



A JOINT VENTURE OF  
INDIANOIL, HINDUSTAN PETROLEUM  
& BHARAT PETROLEUM

IHB Limited

# ANNUAL REPORT 2022



## Maximizing India's LPG Reach





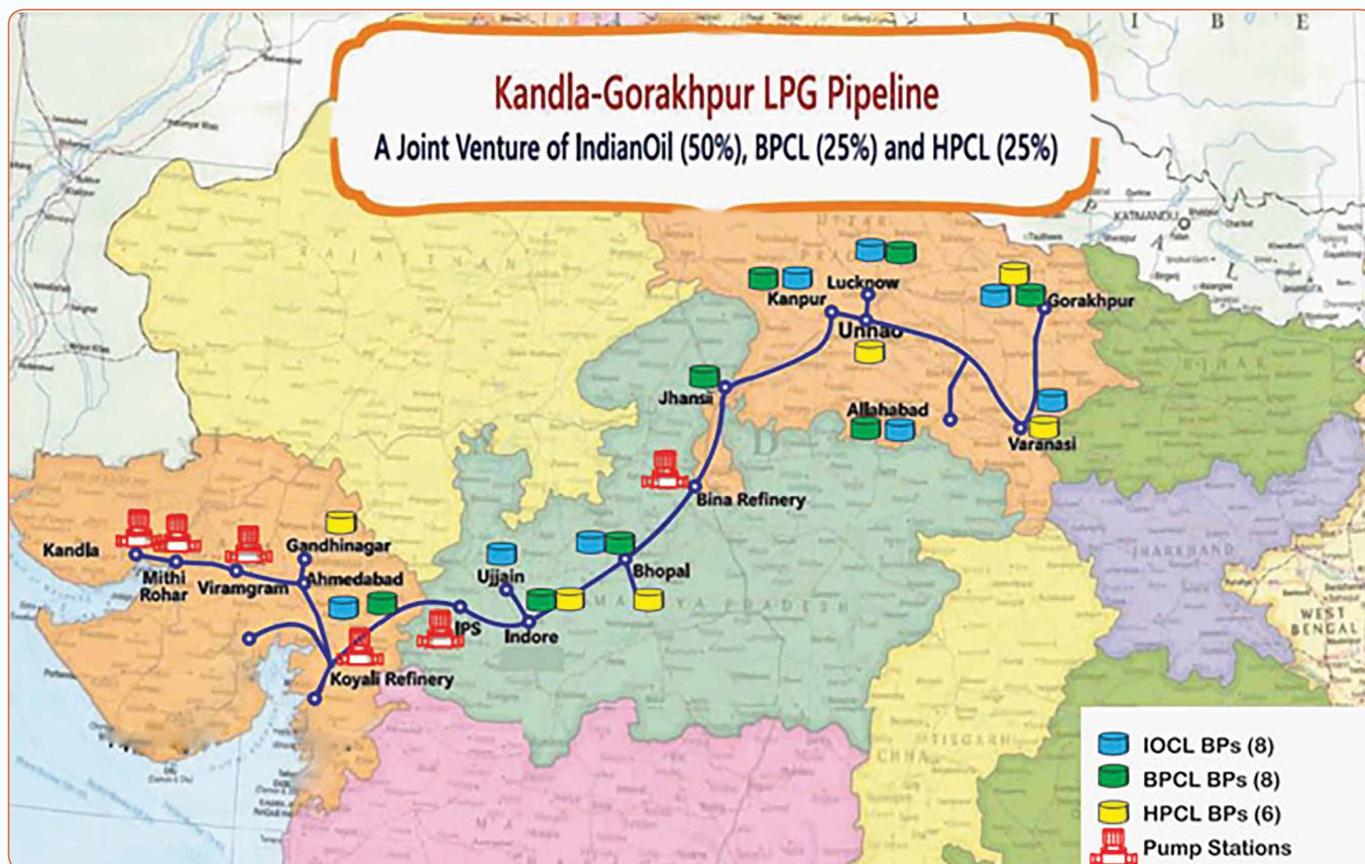
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## Kandla-Gorakhpur LPG Pipeline

A Joint Venture of IndianOil (50%), BPCL (25%) & HPCL (25%)



IHB Limited is a Joint Venture of IOCL, HPCL and BPCL. IHB was formed in July 2019 to construct and operate the prestigious Kandla-Gorakhpur LPG Pipeline (KGPL) Project. This 2800 KM long LPG Pipeline, once constructed, is expected to be one of the world's longest LPG Pipeline. KGPL will facilitate transportation of LPG from Western Coast to various demand centres in a cost effective and environment friendly manner and would significantly replace present road/rail mode of transportation.

The proposed KGPL Pipeline would meet the LPG demand of the three most populous Indian states (Gujarat, Madhya Pradesh and Uttar Pradesh) with a combined population of more than 34 crore in most cost-effective and reliable manner and thus

expected to give major boost to LPG penetration in these states.

Being constructed at an investment of Rs. 10088 crore, KGPL will source LPG from LPG import terminals at Kandla, Dahej and Pipavav, and also the two refineries at Koyali and Bina. KGPL would be linked to 22 LPG bottling plants directly and more than 20 bottling plants indirectly, thereby remarkably optimizing the logistics cost presently being incurred by promoters for LPG transportation.

Once completed, this single pipeline will be capable of transporting about 8.25 Million Metric Tonnes per annum (MMTPA) of LPG, which is about 25% of India's total LPG demand.

## Company Information

Name: **IHB Limited** (Formerly known as IHB Private Limited)  
CIN: **U60230GJ2019PLC109127**

### Registered Office

C/O Indian Oil Corporation Ltd, Sabarmati Terminal  
Nr D' Cabin Sabarmati, Ahmedabad - 380019 Gujarat.

### Head Office

6<sup>th</sup> Floor, IndianOil Bhavan, A-1, Udyog Marg, Sector-1,  
Noida – 201301, Uttar Pradesh.

Website: [www.ihbl.in](http://www.ihbl.in) | E-mail: [info@ihbl.in](mailto:info@ihbl.in) | Phone: **0120-2448844; 2448888**

### Board of Directors

**Shri Dayanand Sadashiv Nanaware**  
Chairman

**Shri Lakhpat Rai Jain**  
Director

**Shri Anuj Kumar Jain**  
Director

**Ms. Padma Dhulipala**  
Director

### Key Managerial Personnel

**Shri Pankaj Kuchhal**  
Chief Executive Officer

**Shri Avinash Kansal**  
Chief Operating Officer

**Shri Joseph Kurian**  
Chief Financial Officer

**Ms. Pallavi Tripathi**  
Company Secretary

### Bankers

State Bank of India | ICICI Bank

### Statutory Auditors

M/s. Purushottam Khandelwal & Co.

### Secretarial Auditors

M/s. Amit Agrawal & Associates

### Registrar and Transfer Agent

Alankit Assignments Limited

Unit: IHB Limited, Alankit Heights, 3E/7 Jhandewalan Extension, New Delhi - 110055,

Telephone: +91-11-42541234, 23541234 | Fax: +91-11-2355 2001

Email: [info@alankit.com](mailto:info@alankit.com) | Website: [www.alankit.com](http://www.alankit.com)

## CHAIRMAN'S *Message*



**I**t gives me immense pleasure to welcome you all, on behalf of the Board of Directors of IHB Limited at the 3<sup>rd</sup> Annual General Meeting of your Company.

During the year, IHB has made significant progress in giving shape to the visionary concept of developing the 2800 Km long Kandla-Gorakhpur LPG Pipeline for strengthening the LPG pipeline network in the country. The significant rise in LPG demand, especially in rural areas, after successful launch of PMUY scheme requires significant investments in development of LPG pipeline infrastructure in the country. The Kandla-Gorakhpur LPG Pipeline is one such LPG pipeline network, being developed for movement of bulk LPG from the port locations in Gujarat, and refineries in Gujarat and Madhya Pradesh en-route various bottling plants of IOCL, HPCL and BPCL in the State of Gujarat, Madhya Pradesh and Uttar Pradesh.

The Pipeline is going to greatly benefit the country by way of least cost bulk LPG placement at various bottling plants, which in turn would benefit the LPG consumers in the above three states and adjoining demand centres, without disturbing the intricate balance of nature as this cross country pipeline is mostly being laid underground. Upon its commissioning, KGPL would reduce road congestion and thus would contribute immensely in promoting pollution free environment by reducing carbon emission.

The financial year 2021-22 began with successful transition of your Company from private to public limited entity. The year also witnessed considerable progress in the construction activities. Despite facing obstacles due to second wave of COVID-19 pandemic, construction activities at various project locations continued to make satisfactory progress. Construction of 2800 km long LPG pipeline is a challenging task, which entails obtaining numerous permissions and clearances from various statutory authorities as well as acquisition of Right-of-User (RoU) in land for laying of the pipeline and acquisition of land parcels for construction of SV/IP stations. I am happy to inform that during the previous financial year, your Company was able to obtain most of the clearances required as pre-conditions for commencement of construction activities and could place all major purchase and work orders for the Project leading to financial commitment of more than 67% of the hard cost. The year also saw production of about 85% of the 3LPE factory coated API grade mainline pipes and their transportation to field sites.

Beginning Mar-2020, the COVID-19 pandemic posed a new set of challenges for project implementation across the country as there were restrictions on the movement of men and machinery. This adversely impacted the mobilisation for our mainline and station works as well as the supply of materials for the project. Similar impact of the second wave

of COVID-19 also caused significant delays in the project implementation.

Despite challenges faced due to second wave of COVID-19 pandemic, there has been considerable progress in pipeline construction activities during the financial year. The entire pipeline laying works were awarded in 18 mainline groups and construction is in progress in 16 groups and activities for the balance 2 groups of Pipavav-Dumad section are expected to commence shortly. Across the awarded groups, close to 40% welding progress and 25% lowering progress has been achieved. Almost all statutory clearances have been received. Major permissions which were received till the date of AGM include forest clearance for Madhya Pradesh, wildlife, environment & CRZ clearance for Kandla-Sanand section in Gujarat and 1<sup>st</sup> stage forest clearance in UP for UP-MP border to Unnao section. Further, till Mar-2022 the Company was able to receive permission for laying pipeline from the Petroleum and Explosives Safety Organization (PESO) for all sections except for Pipavav-Dumad and Dahej-Dumad section. I am happy to inform that as on the date of the AGM, permission from PESO for the remaining 2 sections has also been received.

I am pleased to share that during the year, your Company adopted its own Human Resource policies and commenced

recruitment of direct manpower. Your Company also adopted its CSR Policy and installed a system of vigilance administration in the Company under the aegis of CVO, IOCL. In addition to the Company ingraining the culture of adopting ideal Corporate Governance practices from the start, these efforts will undoubtedly inspire trust in the Company's business processes amongst its stakeholders.

I express my sincere gratitude to the shareholders, my fellow Board members at IHB Limited, and all other stakeholders for their invaluable and unwavering support, guidance, and cooperation as well as the trust they have shown in the Company. We do hope that this will continue in the future as well. I would also like to thank the State Governments of Gujarat, Madhya Pradesh, and Uttar Pradesh for their constant support to your Company, as well as to the Ministry of Petroleum & Natural Gas, the Petroleum & Natural Gas Regulatory Board, The Petroleum and Explosives Safety Organization (PESO) and numerous other Departments, Statutory Authorities, and Agencies of the Government of India for their guidance and cooperation. I would also like to convey the sincere gratitude of the whole Board of Directors to each and every employee of the Company for their outstanding efforts and contributions that has helped the Company to have a successful year.

**Best wishes**

Sd-  
**D. S. Nanaware**  
Chairman

## BOARD OF DIRECTORS



**Shri Dayanand Sadashiv Nanaware**

Chairman

Shri Dayanand Sadashiv Nanaware is a Mechanical Engineer with more than 3 decades of rich and varied experience in conceptualisation & design, construction, operations & maintenance, engineering & project management consultancy across the hydrocarbon pipelines industry. Shri Dayanand Sadashiv Nanaware is also the Director (Pipelines), Indian Oil Corporation Limited.

Prior to assuming charge as Director (Pipelines), Indian Oil Corporation Limited, he was Executive Director (Projects) of IndianOil's Pipelines Division. During his career, he was instrumental in the successful implementation (conceptualisation to commissioning) of challenging pipeline projects (natural gas pipelines, crude oil pipelines & product pipelines) across various geographies.

Shri Nanaware has an endearing experience in conceptualization of gas pipelines, offshore functions, operations & maintenance of large tank farms. During his tenure in the gas functions, IOCL for the first time ventured into submission of EOI and thereafter participation in PNGRB bidding process for natural gas pipelines of IndianOil. With the effort of team IOCL led by Shri Nanaware, IOCL was successful in obtaining PNGRB authorization for Ennore-Tuticorin GAS Pipeline. Shri Nanaware is a keen proponent for ushering a gas-based economy in the country and has played a key role in the formation of two JV companies viz. GSPL India Gasnet Limited and GSPL India Transco Limited, promoted by Gujarat State Petronet Ltd., IndianOil, BPCL & HPCL, to create pan India gas pipelines infrastructure.

Shri Nanaware is also on the Board of Indradhanush Gas Grid Ltd., (a JV of IndianOil, ONGC, GAIL, OIL & NRL).



**Shri Lakhpat Rai Jain**

Director

Shri Lakhpat Rai Jain is a Mechanical Engineer from BITS Pilani (1979-84 batch) and has also completed his Executive Management program from SPJIMR. Presently, he is heading the Engineering and Projects (E&P) entity of BPCL's Marketing Division as Executive Director(E&P). E&P entity is the infrastructure developing arm of BPCL which caters to the SBU Infrastructural needs and executes capex to the tune of 12000 Cr. every year.

Prior to this posting, he was heading Central Procurement Organizations of BPCL's Marketing Division as Executive Director (CPO) from January 2020 to February 2021. Responsible for procurement of about Rs. 8000 Cr. worth Non-Hydrocarbon Goods and services including Ethanol.

Shri L. R. Jain has more than 3 decades of rich and varied experience consisting of about 11 years of experience in a variety of challenging assignments and leadership positions in BPCL's pipelines entity. He has vast experience in operating about 3000 K.M. pipeline network of BPCL pipelines and executing pipeline projects. Further, he has 5 years of experience in Retail

POL Operations at the senior management level, where he was responsible for the Operations and Automation of 80 retail supply locations across the country. He played a key role in coordinating the implementation of MBLAL recommendations across the Retail SBU of BPCL.

He has rich project experience of about 19 years in executing Oil Industry Marketing Projects viz. POL depots/ Terminals, Cryogenic Propane /Butane handling facilities, LPG Bottling plants, Aviation stations, and cross country Pipelines. He has been involved in many grass-roots projects of BPCL, viz. first fully automated Aviation terminal of BPCL at Palam Airport, LPG Bottling plant at Piyala (largest plant of BPCL), Aviation station at Suratgarh, and construction & commissioning of Mumbai-Manmad Manglya Pipeline (600 k.m.), Coastal Terminal at Ennore and LPG Import Terminal at Haldia. //

**Shri Anuj Kumar Jain**

Director

// Shri Anuj Kumar Jain is the Executive Director (LPG) of Hindustan Petroleum Corporation Limited. Shri Anuj Kumar is an Electrical Engineer who joined Hindustan Petroleum in 1988. He has rich and varied professional exposure of over 33 years in downstream petroleum marketing in Retail Sales, LPG sales & marketing, Pipeline projects, and Engineering & Projects. He is well known for his expertise in handling cross-country pipeline projects, building LPG bottling Plants, Marketing terminals, Lube blending plants, developing Tank Wagon facilities.

Shri Anuj Kumar has always focused on enhancing and improving network productivity and efficiency, leveraging technology, project management, leadership development, succession planning, knowledge management and developing capabilities and skills of officers through novel and innovative initiatives. Under his leadership, HPCL is constructing India's largest Cavern at Mangalore having storage capacity of 80,000 Metric Ton. During COVID – 19 pandemic, under his guidance, all the bottling plants and distributor network operated effective in safe manner to ensure timely delivery of LPG refills to 9 Cr LPG customers. //

**Ms. Padma Dhulipala**

Director

// Ms. Padma Dhulipala is the Executive Director (Corporate Planning & Economic Studies) of IndianOil Corporation Limited. Ms. Padma D. is an Oil & Energy professional with an Electrical Engineering degree from NIT Rourkela and MBA possessing more than 33 years of experience in various disciplines such as Supply Locations Operations, Supply Chain Management and Infrastructure Planning, Pricing and Corporate Planning.

Ms. Padma D. is leading a highly specialised group which manages Corporate Performance Management system like Maharatna status of the Company, MoUs with Government of India, Macro and Micro environment scanning, Demand & Supply Projections, formulation of strategy and CAPEX for the Corporation including Project monitoring.

