Petronet MHB Limited

28th

Annual Report
2025-26

Board of Directors

Sri C Sridhar Goud

Chairman

Sri Pankaj Kumar Meena

Managing Director

Sri Subodh Batra

Director

Sri Ramesh Ramasamy

Director

Sri Neeraj Lal

Director

Smt. Pinky Rai

Director

Sri Deepak P N Prabhakar

Director

Sri Reji C Mathew

Director

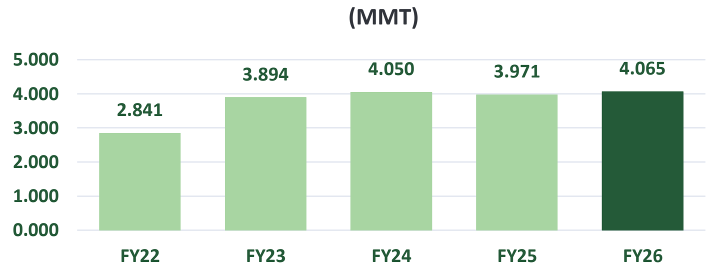
Five year performance snapshot

FY 2021-22 to FY 2025-26

THROUGHPUT
(MMT)

FY22	FY26
2.841	**4.065**

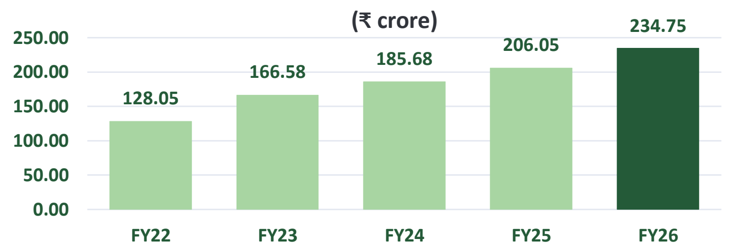
+43% OVER 5 YEARS



REVENUE
(₹ crore)

FY22	FY26
128.05	**234.75**

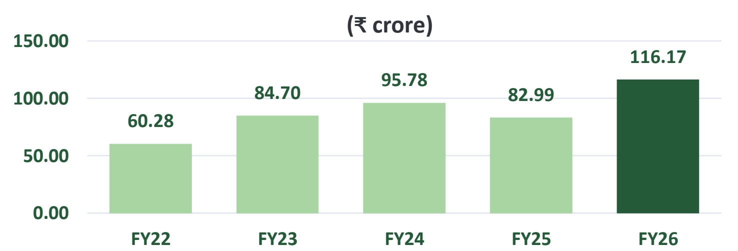
+83% OVER 5 YEARS



PROFIT AFTER TAX
(₹ crore)

FY22	FY26
60.28	**116.17**

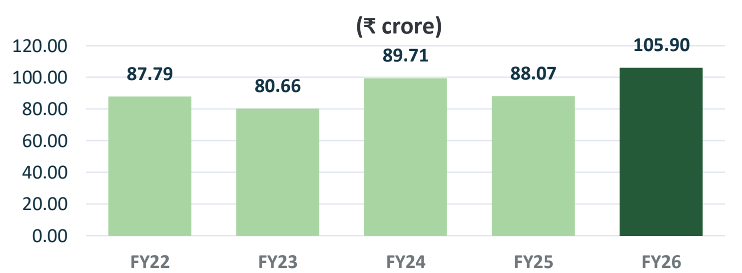
+93% OVER 5 YEARS



DIVIDEND PAID
(₹ crore)

FY22	FY26
87.79	**105.90**

+21% OVER 5 YEARS



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Reference Information

Name of Company	: Petronet MHB Limited
CIN	: U85110KA1998GOI024020
Registered Office	: Corporate Miller, 2nd Floor, Block B, 332/1, Thimmaiah Road, Vasanth Nagar, Bangalore - 560052
Website	: www.petronetmhbl.com
Email	: headoffice@petronetmhbl.com
Phone	: 080-22262317/22262243

Key Managerial Personnel

1. Sri Pankaj Kumar Meena, Managing Director

2. Sri Chandan Kumar Das, Chief Financial Officer

3. Sri Sachin Jayaswal, Company Secretary

Statutory Auditors

KP Rao & Co., Chartered Accountants, Poornima', II Floor, 25, State Bank Road Bangalore 560 001. Karnataka, India.

Cost Auditors

PKR & Associates LLP, 22 Cauverys Kanaka Residency, Flat No 405, 1st Main 1st Cross 1st Block, Tyagrajnagar, Bangalore, 560028

Secretarial Auditor

Maureen W.A.L., Company Secretary, Flat No. W3, 2nd Floor, Hitech Apartments, 20/3, 2nd Cross, Ganesha Block, Sultanpalya, Bangalore, 560032.

Depository

National Securities Depository Limited (NSDL)

Registrar & Share Transfer Agent

Integrated Registry Management Services Pvt. Ltd., #30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore, 560003.

Bankers

1. HDFC Bank Limited

2. ICICI Bank Limited

3. Canara Bank

Notice of 28th Annual General Meeting

Notice is hereby given that the 28th Annual General Meeting (AGM) of the members of Petronet MHB Limited (PMHBL or Company) will be held on **Tuesday, 22nd September 2026 at 11.00 AM IST** through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

Ordinary business:

1. To receive, consider and adopt the audited financial statement of the company for the financial year ended on March 31, 2026 together with the Report of the Board of Directors and Auditors' thereon and the comments of the Comptroller & Auditor General of India.

2. To appoint a director in place of Sri Ramesh Ramasamy (DIN: 10304253), who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a director in place of Sri Neeraj Lal (DIN: 10597626), who retires by rotation and being eligible, offers himself for re-appointment.

4. To authorize the Board of Directors of the Company for fixing the remuneration of the Statutory Auditors of the Company as appointed by the Comptroller and Auditor General of India for auditing the accounts of the Company for the financial year 2026-27 and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT *pursuant to Section 142 and other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company be & are hereby authorised to fix remuneration & other terms & conditions including reimbursement of out of pocket expenses in connection with Statutory Audit Work of the Statutory Auditor as appointed by the Comptroller & Auditor General of India for Statutory Audit of the Accounts of the Company for the Financial Year 2026-27"*

Special business:

5. To appoint Sri Pankaj Kumar Meena (DIN 11617835) as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT *pursuant to the provisions of Section 149, 152 and 161 and other applicable provisions, if any, of the Companies Act 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, and any further amendments thereto from time to time (including any statutory modification or re-enactment thereof for the time being in force) and also the relevant provisions of the Articles of Association of the Company, Sri Pankaj Kumar Meena (DIN 11617835), who was appointed as Additional Director by the Board of Directors of the Company with effect from 01.04.2026 in terms of Section 161 of the Companies Act 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for the Financial Year 2025-26 should have been held, whichever is earlier, and the Company having received a notice in writing under Section 160 of the Companies Act, 2013 from Sri Pankaj Kumar Meena, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation."*

6. To appoint Sri Pankaj Kumar Meena (DIN 11617835) as Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT *pursuant to Section 196, 203 and all other provisions of the Companies Act 2013 and the Rules made thereunder, as applicable (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 94 of the Articles of Association of the company, approval of the shareholders of the Company be and is hereby accorded for the appointment of Sri Pankaj Kumar Meena, (DIN 11617835) as Managing Director of Petronet MHB Limited from 01.04.2026 till 31.05.2027, on terms and conditions including remuneration as given below:*

   A) Remuneration: The remuneration of Sri Pankaj Kumar Meena as Managing Director, Petronet MHB Limited, with effect from 01.04.2026 subject to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and in keeping with the terms of deputation as advised by Oil and Natural Gas Corporation Limited (ONGC) from time to time shall be as follows:

Particulars of Remuneration	Rs. / Annum
Basic Pay, DA, Stagnation increment, Special pay, protected pay etc	53,00,000
Retirals such as PF, Gratuity, NPS and other retiral components as per the rules of ONGC	24,00,000
House rent allowance, Deputation allowance, Cafeteria allowances, performance related pay and other perquisites, allowances, benefits, facilities & other components as per ONGC rules	57,00,000
Total Gross Salary per annum (Rs.)	**1,34,00,000**

However, the payment of remuneration to Sri Pankaj Kumar Meena, Managing Director shall be based on debit notes received from ONGC and will be subject to overall annual ceiling of Rs. 1,34,00,000.

The detailed components of remuneration of Sri Pankaj Kumar Meena, Managing Director shall include the followings:

a) Salary – The salary of Sri Pankaj Kumar Meena will consist of basic pay, variable DA, Stagnation increment, Special pay, protected pay, annual/other increments and other allowances as per rules of ONGC. It shall be revised from time to time according to his entitlement in the ONGC subject nevertheless to the various provisions of the Companies Act, 2013. He will be paid Deputation Allowance as per ONGC rules.

b) Other Components: In addition to above, Sri Pankaj Kumar Meena, Managing Director will be entitled to the following, as per the rules of ONGC:

i) Medical Reimbursement/ facilities - For him and his family

ii) White goods (furniture, electronics, household equipments etc.)

iii) Personal Accident Insurance

iv) Reimbursement of entertainment, residential telephone, mobile phone etc., traveling and all other expenses incurred for the business

v) Leave benefits.

vi) For his official duties, he will be reimbursed expenses for operation and maintenance of his Vehicle.

vii) Any other allowances/ perquisites/ payments/ loans/ reimbursements/ advances etc. as may be applicable as per ONGC Rules.

B) General terms and conditions of appointment of Sri Pankaj Kumar Meena as Managing Director, Petronet MHB Limited shall be as set out in the Explanatory Statement annexed to the Notice convening this meeting"

7. To appoint Sri Goud C Sridhar (DIN 08466543) as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an **Ordinary Resolution**:

***"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 161 and other applicable provisions, if any, of the Companies Act 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, and any further amendments thereto from time to time (including any statutory modification or re-enactment thereof for the time being in force) and also the relevant provisions of the Articles of Association of the Company, Sri Goud C Sridhar (DIN 08466543), who was appointed as Additional Director by the Board of Directors of the Company with effect from 09.05.2026 in terms of Section 161 of the Companies Act 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for the Financial Year 2025-26 should have been held, whichever is earlier, and the Company having received a notice in writing under Section 160 of the Companies Act, 2013 from Sri Goud C Sridhar, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."*

8. To appoint Sri Reji Chacko Mathew (DIN 11706968) as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an **Ordinary Resolution**:

***"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 161 and other applicable provisions, if any, of the Companies Act 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, and any further amendments thereto from time to time (including any statutory modification or re-enactment thereof for the time being in force) and also the relevant provisions of the Articles of Association of the Company, Sri*

Reji Chacko Mathew (DIN 11706968), who was appointed as Additional Director by the Board of Directors of the Company with effect from 09.05.2026 in terms of Section 161 of the Companies Act 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for the Financial Year 2025-26 should have been held, whichever is earlier, and the Company having received a notice in writing under Section 160 of the Companies Act, 2013 from Sri Reji Chacko Mathew, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. To ratify the remuneration of the Cost Auditor for the financial year ending March 31, 2027 and, in this regard, to consider and if thought fit, to pass with or without modification (s) the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT *pursuant to the provisions of Section 148 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and any further amendments thereto from time to time (including any statutory modifications(s) or re-enactment thereof, for the time being in force), the remuneration payable to PKR & Associates LLP, Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2027, amounting to Rs. 50,000/- (Rs. Fifty thousand only) plus applicable taxes plus reimbursement of out-of-pocket expenses incurred for the Audit at actuals, be and is hereby ratified and approved."*

By order of the Board of Directors

For Petronet MHB Limited

(Sachin Jayaswal)
Company Secretary
Membership no. ACS 18835

Date : **27.08.2026**

Place : Registered office,
Corporate Miller, 2nd Floor, Block B,
332/1, Thimmaiah Road, Vasanth Nagar,
Bengaluru, 560052

NOTES:

1. Ministry of Corporate Affairs ("MCA") vide its General Circulars Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being General Circular no. 3/2025 dated September 22, 2025, ('MCA Circulars') has permitted the holding of the annual general meeting through Video Conferencing ("VC") or through Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue. Hence, in compliance with the circular, the AGM of the Company is being held through VC.
2. The deemed venue for the AGM shall be the Registered Office of the Company at Corporate Miller, 2nd Floor, Block B, 332/1, Thimmaiah Road, Vasanth Nagar, Bengaluru 560052.
3. As per provisions of clause 3.B.IV of the General Circular no. 20/2020 dated May 5, 2020, the matter of special business as appearing at item nos. 5 to 9 of the accompanying notice are concerned unavoidable by the Board and hence forming part of this notice.
4. A statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed hereto. Additional information, pursuant to Secretarial Standard - 2 on General Meetings, issued by The Institute of Company Secretaries of India, in respect of Director retiring by rotation seeking re-appointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished as Annexure to this Notice.
5. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. However, since the AGM is being held in accordance with the MCA Circulars through VC, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy form and Attendance slip are not annexed herewith.
6. Since the AGM will be held through VC in accordance with the MCA Circulars, the route map of the venue of the meeting is not annexed hereto.
7. Members attending the AGM through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 **("the Act").**
8. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send authorization letter to the Company.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to sachinjayaswal@petronetmhbl.com. stating their DP ID, Client ID/ Folio No.
10. Members are requested to address all correspondence to the Company Secretary, Petronet MHB Limited, Corporate Miller, 2nd Floor, Block B, 332/1, Thimmaiah Road, Vasanth Nagar, Bengaluru, 560052 and email id sachinjayaswal@petronetmhbl.com.
11. Members who need technical assistance before or during the AGM, can contact allan@petronetmhbl.com or call on 08095220387. Kindly quote your name, DP ID-Client ID / Folio no.
12. In compliance with the MCA Circulars, the Annual Report for FY 2025-26 and the Notice of the 28th AGM are being sent only through electronic mode to all the members whose email addresses are registered with the Company / depository participant.
13. Members may also note that the Notice of the 28th AGM and the Annual Report for FY 2025-26 is also available on the Company's website https://petronetmhbl.com/financial-aids
14. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
15. Members holding shares in dematerialised mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register / update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts. The Registrar & Transfer agent of the Company

is Integrated Registry Management Services Private Limited, CIN: U74900TN2015PTC101466, #30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003. Phone No.: 080-23460815 to 818, Fax No.: 08023460819, Email ID: alpha123information @gmail.com, bangaloreAccounts@integratedindia.in

16. Members holding shares in dematerialized or in physical mode, who have not registered / updated their email addresses with the Company, are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at sachinjayaswal@petronetmhbl.com.

17. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company before 3.00 PM on Tuesday, 15th September 2026 to email id sachinjayaswal@petronetmhbl.com.

18. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered office of the Company on all working days i.e. Monday to Friday between 10.30AM and 3.30 PM upto the date of the Annual General Meeting or electronically during the AGM.

19. The details of the Director retiring by rotation and proposed for reappointment is enclosed as Annexure to this notice.

20. Guidelines for participation through VC/OAVM

i. Members may note that the 28th AGM of the Company will be convened through VC in compliance with the applicable provisions of the Companies Act, 2013, read with the MCA Circulars. The facility to attend the meeting through VC will be provided by the Company. Members may access the same at

https://petronetmhbl.webex.com/petronetmhbl/j.php?MTID=m01f8cf4ae934b52910c8d042ee3384d0

ii. Members present in the AGM through VC can vote by way of show of hands during the AGM.

iii. In case a poll is demanded, Chairman shall follow the procedure provided in Section 109 of the Companies Act, 2013 and rules made thereunder. The Members may vote by sending an e-mail from their registered email id to the designated e-mail id: *pmhblagmpoll@petronetmhbl.com* stating their assent/ dissent.

iv. The facility of joining the AGM through VC / OAVM will be opened 60 minutes before the scheduled start-time of the AGM.

v. Members can participate in the AGM through their desktops / smartphones / laptops etc. However, for better experience and smooth participation, it is advisable to join the meeting through desktops / laptops with high-speed internet connectivity.

vi. Please note that participants connecting from mobile devices or tablets, or through laptops via mobile hotspot may experience audio / video loss due to fluctuation in their respective networks.

vii. Steps to join the AGM through VC by desktop/ laptop

a) Click the link given for the VC or join through e mail invite

b) select “Join from your browser”. You can join through Google chrome or Firefox or safari or Microsoft edge.

c) Allow https://petronetmhbl.webex.com to set cookies in your browser and to open the petronetmhbl.webex.com.

d) Use computer for audio and start video and then “join meeting”

e) Similar process can be adopted for joining through tablet/ mobile.

21. Pursuant to Section 139 of the Companies Act, 2013, the Statutory Auditors of the Company (being a Government Company) are appointed by the Comptroller and Auditor General of India (C&AG) and in pursuance to Section 142 of the Companies Act, 2013, their remuneration is to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. In this regard, members may authorize the Board to fix remuneration payable to Statutory Auditors for the financial year 2026-27.

The Members of the Company, at the 27th AGM held on 22.09.2025, authorized the Board of Directors to fix the remuneration of Statutory Auditors appointed for the financial year 2025-26 by the C&AG. Accordingly, the Board of Directors fixed remuneration of Rs. 2,75,000/- for the Statutory Auditors for the financial year 2025-26 plus applicable taxes and reimbursement of actual traveling and out of pocket expenses.

The Board of Directors have recommended authorizing the Board of Directors of the Company for fixation of remuneration of Statutory Auditors as appointed by the C&AG for auditing the Annual Accounts of the Company for the year 2026-27, for approval of shareholders.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Statement with respect to items under Special Business (Item Nos. 5 to 9) covered in the Notice of Meeting are given below:

Item no. 5:

Sri Pankaj Kumar Meena, nominated by Oil and Natural Gas Corporation Limited (ONGC) was appointed as Additional Director with effect from 01.04.2026 in accordance with Section 161 of the Companies Act, 2013 and the relevant provisions of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 the above Director holds office up to the date of the ensuing Annual General Meeting or the last date on which the Annual General Meeting for financial year 2025-26 should have been held, whichever is earlier. In this regard, the Company has received a request in writing from Sri Pankaj Kumar Meena, proposing his candidature for appointment as Director in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Nomination & Remuneration Committee and the Board of Directors of the Company feels that the presence of Sri Pankaj Kumar Meena on the Board is desirable and would be beneficial to the company and have recommended his appointment as a Director of the Company. As Sri Pankaj Kumar Meena has also been appointed as Managing Director of the Company with effect from 01.04.2026, hence, as per the Articles of Association of the Company, Sri Pankaj Kumar Meena will not be liable for retirement by rotation so long as he continues to be the Managing Director.

Relevant documents in respect of the said item are open for inspection by the members at the Registered office of the company on all working days between 10.30AM and 3.30 PM upto the date of the Annual General Meeting or electronically during the AGM.

Sri Pankaj Kumar Meena and his relatives are, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice. None of the other Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

The Board recommends the ordinary resolution set out in item no. 5 of the notice for approval of the shareholders.

Item no. 6:

Sri Pankaj Kumar Meena, nominated by Oil and Natural Gas Corporation Limited (ONGC) was appointed as Managing Director from 01.04.2026 till 31.05.2027 in accordance with Section 196 of the Companies Act, 2013 and the relevant provisions of the Articles of Association of the Company subject to approval of the Shareholders at the next General Meeting. Accordingly, approval of shareholders is requested for the appointment of Sri Pankaj Kumar Meena as Managing Director from 01.04.2026 till 31.05.2027.

As per the Remuneration Policy for Executive Directors of the Company, the remuneration of Managing Director, PMHBL will be governed as per the terms of deputation of the Promoter Company which has nominated the Managing Director. Accordingly, the remuneration and other terms and conditions of appointment of Sri Pankaj Kumar Meena as Managing Director has been approved and recommended by the Nomination & Remuneration Committee and the Board of Directors in line with his entitlement in ONGC, for approval of shareholders.

The Nomination & Remuneration Committee and the Board of Directors of the Company feels that the presence of Sri Pankaj Kumar Meena on the Board is desirable and would be beneficial to the company and have recommended his appointment as a Managing Director of the Company. As per the Articles of Association of the Company, Sri

Pankaj Kumar Meena will not be liable for retirement by rotation so long as he continues to be the Managing Director.

Relevant documents in respect of the said item are open for inspection by the members at the Registered office of the company on all working days between 10.30AM and 3.30 PM upto the date of the Annual General Meeting or electronically during the AGM.

Sri Pankaj Kumar Meena and his relatives are, concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of the Notice. None of the other Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of the Notice.

The Board recommends the ordinary resolution set out in item no. 6 of the notice for approval of the shareholders.

General terms and conditions of appointment as Managing Director, Petronet MHB Limited

1. The Managing Director shall exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter called "the Board") shall, from time to time, determine, and subject to any directions and restrictions, from time to time, given and imposed by the Board and further subject to the superintendence, control and direction of the Board, he shall have the general control, management and superintendence of the business of the company with power to appoint and to dismiss employees and enter into contracts on behalf of the Company in the ordinary course of business and to do and perform other acts, deeds, and things, which in the ordinary course of business, he may consider necessary or as per or in the interest of the Company, provided however, that nothing shall be done by the Managing Director which by the Act or the Articles of the Company shall be transacted at a meeting of the Board or which shall not be effective unless approved by the Board or which are not expressly provided.
2. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.
3. Without prejudice to the generality of the power vested in the Managing Director hereinabove, Managing Director shall be entitled to exercise the following powers:

(i) With the Board's approval, together with the person in charge of Finance for the time being of the company and other personnel authorized by the Board, to open and operate any banking or other account and to draw, make, accept, execute, endorse, discount, negotiate, retire, pay, satisfy and assign cheques, drafts, bills of exchange, promissory notes, hundis, interest and dividend warrants and other negotiable or transferable instruments or securities;

(ii) To borrow moneys with or without security, for the purpose of business of the company, as per applicable provisions of the Companies Act, 2013.

(iii) To invest funds of the company (other than in the shares of the other companies) and fixed deposit with the company's bankers.

(iv) To appoint distributors for the sale of the products of the company subject to prior to approval of the Board whenever necessary.

(v) To ensure that all taxes due to the Central and State Governments and Municipal authorities are paid promptly.

(vi) To engage persons in the employment of the Company as per policy approved by the Board.

(vii) To increase the salary or the remuneration of any employee of the company and to sanction annual increases as per policy approved by the Board.

(viii) To enter into contracts for the purchase of goods for the company subject to applicable provisions of the Companies Act, 2013.

(ix) To institute, prosecute, defend, oppose, appear or appeal to, compromise, refer to arbitration, abandon and execution or become non-suited in any legal proceedings including trademarks, trade names, trade property and passing off actions and revenue proceedings relating to customs or excise duties, tax on income, profits and capital and taxation generally or otherwise.

