Petronet MHB Limited

ANNUAL ACCOUNTS AS PER IND AS FOR THE FINANCIAL YEAR 2022-2023

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YCRJ & Associates
Chartered Accountants

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Independent Auditor's Report

To the Members of M/s. Petronet MHB Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **M/s. Petronet MHB Limited (*"the Company"*)**, which comprise the balance sheet as at March 31, 2023, 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 standalone 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 standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) 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, 2023 and its profit, 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 standalone 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 standalone 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 ICAI's 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 no key audit matters to communicate in our report

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Information Other than the standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 we are required to communicate the matter to those charged with governance and take appropriate action accordingly.

Responsibility of Management for the standalone 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 standalone 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 implementation and maintenance of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.
The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 standalone financial statements or, if such disclosure 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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" 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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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 standalone financial statements – Refer Note No.29 of the standalone financial statements.

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

iii. There were no amounts which were 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 it's 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 entity ("Intermediary"), 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 it's knowledge and belief, no funds have been received by the company from any person or entity, including foreign entity ("Funding Party"), 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

(c) Based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) 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. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only with effect from April 1, 2023, reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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.

Place: Bangalore
Date: 24-04-2023

For YCRJ & Associates
Chartered Accountants
Firm Regn No. 006927S

CA Poornima Y
Partner
M.No: 212804
UDIN: 23212804BGXCSX2943

"Annexure A" to the Independent Auditors Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone financial statements of the company for the year ended 31st March, 2023)

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we confirm that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
   a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
      (B) The Company has maintained proper records showing full particulars of intangible assets
   b. As per the information and explanation given us, all Property, Plant and Equipment, right-of-use assets and other Intangible assets have been physically verified by the management during the year which in our opinion, is reasonable having regard to size of the company and the nature of its assets. As explained to us no material discrepancies were noticed on such verification.
   c. As per the information and explanation given us and based on the examination of the records of the Company, the title deeds of immovable properties are not held in the name of the company in few cases. In respect of lands allotted by KIADB amounting to Rs.36.2 Lakhs, Lease cum sale agreements were entered into and the absolute sale deed has not been executed
   d. As per the information and explanation given to us the Company has not revalued any of its Property, Plant and Equipment (including right of-use assets).
   e. As per the information and explanation given us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii.
   a. The company is a service company, primarily rendering transportation of petroleum products. Accordingly, it does not hold any physical inventories other than stores, spares and project surplus. The management has conducted physical verification of such inventories at the end of the year. No material discrepancies were noticed during such verification.

   b. The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. As per the information and explanation given to us, the company has not made investments in, provided any guarantee or security or granted any loans, secured or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties. Hence reporting under clause 3(iii) of paragraph 3 of the Order are not applicable.

iv. As per the information provided and explanation given to us, there are no loans, investments, guarantees, and security under section 185 and 186 of the Companies Act 2013. Hence the provisions of clause 3(iv) of paragraph 3 of the Order are not applicable.

v. As per the information provided and explanation given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable

vi. We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate.

vii.

a. As per the information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues including Goods and service tax, provident fund, income tax, cess and other statutory dues to the appropriate authorities. As explained to us, the company did not have any dues on account of employee's state insurance, duty of customs and duty of excise.
As per the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on March 31, 2023 for a period of more than 6 months from the date they became payable.

b. As per the information and explanations given to us, the following statutory dues have not been deposited on account of dispute:

Statute	Nature of dues	Amount Rs.in lakhs	Forum where dispute is pending
Income tax Act, 1961	Income tax	30.40	Commissioner of Income Tax (Appeal)

viii. As per the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961). Hence, reporting under clause 3(viii) of the Order is not applicable.

ix. As per the Information and explanations given to us, the company does not have any loans or borrowings from a financial institution, bank, Government or issued any debenture. Hence, reporting under clause 3(ix) of the Order is not applicable.

x. As per the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3(x) of the Order is not applicable.

xi.

a No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c As per the information and explanation given to us, the Company has not received any whistle blower complaints during the year.

xii. The company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order is not applicable.

xiii. As per the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act,2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv.

a In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. As per the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and also is not a core investment company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.

xvii The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii There has been no resignation of the statutory auditors of the Company during the year and hence clause 3(xviii) is not applicable to the company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans 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 indicating 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. As per the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a 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 clause 3(xx)(a) of the Order is not applicable for the year.

b. As per the information and explanations given to us, there are no ongoing projects, where the Company has any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year as per the provision of section 135(6) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

Place: Bangalore
Date: 24-04-2023

For **YCRJ & Associates**
Chartered Accountants
Firm Regn No. 006927S

CA Poornima Y
Partner
M.No:212804
UDIN: 23212804BGXCSX2943

"Annexure B" to the Independent Auditor's Report

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone financial statements of the company for the year ended 31st March, 2023)

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

We have audited the internal financial controls over financial reporting of M/s. Petronet MHB Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India. 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting
Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, 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 issued by the Institute of Chartered Accountants of India.

Place: Bangalore
Date:24-04-2023

For **YCRJ & Associates**
Chartered Accountants
Firm Regn No. 006927S

CA Poornima Y
Partner
M. No: 212804
UDIN: 23212804BGXCSX2943

"Annexure – C" to the Independent Auditors Report

(Referred to in paragraph 3 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone financial statements of the company for the year ended 31st March, 2023)

Direction: I. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, maybe stated

Observation: The Company is using an IT - ERP system viz. SAP in which the accounting transactions are processed. The accounting transactions including the payroll are inbuilt in the IT-ERP system. The company does not have any outside IT software that needs to be integrated in the accounts.

Direction: II. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial Impact may be stated. Whether such cases are properly accounted for?

Observation: There are no restructuring of an existing loan or cases of waiver write off of debts, loans, interest, etc., made by lender to the company due to the company's ability to repay the loan.

Direction: III. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.

Observation: No funds were received/receivable for specific schemes from Central / State Government or its agencies.

Place: Bangalore
Date: 24-04-2023

For YCRJ & Associates
Chartered Accountants
Firm Regn No. 006927S

Y. Poornima
CA Poornima Y
Partner
M. No: 212804
UDIN: 23212804BGXCSX2943

Petronet MHB Limited
Balance Sheet as at March 31, 2023

(Rs. In lakhs)

	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	12,065.55	12,306.38
(b) Right-of-use assets	2.1	716.07	847.95
(c) Capital work-in-progress	2.2	378.38	55.41
(d) Investment Property	3	4.21	7.15
(e) Other Intangible assets	4	675.95	692.84
(f) Financial Assets			
(i) Other financial assets	5	252.35	752.38
(g) Other non-current assets	7	1,509.85	1,538.20
(h) Non Current Tax Assets(Net)	7.1	15.28	32.76
Total Non - Current Assets		15,823.74	16,632.35
Current assets			
(a) Inventories	8	250.44	202.17
(b) Financial Assets			
(i) Trade receivables	9	1,740.31	1,405.05
(ii) Cash and cash equivalents	10	111.79	7.05
(iii) Bank balances other than (ii) above	11	43,491.95	42,379.24
(iv) Other financial assets	5	1,637.45	1,802.28
(c) Other current assets	12	57.45	95.58
Total Current Assets		47,289.87	45,862.72
Assets classified as held for sale	13	333.27	333.27
Total Assets		63,446.87	62,828.34
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	54,870.73	54,870.73
(b) Other Equity	14.1	3,486.37	3,082.13
Total Equity		58,357.10	57,952.86
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	16	820.55	930.14
(ii) Trade payables	15		
Dues of Micro & Small Enterprises		-	-
Dues to Creditor other than Micro & Small Enterprises			-
(iii) Other financial liabilities	16	657.99	657.69
(b) Provisions	17	315.01	277.02
(c) Deferred tax liabilities (Net)	6	1,521.36	1,491.63
Total Non - Current Liabilities		3,314.91	3,356.48
Current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	16.1	119.54	161.36
(ii) Trade payables	15		
Dues of Micro & Small Enterprises		41.23	47.62
Dues to Creditor other than Micro & Small Enterprises		188.61	356.76
(iii) Other financial liabilities	16	322.58	387.94
(b) Other current liabilities	18	792.42	559.52
(c) Provisions	17	310.49	95.82
Total Current Liabilities		1,774.87	1,519.00
Total Equity and Liabilities		63,446.87	62,828.34

The accompanying notes 1 to 47 form an integral part of the financial statements.

