,873	1,592,342
Finance Cost	23	-	6,889,276
Depreciation and Amortisation Expense	24	1,147,843	2,327,824
Other Expenses	25	59,402,821	24,632,040
Total Expenses		**62,041,537**	**35,441,482**
(Loss) Before Tax		**(58,301,579)**	**(24,982,121)**
Tax Expense			
(i) Current Tax	6 (a)	-	-
(ii) Deferred Tax Charge/ (Credit)	6 (b)	-	-
(Loss) for the Year		**(58,301,579)**	**(24,982,121)**
Other Comprehensive Income			
A (i) Items that will not be subsequently reclassified to Profit or Loss			
Actuarial gains/ (loss) on defined benefit Plan		27,654	682,631
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
Other Comprehensive Income/(Loss) for the Year		**27,654**	**682,631**
Total Comprehensive Income/(Loss) for the Year		**(58,273,925)**	**(24,299,490)**
Earnings per Share			
Basic and Diluted Earnings Per Share of Face Value Rs.10 each	26	(0.12)	(0.23)

*Certain amounts shown here do not correspond to the Financial Statements of 2019-2020 and reflects adjustments made, refer Note 33.

The accompanying notes 1 to 35 form an integral part of the Financial Statements.

As per our review report of even date.

Signatures to the Statement of Profit And Loss and Notes to

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place : Mumbai
Date : May 12, 2021

For and ~~on behalf~~ behalf of the Board

Rakesh Misri
Director
DIN : 07340288

Rajneesh Narang
Director
DIN : 08188549

Pranali Chavan
Company Secretary
ACS : 32279

HPCL Shapoorji Energy Pvt. Ltd. *

HPCL SHAPOORJI ENERGY PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated*)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
(Loss) / Profit before Tax	(58,301,579)	(24,982,121)
Adjustments for:		
Depreciation and Amortization Expense	1,147,843	2,327,824
(Gain)/ Loss on sale/ write off of property, plant and equipment, Capital work-in-progress, Assets classified held for sale/ disposal	12,527	-
Loss/(Gain) on Sale of Investment	-	(4,143,287)
Interest received for IT refund	-	(1,493)
Interest Income	(3,739,958)	(6,314,581)
Operating Profit before Changes in Assets & Liabilities {Sub Total - (i)}	**(60,881,167)**	**(33,113,658)**
Change in Assets and Liabilities:		
Decrease/ (Increase) Loans and Other Assets	(944,970,090)	(625,441,906)
(Decrease)/ Increase Provisions and Other Current Liabilities	37,151,587	141,045,370
Sub Total - (ii)	**(907,818,503)**	**(484,396,536)**
Cash Generated from Operations	**(968,699,670)**	**(517,510,194)**
Less: Direct Taxes paid (Net)	(293,058)	(612,852)
Net Cash Flow generated from/ (used in) Operating Activities (A)	**(968,992,728)**	**(518,123,046)**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment (including Capital Work in Progress/ excluding Lease payments)	(5,061,371,824)	(2,330,180,291)
Sale of Property, Plant & Equipment	2,455	7,762
(Purchase) of Investment	-	(541,584,914)
Sale of Investment	-	545,728,200
Fixed Deposit (Held as security against the BG issued)	(13,312,245)	(109,138,438)
Interest Received	3,651,383	5,952,777
Net Cash Flow generated from/ (used in) Investing Activities (B)	**(5,071,030,231)**	**(2,429,214,904)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issuance of Share Capital	8,220,000,000	3,020,000,000
Transaction cost related to issuance of share capital	(1,741,000)	(12,889,000)
Lease Payments	(129,234,936)	(47,440,171)
Net Cash Flow generated from/ (used in) Financing Activities (C)	**8,089,024,064**	**2,959,670,829**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**2,049,001,105**	**12,332,879**
Cash And Cash Equivalents - Opening Balance	**16,445,117**	**4,112,238**
Cash And Cash Equivalents - Closing Balance	**2,065,446,222**	**16,445,117**
Details of Cash and Cash equivalents at the end of the year:		
Cash and Cash Equivalents as on		
Balances with banks on current account	2,065,445,859	16,444,754
Cash on hand	363	363
Cash and Cash equivalents at the end of the year	**2,065,446,222**	**16,445,117**

Notes

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 - Statement of Cash Flow, and presents cash flows by operating, investing and financing activities.

2 *Certain amounts shown here do not correspond to the Financial Statements of 2019-2020 and reflects adjustments made, refer Note 33.