4. The Managing Director shall throughout the said term, devote his entire time, attention and abilities to the business of the company and shall carry out the orders, from time to time, of the Board and in all respect conform to and comply with the directions and regulations made by the Board, and shall faithfully serve the Company and use his utmost endeavors to promote the interests of the company.

5. Confidential Information:

a) The Managing Director shall not, either during or after his tenure hereunder, divulge or utilize any confidential information belonging to the Company or any of its associated companies (including confidential information as to formulae, processes and manufacturing methods, and confidential information as to the business and affairs of the company) which may have come to his knowledge during his tenure hereunder or during his tenure under any previous contract of service with the Company or any of its associated companies, and he shall, both during and after his employment hereunder, take all reasonable precautions to keep all such information secret.

b) Except so far as may be necessary for the purpose of his duties hereunder, the Managing Director shall not, without the consent of the company, retain or make originals or copies of the telegrams, letters, maps, reports drawing, calculations, specifications, formulae, forms, licenses, agreements or other documents of whatever nature belongings to the company or any of its associated companies, or notes thereof, nor retain samples of specimens in which the company or any of its associated companies may be or may have been interested and which have come into his possession by reason of his tenure hereunder. If on the termination of his tenure hereunder, the Managing Director is in possession of any originals or copies of telegrams, letters, maps, reports, drawings, calculations, specifications, formulae, forms licenses, agreements or other documents of whatever nature belonging to the company or any of its associated companies, or any notes thereof or any such samples or specimens as aforesaid, he shall deliver the same to the company without being asked, except so far as consent to retain them has been given to him by the company. Any such consent shall not of itself relieve the Managing Director from his obligations under sub-paragraph (a) above.

6. Inventions:

If at any time while in the tenure of the company, the Managing Director makes or contributes to the making of any invention, the Managing Director shall forthwith supply the company with full particulars of the invention, and subject as hereinafter provided:

a) The Managing Director shall not, without the written consent of the company, make, exercise, use or vend the invention or dispose of any of his rights therein, whether by assignment, license, encumbrance or otherwise;

b) The Managing Director shall not, without the written consent of the company, publish the invention or any information relating thereto to any person whomsoever, except the company and its duty authorized agents.

Provided that paragraph (a) and (b) hereof shall cease to have effect at the expiration of four months from the time when the company has received full particulars of the invention from the Managing Director, unless before the expiration of the said period of four months, the company gives notices to the Managing Director that it wishes the Managing Director to assign his rights in the invention to the Company.

7. The Company shall not be entitled to give such a notice as aforesaid unless, in the judgment of the company, exercised in good faith by such officers as may be appropriate, either

a) the invention is wholly or partly attributable to the Managing Director's knowledge of or association with any of the company's activities, or

b) the invention pertains to or is capable of being operated in connection with any actual or projected activities of the company or of any of the company's associated companies.

8. Where any such notice is given the Managing Director shall, at the expense of the company, provide the company with all such documents, information and assistance, execute all such instrument, and otherwise do all such acts as the company may reasonably require for the purpose of vesting the invention in the company, providing the company with patent and other protections therefore, in any part of the world, or otherwise enabling or assisting the company to exploit and develop the invention and enjoy the property therein, in any country. In any case, in which the Managing Director is not the sole inventor, his obligation, so far as they relate to vesting the invention in the company and enabling or assisting the company to enjoy the property in

the invention, shall extend only to such interests in the invention as he is able to secure for the company having regard to the interests of other inventor.

9. If no such notice is given within the said period of four months, then after the expiration of the said period the rights of the Managing Director to publish, exploit, develop and protect the invention shall be subject to the following restrictions only:

a) The said rights shall not be exercised so as to interfere with the duties of service which the Managing Director owes to the company, and

b) If at any time in the judgment of the company exercised in good faith by such officers as may be appropriate, any actual or projected activity of the Managing Director in the exercise of the said rights is or will be inimical to the interests of the company or of any of its associated companies, the company may impose such restricts upon his engaging therein as the company thinks reasonable for the protection of the said interests.

10. The duties of the Managing Director under this Clause shall be part of the normal duties owed by the Managing Director to the company in consideration of the Managing Director's annual or other periodical salary, and the company shall not be bound to provide the Managing Director with any additional reward in respect of the performance of his duties under this Clause. Nevertheless, in order to promote the advancement of technical arts, the company may be in its sole discretion award the Managing Director such ex-gratia recognition as it may think fit whenever in its opinion such recognition is justified having regard to all the circumstances of the case.

11. Without prejudice to its rights under this Clause, the company is prepared in special cases to consider requests from the Managing Director for permission to publish original papers, in an appropriate form, whenever in the opinion of the company the subject matter thereof is calculated to be of benefit to the community.

12. In these Clauses, the expression "the Managing Director" includes the Managing Director's personal representatives, and the expression "invention" includes any new or improved substance, material, plant, machinery or apparatus produced or capable or being produced by manufacturer, any new or improved method or process of manufacture, or of testing or of sampling and any discovery in a field of science or applied technology.

The above particulars of the terms of appointment of and remuneration may be treated as a written memorandum setting out terms of appointment of Sri Pankaj Kumar Meena under Section 190 of the Companies Act, 2013. None of the Directors/Key Managerial Person of the company or their relatives is concerned or interested in the resolution.

Item no. 7:

Sri C. Sridhar Goud, nominated by Hindustan Petroleum Corporation Limited (HPCL) was appointed as Additional Director and Chairman with effect from 09.05.2026 in accordance with Section 161 of the Companies Act, 2013 and the relevant provisions of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 the above Director holds office up to the date of the ensuing Annual General Meeting or the last date on which the Annual General Meeting for financial year 2025-26 should have been held, whichever is earlier. In this regard, the Company has received a request in writing from Sri C. Sridhar Goud, proposing his candidature for appointment as Director in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Nomination & Remuneration Committee and the Board of Directors of the Company feels that the presence of Sri C. Sridhar Goud on the Board is desirable and would be beneficial to the company and have recommended his appointment as a Director of the Company. He will be liable to retire by rotation.

Relevant documents in respect of the said item are open for inspection by the members at the Registered office of the company on all working days between 10.30AM and 3.30 PM upto the date of the Annual General Meeting or electronically during the AGM.

Sri C. Sridhar Goud and his relatives are, concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of the Notice. None of the other Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of the Notice.

The Board recommends the ordinary resolution set out in item no. 7 of the notice for approval of the shareholders.

Item no. 8:

Sri Reji Chacko Mathew, nominated by Hindustan Petroleum Corporation Limited (HPCL) was appointed as Additional Director with effect from 09.05.2026 in accordance with Section 161 of the Companies Act, 2013 and the relevant provisions of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 the above Director holds office up to the date of the ensuing Annual General Meeting or the last date on which the Annual General Meeting for financial year 2025-26 should have been held, whichever is earlier. In this regard, the Company has received a request in writing from Sri Reji Chacko Mathew, proposing his candidature for appointment as Director in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Nomination & Remuneration Committee and the Board of Directors of the Company feels that the presence of Sri Reji Chacko Mathew on the Board is desirable and would be beneficial to the company and have recommended his appointment as a Director of the Company. He will be liable to retire by rotation.

Relevant documents in respect of the said item are open for inspection by the members at the Registered office of the company on all working days between 10.30AM and 3.30 PM upto the date of the Annual General Meeting or electronically during the AGM.

Sri Reji Chacko Mathew and his relatives are, concerned or interested, financially or otherwise, in the resolution set out at item no. 8 of the Notice. None of the other Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 8 of the Notice.

The Board recommends the ordinary resolution set out in item no. 8 of the notice for approval of the shareholders.

Details of Directors being appointed/reappointed as required under the provisions of Companies Act, 2013 and Secretarial Standard 2 (SS 2) issued by the Institute of Company Secretaries of India (ICSI):

Name of the Director	Sri Pankaj Kumar Meena	Sri C. Sridhar Goud	Sri Reji Chacko Mathew
DIN	11617835	08466543	11706968
Category of Director	Managing Director	Non – Executive Director & Chairman	Non – Executive Director
Date of Birth	29.04.1973	21.05.1967	13.04.1968
Age	53 years	59 years	58 years
Date of first appointment on the Board	01.04.2026	09.05.2026	09.05.2026
Qualification	Bachelor of Engineering in Electronics, Instrumentation & Controls and a Master of Business Administration in Human Resources	Graduate in Mechanical Engineering	B Tech in Electrical and Electronics
Experience	30 years	35 years	35 years
Details of Experience	Note 1	Note 2	Note 3
Directorship held in other Companies	He is not holding directorship in any company.	HPCL Biofuels Limited	He is not holding directorship in any company.
Membership of Committee	He is member of CSR Committee.	He is not a member of any Committee of the Board.	He is a member of the Nomination & Remuneration Committee of the Board.
No. of Shares held in the Company	He is not holding any shares in the Company.	He is not holding any shares in the Company.	He is not holding any shares in the Company.
Terms and conditions of appointment	He is an executive director (Managing Director) and is entitled to remuneration as approved by the Company. He will not be liable to retire by rotation so long as he continues to be the Managing Director.	He will be liable for retirement by rotation. He will be a non-executive director & chairman and no remuneration is payable by the Company to him.	He will be liable for retirement by rotation. He will be a non-executive director and no remuneration is payable by the Company to him.
Relationship between Directors inter- Se	There is no relationship between the Directors inter se.	There is no relationship between the Directors inter se.	There is no relationship between the Directors inter se.

Attendance at Board meeting:

Sri Pankaj Kumar Meena: For FY 2025-26, Sri Pankaj Kumar Meena was not entitled to attend any Board meeting. For FY 2026-27, till the date of approval this notice by the Board, Sri Pankaj Kumar Meena was entitled to attend three Board meetings all of which he attended.

Sri C Sridhar Goud: For FY 2025-26, under his previous stint on the Board of the Company, Sri C Sridhar Goud attended two out of three Board meetings, which he was entitled to attend. For FY 2026-27, till the date of approval this notice by the Board, Sri C Sridhar Goud was entitled to attend one Board meeting which he attended.

Sri Reji Chacko Mathew: For FY 2025-26, Sri Reji Chacko Mathew was not entitled to attend any Board meeting. For FY 2026-27, till the date of approval this notice by the Board, Sri Reji Chacko Mathew was entitled to attend one Board meeting which he attended.

Note 1:

Effective April 1, 2026, Sri Pankaj Kumar Meena has assumed charge as the Managing Director of Petronet MHB Limited, bringing nearly three decades of experience from his role as Chief General Manager at ONGC.

Throughout his career, Sri Pankaj Kumar Meena has accumulated extensive hands-on expertise across the entire oil and gas value chain, covering both onshore and offshore operations in functions such as production, drilling, engineering, and procurement. Notably, he played a pioneering role in modernizing drilling rigs with advanced digital instrumentation systems and has been a key driver in ONGC's renewable energy sector, leading the incorporation of ONGC Green Limited and handling major mergers and acquisitions. His diverse operational exposure spans key corporate locations including Mumbai, Agartala, Jodhpur, and Delhi.

Academically, Sri Meena holds a Bachelor of Engineering in Electronics, Instrumentation & Controls and an MBA in Human Resources, complemented by advanced management credentials from both IIM Indore and IIM Kozhikode.

Note 2

Sri C Sridhar Goud is Graduate in Mechanical Engineering with 35 years of experience in HPCL. Mr. Goud is currently Executive Director – Integrated Margin Management of Hindustan Petroleum Corporation Limited (HPCL), a Fortune 500 and Navratna Oil Refining & Marketing company in India. Additionally, Sri Goud has been nominated to the Board of HPCL Biofuels Limited as a Director. Prior to this, he was Executive Director Supplies, Operations & Distribution of HPCL. Mr. Goud has a rich and varied professional exposure across entire spectrum of petroleum functions and has held various key positions in Head South Central Zone, Vigilance and Operations & Distribution.

Note 3

Mr. Reji C. Mathew is currently working in Hindustan Petroleum Corporation Limited (HPCL) as Executive Director – Project Monitoring Office (PMO), HQO. He holds a bachelor's degree in Electrical & Electronics engineering from the University of Calicut and has over 35 years of experience in the petroleum industry. He has held many key positions in HPCL and was extensively associated with development, execution and commissioning of several prestigious mega projects in the organisation.

As Executive Director & Site In-charge of HPCL Rajasthan Refinery Limited (HRRL), he was responsible for the execution of the country's first integrated 9-MMTPA Greenfield Refinery cum 2.4 MMTPA Petrochemical Complex in Barmer, Rajasthan and was involved in this project from its nascent development stage. He has also played a key role in the development of capacity expansion cum modernization project in Vishaka Refinery, Andra Pradesh wherein capacity was increased from 9 to 15 MMTPA and distillate yield was increased to 93% by employing the state-of-the-art technology "LC-Max Residue Hydrocracker technology" for the first time in the country.

He has also discharged key responsibilities in operations & maintenance of refinery and was part of the team deputed in the year 2011 to commission the 9 MMTPA grassroot refinery of HPCL Mittal Energy Limited, at Bhatinda, Punjab. He has also served on committees constituted by the Ministry of Petroleum & Natural Gas (MoPNG) and the Bureau of Indian Standards (BIS) contributing to project management, infrastructure development and industry standards.

In his present role, he is responsible for HPCL's capital investment portfolio and monitoring major projects across its Refineries, Marketing, Pipelines, Clean Energy, Joint Ventures, and Subsidiaries. He is also tasked with strengthening of project governance, project management and increasing the usage of digital technology in project monitoring at HPCL.

Item no. 9:

The Board of Directors of the Company, on the recommendations of the Audit Committee, approved the appointment of PKR & Associates LLP, Cost Accountants as Cost Auditor at a remuneration of Rs.50,000/- (Rs. Fifty thousand only) plus applicable taxes plus reimbursement of out-of-pocket expenses incurred for the Audit at actuals to conduct the audit of the cost records of the Company for the financial year ending March 31, 2027.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, have to be ratified by the members of the Company. The Board, therefore, recommend the ordinary resolution for approval by the members.

Relevant documents in respect of the said item are open for inspection by the members at the Registered office of the company on all working days between 10.30AM and 3.30 PM upto the date of the Annual General Meeting or electronically during the AGM.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 9 of the Notice.

The Board recommends the ordinary resolution as set out at item no. 9 for approval by the members.

By order of the Board of Directors

For Petronet MHB Limited

(Sachin Jayaswal)
Company Secretary
Membership no. ACS 18835

Date : **27.08.2026**

Place : Registered office,
Corporate Miller, 2nd Floor, Block B,
332/1, Thimmaiah Road, Vasanth Nagar,
Bengaluru, 560052

Annexure to the Notice of the 28th AGM of Petronet MHB Limited

Details of the director seeking re-appointment at the 28th Annual General Meeting (pursuant to secretarial standard 2 (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is as given below:

Name of the Director	Sri Ramesh Ramasamy	Sri Neeraj Lal
DIN	10304253	10597626
Category of Director	Non - Executive Director	Non – Executive Director
Date of Birth	17.06.1967	05.01.1969
Age	59 years	57 years
Date of first appointment on the Board	05.09.2023	23.04.2024
Qualification	Bachelor of Engineering (Civil)	Bachelor's Degree in Petroleum Engineering and MBA
Experience	36 years	35 years
Details of Experience	As per note 1	As per note 2
Directorship held in other Companies	He is not holding directorship in any other company.	He is not holding directorship in any other company.
Membership of Committee	He is Chairman of the Audit Committee of the Company.	He is Chairman of Nomination & Remuneration Committee of the Company.
No. of Shares held in the Company	He is not holding any shares in the Company.	He is not holding any shares in the Company.
Terms and conditions of appointment	He will be liable for retirement by rotation. He will be a non-executive director and no remuneration is payable by the Company to him.	He will be liable for retirement by rotation. He will be a non-executive director and no remuneration is payable by the Company to him.
Relationship between Directors inter- Se	There is no relationship between the Directors inter se.	There is no relationship between the Directors inter se.

Attendance at Board meetings:

Sri Ramesh Ramasamy: For financial year 2025-26, Sri Ramesh Ramasamy attended all the eight Board meetings which he was entitled to attend. For financial year 2026-27, till the date of approval this notice by the Board he attended all three Board meetings, which he was entitled to attend.

Sri Neeraj Lal: For financial year 2025-26, Sri Neeraj Lal attended six out of eight Board meetings, which he was entitled to attend. For financial year 2026-27, till the date of approval this notice by the Board, he was entitled to attend three meetings, none of which he attended.

Note 1:

Shri Ramesh Ramasamy is currently serving as the Executive Director - Pipelines in the Pipelines Strategic Business Unit (SBU) of Hindustan Petroleum Corporation Limited (HPCL), Shri Ramesh Ramasamy leads the management of HPCL's extensive 5440-kilometer Product pipeline network and 567km of Crude Oil Pipeline. In addition to overseeing the day-to-day operations, he also spearheads the execution of pipeline projects that span 740 kilometers.

A graduate in Civil Engineering from Madras University, Shri Ramesh Ramasamy has played a pivotal role in the design, acquisition, and execution of major hydrocarbon pipeline projects at HPCL. With over 36 years of work experience, Shri Ramesh Ramasamy brings a wealth of expertise in pipeline project execution and pipeline operations. His extensive experience encompasses the setup of pump stations, mainline cross-country pipelines, receiving stations, terminals, and more.

He has been involved in the feasibility study of cross-country pipeline projects and other various technical designs. He has been instrumental in Identifying projects / initiatives with high returns, conceptualizing, obtaining approval and execution of Vijayawada Dharmapuri Pipeline Project (VDPL, 700km), Hassan Cherlapalli LPG Pipeline (HCPL, 649km), Barmer Palanpur Pipeline (BPPL, 210km), Bathinda Sangrur Pipeline (BSPL, 90km) & Haldia Panagarh LPG Pipeline (200 km) projects.

He has served as COO of IHB (JV of IOCL, HPCL, BPCL) which is executing 2810 kms world's longest Kandla Gorakhpur LPG Pipeline.

He has led the teams as Project Incharge for execution and commissioning of Mangalore Hassan Bengaluru LPG Pipeline (356km) project overcoming the challenging terrain of Western Ghats and Uran Chakan Shikrapur LPG Pipeline project (169km) and has also executed various cross-country projects of HPCL like the Visakh Vijayawada Pipeline, Vijayawada - Secunderabad Pipeline, Mundra Delhi Pipeline, Capacity Augmentation of Mumbai Pune Solapur Pipeline including Ghat Section pipeline replacement.

His innovative mindset has led to significant advancements and first in Industry initiatives such as Special Cut Naphtha utilization, capacity enhancement through cost-effective solutions, pioneering Optical Fiber Cable (OFC)-based Pipeline Intrusion Detection System (PIDS) implementation, development & deployment of Corrosion Inhibitor for LPG Pipelines, Pumping of low RON MS & Gasohol in Pipelines.

Note 2:

Sri Neeraj Lal has spent 35 years working in ONGC, starting his career at Hazira Gas Processing Complex as a Production Engineer. In his ONGC Career, he has served in a variety of senior management and executive positions in Processing Plants, Onshore Business Assets, Corporate leadership Positions and Offshore Business Assets. Currently Sri Neeraj Lal is posted as Executive Director B&S Asset, ONGC.

Previously, Sri Neeraj Lal was posted as Group General Manager, Surface Manager responsible for managing Upstream Surface Production Operations of Neelam and Heera Asset in Western Offshore at Mumbai. He has also worked as Chief Executive Assistant to Director (Production) where he was responsible for assisting the Director in overseeing ONGC's Upstream Activities for both Onshore & Offshore Assets across the country.

Prior to that role he was Area Manager at Tripura Asset managing production from gas fields at Tripura. He also headed the Facility Engineering Group responsible for providing engineering solutions for upstream production project activities.

Sri Neeraj Lal served the Executive Office of Chairman, ONGC in 2015, responsible for guiding development of company's strategies and oversaw the company's interest in JV Companies. Earlier he was Executive Assistant to Director (Offshore) providing support for the Offshore business Units.

He earned a Bachelor's Degree in Petroleum Engineering from IIT (ISM) Dhanbad and holds a Master's in Business Administration from FORE School of Management, New Delhi.

(Sachin Jayaswal)
Company Secretary
Membership no. ACS 18835

Date: 27.08.2026

BOARD'S REPORT

TO THE MEMBERS

On behalf of the Board of Directors of your Company, I have the pleasure in presenting the 28th Annual Report on the business and operations of the Company together with the Audited Financial Statements of the Company for the Financial Year 2025-26 and the Auditors' Reports and Comments of Comptroller & Auditor General of India (C&AG).

It is a matter of great pleasure that the Company completed 23rd year of successful business operations during 2025-26. During the year, your Company recorded growth of 22.47% in Revenue from Operations and 39.90% in Profit After Tax compared to previous year. The key financial highlights of your company are given below:

1. FINANCIAL HIGHLIGHTS:

Rs. in Crore

Particulars	Year 2025-26 (Audited)	Year 2024-25 (Audited)
Operating Income	199.45	162.85
Interest & Other Income	35.30	43.20
Total Income	**234.75**	**206.05**
Operating Expenses	60.71	47.99
Exceptional Items – Settlement of Legal claims	0.00	24.03
Operating Profit	**174.04**	**134.03**
Interest Expense	6.34	7.62
Net Profit	**167.70**	126.41
Depreciation	14.98	14.42
Net Profit before Taxation (PBT)	**152.72**	**111.99**
Prov. for Taxation: Current Tax Deferred Tax	 40.22 (3.67)	 30.18 (1.23)
Profit after Taxation (PAT)	**116.17**	**83.04**
Other comprehensive income	0.02	(0.05)
Total Comprehensive Income for the period	**116.19**	**82.99**
Balance brought forward from previous financial year	35.85	40.93
Amount available for Appropriation	152.04	123.92
Dividend Paid	**105.90**	**88.07**
Balance carried forward	**46.14**	**35.85**
Shareholders' Value (Amount in Rs.)		
Earnings per Share	2.12	1.51
Book Value per Share	**10.84**	**10.65**

The financial results of your Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

2. PHYSICAL PERFORMANCE:

Your Company achieved its highest-ever throughput of 4.065 million metric tonne (MMT) during FY 2025-26, registering a growth of 2.4% over the previous year's throughput of 3.971 MMT in FY 2024-25. The location-wise performance details for the Hassan and Devangonthi Stations are outlined below:

Year	Unit of measurement	Hassan Station Delivery	Devangunthi Station Delivery	Total Delivery
2025-26	Million Metric Tonne	2.926	1.139	**4.065**
2024-25	Million Metric Tonne	3.412	0.559	**3.971**

For the FY 2025-26**:**

a) Capacity utilization of pipeline is 73% with respect to authorized capacity of 5.600 MMTPA.

b) Energy consumption is 66 BTU/MT-KM as against Standard energy consumption range of 50 BTU to 135 BTU.

c) Power cost is 15 paisa per MT - KM which is reasonable.

d) Operating cost is 32 paisa / MT-KM which is reasonable.

e) Per employee revenue and PAT contribution is Rs. 6.34 Crore and Rs. 3.14 Crore respectively.

f) Savings in power cost is Rs. 3.74 Cr. with optimum use of captive solar power generation of Rs. 3.18 Cr. & power purchase from IEX of Rs. 0.56 Cr.