As per our report of even date attached
for VCRJ & Associates
Chartered Accountants
Firm Registration Number: 000627S

Poornima Y
Partner
Membership Number: 213808
UDIN: 23213808BGXSX2943

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

Muthusekar V.S.L.
Managing Director
DIN: 09187238

B. Adhikary
Director
DIN: 09607501

Chandan Kumar Das
Chief Financial Officer

Sachin Jayaswal
Company Secretary

Place: Bangalore
Date: 24.04.2023

Place: Bangalore
Date: 24.04.2023

Petronet MHB Limited
Statement of Profit and Loss for the year ended March 31, 2023

Rs. In lakhs

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	19	14,189.14	10,305.55
Other Income	20	2,638.52	2,509.70
Total Income		**16,827.66**	**12,815.25**
Expenses			
Employee benefit expense	21	957.44	920.62
Finance costs	22	104.55	100.72
Depreciation and amortisation expense	2, 2.1, 3 & 4	1,039.68	1,020.26
Other expenses	23	3,374.27	2,633.66
Total Expenses		**5,475.94**	**4,675.26**
Profit before tax		**11,351.72**	**8,139.99**
Tax Expense			
Current tax	6	2,839.58	2,016.74
Deferred tax	6	40.45	94.97
Total tax expense		**2,880.03**	**2,111.71**
Profit for the period		**8,471.69**	**6,028.27**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Remeasurements of the defined benefit liabilities / (asset)		(1.94)	(1.75)
Income tax relating to items that will not be reclassified to profit or loss		0.49	0.44
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		**(1.45)**	**(1.31)**
Total comprehensive income for the period		**8,470.24**	**6,026.96**
Earnings per equity share			
Basic	26	1.54	1.10
Diluted	26	1.54	1.10

The accompanying notes 1 to 35 form an integral part of the financial statements

As per our report of even date attached
for **VCRJ & Associates**
Chartered Accountants
Firm Registration Number: 006923S

Poornima Y
Partner
Membership Number: 212804
UDIN : 23212804BGXC5X2943

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

Mukundan V.M.
Managing Director
DIN: 09187238

D. Adhikari
Director
DIN: 09867061

Chandan Kumar Das
Chief Financial Officer

Sachin Jayaswal
Company Secretary

Place : Bangalore
Date : 24/04/2023

Place : Bangalore
Date : 24/04/2023

Petronet MHB Limited
Statement of changes in Equity
A. Equity Share Capital

(1) Current reporting period

Rs. in lakhs

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior Period Errors	Restated Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March,31 2023
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, 2021	Changes in Equity Share Capital due to prior Period Errors	Restated Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March,31 2022
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 2022	-	-	3,082.13	-	-	-	-	-	-	-	3,082.13
Changes in accounting policy or prior period errors	-	-		-	-	-	-	-			-
Restated balance as at April 1 2022	-	-	3,082.13	-	-	-	-	-	-	-	3,082.13
Profit for the Period	-	-	8,471.69								8,471.69
Actuarial gains/(loss) on account of remeasurement of defined benefit plans	-	-	(1.45)	-	-	-	-	-		-	(1.45)
Total comprehensive income for the year	-	-	8,470.24		-		-	-	-	-	8,470.24
Other comprehensive income for the year	-	-	-	-			-	-	-		
Dividends	-	-	(8,066.00)	-	-	-	-	-	-	-	(8,066.00)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-		-
Any other Change (to be specified)			-	-	-	-	-	-	-	-	-
Balance as at March 31 2023	-	-	3,486.37	-	-	-	-	-	-	-	3,486.37

Petronet MHB Limited
Statement of changes in Equity

	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 warrants	Total Equity attributable to equity holders of the Company
			Retained earnings	Capital reserve	General reserve						
Balance as at April 1 2021	-	-	5,834.48	-	-		-	-			5,834.48
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1 2021	-	-	5,834.48	-	-	-	-	-	-	-	5,834.48
Profit for the Period	-	-	6,028.27	-	-	-		-	-		6,028.27
Actuarial gains/(loss) on account of re-measurement of defined benefit plans	-	-	(1.31)	-	-		-	-		-	(1.31)
Total comprehensive income for the year	-	-	6,026.96	-	-	-	-	-	-	-	6,026.96
Other comprehensive income for the year	-	-		-	-	-	-	-	-	-	-
Dividends	-	-	(8,779.32)	-	-	-	-	-		-	(8,779.32)
Transfer to retained earnings	-	-		-	-	-	-	-	-	-	
Any other Change (to be specified)	-	-	-	-	-	-	-	-		-	-
Balance as at March 31 2022	-	-	3,082.13	-		-	-	-		-	3,082.13

The accompanying notes 1 to 35 form an integral part of the financial statements.

As per our report of even date attached
for **VCRJ & Associates**
Chartered Accountants
Firm Registration Number 009275

Poornima Y
Partner
Membership Number 213804
UDIN: 23213804BGXCSX2443

Place : Bangalore
Date : 24/04/2023

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

Mukundan V.N.L
Managing Director
DIN: 09187838

Chandan Kumar Das
Chief Financial Officer

Place : Bangalore
Date : 24/04/2023

D. Adhikari
Director
DIN: 09667061

Sachin Jayaswal
Company Secretary

Petronet MHB Limited
Statement of Cash flows for the year ended March 31, 2023

Rs. in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from operating activities:		
Profit for the period before tax	11,251.22	8,139.09
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	1,039.05	1,020.26
Loss on disposal of fixed assets	-	0.50
Interest income on fixed deposits	(2,603.33)	(2,383.27)
Finance Charges on Lease	92.84	100.73
Other adjustments	11.71	(70.99)
Changes in assets and liabilities		
Trade receivables	(275.06)	(289.41)
Other financial assets	499.94	3.50
Inventories	11.69	2.09
Other assets	51.27	(15.80)
Trade payables	25.46	11.43
Other financial liabilities	(15.36)	(108.92)
Provisions and other liabilities	283.66	(2,030.15)
Cash generated from operations	**10,437.26**	**4,450.02**
Income taxes paid	(2,680.55)	(1,566.58)
Net cash generated from operating activities	**7,756.71**	**2,883.44**
B. Cash flow from investing activities:		
Acquisition of property, plant and equipment	(543.11)	(297.89)
Proceeds from sale of property, plant and equipment	0.49	0.97
Capital advances	(255.21)	(108.90)
Bank Deposits not considered as cash and cash equivalents	(1,285.74)	4,213.84
Interest received on fixed deposits	2,645.40	2,202.15
Net cash from investing activities	**614.23**	**6,060.04**
C. Cash flow from financing activities:		
Interest expense on lease liabilities	(92.84)	(100.73)
Payment of lease liabilities	(101.37)	(87.70)
Payment of Interim dividends	(8,066.00)	(8,779.32)
Net cash used in financing activities	**(8,260.20)**	**(8,967.75)**
Net increase/(decrease) in cash and cash equivalents	**110.74**	**(24.27)**
Cash and cash equivalents at the beginning of the period	1.05	25.32
Cash and cash equivalents at the end of the period	**111.79**	**1.05**