As per our review report of even date.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place : Mumbai
Date : May 12, 2021

Signatures to the Statement Cash Flows and Notes to Financial Statements

For and on behalf of the Board

Rakesh Misri
Director
DIN : 07340288

Rajneesh Narang
Director
DIN : 08188549

Pranali Chavan
Company Secretary
ACS : 32279

HPCL Shapoorji Energy Pvt. Ltd

HPCL SHAPOORJI ENERGY PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(A) EQUITY SHARE CAPITAL

(Amount in Rupees)

Balance as at April 01, 2020	Changes in equity shares during the period	Balance as at March 31, 2021
3,500,000,000	8,220,000,000	11,720,000,000

Balance as at April 01, 2019	Changes in equity shares during the period	Balance as at March 31, 2020
480,000,000	3,020,000,000	3,500,000,000

(B) OTHER EQUITY

(Amount in Rupees)

Particulars	Retained Earnings (Restated*)	Total
Balance as at April 1, 2019	**(25,865,043)**	**(25,865,043)**
Profit for the period	(24,982,121)	(24,982,121)
Actuarial gain/(loss) on Defined Benefit Plans	682,631	682,631
Total Comprehensive Income for the year	**(24,299,490)**	**(24,299,490)**
Transaction cost related to Equity Share Capital	(12,889,000)	(12,889,000)
Balance as at March 31, 2020	**(63,053,533)**	**(63,053,533)**
Balance as at April 1, 2020	**(63,053,533)**	**(63,053,533)**
Profit/(Loss) for the period	(58,301,579)	(58,301,579)
Actuarial gain/(loss) on Defined Benefit Plans	27,654	27,654
Total Comprehensive Income for the year	**(58,273,925)**	**(58,273,925)**
Transaction cost related to Equity Share Capital	(1,741,000)	(1,741,000)
Balance as at March 31, 2021	**(123,068,458)**	**(123,068,458)**

*Certain amounts shown here do not correspond to the Financial Statements of 2019-2020 and reflects adjustments made, refer Note 33.

As per our review report of even date.

Signatures to the Statement of Changes in Equity and Notes to Financial Statements

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place : Mumbai
Date : May 12, 2021

For and on behalf of the Board

Rakesh Misri
Director
DIN : 07340288

Rajneesh Narang
Director
DIN : 08188549

Pranali Chavan
Company Secretary
ACS:32279

HPCL Shapoorji Energy Pvt. Ltd.

HPCL SHAPOORJI ENERGY PRIVATE LIMITED

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 1:

1.1 Company Overview:

HPCL Shapoorji Energy Private Limited is an unlisted Company domiciled in India, registered office of the company is situated at 3rd Floor, 301-305, Venus Amedeus, Jodhpur Cross Road, Ahmedabad- 380015. Gujarat, incorporated on October 15, 2013 under Companies Act, 1956. The Company is equal joint venture Company of HPCL and SP Ports Pvt. Ltd. holding 50% each. SP Ports Private Limited ("SPPPL"). SPPL vide their letter dated October 12, 2020, had proposed to exit the joint venture and had communicated the decision by issuing ROFO Notice as per provisions of Articles of Association, intending to sell all the Equity Shares of the Company held by SPPPL. Pursuant to that, Share Purchase Agreement ("SPA") was signed between HPCL and SPPPL on March 27, 2021, to sell entire shareholding of SPPPL to HPCL. Accordingly, entire shareholding of SPPPL (25.7 Crore equity shares of face value Rs. 10/- each, aggregating to Rs 257 Crore) was transferred to HPCL on March 30, 2021. In view of the above, the Company has become a Wholly-owned Subsidiary ("WOS") of HPCL with effect from March 30, 2021. The Company is engaged in operating and maintaining a Liquified Natural Gas (LNG) regasification terminal at Chhara Port in Gir Somnath, District of Gujarat.

The Financial Statements of the Company for the year ended March 31, 2021 were authorized for issue in accordance with a resolution of the director on May 12, 2021.

1.2 Basis of Preparation:

(a) The Financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, amended rules issued thereafter as applicable.

(b) The Financial Statements have been prepared under historical cost convention basis except for the following:
i) Certain financial assets and liabilities that are measured at fair value;
ii) defined benefit plans - plan assets measured at fair value;

(c) The company has adopted Ind AS in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards). The transition was carried out from Accounting Standard as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, (previous GAAP). These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest decimals.

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HPCL Shapoorji Energy Pvt. Ltd.

1.3 Use of judgments, estimates & assumptions:

While preparing financial statements in conformity with Ind AS, we make certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. We continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

(a) Determination of the estimated useful lives of tangible assets

(b) Recognition and measurement of defined benefit obligations

(c) Recognition of deferred tax assets

(d) Discounting of long-term financial assets / liabilities

(e) Leases

(f) Fair value measurement of financial instruments:

(g) Impairment of financial assets:

1.4 Significant accounting policies:

1.4.1 Employee Benefits:

(a) Short-term employee benefit:

Short-term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

(b) Post-employment benefits:

Defined Benefit Plans: The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit method.

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The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the Employee benefit expense in the statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity in the balance sheet.

(c) Other long-term employee benefits:

The company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absence occurs. Re-measurements gains and losses are recognized in the Statement of Profit and Loss in the period in which they arise.

1.4.2 Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets:

(a) Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses if any. The initial cost of an asset comprises, its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary, for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

(b) Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method except Building (Barbed Fencing) has useful life of 2 years.

(c) Depreciation on additions / deductions is calculated on pro rata basis from/up to the date of additions/deductions.

(d) An intangible asset having finite useful life are carried at its cost less any accumulated amortisation and any accumulated impairment losses. Application software and Website development cost is capitalised as Intangible Asset

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Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

(e) Computer software and Website development cost is amortized over a period of three years.