3. SAFETY MEASURES:

During the financial year, the Company implemented several key initiatives to enhance pipeline integrity, operational safety, environmental sustainability, and digital infrastructure.

A. Safety & Pipeline Integrity

a) Emergency Preparedness: Conducted periodic offsite mock drills in collaboration with District & Factory Authorities, the Department of Fire & Emergency Services, Police Officials, and mutual aid members to ensure robust crisis response.

b) Intelligent Pigging: Successfully completed the second Intelligent Pigging Survey across the entire pipeline stretch from Mangalore to Bangalore to monitor and ensure pipeline integrity.

c) AI-ML Integration: Partnered with the Indian Institute of Science (IISc), Bangalore, to develop a baseline AI-ML solution dedicated to pipeline integrity and security management.

B. Infrastructure & Operational Capacity Restoration

a) Efficiency Optimization: Installed and commissioned Drag Reducing Agent (DRA) pumping skids at the Mangalore, Neriya, and Hassan facilities.

b) Power Augmentation: Contract power demand across key locations increased as given below to restore the pipeline's authorized capacity to 5.60 MMTPA:

- Mangalore: Increased from 1.0 MVA to 2.0 MVA
- Neriya: Increased from 3.50 MVA to 4.70 MVA
- Hassan: Increased from 0.150 MVA to 1.20 MVA

C. Sustainability & Energy Efficiency

a) Net-Zero Roadmap: Approved the strategic "Net Zero – 2035" plan for PMHBL to drive long-term decarbonization.

b) Energy-Efficient Cooling system: Commissioned energy-saving Variable Refrigerant Volume (VRV) and Variable Refrigerant Flow (VRF) air conditioning systems at the Hassan and Devangunthi stations.

c) Innovative Green Power Solutions: Successfully installed & commissioned Solar-Charged Lithium Iron Phosphate Battery Energy Storage Systems (BESS) across eight Sectionalizing Valve (SV) stations (SV-1, SV-2, SV-3, SV-5, SV-6, SV-7, SV-8, and SV-9). This advanced BESS system replaced the traditional Diesel Generator sets and reduced the localized carbon emissions and enhanced the equipment performance and longevity through the delivery of clean and regulated power.

D. Corporate Digitalization

a) Developed and successfully deployed digital modules on the cloud as part of the Corporate Digitalization Program to streamline the Company activities.

4. ISO CERTIFICATION:

To ensure alignment with global institutional frameworks, your Company continues to operate under rigorous international management standards. During the financial year, the Company successfully secured recertification for its core pillars of operations, sustainability, and safety, while sustaining its recently adopted cybersecurity framework. The certified standards currently in force are:

(a) ISO 9001:2015 (QMS): Quality Management System: Ensures consistent quality in our operations, services, and stakeholder management through robust process controls.

(b) ISO 14001:2015 (EMS): Environment Management System: Affirms our commitment to minimizing our environmental footprint, preventing pollution, and complying with stringent environmental regulations.

(c) ISO 45001:2018 (OHSMS): Occupational Health & Safety Management System: Reflects the "Safety First" culture by providing a safe and healthy workplace, preventing work-related injury, and proactively improving health and safety performance.

(d) ISO 50001:2018 (EnMS): Energy Management System: Underscores our dedication to energy efficiency, optimization, and the reduction of greenhouse gas emissions across our operations.

(e) ISO/IEC 27001:2022 (ISMS): Information Security Management System: Validates our robust digital infrastructure and data security frameworks, ensuring the confidentiality, integrity and availability of corporate information assets.

These certifications collectively provide our stakeholders and clients with independent assurance of our operational reliability, risk mitigation capabilities and adherence to sustainable business practices.

5. AWARDS AND RECOGNISITION:

During the financial year 2025-26, your Company's commitment to operational excellence, workplace safety and sustainable community development was recognized through several institutional accolades viz:

a. Project Leadership: Conferred with the Best National Project Leader Award 2025 by the Project Management Associates (PMA), acknowledging outstanding execution and governance in projects.
b. Occupational Safety: Conferred with the Uttama Suraksha Puraskara by the National Safety Council (NSC), Karnataka Chapter, validating the Company's workplace safety protocols.
c. Corporate Social Responsibility: Conferred with the Best CSR Award by the Greentech Foundation, in recognition of our impactful and transformative community welfare initiatives.

6. SUSTAINABILITY & NET ZERO EMISSIONS:

Your Company is committed to de-carbonizing its midstream operations through a combination of clean energy adoption and resource optimization. As operating a cross-country underground petroleum pipeline requires a continuous, highly reliable power supply, transitioning to renewable energy is our primary focus for carbon reduction.

Your Company has operationalized a total of 3,828 KWp of solar power installations across our pipeline stations located at Mangalore, Hassan, and Devangonthi. These solar plants currently generate clean energy equivalent to ~16% of our total operational power requirements. This green power effectively neutralizes a significant portion of our Scope 2 emissions, substituting fossil-fuel-generated grid energy with clean, sustainable power.

Your Company has also installed and commissioned Solar power charged Battery Energy Storage System (Lithium phosphate Battery Banks) at 8 SV stations (SV1, 2,3,5 6,7,8 and SV 9) in place of conventional DG sets enhancing performance of equipment due to clean regulated power supply.

Your Company pledges to reach Net-Zero emissions by 2035. We are actively mapping out long-term decarbonization pathway, focusing on energy efficiency across all pumping stations and exploring sourcing of green power for the Company.

7. STATE OF COMPANY AFFAIRS:

During the FY 2025-26, the Company shifted its strategic focus toward sustainable, long-term value creation through operational efficiency and human resource development.

By actively addressing the technical and business challenges, the Company successfully stabilized and enhanced pipeline throughput. On the business front, proactive alignment and engagement with industry players led to a robust thruput and strong financial performance, continuing to generate sustainable, long-term value for our investors.

During FY 2025-26, the total capital expenditure of your Company was Rs. 13.34 Crore.

8. DETAILS OF MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT:

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

9. CHANGE IN NATURE OF BUSINESS:

There is no change in nature of business during the financial year ended 31.03.2026.

10. SUBSIDIARIES, ASSOCIATES & JOINT VENTURES:

The Company does not have any subsidiary, joint venture or associate company as on the end of the financial year on 31.03.2026. During the financial year ended 31.03.2026, no company has become or ceased to be subsidiary, joint venture or associate company of your Company. Your Company is a subsidiary (unlisted) of the Oil and Natural Gas Corporation Limited (ONGC). As the Company does not hold any interest in any subsidiary, associate, or joint venture company as on March 31, 2026, the disclosure of salient features of financial statements of subsidiaries/associate companies/joint ventures in Form AOC-1 is not applicable to the Company.

11. DIVIDEND:

During the financial year 2025–26, the Company declared and paid two interim dividends totaling ₹105.90 crore (19.30%). The first interim dividend of 6.50% (₹35.67 crore) was declared on October 17, 2025 and paid on 24.10.2025. The second interim dividend of 12.80% (₹70.23 crore) was declared on January 23, 2026, and paid on January 28, 2026.

No further dividend is proposed for FY 2025-26.

12. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to Section 125 of the Companies Act 2013 there is no unpaid or unclaimed fund in the Company, to be transferred to IEPF. Hence the Company has not made any such transfer to IEPF.

13. TRANSFER TO RESERVES:

Your Company has neither proposed nor transferred any funds to reserves during the financial year.

14. CHANGES IN CAPITAL STRUCTURE:

There is no change in Share Capital of the Company during the financial year 2025-26.

15. SHARE CAPITAL:

There is no change in the paid-up share capital during FY 2025-26. The Paid-up Equity Share Capital of the Company as on March 31, 2026 was Rs. 548,70,72,640 comprising of 54,87,07,264 equity shares of Rs. 10 each.

During the year under review, your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity. The Company has not issued any preference shares or debentures during the year. Furthermore, no redemption of preference shares or debentures was due during FY 2025-26 and there were no variations in the rights of any shareholder.

16. DIRECTORS & KEY MANAGERIAL PERSONNEL:

The Board of your company as on the date of this report comprises of following Directors:

1. Sri C. Sridhar Goud, Chairman (with effect from 09.05.2026)
2. Sri Pankaj Kumar Meena, Managing Director (with effect from 01.04.2026)
3. Sri Subodh Batra, Director
4. Sri Ramesh Ramasamy, Director
5. Smt. Pinky Rai, Director
6. Sri Neeraj Lal, Director
7. Sri Deepak Padmanabhan Nayar Prabhakar, Director (with effect from 23.07.2025)
8. Sri Reji Chacko Mathew, Director (with effect from 09.05.2026)

As on 31.03.2026, the Board comprised of Sri Anuj Kumar Jain, Chairman, Sri Sudhir Kumar, Managing Director and the Directors namely Sri Subodh Batra, Sri Ramesh Ramasamy, Smt. Pinky Rai, Sri Neeraj Lal, Sri Deepak Padmanabhan Nayar Prabhakar and Sri Debasish Basak. Being a Government Company, the provisions of section 164 (2) of the Companies Act, 2013 are not applicable in terms of MCA Notification No. G.S.R. 463(E) dated June 5, 2015.

In line with Section 203 of the Companies Act, 2013, Sri Pankaj Kumar Meena, Managing Director, Sri Chandan Kumar Das, Chief Financial Officer and Sri Sachin Jayaswal, Company Secretary are the Key Managerial Personnel as on the date of this report.

17. CHANGES IN DIRECTORSHIP:

In view of change in nomination by Oil and Natural Gas Corporation Limited (ONGC), Sri Pankaj Kumar Meena was appointed as Additional Director and Managing Director with effect from 01.04.2026 in place of Sri Sudhir Kumar who resigned and ceased to be Managing Director with effect from 01.04.2026.

In view of Change in nomination by Hindustan Petroleum Corporation Limited (HPCL) Sri C. Sridhar Goud was appointed as Additional Director and Chairman with effect from 09.05.2026 in place of Sri Anuj Kumar Jain, who resigned and ceased to be Chairman/ Director with effect from 09.05.2026.

It may be noted that Sri C. Sridhar Goud previously served as a director until July 26, 2025 and due to a change in nomination by Hindustan Petroleum Corporation Limited (HPCL), he concluded his tenure at which point Sri Debasish Basak was nominated by HPCL, joining as an Additional Director on August 1, 2025 and regularized as director at the 27th AGM on September 22, 2025.

Further, in view of Change in nomination by Hindustan Petroleum Corporation Limited (HPCL) Sri Reji Chacko Mathew was appointed as Additional Director with effect from 09.05.2026 in place of Sri Debasish Basak, who resigned and ceased to be Director with effect from 09.05.2026.

Sri Deepak Padmanabhan Nayar Prabhakar, nominated by ONGC was appointed as Additional Director with effect from 23.07.2025 and regularized as director at the 27th AGM on September 22, 2025 in place of Sri Basavarajappa Sudharshan who resigned and ceased to be Director with effect from 01.07.2025.

At the forthcoming Annual General Meeting, the Board recommends the appointment of Sri Pankaj Kumar Meena as Managing Director. Additionally, the Board recommends the appointment of Sri C. Sridhar Goud and Sri Reji Chacko Mathew as Directors of the Company.

The Board places on record its appreciation for valuable contribution made by Sri Anuj Kumar Jain, Sri Sudhir Kumar, Sri Debasish Basak and Sri Basavarajappa Sudharshan during their tenure on the Board of the Company.

18. RE-APPOINTMENT OF DIRECTORS:

As per Section 152 of the Companies Act, 2013, Sri Ramesh Ramasamy (DIN: 10304253) and Sri Neeraj Lal (DIN: 10597626), are the Directors who will retire by rotation at the ensuing Annual General Meeting and being eligible, seek re-appointment. The Board recommends their re-appointment.

19. INDEPENDENT DIRECTORS:

Pursuant to MCA notification dated 05.07.2017, Petronet MHB Limited, being a joint venture Company of Hindustan Petroleum Corporation Limited (HPCL) and Oil and Natural Gas Corporation Limited (ONGC), is not required to have Independent Directors on the Board of the Company under the Companies Act 2013. Accordingly, no independent director is appointed on the Board of the Company.

20. BOARD MEETING DETAILS:

Eight meetings of the Board of Directors were held during the financial year 2025-26 as per details given below:

Sl. No	Particulars	Date of Meeting	Mode of holding the meeting
1	157th Board meeting	19.04.2025	Physical
2	158th Board meeting	25.04.2025	Video Conference
3	159th Board meeting	25.07.2025	Physical
4	160th Board meeting	20.08.2025	Physical
5	161st Board meeting	17.10.2025	Physical
6	162nd Board meeting	17.11.2025	Video Conference
7	163rd Board meeting	19.01.2026	Physical
8	164th Board meeting	23.03.2026	Physical

Given below are the details of attendance of each Director at the Board Meeting during FY 2025-26:

Sl. No.	Name of Director	No. of Board meetings entitled to attend	No. of Board meetings attended
1	Sri Anuj Kumar Jain	8	8
2	Sri Sudhir Kumar	8	8
3	Sri Subodh Batra	8	8
4	Sri Ramesh Ramasamy	8	8
5	Smt. Pinky Rai	8	8
6	Sri Neeraj Lal	8	6
7	Sri Deepak Padmanabhan Nayar Prabhakar	6	5
8	Sri Debasish Basak	5	4
9	Sri Basavarajappa Sudharshan	2	1
10	Sri C. Sridhar Goud	3	2

21. AUDIT COMMITTEE COMPOSITION & MEETINGS:

As on 31.03.2026, the Audit Committee of the company comprised of three directors namely of Sri Ramesh Ramasamy (Chairman), Sri Subodh Batra (Member) & Sri Neeraj Lal (Member). The composition of the Audit Committee as on the date of this report comprise remains the same. The Audit Committee, at its 95th meeting held on 22.04.2026 reviewed and recommended the annual financial statements for the year 2025-26, before its approval by the Board. During the year, all the recommendations of the Audit Committee were accepted by the Board.

Five meetings of the Audit Committee were held during the financial year 2025-26 as per details given below:

Sl. No.	Particulars	Date of meeting	Mode of holding the meeting
1	90th Audit Committee meeting	19.04.2025	Physical
2	91st Audit Committee meeting	25.07.2025	Physical
3	92nd Audit Committee meeting	17.10.2025	Physical
4	93rd Audit Committee meeting	19.01.2026	Physical
5	94th Audit Committee meeting	23.03.2026	Physical

The details of the attendance of the Audit Committee meetings during FY 2025-26 are as follows:

Sl. No.	Name of Member of the Committee	No. of Audit Committee meetings entitled to attend	No. of Audit Committee meetings attended
1	Sri Ramesh Ramasamy	5	5
2	Sri Subodh Batra	5	5
3	Sri Neeraj Lal	4	3
4	Sri Basavarajappa Sudharshan	1	1

22. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE) COMPOSITION & MEETINGS:

As on 31.03.2026, the CSR Committee comprised of three directors namely Sri Subodh Batra (Chairman), Smt. Pinky Rai (Member) & Sri Sudhir Kumar (Member). The CSR Committee as on the date of this report comprise of Sri Subodh Batra (Chairman), Smt. Pinky Rai (Member) & Sri Pankaj Kumar Meena (Member).

Two meetings of the CSR Committee were held during FY 2025-26 as per details given below:

Sl. No	Particulars	Date of meeting	Mode of holding the meeting
1	24th CSR Committee meeting	18.04.2025	Physical
2	25th CSR Committee meeting	18.03.2026	Video Conference

The CSR Committee at its 26th meeting on 22.04.2026 reviewed and recommended the annual report on CSR for FY 2025-26 before the same was approved by the Board.

The details of the attendance of the CSR Committee during FY 2025-26 are as follows:

Sl. No.	Name of Member of the Committee	No. of CSR Committee meetings entitled to attend	No. of CSR Committee meetings attended
1	Sri Subodh Batra	2	2
2	Sri Sudhir Kumar	2	2
3	Smt. Pinky Rai	2	2

23. NOMINATION & REMUNERATION COMMITTEE (NRC) COMPOSITION & MEETINGS:

As on 31.03.2026, the NRC comprised of three members namely Sri Neeraj Lal (Chairman), Sri Deepak Padmanabhan Nayar Prabhakar (Member) and Sri Debasish Basak, (Member). The NRC as on the date of this report comprise of Sri Neeraj Lal (Chairman), Sri Deepak Padmanabhan Nayar Prabhakar (Member) and Sri Reji Chacko Mathew (Member).

Four meetings of the NRC were held during 2025-26 as per details given below:

Sl. No	Particulars	Date of meeting	Mode of holding the meeting
1	29th N&R Committee meeting	18.04.2025	Physical
2	30th N&R Committee meeting	25.07.2025	Physical
3	31st N&R Committee meeting	14.10.2025	Video Conference
4	32nd N&R Committee meeting	23.03.2026	Physical

The details of the attendance of the N&R Committee during FY 2025-26 are as follows:

Sl. No.	Name of Members of the Committee	No. of NRC meetings entitled to attend	No. of NRC meetings attended
1	Sri Neeraj Lal	4	4
2	Smt. Pinky Rai	2	2
3	Sri Deepak Padmanabhan Nayar Prabhakar	2	2
4	Sri C Sridhar Goud	2	2
5	Sri Debasish Basak	2	2

24. ANNUAL GENERAL MEETING (AGM) DETAILS:

The details of previous three AGMs are as given below:

Year	Location	Date & time of AGM
2024-25	Through Video Conference/Other Audio Visual Means, Deemed Venue: Corporate Miller, 2nd Floor, Block B, 332/1, Thimmaiah Road, Vasanth Nagar, Bangalore 560052	22nd Sep. 2025 at 11.00 AM (IST)
2023-24	Through Video Conference/Other Audio Visual Means, Deemed Venue: Corporate Miller, 2nd Floor, Block B, 332/1, Thimmaiah Road, Vasanth Nagar, Bangalore 560052	23rd Sep. 2024 at 11.00 AM (IST)
2022-23	Through Video Conference/Other Audio Visual Means, Deemed Venue: Corporate Miller, 2nd Floor, Block B, 332/1, Thimmaiah Road, Vasanth Nagar, Bangalore 560052	22nd Sep. 2023 at 11.00 AM (IST)

No Special Resolution has been passed by the Company in the above AGMs.

The last AGM held on 22nd Sep. 2025 was attended by all the directors viz Sri Anuj Kumar Jain, Chairman, Sri Sudhir Kumar, Managing Director and Directors – Sri Ramesh Ramasamy, Sri Subodh Batra, Sri Neeraj Lal, Smt. Pinky Rai, Sri Deepak Padmanabhan Nayar Prabhakar and Sri Debasish Basak.

25. EXTRAORDINARY GENERAL MEETING (EGM) DETAILS:

No Extraordinary General Meeting (EGM) was held during the Financial Year 2025-26.

26. COMPANY POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION ETC.:

Your Company, being a Government Company is exempted from furnishing information under Section 134(3)(e) of the Companies Act, 2013 vide MCA Notification dated June 05, 2015. However, such a policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website, at https://www.petronetmhbl.com & the same is enclosed as ***Annexure I*** and forms an integral part of this Report.

27. PERFORMANCE EVALUATION OF BOARD:

The evaluation of all the directors, committees, Chairman of the Board, and the Board as a whole, is conducted based on the criteria and framework adopted by the Board. The performance evaluation for the Directors and the Committees for the financial year 2025-26 has been carried out as per the framework approved by the Board.

28. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors State that:

(i) In the preparation of the Annual Accounts for the financial year ended 31st March 2026, the applicable Accounting Standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures, if any;

(ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March 2026 and of the Profit or Loss of the Company for the year ended on that date;

(iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The Directors have prepared the annual accounts on a 'going concern' basis;

(v) The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems are adequate and operating effectively.

29. INTERNAL FINANCIAL CONTROLS & THEIR ADEQUACY:

Your Company has established a framework for Internal Financial Controls (IFC) through appropriate procedures. This framework ensures the orderly and efficient conduct of business operations, adherence to policies, the safeguarding of corporate assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial disclosures.

The framework is commensurate with the nature, scale, and complexity of the Company's operations. The operating effectiveness of these controls is validated through periodic internal assessments and evaluations and tests conducted by the Internal Audit Team.

Based on these assessments, it is confirmed that the Company maintains adequate Internal Financial Controls over Financial Reporting in compliance with the provisions of the Companies Act, 2013, and that such controls operated efficiently and effectively throughout the financial year without any material weaknesses.

Independent Auditors Report on the Internal Financial Controls of the Company in terms of Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 by the Statutory Auditors is placed along with the Financial Statements.

30. LEGAL COMPLIANCE SYSTEM:

The Company maintains a structured framework for the identification and monitoring of all applicable statutory and regulatory compliance requirements. Integrated into our ISO-certified management processes, a centralized Legal Register is maintained to document the governing legislations and standards. This framework is reviewed annually by an external Integrated Management System certification entity, ensuring continuous compliance, risk mitigation, and operational excellence.

The status of legal compliances is compiled on quarterly basis from all the company locations to enable the company secretary place, the status of legal compliances before the Board.

31. CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

The Corporate Social Responsibility Committee (CSR Committee) of the Company has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy of the Company can be accessed at https://www.petronetmhbl.com/ under the tab CSR.

Driven by a commitment to sustainable community development, the Company actively participates in socio-economic projects designed to uplift local populations. Key initiatives during the year focused primarily on healthcare, rural infrastructure development, sanitation, and quality education.

The Annual Report on CSR activities for the Financial Year 2025-26 is annexed as ***Annexure II*** and forms an integral part of this Report

32. VIGIL MECHANISM:

Your Company, being a Government Company, is subjected to the CVC Guidelines. Establishing Vigil Mechanism is not mandatory for the Company as per the Provisions of Section 177 (9) of the Companies Act, 2013 since your company has neither accepted deposits from the public nor has borrowed money from banks and public financial institutions in excess of fifty crore rupees.