Elucidating and taking up policy interventions required with Administrative Ministry and at Industry forums is also part of the current assignment of Ms. Padma D. She has the experience of working not only in diverse portfolios but also in different geographical locations & multicultural environment across India. //

**Mainline laying work at Ch. 136.0 Km**   
**Village: Bramhakheda Taluka: Dahod District: Dahod**



 **Mainline laying work at Ch. 133.0 Km**  
**Village: Abhlod Taluka: Grabada District: Dahod**



◀ **KGPL Project Group 7  
(M/S JSIW)**



▲ **Welding for KGPL Gr 5 DDPL (M/S JSIW)**



◀ **Backfilling with  
Warning Mats**



◀ Lowering for KGPL Group 7  
(M/S JSIW)



Welding and Interpass Burfing at  
Ch 316 Group 4 (M/S AIPL) ▶



▶ Marking for KGPL  
Group 7 (M/S JSIW)

Submerge crossing Bageri River at 271.736 KM (Group-08)



Submerge crossing at Anas river (Group-08)



Mainline ground profile at Jhabua district (Group-08)



Mainline work in rocky terrain (Group-08)



Soft Soil padding before main-line lowering (Group-09)



Boundary wall work at Dhar Pump station (IPS-01) being carried out by M/s Ace Pipelines



Mainline welding in Group 11 (M/s CIPL)



Fire safety training to mainline workers (Group-11)



Tool box talk with mainline workers (Group-11)



◀ CPR training given to mainline workers (Group-11)



▲ Mainline grading in Group-09

Backfilling in group-09 ▶



# NOTICE OF 3<sup>RD</sup> (THIRD) ANNUAL GENERAL MEETING

Notice is hereby given that the **3<sup>rd</sup> (third) Annual General Meeting** of the Members of **IHB Limited** (hereinafter referred as “**IHBL**”) will be held on **Friday, the 23<sup>rd</sup> Day of September, 2022 at 1130 Hours through Video Conferencing** to transact the following business:

## AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31.3.2022 and the Report of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon.
2. To authorize the Board of Directors to decide remuneration of the Statutory Auditors for the financial year 2022-23 in terms of the provisions of Section 142 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and to pass the following resolution, with or without modification, as an Ordinary Resolution:  
**“RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to fix the remuneration of the Statutory Auditors as appointed by the Comptroller & Auditor General of India for the financial year 2022-23”.

3. To appoint a Director in place of Shri Lakhpai Rai Jain, Director (DIN: 08505199), who retires by rotation and being eligible, is proposed for reappointment.

## AS SPECIAL BUSINESS:

### 4. Appointment of Shri Anuj Kumar Jain as Director:

To consider and if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

**“RESOLVED THAT** Shri Anuj Kumar Jain (DIN:09560713), who was appointed as an Additional Director under Section 161(1) of Companies Act, 2013 with effect from 8.4.2022 and holds office up to the 3<sup>rd</sup> Annual General Meeting, be and hereby appointed as a Director of the Company, liable to retire by rotation”.

### 5. Appointment of Ms. Padma Dhulipala as Director:

To consider and if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

**“RESOLVED THAT** Ms. Padma Dhulipala (DIN:09565836), who was appointed as an Additional Director under Section 161(1) of Companies Act, 2013 with effect from 20.4.2022 and holds office up to the 3<sup>rd</sup> Annual General Meeting, be and hereby appointed as a Director of the Company, liable to retire by rotation”.

**BY ORDER OF THE BOARD OF DIRECTORS**

Date: 1.9.2022  
Place: Noida

**Registered office:**  
C/O Indian Oil Corporation Ltd,  
Sabarmati Terminal Nr D’ Cabin Sabarmati,  
Ahmedabad - 380019 Gujarat

Sd/-  
**(Pallavi Tripathi)**  
**Company Secretary**  
**A51796**

**Note:**

1. In view of the outbreak of the COVID-19 pandemic, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular dated 5.5.2020 read with Circulars dated 8.4.2020, 13.4.2020, 13.1.2021, 8.12.2021, 14.12.2021 and 5.5.2022 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and in compliance with the provisions of the Companies Act, 2013; the 3<sup>rd</sup> Annual General Meeting (AGM) of the Company is being conducted through VC/OAVM Facility, without physical presence of members at a common venue. The deemed venue for the 3<sup>rd</sup> AGM shall be the Registered Office of the Company.
2. Attendance of members through Video Conferencing shall be counted for the purpose of quorum.
3. In line with the MCA Circulars, the Notice calling the AGM and Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report 2021-22 will also be made available on the Company’s website at [www.ihbl.in](http://www.ihbl.in).
4. A member entitled to vote at the AGM is entitled to appoint proxy to attend and vote on his/her behalf and proxy need not be a member. Further in terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, facility of appointment of proxies by Members under Section 105 of the Act, will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice. However, in pursuance of Section 112 and 113 of the Companies Act, 2013; representatives of the members may be appointed for the purpose of participation and voting in the meeting through Video Conferencing.
5. The facility for joining the meeting will open 15 minutes before the time scheduled to start the meeting i.e. 1115 hours and will not be closed till the expiry of 15 minutes after such scheduled time. Link for joining the meeting through video Conferencing/Other Audio Visual Mode for the AGM will be shared separately 48 hours prior to the meeting.
6. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, are requested to send the signed copy of the nomination letter in advance.
7. The participants attending the meeting through Video Conferencing are allowed to pose questions concurrently or they can submit their questions in advance at the email address i.e. [cs@ihbl.in](mailto:cs@ihbl.in).
8. During the meeting held through Video Conferencing, where a poll on any item is required, the members shall cast their vote on the resolutions only by sending emails through their registered email addresses which are registered with the Company. The said emails shall only be sent to the email address i.e. [cs@ihbl.in](mailto:cs@ihbl.in).
9. The Chairman may decide to conduct a vote by show of hands unless a demand for poll is made by any member.
10. Since the AGM will be held through VC/OAVM, the route map is not annexed with the Notice.

**BY ORDER OF THE BOARD OF DIRECTORS**

Date: 1.9.2022  
Place: Noida

**Registered office:**  
C/O Indian Oil Corporation Ltd,  
Sabarmati Terminal Nr D’ Cabin Sabarmati,  
Ahmedabad - 380019 Gujarat

Sd/-  
**(Pallavi Tripathi)**  
**Company Secretary**  
**A51796**

## EXPLANATORY STATEMENTS FOR THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

### FOR ITEM NO. 4: APPOINTMENT OF SHRI ANUJ KUMAR JAIN (DIN: 09560713) AS DIRECTOR

Shri Anuj Kumar Jain was nominated as a non-executive Director on the Board of the Company by Hindustan Petroleum Corporation Limited (HPCL) vide their letter dated 30.3.2022. In terms Section 161(1) of the Companies Act, 2013, Board appointed Shri Anuj Kumar Jain as an Additional Director (Non-Executive) of the Company w.e.f. 8.4.2022.

#### BRIEF RESUME:

Shri Anuj Kumar Jain is the Executive Director (LPG) of Hindustan Petroleum Corporation Limited, a 'Maharatna' Company. Shri Anuj Kumar is an Electrical Engineer who joined Hindustan Petroleum in 1988. He has rich and varied professional exposure of over 33 years in downstream petroleum marketing in Retail Sales, LPG sales & marketing, Pipeline projects, and Engineering & Projects. He is well known for his expertise in handling cross-country pipeline projects, building LPG bottling Plants, Marketing terminals, Lube blending plants, developing Tank Wagon facilities.

Shri Anuj Kumar Jain has always focused on enhancing and improving network productivity and efficiency, leveraging technology, project management, leadership development, succession planning, knowledge management and developing capabilities and skills of officers through novel and innovative initiatives. Under his leadership, HPCL is constructing India's largest Cavern at Mangalore having storage capacity of 80,000 Metric Ton. During the COVID-19 pandemic, under his guidance, all the bottling plants and distributor network operated in an effective and safe manner to ensure timely delivery of LPG refills to 8 Cr. LPG customers.

The brief resume of Director who has been proposed to be re-appointed is as below:

Name	Shri Anuj Kumar Jain
Date of Birth & Age	19.6.1967, 55 year
Date of Appointment	8.4.2022
Qualification	B.Sc (Engg.) - Electrical
No. of Shares held	-
Directorship held in other Companies	- South Asia LPG Company Private Limited - Petronet MHB Limited

Membership/ Chairmanship of Committees, including IHB Limited	NIL*
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\*Only Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee to be considered for this purpose.

He does not hold, together with his relatives, two percent or more of the total voting power in the Company.

The Board of Directors considers that in view of the background and experience of Shri Anuj Kumar Jain, it would be in the interest of the Company to appoint him as a Director of the Company and at their meeting held on 9.8.2022, has recommended the appointment of Shri Anuj Kumar Jain as Director (non-executive) of the Company.

None of the Directors, Key Managerial Personnel(s) of the Company and/ or their relatives except Shri Anuj Kumar Jain, is concerned or interested, financially or otherwise, in the resolution set forth in Item No. 4 of the Notice.

The Board recommends the resolution set forth in item no. 4 for the approval of shareholders.

### FOR ITEM NO. 5: APPOINTMENT OF MS. PADMA DHULIPALA (DIN: 09565836) AS DIRECTOR

Ms. Padma Dhulipala was nominated as a non-executive Director on the Board of the Company by Indian Oil Corporation Limited (IOCL) vide their letter dated 6.4.2022. In terms Section 161(1) of the Companies Act, 2013, Board appointed Ms. Padma Dhulipala as an Additional Director (Non-Executive) of the Company w.e.f. 20.4.2022.

#### BRIEF RESUME:

Ms. Padma Dhulipala is the Executive Director (Corporate Planning & Economic Studies) of IndianOil Corporation Limited. Ms. Padma D. is an Oil & Energy professional with an Electrical Engineering degree from NIT Rourkela and MBA, possessing more than 33 years of experience in various disciplines such as Supply locations operations, Supply Chain Management and Infrastructure Planning, Pricing and Corporate Planning.

Ms. Padma D. is leading a highly specialised group which manages Corporate Performance Management system like Maharatna status of the Company, MoUs with Government

of India, Macro and Micro environment scanning, Demand & Supply Projections, formulation of strategy and CAPEX for the Corporation including Project monitoring.

Elucidating and taking up policy interventions required with Administrative Ministry and at Industry forums is also part of the current assignment of Ms. Padma D. She has the experience of working not only in diverse portfolios but also in different geographical locations & multicultural environment across India.

The brief resume of Director who has been proposed to be re-appointed is as below:

Name	Ms. Padma Dhulipala
Date of Birth & Age	8.7.1966, 56 years
Date of Appointment	20.4.2022
Qualification	B. Tech (Electrical)
No. of Shares held	-
Directorship held in other Companies	NIL
Membership/ Chairmanship of Committees, including IHB Limited	NIL*

\*Only Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee to be considered for this purpose.

She does not hold, together with his relatives, two percent or more of the total voting power in the Company.

The Board of Directors considers that in view of the background and experience of Ms. Padma Dhulipala, it would be in the interest of the Company to appoint her as a Director of the Company and at their meeting held on 9.8.2022, has recommended the appointment of Ms. Padma Dhulipala as Director (non-executive) of the Company.

None of the Directors, Key Managerial Personnel(s) of the Company and/ or their relatives except Ms. Padma Dhulipala, is concerned or interested, financially or otherwise, in the resolution set forth in Item No. 5 of the Notice.

The Board recommends the resolution set forth in item no. 5 for the approval of shareholders.

**BY ORDER OF THE BOARD OF DIRECTORS**

Date: 1.9.2022  
Place: Noida

**Registered office:**  
C/O Indian Oil Corporation Ltd,  
Sabarmati Terminal Nr D' Cabin Sabarmati,  
Ahmedabad - 380019 Gujarat

Sd/-  
**(Pallavi Tripathi)**  
Company Secretary  
A51796

# BOARD'S REPORT

It gives me immense pleasure in presenting before you, on behalf of the Board of Directors of your Company, the 3<sup>rd</sup> Board's Report on the business and operations of IHB Limited (IHB) for the financial year ended 31<sup>st</sup> March, 2022, together with the Annual Financial Statements, the Auditor's Report thereon and the comments on the Accounts by the Comptroller and Auditor General of India (C&AG).

## 1. PERFORMANCE HIGHLIGHTS

IHB Limited is a Joint Venture of India's three flagship Oil & Gas Central Public Sector Undertakings viz. Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited and Bharat Petroleum Corporation Limited with equity participation in the ratio of 50:25:25.

The Consortium of these three CPSUs had earlier participated in the Petroleum & Natural Gas Regulatory Board's (PNGRB) bidding process for laying of Kandla-Gorakhpur LPG pipeline and received PNGRB authorization on 31<sup>st</sup> December 2018. Subsequent to receipt of authorization, IHB Limited (formerly known as IHB Private Limited) was incorporated on 9<sup>th</sup> July 2019 to construct, operate and manage about 2800 km long Kandla-Gorakhpur LPG Pipeline (KGPL or the Pipeline) Project (the Project) for meeting the LPG demand of the bottling plants en-route the Pipeline in the states of Gujarat, Madhya Pradesh and Uttar Pradesh.

The KGPL Project has been designed to meet LPG requirement of 22 LPG Plants (IOCL (8), HPCL (6) and BPCL (8)) located in the route of the pipeline in States of Gujarat, Madhya Pradesh (MP) and Uttar Pradesh (UP). Upon commissioning, the Pipeline would provide cost effective, reliable and environment friendly mode of LPG transportation to these bottling plants thus minimizing existing road transportation of LPG. The Pipeline, considered to be longest LPG pipeline in the world, would help in decongesting roads and provide a long-term optimal solution for positioning Bulk LPG to these three populous states of India. The Pipeline is connected with Kandla, Pipavav and Dahej ports on the western coast of India for sourcing of LPG from import terminals and shall also be connected to IOCL's Koyali Refinery in Gujarat and BPCL's Bina Refinery in Madhya Pradesh.

During the previous reporting periods, the Company took up implementation on ground level of the KGPL Project. Field offices were established and manpower to support the Project execution was deployed at these offices. Project implementation activities were kick-started with the appointment of Indian Oil Corporation Limited (IOCL) as the Engineering & Project Management Consultant (EPMC) for the Project. The EPMC has also established their offices at various field locations for ensuring smooth project implementation.

Construction of the longest LPG Pipeline of the world is expected to be a challenging and mammoth task. Onset of COVID-19 pandemic from Mar-2020 onwards posed another set of challenges in implementation of the Project as various manufacturing/industrial activities and critical resources were getting adversely impacted. During the financial year 2020-21, despite facing Covid-19 related restrictions, your Company was able to commence key project implementation activities. However, the same were again impacted by the second wave of Covid-19, which resulted in inordinate delays in construction activities of the KGPL Project. Realizing the limitations and possibility of facing time and subsequent cost overrun, the Company immediately requested the PNGRB to allow time extension for completion of the Project, and the PNGRB vide letter dated 18.8.2021 has granted extension of time till Dec-2022 for completion of the KGPL Project.

Laying of pipeline requires various approvals, clearances, permissions etc. from multiple authorities including RoU acquisitions, Environment clearance, wildlife & forest clearances, permissions from other authorities etc. Keeping in view the progress achieved in obtaining various statutory permissions, your Company has initiated process of implementing sections of the Project where RoU has been acquired and statutory clearances such as Environmental Clearances, Consent to Establish (CTE), PESO approvals have been received. The EPMC along with the IHB officials are involved in pursuing the construction activities.

During the financial year 2021-22, most of the clearances and permissions have been obtained by the Company and the construction activities picked up pace at various

locations. Your Company was able to achieve completion of 2,205 Km of Right of User (RoU) publication under Section 6(1) of the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 and mainline laying work for all sections of the KGPL Project (except Pipavav-Dumad and Dahej-Dumad) commenced. Despite being affected by the second wave of COVID-19, considerable progress in construction activities could be achieved.

Upto Mar-2022, approx. 1,623 km of RoU opening, 1,160 km of Grading, 1,070 Km of Stringing, 1,042 Km of Welding along with 665 km of Lowering was completed. Hydro testing for 110 km was also done. On the SV/IP station construction front, 50% of the land parcels were identified for establishing 177 nos. of SV/IP stations throughout the stretch of the Pipeline out of which 31 land parcels were registered in the name of your Company. Pump station construction activities were commenced at Mithirohar, Viramgam, Dumad and Bina. Major river HDDs have been completed for 12/30 locations (except Pipavav & Dahej feeder lines) and are in progress at 11 locations [2 in Gujarat (Mahi & Narmada), 5 in MP (Mahi, Chambal, Shipra, Baen, Narain), 5 in UP (Betwa, Sengar, Rapti, Gaura, Ganga)]. Combined together all pre-construction and construction related activities culminated into marking 55% of total physical progress of the Project.

Along with the considerable progress in construction activities, following major milestones were achieved by your Company during the financial year 2021-22:

- i. Conversion of Company from private to public entity:** IHB Limited was converted in a public limited entity w.e.f. 6.4.2021.
- ii. Acquisition of Right of User (RoU):** With the nomination of Competent Authorities (CA) by the State Governments, the Company pursued for their Gazette Notification by the Central Government. Process of RoU acquisition commenced immediately thereafter and up to 2,205 km of RoU has been acquired through notifications under Section 6(1) of the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962.
- iii. Receipt of mainline pipes:** During the reporting period, with award of purchase orders to various mainline pipe suppliers, 2,438 km mainline pipes (cumulative) were received at the pipe stockpile locations, which is about 88% of total requirement.
- iv. Receipt of Mainline Pumping Units (MLPUs):** During the reporting period, 4 MLPUs were received each at Bina, Dumad and Dhar pumping stations and 2 MLPUs were received at Viramgam and 2 more were under transit.
- v. Implementation of Geographic Information System (GIS):** Your Company has initiated the process of implementing a sophisticated system for geographical mapping and analysis through GIS software on a MeiTy compliant cloud platform.
- vi. Project Insurance:** M/s Tata AIG General Insurance Company Limited has been appointed as the Project insurer.
- vii. Appointment of Lender's Insurance Advisor (LIA) and Lender Independent Engineer (LIE):** M/s Alliance Insurance Brokers Private Limited was appointed as the LIA and M/s Mott MacDonald Private Limited as the LIE of the Company.
- viii. Adoption of Human Resource Policy of the Company:** The Board of Directors of your Company adopted Human Resource Policies of the Company in Nov-2021.
- ix. Recruitment of Company's own manpower:** The Company initiated the first phase of recruitment of executives for various project locations.
- x. Adoption of Corporate Social Responsibility (CSR) Policy:** During the reporting period, the Board of Directors of your Company adopted CSR Policy.
- xi. State-wise progress of the Project upto Mar-2022 is furnished below:**
  - A. GUJARAT**

Length of KGPL in Gujarat is 1076 Kms, which is originating from LPG import terminals at Kandla, Dahej and Pipavav and traverses through 15 districts of Gujarat and connects 3 bottling plants en-route.