The accompanying notes 1 to 35 form an integral part of the financial statements

As per our report of even date attached
For [illegible] & Associates
Chartered Accountants
Firm Registration Number: [illegible]

Poornima T
Partner
Membership Number: 212804
UDIN: 23212804BGXDSX2998

Place: Bangalore
Date: 24/04/2023

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

Mukundan K.M.
Managing Director
DIN: [illegible]

D. Adhikari
Director
DIN: [illegible]

Chandan Kumar Das
Chief Financial Officer

Sachin Jaiswal
Company Secretary

Place: Bangalore
Date: 24/04/2023

Petronet MHB Limited
Notes to the financial statements for the year ended March 31, 2023

SIGNIFICANT ACCOUNTING POLICIES

I 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 , Thimmaiah Road , Vasanth Nagar , Bangalore Karnataka- 560 052

SIGNIFICANT ACCOUNTING POLICIES

1.1. Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 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

1.11. 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* :	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.

Petronet MHB Limited
Notes to the financial statements for the year ended March 31, 2023

Note No. 3 - Tangible Assets

Rs. in lakhs

Description of Assets	Land - Freehold	Buildings - Freehold	Computers and Data Processing Equipment's	Plant and Equipment - Freehold	Roads	Pipeline	Office Equipment	Furniture and Fixtures	Total
I. Gross Block									
Balance as at 1 April, 2022	36.47	2,173.03	169.37	8,535.34	226.88	6,152.21	92.71	167.31	17,547.13
Additions	0.61	46.19	4.72	425.57	5.85	46.72	8.82	2.32	540.01
Disposals	-	-	4.00	-	-	-	0.22	2.64	6.91
Reclassified as held for sale	-	-	-	-	-		-	-	
Balance as at 31 March, 2023	37.08	2,219.22	170.09	8,960.91	232.73	6,198.93	101.26	168.00	18,088.23
II. Accumulated depreciation and impairment for the year 2022-23									
Balance as at 1 April, 2022	-	586.48	58.08	2,824.18	69.90	1,456.78	55.50	69.33	5,150.25
Depreciation / amortisation expense for the year	-	111.81	27.21	417.13	26.32	240.40	16.16	15.18	877.85
Eliminated on disposal of assets	-	-	3.68	-			0.06	2.28	6.02
Eliminated on reclassification as held for sale	-	-	-	-	-	-	-	-	
Balance as at 31 March, 2023	-	700.52	81.81	3,241.20	96.22	1,697.18	71.62	82.65	6,022.84
Net block (I-II)									
Balance as on 31st March 2023	37.08	1,518.71	88.28	5,699.71	136.41	4,501.75	29.64	85.35	12,065.39
Balance as on 31st March 2022	36.47	1,586.56	110.29	5,711.16	157.08	4,695.43	37.21	97.78	12,396.38

Description of Assets	Land - Freehold	Buildings - Freehold	Computers and Data Processing Equipment's	Plant and Equipment - Freehold	Roads	Pipeline	Office Equipment	Furniture and Fixtures	Total
I. Gross Block									
Balance as at 1 April, 2021	36.47	2,081.14	153.99	8,441.20	217.21	6,132.07	83.95	148.21	17,297.96
Additions	-	91.89	17.07	94.41	9.67	20.14	8.76	16.51	262.46
Disposals	-		1.69	0.27	-		-	1.61	3.49
Reclassified as held for sale	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2022	36.47	2,173.03	169.37	8,535.34	226.88	6,152.21	92.71	163.11	17,547.13
II. Accumulated depreciation and impairment for the year 2021-22									
Balance as at 1 April, 2021	-	478.06	32.38	2,394.13	45.19	1,249.18	40.61	53.93	4,293.07
Depreciation / amortisation expense for the year	-	108.42	25.17	430.05	24.61	207.60	14.89	17.57	858.27
Eliminated on disposal of assets	-	-	1.44	-	-	-	-	1.17	2.61
Eliminated on reclassification as held for sale	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2022	-	586.48	58.08	2,824.18	69.90	1,456.78	55.50	69.33	5,150.25
Net block (I-II)									
Balance as on 31st March 2022	36.47	1,586.56	110.29	5,711.16	157.08	4,695.43	37.21	97.78	12,396.38
Balance as on 31st March 2021	36.47	1,603.08	121.31	6,047.07	172.02	4,882.89	43.34	94.28	13,004.89

Notes:

1. The Company is still in the process of getting registered its properties of land in three locations acquired through [illegible] for [illegible] ... [illegible]

2. [illegible]

3. In respect of land allotted by [illegible] amounting to Rs. 16.70 lakhs [illegible]

Note No. 2.1 -Right of use Assets

Rs. In lakhs

Description of Assets	Land	Building	Total
I. Gross Block			
Balance as at 1 April, 2022	998.65	254.76	1,253.41
Additions on account of adoption of Ind AS 116	-	-	
Decrease due to remeasurement of lease liabilities	-	-	-
Disposals or classified as held for sale		-	-
Balance as at 31st March , 2023	998.65	254.76	1,253.41
II. Accumulated depreciation and impairment for the year 2022-23			
Balance as at 1 April, 2022	251.28	154.87	406.15
Depreciation expense for the period	83.22	47.97	131.19
Eliminated on disposal of assets	-	-	-
Balance as at 31st March ,2023	334.50	202.84	537.34
Net block (I-II)			
Balance as at March 31, 2023	664.15	51.92	716.07
Balance as on 31st March 2022	747.37	99.89	847.26

Description of Assets	Land	Building	Total
I. Gross Block			
Balance as at 1 April, 2021	998.65	268.77	1,267.42
Additions on account of adoption of Ind AS 116	-	-	-
Decrease due to remeasurement of lease liabilities	-	14.01	14.01
Disposals or classified as held for sale	-	-	-
Balance as at 31st March , 2022	998.65	254.76	1,253.41
II. Accumulated depreciation and impairment for the year 2021-22			
Balance as at 1 April, 2021	167.48	106.90	274.38
Depreciation expense for the period	83.80	47.97	131.77
Eliminated on disposal of assets	-	-	-
Balance as at 31st March ,2022	251.28	154.87	406.15
Net block (I-II)			
Balance as at March 31, 2022	747.37	99.89	847.26
Balance as on 31st March 2021	831.17	161.87	993.04

Note No. 2.2 - Capital Work In Progress

Rs. in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Unallocated Capital Expenditure	379.38	155.41
Total	379.38	155.41

Ageing for capital work-in progress as at March 31, 2023 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	263.27	107.71	8.40	-	379.38
Total	263.27	107.71	8.40	-	379.38

Ageing for capital work-in-progress as at March 31, 2022 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	119.53	10.88	-	25.00	155.41
Total	119.53	10.88	0.00	25.00	155.41