33. VIGILANCE FUNCTIONS:

While vigil mechanism under Section 177(9) of the Companies Act, 2013 is not applicable, pursuant to the MOP&NG guidelines dated 19.11.2013, the Company has a vigilance framework whereunder the vigilance administration has been entrusted to Chief Vigilance Officer, Hindustan Petroleum Corporation Limited, with concurrence of Ministry of Petroleum and Natural Gas, Govt. of India.

Complaints are handled as per the complaint handling policies stipulated in Vigilance Manual issued by the Central Vigilance Commission. The prime focus of Vigilance activities has been Preventive and Participative Vigilance by having regular interaction with employees and other stakeholders to spread awareness among the masses.

- Vigilance cases pending as on 01.04.2025 – NIL
- Number of vigilance cases during FY 2025-26 – NIL
- Vigilance cases pending as on 31.03.2026 – NIL

As on the date of this report also, no vigilance case is pending.

34. COMPLIANCE UNDER THE RIGHT TO INFORMATION ACT, 2005:

Your Company adheres to the provisions of the Right to Information Act, 2005, and has established a framework to facilitate the timely disposal of requests received thereunder. A senior-level official has been designated as the Public Information Officer (PIO) to process and manage all applications in accordance with the law.

Relevant statutory disclosures and implementation framework guidelines concerning the RTI Act are publicly accessible on the Company's website at www.petronetmhbl.com.

35. RISK MANAGEMENT:

Your Company has implemented a Board approved Risk Management Policy that institutionalizes a comprehensive framework for proactive risk management. This policy establishes a structured framework designed to identify, assess, prioritize, and mitigate strategic, operational, financial, and compliance-related risks. The Company's risk framework and evolving risk portfolio are subjected to periodic evaluation by the Risk Management Committees, the Audit Committee and the Board.

36. STATUTORY AUDITORS AND AUDIT REPORT:

The Comptroller and Auditor General of India (C&AG) appointed M/s KP Rao & Co., Chartered Accountants, Bengaluru as Statutory Auditors of your Company for the year 2025-26 and they have audited the Accounts for the year 2025-26. There is no qualification, reservation or adverse remark in the Audit Report.

At the 27th Annual General Meeting of the Company, the Board was authorized to fix the remuneration of the Statutory Auditor for the Financial Year 2025-26 and accordingly the Board has fixed remuneration of Rs. 2,75,000 plus out of pocket expenses plus GST at applicable rate for the Statutory Auditor. For the year 2026-27, the appointment of Statutory Auditor by the C&AG is awaited.

37. COMPTROLLER AND AUDITOR GENERAL OF INDIA (C&AG):

The Comptroller and Auditor General of India under Section 143(6)(b), has issued "NIL Comments" on the financial statement of the Company for the year ended March 31, 2026. And the same is attached along with Financial Statements.

38. STATUS OF PENDING AUDIT PARA:

There are no pending Audit Para as on date.

39. SECRETARIAL AUDITORS AND AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Act and the rules made there under, Ms. W.A.L. Maureen was appointed as Secretarial Auditor to conduct Secretarial Audit for the financial year 2025-26. The Secretarial Audit Report (MR3) for the financial year ended March 31, 2026 is annexed herewith marked as ***Annexure III*** to this report and forms an integral part of this report.

There is no qualification, reservation or adverse remark in the Audit Report.

40. MAINTENANCE OF COST RECORDS:

Pursuant to Section 148(1) of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain statutory cost accounts and records. Accordingly, such accounts and records have been duly made and maintained by the Company for the financial year under review.

41. COST AUDITORS:

M/s PKR & Associates LLP, Cost Accountants, were appointed as Cost Auditors of the Company for the financial year 2025-26 at a remuneration of Rs. 50,000/- plus applicable taxes plus reimbursement of out-of-pocket expenses incurred for the Audit at actuals.

42. COST AUDIT REPORT:

M/s Murthy & Co., LLP, the Cost Auditors have carried out the Cost Audit for FY 2024-25 and the Cost Audit Report was filed with the Ministry of Corporate Affairs during the year under review, before the stipulated date of filing.

M/s PKR & Associates LLP, Cost Accountants, have carried out the Cost Audit of the Company for the financial year 2025-26. There is no qualification, reservation or adverse remark in the Audit Report.

43. REPORTING OF FRAUD BY AUDITORS:

During the FY 2025-26, Auditors have not reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report. Hence, no such details are required in this report.

44. DETAILS OF EACH OF ABOVE FRAUD REPORTED TO THE AUDIT COMMITTEE OR THE BOARD DURING THE YEAR:

NIL.

45. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company is committed to providing a safe, secure, and enabling work environment that is free from any form of discrimination or harassment. The Company has constituted Internal Committee across its locations under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) to redress complaints regarding sexual harassment. The Committee has prepared annual report for the year 2025 and submitted the same to the concerned authorities within the prescribed timeline. During the FY 2025-26 the details of complaints received under POSH Act are as follows:

Details of complaint	No. of complaints
No. of complaints pending at the beginning of the year	Nil
No. of complaints received during the year	Nil
No. of complaints disposed of during the year	Nil
No. of complaints pending at the end of the year	Nil
No. of complaints pending for more than 90 days	Nil

46. COMPLIANCE WITH MATERNITY BENEFIT ACT:

In line with the provisions of the Maternity Benefit Act, 1961 (as amended), your Company provides mandatory paid maternity leave and other facilities, wherever applicable. During the financial year under review, no complaints or grievances were received regarding the denial of maternity benefits.

47. ANNUAL RETURN (MGT 7):

Pursuant to the provisions of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for the Financial Year ended March 31, 2026, in Form MGT-7, is hosted on the website of the Company and can be accessed via the web-link: https://www.petronetmhbl.com/corporate-governance-disclosures/

48. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

During the financial year 2025-26, the Company has not given any loans, provided any guarantees or securities, or made any investments covered under the provisions of Section 186 of the Companies Act, 2013. Hence, the disclosure of particulars in this regard is not applicable.

49. RELATED PARTY TRANSACTIONS:

The Company has established a Policy for dealing with Related Party Transactions. All such transactions entered into during FY 2025-26 were with Government Companies, conducted on an arm's length basis and executed in the ordinary course of business. These transactions were in compliance with the applicable statutory provisions of the Companies Act, 2013.

Particulars of contracts or arrangements with related parties for the FY 2025-26 as referred to in Section 188 of the Companies Act, 2013 is provided in specified form AOC-2 as ***Annexure IV*** and forms an integral part of this Report**.**

50. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014:

The Company continues to prioritize sustainability and operational efficiency through active clean energy initiatives, technical upgrades, and cost-optimization across its locations. A detailed report containing the particulars of energy conservation, technology absorption, and foreign exchange earnings and outgo as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed as **Annexure V** and forms an integral part of this Report.

51. MANAGERIAL REMUNERATION & REMUNERATION OF KMP & PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE:

As an unlisted Government Company, your Company is exempt from complying with Section 197 of the Companies Act, 2013 (Chapter XIII) and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, by virtue of the MCA Notification dated June 05, 2015.

The compensation and remuneration of Key Managerial Personnel and employees are structured as per the prescribed DPE guidelines. The payment of Performance Related Pay (PRP) is subject to the approval of the Nomination and Remuneration Committee.

52. DEPOSITS:

Your Company has not been accepting any Deposits, as specified in Section 73 to Section 76 of the Companies Act, 2013 and therefore disclosure of Deposits as required under Rule 8(5)(v) of Companies (Accounts) Rules, 2014 is not applicable.

There are no unpaid or unclaimed deposits as at 31.03.2026. There is no default in repayment of deposits or payment of interest thereon during the year ended 31.03.2026.

53. SECRETARIAL STANDARDS:

Your Company has complied with applicable Secretarial Standards in respect of Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

54. FINANCIAL ACCOUNTING:

The Financial Statements of the Company for FY 2025-26 have been prepared in compliance with the applicable provisions of the Companies Act, 2013 including Indian Accounting Standards (Ind AS).

55. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the financial year 2025-26, no application was made, nor were there any applications or proceedings pending against or by the Company under the Insolvency and Bankruptcy Code, 2016.

56. DIFFERENCES IN THE AMOUNT OF VALUATION UNDER RULE 8(5)(xii) OF COMPANIES (ACCOUNTS) RULES, 2014:

The Company did not avail of any loan facilities during the financial year 2025-26 and no borrowings were outstanding or pending either during the financial year or as of the date of this report.

During the financial year 2025-26, the Company did not enter into any one-time settlement with banks or financial institutions. Accordingly, the disclosure of details regarding differences in valuation at the time of one-time settlement and while taking loans is not applicable.

57. DETAILS OF SIGNIFICANT ORDERS PASSED BY REGULATOR OR COURTS OR TRIBUNAL IMPACTING GOING CONCERN STATUS & COMPANIES OPERATIONS IN FUTURE:

During FY 2025-26, no order has been passed by the regulator or court or tribunal impacting the going concern status of the Company or its operations.

1. PETROLEUM AND NATURAL GAS REGULATORY BOARD ORDERS (PNGRB)

a. TARIFF ORDER:

The PNGRB, vide the Order No. TO/PPPL/2024-25/15 dated 28.11.2024 made revision in tariff to be charged for transportation of Petroleum Product through the pipeline as per which, one-time escalation of 17% (@ 3.40% from 2019-20 till 2023-24, (based on 10-year WPI CAGR from 2013-14 to 2022-23) over the Railway's goods tariff table of railway rate circular No.19 of 2018 was granted on the base tariff with effect from 01.08.2024.

Further, under the said order, for financial year 2025-26, an annual escalation at 3.40% on the existing tariff has been granted with effect from 01.04.2025.

b. PIPELINE CAPACITY:

The pipeline capacity as approved by Petroleum and Natural Gas Regulatory Board (PNGRB) is 5.60 MMTPA.

58. HUMAN RESOURCE & INDUSTRIAL RELATIONS:

Your Company considers its human capital to be its most valuable asset and remains committed to attracting, developing, and retaining talent. To foster an environment of excellence, focus is placed on nurturing a collaborative, transparent, and participative organizational culture that recognizes merit and rewards sustained high performance. The human resource management frameworks are aligned to facilitate continuous skill enhancement and career for all employees. The Company is pleased to report that industrial relations across all locations remained harmonious and cordial throughout the year under review.

In compliance with the statutory disclosure mandates under the Companies (Accounts) Rules, 2014, the gender-wise composition of the Company's permanent employees (including 2 executives on deputation from Promoter Companies) as on March 31, 2026, is detailed below:

- Female – 2 nos.
- Male – 35 nos.
- Transgender – 0 no.

59. ACKNOWLEDGEMENT:

Your directors take this opportunity to gratefully acknowledge the strategic guidance, trust, and continuous support received from the Ministry of Petroleum and Natural Gas (MoPNG), the Petroleum & Natural Gas Regulatory Board

(PNGRB) and the managements of our promoter companies, viz. Hindustan Petroleum Corporation Limited (HPCL) and Oil and Natural Gas Corporation Limited (ONGC).

Further, the Board expresses its gratitude to the Comptroller & Auditor General (C&AG) of India, the Statutory Auditors, Cost Auditors, Secretarial Auditors, Internal Auditors, and other associated professionals for their robust guidance and valued contributions toward maintaining the highest standards of corporate governance.

Your directors also place on record their sincere appreciation for the continuous cooperation and valuable support extended by the Oil Marketing Companies, Mangalore Refinery & Petrochemicals Limited (MRPL) and the communities within which the Company operates.

The consistent growth and operational success of the Company during the year were made possible by the unwavering dedication, hard work and solidarity demonstrated by employees at all levels. Your directors acknowledge their invaluable contribution.

For and on behalf of the Board of Directors

Sd/-
(C. Sridhar Goud)
Chairman
DIN 08466543

Place: Mumbai
Date: 23.07.2026

Annexure I

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING THEIR INDEPENDENCE:

The Nomination and Remuneration Committee and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations. Based on the review the Committee/ Board shall formulate the skills, knowledge and experience to be possessed by the Independent Director on case-to-case basis.

The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same periodically. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director. In addition, the Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013 and should satisfy the criteria of independence, as laid down in Companies Act, 2013.

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES.

Executive Directors:

The Remuneration of Managing Director, PMHBL will be governed as per the terms of deputation of the Promoter Company which has nominated the Managing Director.

Non-Executive Directors:

The non-executive Directors on the Board are executives of PSU ie ONGC/ HPCL/ MRPL and shall neither be eligible for sitting fee nor any other remuneration from the Company.

Independent Directors:

The Independent Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as per following details:

- Rs. 10,000/- per day for meeting of Board of Directors
- In case Committee meetings are on the same day as Board meeting, No sitting fee for the Committee meeting. Otherwise Rs. 5,000/- per day for Committee meeting.

Remuneration to KMP and other employees:

KMP and other employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the approved grade and shall be based on various factors such as job profile, skill sets, seniority, experience etc.

Sd/-
(C. Sridhar Goud)
Chairman

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2025-26

1. Brief outline on CSR Policy of the Company.

The Corporate Social Responsibility Committee formulated and recommended to the Board, a Corporate Social Responsibility Policy bringing out the activities to be undertaken by the Company, which has been approved by the Board.

The company has identified the following five CSR thrust areas:

(i) Promoting health care and sanitation
(ii) Promoting education, employment enhancing vocation skills and livelihood enhancement project
(iii) Promoting Women Empowerment
(iv) Promoting Environmental Sustainability & conservation of Natural Resources
(v) Promoting Rural Development in alignment with other thrust areas.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i)	Sri Subodh Batra	Chairman, CSR Committee & Director	2	2
ii)	Sri Sudhir Kumar	Member, CSR Committee & Managing Director	2	2
iii)	Smt. Pinky Rai	Member, CSR Committee & Director	2	2

3. Provide the web-link(s) where composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

Weblink of Composition of CSR Committee: https://petronetmhbl.com/csr

Weblink of CSR Policy: https://petronetmhbl.com/csr

Weblink of CSR annual action plan: https://petronetmhbl.com/csr

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

Not applicable

5.

Average net profit of the company as per sub-section (5) of section 135	Rs. 1,18,33,09,202
Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 2,36,66,184
Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Rs. 0.00
Amount required to be set-off for the financial year, if any.	Rs. 0.00
Total CSR obligation for the financial year [(b)+(c)-(d)]	Rs. 2,36,66,184

6.

Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	Rs. 2,26,14,412
Amount spent in Administrative Overheads.	Rs. 11,30,721
Amount spent on Impact Assessment, if applicable	Not applicable
Total amount spent for the Financial Year [(a)+(b)+(c)].	Rs. 2,37,45,133
CSR amount spent or unspent for the Financial Year: Amount Unspent (in Rs.)	Nil

Total Amount Spent for the Financial Year (in Rs.)	Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,37,45,133	0.00	--	--	0.00	--

Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
1	2	3
	Two percent of average net profit of the company as per sub-section (5) of section 135	2,36,66,184
	Total amount spent for the Financial Year	2,37,45,133
	Excess amount spent for the Financial Year [(ii)-(i)]	78,949
	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0.00
	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	78,949

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Sub Section (6) of Section 135 (in Rs.)	Balance amount in Unspent CSR Account under Sub Section (6) of Section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to a fund specified under Schedule VII as per second proviso to sub section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1	2022-23	0	0	0	0	0	0	0
2	2023-24	0	0	0	0	0	0	0
3	2024-25	0	0	0	0	0	0	0
	TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes	✓	**No**	

If Yes, enter the number of Capital assets created/ acquired: **25**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity / Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	Construction of 1. Govt. Lower Primary school building 2. Anganwadi School building 3. Mid-day meal kitchen building	572130	24.03.26	46,58,589/-		Govt. Lower Primary school & Govt Anganwadi School, Siddapura.	Govt. Lower Primary school, Siddapura village, Kunigal taluk, Tumkur District, Karnataka. Pin 572130
2	Supply, Installation & Commissioning of On-Grid Rooftop 80kW Solar Power Plant along with Vehicle Parking Shed	574219	24.03.26	61,86,220/-	CSR00000286	The Akshayapatra foundation Kitchen, Mangalore	The Akshayapatra foundation Kitchen, Mangalore 5/1, Near Canara Engineering College, Kodman Village, Benjanapadavu, Meramajalu Grama, Bantwala Taluk, Mangalore-574219
3	Water treatment plant at NITK Surathkal	575025	26.12.25	35,15,578/-	CSR00022737	NITK Surathkal	National Institute of Technology Karnataka, Surathkal, Srinivasnagar, Surathkal, Mangaluru-575025
4	Supply of food delivery vehicle	560022	06.02.26	18,90,000/-	CSR00000286	M/s Akshaya Patra Foundation, Bangalore	The Akshya Patra Foundation, HO: # 72, 3rd Main Road, 1st & 2nd Stage, Yeshwantpur Industrial Suburb, Bangalore-560022
5	Motorized wheel chair/ E mobility vehicles to Divyang students at NITK Surathkal	575025	31.12.25	16,93,220/-	CSR00022737	NITK Surathkal	National Institute of Technology Karnataka, Surathkal, Srinivasnagar, Surathkal, Mangaluru-575025
6	Chain link fencing at District Armed Reserve Force, Penshan Mohalla, Hassan	573 201	28.08.25	6,87,404/-		District Armed Reserve Force, Hassan	District Armed Reserve Force, Penshan Mohalla, Hassan - 573 201
7	Hopper Tipper Dumper for Garbage collection and disposal Gram Panchayat - Maysandra	572 227	17.10.25	6,22,358/-		Gram Panchayat - Maysandra Hobli, Turuvekere, Tumkur District - 572227	Gram Panchayat - Maysandra Hobli, Turuvekere, Tumkur District - 572227

Sl No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity / Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
	Hobli, Turuvekere						
8	Hopper Tipper Dumper for Garbage collection and disposal Gram Panchayat - Melagodu, Hassan	573 220	17.10.25	6,22,359/-		Gram Panchayat - Melagodu, Taluk & District: Hassan - 573220	Gram Panchayat - Melagodu, Taluk & District: Hassan - 573220
9	High Mast Street Lights-05 No's to Puduvettu Grama Panchayath, Belthangady Taluk	574216	27.11.25	4,76,092/-		Puduvettu Grama Panchayath	Puduvettu Grama Panchayath, Puduvettu, Belthangady Taluk, Dakshina kannada-574216
10	Department of School Education, Office of Block Education Officer, Belthangady Desktop Computers – 4 Nos Printer- 04 No's,	574214	27.09.25	3,34,000/-		Department of School Education	Department of School Education Office of Block Education Officer, Belthangady, Dakshina Kannada-574214
11.	Punjalkatte Police station, Belthangady Circle, Desktop computers - 2 No's	574223	26.09.25	1,15,000/-		Punjalkatte Police station	Punjalkatte Police station, Belthangady Circle, NH24, Pilathabettu, Bantwal, Dakshina Kannada District
12	Laboratory Equipments - Stereo Zoom Binocular Research Microscope (2 Nos) College of Agriculture, Karekere, Hassan	573225	16.08.25	2,20,000/-		College of Agriculture, Karekere, Hassan - 573 225	University Of Agricultural Sciences, Mandya College of Agriculture, Karekere, Hassan - 573 225
13	High Mast Street Light-02 No's to Neriya	574228	28.11.25	1,90,437/-		Neriya grama panchayath	Neriya grama panchayath, Neriya village, Belthangady

Sl No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity / Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
	grama panchayath						Taluk, Dakshina kannada-574228
14	High Mast Street Light-02 No's to Hannbal grama panchayath	573165	04.12.25	1,90,437/-		Hannbal grama panchayath	Hannbal grama panchayath, Sakleshpura, Hassan -573165
15	Desktop Computer and Printer to Neriya Grama Panchayath, Neriya Village, Belthangady Taluk, Dakshina Kannada-574228	574228	27.09.25	83,500/-		Neriya Grama Panchayath	Neriya Grama Panchayath, Neriya Village, Belthangady Taluk, Dakshina Kannada-574228
16	Desktop Computer and printer to Belthangady Police station, Taluk Office Road, Belthangady, Dakshina Kannada-574214	574214	26.09.25	83,500/-		Belthangady Police station	Belthangady Police station, Taluk Office Road, Belthangady, Dakshina kannada-574214
17	Desktop Computer and Printer to Dharmasthala Police station, Belthangady Circle, Bantwal Sub Division, Dharmasthala, Dakshina kannada-574216	574216	27.09.25	83,500/-		Dharmasthala Police station,	Dharmasthala Police station, Belthangady Circle, Bantwal Sub Division, Dharmasthala, Dakshina kannada-574216
18	Water Purifier	574265	30.10.25	83121.5		Govt High School, Kavalakatte	Govt High School, Kavalakatte, Bantwal Taluk, Dakshina Kannada 574265
19	Water Purifier	575015	30.10.25	83121.5		DKZP Higher primary schools, Marakada	DKZP Higher primary schools, Marakada, Kunjathabail, Mangalore North 575015

Sl No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity / Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
20	Water Purifier	574233	30.10.25	83121.5		Karnataka public school, Punjalkatte	Karnataka public school, Punjalkatte, Belthangady 21Taluk, Dakshina Kannada 574233
21	Water Purifier	574265	30.10.25	83121.5		DKZP higher primary school, Kavalamoodur	DKZP higher primary school, Kavalamoodur, Bantwal Taluk, Dakshina Kannada 574265
22	Water Purifier	574233	30.10.25	83121.5		DKZP higher primary school, Badagakajekaru	DKZP higher primary school, Badagakajekaru, Bantwal Taluk, Dakshina Kannada 574233
23	Water Purifier	574224	30.10.25	83121.5		Gramapanchayath madanthyar, Belthangady	Gramapanchayath madanthyar (Parenky & Kukkala Village), Belthangady Taluk, Dakshina Kannada 574224
24	Water Purifier	574162	30.10.25	83121.5		Govt pre university college, Muttur	Govt pre university college, Muttur, Post Kolavur, Mangalore Taluk, Dakshina Kannada 574162
25	Water Purifier	574233	30.10.25	83121.5		Govt PU college, Punjalkatte	Govt PU college, Punjalkatte, Belthangady Taluk, Dakshina Kannada 574233

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.

Not applicable as the Company has spent two percent of the average net profit as per subsection (5) of section 135.