    - a. Basic details:**

Length#	1076 Kms
Districts	15
No. of bottling plants	3: HPCL Gandhinagar, IOCL Sanand, BPCL Hariyala
Construction Offices	3
Central Construction Office	Ahmedabad

#Length is subject to revision due to change in alignment during construction

**b. RoU Acquisition Status:**

Scope (KM)	Notification under Sec 3(1) km*	Notification under Sec 6(1) km*
1076	1066	567

\*The Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962

**c. Statutory Clearance Status:**

Consent to Establish	Received
Forest Clearances	Received
Wild Life Clearances	Received
Costal Regulatory Zone	Received
Environmental Clearance	Received
Crossing Permissions	100% applied and 54% NOC received

**d. Status of construction works:**

No. of Groups	Mainline works	HDD
	7	2
Receipt of Mainline Pipes	660 Km	
RoU opening	283 Km	
Stringing	231 Km	
Welding	229 Km	

**B. MADHYA PRADESH (MP)**

Length of KGPL in Madhya Pradesh (MP) is 621 Km which enters MP in Jhabua District from Gujarat and exits the State after traversing through 12 Districts to enter into Lalitpur District of Uttar Pradesh. 6 bottling plants in MP are being connected with KGPL.

**a. Basic details:**

Length#	621 Km
Districts	12
No. of bottling plants	(6) BPCL Indore, HPCL Indore, IOCL Ujjain, IOCL Bhopal, BPCL Bhopal, HPCL Bhopal
Construction Offices	2
Central Construction Office	Bhopal

#Length is subject to revision due to change in alignment during construction

**b. RoU Acquisition Status:**

Scope (KM)	Notification under Sec 3(1) km*	Notification under Sec 6(1) km*
621	621	611

\*The Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962

**c. Statutory Clearance Status:**

Consent to Establish	Received
Forest Clearances	Received
Crossing Permissions	100% applied and 96% NOC received

**d. Status of construction works:**

No. of Groups	Mainline works	HDD
	4	2
Receipt of Mainline Pipes	638 Km	
RoU opening	546 Km	
Stringing	429 Km	
Welding	416 Km	

**C. UTTAR PRADESH (UP)**

Length of KGPL in Uttar Pradesh (UP) is 1105 Km, which enters in Lalitpur District and crosses through 18 districts before terminating at Gorakhpur. 13 bottling plants in UP are being connected with KGPL.

**a. Basic details:**

Length#	1105 Km
Districts	18
No. of bottling plants	(13) BPCL Jhansi, IOCL Kanpur, BPCL Kanpur, HPCL Unnao, IOCL Lucknow, BPCL Lucknow, IOCL Allahabad, BPCL Allahabad, IOCL Varanasi, HPCL Varanasi, IOCL Gorakhpur, BPCL Gorakhpur, HPCL Gorakhpur
Construction Offices	5
Central Construction Office	Lucknow

#Length is subject to revision due to change in alignment during construction.

**b. RoU Acquisition Status:**

Scope (KM)	Notification under Sec 3(1) km*	Notification under Sec 6(1) km*
1105	1105	1027

\*The Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962

**c. Statutory Clearance Status:**

Consent to Establish	Received
Forest Clearances	Application under processing
Crossing Permissions	100% applied and 96% NOC received

**d. Status of construction works:**

No. of Groups	Mainline works	HDD
	7	4
Receipt of Mainline Pipes	1140 Km	
RoU opening	794 Km	
Stringing	410 Km	
Welding	397 Km	

**2. FINANCIAL PERFORMANCE****a. Financial Results**

(Rs. in Lakh)

Particulars	31.3.2022	31.3.2021
Total Income	490.91	999.44
Expenditure	915.55	333.55
Profit/ (Loss) before Tax	(424.64)	665.89
Provision for Tax (including deferred tax)	(107.45)	43.87
Profit/ (Loss) After Tax	(317.19)	622.02
Paid up Equity Share Capital	2,05,800.00	1,65,800.00
Net Worth	2,05,584.55	1,65,901.75
Earnings per share of Rs. 10 each (in Rs.)	(0.01)	0.13

**b. Dividend**

The Project undertaken by IHB is in construction phase and commercial business operations of the Company are yet to begin. Therefore, your Directors have not recommended any dividend for the financial year 2021-22.

**c. Reserve**

The Company did not have any reportable profit for the financial year 2021-22. Therefore your Directors have decided not to transfer any amount to the General Reserves for the financial year 2021-22.

**3. SHARE CAPITAL**

During the financial year 2021-22, the Company has allotted 40,00,00,000 equity shares of Rs. 10/- each aggregating to Rs. 400 Cr. on rights basis to meet fund requirements for implementing the Project. The equity shares under Rights issue were allotted on 7.8.2021.

The capital structure of the Company as on 31.3.2022 is as follows:

Authorized Capital	:	Rs. 3364,00,00,000
Paid Up Capital	:	Rs. 2058,00,00,000

**4. DIRECTORS AND KEY MANAGERIAL PERSONNEL****a. Directors:**

Your Company is managed by highly experienced Board of Directors, who formulates strategies & policies for the Company. As per Articles of Association (AoA) of the Company, the number of Directors shall not be less than four and not more than twelve. Directors are nominated and appointed by promoter companies in accordance of the JV Agreement executed among them.

Presently, the Board of your Company comprises 4 (four) non-executive Directors (including Non-Executive Chairman, nominated by IOCL)

Present composition of the Board of Directors of the Company is as follows:

SN	DIN	Name	Designation
1.	07354849	Shri Dayanand Sadashiv Nanaware	Chairman (w.e.f. 1.9.2021)*
2.	08505199	Shri Lakhpat Rai Jain	Director
3.	09560713	Shri Anuj Kumar Jain	Additional Director (w.e.f. 8.4.2022)
4.	09565836	Ms. Padma Dhulipala	Additional Director (w.e.f. 20.4.2022)

\*IOCL communicated nomination of Shri D. S. Nanaware as Chairman vide their letter dated 31.08.2021, which was subsequently considered and approved by the Board in their meeting held on 1.11.2021.

**b. Changes in composition of Board of Directors during the financial year 2021-22:**

- Shri Govind Kottieth Satish ceased to be the Chairman of the Board with effect from 31.8.2021, consequent upon his superannuation from IOCL.
- Shri Anuj Kumar Jain (nominee from HPCL) was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 8.4.2022 in place of Shri Jayanthi Satya Prasad, who ceased to be a Director with effect from 31.3.2021, consequent upon his superannuation from the services of HPCL.
- Ms. Padma Dhulipala (nominee from IOCL) was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 20.4.2022 in place of Ms. Sukla Mistry, who ceased to be a director on the Board of IHB on 20.4.2022, upon her nomination being withdrawn from IOCL.
- Your Directors place on record their sincere appreciation for the excellent contributions made by Shri Govind Kotieth Satish, Shri Jayanthi Satya Prasad and Ms. Sukla Mistry, during their tenure as Directors on the Board of the Company.

**c. Key Managerial Personnel:**

- Shri Pankaj Kuchhal (Executive Director, IOCL) has been appointed as the Chief Executive Officer & KMP w.e.f. 9.2.2022.
- Shri Avinash Kansal (General Manager, HPCL) has been appointed as the Chief Operating Officer w.e.f. 5.7.2021.
- Shri Sanjay Kumar Jha, ceased to be the Chief Executive Officer & KMP w.e.f. 8.2.2022.
- Shri Ramesh Ramasamy, ceased to be the Chief Operating Officer w.e.f. 5.7.2021.

**d. Board Meetings and Attendance:**

The Board met thirteen times during the financial year 2021-22. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013. During the year, the Board meetings were held on following dates:

19.4.2021	24.4.2021	15.5.2021
27.6.2021	5.7.2021	21.7.2021
21.8.2021	1.11.2021	11.11.2021
12.1.2022	8.2.2022	16.2.2022
	23.3.2022	

The minimum and maximum gap between two Board meetings was 4 days and 71 days respectively.

The name of the Directors on the Board, their attendance at Board Meetings held during the financial year 2021-22 and at the last Annual General Meeting (“AGM”) is given below:

Name of Director	Board Meeting held during his/ her tenure during the FY 2022	Number of Board Meetings attended during the FY 2022	Attended AGM
Shri Dayanand Sadashiv Nanaware	13	13	No
Shri Lakhpat Rai Jain	13	13	Yes
Shri Anuj Kumar Jain (Director w.e.f. 8.4.2022)	NA	NA	NA
Ms. Padma Dhulipala (Director w.e.f. 20.4.2022)	NA	NA	NA
Ms. Sukla Mistry (Director upto 20.4.2022)	6	6	NA
Shri Jayanthi Satya Prasad (Director upto 31.3.2022)	13	13	No
Shri G. K. Satish (Director upto 31.8.2021)	7	7	Yes

**e. Availability of information to Board members:**

The Board has unrestricted access to all Company related information. At Board meetings, company executives and representatives of EPMC, who can provide additional insights into the items being discussed, are invited. Information is provided to the Board members on a continuous basis for their review, inputs and approval. Strategic and operating plans are presented to the Board in addition to the annual financial statements. Specific cases of operational matters, important managerial decisions, material positive/ negative developments and statutory matters are presented to the Board for its approval/ information. As a process, information to directors is submitted along with the agenda in advance of Board meetings. Inputs and feedback of Board members

are taken and considered while preparing the agenda and documents for the Board meetings. At these meetings, directors can provide their inputs and suggestions on various strategic and operational matters.

## 5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THIS REPORT

No material changes were reported between the end of the financial year 2021-22 and date of this report.

## 6. BUSINESS RISK MANAGEMENT

The Board of Directors and Senior Management of your Company reviews every transaction before it takes place and ensures that all requisite measures have been taken to minimize the risks involved.

## 7. ANNUAL RETURN

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at <https://www.ihbl.in/stakeholder>.

## 8. AUDIT

### a. Statutory Auditors

M/s Purushottam Khandelwal & Co., Chartered Accountants were appointed as the Statutory Auditors of your Company by the Comptroller & Auditor General (C&AG) of India for the financial year 2021-22.

### b. Statutory Auditors' Report and C&AG Comments

The Report of the Statutory Auditor and Comments of the Comptroller & Auditor General of India (C&AG) forms part of the Annual Report. Consecutively for the third year, there is no qualification in the Auditors Report or in the comments of the C&AG Auditors on the Financial Statements of the Company.

### c. Secretarial Auditors

The Board has appointed M/s Amit Agrawal and Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2021-22. Secretarial Audit report forms part of the Annual Report and is appended as Annexure-I to the Board's Report.

### d. Secretarial Auditors' Report

The Report of the Secretarial Auditors for the financial year

2021-22 contains no adverse comments/observations by the Auditors.

## 9. REPORTING OF FRAUDS BY AUDITORS

During the financial year 2021-22, neither the Statutory Auditor nor the Secretarial Auditor has reported to the Board, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

## 10. DEPOSITS

During the financial year 2021-22, the Company has not accepted any deposits from the public within the meaning of Companies Act, 2013 and rules made there under.

## 11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the financial year 2021-22, the Company has not provided any loans & advances or given any guarantees or invested in any securities within the meaning of Companies Act, 2013 and rules made there under.

## 12. CREDIT RATING

Your Company was assigned a Long-Term Issuer Rating of 'IND A+' by India Ratings and Research (Ind-Ra).

## 13. SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## 14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars, as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as Annexure -II to the Board's report.

## 15. VIGIL MECHANISM

The objective of Vigil Mechanism is to ensure maintenance of the highest level of integrity throughout the Company. With this objective, the Company has framed a Vigil Mechanism Policy wherein the Directors and Employees are free to report any improper activity resulting in violation of laws, rules, regulations or code of conduct

by any of the employees to the Nominated Director or Chairman of the Board, as the case may be. Any complaint received under this mechanism would be reviewed by the Nominated Director or Chairman of the Board as the case may be. The policy on Vigil Mechanism may be accessed on the Company's website at the link <https://www.ihbl.in/assets/themes/theme-1/images/approved-policy-on-vigil-mechanism.pdf>.

During the financial year 2021-22, no employee has been denied access to the Nominated Director.

## 16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

IHB has been a prompt adopter of CSR initiatives. The CSR objectives of the Company primarily include empowering the weaker, less-privileged and marginalised sections of the society. IHB's CSR activities focuses on eradicating Hunger, Poverty and Malnutrition, promoting Health and Sanitation, promoting Education and skill development, supporting Rural Development Projects and promoting development of children, women and weaker sections. The CSR Policy of the Company is available on our website, at <https://www.ihbl.in/assets/themes/theme-1/pdf/csr-policy.pdf>.

In terms of Section 135(9) of the Companies Act, 2013, the Board of Directors of the Company has undertaken to discharge the CSR obligation of the Company with the help of a CSR Working Committee formed to assist the Board in finalising annual action plan related to CSR activities of the Company.

The annual report on the CSR activities is appended as Annexure-III to the Board's Report.

## 17. INTERNAL FINANCIAL CONTROLS

In order to ensure the effective operation of its business, protection of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the Company's operations, your Company has established adequate internal financial controls. In accordance with the requirements of the Companies Act of 2013, your Company has adequate internal financial controls over financial reporting, and these internal financial controls were functioning effectively, according to independent testing conducted by the internal audit team appointed by your Company.

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

## 18. DIRECTOR LIABLE TO RETIRE BY ROTATION AND PROPOSED TO BE RE-APPOINTED

- a. As per the provisions of the Companies Act, 2013, Shri Lakhpat Rai Jain, the non-executive Director, who is liable to retire by rotation at the ensuing AGM, is eligible for reappointment. The Board of Directors in their meeting held on 9.8.2022 recommend his reappointment. The notice convening the 3<sup>rd</sup> AGM, to be held on 23.9.2022, sets out the details.

The brief resume of the Director who has been proposed to be re-appointed is as below:

Name	Shri Lakhpat Rai Jain
Date of Birth & Age	3.9.1963 & 58 years
Date of Appointment	9.7.2019
Qualification	Shri Lakhpat Rai Jain is a Mechanical Engineer from BITS Pilani (1979-84 batch) and has also completed his Executive Management program from SPJIMR.
No. of Shares held	-
Experience in specific Functional Areas	Shri Lakhpat Rai Jain has been a non-executive Director of IHB Limited since 9.7.2019. Shri Jain has experience of over 37 years consisting of about 11 years of experience in a variety of challenging assignments and leadership positions in BPCL's pipelines entity. Presently, he is heading the Engineering and Projects (E&P) entity of BPCL's Marketing Division as Executive Director(E&P). E&P entity is the infrastructure developing arm of BPCL which caters to the SBU Infrastructural needs and executes capex to the tune of Rs.12000 Cr. every year.

Name	Shri Lakhpat Rai Jain
	<p>He has vast experience in the operations of about 3000 KM pipeline network of BPCL pipelines and executing pipeline projects. Further, he has 5 years of experience in Retail POL Operations at the senior management level, where he was responsible for the Operations and Automation of 80 retail supply locations across the country. He played a key role in coordinating the implementation of MB LAL committee recommendations across the Retail SBU of BPCL.</p> <p>He has rich project experience of about 19 years in executing Oil Industry Marketing Projects viz. POL depots/ Terminals, Cryogenic Propane /Butane handling facilities, LPG Bottling plants, Aviation stations, and cross country Pipelines. He has been involved in many grass-roots projects of BPCL, viz. first fully automated Aviation terminal of BPCL at Palam Airport, LPG Bottling plant at Piyala (largest plant of BPCL), Aviation station at Suratgarh, and construction &amp; commissioning of Mumbai-Manmad-Manglya Pipeline (600 KM), Coastal Terminal at Ennore and LPG Import Terminal at Haldia.</p>
Directorship held in other Companies	NIL
Membership/ Chairmanship of Committees, including IHB Limited	NIL

- b. As per the provisions of the Companies Act, 2013, Shri Anuj Kumar Jain and Ms. Padma Dhulipala was appointed as Additional Directors by the Board of Directors who hold office upto the ensuing Annual General Meeting of the Company. The Board of Directors in their meeting held on 9.8.2022, recommend their appointment in the ensuing AGM. The notice convening the 3<sup>rd</sup> AGM, to be held on 23.9.2022, sets out the details.

## 19. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company believes in providing a safe, secure, and enabling environment, free from sexual harassment to every woman in the workplace with zero tolerance for gender-specific violence and unwelcome sexually coloured behaviour. With an aim to enforce compliance, the Company has in place a policy on the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the POSH Act) duly approved by the Board.