(f) Where the Cost of the Part of the Asset ("Asset Component") is significant to the total cost of the Asset and the useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such component is depreciated over its separate useful life.

(g) Leasehold improvements are amortized over primary lease period.

(h) Capital Work in Progress: Property Plant and Equipment that are not ready for their intended use are carried at cost, direct expenses incurred during construction period on capital projects, related incidental expenses and attributable interest, these expenses related to and incurred during implementation of capital projects are disclosed under "Capital Work in Progress" are capitalised. The same will be transferred to the respective fixed assets on their subsequent completion of construction/ erection. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets.

1.4.3 Impairment of Non-financial assets:

The Company assesses whether there is an indication that an asset may be impaired at each Balance Sheet date and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount.

The recoverable amount is determined at the higher of the fair value less cost of disposal and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rates that reflects current market assessments of the time value of money and the risk specific to the asset.

If the assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss. When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

1.4.4 Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production 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. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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1.4.5 Foreign currency transactions:

(a) 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 or loss.

(b) 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.

(c) Effective April 1, 2018, the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

1.4.6 Cash and Cash Equivalents:

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalent in the balance sheet comprises balance at banks, Cash on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

1.4.7 Taxes on Income:

(a) Current Tax:

i. Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act 1961.

   The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the time of reporting.

ii. Current Tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the statement of Profit or Loss (either in other comprehensive income or in equity). Current Tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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(b) Deferred tax:

i. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

ii. Deferred tax liabilities are recognised for all taxable temporary differences.

iii. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

iv. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

v. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

vi. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

vii. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.4.8 Provisions & Contingent Liabilities:

(a) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(b) The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

(c) If the effect of the time value of money is material, provisions are discounted using a current pre-tax 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.

(d) Contingent liabilities is disclosed in the case of:

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

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ii. a present obligation arising from past events when no reliable estimate is possible.
iii. a possible obligation arising from past events unless the probability of outflow of resource is remote.

Commitments includes the amount of purchase order (net of advance) issued to parties for completion of assets.
Provisions, contingent liabilities, contingent assets, and commitments are reviewed at each balance sheet date.

(e) Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

i. estimated amount of contracts remaining to be executed on capital account and not provided for;
ii. uncalled liability on shares and other investments partly paid;
iii. funding related commitment to subsidiary, associate and joint venture companies; and
iv. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management
v. Contingent liabilities are considered only when show cause notice is considered into demand.

1.4.9 Earnings per share:

(a) 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.

(b) 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.

1.4.10 Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date.
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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the balance sheet on recurring basis, the company determines whether transfers have occurred between level in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the assets or liability and the level of the fair value hierarchy as explained above.

1.4.11 Financial Instruments:

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(A) Financial assets:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair Value, depending on the classification of the financial assets.

a) Classification:

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
ii. The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

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b) Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c) Financial assets at fair value through profit or loss (FVTPL):

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

d) Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables, financial guarantees not designated as at FVTPL and other contractual rights to receive cash or other financial asset.

e) Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

(B) Financial liabilities and equity instruments:

a) Classification as debt or equity:

Debt and equity instruments issued by a Company are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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c) **Financial liabilities:**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

d) **Share capital:**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares is accounted as deduction from Retained earnings (Other Equity).

1.4.12 Lease:

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in

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circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

Transitions:

The Company adopted Ind AS 116 "Leases' effective April 1, 2019, and applied the same to all lease contracts existing on April 1 2019 using the modified retrospective approach by recognising the cumulative effect of initially applying the Standard recognised at the date of initial application. Consequently, the company recorded the Lease Liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and the Right of Use of Asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs.1,02,74,11,585/- , and a lease liability of Rs. 1,02,74,11,585/-.

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HPCL SHAPOORJI ENERGY PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 2: Property, Plant and Equipment

The following are the carrying values of Property, Plant and Equipments: (Amount in Rupees)

Particulars	Property, Plant and Equipment				
	Furniture & Fixtures	Building (including Lease Hold Improvements)	Right of Use of Assets (Note 2A)	Office Equipments (including Computers)	Total
Gross Block:					
As at March 31, 2020	852,654	4,225,792	1,122,018,675	2,683,757	1,129,780,878
Additions during the year	-	-	-	225,334	225,334
Deductions during the year	15,177	-	-	49,100	64,277
As at March 31, 2021	837,477	4,225,792	1,122,018,675	2,859,991	1,129,941,935
Accumulated Depreciation :					
Upto March 31, 2020	226,660	1,933,445	46,375,699	1,080,749	49,616,553
Depreciation charge for the year	80,018	1,367,527	41,031,944	548,062	43,027,551
Depreciation on deductions	2,650	-	-	46,645	49,295
Upto March 31, 2021	304,028	3,300,972	87,407,643	1,582,166	92,594,809
Net Book Value:					
As at March 31, 2021	533,449	924,820	1,034,611,032	1,277,825	1,037,347,126
As at March 31, 2020	625,994	2,292,347	1,075,642,976	1,603,008	1,080,164,325

Note 2A: Right of use of Assets represents Lease Hold Land at site.