Sd/-	**Sd/-**
Pankaj Kumar Meena	**Subodh Batra**
Managing Director	**Chairman, CSR Committee**

Date: 22.04.2026

Sd/-
(C. Sridhar Goud)
Chairman

Project wise list of CSR expenditure for FY 2025-26 by Petronet MHB Limited

Sl. No.	Location	Category	CSR Activity	District	Quantity (Nos)	Amount spent (Rs.)
1	Devangonthi	Rural Development	Kunigal School - Construction of Anganwadi, Primary School and Kitchen buildings	Tumkur	3 buildings	46,58,589
3	Devangonthi	Eradication of hunger, poverty and malnutrition	Akshayapatra - Food delivery vehicle	Bengaluru	1 no	18,90,000
4	Hassan	Animal Welfare	Supply, fabrication and erction of structure and chain link fence	Hassan	1 unit	6,87,404
5	Hassan	Education	Laboratory Equipment - Stereo Zoom Binocular Research Microscope	Hassan	2 Nos	2,20,000
6	Hassan	Sanitation	Waste Disposal Vehicles	Tumkur	2 Nos	12,44,717
7	Mangalore	Providing Safe Drinking Water	NITK - Water Treatment plant equipment for entire campus (approx 7000 students and 1600 faculty)	Dakshina Kannada	10 Lakh LPD	35,15,578
8	Mangalore	Eradication of hunger, poverty and malnutrition	Upgradation of Akshayapatra Kitchen with Renewable Energy and allied facilities	Dakshina Kannada	80 KW	61,86,220
9	Mangalore	Facilities for differently abled	NITK - E Mobility (For 40 students)	Dakshina Kannada	7 Motorised Wheel Chairs and 25 E-Cycles	16,93,220
10	Mangalore	Providing Safe Drinking water	Water Purifiers to schools	Dakshina Kannada	14 Nos	6,64,972
11	Neriya	Rural Development	Supply and installation of High Mast Street lights	Dakshina Kannada	9 Nos	8,56,966
12	Neriya	Rural Development	Desktop Computer & Printers	Dakshina Kannada	11 Nos Desktops and 7 Nos Printers	6,99,500
13	Neriya	Education	Misc CSR activities like AMCs for previously sponsored PCs etc			32,247
14	Hassan	Maintaining Quality of Soil	Farmers Training on “Soil-Borne Insect and Disease Management Using Bio Control Agents”	Hassan	1 training program for 50 farmers	1,50,000
15	Mangalore	Eradication of hunger, poverty and malnutrition	Providing Morning Nutrition to Govt Schools children through Akshaya Patra Foundation Mangalore	Mangalore	23000 Morning meals	1,15,000
			Total Amount			**2,26,14,412**
			Admin Charges @ 5%			11,30,721
			Grand Total			**2,37,45,133**

Sd/-	**Sd/-**
Pankaj Kumar Meena	**Subodh Batra**
Managing Director	**Chairman, CSR Committee**

Date: 22.04.2026

Annexure III

FORM MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

PETRONET MHB LIMITED
Corporate Miller, 2nd Floor
Block B, 332/1, Thimmaiah Road
Vasanth Nagar, Bengaluru – 560052
CIN: U85110KA1998GOI024020

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. PETRONET MHB LIMITED (CIN: U85110KA1998GOI024020)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

The Company is:

(a) An Unlisted Public Company (as defined in Section 2(71) of the Companies Act 2013)

(b) A Joint Venture Company with exemption from appointment of Independent Directors, as per Rule 4 (2) of the Companies (Appointment and Qualification of Directors) Rules 2014, as amended.

(c) Not required to constitute Audit Committee and Nomination and Remuneration Committee as it is not covered under Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 pursuant to Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

(d) Required to have a woman director in its Board in accordance with Rule 3 of Companies (Appointment and Qualifications of Directors) Rules, 2014

(e) A Government Company (as defined in Section 2(45) of the Companies Act, 2013) with exemptions from some of the provisions of the Companies Act, 2013 as per Notification No. GSR 463(E), dated 05.06.2015 issued by the Ministry of Corporate Affairs, as amended and

(f) A Subsidiary Company of Oil and Natural Gas Corporation Limited (Government Company) (as defined in Sec 2 (87) of the Companies Act 2013.

(g) Subject to supplementary Audit by the Comptroller and Auditor General of India.

(h) an Unlisted Public Company, hence the provisions of Securities and Exchange Board of India Act, 1992 ('SEBI Act') and Regulations and Guidelines prescribed thereunder are not applicable to the Company.

The Company is engaged in the business of transportation of Petroleum products through pipeline system and it is required to comply with the applicable provisions of safety and related laws for transportation of hazardous substances/materials.

Management's Responsibility for Secretarial Compliances:

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Secretarial Auditor's Responsibility:

My responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on, 31st March, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Memorandum and Articles of Association of the Company;

(iii) The Securities Contract (Regulation) Act, 1956 (SCRA) and the Rules made thereunder; (Not applicable to the Company during the audit period)

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(v) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. There were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the financial year under Report.

(vi) I further report that, having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following Laws applicable specifically to the Company:

a) Environment (Protection) Act, 1986, amended 2018 & Rules 1986 amended 2023

b) Petroleum Act, 1934 amended 1977, Petroleum Rules 2002 amended 2024

c) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 amended 2021.

d) Petroleum and minerals pipelines (Acquisition of right of user inland) Act, 1962 amended 2011

e) Petroleum and Natural Gas Regulatory Board Act, 2006 with rules & regulations.

f) Petroleum & Natural Gas Regulatory Board (levy of fee and other charges) Regulations, 2007 and other allied acts

g) The Hazardous & other Waste (Management & Transboundary movement) Rules, 2016 amended 2024

h) Forest (Conservation) Act, 1980

i) Codes of Practices for Emergency Response and Disaster Management Plan (ERDMP), 2010 under PNGRB regulations.

I have also examined compliance with the applicable clauses of Secretarial Standards with regard to meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and state that during the period under review the Company has complied with the provisions of the Companies Act 2013, rules, regulations, standards, etc.

Accordingly, I state that during the period under review there were adequate systems and processes in place to monitor and ensure compliance with various applicable laws and that the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc., mentioned above.

I have not examined compliance by the Company with respect to:

1) Applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditors and other designated professionals.

2) Listing Agreement with the Stock Exchange(s) and the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as the company is an Unlisted Public Company.

I further report that the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

As per the minutes of the Board Meetings duly recorded and signed by the Chairman, the decisions at the Meetings were unanimous and no dissenting views have been recorded.

I further report that based on the statutory compliance reports obtained by the management and taken on record at the Board Meetings, there were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The Company has constituted the following Board Level Committees:

(i) Audit Committee

(ii) CSR Committee

(iii) Nomination and Remuneration Committee

There were no amendment/modification of the Memorandum and Articles of Association of the Company during the period under report.

I have also examined the adequacy of systems and processes to monitor and ensure Compliance with the provisions of other applicable Laws such as Indian Contracts Act, Labour Laws and Industrial Laws report that there are adequate systems and processes are in place in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable other laws, rules, regulations and guidelines.

I further report that, during the audit period there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs in pursuance of the above referred laws, rules etc.

Sd/-

Maureen Anjula Lavanya Williams
Practicing Company Secretary
ACS No: A19147,
CP No: 18334
UDIN: A019147H000665617
Peer Review No.4582/2023

Date: 22-06-2026
Place: Bangalore

Enclosed: This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,

The Members

PETRONET MHB LIMITED
Corporate Miller, 2nd Floor,
Block B, 332/1, Thimmaiah Road
Vasanth Nagar, Bengaluru – 560052
CIN: U85110KA1998GOI024020

My report of even date is to be read along with this letter.

1) Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2) I have followed the audit practices and process as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5) The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Maureen Anjula Lavanya Williams
Practicing Company Secretary
ACS No: A19147,
CP No: 18334
UDIN: A019147H000665617
Peer Review No.4582/2023

Date: 22-06-2026
Place: Bangalore

Sd/-
(C. Sridhar Goud)
Chairman

Form No. AOC-2

Annexure IV

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

*Name of the Company	Petronet MHB Limited

1. Details of contracts or arrangements or transactions not at arm's length basis

*Number of contracts or arrangements or transactions not at arm's length basis	Nil
Block-1	
Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	Nil
Name(s) of the related party	Nil
Nature of relationship	Nil
Nature of contracts/ arrangements/ transactions	Nil
Duration of the contracts / arrangements/ transactions	Nil
Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	Nil
Justification for entering into such contracts or arrangements or transactions	Nil
Date of approval by the Board (DD/MM/YYYY)	Nil
Amount paid as advances, if any	Nil
Date on which the resolution was passed in general meeting as required under first proviso to section 188 (DD/MM/YYYY)	Nil
SRN of MGT-14	Nil

2. Details of material contracts or arrangements or transactions at arm's length basis

Number of material contracts or arrangements or transactions at arm's length basis	2
BLOCK-1	
Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration	L23201MH1952GOI008858
Name(s) of the related party	Hindustan Petroleum Corporation Limited
Nature of relationship	Investing Company and fellow subsidiary
Nature of contracts/ arrangements/ transactions	Transportation of Petroleum Products
Duration of the contracts / arrangements/ transactions	Ongoing, in ordinary course of business on arm's length basis.
Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	Transportation Tariff as per PNGRB Tariff Order from time to time. Total transaction amount for the FY 2025-26 Rs. 91.38 Crore including GST.
Date of approval by the Board (DD/MM/YYYY)	24.03.2025
Amount paid as advances, if any	Nil
BLOCK-1	
Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration	L23209KA1988GOI008959
Name(s) of the related party	Mangalore Refinery and Petrochemicals Limited
Nature of relationship	Subsidiary of same holding company (Oil and Natural Gas Corporation Limited, ONGC) i.e. fellow subsidiary of ONGC
Nature of contracts/ arrangements/ transactions	Transportation of Petroleum Products
Duration of the contracts / arrangements/ transactions	Ongoing, in ordinary course of business on arm's length basis.
Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	Transportation Tariff as per PNGRB Tariff Order from time to time. Total transaction amount for the FY 2025-26 Rs. 49.06 Crore including GST.
Date of approval by the Board (DD/MM/YYYY)	24.03.2025
Amount paid as advances, if any	Nil

Note: The threshold for determining the material transaction has been considered in line with Rule 15(3) of Companies (Meetings of Board and its powers) Rules, 2014, as amended. The above transaction is in ordinary course of business.

Sd/-
(C. Sridhar Goud)
Chairman

Annexure V

A. Conservation of Energy:

a. Renewable Energy Infrastructure: As part of the Company's green energy initiatives, a solar power plant with a total capacity of 3.828 MWp was commissioned in 2019-20 across Mangalore, Hassan, Devangunthi, and SV/IP locations.

b. Clean Energy Generation: During the financial year 2025-26, the solar infrastructure generated 45.53 Lakh kWh, successfully meeting approximately 16% of the Company's total power requirements.

c. Carbon Footprint Reduction: The solar power plant resulted in an estimated reduction of 3,570 metric tons of CO2 equivalent (tCO2e) during FY 2025-26.

d. Operational Efficiency: Energy consumption was optimized at the Mangalore station by operating a strategic combination of single and dual mainline pumps aligned with actual throughput demands.

B. Technology Absorption:

a. Sustainable Power Infrastructure: The conventional Diesel Generator (DG) sets were replaced with solar-charged Lithium Iron Phosphate (LiFePO4) Battery Energy Storage Systems (BESS) across eight Sectionalizing Valve (SV) stations (SV1 to SV3 and SV5 to SV9). This transition has enhanced equipment longevity and performance by providing a clean, regulated power supply.

b. Asset Security Enhancement: CCTV and intrusion detection systems at Hassan station and SV stations 2, 3, 5, 6, and 9 deployed to fortify physical security.

c. Advanced Analytics & Innovation: Collaborated with the Indian Institute of Science (IISc), Bengaluru, to develop an AI/ML solution dedicated to pipeline integrity and security management.

Technology Import Citation: There was no import of technology during the financial year.

C. Foreign Exchange earning & outgo:

During the financial year, there were no foreign exchange earning & outgo.

For and on behalf of the Board of Directors
Annexure I to V

Sd/-
(C. Sridhar Goud)
Chairman
DIN 08466543

Place: Mumbai
Date: 23.07.2026

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PETRONET MHB LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of financial statements of **Petronet MHB Limited** for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **22 April 2026.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Petronet MHB Limited** for the year ended 31 March 2026 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Chawre
18.06.26

Vishal Chawre
Principal Director of Audit (Oil & Gas), Mumbai

Place: Mumbai
Date: 18 June 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of

PETRONET MHB Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Petronet MHB Limited ("the Company"), which comprise the balance sheet as at 31st March 2026, and the statement of Profit and Loss, statement of changes in equity and 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 financial statements give the information required by the by the Companies Act,2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) rules 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profits, 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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are not key audit matters to communicate in our report.

Other Matter

The Financial Statements for the year ended 31st March 2025 were audited by a predecessor auditor. The predecessor auditors have provided an unqualified opinion on the audit of financial statements for the year ended 31st March 2025 and the report was dated 19th April 2025.

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 Company's annual report but does not include the financial statements and our auditor's report thereon. Such other information is expected to be made available to us after the date of this auditor's report.

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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action accordingly.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 also responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentations

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) As per notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

g) As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act regarding remuneration to director is not applicable to the Company, since it is a Government Company

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 has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 30 to the 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 was no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv.

      a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

- whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,

- whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) of clause iv above contain any material mis-statement.

v. The dividend paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

vi. Pursuant to rule 3(1) of the Companies (Accounts) Rules, 2014 and clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, the company is using accounting software (SAP S/4 HANA) for maintaining its books of accounts which has a feature of recording audit trail facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

3. As required by section 143 (5) of the Act, we give in **"Annexure C"**, a statement on the matters specified by the Comptroller and Auditor General of India for the company.

For **K.P.Rao & Co.,**
Chartered Accountants FRN No: 003135S

Sd/-

Prashanth S
Partner
Membership No: 228407
UDIN:26228407PTRBEN4878

Place: Bangalore
Date: 22-04-2026

Annexure 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) a. (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.

b. The Property, Plant and Equipment have been physically verified by the management at reasonable intervals (Covering all the assets over a period of three years). According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and based on the examination of records of the company and the registered sale deeds / transfer deeds / conveyance deeds provided to us, we report that the title deeds of all the immovable properties, comprising of land and building, are in the name of the company except below mentioned for which title deeds are not in the name of the company and conveyance deeds in respect of the same are yet to be executed in the name of the company.

Description	**Carrying value in Rs Lakhs**	**Title deed in the name of**	**Whether title deed holder is director, promoter or relative**	**Date of Property held**	**Reason for not held in the name of company**
Free hold Land	17.31	Karnataka Industrial Area Developm ent Board (KIADB)	No	27-11-2000	The land was allotted by KIADB, for which lease cum sale agreement entered into and the sale deed is yet to be executed.
Free hold Land	12.07		No	08-04-2002	

d. The Company has not revalued any of its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

e. Based on the information and explanation furnished to us, no proceedings have been initiated on the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and Rules made there under.

(ii) a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and in my opinion, the coverage and procedure of such verification is appropriate. Based on the information and explanation furnished to us, no material discrepancies in excess of 10% or more in the aggregate for each class of inventory were noticed on physical verification.

b. During the year, the company has not availed, at any point of time of the year, working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. Hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) During the year the Company has not made investments in, provided loans, advances in the nature of loans, stood guarantee or provided security to Companies, Firms, Limited Liability Partnerships or any other parties. Hence, the requirement to report under clause 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of Sections 185 and 186 of the Companies Act, 2013 attract. Hence, clause 3(iv) of the order is not applicable.

(v) The Company has not accepted any deposit, within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year hence, the reporting under clause 3(v) of the order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) a. According to the information and explanations given to us and according to the books and records as produced and examined by us, in respect of statutory dues, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Cess and other material statutory dues as applicable with the appropriate authorities. As at last day of financial year, there were no amounts payable in respect of the aforesaid statutory dues outstanding for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited on account of any dispute except for following:

Name of the Statute	Nature of the Dues	Amount (in INR lacs)	Period to which amount relates	Forum Where Dispute is pending.
Income Tax Act, 1961	Disallowing Depreciation on Right of Way (being amount paid to Forest Department for regularization of Forest Land)	30.40	FY 2015-16 (AY 2016-17)	Commissioner of Income Tax (Appeal)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) a. According to the information and explanations given to us and books and records of the Company examined by us, the Company does not have any loan and borrowing from financial institutions, bank, etc. hence reporting under clause 3 (ix) (a) of order is not applicable.

b. According to the information and explanation given to us and on the basis of our audit procedure, we report that the company has not been declared wilful defaulter by any bank or financial institution or other lenders.

c. As the Company has not availed any term loans during the year, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.

d. As the Company has not availed any loans on short term basis during the year, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.

e. On an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

f. On an overall examination of the financial statements of the company, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) a. The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b. According to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) a. To the best of our knowledge and according to the information and explanations given to us and on the basis of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, no fraud by the Company or on the Company was noticed or reported during the year.

b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. According to the information and explanations given to us including the representation made to us by the management of the Company, no whistle-blower complaints were received by the Company during the year and hence, reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

(xii) a. The Company is not a Nidhi company and hence, reporting under clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details thereof have been disclosed in the standalone financial statements, as required by the applicable Accounting Standards.

(xiv) a. In our opinion and based on our examination, the company has an internal audit system which is commensurate with the size and nature of its business.

b. We have considered the reports of Internal Auditor of the company issued for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year, Company has not entered into any non-cash transactions with its directors or persons connected with him and accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.

(xvi) a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

b. In our Opinion and based on our examination, the Company is not engaged in any Non-Banking Financial or Housing Finance activities, hence reporting under clause xiv(b) of the order is not applicable.

c. In our opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d. According to the information and explanations given by the management, the Group does not have any CIC as part of the Group. Accordingly, the reporting under Clause 3(xvi)(d) is not applicable to the Company.

(xvii) Based on my examination of books of accounts, the Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) a. According to the information and explanations given to us, there are no unspent amount towards the Corporate Social Responsibility (CSR) on other than ongoing projects requiring transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly reporting under the clause 3(xx)(a) is not applicable.

b. According to the information and explanations given to us, there are no ongoing projects where the company has any unspent CSR amount as at the end of the financial year requiring transfer to a special account within 30 days from the end of the financial year in compliance with the sub-section (6) of Section 135 of the said Act. Accordingly reporting under the clause 3(xx)(b) is not applicable.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **K.P.Rao & Co.,**
Chartered Accountants FRN No: 003135S

Sd/-

Prashanth S
Partner
Membership No: 228407
UDIN:26228407PTRBEN4878

Place: Bangalore
Date: 22-04-2026

ANNEXURE B

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

Opinion

We have audited the internal financial controls with reference to financial statements of Petronet MHB Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2026, 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 of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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, as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by 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 these 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 with reference to these 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 these 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 judgement, 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 with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls 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 controls 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 these 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.

For **K.P.Rao & Co.,**
Chartered Accountants FRN No: 003135S

Sd/-

Prashanth S
Partner
Membership No: 228407
UDIN:26228407PTRBEN4878

Place: Bangalore
Date: 22-04-2026

Annexure C

STATEMENT ON THE MATTERS SPECIFIED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE COMPANY.

I. **Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.**

Response

The Company has not made any investments, either directly or through any trust, for the purpose of meeting post-retirement benefit obligations. These obligations are unfunded in nature and are settled as and when they become due. Accordingly, the requirement to assess the fair valuation of investments, including verification of valuation methodologies and supporting documentation, does not arise during the year.

However, we have verified that the Company has appropriately recognized and measured its post-retirement benefit obligations in accordance with Ind AS 19 Employee Benefits, based on actuarial valuation where applicable. In view of the absence of any funded investments, this clause is not applicable, and no deviations or misstatements were observed

II. Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done *by Information Security Auditing Organizations empanelled by Cert-In at a minimum frequency of once in a year* and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported".

The Company processes all accounting transactions through an integrated IT system, and no transactions are undertaken outside the system. The IT environment, including controls relevant to financial reporting and cybersecurity, has been reviewed by an independent Information Systems (IS) audit agency. As per their report, no critical or high-risk vulnerabilities were identified, though certain medium and low-risk observations are reported

Since all transactions are processed within the IT system, reporting on the implications of transactions processed outside the system, including any impact on the integrity of accounts and related financial implications, is not applicable.

III. Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilized as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.

The Company has not received nor has any amounts receivable in the nature of grants, subsidies, or other funds from the Central/State Government or their agencies for any specific schemes during the year. Accordingly, the requirement to examine proper accounting of such funds, including compliance with applicable accounting standards and verification of utilization as per stipulated terms and conditions, does not arise.

Further, as no such grants or subsidies were received, the requirement to assess the accounting treatment of interest earned on such funds is also not applicable. Based on our verification, there are no instances of deviation to be reported under this clause.

IV. Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?

The management, in its Risk Management Policy, has identified major key risk areas of the company such as Operational Risk, Financial Risk, Reputation Risk, Legal and Compliance Risk, Health, Safety and Environment Risk, Environmental, Social and Governance Risk,

In the Risk Management Policy, the company has identified key areas along with potential risk involved thereon. The policy also mentions the steps taken to mitigate such risks.

According to the management, the Risk Management Policy has been formulated considering the global best practices.

As informed to us, the company does not have any data assets, hence the valuation of data assets is not applicable.

V. Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not. the cases of deviation may be highlighted.