Note No. 3 - Investment Property

Rs. in lakhs

Description of Assets	Land	Building	Total
I. Gross Block			
Balance as at 1 April, 2022	5.17	3.00	8.17
Additions relating to acquisitions	-	-	-
Disposals or classified as held for sale	-	-	-
Balance as at 31 March, 2023	5.17	3.00	8.17
II. Accumulated depreciation and impairment for the year 2022-23			
Balance as at 1 April, 2022	-	0.84	0.84
Depreciation expense for the year	-	0.12	0.12
Eliminated on disposal of assets	-	-	
Eliminated on reclassification as held for sale	-	-	-
Balance as at 31 March, 2023	-	0.96	0.96
Net block (I-II)			
Balance as at 31 March, 2023	5.17	2.04	7.21
Balance as on 31st March 2022	5.17	2.16	7.33

Description of Assets	Land	Building	Total
I.Gross Block			
Balance as at 1 April, 2021	5.17	3.00	8.17
Additions relating to acquisitions	-	-	-
Disposals or classified as held for sale	-	-	-
Balance as at 31 March, 2022	5.17	3.00	8.17
II. Accumulated depreciation and impairment for the year 2021-22			
Balance as at 1 April, 2021	-	0.72	0.72
Depreciation expense for the year	-	0.12	0.12
Eliminated on disposal of assets	-	-	-
Eliminated on reclassification as held for sale	-	-	-
Balance as at 31 March, 2022	-	0.84	0.84
Net block (I-II)			
Balance as on 31st March 2022	5.17	2.16	7.33
Balance as on 31st March 2021	5.17	2.28	7.45

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 depreciation mentioned above. The fair value of the Property as per Valuation report dated 04-01-2019 issued by Mr. [illegible] Govt. Approved Valuer is Rs. 32.11 lakhs

Petronet MHB Limited
Notes to the financial statements for the year ended March 31, 2023

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, 2022	755.51	192.27	947.79
Additions	1.62	2.82	4.44
Disposals or classified as held for sale	-	-	-
Balance as at 31 March, 2023	757.13	195.09	952.23
II. Accumulated depreciation and impairment for the year 2022-23			
Balance as at 1 April, 2022	-	45.15	45.15
Amortisation expense for the year	-	30.52	30.52
Eliminated on disposal of assets	-	-	-
Eliminated on reclassification as held for sale	-	-	-
Balance as at 31 March, 2023	-	75.67	75.67
Net block (I-II)			
Balance as on 31st March, 2023	757.13	119.43	876.56
Balance as on 31st March 2022	755.51	147.13	902.64

Description of Assets	Right of Way	Software	Total
Intangible Assets			
I. Cost or deemed cost			
Balance as at 1 April, 2021	755.51	157.44	912.96
Additions	-	34.83	34.83
Disposals or classified as held for sale	-	-	-
Balance as at 31 March, 2022	755.51	192.27	947.79
II. Accumulated depreciation and impairment for the year 2021-22			
Balance as at 1 April, 2021	-	16.05	16.05
Amortisation expense for the year	-	29.10	29.10
Eliminated on disposal of assets	-	-	-
Eliminated on reclassification as held for sale	-	-	-
Balance as at 31 March, 2022	-	45.15	45.15
Net block (I-II)			
Balance as on 31st March 2022	755.51	147.13	902.64
Balance as on 31st March 2021	755.51	141.40	896.91

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 31,2023	As at March 31,2022
Non-Current		
Unsecured, considered good		
Security Deposits	252.33	249.61
Bank deposits with more than 12 months maturity	-	302.67
Loans having significant increase in credit risk, credit impaired	-	-
Total	252.33	552.28
Current		
Unsecured, considered good		
Security Deposits	1.57	1.57
Interest accrued On Deposits	1,655.91	1,860.71
Loans having significant increase in credit risk, credit impaired	-	-
Total	**1,657.48**	**1,862.28**

Note 6 - Income Taxes

Income tax expense in the statement of profit and loss comprises: *Rs. in lakhs*

Particulars	Year ended March 31,2023	Year ended March 31,2022
Current tax for the year	2,870.65	2,028.75
Current tax for Prior years	(21.07)	(12.01)
Deferred taxes/ Liability	40.45	94.97
Income tax expense	**2,890.03**	**2,111.71**

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 31,2023	Year ended March 31,2022
Profit before income taxes	11,251.72	8,139.99
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	2,857.00	2,048.67
Effect of non-deductible expenses	54.12	60.91
Effect of timing differences	(40.47)	(80.83)
Income tax expense	**2,870.65**	**2,028.75**

The applicable Income tax rate for financial year 2022-23 & 2021-22 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, 2023 , and March 31, 2022

Rs. in lakhs

	As at March 31,2023	As at March 31,2022
Income tax assets	16.78	37.76
Current Tax Liabilities (Net)	-	-
Net current Income tax assets/ (liability) at the end	**16.78**	**37.76**

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2023 and March 31, 2022 is as follows

Rs. in lakhs

Particulars	Year ended	
	March 31,2023	March 31,2022
Net current income tax asset/ (liability) at the beginning	37.76	268.33
Income tax paid	3,018.51	1,906.55
Income tax refund received	(199.71)	(120.33)
Current income tax expense	(3,870.65)	(2,028.75)
Current income tax for Prior years	37.07	12.12
Net current income tax asset/ (liability) at the end	**16.78**	**37.76**

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 31,2023	March 31,2022
Deferred income tax assets		
Gratuity payable to employees	36.78	31.72
Compensated absences	52.11	44.86
Deferred tax on account of leased assets	53.87	46.37
Others	-	-
Total deferred income tax assets	**142.76**	**122.95**
Deferred income tax liabilities		
Depreciation impact on PPE, Inv. Property and intangible assets	(1,674.36)	(1,614.59)
Others	-	-
Total deferred income tax liabilities	**(1,674.36)**	**(1,614.59)**
Deferred income tax assets after set off	(1,531.59)	(1,491.63)

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, 2015 and March 31, 2022, are as follows:

Rs. In lakhs

Particulars	Year ended	
	March 31,2023	March 31,2022
Net deferred income tax asset at the beginning	(1,491.63)	(1,397.10)
Credits / (charge) relating to temporary differences	(40.45)	(94.97)
Temporary differences on other comprehensive income	0.49	0.44
Net deferred income tax asset / (liability) at the end	**(1,531.59)**	**(1,491.65)**

Note 7 - Other Non Current Assets

Rs. In lakhs

Particulars	As at March 31,2023	As at March 31,2022
Unsecured, considered good		
Capital advances		
Against Land	3.10	9.71
Advances other than Capital advances		
Prepaid Expenses	59.72	76.55
Others		
Govt. Deposit	1,447.03	1,447.03
Loans Receivables which have significant increase in credit risk; Credit impaired	-	-
	1,509.85	1,533.29

Notes:

Upon Payment of Allotment Consideration the Company has been given possession of land at three different locations. The Company is yet to enter into lease cum sale Agreement with KIADB for these lands. Hence the amount is not yet capitalised as freehold land.