Note 3: Capital Work in Progress

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated*)
Construction period expenses pending apportionment:		
Opening Balance	3,705,433,150	442,221,848
Add/(Less): Expenses during the year		
Land related Cost:		
Finance cost of Lease obligation	109,562,446	100,169,424
Depreciation/Amortization of Right of Use of Assets and other Assets	41,979,385	46,051,743
Salaries & Wages including Manpower service on deputation	23,891,146	20,694,125
Engineering, Procurement and Construction Cost	6,603,521,588	2,962,796,581
Legal & Professional Fees	8,353,280	27,121,676
Project Management Consultancy	204,661,439	95,166,130
Other	36,207,418	25,260,361
Transfer from Profit & Loss Account	14,712,201	7,616,231
Insurance Expenses restated to Profit & Loss Account (Refer note 33)	-	(21,664,969)
Closing Balance	10,748,322,053	3,705,433,150

*Certain amounts shown here do not correspond to the Financial Statements of 2019-2020 and reflects adjustments made, refer Note 33.

NOTE 4: Other Intangible Assets and Intangible Asset under Development

The following are the carrying values of Intangible assets and Intangible Asset Under Development: (Amount in Rupees)

Particulars	Computer Software	Intangible Assets under Development
Gross Block:		
As at March 31, 2020	304,952	150,000
Additions during the year	157,995	-
Deductions during the year	-	150,000
As at March 31, 2021	462,947	-
Accumulated Depreciation :		
Upto March 31, 2020	215,336	-
Depreciation charge for the year	99,676	-
Depreciation on deductions	-	-
Upto March 31, 2021	315,012	-
Net Book Value:		
As at March 31, 2021	147,935	-
As at March 31, 2020	89,616	150,000

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HPCL SHAPOORJI ENERGY PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 5: Non-Current Financial Assets- Loans

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans Receivable		
(Considered good, unsecured)		
Security Deposits	2,464,300	2,464,300
Total	**2,464,300**	**2,464,300**

Note 6: Income Taxes

Current Tax 6 (a)

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated*)
Income Tax expense in the statement of profit & loss comprises:		
Current taxes	-	-
Deferred Tax Charge/ (Credit) Profit and Loss	-	-
Total Income Tax Expense	-	-
Profit before income taxes	(58,301,579)	(24,982,121)
Enacted tax rates in India	26.00%	26.00%
Computed expected tax expense	-	-
Income tax expense	-	-

Deferred Taxes 6 (b)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated*)
Deferred income tax assets		
Accrued compensation to employees	456,735	413,585
Unabsorbed Business Losses	4,239,164	3,774,858
Carrying value of Property Plant and Equipment	639,579	278,870
Capital Work in Progress Adjustment - Insurance Expenses and Lease obligations	19,895,258	5,633,635
Total deferred income tax assets	**25,230,736**	**10,100,948**
Deferred income tax liabilities		
Total deferred income tax liabilities	-	-
Deferred income tax assets after set off (Note 6 (b) (i))	-	-

Note 6 (b) (i) : Since there is uncertainity of future taxable profits, the deferred tax asset is not recognised.

*Certain amounts shown here do not correspond to the Financial Statements of 2019-2020 and reflects adjustments made, refer Note 33.

Tax Losses Carried Forward 6 (c)

Particulars	As at March 31, 2021		As at March 31,2020	
	Gross Amount	Expiry Date (Assessment Year)	Gross Amount	Expiry Date (Assessment Year)
Unabsorbed Business Losses	1,785,793	2028-29	-	-
Unabsorbed Business Losses	3,160,501	2027-28	3,160,501	2027-28
Unabsorbed Business Losses	2,799,906	2026-27	2,799,906	2026-27
Unabsorbed Business Losses	2,892,633	2025-26	2,892,633	2025-26
Unabsorbed Business Losses	5,665,643	2024-25	5,665,643	2024-25
Total	**16,304,476**		**14,518,683**	

Note 7: Other Non-Current Assets

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	1,557,389,111	1,658,920,078
Balance with Government authorities	1,216,836,641	285,226,009
Advance against GST	237,427,863	220,667,870
Prepaid Expenses	8,967,029	40,381,222
Total	**3,020,620,644**	**2,205,195,179**

Note 7.1

Capital Advances are secured by Bank Guarantee of Rs. 3,12,37,68,077/- received from EPC Contractors for LNG Storage Tanks, Regasification Facilties and Marine Facilities.

Note 8: Cash & Cash Equivalents

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
i) Balances with Scheduled Banks		
Current Account	2,065,445,859	16,444,754
ii) Cash on hand	363	363
Total	**2,065,446,222**	**16,445,117**

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Note 9: Other Bank Balances

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits with banks to the extent held as security against Performance Bank Guarantee of Rs. 10,80,00,000/-	112,450,683	109,138,438
Fixed Deposit (against Bank Guarantee of Rs. 1,00,00,000/- given to Customs Department)	10,000,000	-
Total	**122,450,683**	**109,138,438**

Note 10: Other Financial Assets

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Accrued on Fixed Deposit with Banks	451,872	363,297
Total	**451,872**	**363,297**

Note 11: Current Tax Assets (Net)

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax Deducted at Source	1,002,378	709,320
Total	**1,002,378**	**709,320**