At present, the Company has a sound mechanism for redressal of any complaint under the POSH Act at workplace through Human Resource department. Additionally, assistance from promoter companies which have extensive mechanism to handle the same is also available.

During the year 2021-22, no complaint of sexual harassment was received directly or through Promoter Companies.

## 20. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance and performance of the individual directors pursuant to the provisions of the Companies Act, 2013. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the individual directors was evaluated by the Board after seeking inputs from the individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings such as attendance and active participations in the board meetings, participation in constructive and active manner in meetings and ability to put forth independent and unbiased views, staying abreast of issues, trends and risks (including opportunities and competitive factors) affecting the company, and using this information to assess and guide the Company's performance etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Institute of Company Secretaries of India dated June, 2017 and are available

on our website, at <https://www.ihbl.in/assets/themes/theme-1/pdf/performance-evaluation-criteria-of-board-and-directors-of-ihb-limited.pdf>.

## 21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188

There were no contracts, arrangements or transactions entered into during the financial year 2021-22, that fall under the scope of Section 188(1) of the Companies Act, 2013. As required under the Companies Act, 2013, the prescribed Form AOC-2 is appended as Annexure-IV to the Board's Report and is provided in the Company's financial statements in accordance with the Indian Accounting Standards under note-26 of the Financial Statement.

## 22. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm in respect of the Audited Annual Accounts for the financial year ended 31.3.2022:

- in the preparation of the annual accounts for the period ended 31.3.2022, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- such accounting policies have been selected and applied consistently (except for changes in Accounting Policies as disclosed in the Notes to Accounts to the Financial Statements) and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the loss of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## 23. GENERAL SHAREHOLDER INFORMATION

### a. Name of the Registrar and Share Transfer Agent (RTA):

Alankit Assignments Limited  
Unit: IHB Limited  
Alankit Heights, 3E/7 Jhandewalan Extension  
New Delhi - 110055,  
Telephone: +91-11-42541234, 23541234;  
Fax: +91-11-2355 2001  
Email: [info@alankit.com](mailto:info@alankit.com); Website: [www.alankit.com](http://www.alankit.com)

### b. Name of the Depository:

National Securities Depository Limited (NSDL)  
Trade World, A Wing, 4<sup>th</sup> Floor, Kamala Mills Compound,  
Lower Parel, Mumbai – 400013  
Telephone: +91-022-2499 4200  
Toll free (Investor Helpline): 1800 1020 990/1800 224 430  
Email: [info@nsdl.co.in](mailto:info@nsdl.co.in); Website: [www.nsdl.co.in](http://www.nsdl.co.in)

### c. ISIN of equity shares:

INE0DFZ01010

### d. Annual General Meeting for the financial year 2021-22:

Day and Date	Time	Venue
Friday, 23.9.2022	1130 Hours	Video-conferencing

## 24. ACKNOWLEDGEMENT

The Directors thank the Ministry of Petroleum & Natural Gas (MoP&NG), the Petroleum and Natural Gas Regulatory Board (PNGRB), the State Governments of Gujarat, Madhya Pradesh and Uttar Pradesh, the Port Authorities at Kandla, Dumad and Pipavav and the Comptroller & Auditor General of India, for their co-operation, support, and guidance in effective management of Company's affairs and resources. The Directors also thank Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited and Bharat Petroleum Corporation Limited (the promoter companies) for continued support.

The Directors whole heartedly thank the State Bank of India, Punjab National Bank, Union Bank of India, Canara Bank and Bank of Maharashtra; Lenders of the Company, for their goodwill and support.

The Directors extend their gratitude towards all statutory and local authorities, including the Petroleum and Explosives Safety Organization (PESO), the State Pollution Control Boards, State DISCOMs for the unstinted and continuous support to the Company.

The Directors are grateful to the Statutory Auditors, Secretarial Auditors and other professionals associated with the Company, for their continuous value addition. Last

but not the least; the Directors appreciate all employees of the Company, for working tirelessly despite the pandemic, towards progress of the KGPL Project.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF IHB LIMITED**

Date: 1.9.2022  
Place: Noida

sd/-  
**(D. S. Nanaware)**  
Chairman  
DIN: 07354849

# SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31<sup>st</sup> March, 2022.

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

To,

**The Members  
IHB Limited**

6<sup>th</sup> Floor, Indian Oil Bhawan A-1, Sector-1,  
Udyog Marg, Noida, UP-201301  
CIN: U60230GJ2019PLC109127

## WE REPORT THAT:

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IHB Limited (hereinafter referred as 'the Company') having its registered office at C/O Indian Oil Corporation Ltd, Sabarmati Terminal Nr D' Cabin Sabarmati Ahmadabad GJ 380019 and corporate office at 6<sup>th</sup> Floor, Indian Oil Bhawan A-1, Sector-1, Udyog Marg, Noida, UP-201301. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

## COMPANY'S RESPONSIBILITIES

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

## AUDITOR'S RESPONSIBILITIES STATEMENT

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the

correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

## LIMITATIONS

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. received via electronic means. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.

## BASIS OF OPINION

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some

cases was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## REPORT ON SECRETARIAL RECORDS AND COMPLIANCES THEREOF

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. IHB Limited for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Secretarial Standards issued by The Institute of Company Secretaries of India
- (iii) Other laws applicable specifically to the Company namely:
  - a) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
  - b) Payment of Gratuity Act, 1972
  - c) The Maternity Benefit Act, 1961
  - d) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013
  - e) Indian Trust Act, 1882 created for PF purposes for its employees.
  - f) Indian Stamp Act

## ENVIRONMENTAL RELATED

- g) The Environmental Protection Act, 1980 read with various rules for Handling Air, Solid, Liquid, electronic Waste.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

However, during the period under review, provisions of the following regulations were not applicable to the Company because of clause (I) no FDI and ECB has been taken by the Company since incorporation and for (II) & (III) clauses below the Company is unlisted Company. Hence, comments are not required to be made in respect of these clauses:

- I. Foreign Exchange Management Act, 1999 and rules and regulation made there under to the extent Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- II. The Rules, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
- III. The Listing Agreement with any Stock Exchange.

### We, further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Women director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional.



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& BHARAT PETROLEUM  
IHB Limited

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We further report that during the audit period there were following specific events/corporate actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs:

- a. *Allotment of 400,000,000 equity Shares on right basis as on 07.08.2021 to Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL).*

**FOR AMIT AGRAWAL & ASSOCIATES  
(COMPANIES SECRETARIES)**

Date: 4.8.2022  
Place: Delhi

Sd/-  
**(CS Amit Agrawal)**  
**Partner**  
**M. No. F5311, C.P. No. : 3647**  
**UDIN: F005311D000743598**

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### (A) CONSERVATION OF ENERGY

- i. **The steps taken or impact on conservation of energy:**
- Your Company has incorporated necessary means for implementation of energy conservation measures in the Project design itself such as procurement of high efficiency pumping units with Variable Frequency Drives (VFDs), HT capacitor banks, and usage of LED lights.
  - The usage of VFDs would result in energy saving and optimizing pump station operations.
  - Installation of HT capacitor bank aids in reduced electricity consumption by increasing power factor close to unity.
  - The Project designs prescribes for usage of LED lighting system in stations including high mast towers for energy saving.
- ii. **The steps taken by the company for utilising alternate sources of energy:**
- Your Company has provisioned for installation of Solar power systems in SV/IPIG and T-point stations across the KGPL line in Project design.
- iii. **The capital investment on energy conservation equipment:**
- The capital investments on energy conservation equipment can be reported after completion of construction activities.

### (B) TECHNOLOGY ABSORPTION

- i. **The efforts made towards technology absorption:**
- A Geographical Information System (GIS) is under development for pipeline remote plotting and data entry, which shall facilitate seamless pipeline monitoring, tracing of line patrolmen, permission monitoring and renewals thereof etc. during operations phase.
  - Infrared Sensor Technology based gas sensor are provisioned to detect hydrocarbon gases/vapours for detection of leakage of gas and to avoid major hazards.
  - Optical Fibre Cable (OFC) based communication system has been envisaged in the Project design to provide reliable and interference free communication system throughout the Pipeline, as a backbone for Supervisory Control and Data Acquisition (SCADA) system and to enable remote operation of SVs.
  - Leak Detection System (LDS) is being implemented in the Project for detection of any leak/ burst or pilferage in the Pipeline.
  - Successful migration of accounting process to state-of-the-art SAP software.

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- There was no foreign exchange earnings and outgo during the financial year 2021-22.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF IHB LIMITED

Date: 1.9.2022  
Place: Noida

sd/-  
(D. S. Nanaware)  
Chairman  
DIN: 07354849

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

- The Company has formed a Corporate Social Responsibility (CSR) Policy in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amendments thereto, which is available on the website of the Company at <https://www.ihbl.in/assets/themes/theme-1/pdf/csr-policy.pdf>.
- The CSR objectives of the Company primarily include empowering the weaker, less-privileged and marginalised sections of the society. IHB's CSR activities focuses on eradicating Hunger, Poverty and Malnutrition, promoting Health and Sanitation, promoting Education and skill development, supporting Rural Development Projects and promoting development of children, women and weaker sections

### 2. COMPOSITION OF CSR COMMITTEE:

- In terms of Section 135(9) of the Companies Act, 2013 (the Act); where the amount to be spent by a company under Section 135(5) of the Act does not exceed fifty lakh rupees, the requirement under sub-section (1) of Section 135 of the Act for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company. In view of this the Board of Directors of the Company has undertaken to discharge the CSR obligation of the Company with the help of a CSR Working Committee. The CSR working committee has been formed to assist the Board in finalising annual action plan related to CSR activities of the Company.

### 3. PROVIDE WEBLINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

- <https://www.ihbl.in/assets/themes/theme-1/pdf/csr-policy.pdf>

### 4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 IF APPLICABLE (ATTACH THE REPORT):

- Not Applicable for financial year 2021-22.

### 5. DETAIL OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE (COMPANIES CORPORATE SOCIAL RESPONSIBILITY POLICY) RULE 2014, AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY:

- NIL

### 6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5):

- Rs. 72,48,246/- (Rs. Seventy two lakh forty eight thousand two hundred forty six) only.

### 7.A TWO PERCENT OF AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5):

- Rs. 1,45,000 (Rs. One lakh forty five thousand) only.

### 7.B SURPLUS ARISING OUT OF THE CSR PROJECTS OR PROGRAMS OR ACTIVITIES OF THE PREVIOUS FINANCIAL YEARS:

- NIL

### 7.C AMOUNT REQUIRED TO BE SET-OFF FOR THE FINANCIAL YEAR, IF ANY:

- NIL

### 7.D TOTAL CSR OBLIGATION FOR THE FINANCIAL YEAR [7A+7B-7C]:

- Rs. 1,45,000 (Rs. One lakh forty five thousand) only.

**8.A CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR:**

Total Amount spent for the financial year (in Rs.)	Amount Unspent (in Rs.)				
	Total amount transferred to unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of fund	Amount	Date of Transfer
1,45,000	-	-	-	-	-

**8.B DETAILS OF CSR AMOUNT SPENT AGAINST ON-GOING PROJECTS FOR THE FINANCIAL YEAR:**

- NIL

**8.C DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ON-GOING PROJECTS FOR THE FINANCIAL YEAR:**

- NIL

**8.D AMOUNT SPENT IN ADMINISTRATIVE OVERHEAD:**

- NIL

**8.E AMOUNT SPENT ON IMPACT ASSESSMENT, IF APPLICABLE:**

- Not Applicable

**8.F TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR [8B+8C+8D+8E]:**

- Rs. 1,45,000 (Rs. One lakh forty five thousand) only.

**8.G EXCESS AMOUNT FOR SET OFF, IF ANY.**

- NIL

**9.A DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:**

- NIL

**9.B DETAILS OF CSR AMOUNT SPENT IN THE FINANCIAL YEAR FOR ONGOING PROJECTS OF THE PRECEDING FINANCIAL YEAR(S):**

- NIL

**10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSETS, FURNISH THE DETAILS RELATING TO THE ASSETS SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR (ASSET-WISE DETAILS):**

- Date of creation or acquisition of the capital asset(s): **NIL**
- Amount of CSR spent for creation or acquisition of capital assets: **NIL**
- Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.: **NIL**
- Provide details of the capital assets(s) created or acquired (including complete address and location of the capital assets): **NIL**

**11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE NET PROFIT AS PER SECTION 135(5):**

- Not Applicable

sd/-  
**(Pankaj Kuchhal)**  
 Chief Executive Officer  
 Date: 1.9.2022  
 Place: Noida

sd/-  
**(D. S. Nanaware)**  
 Chairman  
 DIN: 07354849  
 Date: 1.9.2022  
 Place: Noida



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& BHARAT PETROLEUM  
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**Annexure - IV**

## FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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1. Details of contracts or arrangements or transactions not at arm's length basis for the FY2021-22: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis for the FY2021-22: NIL

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF IHB LIMITED**

Date: 1.9.2022

Place: Noida

sd/-  
**(D. S. Nanaware)**  
Chairman  
DIN: 07354849

# INDEPENDENT AUDITOR'S REPORT

To,  
**The Members of  
IHB Limited**  
**Report on the Audit of the Financial Statements**

## OPINION

We have audited the financial statements of **IHB Limited**, which comprise the balance sheet as at 31<sup>st</sup> March 2022 and the statement of Profit and Loss (including other comprehensive income) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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, 2022, and its profit/loss and other comprehensive, and its cash flows for the year ended on that date.

## BASIS FOR OPINION

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

## RESPONSIBILITIES OF MANAGEMENT AND THOSE

## CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "**Annexure B**" on the directions issued by the Comptroller and Auditor General of India.
3. 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - 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) With respect to the other matters to be included in

the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- h) With respect to other matter to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014 as amended. In our opinion and to the best of our information and according to explanations given to us:
  - i. The company has disclosed the impact of pending litigation on its financial position in its financial statement.
  - ii. The company has made provision as required under applicable law or accounting standards for material foreseeable losses if any on long term contract including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 ("Intermediaries"), with the understanding, whether

recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (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 misstatement.
- d) The company has not declared or paid dividend during the year. Hence compliance with section 123 of the Companies Act, 2013 is not applicable.
- e) The company has used SAP accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with the audit trail has been preserved by the company as per the statutory requirements for record retention.

**For Purushottam Khandelwal & Co.**  
**Chartered Accountants**  
(FRN No. 123825W)

Sd/-

**CA Prahlad Jhanwar**  
(Partner)

(Membership No. 120920)  
UDIN: 22120920AICWFG5679

Place : Ahmedabad  
Date : 29<sup>th</sup> April, 2022

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Financial Statements for the year ended 31 March 2022, we report the following:

1. 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 particular of intangible assets.

(b) As explained to us, physical verification of Property Plant and Equipment has been conducted by the management at appropriate intervals. In our opinion, the programme is reasonable having regard to the size of the Company and the nature of the Property Plant and Equipment. According to information and explanations given to us, no material discrepancies have been reported on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title/ lease deeds of the immovable properties are held in the name of the Company except in cases given below:

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Land-Mithrohar	102693671	Deendayal Port Trust	No	19/08/2021	Lease agreement is under preparation
Property, Plant and Equipment	ROU-Building-Registered Office	114680	Indian Oil Corporation Limited	Yes (Promoter)	09/07/2019	Lease agreement is under preparation
Property, Plant and Equipment	ROU-Building-Indore	767831	Indian Oil Corporation Limited	Yes (Promoter)	07/12/2020	The property has been provided by IOCL as per stipulations in the EPMC contract.
Property, Plant and Equipment	ROU-Building-Bhopal	2249655	Indian Oil Corporation Limited	Yes (Promoter)	21/01/2021	The property has been provided by IOCL as per stipulations in the EPMC contract.
Property, Plant and Equipment	ROU-Building-Kandla	123255	Indian Oil Corporation Limited	Yes (Promoter)	18/10/2020	The property has been provided by IOCL as per stipulations in the EPMC contract.
Property, Plant and Equipment	ROU-Building-Varanasi	908570	Indian Oil Corporation Limited	Yes (Promoter)	01/10/2020	The property has been provided by IOCL as per stipulations in the EPMC contract.

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	ROU-Building-Ahmedabad	7059208	Indian Oil Corporation Limited	Yes (Promoter)	18/04/2021	The property has been provided by IOCL as per stipulations in the EPMC contract.
Property, Plant and Equipment	ROU-Building-Lucknow	2479672	Indian Oil Corporation Limited	Yes (Promoter)	01/04/2021	The property has been provided by IOCL as per stipulations in the EPMC contract.
Property, Plant and Equipment	ROU-Warehouse Building-Kheda	4822255	HAMIDABEN KHAMISHABHAI SINDHI	No	18/10/2021	The property has been taken on lease against valid contract.
The property has been taken on lease against valid contract.	ROU-Warehouse Building-Bhopal	5324687	DADAJI AGRO WAREHOUSE	No	18/10/2021	The property has been taken on lease against valid contract.