Note 7.1 – Non Current Tax Assets

Particulars	As at March 31,2023	As at March 31,2022
Non Current Tax Assets (Net)	16.78	37.76
	16.78	37.76

Note 8 - Inventories

Rs. In lakhs

Particulars	As at March 31,2023	As at March 31,2022
(At lower of cost and net realizable value)		
Stores and spares at site	250.44	262.13
Total	250.44	262.13

Note 9 - Trade Receivables

Rs. In lakhs

Particulars		As at March 31,2023	As at March 31,2022
Trade receivables, unsecured, considered good		1,740.73	1,465.65
Trade receivables, Which have significant increase in credit Risk		-	-
Trade receivables, -Credit Impaired		-	-
	(A)	1,740.73	1,465.65
Less: Allowances for credit losses		-	-
	(B)	-	-
Total (A-B)		1,740.73	1,465.65

Ageing for trade receivables - billed – current outstanding as at March 31, 2023 is as follows:

Rs. In lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less 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	1,627.38	37.51	6.61	19.74	49.48	1,740.73
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	1,627.38	37.51	6.61	19.74	49.48	1,740.73

Ageing for trade receivables - billed – current outstanding as at March 31, 2022 is as follows:

Rs. In lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less 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	1,305.47	7.70	18.81	23.75	109.92	1,465.65
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	1,305.47	7.70	18.81	23.75	109.92	1,465.65

Note 10- Cash and cash equivalents

Rs. In lakhs

Particulars	As at	
	March 31,2023	March 31,2022
Cash on hand	0.09	0.28
Balances with banks:		
In current accounts	111.70	0.77
Total	111.79	1.05

Note 11 - Bank Balance other than above

Rs. in lakhs

Particulars	As at March 31,2023	As at March 31,2022
Balances with banks		
Bank Deposits for original maturity more than 3 months upto 12 months	42,822.98	41,506.36
* Balance held as security against performance and other guarantee	639.00	669.88
Total	43,461.98	42,176.24

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 to PNGRB vide PBG No 3011OIGI 0000420

Note 12 - Other Current Assets

Rs. in lakhs

Particulars	As at March 31,2023	As at March 31,2022
Unsecured, considered good		
Advances other than Capital advances		
Prepaid Expenses	85.68	87.87
Advance for Expenses	0.90	2.40
Advance to Employees & Others	0.87	5.11
Loans Receivables which have significant increase in credit risk/ Credit impaired	-	-
Total	87.45	95.38

Note 13 - Assets classified as held for sale

Rs. In lakhs

Particulars	As at March 31,2023	As at March 31,2022
Project Surplus held for sale	333.23	333.23
	333.23	333.23
Liabilities associated with assets	-	-
	-	-

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 places and were purchased for use during construction of pipeline. Efforts are underway to dispose of the project surplus materials to Oil Companies. The Management of the Company expects that the fair value (less cost to sell) is higher than the carrying amount.

Note 14 - Equity Share capital

Rs. in lakhs

Particulars	As at March 31,2023	As at March 31,2022
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, 2023				
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, 2022				
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:

	No. of shares	
	As at 31 March, 2023	As at 31 March, 2022
Equity shares with voting rights:		
Hindustan Petroleum Corporation Ltd	27,43,33,672	27,43,33,672
% of holding	49.996%	49.996%
Oil & Natural Gas Corporation Ltd	27,43,33,672	27,43,33,672
% of holding	49.996%	49.996%

(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, 2023	**As at 31 March, 2022**
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, 2023 are as follows

	Shares held by promoters				
	As at March 31, 2023		As at March 31, 2022		
Promoter name	No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year
Oil & Natural Gas Corporation Ltd	274333672	49.996%	274333672	49.996%	-
Hindustan Petroleum Corporation	274333672	49.996%	274333672	49.996%	-

Disclosure of shareholding of promoters as at March 31, 2023 are as follows

	Shares held by promoters				
	As at March 31, 2022		As at March 31, 2021		
Promoter name	No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year
Oil & Natural Gas Corporation Ltd	274333672	49.996%	274333672	49.996%	-
Hindustan Petroleum Corporation	274333672	49.996%	274333672	49.996%	-

Note 14.1 - Other equity

Rs. In lakhs

Particulars	As at March 31,2023	As at March 31,2022
Retained earnings	3,486.37	3,082.13
Total	**3,486.37**	**3,082.13**

14.1.1 - Retained earnings

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at beginning of the year	3,082.13	5,834.48
Profit for the year	8,471.69	6,028.27
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(1.45)	(1.51)
Payments of dividends	(8,066.00)	(8,779.12)
Balance at the end of the year	**3,486.37**	**3,082.13**

Note 15 - Trade payables

Rs. In lakhs

Particulars	As at March 31,2023	As at March 31,2022
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	41.23	47.62
(b) Dues of creditors other than micro and small enterprises	388.61	356.76
Total	429.84	404.38

Ageing for trade payables outstanding as at March 31, 2023 is as follows.

Rs. In lakhs

Trade Payable	Outstanding for following periods from due date of payment: Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	41.23	-	-	-	41.23
Others	-	215.38	-	0.36	12.06	227.80
Disputed Dues-MSME	-	-	-	-	-	-
Disputed Dues-Others	-	-	-	-	-	-
Total	-	256.61	-	0.36	12.06	269.03
Accrued Expenses						160.81
Total Trade payable						429.84

Ageing for trade payables outstanding as of March 31, 2022 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	-	47.62	-	-	-	47.62
Others	-	142.95	0.54	0.42	11.81	155.73
Disputed Dues-MSME	-	-	-	-	-	-
Disputed Dues-Others	-	-	-	-	-	-
Total	-	**190.58**	**0.54**	**0.42**	**11.81**	**203.35**
Accrued Expenses						201.02
Total Trade payable						404.38

Note 16 - Other Financial Liabilities

Rs. in lakhs

Particulars	As at March 31,2023	As at March 31,2022
Non-Current		
Deposits received from Dealers	0.66	0.66
Retention Money for capital supplies / services	16.75	16.75
Payables for capital supplies/services	640.28	640.28
Total	**657.69**	**657.69**
Current		
Deposits received from Dealers	15.29	16.64
Retention Money for capital supplies / services	176.75	152.34
Earnest Money Deposit	32.25	32.35
Dues to Employees & Others	3.92	8.19
Advance from Customers	1.06	1.06
Payables for capital supplies/services	93.31	147.36
Total	**322.58**	**357.94**

Note 16.1 - Lease liabilities

Rs. in lakhs

Particulars	As at March 31,2023	As at March 31,2022
Non-Current		
Lease liabilities	810.59	930.14
Total	**810.59**	**930.14**
Current		
Lease liabilities	119.54	101.36
Total	**119.54**	**101.36**

Note 17 - Provisions

Rs. in lakhs

Particulars	As at March 31,2023	As at March 31,2022
Non-Current		
Provision for employee benefits		
Provision for compensated absences	174.46	155.82
Provision for gratuity	140.57	121.20
Total	**315.03**	**277.02**
Current		
Provision for employee benefits		
Provision for compensated absences	32.61	22.43
Provision for gratuity	5.58	4.82
Provision for Performance Incentives	72.30	68.55
Total	**110.49**	**95.80**

Details of movement in provisions:

Particulars	Gratuity Provision	Compensated absences	Performance Incentives
Balance at April 1, 2021	**112.11**	**154.00**	**61.76**
Additional provisions recognised	19.20	38.84	68.55
Amounts used (ie incurred and charged against the provision) during the period	(5.30)	(14.59)	(48.51)
Unused amounts reversed during the period	-	-	(13.25)
Balance at March 31, 2022	**126.01**	**178.25**	**68.55**
Balance at April 1, 2022	**126.01**	**178.25**	**68.55**
Additional provisions recognised	21.24	45.60	72.30
Amounts used (ie incurred and charged against the provision) during the period	(1.11)	(16.79)	(66.52)
Unused amounts reversed during the period	-	-	(2.02)
Balance at March 31, 2023	**146.14**	**207.06**	**72.31**

Note 18 - Other Current Liabilities

Rs. in lakhs

Particulars	As at March 31,2023	As at March 31,2022
Statutory dues		
Taxes payable (other than income taxes)	792.42	550.52
Total	**792.42**	**550.52**