Note 12: Other Current Assets

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to employees	29,942	10,000
Prepaid Expenses	146,297,458	118,303,742
Total	**146,327,400**	**118,313,742**

Note 13: Equity Share Capital

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized:		
129,30,00,000 Equity Shares of Rs.10 each (Previous year 129,30,00,000 Equity Shares of Rs.10 each)	12,930,000,000	12,930,000,000
	12,930,000,000	**12,930,000,000**
Issued, Subscribed and Fully Paid-up:		
117,20,00,000 Equity Shares of Rs.10 each fully paid up (Previous year 35,00,00,000 Equity Shares of Rs.10 each)	11,720,000,000	3,500,000,000
Total	**11,720,000,000**	**3,500,000,000**

Rights, preferences and restrictions attached to Shares:

Equity Shares - The Company has one class of Equity Shares having a par value of Rs.10/- 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 the Year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount (in Rs.)	No. of Shares	Amount (in Rs.)
Equity Shares				
Number of Shares at the Beginning	350,000,000	3,500,000,000	48,000,000	480,000,000
Add: Equity shares issued	822,000,000	8,220,000,000	302,000,000	3,020,000,000
Balance at the Reporting Date	1,172,000,000	11,720,000,000	350,000,000	3,500,000,000

Shareholders holding more than five percent of holdings:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holdings	No. of Shares	% Holdings
SP Ports Private Limited and nominee shareholders	-	-	175,000,000	50
Hindustan Petroleum Corporation Limited and nominee shareholders	1,172,000,000	100	175,000,000	50
	1,172,000,000	**100**	**350,000,000**	**100**

Shares held by Holding Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Hindustan Petroleum Corporation Limited and nominee shareholders (w.e.f. 30 March, 2021)	1,172,000,000	100	175,000,000	50
	1,172,000,000	**100**	**175,000,000**	**50**

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Note 14: Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated*)
Retained Earnings		
Balance at the Beginning	(63,053,533)	(25,865,043)
Add: (Loss) for the Year	(58,301,579)	(24,982,121)
Add: Actuarial gain/(loss) on defined benefit Plans	27,654	682,631
	(121,327,458)	**(50,164,533)**
Transaction cost related to Equity Share Capital	(1,741,000)	(12,889,000)
Total	**(123,068,458)**	**(63,053,533)**

*Certain amounts shown here do not correspond to the Financial Statements of 2019-2020 and reflects adjustments made, refer Note 33.

Note 15: Provisions

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits		
Gratuity	931,905	691,446
Unavailed Leave	772,645	753,396
Total	**1,704,550**	**1,444,842**

Note 16: Other Financial Liabilities - Non Current

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability	1,098,610,244	1,067,013,380
Total	**1,098,610,244**	**1,067,013,380**

Note 17: Other Financial Liabilities - Current

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Creditors:		
i) Outstanding dues of micro enterprises and small enterprises (refer note 28)	68,619	-
ii) Outstanding dues of creditor other than micro and small enterprises	1,371,063,204	678,452,338
Capital Expenses Payable	2,813,554,096	1,777,555,971
Other Expenses Payable	1,352,127	1,410,379
Current Maturity of Lease liability	77,888,424	76,716,627
Lease Liability Due	6,965,228	59,406,377
Total	**4,270,891,698**	**2,593,541,692**

Note 18: Other Current Liabilities

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	176,255,002	139,374,234
Total	**176,255,002**	**139,374,234**

Note 19: Provisions

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits		
Gratuity	69,912	31,750
Unavailed Leave	117,665	114,119
Total	**187,577**	**145,869**

Note 20: Contingent Liabilities and Capital and other commitments

1. Contingent Liabilities:

a) The Company has issued Performance Bank Guarantee to Gujarat Maritime Board (GMB) of Rs. 10,80,00,000/- for the validity till 15th April 2022.

b) The Company has issued Bank Guarantee to Customs Department of Rs. 1,00,00,000/- for the validity till 06th November 2021.

2. Capital and other Commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) Rs. 19,77,79,86,321/-
(Previous Year Rs. 26,36,76,28,907/-)

Note 21: Other Income

(Amount in Rupees)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income on Financial Assets carried at Amortized Cost		
Interest on Fixed Deposit	3,739,958	6,314,581
Interest on Income Tax Refund	-	1,493
Gain on Sale of Mutual Fund (Net)	-	4,143,287
Total	**3,739,958**	**10,459,361**

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Note 22: Employee Benefits Expense

(Amount in Rupees)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Bonus, Incentives etc.	7,269,817	7,032,324
Gratuity and Leave encashment benefits	204,962	454,223
Staff welfare expenses	232,689	369,006
	7,707,468	7,855,553
Less: Transferred to Capital Work in Progress	(6,216,595)	(6,263,211)
Total	**1,490,873**	**1,592,342**

Note 23: Finance Cost

(Amount in Rupees)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Finance cost on Lease Obligations	109,562,446	100,183,700
Processing Fees	-	6,875,000
	109,562,446	107,058,700
Less: Transferred to Capital Work in Progress	(109,562,446)	(100,169,424)
Total	-	**6,889,276**