- (d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. (a) According to the information and explanations given to us, the company doesn't have any inventory except the project inventory (excluding material in transit) which has been physically verified by the management during the year and in our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- (b) According to the information and explanations given to us, the company has not been sanctioned working capital limits in excess of five crore rupees during any point of time of the year, in aggregate, from banks or financial institutions on the basis of security of current assets, Hence the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company is not applicable.
3. The company has not made investments in companies, firms, Limited Liability Partnerships or any other parties, and not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, hence provision of Clause 3 (iii) (a),(b),(c),(d),(e),(f) of the order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to the loans given and investments made. Further, there are no loans, guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable.
5. In our opinion and according to the information and explanations given to us, during the year, the Company

- has not accepted deposits from the public in terms of the provisions of sections 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules 2014, as amended and other relevant provisions of the Act or under the directives issued by the Reserve Bank of India.
6. The Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act. The maintenance of cost records under sub-section (1) of section 148 of the Companies Act is not applicable to the company.
  7. In respect of statutory dues:
    - (a) According to the information and explanations given to us and on the basis of our examination of the records, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
    - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and service tax, Provident fund, Employees' State Insurance, Income tax, Sales tax, Service tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2022, for a period of more than six months from the date they became payable.
  8. According to the information and explanations given to us there is no any transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
  9. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, Government or debenture holders;
    - (b) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
    - (c) According to the information and explanations given to us by management term loans were applied for the purpose for which the loans were obtained;
    - (d) On an overall examination of the financial statement no funds have been raised on short term basis during the year hence this it is not applicable to the company;
  - (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
  - (f) According to the information and explanations given to us by management the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
  10. (a) The Company has not raised moneys through initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable.
    - (b) In our opinion and according to the information and explanations provided by the management, the Company has utilized the moneys raised by way of rights issue of equity shares, for the purposes for which they were raised and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied.
  11. (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
    - (b) No any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to date of this report.
    - (c) According to the information and explanations given to us by management, the company has not received any complaint from the whistle-blower hence it is not applicable.
  12. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) (a),(b),(c) of the Order are not applicable to the Company and hence not commented upon.
  13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act,

- where applicable, and details of all transactions have been disclosed Financial Statements as required by the applicable Indian accounting standards.
14. (a) In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit report 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 procedure.
15. In our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.
16. (a) In our opinion the company is not required to be registered under provisions of Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b), (c) of the order is not applicable.
- (b) In our opinion, there is no core investment company within the group (as defined in the core investment Companies (Reserve Bank) Direction 2016) and accordingly reporting under clause 3 (xvi) (d) of the order is not applicable.
17. The company has incurred cash losses during the financial year covered by our audit of Rs. 381.82 Lakhs, and in the immediately preceding financial year there was cash profit of Rs 668.77 Lakhs.
18. There has been no resignation of the statutory auditors during the year.
19. In our opinion and according to the information and explanations provided by the management, 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, there is no material uncertainty exists as on the date of the audit report that company is 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.
20. (a) According to the information and explanations provided to us, there are no unspent amount in respect of other than ongoing projects requiring transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
- (b) According to the information and explanations provided to us, no any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;
21. In respect any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements in our opinion the company is not required to be prepared the consolidated financial statement hence clause 3(xxi) of the order is not applicable to the company.

**For Purushottam Khandelwal & Co.**  
**Chartered Accountants**  
(FRN No. 123825W)

Sd/-  
**CA Prahlad Jhanwar**  
(Partner)  
(Membership No. 120920)  
UDIN: 22120920AICWFG5679

Place : Ahmedabad  
Date : 29<sup>th</sup> April, 2022

## ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARA 2 UNDER "OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE)

Sl. No.	Direction	Action taken	Impact on financial statement
1	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, may be stated.	The Company has implemented a robust ERP system (SAP) to process all the accounting transactions through IT system.	NIL
2	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	The Company has been regular in discharging its interest obligations (Principal payment yet not due) on term loans during 2021-22. Therefore, there are no cases of restructuring of any loan or cases of waiver/ write off of debts/ loans/ interest etc. made by any lender due to the company's inability to repay the loan.	NIL
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No funds has received / receivable for specific schemes from central/state agencies to company.	NIL

# ANNEXURE - B TO INDEPENDENT AUDITORS' REPORT

## 31<sup>ST</sup> MARCH 2022

(REFERRED TO IN OUR REPORT OF EVEN DATE)

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

#### OPINION

We have audited the internal financial controls over financial reporting of **IHB Limited** as at 31 March 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended as on 31<sup>st</sup> March 2022.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls. 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 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:

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **INHERENT LIMITATION 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.

**For Purushottam Khandelwal & Co.**  
**Chartered Accountants**  
(FRN No. 123825W)

Sd/-  
**CA Prahlad Jhanwar**  
(Partner)  
(Membership No. 120920)  
UDIN: 22120920AICWFG5679

Place : Ahmedabad  
Date : 29<sup>th</sup> April, 2022

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IHB LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

The preparation of financial statements of IHB Limited for the year ended 31<sup>st</sup> March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29<sup>th</sup> April 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IHB Limited for the year ended 31<sup>st</sup> March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

**FOR AND ON BEHALF OF THE  
COMPTROLLER & AUDITOR GENERAL OF INDIA**

**(C. M. Sane)**

Director General of Commercial Audit,  
Mumbai

Place: Mumbai

Dated: 11 July, 2022

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022

₹ in Lakhs

S. No.	Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>I.</b>	<b>ASSETS</b>			
1.	<b>Non-Current Assets</b>			
	(a) Property, Plant & Equipment	2	3,026.91	25.68
	(b) Capital Work in Progress	3	3,05,461.07	97,080.65
	(c) Other Intangible Assets	4	19,814.09	1,304.27
	(d) Intangible Assets Under Development	4.1	-	0.14
	(e) Financial Assets:			
	(i) Other Financial Assets	5	863.52	3,021.64
	(f) Deferred Tax Assets (net)	6	167.62	63.71
	(g) Other Non-Current Assets	7	1,842.17	1,598.20
	<b>Total Non-Current Assets</b>		<b>3,31,175.38</b>	<b>1,03,094.29</b>
2.	<b>Current Assets</b>			
	(a) Financial Assets:			
	(i) Cash and Cash Equivalents	8	51,676.65	1,01,701.64
	(ii) Other Financial Assets	9	3,202.24	160.03
	(b) Current Tax Assets (net)	10	198.46	-
	(c) Other Current Assets	11	6,653.81	1,914.76
	<b>Total Current Assets</b>		<b>61,731.16</b>	<b>1,03,776.43</b>
	<b>TOTAL ASSETS</b>		<b>3,92,906.54</b>	<b>2,06,870.72</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	a) Equity Share Capital	12	2,05,800.00	1,65,800.00
	b) Other Equity	13	49,784.56	101.75
			<b>2,55,584.56</b>	<b>1,65,901.75</b>
	<b>Liabilities</b>			
1.	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	14	1,00,000.00	-
	(ii) Lease Liabilities	15	16.45	5.89
	<b>Total Non-Current Liabilities</b>		<b>1,00,016.45</b>	<b>5.89</b>

₹ in Lakhs

S. No.	Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>2 .</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Lease Liabilities	16	100.95	20.41
	(ii) Trade Payables	17		
	- Dues of Micro Enterprises and Small Enterprises		2.68	-
	- Dues of Creditors other than Micro Enterprises and Small Enterprises		109.40	120.25
	(iii) Other Financial Liabilities	18	36,733.40	40,617.90
	(b) Other Current Liabilities	19	359.11	200.68
	(c) Current Tax Liabilities (net)	10.1	-	3.84
	<b>Total Current Liabilities</b>		<b>37,305.53</b>	<b>40,963.08</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,92,906.54</b>	<b>2,06,870.72</b>

Significant Accounting Policies

1

Notes forming part of Financial Statements

2 to 36

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AS PER OUR REPORT OF EVEN DATE ATTACHED

For Purushottam Khandelwal &amp; Co.

Chartered Accountants

FRN: 123825W

Sd/-  
**D.S. Nanaware**  
 Chairman  
 DIN : 07354849  
 Place: New Delhi  
 Date: 23.04.2022

Sd/-  
**Pankaj Kuchhal**  
 Chief Executive Officer  
 Place: Noida  
 Date: 23.04.2022

Sd/-  
**Joseph Kurian**  
 Chief Financial Officer  
 Place: Noida  
 Date: 23.04.2022

Sd/-  
**Pallavi Tripathi**  
 Company Secretary  
 Place: Noida  
 Date: 23.04.2022

Sd/-  
**CA Prahlad Jhanwar**  
 Partner  
 Membership No: 120920  
 Place: Ahmedabad  
 Dated: 29.04.2022  
 UDIN: 22120920AICWFG5679

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

₹ in Lakhs

S. No.	Particulars	Note No.	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
I	Revenue From Operations		-	-
II	Other Income	20	490.91	999.44
III	<b>TOTAL INCOME</b>		<b>490.91</b>	<b>999.44</b>
<b>IV</b>	<b>EXPENSES</b>			
	Employee Benefits Expenses	21	311.44	225.89
	Finance Cost	22	0.36	0.15
	Depreciation and Amortization Expenses	23	41.83	3.38
	Other Expenses	24	561.93	104.13
	<b>TOTAL EXPENSES (IV)</b>		<b>915.55</b>	<b>333.55</b>
<b>V</b>	<b>Profit/(Loss) before exceptional items and tax ( III - IV)</b>		<b>-424.64</b>	<b>665.89</b>
VI	Exceptional Items		-	-
<b>VII</b>	<b>Profit/(Loss) before tax (V-VI)</b>		<b>-424.64</b>	<b>665.89</b>
<b>VIII</b>	<b>Tax Expense</b>	6		
	(1) Current Tax		-3.54	107.58
	(2) Deferred Tax		-103.91	-63.71
			-107.45	43.87
<b>IX</b>	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>-317.19</b>	<b>622.02</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
	i) Items that will not be reclassified to profit & loss account			
	(a) Re-measurement of defined benefit plans		-	-
	(b) Income tax relating to items that will not be reclassified to profit & loss account		-	-
	<b>Total Other Comprehensive Income (X)</b>		-	-
<b>XI</b>	<b>Total Comprehensive Income for the Period (IX+X) Comprising Profit/(Loss) and Other Comprehensive Income for the year</b>		<b>-317.19</b>	<b>622.02</b>

₹ in Lakhs

S. No.	Particulars	Note No.	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>XII</b>	<b>Earnings per equity share (₹)</b>			
	(1) Basic		<b>-0.01</b>	<b>0.13</b>
	(2) Diluted		-0.01	0.13
	Face Value per Equity Share (₹)		10.00	10.00

Significant Accounting Policies

1

Notes forming part of Financial Statements

2 to 36

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AS PER OUR REPORT OF EVEN DATE ATTACHED  
For Purushottam Khandelwal & Co.

Chartered Accountants

FRN: 123825W

Sd/-  
**D.S. Nanaware**  
Chairman  
DIN : 07354849  
Place: New Delhi  
Date: 23.04.2022

Sd/-  
**Pankaj Kuchhal**  
Chief Executive Officer  
Place: Noida  
Date: 23.04.2022

Sd/-  
**Joseph Kurian**  
Chief Financial Officer  
Place: Noida  
Date: 23.04.2022

Sd/-  
**Pallavi Tripathi**  
Company Secretary  
Place: Noida  
Date: 23.04.2022

Sd/-  
**CA Prahlad Jhanwar**  
Partner  
Membership No: 120920  
Place: Ahmedabad  
Dated: 29.04.2022  
UDIN: 22120920AICWFG5679

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

₹ in Lakhs

Sr. No.	Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>A.</b>	<b>Cash Flow From Operating Activities</b>		
	Profit Before Tax	-424.64	665.89
	Adjustment For:		
	Depreciation	41.83	3.38
	Interest	0.06	0.15
	Unrealised Foreign Exchange Loss/(Gain)	0.93	-0.65
	Interest Income on Bank FDs	-490.91	-997.96
	Operating Profit before working capital changes	<b>-872.73</b>	<b>-329.18</b>
	(Increase)/Decrease in Other Current Assets	-4,739.05	-1,276.22
	Increase/(Decrease) in Trade Payables	-8.17	120.25
	Increase/(Decrease) in Other Financial Liabilities	-10.45	-4.09
	Increase/(Decrease) in Other Current Liabilities	158.43	-236.77
	Income Tax (Net)	-198.76	-54.56
	<b>Net cash flow from Operating Activities</b>	<b>-5,670.73</b>	<b>-1,726.01</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Interest Received	490.91	918.39
	Investment in CWIP	-2,12,499.23	-55,607.92
	Investment in PPE/Intangible Assets	-21,552.89	-1,326.57
	Deposits made	-884.09	-1,104.62
	<b>Net cash flow from Investing Activities</b>	<b>-2,34,445.29</b>	<b>-57,120.73</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Receipts from Equity Shares issued	40,000.00	1,55,300.00
	Equity Share application money received	50,000.00	-
	Term Loan - From Banks	1,00,000.00	
	Finance cost - Term Loan		-3.34
	Lease Liability-Principal Portion	76.35	25.52
	Finance Cost - Interest on Lease	14.69	0.63
	<b>Net cash flow from Financing Activities</b>	<b>1,90,091.04</b>	<b>1,55,322.81</b>

₹ in Lakhs

Sr. No.	Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>-50,024.99</b>	<b>96,476.08</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	1,01,701.64	5,225.56
	<b>Cash and cash equivalents at the end of the year</b>	<b>51,676.65</b>	<b>1,01,701.64</b>

The accompanying notes form integral part of financial statements

**Note:**

- 1) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'
- 2) Refer Note No. 8 for Cash and Cash Equivalents
- 3) Cash and cash equivalents as on 31.03.2022 includes an amount of Rs.500 Crore, received as share application money for rights issue to Promoters, which is not available for use till 06.04.2022.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS****AS PER OUR REPORT OF EVEN DATE ATTACHED  
For Purushottam Khandelwal & Co.**

Chartered Accountants  
FRN: 123825W

Sd/-  
**D.S. Nanaware**  
Chairman  
DIN : 07354849  
Place: New Delhi  
Date: 23.04.2022

Sd/-  
**Pankaj Kuchhal**  
Chief Executive Officer  
Place: Noida  
Date: 23.04.2022

Sd/-  
**Joseph Kurian**  
Chief Financial Officer  
Place: Noida  
Date: 23.04.2022

Sd/-  
**Pallavi Tripathi**  
Company Secretary  
Place: Noida  
Date: 23.04.2022

Sd/-  
**CA Prahlad Jhanwar**  
Partner  
Membership No: 120920  
Place: Ahmedabad  
Dated: 29.04.2022  
UDIN: 22120920AICWFG5679

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

### A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	1,65,80,00,000	1,65,800.00	10,50,00,000	10,500.00
Changes in Equity Share Capital due to prior period errors	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>1,65,80,00,000</b>	<b>1,65,800.00</b>	<b>10,50,00,000</b>	<b>10,500.00</b>
Changes in equity share capital during the current period (Shares issued to Promoters)	40,00,00,000	40,000.00	1,55,30,00,000	1,55,300.00
<b>Balance at the end of the current reporting period</b>	<b>2,05,80,00,000</b>	<b>2,05,800.00</b>	<b>1,65,80,00,000</b>	<b>1,65,800.00</b>

### B. OTHER EQUITY

#### Current Reporting Period

₹ in lakhs

Particulars	Share application money pending allotment	Reserve and Surplus	Total
		Retained Earnings	
Balance as on 01.04.2021	-	101.75	101.75
Total Comprehensive Income	-	-317.19	-317.19
Share application money	50,000.00	-	50,000.00
Balance as on 31.03.2022	<b>50,000.00</b>	<b>-215.44</b>	<b>49,784.56</b>

#### Previous Reporting Period

₹ in lakhs

Particulars	Share application money pending allotment	Reserve and Surplus	Total
		Retained Earnings	
Balance as on 01.04.2020	-	-520.27	-520.27
Total Comprehensive Income	-	622.02	622.02
Share application money	-	-	-
Balance as on 31.03.2021	-	<b>101.75</b>	<b>101.75</b>

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AS PER OUR REPORT OF EVEN DATE ATTACHED  
For Purushottam Khandelwal & Co.

Chartered Accountants  
FRN: 123825W

Sd/-  
**D.S. Nanaware**  
Chairman  
DIN : 07354849  
Place: New Delhi  
Date: 23.04.2022

Sd/-  
**Pankaj Kuchhal**  
Chief Executive Officer  
Place: Noida  
Date: 23.04.2022

Sd/-  
**Joseph Kurian**  
Chief Financial Officer  
Place: Noida  
Date: 23.04.2022

Sd/-  
**Pallavi Tripathi**  
Company Secretary  
Place: Noida  
Date: 23.04.2022

Sd/-  
**CA Prahlad Jhanwar**  
Partner  
Membership No: 120920

Place: Ahmedabad  
Dated: 23.04.2022  
UDIN: 21120920AAAAAI8396

# NOTES TO THE FINANCIAL STATEMENT

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

### CORPORATE INFORMATION

IHB Limited (“IHB” or “the company”) is a Public Limited Company domiciled in India and was incorporated on July 09<sup>th</sup>, 2019. IHB Limited is a Joint Venture Company of Three PSUs i.e. Indian Oil Corporation Limited (IOCL) having 50% equity in the company, Hindustan Petroleum Corporation Limited (HPCL) having 25% equity in the company and Bharat Petroleum Corporation Limited (BPCL) having 25% equity in the company. The registered office of the Company is located at C/o Indian Oil Corporation Ltd., Sabarmati Terminal NR D’ Cabin Sabarmati, Ahmedabad, Gujarat, India. The company has been incorporated to Lay, Build, Construct Operate or Expand Petroleum and Petroleum Products Pipelines including LPG Pipeline from Kandla (Gujarat) to Gorakhpur (Uttar Pradesh) with Additional Feeder Lines and Associated Branch Lines known as Kandla-Gorakhpur Pipeline (KGPL), any other future pipeline projects and developing infrastructure for implementation of all such projects.