Note 19 - Revenue from operations

Rs. In lakhs

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Sale of Services		
Freight Charges for Transportation of Petroleum Products	13,482.86	10,135.09
Dispatch charges	188.78	153.17
Other Operating Income	11.50	16.29
Total	**14,189.34**	**10,304.55**

Notes:

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

PNGRB vide Order No. TO/2021-22/01 dated 31.12.2021 fixed the pipeline tariff by benchmarking against alternate mode of transport i.e. rail at a level of 75% railway tariff on a train load basis for equivalent rail distance along the pipeline route. Freight income for the period 01.04.2022 to 31.03.2023 is recognized based on Order No. TO/2021-22/01 dated 31.12.2021.

ii) Dispatch Charges of Current Year is reduced by Rs. 22.91 lakhs with respect to impact of [illegible] in [illegible] GST for current year.

iii) Earnings in Foreign Currency Rs Nil (Previous Year Rs Nil)

Note 20 - Other income

Rs. In lakhs

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Interest Income		
On Financial Assets at Amortised Cost	2,600.37	2,383.27
On Income Tax Refund	-	76.98
Insurance Claim	-	16.95
Other Miscellaneous Incomes	38.15	32.48
Total	**2,638.52**	**2,509.70**
Interest income comprises of:		
Interest on Term Deposit	2,591.33	2,375.74
Interest on Security Deposit	9.04	7.53
Total - Interest Income	**2,600.37**	**2,383.27**

Note 21 - Employee benefit expense

Rs. In lakhs

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Salaries including Bonus etc.	747.64	671.76
Salaries including Bonus etc. - for HPCL Staff on Deputation *	114.15	189.74
Contributions to provident fund	37.48	34.18
Gratuity	19.30	17.45
Staff welfare expense	5.87	7.49
Total	**957.44**	**920.62**

* Salary of HPCL Staff on deputation represents amounts debited by HPCL. The above amount is reduced by 5 % of CSR expense towards CSR admin overhead of Rs 4.08 lakhs (P.Y. - Rs 11.50 lakhs)

Note 22 - Finance costs

Rs. In lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Income Tax	11.71	-
Finance Charges on Lease	92.84	100.73
Total	**104.55**	**100.73**

Note 23 - Other expenses

Rs. In lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power & Fuel	1,798.27	1,117.01
Repair & Maintenance on Plant and Machinery	63.63	71.69
Repair & Maintenance on Buildings	8.70	4.20
Repair & Maintenance - Electricals, ROW & Others	182.91	142.33
Operations and Maintenance - Contract Manpower	130.93	131.65
Stores & Spares Consumed	53.69	50.41
Insurance Premium	170.05	208.63
Painting of Station Pipings And equipment's	4.97	15.93
Watch and Wards	356.52	350.60
Lease Rent	1.28	11.61
Compensation to CA(LAO) Staff	4.33	4.17
Communication Expense	38.95	27.28
Net Loss on sale of Fixed Assets	-	0.39
CIPL, LAL & DCVG Survey	0.76	-
Printing & Stationery	5.40	8.01
Professional and Consultancy Charges (Refer Note 23A below)	15.10	17.04
Rates and Taxes	58.04	90.15
Training, Recruitment, Seminar and Mock Drill Expenses	14.75	14.35
Travelling and Conveyance	52.53	40.46
Vehicle Hire Charges	91.44	85.09
Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013.	209.35	241.60
Advertisement for Public Tender	9.21	1.78
Bad Debts Written	95.53	-
Other Expenses	37.15	95.11
Total	**3,374.27**	**2,633.66**

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

Particulars	March 31, 2023	March 31, 2022
(excluding GST)		
As auditors		
Statutory audit	2.50	2.25
For Taxation matters	0.70	0.50
For Company Law matters	-	-
For other services	1.38	1.51
Total	**4.58**	**4.26**

Note 24 - Employee Benefits

a. Defined Benefit Plan - Gratuity

The following tables set out the gratuity plans (unfunded) and the amounts recognized in the Company's financial statements as at March 31, 2023 and March 31, 2022

Rs. In lakhs

	As at	
	March 31, 2023	March 31, 2022
Change in benefit obligations		
Benefit obligations at the beginning	126.02	112.12
Service cost	10.34	9.95
Interest expense	8.96	7.50
Curtailment gain		-
Transfer of obligation	-	-
Remeasurements - Actuarial (gains)/ losses	1.94	1.75
Benefits paid	(1.11)	(5.30)
Benefit obligations at the end	**146.15**	**126.02**
Change in plan assets		
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, 2023 and March 31, 2022 recognized in the Statement of Profit and Loss under employee benefit expenses

Rs. In lakhs

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Service cost	10.34	9.95
Net interest on the defined benefit obligation	8.96	7.50
Net gratuity cost	**19.30**	**17.45**

Amount for the year ended March 31, 2023 and March 31, 2022 recognized in statement of other comprehensive income

Rs. In lakhs

Particulars	Year ended	
	March 31, 2023	March 31, 2022
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	(4.01)	(6.75)
(Gain)/loss due to experience adjustments	5.95	8.50
(Return)/ loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	-	-
	1.94	1.75

The weighted-average assumptions used to determine benefit obligations as at March 31, 2023 and March 31, 2022 are set out below

Particulars	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.50%	7.25%
Salary escalation rate	6.00%	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 Sick Leave Encashment

The following tables set out the leave plans and the amounts recognised in the Company's financial statements as at March 31, 2023 and March 31, 2022

Rs. in lakhs

	As at	
	March 31, 2023	March 31, 2022
Change in benefit obligations		
Benefit obligations at the beginning	178.25	153.99
Service cost	17.35	16.37
Interest expense	12.09	9.91
Curtailment gain	-	
Transfer of obligation	-	-
Remeasurements - Actuarial (gains)/ losses	16.10	12.57
Benefits paid	(16.73)	(14.59)
Benefit obligations at the end	**207.06**	**178.25**
Change in plan assets		
Fair value of plan assets at the beginning	-	-
Interest income	-	-
Transfer of assets	-	-
Remeasurements- Return on plan assets excluding amounts included in interest	-	
Contributions	-	-
Benefits paid	-	-
Fair value of plan assets at the end	-	-

Amount for the year ended March 31, 2023 and March 31, 2022 recognised in the Statement of Profit and Loss under employee benefit expenses

Rs. in lakhs

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Service cost	17.35	16.37
Net interest on the defined benefit obligation	12.09	9.91
Actuarial (gains)/ losses		
(Gain)/loss due to changes in demographic assumptions	0.00	0.00
(Gain)/loss due to changes in financial assumptions	(5.10)	(8.73)
(Gain)/loss from Plan experience	21.27	21.30
Curtailment gain	-	-
Net leave encashment cost	**45.61**	**38.85**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2023 and March 31, 2022 are set out below

Particulars	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.50%	7.25%
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, 2023 Rs 37.18 lakhs (Year ended 31 March, 2022 Rs 34.18 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 made contribution to NPS @ 10% of Basic salary at the option of the employee. The company made contribution during the year ending March 31, 2023 for Rs 28.17 lakhs (Year ended 31 March, 2022 Rs 26.47 lakhs) for an optional National Pension Scheme (NPS)