Note 24: Depreciation and Amortisation Expenses

(Amount in Rupees)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation/Amortisation Cost	43,127,227	48,379,567
Less: Transferred to Capital Work in Progress	(41,979,385)	(46,051,743)
Total	**1,147,842**	**2,327,824**

Note 25: Other Expenses

(Amount in Rupees)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated*)
Short-term Leases	8,165,757	-
Electricity	294,859	781,463
Legal & Professional Fee	1,453,282	175,700
Recruitment Charges	-	91,630
Repair & Maintenance Expenses	532,962	537,876
Insurance	53,160,736	21,664,969
Equipment Hire Charges	104,681	90,320
Auditor's Remuneration (Note 25.1)	700,000	600,000
Postage, Telephone & Communication	387,995	335,114
Printing & Stationary	39,910	314,801
Loss on sale of Asset	12,527	-
Interest on TDS	1,215,831	-
Donation	1,175,000	-
Miscellaneous Expenses	654,887	1,393,188
	67,898,427	**25,985,061**
Less: Transferred to Capital Work in Progress	(8,495,606)	(1,353,021)
Total	**59,402,821**	**24,632,040**

*Certain amounts shown here do not correspond to the Financial Statements of 2019-2020 and reflects adjustments made, refer Note 33.

Note 25.1: Auditors Remuneration

(Amount in Rupees)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit Fees - Statutory Audit Fees	300,000	300,000
Other Expenses		
Limited Review Fees	300,000	300,000
Other Fees	100,000	-
Reimbursement of expenses	-	-
Total	**700,000**	**600,000**

Note 26: Earnings Per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated*)
(i) Net (loss) as per the Statement of Profit & Loss available for Equity Shareholders.	(58,301,579)	(24,982,121)
(ii) Weighted average number of equity shares used as denominator for calculating EPS	495,317,808	109,012,541
(iii) Basic and Diluted earnings per share (i/ii)	(0.12)	(0.23)
(iv) Nominal value of shares	10	10

*Certain amounts shown here do not correspond to the Financial Statements of 2019-2020 and reflects adjustments made, refer Note 33.

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Note 27:

a. Defined Contribution Plans:

There is no amount paid to Defined Contribution Plan.

b. Defined Benefit Plans:

Gratuity is payable to all eligible employees on death or on separation / termination.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority ,promotion and other relevant factors, such as supply and demand in the employment market.

The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The Following table sets out the status of the gratuity plan and the amount recognised in the company's Financial Statements:

Gratuity (Unfunded)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Change in benefit obligations		
Benefit obligations at the beginning of the year	723,196	888,611
Current Service Cost	40,176	450,616
Interest Cost	401,552	66,600
Past Service Cost	-	-
Curtailments	-	-
Remeasurements-Actuarial (Gain)/Loss	(27,654)	(682,631)
Benefits Paid	(135,453)	-
Benefit obligations at the end of the year	**1,001,817**	**723,196**
(B) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	-	-
Interest Income	-	-
Remeasurements -Actuarial (Gain)/Loss on Plan Assets	-	-
Contribution	135,453	-
Benefits Paid	(135,453)	-
Fair value of Plan Assets at the end of the year	-	-
(C) Amount Recognized in the Balance Sheet		
Present value of Obligation at the end of the year	1,001,817	723,196
Fair value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) recognized in the balance sheet	**(1,001,817)**	**(723,196)**
(D) Amount Recognized in the Statement of Profit & Loss		
Current Service Cost	40,176	450,616
Interest Cost	401,552	66,600
Past Service Cost	-	-
Expenses recognized in the statement of Profit & Loss	**441,728**	**517,216**
(E) Amount Recognized in the Statement of other comprehensive income:		
Actuarial (gains)/ losses recognized for the year	(27,654)	(682,631)
Return on Plan Assets excluding net interest	-	-
Unrecognized Actuarial (Gains)/Loss from previous year	-	-
Total Actuarial (Gains)/Loss recognized in the statement of other comprehensive income	**(27,654)**	**(682,631)**

(F) Actuarial (Gains)/ Loss on obligation	For the year ended March 31, 2021	For the year ended March 31, 2020
Due to Demographic Assumption	-	(224,986)
Due to Financial Assumption	(2,224)	90,454
Due to Experience	(25,430)	(548,099)
Total Actuarial (Gain)/ Loss	**(27,654)**	**(682,631)**

(G) Actuarial Assumptions	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount Rate	5.71%	5.68%
Salary Escalation rate	10.00%	10.00%

(H) Sensitivity Analysis	Discount Rate (DR)		Salary Escalation rate (ER)	
	DR + 1%	DR - 1%	ER + 1%	ER - 1%
Present value of obligation at the end of the year	932,301	1,080,742	1,071,490	938,389

(I) Expected Payout	Amount in Rs.
Expected payout of Gratuity (Unfunded):	
Year	
First	69,912
Second	64,593
Third	118,859
Fourth	116,617
Fifth	112,476
Six to ten years	445,049

c. Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary worked out by dividing 22 days for all employees for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2021 based on actuarial valuation using the projected accrued benefit method is Rs. 152,462/- (Previous year : Rs. 6,49,507/-).