Sl. No	Compliance	Applicability (Yes/No)	Status of Compliance
1	Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015	No, the company is an unlisted Public Ltd company	Not Applicable
2	Other applicable rules and regulations of SEBI	No, the company is an unlisted Public Ltd company	Not Applicable
3	Department of Investment and Public Asset Management	Yes	Complied
4	Ministry of Corporate Affairs	Yes	Complied
5	Department of Public Enterprises	Yes	Complied
6	Reserve Bank of India	Yes	Complied as and when required
7	Telecom Regulatory Authority of India	No	Not Applicable
8	CERT-IN	Yes	Complied as and when required
9	Ministry of Electronics and Information Technology	Yes	Complied
10	National Payment Corporation of India	Yes	Complied as and when required

For **K.P.Rao & Co.,**
Chartered Accountants FRN No: 003135S

Sd/-

Prashanth S
Partner
Membership No: 228407
UDIN:26228407PTRBEN4878

Place: Bangalore
Date: 22-04-2026

Balance Sheet as at March 31, 2026

(Rs. In lakhs)

	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	11,707.04	11,564.79
(b) Right-of-use assets	2.1	5,990.89	6,395.02
(c) Capital work-in-progress	2.2	440.75	375.32
(d) Investment Property	3	6.85	6.97
(e) Other Intangible assets	4	880.51	869.79
(f) Financial Assets			
(i) Loans	5.1	3.19	8.46
(ii) Other financial assets	5	3,602.80	282.47
(g) Other non-current assets	7	32.92	50.87
Total Non - Current Assets		**22,664.94**	**19,553.69**
Current assets			
(a) Inventories	8	350.18	322.00
(b) Financial Assets			
(i) Trade receivables	9	2,258.47	3,812.32
(ii) Cash and cash equivalents	10	251.95	904.95
(iii) Bank balances other than (ii) above	11	41,589.07	42,720.48
(iv) Loans	5.1	1.16	0.71
(v) Other financial assets	5	2,201.89	2,191.97
(c) Current Tax Assets(Net)	7.1	346.77	77.91
(d) Other current assets	12	125.28	100.99
Total Current Assets		**47,124.77**	**50,131.33**
Assets classified as held for sale	13	145.75	333.27
Total Assets		**69,935.46**	**70,018.29**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	54,870.73	54,870.73
(b) Other Equity	14.1	4,613.97	3,585.34
Total equity		**59,484.70**	**58,456.07**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	16.1	6,538.21	6,486.47
(ii) Trade payables	15		
Dues of Micro & Small Enterprises		-	-
Dues to Creditor other than Micro & Small Enterprises		-	-
(iii) Other financial liabilities	16	16.18	16.18
(b) Provisions	17	527.88	467.96
(c) Deferred tax liabilities (Net)	6	1,037.30	1,403.36
Total Non - Current Liabilities		**8,119.57**	**8,373.97**
Current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	16.1	572.90	534.38
(ii) Trade payables	15		
Dues of Micro & Small Enterprises		261.86	438.79
Dues to Creditor other than Micro & Small Enterprises		431.61	770.52
(iii) Other financial liabilities	16	515.68	582.09
(b) Other current liabilities	18	298.00	693.94
(c) Provisions	17	251.14	168.53
Total Current Liabilities		**2,331.19**	**3,188.26**
Total Equity and Liabilities		**69,935.46**	**70,018.29**

The accompanying notes 1 to 39 form an integral part of the financial statements.

For and on behalf of the Board of Directors of
Petronet MHB Limited

As per our report of even date attached
for K. P. Rao & Co.
Chartered Accountants
Firm Registration Number: 003135S

Sd/-
Pankaj Kumar Meena
Managing Director
DIN: 11617835

Sd/-
Ramesh Ramasamy
Director
DIN:10304253

Sd/-
Prashanth S
Partner
Membership Number: 228407

Sd/-
Chandan Kumar Das
Chief Financial Officer

Sd/-
Sachin Jayaswal
Company Secretary

Place : Bangalore
Date : 22/04/2026

Place : Bangalore
Date : 22/04/2026

Statement of Profit and Loss for the year ended March 31, 2026

(Rs. In lakhs)

	Note No.	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations	19	19,945.05	16,285.41
Other Income	20	3,530.18	4,319.78
Total Income		**23,475.23**	**20,605.19**
Expenses			
Employee benefit expense	21	1,236.04	1,135.88
Finance costs	22	634.65	761.91
Depreciation and amortisation expense	2,2.1,3 &4	1,497.75	1,441.76
Other expenses	23	4,834.51	3,662.78
Total Expenses		**8,202.95**	**7,002.33**
Profit/(loss) before exceptional items and tax		**15,272.28**	**13,602.86**
Exceptional Items			
Settlement of legal claim	24	-	2,403.46
Profit/(loss) before tax		**15,272.28**	**11,199.40**
Tax Expense			
Current tax	6	4,021.96	3,017.74
Deferred tax	6	(366.64)	(122.82)
Total tax expense		**3,655.32**	**2,894.92**
Profit for the period		**11,616.96**	**8,304.49**
Other comprehensive income			
Items that will not be recycled to profit or loss		-	-
Remeasurements of the defined benefit liabilities / (asset)		2.30	(7.26)
Income tax relating to items that will not be reclassified to profit or loss		(0.58)	1.83
Items that may be reclassified to profit or loss		-	-
Others (specify nature)			
Income tax on items that may be reclassified to profit or loss		-	-
Total Other comprehensive income, net of tax		**1.72**	**(5.43)**
Total comprehensive income for the period		**11,618.68**	**8,299.06**
Earnings per equity share			
Basic	27	2.12	1.51
Diluted	27	2.12	1.51

The accompanying notes 1 to 39 form an integral part of the financial statements.

For and on behalf of the Board of Directors of
Petronet MHB Limited

As per our report of even date attached
for K. P. Rao & Co.
Chartered Accountants
Firm Registration Number: 003135S

Sd/-
Prashanth S
Partner
Membership Number: 228407

Place : Bangalore
Date : 22/04/2026

Sd/-
Pankaj Kumar Meena
Managing Director
DIN: 11617835

Sd/-
Ramesh Ramasamy
Director
DIN:10304253

Sd/-
Chandan Kumar Das
Chief Financial Officer

Sd/-
Sachin Jayaswal
Company Secretary

Place : Bangalore
Date : 22/04/2026

Statement of changes in Equity

A. Equity Share Capital

(1) Current reporting period

(Rs. In lakhs)

Balance as at April 1, 2025	Changes in Equity Share Capital due to prior Period Errors	Restated Balance as at April 1, 2025	Changes in equity share capital during the year	Balance as at March,31 2026
54,870.73	-	54,870.73	-	54,870.73
54,870.73	**-**	**54,870.73**	**-**	**54,870.73**

(2) Pervious reporting period

(Rs. In lakhs)

Balance as at April 1, 2024	Changes in Equity Share Capital due to prior Period Errors	Restated Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March,31 2025
54,870.73	-	54,870.73	-	54,870.73
54,870.73	**-**	**54,870.73**	**-**	**54,870.73**

B. Other Equity

(Rs. In lakhs)

	Share Application money pending for allotment	Equity component of compound financial instruments	Reserves & Surplus			Equity Instruments through other comprehensive income	Debt Instruments through other comprehensive income	Revaluation Surplus	Other items of Other Comprehensive Income (specify nature)	Money received against share warrant	Total Equity attributable to equity holders of the Company
			Retained earnings	Capital reserve	General reserve						
Balance as at April 1 2025	-	-	**3,585.34**	-	-	-	-	-	-	-	**3,585.34**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1 2025	-	-	**3,585.34**	-	-	-	-	-	-	-	**3,585.34**
Profit for the Period	-	-	11,616.96	-	-	-	-	-	-	-	11,616.96
Actuarial gains/(loss) on account of re-measurement of defined benefit plans	-	-	1.72	-	-	-	-	-	-	-	1.72
Total comprehensive income for the year	-	-	**11,618.68**	-	-	-	-	-	-	-	**11,618.68**
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	(10,590.05)	-	-	-	-	-	-	-	(10,590.05)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Any other Change (to be specified)	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31 2026	-	-	**4,613.97**	-	-	-	-	-	-	-	**4,613.97**

(Rs. In lakhs)

	Share Application money pending for allotment	Equity component of compound financial instruments	Reserves & Surplus			Equity Instruments through other comprehensive income	Debt Instruments through other comprehensive income	Revaluation Surplus	Other items of Other Comprehensive Income (specify nature)	Money received against share warrant	Total Equity attributable to equity holders of the Company
			Retained earnings	Capital reserve	General reserve						
Balance as at April 1 2024	-	-	**4,093.03**	-	-	-	-	-	-	-	**4,093.03**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1 2024	**-**	**-**	**4,093.03**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,093.03**
Profit for the Period	-	-	8,304.49	-	-	-	-	-	-	-	8,304.49
Actuarial gains/(loss) on account of re-measurement of defined benefit plans	-	-	(5.43)	-	-	-	-	-	-	-	(5.43)
Total comprehensive income for the year	**-**	**-**	**8,299.06**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,299.06**
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	(8,806.75)	-	-	-	-	-	-	-	(8,806.75)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Any other Change (to be specified)	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31 2025	**-**	**-**	**3,585.34**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,585.34**

The accompanying notes 1 to 39 form an integral part of the financial statements.

For and on behalf of the Board of Directors of
Petronet MHB Limited

As per our report of even date attached
for K. P. Rao & Co.
Chartered Accountants
Firm Registration Number: 003135S

Sd/-
Prashanth S
Partner
Membership Number: 228407

Place : Bangalore
Date : 22/04/2026

Sd/-
Pankaj Kumar Meena
Managing Director
DIN: 11617835

Sd/-
Ramesh Ramasamy
Director
DIN:10304253

Sd/-
Chandan Kumar Das
Chief Financial Officer

Sd/-
Sachin Jayaswal
Company Secretary

Place : Bangalore
Date : 22/04/2026

Statement of Cash flows for the year ended March 31, 2026

(Rs. In lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A. Cash flow from operating activities:		
Profit for the period before tax	15,272.28	11,199.40
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	1,497.75	1,441.76
Loss on disposal of fixed assets	11.48	-
Interest income on fixed deposits	(3,413.52)	(3,939.44)
Finance Charges on Lease	634.65	754.99
Net gain on lease modification	-	(238.66)
Gain on Sale of Fixed Assets	(19.41)	(1.50)
Other adjustments	-	6.92
Changes in assets and liabilities		
Trade receivables	1,553.85	(1,951.73)
Other financial assets	(70.33)	(56.32)
Loans	4.82	(9.17)
Inventories	(28.18)	(56.16)
Other assets	181.18	1,487.40
Trade payables	(515.84)	763.78
Other financial liabilities	(66.41)	(501.14)
Provisions and other liabilities	(251.11)	(56.03)
Cash generated from operations	**14,791.21**	**8,844.10**
Income taxes paid	(4,056.28)	(2,967.17)
Net cash generated from operating activities	**10,734.93**	**5,876.93**
B. Cash flow from investing activities:		
Acquisition of property, plant and equipment	(900.53)	(509.44)
Proceeds from sale of property, plant and equipment	30.15	6.92
Capital advances	(433.58)	(375.32)
Bank Deposits not considered as cash and cash equivalents	(2,118.59)	1,436.05
Interest received on fixed deposits	3,169.06	3,622.84
Net cash from investing activities	**(253.49)**	**4,181.05**
C. Cash flow from financing activities:		
Interest expense on lease liabilities	(634.65)	(528.95)
Payment of lease liabilities	90.26	(59.06)
Payment of Interim dividends	(10,590.05)	(8,806.75)
Net cash used in financing activities	**(11,134.44)**	**(9,394.77)**
Net increase/(decrease) in cash and cash equivalents	**(653.00)**	**663.21**
Cash and cash equivalents at the beginning of the period	904.95	241.74
Cash and cash equivalents at the end of the period	**251.95**	**904.95**

The accompanying notes 1 to 39 form an integral part of the financial statements.

As per our report of even date attached
for K. P. Rao & Co.
Chartered Accountants
Firm Registration Number: 003135S

Sd/-
Prashanth S
Partner
Membership Number: 228407

Place : Bangalore
Date : 22/04/2026

For and on behalf of the Board of Directors of
Petronet MHB Limited

Sd/-
Pankaj Kumar Meena
Managing Director
DIN: 11617835

Sd/-
Ramesh Ramasamy
Director
DIN:10304253

Sd/-
Chandan Kumar Das
Chief Financial Officer

Sd/-
Sachin Jayaswal
Company Secretary

Place : Bangalore
Date : 22/04/2026

Notes to the financial statements for the year ended March 31, 2026

SIGNIFICANT ACCOUNTING POLICIES

1 CORPORATE INFORMATION

Petronet MHB Limited (The 'Company') was incorporated on 31st July, 1998 on common carrier principle to provide petroleum product transportation facility from Mangalore Refinery at Mangalore to the Oil Marketing Companies Terminals at Hassan & Devanagonthi (Bangalore). The Company is a Public Limited Company incorporated & domiciled in India. Its shares are not listed on any recognised stock exchanges in India. The registered office of the company is located at # Corporate Miller 2nd Floor Block B ,332/1 , Thimmaih Road , Vasanth Nagar , Bangalore Karnataka- 560 052.

1.1. Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under the Companies (Indian Accounting Standards) Rules, 2015.

1.2. Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Corporation's Presentation currency and Functional currency is Indian Rupees (Rs). All figures appearing in the Financial Statements are rounded to the nearest lakhs (Rs Lakhs) , except where otherwise indicated.

1.3. Use of estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and takes assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1.3.1 Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

1.3.2 Valuation of deferred tax assets

The company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 1.11.2.

1.3.3 Provisions ,Contingent liabilities & Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities &

Contingent assets are not recognised in the financial statements, however contingent liabilities and Contingent assets are disclosed in the financial statement.

Revisions to accounting estimates are recognized prospectively in the Financial Statements in the period in which the estimates are revised and in any future periods affected.

1.4. Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

1.5. Assets held for sale

Non-current assets and disposal groups are classified as held for sale, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

1.6. Revenue Recognition

Revenue is recognised upon transfer of Control of Promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

1.6.1. Income from Services

Transportation income is recognised as upon transfer of service to the customer i.e. on delivery of petroleum products to oil marketing companies. Revenue is recognised by allocating the transaction price as per agreed tariff rate to the distinct service.

1.6.2. Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.6.3. Other Income

Insurance claims are accounted on acceptance of claims by respective Insurance Companies. The liquidated damage recovered from contracts (both revenue and capital contracts) is recognised as income as and when recovered.

1.7. Leases

The Company's Lease asset classes primarily consist of leases for Land and Building . The Company assesses whether a Contract contains a lease, at inception of a Contract. A contract is or contains , a lease if the contact conveys the right to control the use of an identified assets 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: (i)the contract involves the use of an identified asset , (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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.

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 of these leases.

1.8. Foreign Currency

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

1.9. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.10. Employee Benefits

1.10.1. Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.10.2. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

1.10.3. Defined Contribution Plans - Provident Fund & NPS

The Company makes contribution to Provident Fund which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company had introduced NPS for its employees w.e.f 01 January 2023 within the overall limit of Retirement Benefit Scheme. The obligation of the Company is to contribute to NPS to the extent of amount not exceeding 30% of basic pay and dearness allowance as reduced by the employer's contribution towards provident fund and gratuity.

1.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.11.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.11.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.11.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.12. Property, Plant & Equipment

Land and buildings held for use in the supply of services or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

1.12.1. Depreciation:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of property, plant & equipment is as specified below, residual value is taken at 5%

Building	3 years to 30 years
Computer equipment	3 years
Server	6 years
Plant and Equipment*	10 to 15 years
- Solar Power Plant :	25 years
Roads :	5 years
Pipeline :	30 years
Office equipment :	5 years
Furniture and fixtures* :	3 to 10 years

*- Based on the evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.13. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses

1.13.1. Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.13.2. Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Right of Way	Indefinite
Computer Software	6 years

1.14. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets with finite life, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.15. Inventories

Inventories that comprise of stores and spares (which qualify as inventories) are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1.16. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle, a provision is expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.16.1. Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

1.17. Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

1.17.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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.

1.17.2. Classification of financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

1.17.3. Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

1.17.4 . 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 gross carrying amount on initial recognition.

1.17.5 . Impairment of financial assets

The company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate. The company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 , the company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

1.17.6. Derecognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.18. Cash and Cash Equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.19. Trade Receivables

Trade receivables are recognised initially at their transaction price and subsequently measured at amortised cost using effect interest rate method, less provision for impairment.

1.20. Trade & other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.21. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 30 years from the date of original construction, based on the useful life prescribed in Schedule II to the Companies Act, 2013 using the straight-line method. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based either on the latest available information based on 'stamp duty – annual statement of rates' applicable to the area in which the land is situated, market comparison approach or on periodical evaluation performed by an external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

1.22. Earnings per Share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company does not have any potentially dilutive securities.

1.23. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.24. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note No. 2 - Tangible Assets

(Rs. In lakhs)

Description of Assets	Land - Freehold	Buildings - Freehold	Computers and Data Processing Equipments	Plant and Equipment - Freehold	Roads	Pipeline	Office Equipment	Furniture and Fixtures	Total
I. Gross Block									
Balance as at 1 April, 2025	**42.43**	**2,420.68**	**250.50**	**9,838.14**	**255.50**	**6,237.02**	**166.51**	**155.72**	**19,366.50**
Additions	1.09	73.47	14.92	988.19	-	-	113.53	22.08	1,213.28
Disposals	-	-	4.33	53.30	-	-	3.43	9.10	70.16
Reclassified as held for sale	-	-	-	-	-	-	-	-	-
Balance as at 31 March , 2026	**43.52**	**2,494.15**	**261.09**	**10,773.03**	**255.50**	**6,237.02**	**276.61**	**168.70**	**20,509.62**
II. Accumulated depreciation and impairment for the year 2025-26									
Balance as at 1 April, 2025	**-**	**924.54**	**146.27**	**4,169.63**	**145.01**	**2,217.81**	**99.07**	**99.37**	**7,801.71**
Depreciation / amortisation expense for the year	-	121.60	40.23	559.63	28.59	258.76	26.01	13.99	1,048.82
Eliminated on disposal of assets	-	-	3.41	33.87	-	-	2.71	7.95	47.94
Eliminated on reclassification as held for sale	-	-	-	-	-	-	-	-	-
Balance as at 31 March , 2026	-	**1,046.14**	**183.09**	**4,695.40**	**173.61**	**2,476.57**	**122.37**	**105.41**	**8,802.59**
Net block (I-II)									
Balance as on 31st March 2026	**43.52**	**1,448.01**	**78.00**	**6,077.63**	**81.89**	**3,760.45**	**154.24**	**63.29**	**11,707.04**
Balance as on 31st March 2025	42.43	1,496.14	104.23	5,668.51	110.49	4,019.21	67.44	56.35	11,564.79

(Rs. In lakhs)

Description of Assets	Land - Freehold	Buildings - Freehold	Computers and Data Processing Equipments	Plant and Equipment - Freehold	Roads	Pipeline	Office Equipment	Furniture and Fixtures	Total
I. Gross Block									
Balance as at 1 April, 2024	**37.26**	**2,261.51**	**234.43**	**9,033.30**	**244.38**	**6,253.02**	**138.14**	**161.38**	**18,363.42**
Additions	5.17	159.17	20.12	812.57	11.12	-	28.37	1.52	1,038.04
Disposals	-	-	4.05	7.73	-	16.00	-	7.18	34.96
Reclassified as held for sale	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2025	**42.43**	**2,420.68**	**250.50**	**9,838.14**	**255.50**	**6,237.02**	**166.51**	**155.72**	**19,366.50**
II. Accumulated depreciation and impairment for the year 2024-25									
Balance as at 1 April, 2024	**-**	**816.58**	**112.07**	**3,711.75**	**125.64**	**1,975.05**	**82.51**	**91.42**	**6,915.01**
Depreciation / amortisation expense for the year	-	107.96	38.05	460.78	19.38	258.76	16.56	14.76	916.25
Eliminated on disposal of assets	-	-	3.85	2.89	-	16.00	-	6.81	29.55
Eliminated on reclassification as held for sale	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2025	**-**	**924.54**	**146.27**	**4,169.63**	**145.01**	**2,217.81**	**99.07**	**99.37**	**7,801.71**
Net block (I-II)									
Balance as on 31st March 2025	**42.43**	**1,496.14**	**104.23**	**5,668.51**	**110.49**	**4,019.21**	**67.44**	**56.35**	**11,564.79**
Balance as on 31st March 2024	37.26	1,444.94	122.36	5,321.55	118.74	4,277.97	55.63	69.96	11,448.41

Notes:

1) Plant & Machinery includes Rs 667.08 Lakhs (P.Y.-667.08 Lakhs) in respect of pipeline intrusion detection system which is joint controlled assets with HPCL.

2) Land freehold includes two land allotted by KIADB for which lease cum sale agreement entered into and the absolute sale deed yet to be executed as follows:

Description of Assets	Gross Carrying Value (In lakhs)	Title deed in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the company
Free hold Land	17.31	Karnataka Industrial Area Development Board (KIADB)	No	27th Nov 2000	land allotted by KIADB for which lease cum sale agreement entered into and the absolute sale deed yet to be executed.
Free hold Land	12.07	Karnataka Industrial Area Development Board (KIADB)	No	08th April 2002	

Note No. 2.1 -Right of use Assets

(Rs. In lakhs)

Description of Assets	Prepaid Lease	Land	Building	Total
I. Gross Block				
Balance as at 1 April, 2025	**14.04**	**6,669.03**	**193.85**	**6,876.92**
Additions	-	-	-	-
Disposals or classified as held for sale	-	-	-	-
Balance as at 31st March , 2026	**14.04**	**6,669.03**	**193.85**	**6,876.92**
II. Accumulated depreciation and impairment for the year 2025-26				
Balance as at 1 April, 2025	**4.30**	**418.30**	**59.30**	**481.90**
Depreciation expense for the period	4.68	334.83	64.62	**404.13**
Eliminated on disposal of assets	-	-	-	-
Balance as at 31st March ,2026	**8.98**	**753.13**	**123.92**	**886.03**
Net block (I-II)				
Balance as at March 31, 2026	**5.06**	**5,915.90**	**69.93**	**5,990.89**
Balance as on 31st March 2025	9.74	6,250.73	134.55	6,395.02

(Rs. In lakhs)

Description of Assets	Prepaid Lease	Land	Building	Total
I. Gross Block				
Balance as at 1 April, 2024	**-**	**998.65**	**254.76**	**1,253.41**
Additions	14.04	6,669.03	193.85	6,876.92
Disposals or classified as held for sale	-	998.65	254.76	1,253.41
Balance as at 31st March , 2025	**14.04**	**6,669.03**	**193.85**	**6,876.92**
II. **Accumulated depreciation and impairment for the year 2024-25**				
Balance as at 1 April, 2024	**-**	**417.72**	**250.81**	**668.53**
Depreciation expense for the period	4.30	418.30	63.25	485.85
Eliminated on disposal of assets	-	417.72	254.76	672.48
Balance as at 31st March ,2025	**4.30**	**418.30**	**59.30**	**481.90**
Net block (I-II)				
Balance as at March 31, 2025	**9.74**	**6,250.73**	**134.55**	**6,395.02**
Balance as on 31st March 2024	-	580.93	3.95	584.88

Note No. 2.2 - Capital Work In Progress

(Rs. In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Unallocated Capital Expenditure	440.75	375.32
Total	**440.75**	**375.32**

Ageing for capital work-in-progress as at March 31, 2026 is as follows:

(Rs. In lakhs)

Capital Work in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 – 2 years	2 - 3 years	More than 3 Years	
Project in progress	440.75	-	-	-	**440.75**
Total	**440.75**	**-**	**-**	**-**	**440.75**

Ageing for capital work-in-progress as at March 31, 2025 is as follows:

(Rs. In lakhs)

Capital Work in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project in progress	375.32	-	-	-	**375.32**
Total	**375.32**	**-**	**-**	**-**	**375.32**

Note No. 3 - Investment Property

(Rs. In lakhs)

Description of Assets	Land	Building	Total
I. Gross Block			
Balance as at 1 April, 2025	**5.17**	**3.00**	**8.17**
Additions relating to acquisitions	-	-	-
Disposals or classified as held for sale	-	-	-
Balance as at 31 March, 2026	**5.17**	**3.00**	**8.17**
II. Accumulated depreciation and impairment for the year 2025-26			
Balance as at 1 April, 2025	**-**	**1.20**	**1.20**
Depreciation expense for the year	-	0.12	**0.12**
Eliminated on disposal of assets	-	-	**-**
Balance as at 31 March , 2026	**-**	**1.32**	**1.32**
Net block (I-II)			
Balance as at 31 March , 2026	**5.17**	**1.68**	**6.85**
Balance as on 31st March 2025	5.17	1.80	6.97

(Rs. In lakhs)

Description of Assets	Land	Building	Total
I.Gross Block			
Balance as at 1 April, 2024	**5.17**	**3.00**	**8.17**
Additions relating to acquisitions	-	-	**-**
Disposals or classified as held for sale	-	-	**-**
Balance as at 31 March, 2025	**5.17**	**3.00**	**8.17**
II. Accumulated depreciation and impairment for the year 2024-25			
Balance as at 1 April, 2024	**-**	**1.08**	**1.08**
Depreciation expense for the year	-	0.12	**0.12**
Eliminated on disposal of assets	-	-	**-**
Balance as at 31 March, 2025	**-**	**1.20**	**1.20**
Net block (I-II)			
Balance as on 31st March 2025	**5.17**	**1.80**	**6.97**
Balance as on 31st March 2024	5.17	1.92	7.09

Notes:

1) Assets pledged as security:- Nil (Previous year -Nil).