Effective from 06.04.2021, the name of the Company has been changed from ‘IHB Private Limited’ to ‘IHB Limited’ pursuant to its conversion from a private company to public company.

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

**Basis for preparation:** The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Company’s presentation and functional currency is Indian Rupees (INR). All figures appearing in the financial statements are rounded to the nearest lakhs except where otherwise indicated.

**Authorization of Financial Statements:** The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 23<sup>rd</sup> April, 2022.

### 1.1 Use of Judgement and Estimates

The preparation of the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Assessment of functional currency;
- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible assets;
- Valuation of Inventories;
- Measurement of recoverable amounts of Cash-Generating Units;
- Provisions including loss allowances;
- Evaluation of recoverability of Deferred Tax Assets; and
- Contingencies.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

### 1.2 Property, Plant and Equipment

- 1.2.1. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

- 1.2.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- 1.2.3. Direct expenses incurred during construction period on capital projects are capitalized. Expenditure incurred on enabling assets are capitalized.
- 1.2.4. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- 1.2.5. Expenditure on assets, other than plant and machinery, not exceeding threshold limit are charged to revenue.
- 1.2.6. Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventoried on procurement and charged to Statement of Profit and Loss on consumption.
- 1.2.7. An item of Property, Plant and Equipment and any significant part initially recognized separately as part of Property, Plant and Equipment is derecognized upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized.
- 1.2.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in line with revisions to accounting estimates.
- 1.2.9. The cost of an item of PPE is recognized as an asset if, and only if:
- it is probable that future economic benefits associated with the item will flow to the entity; and
  - the cost of the item can be measured reliably.
- 1.2.10. Technical know-how / license fee relating to plants/facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.
- 1.2.11. Environment responsibility related obligations directly attributable to projects is recognized as project cost on the basis of progress of project or on actual incurrence, whichever is higher.
- 1.2.12. PPE and Intangible Assets are derecognized 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 PPE or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

### 1.3 Depreciation/Amortization

Depreciation on Property, Plant and Equipment (including enabling assets) are provided on straight line method (SLM) on pro-rata basis, over the estimated useful lives of assets (after retaining the estimated residual value of up to 5%) as specified in Schedule II of Companies Act 2013.

- 1.3.1. Components of the main asset that are significant in value and have different useful lives as compared to the main asset are

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.

- 1.3.2. Items of Property Plant & Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition.
- 1.3.3. The property, plant and equipment acquired under finance leases and other leasehold improvements are depreciated over the assets' useful life or over the shorter of the assets' useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.
- 1.3.4. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.
- 1.3.5. Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition/deletion.
- 1.3.6. The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in line with revisions to accounting estimates.
- 1.3.7. In respect of immovable assets constructed on leasehold land, useful life as per Schedule II or lease period of land (including renewable/likely renewable period) whichever is lower is considered.

### 1.4. Capital Work in Progress (CWIP)

- 1.4.1. The capital work in progress includes Construction Stores including Material in Transit/Equipment/Services, etc received at site for use in projects.

1.4.2. Crop compensation is accounted for under Capital Work in Progress on the basis of actual payments/estimated liability, as and when work commences where ROU is acquired.

1.4.3. Expenditure incurred during the period of construction including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated, on a systematic basis, to the respective property, plant and equipment. Capital work-in-progress includes capital stores.

1.4.4. Capital Stores are valued at weighted average cost. Specific provision is made for likely diminution in value, wherever required.

1.4.5. Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue.

1.4.6. Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

### 1.5. Intangible Assets

- 1.5.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding development costs, is not capitalized and is reflected in Statement of Profit and Loss in the period in which such expenditure is incurred. Development costs are capitalized if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Corporation has an intention and ability to complete and use or sell the asset and the

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

- costs can be measured reliably.
- 1.5.2. Assets like ROW, Software, Licenses etc which are expected to provide future enduring economic benefits are capitalized as intangible assets.
  - 1.5.3. In cases where, the Company has constructed assets on behalf of public infrastructure entities and the Company has only a preferential right to use, these assets are classified as intangible assets and are amortized (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.
  - 1.5.4. Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortized, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment losses on intangible assets with indefinite life is recognized in the Statement of Profit and Loss.  
  
Expenditure incurred for creating / acquiring other intangible assets from which future economic benefits will flow over a period of time, is amortized over the estimated useful life of the asset or five years, whichever is lower, on a straight line basis, from the time the intangible asset starts providing the economic benefit. In other cases, the expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred. The amortization period and the amortization method for an intangible asset with a finite life are reviewed at each year end. The amortization expense on intangible asset with finite useful lives and impairment losses in case there is an indication that the intangible asset may be impaired, is recognized in the Statement of Profit and Loss.
  - 1.5.5. Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight-line basis over the life of the underlying plant/ facility.
- 1.6. Investment Property**
- 1.6.1. Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
  - 1.6.2. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognized in Statement of Profit and Loss.
- 1.7. Borrowing costs**
- 1.7.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
  - 1.7.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Capitalisation of borrowing costs is suspended when active development activity

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are charged to the Statement of Profit and Loss.

- 1.7.3. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

### 1.8. Non-Current Assets/Disposal Group held for sale

- 1.8.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.
- 1.8.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell (upto 5% of the acquisition value).
- 1.8.3. The disposal group classified as held for sale, are measured at the lower of carrying amount and fair value less costs to sell.
- 1.8.4. Property, Plant and Equipment and Intangible assets classified as held for sale are not depreciated or amortized.

### 1.9. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

Company shall reassess whether a contract is, or contains, a lease if the terms and conditions of the contract are changed.

#### 1.9.1. As a Lessee

At the commencement date, company recognizes a right-of-use asset at cost and a lease liability at present value of the lease payments that are not paid at commencement date. 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 right to obtain substantially all of the economic benefits from use of the asset throughout the period of the lease and (iii) the Company has the right to direct the use of the asset. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability (at present value) adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives (at present value) except for those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option and leases that are considered of low value and is not intended for sublease (low value leases). Lease of items such as IT Assets, small items of office furniture etc. are treated as low value lease. Lease payments

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

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 Company's incremental borrowing rate computed on periodic basis based on lease term if the interest rate implicit in the lease is not readily determinable. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment, whether it will exercise an extension or a termination option. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

### 1.9.2. As a Lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease.

#### 1.9.2.1. Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Company shall recognize assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

#### 1.9.2.2. Operating leases

A lease is classified as an operating lease if

it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Company shall recognize lease payments from operating leases as income on systematic basis in the pattern in which benefit from the use of the underlying asset is diminished.

### 1.10. Impairment of Non-financial Assets

1.10.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

1.10.2. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### 1.11. Inventories

1.11.1. Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis and are determined on the following basis:

- Stores and spares are determined on weighted average basis.

1.11.2. Obsolete, slow moving, surplus and defective stocks are identified at the time

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

of physical verification of stocks and where necessary, provision for loss is made for such stocks.

### 1.12. Revenue Recognition

- 1.12.1. Revenue is recognized when the Company satisfies the performance obligation by transferring a promised product or service to a customer. A product is transferred when the customer obtains control of that product which is at the point of transfer of possession to customers where usually the title is passed, provided that the contract price is fixed or determinable and collectability of the receivable is reasonably assured.
- 1.12.2. Revenue is measured at the transaction price of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, GST and sales tax / VAT etc. Any retrospective revision in prices is accounted for in the year of such revision.
- 1.12.3. Revenue from rendering of services is recognized when agreed performance obligation has been fulfilled.
- 1.12.4. Interest income and expenses are reported on an accrual basis using the effective interest method.
- Any upfront fees earned by the Company with no identifiable performance obligation are recognized as revenue on a systematic basis over the period of the Contract.
- Where the Company acts as an agent on behalf of a third party, the associated income is recognized on a net basis.
- 1.12.5. Interest income is recognized using Effective Interest Rate (EIR) method.
- 1.12.6. Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated

with the dividend will flow to the entity and the amount of dividend can be measured reliably.

- 1.12.7. Income from sale of scrap is accounted for on realization.

### 1.13. Classification of Income / Expenses

- 1.13.1. Income / expenditure (net) in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and / or restating the opening Balance Sheet for the earliest prior period presented.
- 1.13.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.
- 1.13.3. Deposits placed with Government agencies / local authorities which are perpetual in nature are charged to revenue in the year of payment.

### 1.14. Employee Benefits

All employees of the company are arranged on deputation from Parent companies on fixed term basis. Claims raised by the parent companies in respect of such employees deputed to the company is considered as an employee benefit.

### 1.15. Foreign Currency Transactions

- 1.15.1. The Company's financial statements are presented in INR (Indian Rupees), which is also the Company's functional currency.
- 1.15.2. Monetary items:
- Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.
- Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.
- Exchange differences arising on settlement

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

or translation of monetary items are recognized in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

### 1.15.3. Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.15.4. Both monetary and non-monetary foreign currency items which are measured at fair value are translated using the exchange rate at the date on which such fair value is determined.

### 1.16. Government Grants

1.16.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

1.16.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

1.16.3. Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

### 1.17. Provisions, Contingent Liabilities, Contingent Assets and Capital Commitments

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

1.17.2. The expenses relating to a provision (Above a threshold limit) is presented in the Statement of Profit and Loss net of reimbursements, if any.

1.17.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.17.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

1.17.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.17.6. Show-cause notices issued by various Government Authorities are generally not considered as obligations.

1.17.7. A contingent asset is disclosed where an inflow of economic benefits is probable.

1.17.8. Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

1.17.9. Contingent liabilities, Contingent assets and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

### 1.18. Fair Value measurement

1.18.1. The Company measures certain financial instruments at fair value at each reporting date.

1.18.2. Certain accounting policies and disclosures require the measurement of fair values, for

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

both financial and non- financial assets and liabilities.

1.18.3. 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

1.18.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.18.5. While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices

included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3:** Inputs for the assets or liability that are not based on observable market data (unobservable inputs)

1.18.6. When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

1.18.7. If there is no quoted prices in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

1.18.8. The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

### 1.19. Financial Assets

#### 1.19.1. Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Statement of Profit and Loss on the basis of its business

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

### 1.19.2. Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognized when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

### 1.19.3. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

#### Financial Assets at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial

assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

#### Financial Assets at Fair value through Other Comprehensive Income (FVOCI)

A financial asset is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in other comprehensive Income.

#### Financial Assets at Fair value through Profit or Loss (FVTPL)

Fair Value through Profit or Loss is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization at amortized cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Statement of Profit and Loss separately.

### Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). Dividends on such equity instruments are recognized in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### 1.19.4. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition.

#### 1.19.5. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Loss allowances on receivables from customers are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### 1.20. Financial Liabilities

#### 1.20.1. Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss. Such liabilities, including derivatives shall be subsequently measured at fair value

#### 1.20.2. Initial recognition and measurement

Financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

#### 1.20.3. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

#### Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held- for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognized in Statement of Profit and Loss.

#### Financial Liabilities at amortized cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate ("EIR") method.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the

EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

#### 1.20.4. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

#### 1.21. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

#### 1.22. Taxes on Income

##### 1.22.1. Current Tax

Income tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognized in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

##### 1.22.2. Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

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

Deferred Tax items are recognized in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

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

### 1.23. Earnings per share

1.23.1. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

1.23.2. For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### 1.24. Segment Reporting

1.24.1. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Presently the company has only one operating and reporting segment i.e. Transportation of LPG through pipeline.

1.24.2. The operating segment's results are reviewed regularly by the committee consisting of Company's Chief Executive Officer and Chief Financial Officer who been identified as the CODM, to assess the financial performance and position of the Company and makes strategic decisions.

### 1.25. Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (considered as 12 months) and other criteria set out in Schedule III (Division II) of Companies Act, 2013.

### 1.26. Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheques and drafts on hand, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 1.27. Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

### 1.28. The Company has adopted materiality threshold limits in the preparation and presentation of financial statements as given below:

Threshold Item	Accounting Policy Reference	Unit	Threshold Limit Value
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.2.5	Rs.	1,000
Capitalization of spare parts meeting the definition of Property, Plant and Equipment in each case	1.2.6	Rs. Lakhs	1
Depreciation at 100 percent in the year of acquisition	1.3.2	Rs.	5,000
Income/expenditure (net) in aggregate pertaining to prior year(s)	1.13.1	Rs. Crore	10
Prepaid expenses in each case	1.13.2	Rs. Lakhs	5
Liability for unmeasured expenses (Provisional Liability-For Each PO)	1.17.2	Rs. Lakhs	1
Disclosure of Contingent liabilities, Contingent Assets and Capital Commitments in each case	1.17.8	Rs. Lakhs	5

### 2.0 New Standards/amendments and other changes effective April 1, 2021

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2021 dated 18<sup>th</sup> June 2021. The rules are effective from the date of publication in the Official Gazette of India i.e. 18<sup>th</sup> June 2021. All amendments are effective for periods beginning 1<sup>st</sup> April 2021 or later.

- (a) **Ind AS 8 | Accounting Policies, Changes in Accounting Estimates and Errors** – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting in Ind AS', respective changes have been made in the standard.
- (b) **Ind AS 16 | Property, Plant and Equipment** – The amendment has been made by substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".
- (c) **Ind AS 34 | Interim Financial Reporting** – The amendments to this standard are made in reference to the conceptual framework of Financial Reporting in Ind AS.
- (d) **Ind AS 37 | Provisions, Contingent Liabilities and Contingent Assets** – The amendment substitutes the definition of the term 'Liability' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.
- (e) **Ind AS 38 | Intangible Assets** – The amendment substitutes the definition of the term 'Asset' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.
- (f) **Ind AS 101 | Presentation of Financial Statements** – The amendment substitutes the item (d) mentioned in paragraph B1 as 'Classification and measurement of financial instruments'. The term 'financial asset' has been replaced with financial instruments.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

- (g) **Ind AS 102 | Share-Based Payment** – The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term ‘Equity Instrument’ which shall be applicable for the annual reporting periods beginning on or after 1 April 2021.
- (h) **Ind AS 103 | Business Combinations** – The amendment substitutes the definition of ‘assets’ and ‘liabilities’ in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.
- (i) **Ind AS 104 | Insurance Contracts** – The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.
- (j) **Ind AS 105 | Non-current assets held for sale and discontinued operations** – The amendment substitutes the definition of – “fair value less costs to sell” with “fair value less costs of disposal”
- (k) **Ind AS 106 | Exploration for and evaluation of mineral resources** – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognized as exploration and evaluation assets.
- (l) **Ind AS 107 | Financial Instruments: Recognition, Presentation and Disclosure** – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like
- (i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform.
- (ii) the entity’s progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.
- (m) **Ind AS 109 | Financial Instruments** – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.
- (n) **Ind AS | 111 Joint Arrangements** – In order to maintain consistency with the amendments made in Ind AS 103, respective changes have been made in Ind AS 111.
- (o) **Ind AS 114 | Regulatory Deferral Accounts** – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment & derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.
- (p) **Ind AS 115 | Revenue from Contracts with Customers** – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.
- (q) **Ind AS 116 | Leases** – The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize COVID 19 related rent concessions as income rather than as lease modification) from 30 June 2021 to 30 June 2022.

**None of the above amendments are expected to have any material effect on the Company’s financial statements.**

### 3.0 Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments to the existing Indian Accounting Standards. There is no such notification by MCA in this regard which would have been applicable from April 01, 2021 or thereafter.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 2 : PROPERTY, PLANT & EQUIPMENT

₹ in lakhs

Particulars	Gross Block				Depreciation				Net Carrying Amount		
	As at 1 <sup>st</sup> April 2021	Additions during the period	Acquisition from AUC	Sales / Disposals during the period	As at 31 <sup>st</sup> March 2022	Upto 31 <sup>st</sup> March 2021	For the period*	Deductions / Reclassifications during the period	Upto 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Computer	0.20	4.79	-	-	4.99	0.01	0.85	-	0.86	4.14	0.19
Furniture & Fixtures	0.21	5.99	-	-	6.20	0.00	2.71	-	2.71	3.49	0.20
Office Equipments	0.36	1.81	-	-	2.17	0.15	0.71	-	0.86	1.31	0.21
ROU Assets - Office Building (Note No. 25)	30.87	207.63	-	-	238.50	5.79	139.03	-	144.82	93.68	25.07
ROU Assets-Land (Note No. 25)	-	1,180.78	-	-	1,180.78	-	23.68	-	23.68	1,157.10	-
Land	-	1,767.20	-	-	1,767.20	-	-	-	-	1,767.20	-
<b>Total</b>	<b>31.64</b>	<b>3,168.20</b>	<b>-</b>	<b>-</b>	<b>3,199.84</b>	<b>5.96</b>	<b>166.97</b>	<b>-</b>	<b>172.93</b>	<b>3,026.91</b>	<b>25.68</b>
Previous Year	-	31.64	-	-	31.64	-	5.96	-	5.96	25.68	-

\*Depreciation transferred to Construction Period Expenses is Rs. 166.52 Lakhs (FY 2020-21 Rs. 5.56 Lakhs).