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Note 28: Due to Micro and Small Enterprises

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

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
1) Principle	68,619	-
2) Interest	7,440	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;		
1) Principle	1,992,762	-
2) Interest	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-
The amount of Interest accrued and remaining unpaid at the end of accounting Year and;	7,440	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Note 29: Segment Information

The Company is under construction phase, hence the disclosure under "Ind-AS 108 - Operating Segments" issued by The Institute of Chartered Accountants of India is not applicable.

Note 30: Related Party Disclosure

A. Nature of Relationship

Venturer in respect of which the reporting enterprise is an Joint Venture (upto 30-03-2021)
Hindustan Petroleum Corporation Limited
SP Ports Private Limited

Ultimate Holding Company (w.e.f. 30-03-2021)
Oil and Natural Gas Corporation Limited

Holding Company (w.e.f. 30-03-2021)
Hindustan Petroleum Corporation Limited

Member of group in respect of which the reporting enterprise is a Joint Venture of member of the group (Upto 30-03-2021)
Simar Port Private Limited
Forbes and Company Limited
Afcons Infrastructure Limited

Key Management Personnel:
Mr. Rakesh Misri-Director
Mr. Rajneesh Narang- Director
Mr. Dilip Kumar Pattanaik- (upto 15-09-2020 Additional Director) and (w.e.f. 16-09-2020 Director)
Mr. Mukundan Srinivasan-Director (upto 29-03-2021)
Mr. Jai Laxmikant Mavani-Director (upto 29-03-2021)
Mr. Nitin Bhalchandra Bondre-Director (upto 29-03-2021)
Ms. Pranali Chavan-Company Secretary

B. Details of transactions with Related Parties :

Nature of Transaction	As at March 31, 2021	As at March 31, 2020
1. Transaction with Venturer in respect of which the reporting enterprise is an Joint Venture		
SP Ports Private Limited		
1) Financing through equity contribution	820,000,000	1,510,000,000
2. Holding Company		
Hindustan Petroleum Corporation Limited		
1) Financing through equity contribution	7,400,000,000	1,510,000,000
2) Manpower Services on Deputation	7,163,918	2,969,606
3) Payable Outstanding	7,916,129	1,308,678

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3. Transaction with member of group in respect of which the reporting enterprise is a Joint Venture member of the group

Nature of Transaction	As at March 31, 2021	As at March 31, 2020
Simar Port Private Limited		
1) Operating Lease Rent of Land	74,176,552	66,478,551
2) Payable Outstanding*	-	43,197,710
Forbes and Company Limited		
1) Operating Lease Rental of Office	10,468,920	10,468,920
2) Payable Outstanding*	-	-
3) Rent Security Deposit receivable*	-	2,379,300
Afcons Infrastructure Limited		
1) EPC Cost- Capital Work in Progress	2,278,686,024	205,825,410
2) Guarantees*	-	1,727,091,674
3) Advance Recoverable Outstanding*	-	253,185,424
4) Payable Outstanding*	-	164,742,008

* As at March 30, 2021, the entities mentioned in point no.3 above ceased to be Related parties, as HPCL acquired 100% Equity in the Company and hence the outstanding balances are not disclosed.

3. Remuneration paid to Key Management Personnel

Particulars	Ms. Pranali Chavan	
	As at March 31, 2021	As at March 31, 2020
Remuneration	818,484	838,887
Post -employment Benefits	19,354	34,240
Other Long term benefits	-	52,925
Total	**837,838**	**926,052**

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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, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Amount in Rupees)

	Carrying amount				Fair value			
As at 31/03/2021	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Security Deposits	-	-	2,464,300	2,464,300	-	-	-	-
Current								-
Cash and cash equivalents	-	-	2,065,446,222	2,065,446,222	-	-	-	-
Other Bank Balances	-	-	112,450,683	112,450,683	-	-	-	-
Others	-	-	451,872	451,872	-	-	-	-
	-	-	2,180,813,077	2,180,813,077	-	-	-	-
Financial liabilities								
Non-current								
Other Non-Current financial liabilities	-	-	1,098,610,244	1,098,610,244	-	-	-	-
Current								
Other Current financial liabilities	-	-	4,270,891,698	4,270,891,698	-	-	-	-
	-	-	5,369,501,942	5,369,501,942	-	-	-	-

(Amount in Rupees)

	Carrying amount				Fair value			
As at 31/03/2020	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Security deposits	-	-	2,464,300	2,464,300	-	-	-	-
Current								
Cash and cash equivalents	-	-	16,445,117	16,445,117	-	-	-	-
Other Bank Balances	-	-	109,138,438	109,138,438	-	-	-	-
Others	-	-	363,297	363,297	-	-	-	-
	-	-	128,411,152	128,411,152	-	-	-	-
Financial liabilities								
Non-current								
Other Non-Current financial liabilities	-	-	1,067,013,380	1,067,013,380	-	-	-	-
Current								
Other Current financial liabilities	-	-	2,593,541,692	2,593,541,692	-	-	-	-
-	-	-	3,660,555,071	3,660,555,071	-	-	-	-

FVTPL - Fair Value Through Profit and Loss

FVTOCI - Fair Value Through Other Comprehensive Income

B. Financial risk management and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks identified are credit risk, liquidity risk and foreign currency risk. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that counter party may not be able to settle their obligations as agreed. The Company's exposure to credit risk arises primarily from capital advances, bank balances, security deposit and other receivables which the Company minimises such risk by dealing exclusively with high credit rating counterparties and by way of securing against advance bank guarantees.