Note 25 - Financials Instruments

Financial instruments by category
The carrying value and fair value of financial instruments by categories as of March 31, 2023 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)	111.79	-	-	-	-	111.79	111.79
Bank Balances other than Cash and cash equivalents (Refer Note 11)	43,461.98	-	-	-	-	43,461.98	43,461.98
Trade receivables (Refer Note 9)	1,740.73	-	-	-	-	1,740.73	1,740.73
Other financial assets (Refer Note 5)	1,889.81	-	-	-	-	1,889.81	1,889.81
Total	**47,204.31**	-	-	-	-	**47,204.31**	**47,204.31**
Liabilities:							
Trade payables (Refer Note 15)	429.84	-	-	-	-	429.84	429.84
Lease liabilities (Refer Note 16.1)	930.13	-	-	-	-	930.13	930.13
Other financial liabilities (Refer Note 16)	980.27	-	-	-	-	980.27	980.27
Total	**2,340.24**	-	-	-	-	**2,340.24**	**2,340.24**

The carrying value and fair value of financial instruments by categories as of March 31, 2022 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)	1.05	-	-	-	-	1.05	1.05
Bank Balances other than Cash and cash equivalents (Refer Note 11)	42,176.24	-	-	-	-	42,176.24	42,176.24
Trade receivables (Refer Note 9)	1,465.65	-	-	-	-	1,465.65	1,465.65
Other financial assets (Refer Note 5)	2,614.55	-	-	-	-	2,614.55	2,614.55
Total	**46,257.49**	-	-	-	-	**46,257.49**	**46,257.49**
Liabilities:							
Trade payables (Refer Note 15)	404.38	-	-	-	-	404.38	404.38
Lease liabilities (Refer Note 16.1)	1,031.50					1,031.50	1,031.50
Other financial liabilities (Refer Note 16)	1,015.63	-	-	-	-	1,015.63	1,015.63
Total	**2,451.51**	-	-	-	-	**2,451.51**	**2,451.51**

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, 2023 and March 31, 2022

in lakhs

	As at March 31, 2023			As at March 31, 2022		
Particulars	**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, 2023 and March 31, 2022, 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 26 - Earning Per Share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Rs Per Share	Rs Per Share
Basic Earnings per share		
From continuing operations	1.54	1.10
From discontinuing operations		
Total basic earnings per share	1.54	1.10
Diluted Earnings per share		
From continuing operations	1.54	1.10
From discontinuing operations	-	-
Diluted earnings per share	1.54	1.10

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, 2023	Year ended March 31, 2022
Profit / (loss) for the year attributable to owners of the Company	8,470.24	6,026.96
Less: Preference dividend and tax thereon	-	-
Profit / (loss) for the year used in the calculation of basic earnings per share	8,470.24	6,026.96
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	8,470.24	6,026.96
Weighted average number of equity shares	54,87,07,264	54,87,07,264
Earnings per share from continuing operations - Basic (Rs.)	1.54	1.10

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. share

Rs. in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit / (loss) for the year used in the calculation of basic earnings per share	8,470.24	6,026.96
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	8,470.24	6,026.96
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	8,470.24	6,026.96
Weighted average number of equity shares	54,87,07,264	54,87,07,264
Earnings per share from continuing operations - Diluted (Rs.)	1.54	1.10

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 27 - Related party disclosures

Nature of relationship	Names of the related parties
Key management personnel (KMP)	Shri Venkatesh Madhava Rao - Chairman (Chairman effective 21st March 2023)
	Shri Anurag Sharma - Chairman (resigned effective 1st March 2023)
	Shri Mukundan V M - Managing Director
	Smt. Pamela Jaspal-Director
	Shri R. Sridhar - Director
	Shri Subodh Batra - Director
	Shri Anil Kumar Jain - Director
	Shri Rakesh Kaul - Director (resigned effective 1st July 2022)
	Shri Debdatta Adhikari - Director (Appointment effective 22 July 2022)
	Shri M. Shyamprasad Kamath (Appointment effective 29 March 2023)
	Shri Chandan Kumar Das - CFO(KMP)
	Shri Sachin Jayswal - Company Secretary(KMP)
Ultimate Holding Company	Oil and Natural Gas Corporation Limited
Fellow Subsidiary	Mangalore Refinery & Petrochemicals Limited
Investing Party	Hindustan Petroleum Corporation Limited

Rs. in Lakhs

Transactions between related parties	Year ended March 31, 2023	Year ended March 31, 2022
Income		
Hindustan Petroleum Corporation Limited		
Freight Charges	7,950.34	7,438.55
Sale of Project Surplus Pipes/Empty Barrels	-	35.94
Office Administrative Service Cost Received	10.03	-
Mangalore Refinery & Petrochemicals Ltd		
Freight Charges Received	308.53	241.93
Dispatch Charges Received	115.90	172.67
Rent for Lease of Pipeline Received	2.36	2.36
Power Charges-Received	7.89	15.82
PLC Modification and Cable Laying	1.98	-
Expense		
Hindustan Petroleum Corporation Limited		
Land Lease Rent - Paid	151.85	145.01
Server Hosting Rent -Paid	10.50	-
Deputation Salary & Allowances- Paid	182.52	257.42
Purchase of Lube oil	13.06	-
Reimbursement of Property Tax	25.21	-
Mangalore Refinery & Petrochemicals Ltd		
Power Charges Paid	362.83	270.51
Reimbursement of Expense Paid - CSR Expenditure	-	19.52
Reimbursement of Expense Paid - Motor Repair	1.16	-
****Remuneration paid to KMP (On Deputation)**		
Mukundan V M	73.81	65.01
Remuneration paid to KMP (others)		
Chandan Kumar Das	30.19	28.52
Sachin Jayswal	24.17	28.34

* All the above supply & services are inclusive GST

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

Rs. in Lakhs

Balances outstanding at the end of the year	As at March 31, 2023	As at March 31, 2022
Trade Receivable		
Hindustan Petroleum Corporation Limited	813.27	821.41
Mangalore Refinery & Petrochemicals Limited	159.06	205.05
Trade Payables		
Hindustan Petroleum Corporation Limited	91.29	80.48
Mangalore Refinery & Petrochemicals Limited	-	24.00
Other Financial Assets (Security Deposits)		
Hindustan Petroleum Corporation Limited	1.57	1.57
Other Financial Liabilities (Retention Money)		
Hindustan Petroleum Corporation Limited	1.29	-

Note 28 - 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 contract 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 recognises 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 recognises 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 recognised 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.

There is Change in the terms of lease payments of head office building as the lessor agreed not to increase the rent payable for two-year i.e. from 1 May 2021 to 30 April 2023. Therefore, the company remeasured the lease liability to reflect changes to the lease payments. The lease liability is reduced by Rs 14.01 lakhs. The company recognised the amount of the remeasurement of the lease liability of Rs 14.01 Lakhs as an adjustment to the right-of-use asset.
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, 2023

Rs. in lakhs

Particulars	Category of ROU Land	Building	Total
Balance as at April 1, 2022	747.37	99.89	847.26
Assets Recognised on account of adoption of Ind AS 116	-	-	-
Additions	-	-	-
Decrease due to remeasurement of lease liabilities	-		-
Depreciation	83.22	47.97	131.19
Balance as at March 31, 2023	**664.15**	**51.92**	**716.07**

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022

Rs. in lakhs

Particulars	Category of ROU Land	Building	Total
Balance as at April 1, 2021	831.17	161.57	992.74
Assets Recognised on account of adoption of Ind AS 116	-	-	-
Additions	-	-	-
Decrease due to remeasurement of lease liabilities	-	14.01	14.01
Depreciation	83.80	47.67	131.47
Balance as at March 31, 2022	747.37	99.89	847.26

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 liabilities as at March 31, 2023 and March 31, 2022

Particulars	As at March 31, 2023	March 31, 2022
Non-current lease liabilities	810.79	930.14
Current lease liabilities	119.54	121.36
	930.33	1,051.50