### NOTE 3 : CAPITAL WORK IN PROGRESS

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Capital Work in Progress</b>		
Opening Balance	1,398.83	-
Tangible / Intangible Assets under erection/construction	1,30,028.68	1,398.83
Less : Transfer to Property, Plant and Equipment (Note 2 - PPE)		-
Less : Transfer to Statement of Profit and Loss		-
Less : Other Allocation / Adjustments during the year		-
	<b>1,31,427.51</b>	<b>1,398.83</b>
Less : Provision for Capital Losses	-	-
Tangible Assets under erection/construction	1,31,427.51	1,398.83
<b>Capital Stores</b>		
Opening Balance	81,772.30	-
Add : Additions during the year	53,978.65	81,772.30
Less : Transfer to Statement of Profit and Loss	-	-
Less : Other Allocation / Adjustments during the year	-	-
	<b>1,35,750.96</b>	<b>81,772.30</b>
Less : Provision for Capital Losses	-	-

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### Note 3 : table (contd.)

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Capital Goods/Stores in stock including those lying with contractors	1,35,750.96	81,772.30
Capital Goods in Transit		
Opening Balance	-	-
Add : Additions during the year	6,546.70	
Less : Transfer to Property, Plant and Equipment (Note 2 - PPE)		
Less : Other Allocation / Adjustments during the year	6,546.70	-
Construction Period Expenses pending allocation		
Opening Balance	13,909.51	1,979.08
Add : Net Expenditure during the year (Note 3.1)	17,826.39	11,930.43
	31,735.90	13,909.51
<b>TOTAL</b>	<b>3,05,461.07</b>	<b>97,080.65</b>

\* See Note 32 for additional disclosure

### Note 3.1 : Construction Period Expenses (Net)

₹ in lakhs

Particulars	2021 - 22	2020 - 21
Crossing Permissions, Fees, etc.	1,672.69	1,415.42
ROW Crop Compensation	1,229.07	-
Finance Cost - Interest on Loan	2,538.51	
Finance Cost - Others	1,565.70	32.45
EPMC Charges	6,824.21	8,146.26
Survey & Field Engineering	350.36	570.96
Manpower	2,408.16	1,495.52
Rent/Hire Charges	818.69	236.83
Others	685.23	139.19
<b>Total Expenditure</b>	<b>18,092.61</b>	<b>12,036.63</b>
Less : Recoveries	266.22	106.20
<b>Net Expenditure</b>	<b>17,826.39</b>	<b>11,930.43</b>

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 4 : INTANGIBLE ASSETS

₹ in lakhs

Particulars	Useful Life (No. of Years)	Gross Block				Amortization				Net Block	
		As at 1 <sup>st</sup> April 2021	Additions during the period	Disposals/ Deductions / Transfers / Reclassifications	As at 31 <sup>st</sup> March 2022	Upto 31 <sup>st</sup> March 2021	For the period *	Disposals/ Deductions / Transfers / Reclassifications	Upto 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
ROW - Land	Indefinite	1,128.80	18,482.87	-	19,611.66	-	-	-	-	19,611.66	1,128.80
Computer Software	5	178.44	68.21	-	246.65	2.97	41.37	-	44.35	202.30	175.47
Trademark	5	-	0.14	-	0.14	-	0.01	-	0.01	0.13	-
<b>Total</b>		<b>1,307.24</b>	<b>18,551.21</b>	<b>-</b>	<b>19,858.45</b>	<b>2.97</b>	<b>41.38</b>	<b>-</b>	<b>44.35</b>	<b>19,814.09</b>	<b>1,304.27</b>
Previous Year		-	1,307.24	-	1,307.24	-	2.97	-	2.97	1,304.27	-

#### Note 4.1 : Intangible Assets Under Development\*

₹ in lakhs

Particulars	Gross Amount			
	As at 1 <sup>st</sup> April 2021	Additions	Capitalizations as Intangible Assets / Deletions	As at 31 <sup>st</sup> March 2022
Trademark	0.14	-	0.14	-
	-	-	-	-
<b>Total</b>	<b>0.14</b>	<b>-</b>	<b>0.14</b>	<b>-</b>
Previous Year	-	0.14	-	0.14

\* See Note 32 for additional disclosure

### NOTE 5 : OTHER FINANCIAL ASSETS - NON CURRENT

(Unsecured, considered good unless otherwise stated)

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Security Deposits (Refundable)*	863.52	3,021.64
<b>Total</b>	<b>863.52</b>	<b>3,021.64</b>

\* Rs.220.77 Lakhs (FY 2020-21 - Rs. 2543.43 Lakhs) Under Lien with Bank, PSUs, Local & Government Authorities.

### NOTE 6 : TAX EXPENSE

Amount recognised in Statement of Profit and Loss

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Current Tax Expense</b>		
Current Year	-	111.15
Short / (Excess) Provision of earlier years	-7.10	-
MAT Credit Entitlement reversed / (recognised)	3.57	-3.57
	<b>-3.54</b>	<b>107.58</b>
<b>Deferred Tax</b>		
Origination and reversal of temporary differences	-106.30	-63.71
Short / (Excess) Provision of earlier years	2.40	
	<b>-103.91</b>	<b>-63.71</b>
<b>Tax Expense</b>	<b>-107.45</b>	<b>43.87</b>

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### Reconciliation of effective tax rate

₹ in lakhs

Particulars	2021-22		2020-21	
	%	₹ in lakhs	%	₹ in lakhs
<b>Profit before tax</b>		<b>-424.64</b>		<b>665.89</b>
Tax as per Corporate tax rate	-	-	27.82%	185.25
Tax effect of:				
Non deductible expense	-	-	0.39%	2.61
Other deductions	-	-	-1.52%	-10.09
Business loss of earlier year set off	-	-	-10.60%	-70.58
Deferred tax liabilities / (assets) net	24.47%	-103.91	-9.57%	-63.71
Others	0.83%	-3.54	0.06%	0.40
<b>Income Tax Expense</b>	<b>25.30%</b>	<b>-107.45</b>	<b>6.59%</b>	<b>43.87</b>

### Movement in deferred tax balances

As at 31.03.2022

Particulars	Net Balance as at 01.04.2021	Recognised in profit or loss	Recognised in OCI	Recognised in Short and Excess #	Recognised directly in equity	Net Balance	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset / (Liabilities)								
PPE and Intangible assets	-7.53	-7.86	-	-0.72	-	-16.11		-16.11
Brought forward Loss	-	114.38	-	-	-	114.38	114.38	
Preliminary Expenses	71.22	-	-	-6.79	-	64.43	64.43	
Others	0.02	-0.22	-	5.12	-	4.92	4.92	
	<b>63.71</b>	<b>106.30</b>	-	<b>-2.40</b>	-	<b>167.62</b>	<b>183.72</b>	<b>-16.11</b>

### Movement in deferred tax balances

As at 31.03.2021

Particulars	Net Balance as at 01.04.2020	Recognised in profit or loss	Recognised in OCI	Recognised in Short and Excess	Recognised directly in equity	Net Balance	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset / (Liabilities)								
PPE and Intangible assets	-	-7.53	-	-	-	-7.53	-	-7.53
Preliminary Expenses	-	71.22	-	-	-	71.22	71.22	-
Others	-	0.02	-	-	-	0.02	0.02	
	-	<b>63.71</b>	-	-	-	<b>63.71</b>	<b>71.24</b>	<b>-7.53</b>

"The corporation offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. # Management has decided to opt for new tax regime under Section 115BAA of Income Tax Act, 1961. The new tax rate applicable for the Corporation including surcharge and cess is 25.168% as compared to 27.82% applicable during last year under old tax regime. Necessary impact has been given for tax expense of prior years amounting to Rs. 6.46 Lakhs. Further, MAT credit entitlement of Rs. 3.57 Lakhs as at 31 March 2021 has not been carried forward during the current year as per the provisions of Section 115BAA of Income Tax Act, 1961."

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 7 : OTHER NON CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Capital Advances	1,511.15	
Advances other than Capital Advances :		
Other Advances		
-Finance Cost *	-	1,369.77
-Prepaid Expenses	331.02	228.33
-Advance to Competent Authority, M.P.	-	0.10
<b>Total</b>	<b>1,842.17</b>	<b>1,598.20</b>

\*Unamortised borrowing cost charged off to CWIP during the year 2021-22.

### NOTE 8 : CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Balances with Banks		
In Current A/c	51,671.87	4,696.93
In Fixed Deposits	-	97,000.00
Cash in Hand	-	0.13
Imprest	4.77	4.58
<b>Total</b>	<b>51,676.65</b>	<b>1,01,701.64</b>

### NOTE 9 : OTHER FINANCIAL ASSETS - CURRENT

(Unsecured, considered good unless otherwise stated)

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Insurance Claim Receivable	8.57	-
Security Deposits (Refundable) *	3,193.67	160.03
<b>Total</b>	<b>3,202.24</b>	<b>160.03</b>

\* Rs.2968.54 Lakhs (FY 2020-21 - Rs.NIL) Under Lien with Bank, PSUs, Local & Government Authorities.

### NOTE 10 : CURRENT TAX ASSETS (NET)

(Unsecured, Considered good unless otherwise stated)

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
TDS Receivable	58.87	-
TCS Receivable	139.59	-
Less : Provision for current tax	-	-
<b>Total</b>	<b>198.46</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 10.1 : CURRENT TAX LIABILITIES (NET)

(Unsecured, Considered good unless otherwise stated)

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Provision for current tax		111.15
Less : TDS Receivable		68.88
Less : TCS Receivable		38.43
<b>Total</b>	<b>-</b>	<b>3.84</b>

### NOTE 11 : OTHER CURRENT ASSETS

(Unsecured, Considered good unless otherwise stated)

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Advances other than Capital Advances :</b>		
<b>Other Advances :</b>		
-Revenue Advances	0.07	
-Prepaid Expenses	85.80	29.03
<b>Others :</b>		
-Balance with Statutory Authorities	6,567.93	1,876.53
-Mat Credit Entitlement	-	3.57
-Income Tax Refund due	-	5.63
<b>Total</b>	<b>6,653.81</b>	<b>1,914.76</b>

### NOTE 12 : EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised :</b>				
Equity shares of INR 10 each	3,36,40,00,000	3,36,400.00	3,36,40,00,000	3,36,400.00
<b>Issued, Subscribed and Paid up Capital :</b>				
Equity shares of INR 10 each, fully paid up in cash	2,05,80,00,000	2,05,800.00	1,65,80,00,000	1,65,800.00
<b>Reconciliation of number of shares outstanding at the beginning and at the end of the year :</b>				
Opening Balance	1,65,80,00,000	1,65,800.00	10,50,00,000	10,500.00
Shares issued during the period	40,00,00,000	40,000.00	1,55,30,00,000	1,55,300.00
Closing Balance	2,05,80,00,000	2,05,800.00	1,65,80,00,000	1,65,800.00

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

**Note 12 : table (contd.)**

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No. of Shares	% of total shares	No. of Shares	% of total shares
<b>Shareholders holding more than 5% shares in the company *</b>				
Indian Oil Corporation Ltd (IOCL) **	1,02,89,99,998	50.00%	82,89,99,998	50.00%
Hindustan Petroleum Corporation Limited (HPCL) **	51,44,99,999	25.00%	41,44,99,999	25.00%
Bharat Petroleum Corporation Limited (BPCL) **	51,44,99,999	25.00%	41,44,99,999	25.00%
<b>Total</b>	<b>2,05,79,99,996.00</b>	<b>100.00%</b>	<b>1,65,79,99,996.00</b>	<b>100.00%</b>

\* The above information is furnished as per the shareholder's register as at the year end.

\*\* These companies are classified as Promoters of IHB Limited (IHB).

**Terms and rights attached to equity shares**

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

**Disclosure of Shareholding of Promoters at the end of the year**

Promoter Name	No. of Shares	% of Total Shares	% Change during the year
Indian Oil Corporation Ltd (IOCL)	1,02,89,99,998	50.00%	24.13%
Hindustan Petroleum Corporation Limited (HPCL)	51,44,99,999	25.00%	24.13%
Bharat Petroleum Corporation Limited (BPCL)	51,44,99,999	25.00%	24.13%

**NOTE 13 : OTHER EQUITY**

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Share Application Money Pending Allotment</b>		
Balance at the beginning of the year	-	-
Share application money received	50,000.00	-
Balance at the end of the year	50,000.00	-
<b>Retained Earnings</b>		
Balance at the beginning of the year	101.75	-520.27
Add: Profit/(Loss) for the year	-317.19	622.02
Balance at the end of the year	-215.44	101.75
<b>Total</b>	<b>49,784.56</b>	<b>101.75</b>

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 14 : BORROWINGS

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Secured :</b>		
Term Loan - From Banks *	1,00,000.00	-
<b>Total</b>	<b>1,00,000.00</b>	<b>-</b>

\* Term Loan has been availed from consortium of 5 scheduled commercial banks (SBI being the lead bank) for a total facility value of Rs.6724.74 crore. The term loan is secured by a first charge on all its present and future - movable properties, PPE/intangible assets, current assets and all project documents excluding ROU/ROW, land of Promoters, land of port trust/Governmental land & PNGRB authorization - of the Company. The repayment of the term loan shall commence from Q1 of 2024-25 over a period of 10 years (till Q4 of 2033-34). The applicable rate of interest is SBI MCLR + 0.50% (presently 7.50%) which is reset annually. The term loan facility is backed by Promoters' undertaking.

### NOTE 15 : LEASE LIABILITIES - NON CURRENT

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Lease Liability *	16.45	5.89
<b>Total</b>	<b>16.45</b>	<b>5.89</b>

\* See Note 25 for further disclosure

### NOTE 16 : LEASE LIABILITIES - CURRENT

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Lease Liability *	100.95	20.41
<b>Total</b>	<b>100.95</b>	<b>20.41</b>

\* See Note 25 for further disclosure

### NOTE 17 : TRADE PAYABLES

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Dues of Micro Enterprises and Small Enterprises	2.68	-
Dues of Creditors other than Micro Enterprises and Small Enterprises*	109.40	120.25
<b>Total</b>	<b>112.08</b>	<b>120.25</b>
*Unbilled Dues	61.79	70.46

### Ageing Schedule As at 31<sup>st</sup> March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2.68	-	-	-	2.68
Others	47.60	-	-	-	47.60
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Refer note 31 for additional disclosure.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 18 : OTHER CURRENT LIABILITIES - FINANCIAL

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Deposits from vendors and others	174.37	70.41
Other Liabilities	36,559.03	40,547.49
<b>Total</b>	<b>36,733.40</b>	<b>40,617.90</b>

### NOTE 19 : OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Statutory Liabilities	359.11	200.68
<b>Total</b>	<b>359.11</b>	<b>200.68</b>

### NOTE 20 : OTHER INCOME

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Interest on Bank Deposits	490.91	997.96
Interest on Income Tax Refund	-	0.32
Gain on Foreign Currency Transaction and Translation	-	1.16
<b>Total</b>	<b>490.91</b>	<b>999.44</b>

### NOTE 21 : EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Deputation manpower cost	311.44	225.89
<b>Total</b>	<b>311.44</b>	<b>225.89</b>

### NOTE 22 : FINANCE COST

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Interest - Others	0.30	-
Interest - Lease	0.06	0.15
<b>Total</b>	<b>0.36</b>	<b>0.15</b>

### NOTE 23 : DEPRECIATION

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Depreciation-Equipments and Appliances	0.22	-
Depreciation-Right of Use	0.23	0.40
Depreciation-Intangible Assets-Software	41.38	2.98
<b>Total</b>	<b>41.83</b>	<b>3.38</b>

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 24 : OTHER EXPENSES

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Advertisement Expenses	10.67	
Bank Charges	0.15	0.05
Books and Periodical	0.11	
Communication Expenses	1.60	0.17
Consultancy Charges	13.36	0.74
Courier Charges	0.15	0.04
Fees, Rates and Taxes	2.14	18.70
Insurance Charges	305.52	
IT Expenses	97.61	2.93
Legal Charges	5.88	
Loss on Foreign Currency Transaction and Translation	0.93	
Miscellaneous Expenses	1.93	
Office Expenses	3.14	0.26
Payment to Auditors	1.30	0.50
Printing and Stationary Expenses	1.19	1.86
Professional Charges	14.20	14.73
Rent/Hire Charges	82.38	63.05
Short & Excess	-0.01	
Sponsorship for Seminar, Events	8.47	
Travelling & Conveyance	9.76	1.10
CSR Expenses (Refer Note 28)	1.45	
<b>Total</b>	<b>561.93</b>	<b>104.13</b>

### NOTE 25 : LEASE

#### A. Leases as Lessee

a) The following is the detailed breakup of Right-of-use assets (by class of underlying assets) included in Property, Plant and Equipment (Note No. 2):

FY 2021-22

₹ in lakhs

Particulars	Gross Block				Depreciation			Net Block
	Opening Balance as on 01.04.2021	Additions during the year	Reclassifications / Deductions	As at 31 <sup>st</sup> March 2022	For the year	Reclassifications / Deductions	Upto 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2022
ROU Assets - Office Building	30.87	207.63	-	238.50	139.03	-	144.82	93.68
ROU Assets - Land	-	1,180.78	-	1,180.78	23.68	-	23.68	1,157.10
<b>Total</b>	<b>30.87</b>	<b>1,388.41</b>	<b>-</b>	<b>1,419.28</b>	<b>162.71</b>	<b>-</b>	<b>168.50</b>	<b>1,250.78</b>