(b) 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's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from equity infusion from the promoters. The Company has no outstanding borrowings as on the reporting date, but the company has executed a term loan agreement with the Lenders for fund requirement of the project. The Company believes that the Debt and Equity are sufficient to meet the requirement of the Project. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods.

(Amount in Rupees)

Non-derivative financial liabilities	Less than 1 Year	1 Year to 3 Year	3 Year to 5 Year	More than 5 Year
As at 31st March, 2021				
Capital Creditors	1,371,131,823	-	-	-
Capital Expenses Payable	2,813,554,096	-	-	-
Other Expenses Payable	1,352,127	-	-	-
Lease Obligation	77,888,424	167,752,139	184,742,147	3,768,341,791
Total	4,263,926,470	167,752,139	184,742,147	3,768,341,791
As at 31st March 2020				
Capital Creditors	678,452,338	-	-	-
Capital Expenses Payable	1,777,555,971	-	-	-
Other Expenses Payable	1,410,379	-	-	-
Lease Obligation	136,123,004	159,671,270	176,037,575	3,863,015,657
Total	2,593,541,692	159,671,270	176,037,575	3,863,015,657

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(c) Foreign Currency Risk
The Company has awarded Lump-Sum Turn Key (LSTK) EPC contract for LNG Storage Tanks, Regasification Facilities and Marine Facilities. The Foreign Exchange involved in making payment to one EPC contractor (foreign entity) and foreign currency risk is also taken care in total Project Cost.

(d) Market Risk
Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

(e) Interest rate risk:
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company does not have any interest rate risk.

Capital Management

For the purpose of the company 's capital management, capital includes issued capital and all equity reserves. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The company manages its capital structure and make adjustments in the light of changes in economic environment and the requirement of the financial covenants.

Note 32:
Impact of Covid-19
Due to outbreak of COVID-19 globally and in India. the Company has made initial assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company at present is under construction phase for developing Regasification Terminal. The construction activity is being carried out by three EPC contractors and the contracts are awarded on Lump sum turn key (LSTK) basis with Fixed timelines for completion. Due to imposition of nationwide lockdown . the work at site was suspended from 20th March 2020 till 23rd April 2020. However, Engineering and Procurement activities are being managed by the EPC Contractors, PMC and the Company, by working from home. Work Permission with full manpower was received on 21st May 2020. There are frequent disruptions since resumption due to various COVID-19 related issues with the local administration. Further, the EPC contractors has sought time extension due to delay caused by the reason pertaining to pandemic, as analysed by the Company, we will be required to provide at least 4 months time extension to the contractors, which will effect to shift the Scheduled commercial operation date to November 2022. The Company has also analysed Impacts on other related items like, Lease arrangements-there has been no concession provided in lease rental by the lessor for the lockdown period. neither any grant/ compensation is provided by any statutory authority or lessor. In assessing the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Capital work in progress, Intangible assets including those under development, and financial assets, the Company is of the opinion there is no likely impairment of assets, considered internal and external information upto the date of approval of these financial results. However, the impact assessment of COVID-19 is a continuing process, as the situation has not yet normalised and 2nd wave of Covid-19 has impacted the whole country and also globally. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions."

Note 33:
As per the Expert Advisory Committee Opinion of Institute of Chartered Accountants of India, Insurance expenditure incurred for the purpose of Project cannot be considered as directly attributable to construction of the project as per IND AS 16 and should accordingly be recognised in the Statement of Profit and Loss. The company has restated Insurance expense pertaining to 2019-2020 to the Statement of Profit and Loss amounting to Rs 2,16,64,969/-. The impact of this figure as explained in below mentioned table has been given to Capital Work in progress, Retained Earnings, profit before tax, Other expenses and Earnings per share.

Particulars	Capital Work in progress	Retained Earnings	Profit before tax	Other expenses	Earning per Share (Basic and Diluted)
Balances as per 2019-2020 Financial statement	3,727,098,119	(41,388,564)	(3,317,152)	2,967,071	(0.03)
Add/Less: Restatement of Insurance expense	(21,664,969)	(21,664,969)	(21,664,969)	21,664,969	(0.20)
Restated Balance of Previous year 2019-2020	3,705,433,150	(63,053,533)	(24,982,121)	24,632,040	(0.23)

Note 34:
The Company has become a wholly owned subsidiary of HPCL, a listed entity, on March 30, 2021, as a result of which provisions of a Public company under The Companies Act, 2013 are applicable to the Company. The company is in process of complying with the applicable provisions of the Act.

Note 35:
Previous year figures have been regrouped/ restated wherever necessary to conform to the current years classification.

KALYANIWALLA & MISTRY LLP MUMBAI

HPCL Shapoorji Energy Pvt. Ltd.