The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022

Particulars	Year ended March 31, 2023	March 31, 2022
Balance at the beginning	1,051.50	1,135.21
Additions	-	-
Decrease due to remeasurement of lease liabilities	-	(14.01)
Finance cost accrued during the period	92.54	108.72
Payment of lease liabilities	(194.21)	(188.41)
Balance at the end	930.33	1,051.50

The table below provides details regarding contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis

Particulars	As at March 31, 2023	March 31, 2022
not later than one year	209.25	194.20
later than one year and not later than five years	618.94	652.31
later than five years	532.73	694.61

Petronet MHB Limited
Notes to the financial statements for the year ended March 31, 2023

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense on right-of-use assets	131.19	[illegible]
Interest expense on lease liabilities	92.84	100.73
Expense relating to short-term leases	0.28	[illegible]

The total cash outflow for leases for the year ended March 31, 2023 and March 31, 2022 amount to Rs 194.21 Lakhs & Rs 188.43 Lakhs

Notes:

i) The lease rentals in respect of the lands situated at Mangalore, Hassan and Devangonthi are being paid based on the Minutes of Meeting with HPCL dated 17-03-2003. The lease agreements are yet to be formalised.

ii) The lease rentals in respect of head office premises does not include Fixed maintenance and Power backup charges for the purpose of payment of lease rent to be the lease component.

Note 29 - 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 31,2023	Year ended March 31,2022
i) PMHBL vs. Punj Lloyd Ltd (PLL) - Appeal Case is filed with the High Court of Karnataka, Bangalore against the order of City Civil Court Bangalore and interim stay has been granted - The Company has deposited Rs. 1,460 lakhs as court deposit	3,554.33	3,409.41
ii) PMHBL vs. Punj Lloyd Ltd (PLL) - (Arbitration Case) - M/s. PLL filed Arbitration case against PMHBL in mainline pipe laying contract	2,566.22	2,566.22
iii) 137 Writ Petition cases filed by PMHBL in Hon'ble High Court of Karnataka, Bangalore against the order of Hon'ble District judge of Bangalore Rural District for compensation enhancement cases filed by ROU land owners. The Company has deposited Rs. 26.00 lakhs as court deposit	52.00	52.00
iv) 1 Writ Petition case filed by PMHBL in 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	21.01	21.01
	6,193.55	6,048.65

II. Performance Bank Guarantee:

Performance Bank Guarantee of Rs. 649 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 activity of service obligations and requirement of PNGRB during operating phase. The Bank Guarantee is renewed from time to time and presently valid till 15th June 2023

III. Appeal against Order of Income Tax :

Income Tax Case - AY 2016-17 - Appeal filed with CIT (Appeal) against Order of AO passed 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 Lacs and raised demand of Rs. 20.50 lacs. Fresh submission made for completion of Faceless Assessment. Order yet to be received from CIT (Appeal)

IV. Arbitration Case:

Arbitration Case with M/s. Pratham Integrated Engineering Solutions Private Limited:

M/s. Pratham Integrated Engineering Solutions Pvt Ltd (PIES), the Vendor for Installation of 5628 KWp Solar Power Plant at PMHBL Locations raised following claims under Arbitration:

i) Rs. 57.86 Lakhs - within the scope of contract (deduction towards delay delivery)

ii) Rs. 81.71 Lakhs - Outside the scope of contract

Both the claims are rejected by PMHBL, however, the Vendor has preferred arbitration which is in the initial stage. The claims/counterclaims are yet to be ascertained, hence the liability is not ascertainable at present.

V. Capital Commitments:

Rs. in lakhs

Particulars	Year ended March 31,2023	Year ended March 31,2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances if any)	[illegible]	397.81

Note 30 - Disclosures required for Micro, Small and Medium Enterprises

Rs. in lakhs

Particulars	Year ended March 31,2023	Year ended March 31,2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	41.23	47.02
(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 31 - 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. In view of Covid-19, greater emphasis was given during the year on eradicating hunger, health care and sanitation.
Breakup of amount spent during the year on CSR Activities

Rs. in lakhs

Particulars	Year ended March 31,2023	Year ended March 31,2022
1. Amount required to be spent by the company during the year	181.00	232.16
2. Amount of expenditure incurred	203.33	241.60
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 Health Care & Sanitation	172.58	223.84
Promoting Education, Employment enhancing Vocational Skills and Livelihood enhancement Projects	21.07	6.26
Administration Exp	9.68	11.50
	203.33	**241.60**

Note 32 - 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 31,2023	Year ended March 31,2022
Revenue from External Customers		
Within India	14,177.64	10,289.26
Outside India	-	-
Non Current Assets		
Within India	15,571.41	15,880.03
Outside India	-	-
Information about Major External Customers		
Major External Customer No. 1	7,093.52	6,641.54
Major External Customer No. 2	3,562.56	2,231.12
Major External Customer No. 3	3,052.22	930.78

Note 33-Interim Dividend

The Company has declared and paid 1st Interim Dividend to Shareholder during the year 2022-23 @ Rs 0.56 per equity share totalling Rs. 3072.76 Lakhs out of surplus in Profit and Loss account as on 31.03.2022 and also paid 2nd Interim Dividend to Shareholder during the year 2022-23 @ Rs 0.93 per equity share totalling Rs. 1493.23 Lakhs out of current year Profits.

During the previous year 2021-22, the Company has declared & Paid 1st Interim Dividend to Shareholder @ Rs 1.00 per equity share totalling Rs. 5487.07 Lakhs out of surplus in Profit and Loss account as on 31.03.2021 and also paid 2nd Interim Dividend to Shareholder @ Rs 0.60 per equity share totalling Rs. 3292.24 Lakhs out of the profit for FY 2021-22.

Companies is required to pay dividend on dividend after deducting applicable withholding income taxes.

Note 34-Ratios

Ratio	Numerator	Denominator	Current year	Previous Year	Variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	26.14	30.19	-11.75%
Return on Equity *	Net Profit after Tax-Preference dividend (if any)	Average Shareholder's Equity	14.57%	10.19%	13.37%
Trade receivable turnover Ratio (in times)	Revenue from operation	Average trade receivable	5.85	5.80	15.44%
Trade Payable turnover Ratio (in times)	Other expenses	Average Trade payable	8.09	7.50	7.03%
Net Capital turnover Ratio (in times) *	Revenue from operation	Average Working Capital (i.e. total current assets less total current liabilities)	0.12	0.23	39.59%
Net profit ratio (in %)	Net profit after Tax	Revenue from operation	59.71%	58.50%	2.07%
Return on Capital Employed (in %) *	Profit before tax and finance cost	Capital employed = Net worth + lease liabilities + deferred tax liabilities	18.84%	15.61%	19.24%

*Revenue growth and reduction in average shareholders equity due to distribution of dividend has resulted in improvement in the ratios

Note 35

Previous year's figures have been regrouped where necessary to conform to those of the current year's classification

The accompanying notes 1 to 35 form an integral part of the financial statements

As per our report of even date attached
for YCRJ & Associates
Chartered Accountants
Firm Registration Number: 006927S

Poornima Y
Partner
Membership Number: 212904
UDIN: 23212904BGXC5X8913

Place: Bangalore
Date: 24/04/2023

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

Mukundan V.M.
Managing Director
DIN: 09181238

D. Adhikari
Director
DIN: 09867083

Chandan Kumar Das
Chief Financial Officer

Sachin Jaiswal
Company Secretary

Place: Bangalore
Date: 24/04/2023