2) There were no Income earned or expenditure incurred on the above Investment Property other than land revenue of Rs Nil (Pre. Year Rs 0.10 Lakh). The fair value of the Property as per Valuation report dated 03 April 2026 issued by Mr. Nimesh Raval, Government Approved Valuer is Rs. 26.20 lakhs.

Note No. 4 - Other Intangible Assets

(Rs. In lakhs)

Description of Assets	Right of Way	Software	Total
Intangible Assets			
I. Cost or deemed cost			
Balance as at 1 April, 2025	**757.13**	**267.23**	**1,024.37**
Additions	-	55.40	55.40
Disposals or classified as held for sale	-	0.09	0.09
Balance as at 31 March, 2026	**757.13**	**322.54**	**1,079.68**
II. Accumulated depreciation and impairment for the year 2025-26			
Balance as at 1 April, 2025	**-**	**154.58**	**154.58**
Amortisation expense for the year	-	44.68	44.68
Eliminated on disposal of assets	-	0.09	0.09
Balance as at 31 March, 2026	**-**	**199.17**	**199.17**
Net block (I-II)			
Balance as on 31st March, 2026	**757.13**	**123.37**	**880.51**
Balance as on 31st March 2025	757.13	112.65	869.79

(Rs. In lakhs)

Description of Assets	Right of Way	Software	Total
Intangible Assets			
I. Cost or deemed cost			
Balance as at 1 April, 2024	**757.13**	**247.12**	**1,004.26**
Additions	-	20.11	20.11
Disposals or classified as held for sale	-	-	**-**
Balance as at 31 March, 2025	**757.13**	**267.23**	**1,024.37**
II. Accumulated depreciation and impairment for the year 2024-25			
Balance as at 1 April, 2024	**-**	**115.04**	**115.04**
Amortisation expense for the year	-	39.54	39.54
Eliminated on disposal of assets	-	-	**-**
Balance as at 31 March, 2025	-	**154.58**	**154.58**
Net block (I-II)			
Balance as on 31st March 2025	**757.13**	**112.65**	**869.79**
Balance as on 31st March 2024	757.13	132.09	889.22

Notes:

1) The Company holds a Right of Way for laying Pipeline between Mangalore and Bangalore via Hassan. The cost of acquiring the right has been capitalised as Intangible Assets. The right is an indefinite(perpetual) right with no stipulation over the period of validity. Hence the same is not amortised.

Note 5 - Other Financial Assets

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Non-Current		
Unsecured, considered good		
Security Deposits	352.80	282.47
Deposit account with scheduled banks		
Bank deposits with more than 12 months maturity	3,250.00	-
Loans having significant increase in credit risk/ credit impaired	-	-
Total	**3,602.80**	**282.47**
Current		
Unsecured, considered good		
Security Deposits	6.60	6.60
Interest accrued On Deposits	2,195.29	2,185.37
Loans having significant increase in credit risk/ credit impaired	-	-
Total	**2,201.89**	**2,191.97**

Note 5.1 - Loans

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Non-Current		
Secured, considered good		
Loans to Employees	3.19	8.46
Loans *having significant increase in credit risk/ credit impaired*	-	-
Total	**3.19**	**8.46**
Current		
Secured, considered good		
Loans to Employees	1.16	0.71
Loans *having significant increase in credit risk/ credit impaired*	-	-
Total	**1.16**	**0.71**

Note 6 – Income Taxes

Income tax expense in the statement of profit and loss comprises:

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
Current tax for the year	**4,026.05**	**3,004.43**
Current tax for Prior years	(4.09)	13.31
Deferred taxes/ Liability	(366.64)	(122.82)
Income tax expense	**3,655.32**	**2,894.92**

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Income tax expense in the statement of profit and loss comprises:

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
Profit before income taxes	15,272.28	11,199.40
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	3,843.73	2,818.67
Effect of non-deductible expenses	62.68	57.17
Effect of timing differences	119.64	128.59
Income tax expense	**4,026.05**	**3,004.43**

The applicable Income tax rate for financial year 2025-26 & 2024-25 is 25.168% as available U/s 115BAA - Tax on income of Certain Domestic companies as notified as per taxation Laws (Amendment) Act 2019.

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2026 , and March 31, 2025

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Income tax assets	346.77	77.91
Current tax Liabilities	-	-
Net current income tax assets/ (liability) at the end	**346.77**	**77.91**

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2026 and March 31, 2025 is as follows:

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
Net current income tax asset/ (liability) at the beginning	77.91	(103.24)
Income tax paid	4,336.46	3,198.89
Income tax refund received	(45.64)	-
Current income tax expense	(4,026.05)	(3,004.43)
Current income tax for Prior years	4.09	(13.31)
Net current income tax asset/ (liability) at the end	**346.77**	**77.91**

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Deferred income tax assets		
Gratuity payable to employees	57.69	50.45
Compensated absences	79.91	71.53
Deferred tax on account of leased assets	283.21	159.96
Others	-	-
Total deferred income tax assets	**420.81**	**281.94**
Deferred income tax liabilities		
Depreciation impact on PPE, Inv. Property and intangible assets	(1,458.12)	(1,685.31)
Others	-	-
Total deferred income tax liabilities	**(1,458.12)**	**(1,685.31)**
Deferred income tax assets(liabilities) after set off	**(1,037.30)**	**(1,403.36)**

Deferred tax assets and deferred tax liabilities have been offset as the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences.

The gross movement in the deferred income tax account for the year ended March 31, 2026 and March 31, 2025, are as follows:

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
Net deferred income tax asset at the beginning	(1,403.36)	(1,528.01)
Credits / (charge) relating to temporary differences	366.64	122.82
Temporary differences on other comprehensive income	(0.58)	1.83
Net deferred income tax asset (liability) at the end	**(1,037.30)**	**(1,403.36)**

Note 7 - Other Non Current Assets

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Unsecured, considered good		
Advances other than Capital advances		
Prepaid Expenses	11.45	28.33
Prepaid Employee Benefit Exp	0.44	1.51
Others		
Court Deposit	21.03	21.03
Loans Receivables which have significant increase in credit risk /Credit impaired	-	-
Total	**32.92**	**50.87**

Note 7.1 - Current Tax Assets

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Current Tax Assets (Net)	346.77	77.91
Total	**346.77**	**77.91**

Note 8 - Inventories

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
(At lower of cost and net realisable value)		
Stores and spares at site	350.18	322.00
Total	**350.18**	**322.00**

Note: During the year a technical evaluation and fair market valuation was carried out for pipes held as inventory through a technical consultant M/s SGS India Private Limited and based on faire market valuation the carrying amount of such pipes written down to NRV has been provided to the extent of Rs 3.59 Lakhs.

Note 9 - Trade Receivables

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Trade receivables, unsecured, considered good	2,258.47	3,812.32
Trade receivables, Which have significant increase in credit Risk	-	-
Trade receivables - Credit Impaired	-	-
(A)	**2,258.47**	**3,812.32**
Less: Allowances for credit losses	-	-
(B)	**-**	**-**
Total (A-B)	**2,258.47**	**3,812.32**

Ageing for trade receivables - billed – current outstanding as at March 31, 2026 is as follows:

(Rs. In lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Lees Than 6 Month	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - Billed						
Undisputed trade receivables – considered good	2,258.01	-	0.13	0.33	-	2,258.47
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	**2,258.01**	**-**	**0.13**	**0.33**	**-**	**2,258.47**

Ageing for trade receivables - billed – current outstanding as at March 31, 2025 is as follows:

(Rs. In lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Lees Than 6 Month	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - Billed						
Undisputed trade receivables – considered good	3,587.31	224.57	0.33	0.11	-	3,812.32
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	**3,587.31**	**224.57**	**0.33**	**0.11**	**-**	**3,812.32**

Note 10- Cash and cash equivalents

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Cash on hand	0.09	0.17
Balances with banks:		
In current accounts	251.86	405.78
Bank Deposits for original maturity Less than 3 months	-	499.00
Total	**251.95**	**904.95**

Note 11 - Bank Balance other than above

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	**March 31,2025**
Balances with banks:		
Bank Deposits for original maturity more than 3 months upto 12 months	40,918.49	42,053.83
* Balance held as security against performance and other guarantee	670.58	666.65
Total	**41,589.07**	**42,720.48**

The deposits maintained by the company with banks comprise time deposit, which can be withdrawn by the company at any point without prior notice or penalty on the principal.

* Fixed deposit held as security against performance guarantee issued by ICICI Bank Limited to PNGRB vide PBG No 33110IGL0000420 for Rs 639.00 lakhs , PTC India Limited vide PBG No 0002NDDG00030624 for Rs 27.64 lakhs and HDFC bank Ltd to KREDL vide PBG no .009GT02260900003 for Rs 3.93 Lakhs.

Note 12 - Other Current Assets

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Unsecured, considered good		
Advances other than Capital advances		
Balances with government authorities (other than income taxes)	-	-
Prepaid Expenses	99.08	72.89
Prepaid Employee Benefit Exp	0.05	0.15
Advance for goods and services	-	1.85
Advance for Expenses	0.15	0.10
Court Deposit	26.00	26.00
Advance to Employees & Others	-	-
Loans Receivables which have significant increase in credit risk /Credit impaired	-	-
Total	**125.28**	**100.99**

Note 13 - Assets classified as held for sale

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Project Surplus held for sale	333.27	333.27
Less: Impairment on assets held for Sale	187.52	-
Total	**145.75**	**333.27**
Liabilities associated with assets held for sale	-	-
Total	**-**	**-**

The Company intends to dispose of surplus materials used for the pipeline laying project, it no longer utilizes in the next 12 months. These materials are located at various plants and were purchased for use during construction of pipeline. Efforts are underway to dispose of the project surplus materials to Oil Companies. During the year a technical evaluation and fair market valuation was carried out for Project surplus held for sale through a technical consultant M/s SGS India Private Limited and based on faire market valuation the carrying amount of such materials impairment loss on assets held for sale has been provided to the extent of Rs 187.52 Lakhs.

Note 14 - Equity Share capital

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Authorised		
60,00,00,000 (P.Y.- 60,00,00,000) equity shares of Rs.10 each with voting rights	60,000.00	60,000.00
Total	**60,000.00**	**60,000.00**
Issued, subscribed and fully paid up		
54,87,07,264 (P.Y.-54,87,07,264) equity shares of Rs. 10 each with voting rights	54,870.73	54,870.73
Total	**54,870.73**	**54,870.73**

Notes:

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period:

Equity shares with voting rights

	Opening Balance	Fresh Issue	Other Changes	Closing Balance
Year Ended March 31, 2026				
No. of Shares	54,87,07,264	-	-	54,87,07,264
Amount (*(Rs. In lakhs)*)	54,870.73	-	-	54,870.73
Year Ended March 31, 2025				
No. of Shares	54,87,07,264	-	-	54,87,07,264
Amount (*(Rs. In lakhs)*	54,870.73	-	-	54,870.73

(ii) Detail of the rights, preferences and restrictions attaching to each class of shares :

With respect to equity shares, company has only one class of equity share, having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Particulars	No. of shares	
	As at 31 March, 2026	As at 31 March, 2025
Equity shares with voting rights:		
Hindustan Petroleum Corporation Ltd	27,43,53,632	27,43,53,632
% of holding	50.000%	50.000%
Oil & Natural Gas Corporation Ltd	27,43,53,632	27,43,53,632
% of holding	50.000%	50.000%

(iv) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash for the period of 5 years immediately preceding the Balance Sheet date.

Particulars	Aggregate Number of Shares	
	As at 31 March, 2026	As at 31 March, 2025
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash.	Nil	Nil
Total	**-**	**-**

(V) Disclosure of shareholding of promoters as at March 31, 2026 are as follows

Promoter name	Shares held by promoters				
	As at March 31, 2026		As at March 31, 2025		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Oil & Natural Gas Corporation Ltd	274353632	50.000%	274353632	50.000%	-
Hindustan Petroleum Corporation Ltd	274353632	50.000%	274353632	50.000%	-

Disclosure of shareholding of promoters as at March 31, 2025 are as follows:

Promoter name	Shares held by promoters				
	As at March 31, 2025		As at March 31, 2024		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Oil & Natural Gas Corporation Ltd	274353632	50.000%	274353632	50.000%	-
Hindustan Petroleum Corporation Ltd	274353632	50.000%	274353632	50.000%	-

Note 14.1 - Other equity

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Retained earnings	4,613.97	3,585.34
Total	**4,613.97**	**3,585.34**

14.1.1 - Retained earnings

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
Balance at beginning of the year	3,585.34	4,093.03
Profit for the year	11,616.96	8,304.49
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	1.72	(5.43)
Payments of dividends	(10,590.05)	(8,806.75)
Balance at the end of the year	**4,613.97**	**3,585.34**

Note 15 - Trade payables

(Rs. In lakhs)

Particulars	As at March 31,2026	As at March 31,2025
Non-Current		
Trade payable for goods & services		
(a) Dues of micro enterprises and small enterprises	-	-
(b) Dues of creditors other than micro and small enterprises	-	-
Total	**-**	**-**
Current		
Trade payable for goods & services		
(a) Dues of micro enterprises and small enterprises	261.86	438.79
(b) Dues of creditors other than micro and small enterprises	431.61	770.52
Total	**693.47**	**1,209.31**

Ageing for trade payables outstanding as at March 31, 2026 is as follows:

(Rs. In lakhs)

Trade Payable	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	237.54	-	-	-	**237.54**
Others	-	274.00	3.16	-	12.18	**289.34**
Disputed Dues-MSME	24.32	-	-	-	-	**24.32**
Disputed Dues-Others	-	-	-	-	-	**-**
Total	**24.32**	**511.54**	**3.16**	**-**	**12.18**	**551.20**
Accrued Expenses						**142.27**
Total Trade payable						**693.47**

Ageing for trade payables outstanding as at March 31, 2025 is as follows:

(Rs. In lakhs)

Trade Payable	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	425.53	-	-	-	**425.53**
Others	-	597.62	-	-	12.18	**609.80**
Disputed Dues-MSME	13.26	-	-	-	-	**13.26**
Disputed Dues-Others	-	-	-	-	-	**-**
Total	**13.26**	**1,023.15**	**-**	**-**	**12.18**	**1,048.59**
Accrued Expenses						**160.72**
Total Trade payable						**1,209.31**

Note 16 - Other Financial Liabilities

(Rs. In lakhs)

Particulars	As at March 31,2026	As at March 31,2025
Non-Current		
Retention Money for capital supplies / services	16.18	16.18
Total	**16.18**	**16.18**
Current		
Deposits received from Dealers	20.75	4.71
Retention Money for capital supplies / services	325.80	286.59
Earnest Money Deposit	13.64	11.98
Dues to Employees & Others	5.07	4.81
Payables for capital supplies/services	150.42	274.00
Total	**515.68**	**582.09**

Note 16.1 -Lease liabilities

(Rs. In lakhs)

Particulars	As at March 31,2026	As at March 31,2025
Non-Current		
Lease liabilities	6,538.21	6,486.47
Total	**6,538.21**	**6,486.47**
Current		
Lease liabilities	572.90	534.38
Total	**572.90**	**534.38**

Note 17 - Provisions

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Non-Current		
Provision for employee benefits		
Provision for compensated absences	308.82	276.73
Provision for gratuity	219.06	191.23
Total	**527.88**	**467.96**
Current		
Provision for employee benefits		
Provision for compensated absences	8.67	7.46
Provision for gratuity	10.17	9.20
Provision for Performance Incentives	149.26	151.87
Provision for Pipeline Usage Benefit Scheme	83.04	-
Total	**251.14**	**168.53**

Details of movement in provisions:

(Rs. In lakhs)

Particulars	Gratuity Provision	Compensated absences	Performance Incentives
Balance at April 1, 2024	**169.78**	**250.87**	**135.28**
Additional provisions recognised	31.45	54.55	143.94
Amounts used (ie incurred and charged against the provision) during the period	(0.80)	(21.25)	(127.34)
Unused amounts reversed during the period	-	-	-
Balance at March 31, 2025	**200.43**	**284.17**	**151.88**
Balance at April 1, 2025	**200.43**	**284.17**	**151.88**
Additional provisions recognised	44.80	69.24	148.67
Amounts used (ie incurred and charged against the provision) during the period	(16.00)	(35.94)	(110.39)
Unused amounts reversed during the period	-	-	(40.90)
Balance at March 31, 2026	**229.23**	**317.47**	**149.26**

Note 18 - Other Current Liabilities

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Statutory Dues payable	287.68	693.94
Advance from Customers	10.32	-
Total	**298.00**	**693.94**

Note 19 - Revenue from operations

(Rs. In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Sale of Services		
Freight Charges for Transportation of Petroleum Products	19,950.65	16,057.24
Less: Incentive on Pipeline usage benefits scheme	213.30	-
Freight Charges for Transportation of Petroleum Products (Net)	19,737.35	16,057.24
Dispatch charges	203.89	192.58
Other Operating Income	3.81	35.59
Total	**19,945.05**	**16,285.41**

Notes:

i) The Freight Income is recognized based on the pipeline transportation tariff fixed by Petroleum & Natural Gas Regulatory Board (PNGRB) from time to time

a) The Freight Income for the period from 01.04.2025 to 31.03.2026 is recognized based on PNGRB revised Tariff Order No. TO/PPPL/2024-25/15 dated 28.11.2024 as applicable for the year 2025-26.

b) The Company has introduce Pipeline usage benefits scheme (PUBS-2025) applicable from 1st october 2025 to 31 March 2026 . The Freight income recognised net off incentive payable under this scheme to the eligible customer . Total Incentives during the period from 01st Oct 2025 to 31st March 2026 is of Rs 213.30 Lakhs .

ii) Earning in Foreign Currency Rs Nil (Previous Year Rs Nil)

Note 20 - Other income

(Rs. In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Interest Income		
On Financial Assets at Amortised Cost	3,418.81	3,944.07
Insurance Claim	44.04	11.90
Net gain on lease modification	-	238.66
Other Miscellaneous Incomes	67.33	125.15
Total	**3,530.18**	**4,319.78**
Interest income comprises of:		
Interest on Term Deposit	3,397.43	3,925.98
Interest on Security Deposit	16.09	13.46
Interest on Lease Deposit	4.67	4.28
Interest on Vehicle Loan	0.62	0.35
Total - Interest income	**3,418.81**	**3,944.07**

Note 21 - Employee benefit expense

(Rs. In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Salaries including Bonus etc.	922.77	866.77
Salaries including Bonus etc. for HPCL & ONGC Staff on Deputation	205.50	185.91
Contributions to provident fund	59.05	55.49
Gratuity	47.09	23.39
Staff welfare expense	1.63	4.32
Total	**1,236.04**	**1,135.88**

Note :-

i) Salary of Staff on deputation represents amounts debited by HPCL & ONGC. The above amount is reduced by 5 % of CSR expense towards CSR admin overhead of Rs 9.95 lakhs (P.Y :Rs 10.35 lakhs).

Note 22 - Finance costs

(Rs. In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Interest on Income Tax	-	6.92
Finance Charges on Lease	634.65	754.99
Interest Others	-	-
Total	**634.65**	**761.91**

Note 23 - Other expenses

(Rs. In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Power & Fuel	2,165.37	1,798.04
Repair & Maintenance on Plant and Machinery	208.87	139.47
Repair & Maintenance on Buildings	83.39	-
Repair & Maintenance - Electricals, ROW & Others	233.84	247.50
Operations and maintenance - Contract Manpower	231.50	159.76
Stores & Spares Consumed	173.39	93.94
Insurance Premium	186.09	120.58
Painting of Station Pipings And equipment's	6.70	66.14
Watch and Wards	411.01	347.73
Lease Rent	86.75	14.21
Compensation to CA(LAO) Staff	4.30	2.36
Communication Expense	29.92	38.20
Net Loss on disposal of Fixed Assets	11.48	-
Impairment on assets classified as held for sale	187.52	-

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Write- Down of inventories to NRV	3.59	-
Printing & Stationery	10.20	10.24
Professional and Consultancy Charges (Refer Note 23A below)	172.86	59.52
Rates and Taxes	82.87	28.28
Training, Recruitment, Seminar and Mock Drill Expenses	50.45	40.80
Travelling and Conveyance	74.37	63.59
Vehicle Hire Charges	124.83	110.85
Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013.	237.45	220.18
Advertisement for Public Tender	-	7.19
Other Expenses	57.76	94.20
Total	**4,834.51**	**3,662.78**

Note 23A - Legal and professional charges include payment to auditors

(Rs. In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
As auditors		
Statutory audit	2.75	2.75
For Taxation matters	0.83	0.70
For other services	1.63	1.20
Total	**5.21**	**4.65**

Note 24 - Settlement of Legal Claims

(Rs. In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Interest Paid for Settlement of Court / Arbitration Cases	-	2,403.46
Total	**-**	**2,403.46**

Note 25 - Employee Benefits

a. Defined Benefit Plan – Gratuity

Gratuity is payable for 15 days salary for each completed year of service. Vesting period is 5 years and the payment is restricted to Rs 25 Lakhs on superannuation, resignation, termination, disablement or on death.