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

**Note 25 : table (contd.)**

FY 2020-21

₹ in lakhs

Particulars	Gross Block				Depreciation			Net Block
	Opening Balance as on 01.04.2020	Additions during the year	Reclassifications / Deductions	As at 31 <sup>st</sup> March 2021	For the year	Reclassifications / Deductions	Upto 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2021
ROU Assets - Office Building	-	30.87	-	30.87	5.79	-	5.79	25.08
<b>Total</b>	<b>-</b>	<b>30.87</b>	<b>-</b>	<b>30.87</b>	<b>5.79</b>	<b>-</b>	<b>5.79</b>	<b>25.08</b>

b) The following Lease expenses have been incurred

₹ in lakhs

Particulars	2020-21	2021-22
Interest on Lease Liabilities	14.74	0.78
Expenses relating to short term leases	48.95	48.35
Expenses relating to leases of low value items	92.53	5.11
Expenses relating to variable lease payments (not included in measurement of lease liabilities)	130.10	109.69
<b>Total</b>	<b>286.32</b>	<b>163.93</b>
Note: Amount transferred to CWIP.	155.51	101.44

c) Total Cash outflow for leases during FY 2021-22 ₹ 1433.14 Lakhs

d) Maturity Analysis of Lease Liabilities as per Ind AS 116 Leases

As at 31.03.2022	Contractual cash flows			
	Upto 1 Year	1-3 years	3-5 years	Total
Cash Outflows	100.95	0.77	0.50	102.22

As at 31.03.2021	Contractual cash flows			
	Upto 1 Year	1-3 years	3-5 years	Total
Cash Outflows	20.41	5.89	-	26.30

## NOTE 26 : RELATED PARTY DISCLOSURES

### A. List of related parties

#### I. Promoters

- (i) Indian oil Corporation Ltd (IOCL)
- (ii) Hindustan Petroleum Corporation Limited (HPCL)
- (iii) Bharat Petroleum Corporation Limited (BPCL)

#### II. Subsidiary Company of Promoter Company

- (i) Bharat Oman Refinery Limited

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### III. Key Management Personnel

Designation	Name of Incumbent	DIN
Chairman and Director	D. S. Nanaware *	07354849
Chairman and Director	Govind Kottieth Satish (upto 31.10.2021)	06932170
Director	Jayanthi Satya Prasad	07673253
Director	Lakhspat Rai Jain	08505199
Director	Ms. Sukla Mistry (w.e.f 13.09.2021)	09309378
Chief Executive Officer	S. K. Jha (upto 08.02.2022)	-
Chief Executive Officer	Pankaj Kuchhal (w.e.f. 09.02.2022)	
Chief Operating Officer	R. Ramesh (upto 04.07.2021)	-
Chief Operating Officer	Avinash Kansal (w.e.f. 05.07.2021)	
Chief Financial Officer	Joseph Kurian	-
Company Secretary	Pallavi Tripathi	-

\* Sh. D. S. Nanaware was designated as Chairman of the Company w.e.f. 01.11.2021

### B. Details relating to the personnel referred to in Item No. A) III above

Details are provided below for Key Managerial Personnels, other than those who are on deputation to IHB Limited from promoter companies. (Para 17A of Ind AS 24, Related Party Disclosures)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Share- Based Payments
Pallavi Tripathi *	9.00	-	-	-	-

\* Engaged on contractual basis for a period of 3 years w.e.f 27.01.2020.

### C. The following transactions were carried out with the related parties in the ordinary course of business:

#### I. Promoters

₹ in lakhs

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Subscription received for Equity Share Capital	90,000.00	1,55,300.00
Services Received	8,779.13	9,823.15
Interest Income	1.17	2.28
Management Contracts (Employees on deputation/ consultancy services) *	3,137.83	2,031.26
Lease Rental & other Charges paid	711.27	201.16
Deposit given	69.86	67.06
Reimbursement of Expenses	-	495.36
Receivables as at year end**	119.34	125.66
Payables as at year end**	2,204.97	2,508.17

\* Figure of expenditure incurred by IHB Limited during FY 2021-22 on account of 'Deputation Cost' of Key Managerial Personnel appointed by Promoter Companies is Rs. 273.06 Lakhs (FY 2020-21 Rs. 209.53 Lakhs).

\*\* The outstanding balances are unsecured and are settled in cash.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### II. Key Managerial Personnel

₹ in lakhs

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Services Received	10.00	9.00
Reimbursement of Expenses	5.49	2.75
Receivables as at year end	-	-
Payables as at year end	1.06	-

### III. Others

Bharat Oman Refineries Limited

₹ in lakhs

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Deposit given	8.00	-
Receiving of Services	9.44	-
Receivables as at year end	8.00	-
Payables as at year end	-	-

### NOTE 27 : EARNING PER SHARE (EPS)

Basic and diluted earnings/ (loss) per share

Basic and diluted earnings/ (loss) per share is calculated by dividing the profit/ (loss) during the year attributable to equity shareholders of the Company by the weighted average of number of equity shares outstanding during the year.

₹ in lakhs

Particulars	Unit	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Profit/ (loss) after tax attributable to equity shareholders	(INR in Lakhs)	-317.19	622.02
Weighted average number of equity shares outstanding during the year	(in number)	4,54,52,60,274	46,94,49,315
Nominal value per share	INR	10.00	10.00
Basic and diluted earnings/ (loss) per share	INR	-0.01	0.13

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 28 : DISCLOSURE IN RESPECT OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Unspent CSR Expenditure carried forward from previous year (Opening Provision)	Nil	Nil
Amount required to be spent by the Corporation during the year	1.45	Nil
Amount spent during the year *	1.45	Nil
Provision created for balance amount (Closing Provision)	Nil	Nil

\* Contribution made to PM-CARES Fund.

### NOTE 29 : PAYMENT TO AUDITORS

₹ in lakhs

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
Statutory audit fee	0.50	0.50
Certification charges	0.20	-
Reimbursement of expenses	0.30	-
Others	-	-
<b>Total (A)</b>	<b>1.00</b>	<b>0.50</b>
Tax audit fee	0.30	-
<b>Total (B)</b>	<b>0.30</b>	-
<b>Total (A + B)</b>	<b>1.30</b>	<b>0.50</b>

Note: Fees are exclusive of applicable taxes wherever applicable.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 30 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

#### A. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

#### (i) As at 31<sup>st</sup> March 2022

₹ in lakhs

Particulars	Carrying value				Fair value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non Current</b>								
Other financial assets			863.52	<b>863.52</b>				
<b>Current</b>								
Cash	-	-	-	-	-	-	-	-
Cash Equivalents								
----Balances With Bank	-	-	51,671.87	<b>51,671.87</b>	-	-	-	
----Deposits with original maturity of less than 3 months	-	-	-	-	-	-	-	
----Others			4.77	<b>4.77</b>				
Other financial assets	-	-	3,202.24	<b>3,202.24</b>	-	-	-	
<b>Total</b>	-	-	<b>55,742.41</b>	<b>55,742.41</b>				
<b>Financial liabilities</b>								
<b>Non-current</b>								
Lease Liabilities			16.45	<b>16.45</b>				
Borrowings			1,00,000.00	<b>1,00,000.00</b>				
<b>Current</b>								
Lease Liabilities			100.95	<b>100.95</b>				
Trade payables			112.08	<b>112.08</b>				
Other current financial liabilities	26.30	-	36,707.10	<b>36,733.40</b>	26.30	-	-	26.30
<b>Total</b>	<b>26.30</b>	-	<b>1,36,936.57</b>	<b>1,36,962.87</b>				

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

(ii) As at 31<sup>st</sup> March 2021

₹ in lakhs

Particulars	Carrying value				Fair value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non Current</b>								
Other financial assets			3,021.64	<b>3,021.64</b>				
<b>Current</b>								
Cash	-	-	0.13	<b>0.13</b>	-	-	-	
Cash Equivalents								
----Balances With Bank	-	-	4,696.93	<b>4,696.93</b>	-	-	-	
----Deposits with original maturity of less than 3 months	-	-	97,000.00	<b>97,000.00</b>	-	-	-	
----Others			4.58	<b>4.58</b>				
Other financial assets	-	-	160.03	<b>160.03</b>	-	-	-	
<b>Total</b>	-	-	<b>1,04,883.31</b>	<b>1,04,883.31</b>				
<b>Financial liabilities</b>								
<b>Non-current</b>								
Lease Liabilities			5.89	<b>5.89</b>				
<b>Current</b>								
Lease Liabilities			20.41	<b>20.41</b>	-	-	-	
Trade Payables			120.25	<b>120.25</b>				
Other current financial liabilities	25.37	-	40,592.53	<b>40,617.90</b>	25.37	-	-	<b>25.37</b>
<b>Total</b>	<b>25.37</b>	-	<b>40,739.08</b>	<b>40,764.45</b>				

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The carrying amount of interest bearing borrowings is approximately equal to their Fair market value.

### B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market risk - Foreign exchange ; and
- Market risk - Interest rate

### Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the Management periodically to reflect changes in market conditions and the Company's activities.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 31 :

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

(i) As at 31<sup>st</sup> March 2022

₹ in lakhs

Particulars	Year Ended 31 <sup>st</sup> March 2022		Year Ended 31 <sup>st</sup> March 2021	
	Liability towards Capital Expenditure	Trade Payables	Liability towards Capital Expenditure	Trade Payables
(A) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year				
- Principal	388.17	-	31.40	-
- Interest	-	-		
(B) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:				
- Principal	-	-	-	-
- Interest	-	-	-	-
(C) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-	-
(D) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
(E) 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.	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 32 : DISCLOSURES AS PER REVISED SCHEDULE III TO COMPANIES ACT, 2013

#### A. Title Deeds of Immovable Property not held in the name of IHB Limited

₹ in lakhs

"Relevant line item in the Balance Sheet"	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Land-Mithirohar	10,26,93,671.00	Deendayal Port Trust	No	19-08-2021	Lease agreement is under preparation
Property, Plant and Equipment	ROU-Building-Registered Office	1,14,680.00	Indian Oil Corporation Limited	Yes (Promoter)	09-07-2019	Lease agreement is under preparation
Property, Plant and Equipment	ROU-Building- Indore	7,67,831.00	Indian Oil Corporation Limited	Yes (Promoter)	07-12-2020	The property has been provided by IOCL under the EPMC contract. Hence separate lease agreement is not envisaged.
Property, Plant and Equipment	ROU-Building-Bhopal	22,49,655.00	Indian Oil Corporation Limited	Yes (Promoter)	21-01-2021	
Property, Plant and Equipment	ROU-Building-Kandla	1,23,255.00	Indian Oil Corporation Limited	Yes (Promoter)	18-10-2020	
Property, Plant and Equipment	ROU-Building-Varanasi	9,08,570.00	Indian Oil Corporation Limited	Yes (Promoter)	01-10-2020	
Property, Plant and Equipment	ROU-Building-Ahmedabad	70,59,208.00	Indian Oil Corporation Limited	Yes (Promoter)	18-04-2021	
Property, Plant and Equipment	ROU-Building-Lucknow	24,79,672.00	Indian Oil Corporation Limited	Yes (Promoter)	01-04-2021	
Property, Plant and Equipment	ROU-Warehouse Building-Kheda	48,22,255.00	HAMIDABEN KHAMISHABHAI SINDHI	No	18-10-2021	
Property, Plant and Equipment	ROU-Warehouse Building-Bhopal	53,24,687.00	DADAJI AGRO WAREHOUSE	No	18-10-2021	

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### B) Fair Valuation of Investment Property

The Company does not hold any Investment Property as on 31.03.2022

### C) Revaluation of Property, Plant and Equipment and Right-of-Use Assets

The Company has not revalued its Property, Plant and Equipment and Right-of-Use Assets during the year.

### D) Revaluation of Intangible Assets

The Company has not revalued its Intangible Assets during the year.

### E) Loans or Advances to specified persons

The Company has not granted any Loans or Advances to promoters, directors, KMPs and other related parties (as defined under Companies Act, 2013).

### F) Capital Work in Progress (CWIP) - Ageing Schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2,08,380.27	93,735.28	3,345.51		3,05,461.06
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

### G) Intangible assets under development - Ageing schedule

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	Nil	Nil	Nil	Nil	Nil
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

### H) Details of Benami Property held

No proceedings have been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

### I) Borrowings secured against current assets

Not applicable.

### J) Wilful Defaulter

Based on information available with the Company, the Company has not been declared as a Wilful defaulter by any bank or financial institution.

### K) Relationship with Struck off Companies

The Company has not entered into any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

### L) Registration of charges or satisfaction with Registrar of Companies (ROC)

Registration of charges or satisfaction has been done with ROC within the statutory date in all cases, wherever applicable.

### M) Compliance with number of layers of companies

The Company does not have any subsidiary as envisaged under section 2 (87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017. Hence not applicable.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### N) Disclosure w.r.t. Financial Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.65	2.53	-34.68%	Decrease in cash and cash equivalents and increase in vendor payment.
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.39	-	-	Drawdown of debt (Term Loan) commenced in FY 2021-22 only.
Debt Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	Nil	Nil	-	
Return on Equity Ratio	Net Profits After Taxes – Preference Dividend (if any)	Average Shareholder's Equity	Nil	Nil	-	
Inventory Turnover Ratio	Cost of Goods Sold OR Sales	Average Inventory	Nil	Nil	-	
Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	Nil	Nil	-	
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	Nil	Nil	-	
Net Capital Turnover Ratio	Net Sales	Working Capital	Nil	Nil	-	
Net Profit Ratio	Net Profit	Net Sales	Nil	Nil	-	
Return on Capital Employed	Earning Before Interest and Taxes	Capital Employed	Nil	Nil	-	
Return on Investment	{MV(T1) – MV(T0) – Sum [C(t)]}	{MV(T0) + Sum [W(t) * C(t)]}	Nil	Nil	-	

#### Explanations for Items of Numerator and Denominator :

Current Assets	=	Total Current Assets
Current Liabilities	=	Total Current Liabilities
Total Debt	=	Borrowings
Shareholder's Equity	=	Equity Share Capital + Other Equity
Earnings available for debt service	=	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + adjustments like loss on sale of Fixed assets etc.
Debt Service	=	Interest & Lease Payments + Principal Repayments
Average Shareholder's Equity	=	(Opening balance of Shareholder's equity + Closing balance of Shareholder's equity) / 2
Net Credit Purchases	=	Total Purchases - Purchase returns - Purchases in Cash
Average Trade Payables	=	(Opening Trade Payables + Closing Trade Payables) / 2

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### Explanations for Items of Numerator and Denominator :

Net Sales	=	Total Sales - Sales returns
Working Capital	=	Current Assets - Current Liabilities
Net Profit	=	Total income - Total expenses
Net Sales	=	Total Sales - Sales returns
Earning before interest and taxes	=	Profit before tax + Interest on Loan
Capital Employed	=	Tangible Net Worth + Total Debt + Deferred Tax Liability
T1	=	End of time period
T0	=	Beginning of time period
t	=	Specific date falling between T1 and T0
MV(T1)	=	Market Value of Investments at T1
MV(T0)	=	Market Value of Investments at T0
C(t)	=	Cash inflow, cash outflow on specific date
W(t)	=	Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$

#### O) Compliance with approved Scheme(s) of Arrangements

Not applicable

#### P) Utilisation of Borrowed funds and share premium

A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### NOTE 33 : CONTINGENT LIABILITIES AND COMMITMENTS

#### A) Contingent Liabilities\*

NIL

#### B) Commitments

##### i) Capital Commitment

The estimated amounts of contracts remaining to be executed on capital account and not provided for in relation to execution of works and purchase of equipment are Rs. 3,37,993.53 Lakhs as on 31.03.2022.

##### ii) Other Commitments

NIL

\* *Contingent Liabilities considered as 'remote' as per Ind AS 37 are not included.*

### NOTE 34 :

As on 31.03.2022, Rs. 19,611.66 Lakhs have been disbursed to Competent Authorities for ROW payment, out of which

Rs. 10,226.55 Lakhs is pending disbursement by the Competent Authorities.

### NOTE 35 : COVID 19 IMPACT:

In view of restrictions imposed during the 2<sup>nd</sup> wave of COVID19 and its fall out, there is a delay of about 3 months in the scheduled project completion. However, measures are being taken to speed up construction activities, including off-loading defaulting contractors and vendors with a view to ensure completion of the project in the ensuing financial year. Further, the Management does not anticipate any cost overrun in the overall project cost.

### NOTE 36 : OTHER DISCLOSURES

- There is no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet Date except already disclosed in Financial Statement.
- Figures of the previous year have been regrouped wherever necessary, to conform to current period presentation. Figures in brackets / negative indicate deductions.

#### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
**D.S. Nanaware**  
Chairman  
DIN : 07354849  
Place: New Delhi  
Date: 23.04.2022

Sd/-  
**Pankaj Kuchhal**  
Chief Executive Officer  
Place: Noida  
Date: 23.04.2022

Sd/-  
**Joseph Kurian**  
Chief Financial Officer  
Place: Noida  
Date: 23.04.2022

Sd/-  
**Pallavi Tripathi**  
Company Secretary  
Place: Noida  
Date: 23.04.2022

#### AS PER OUR REPORT OF EVEN DATE ATTACHED For Purushottam Khandelwal & Co.

Chartered Accountants  
FRN: 123825W

Sd/-  
**CA Prahlad Jhanwar**  
Partner  
Membership No: 120920  
Place: Ahmedabad  
Dated: 29.04.2022  
UDIN: 22120920AICWFG5679











A JOINT VENTURE OF  
INDIANOIL, HINDUSTAN PETROLEUM  
& BHARAT PETROLEUM

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IHB Limited