The following tables set out the gratuity plans (unfunded) and the amounts recognized in the Company's financial statements as at March 31, 2026 and March 31, 2025:

(Rs. In lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Change in benefit obligations		
Benefit obligations at the beginning	200.43	169.78
Service cost	11.09	12.18
Interest expense	13.32	12.01
Remeasurements - Actuarial (gains)/ losses	(2.30)	7.26
Past Service cost*	22.69	-
Benefits paid	(16.00)	(0.80)
Benefit obligations at the end	**229.23**	**200.43**

*Past Service Cost has been recognized due to the change in the benefit ceiling limits from Rs 20 lakhs to Rs 25 Lakhs.

(Rs. In lakhs)

Change in plan assets	As at	
	March 31, 2026	March 31, 2025
Fair value of plan assets at the beginning	-	-
Interest income	-	-
Transfer of assets	-	-
Remeasurements- Return on plan assets excluding amounts included in interest income	-	-
Contributions	-	-
Benefits paid	-	-
Fair value of plan assets at the end	**-**	**-**

Amount for the year ended March 31, 2026 and March 31, 2025 recognized in the Statement of Profit and Loss under employee benefit expenses.

(Rs. In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Service cost	11.09	12.18
Net interest on the defined benefit obligation	13.32	12.01
Net gratuity cost	**24.41**	**24.19**

Amount for the year ended March 31, 2026 and March 31, 2025 recognized in statement of other comprehensive income:

(Rs. In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses		
(Gain)/loss due to change in demographic assumptions	-	-
(Gain)/loss due to change in financial assumptions	(9.01)	7.96
(Gain)/loss due to experience adjustments	6.72	-0.71
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	-	-
Total	**(2.30)**	**7.26**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2026 and March 31, 2025 are set out below:

Particulars	As at	
	March 31, 2026	March 31, 2025
Discount rate	7.25%	6.80%
Salary escalation rate	5.00%	5.00%

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

b. Long-term employee benefits -Earned and Half Pay Leave Encashment

The following tables set out the leave plans and the amounts recognized in the Company's financial statements as at March 31, 2026 and March 31, 2025 :

(Rs. In lakhs)

Particulars	As at	
	March 31, 2026	March 31, 2025
Change in benefit obligations		
Benefit obligations at the beginning	284.19	250.89
Service cost	23.85	17.53
Interest expense	19.07	17.93
Remeasurements - Actuarial (gains)/ losses	26.32	19.09
Benefits paid	(35.94)	(21.25)
Benefit obligations at the end	**317.49**	**284.19**

(Rs. In lakhs)

Change in plan assets	As at	
	March 31, 2026	March 31, 2025
Fair value of plan assets at the beginning	-	-
Interest income	-	-
Transfer of assets	-	-
Remeasurements- Return on plan assets excluding amounts included in interest income	-	-
Contributions	-	-
Benefits paid	-	-
Fair value of plan assets at the end	-	-

Amount for the year ended March 31, 2026 and March 31, 2025 recognized in the Statement of Profit and Loss under employee benefit expenses.

(Rs. In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Service cost	23.85	17.53
Net interest on the defined benefit obligation	19.07	17.93
Actuarial (gains) / losses		
(Gain)/loss due to changes in demographic assumptions	-	-
(Gain)/loss due to changes in financial assumptions	(14.49)	13.30
(Gain)/loss from Plan experience	40.81	5.80
Curtailment gain	-	-
Net leave encashment cost	**69.24**	**54.56**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2026 and March 31, 2025 are set out below:

Particulars	As at	
	March 31, 2026	March 31, 2025
Discount rate	7.25%	6.80%
Salary escalation rate	5.00%	5.00%

c. Defined Contribution Plans-Provident Fund & NPS

The Company makes contribution to Provident Fund which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised during year ending March 31, 2026 Rs. 59.05 lakhs (Year ended 31 March, 2025 Rs. 55.49 lakhs) for Provident Fund contributions in the Statement of Profit and Loss under the head Employee Benefits Expense. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company had introduced NPS for its employees w.e.f 01 January 2023 within the overall limit of Retirement Benefit Scheme. The obligation of the Company is to contribute to NPS to the extent of amount not exceeding 30% of basic pay and dearness allowance as reduced by the employer's contribution towards provident fund and gratuity. The company made contribution during the year ending March 31, 2026, for Rs 61.98 lakhs (Year ended 31 March, 2025 Rs. 58.25 lakhs) for National Pension Scheme (NPS).

Note 26 - Financials Instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2026 were as follows:

(Rs. In lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 10)	251.95	-	-	-	-	251.95	251.95
Bank Balances other than Cash and cash equivalents (Refer Note 11)	41,589.07	-	-	-	-	41,589.07	41,589.07
Trade receivables (Refer Note 9)	2,258.47	-	-	-	-	2,258.47	2,258.47
Other financial assets (Refer Note 5 & 5.1)	5,809.04	-	-	-	-	5,809.04	5,809.04
Total	**49,908.53**	**-**	**-**	**-**	**-**	**49,908.53**	**49,908.53**
Liabilities:							
Trade payables (Refer Note 15)	693.47	-	-	-	-	693.47	693.47
Lease liabilities (Refer Note 16.1)	7,111.11	-	-	-	-	7,111.11	7,111.11
Other financial liabilities (Refer Note 16)	531.86	-	-	-	-	531.86	531.86
Total	**8,336.44**	**-**	**-**	**-**	**-**	**8,336.44**	**8,336.44**

The carrying value and fair value of financial instruments by categories as of March 31, 2025 were as follows:

(Rs. In lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 10)	904.95	-	-	-	-	904.95	904.95
Bank Balances other than Cash and cash equivalents (Refer Note 11)	42,720.48	-	-	-	-	42,720.48	42,720.48
Trade receivables (Refer Note 9)	3,812.32	-	-	-	-	3,812.32	3,812.32
Other financial assets (Refer Note 5 & 5.1)	2,483.61	-	-	-	-	2,483.61	2,483.61
Total	**49,921.36**	**-**	**-**	**-**	**-**	**49,921.36**	**49,921.36**
Liabilities:							
Trade payables (Refer Note 15)	1,209.31	-	-	-	-	1,209.31	1,209.31
Lease liabilities (Refer Note 16.1)	7,020.85					7,020.85	7,020.85
Other financial liabilities (Refer Note 16)	598.27	-	-	-	-	598.27	598.27
Total	**8,828.43**	**-**	**-**	**-**	**-**	**8,828.43**	**8,828.43**

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

The Company has a small amount of international exposure on account of availing services. The exchange rate between rupee and dollar has changed in recent years and may fluctuate in future. However, the impact of this on the Company may not be significant.

The following table analyses foreign currency risk from financial instruments as on March 31, 2026 and March 31, 2025

(In lakhs)

Particulars	As at March 31, 2026			As at March 31, 2025		
	U.S. dollars	Euro	Total	U.S. dollars	Euro	Total
Cash and cash equivalents	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Net assets / (liabilities)	-	-	-	-	-	-

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs.Nil and Rs. Nil as of March 31, 2026 and March 31, 2025, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss.

Based on the past experience, the Company has negligible level of bad debts, as the receivables are mainly from 4 CPSE Customers with whom the Company has a long-term relationship. In practice, expected credit losses are so immaterial that no calculations or loss reserves are required at all. The Company has however, provided for expected credit loss based on lifetime credit loss in respect of old doubtful/disputed receivables.

Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Note 27 - Earning Per Share

Particulars	Year ended March 31, 2026 Rs. Per Share	Year ended March 31, 2025 Rs. Per Share
Basic Earnings per share		
From continuing operations	2.12	1.51
From discontinuing operations	-	-
Total basic earnings per share	**2.12**	**1.51**
Diluted Earnings per share		
From continuing operations	2.12	1.51
From discontinuing operations	-	-
Diluted earnings per share	**2.12**	**1.51**

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(Rs. In lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit / (loss) for the year attributable to owners of the Company	11,618.68	8,299.06
Less: Preference dividend and tax thereon	-	-
Profit / (loss) for the year used in the calculation of basic earnings per share	11,618.68	8,299.06
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	-	-
Profits used in the calculation of basic earnings per share from continuing operations	**11,618.68**	**8,299.06**
Weighted average number of equity shares	**54,87,07,264**	**54,87,07,264**
Earnings per share from continuing operations - Basic (Rs.)	**2.12**	**1.51**

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock options and Convertible bonds for the respective periods, if any.

(Rs. In lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit / (loss) for the year used in the calculation of basic earnings per share	11,618.68	8,299.06
Add: Interest expense and exchange fluctuation on convertible bonds (net) - adjusted for attributable taxes	-	-
Profit / (loss) for the year used in the calculation of diluted earnings per share	11,618.68	8,299.06
Profit for the year on discontinued operations used in the calculation of diluted earnings per share from discontinued operations	-	-
Profits used in the calculation of diluted earnings per share from continuing operations	**11,618.68**	**8,299.06**
Weighted average number of equity shares	**54,87,07,264**	**54,87,07,264**
Earnings per share from continuing operations - Diluted (Rs.)	**2.12**	**1.51**

The Company does not have any Instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, hence the Weighted average number of equity shares used in the calculation of Diluted EPS is same as that of Basic EPS.

Note 28 - Related party disclosures

Nature of relationship	Names of related parties
Key management personnel (KMP)	Shri. Anuj Kumar Jain - Chairman
	Shri. Sudhir Kumar - Managing Director, (resigned with effect from 01.04.2026)
	Shri. Pankaj Kumar Meena - Managing Director, (Appointed with effect from 01.04.2026)
	Shri. Subodh Batra - Director
	Shri. Ramesh Ramasamy - Director
	Shri C Sridhar Goud- Director (resigned with effect from 26.07.2025)
	Shri Neeraj Lal-Director
	Smt Pinky Rai-Director
	Shri B Sudharshan-Director (resigned with effect from 01.07.2025)
	Shri Deepak Padmanabhan Nayer Prabhakar-Director (Appointment effective from 23.07.2025)
	Shri Debasish Basak-Director (Appointment effective from 01.08.2025)
	Shri. Chandan Kumar Das - CFO(KMP)
	Shri.Sachin Jayaswal - Company Secretary(KMP)
Ultimate Holding Company	Oil and Natural Gas Corporation Limited
Fellow Subsidiary	Mangalore Refinery & Petrochemicals Limited
Investing Party	Hindustan Petroleum Corporation Limited

Transactions between related parties

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Income		
Hindustan Petroleum Corporation Limited		
Freight Charges	9,137.91	8,193.39
Cost Sharing for Settlement of Legal case-PLL	-	451.23
Mangalore Refinery & Petrochemicals Ltd		
Freight Charges Received	4,905.61	1,493.62
Dispatch Charges Received	220.49	215.69
Rent for Lease of Pipeline Received	2.36	2.36
Power Charges-Received	9.46	7.31
PLC Modification and Integration Charges	-	7.03
Expense		
Hindustan Petroleum Corporation Limited		
Land Lease Rent - Paid	555.09	646.82
Server Hosting Rent -Paid	-	3.50
Deputation Salary & Allowances- Paid	100.88	150.46
Reimbursement of Property Tax	54.99	-
Training Fee Paid	-	0.17
Manpower Study	3.71	-
AMC charges for PIDS	11.06	-
Lab Testing Charges Paid	4.35	11.26
Mangalore Refinery & Petrochemicals Ltd		
Power Charges Paid	541.70	403.73
Training Fee Paid	-	0.22
Oil and Natural Gas Corporation Ltd		
Deputation Salary & Allowances- Paid	123.76	81.13
Training Fee Paid	0.85	-
***Remuneration paid to KMP (On Deputation)**		
Sudhir Kumar	104.88	68.75
Mukundan V M	-	39.66
Remuneration paid to KMP (others)		
Chandan Kumar Das	38.06	35.14
Sachin Jayaswal	34.68	33.57

Note:-

All the above supply & services are including GST

* - Remuneration to Managing Director represents amounts debited by HPCL & ONGC for its Executive on deputation to the company and the entitlement released by PMHBL as per HPCL & ONGC rules.

(Rs. In lakhs)

Balances outstanding at the end of the year	As at	
	March 31, 2026	March 31, 2025
Trade Receivable		

Hindustan Petroleum Corporation Limited	929.21	1,834.48
Mangalore Refinery & Petrochemicals Limited	328.45	277.52
Trade Payables		
Hindustan Petroleum Corporation Limited	171.88	504.11
Oil and Natural Gas Corporation Limited	9.48	7.60

Note 29 - Leases

The Company's Lease asset classes primarily consist of leases for Land and Building . The Company assesses whether a Contract contains a lease, at inception of a Contract. A contract is or contains , a lease if the contact conveys the right to control the use of an identified assets 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: (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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.

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 cost less any lease incentive. They are subsequently measured at cost less accumulated Depreciation and impairment loss

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term of the underlying assets Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2026.

(Rs. In lakhs)

Particulars	Category of ROU			
	Lease Deposit	Land	Building	Total
Balance as at April 1, 2025	9.74	6,250.73	134.55	6,395.02
Additions	-	-	-	-
Depreciation	4.68	334.83	64.62	404.13
Balance as at March 31, 2026	**5.06**	**5,915.90**	**69.93**	**5,990.89**

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2025:

(Rs. In lakhs)

Particulars	Category of ROU			
	Lease Deposit	Land	Building	Total
Balance as at April 1, 2024	**-**	580.93	3.95	584.88
Additions	14.04	6,669.03	193.85	6,876.92
Depreciation	4.30	418.30	63.25	485.85
Deletions	-	580.93	-	580.93
Balance as at March 31, 2025	**9.74**	**6,250.73**	**134.55**	**6,395.02**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liability as at March 31, 2026 and March 31, 2025

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
Non-current lease liabilities	6,538.21	6,486.47
Current lease liabilities	572.90	534.38
Total	**7,111.11**	**7,020.85**

The following is the movement in lease liabilities during the year ended March 31, 2026 and March 31 2025.

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
Balance at the beginning	**7,020.85**	**810.59**
Additions	-	6,862.88
Deletions	-	(819.60)
Finance cost accrued during the period	634.65	754.99
Payment of lease liabilities	(544.39)	(588.01)
Balance at the end	**7,111.11**	**7,020.85**

The table below provides details regarding contractual maturities of lease liabilities as at March 31, 2026 and March 31 , 2025 on an undiscounted basis:

(Rs. In lakhs)

Particulars	As at	
	March 31,2026	March 31,2025
not later than one year	576.91	544.39
later than one year and not later than five years	2,390.68	2,310.36
later than five years	13,550.51	14,207.74

The table below provides details regarding Amounts recognised in profit and loss.

(Rs. In lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation expense on right-of-use assets	404.13	485.85
Interest expense on lease liabilities	634.65	754.99
Expense relating to short-term leases	16.02	14.21

The total cash outflow for leases for the year ended March 31, 2026 and March 31, 2025 amount to Rs.544.39 Lakhs & Rs.588.01 Lakhs. respectively

Notes:

(i) The Company has executed lease agreements with HPCL on 18th March 2025 for the leased lands situated at Mangalore, Hassan and Devangunthi as per agreed revised lease rental effective from 1st January 2024. The revised ROU assets and lease liabilities has been recognised accordingly effective from 1st January 2024

(ii) The lease rentals in respect of head office premises does not includes Fixed maintenance and Power backup charges for the purpose of payment of lease rent as being non lease component

Note 30 - Contingent liabilities and commitments (to the extent not provided for)
Contingent liabilities

I. Claims against the company not acknowledged as debt-with respect to:

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
01 Writ Petition case filed by PMHBL at Hon'ble High Court of Karnataka, Bangalore against the order of Hon'ble District judge of Chickmagalur District for damages outside the ROU. The Company has deposited Rs. 21.03 lakhs as court deposit.	21.03	21.03
Total	**21.03**	**21.03**

II. Appeal against Order of Income Tax:

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
Income Tax Case - Income Tax Case - AY 2016-17 : Appeal filed with CIT (Appeal) against Order of AO U/s. 143(3)for disallowing Depreciation on Right of Way (being amount paid to Forest Department for regularisation of Forest Land) of Rs. 60 lakhs and raised demand of Rs. 30.40 Lakhs. The company has deposited Rs 6.08 lakhs as deposit for filling Appeal filed with CIT(Appeal). Fresh submission made for completion of faceless Assessement.	30.40	30.40
Total	**30.40**	**30.40**

III. Capital Commitments:

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances if any)	829.51	154.51

Note 31. Performance bank Guarantee:

(i) Performance Bank Guarantee of Rs. 639 lakhs has been given by the company in favour of Petroleum & Natural Gas Regulatory Board towards 1% cost of the pipeline project as security deposit for meeting the quality of service obligations and requirement of PNGRB during operating phase. The Bank Guarantee is renewed from time to time and presently valid till 5th May 2026.

(ii) Performance Bank Guarantee of Rs. 27.64 lakhs has been given by the company in favour of M/s PTC India Limited towards 18 days of contracted energy bill as security deposit for purchase of power from Indian Energy Exchange on behalf of the Company valid till 5th May 2026.

(iii) Performance Bank Guarantee of Rs. 3.93 lakhs has been given by the company in favour of M/s KREDL as security deposit as per government order no -03NCE2026 dated 13th Feb 2026 for 0.785 MW solar power plant at managalore valid up to 31 March 2028.

Note 32 - Disclosures required for Micro, Small and Medium Enterprises:

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	261.86	438.79
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

Note 33 - Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting health care and sanitation, promoting education, employment enhancing vocation skills and livelihood enhancement project, promoting Women empowerment, promoting Environmental sustainability & conservation of Natural Resources and Promoting Rural Development.

A CSR committee has been formed by the company as per the Act. The funds were utilized through the year on the activities which are specified in Schedule VII of the Companies Act, 2013.Greater emphasis was given during the year on Promoting Education.

Breakup of amount spent during the year on CSR Activities as follows :

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
1. Amount required to be spent by the company during the year,	236.66	216.27
2. Amount of expenditure	237.45	220.18
3. Shortfall at the end of the year	-	-
4.Total of previous years shortfall	-	-
5.Reason for shortfall	NA	NA
6. Nature of CSR activities :		
Promoting Heath Care & Sanitation	72.51	85.86
Promoting Education, Employment enhancing Vocational Skills and Livelihood enhancement Projects	153.63	123.84
Administration Exp	11.31	10.48
	237.45	**220.18**

Note 34 - Operating Segments

The Company has only one single reportable segment i.e. Transportation of Petroleum Products of Oil Marketing Companies (OMCs').

(Rs. In lakhs)

Particulars	Year ended	
	March 31,2026	March 31,2025
Revenue from External Customers		
Within India	19,941.24	16,249.82
Outside India	-	-
Non Current Assets		
Within India	19,058.96	19,262.76
Outside India	-	-
Information about Major External Customers		
Major External Customer No. 1	9,137.91	7,315.53
Major External Customer No. 2	4,905.61	4,054.31
Major External Customer No. 3	4,522.23	3,353.81

Note 35-Interim Dividend

Current Year 2025-26:

The Company has declared and paid 1st Interim Dividend to Shareholder during the year 2025-26 @ Rs 0.65 per equity share totalling Rs, 3566.60 Lakhs out of surplus in Profit and Loss account as on 31.03.2025 and also paid 2nd Interim Dividend to Shareholder during the year 2025-26 @ Rs 1.28 per equity share totalling Rs. 7023.45 Lakhs out of current year Profits.

Previous Year 2024-25:

The Company has declared and paid 1st Interim Dividend to Shareholder during the year 2024-25 @ Rs 0.74 per equity share totalling Rs, 4060.43 Lakhs out of surplus in Profit and Loss account as on 31.03.2024 and also paid 2nd Interim Dividend to Shareholder during the year 2024-25 @ Rs 0.865 per equity share totalling Rs. 4746.32 Lakhs out of current year Profits.

Companies is required to pay /distribute dividend after deducting applicable withholding income taxes

Note 36-Ratios

Ratio	Current year	Previous Year	Variance	resons for variance where change in the ratio is more than 25% as compared to the ratio of preceding year
Current Ratio	20.21	15.72	28.56%	This is cumulative impact of decrease in working capital
Return on Equity	0.20	0.14	39.27%	Revenue growth has resulted in improvement in this ratios.
Trade receivable Turnover ratio	6.57	5.74	14.45%	
Trade payable Turnover ratio	20.96	19.70	6.39%	
Net capital Turnover ratio	0.43	0.35	25.08%	
Net profit ratio	58%	51%	14.22%	
Return on Capital Employed (in %)	24%	18%	31.51%	Revenue growth has resulted in improvement in these ratios.

Formula used for computation of:

(i) Current Ratio = Current assets / Current liabilities.
(ii) Return on Equity ratio = Profit for the year / Average Total equity
(iii) Trade receivable turnover = Revenue from operations / Average trade receivables
(iv) Trade payable turnover = Revenue from operations / Average trade payables.
(v) Net capital turnover ratio = Revenue from operations / working Capital
(vi) Net Profit ratio (%) = Profit for the period / Revenue from operations.
(vii) Return on Capital employed = Profit Before Interest & Tax/Capital Employed. (Capital employed = Net worth + lease liabilities + deferred tax liabilities)

Note 37 Other Disclosures

(i) There have not been any revaluation of Property, Plant & Equipment and Intangible Assets.
(ii) There are no proceedings initiated or pending for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
(iii) here are no unrecorded transactions, which have been surrendered or disclosed as Income during the year in the tax assessments under the Income tax act, 1961.
(iv) There are no trading entered into or investments made in Crypto Currency or Virtual Currency during the year.

Note 38

Previous year's figures have been regrouped where necessary to conform to those of the current year's classification.

Note 39

The above financials statements was reviewed by the Audit committee at the meeting held on 22nd April 2026 and approved by the board of directors at its meeting held on 22nd April 2026.

The accompanying notes 1 to 39 form an integral part of the financial statements.

As per our report of even date attached
for K. P. Rao & Co.
Chartered Accountants
Firm Registration Number: 003135S

Sd/-
Prashanth S
Partner
Membership Number: 228407

Place : Bangalore
Date : 22/04/2026

For and on behalf of the Board of Directors of
Petronet MHB Limited

Sd/-
Pankaj Kumar Meena
Managing Director
DIN: 11617835

Sd/-
Ramesh Ramasamy
Director
DIN:10304253

Sd/-
Chandan Kumar Das
Chief Financial Officer

Sd/-
Sachin Jayaswal
Company Secretary

Place : Bangalore
Date : 22/04/2026

Petronet MHB Limited

CSR ACTIVITIES

Empowering communities. Enriching lives.

Government School & Anganwadi building construction

Mid-Day Meal Kitchen construction

Petronet MHB Limited

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