Petronet MHB Limited

ANNUAL ACCOUNTS AS PER IND AS FOR THE FY 2025-2026

Registered Office:
Corporate Miller, 2nd Floor, Block – B,
332/1, Thimmaiah Road,
Bangalore- 560 052.

Ph- 080- 22262317/22262316/22262243
Fax: 080-2226-2242
Website: www.petronetmhbl.com
E-mail: headoffice@petronetmhbl.com
CIN: U85110KA1998GOI024020

K. P. RAO & CO.
CHARTERED ACCOUNTANTS

'Poornima', IInd Floor, 25, State Bank Road,
Bangalore - 560 001. Karnataka, India.

K. P. RAO | K. VISWANATH
H.N. ANIL | S. PRASHANTH
MOHAN R LAVI | P. RAVINDRANATH

Phone : 080 - 25587385 / 25586814
Fax : 080 - 25594661
E-mail : info@kprao.co.in

INDEPENDENT AUDITOR'S REPORT

To the Members of **PETRONET MHB Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Petronet MHB Limited ("the Company"), which comprise the balance sheet as at 31st March 2026, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the by the Companies Act,2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) rules 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profits, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon. Such other information is expected to be made available to us after the date of this auditor's report.

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentations

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

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

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

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 30 to the financial statements

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

iii. There was no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company.

iv.

a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,
   - whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
   - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,
   - whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
   - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

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

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

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

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

Prashanth S
Partner
Membership No: 228407

UDIN: **26228407PTRBEN4878**

Place: Bengaluru
Date: 22-04-2026

Annexure 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ix)
a. According to the information and explanations given to us and books and records of the Company examined by us, the Company does not have any loan and borrowing from financial institutions, bank, etc hence reporting under clause 3 (ix) (a) of order is not applicable.
b. According to the information and explanation given to us and on the basis of our audit procedure, we report that the company has not been declared wilful defaulter by any bank or financial institution or other lenders.
c. As the Company has not availed any term loans during the year, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
d. As the Company has not availed any loans on short term basis during the year, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.
e. On an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
f. On an overall examination of the financial statements of the company, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x)
a. The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
b. According to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi)
a. To the best of our knowledge and according to the information and explanations given to us and on the basis of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, no fraud by the Company or on the Company was noticed or reported during the year.
b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
c. According to the information and explanations given to us including the representation made to us by the management of the Company, no whistle-blower complaints were received by the Company during the year and hence, reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

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

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

(xiv) a. In our opinion and based on our examination, the company has an internal audit system which is commensurate with the size and nature of its business.
b. We have considered the reports of Internal Auditor of the company issued for the period under audit.

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

(xvi) a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
b. In our Opinion and based on our examination, the Company is not engaged in any Non-Banking Financial or Housing Finance activities, hence reporting under clause xiv(b) of the order is not applicable.
c. In our opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
d. According to the information and explanations given by the management, the Group does not have any CIC as part of the Group. Accordingly, the reporting under Clause 3(xvi)(d) is not applicable to the Company.

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

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

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

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

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

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

For K.P. Rao and Co
Chartered Accountants
Firm's Reg No: 003135S

Prashanth S
Partner
Membership No: 228207
UDIN: **26228407PTRBEN4878**

Place: Bangalore
Date: 22-04-2026

ANNEXURE B

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

Opinion

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

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to these Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S

Prashanth S
Partner
Membership Number: 228407
UDIN: **26228407PTRBEN4878**

Place: Bangalore
Date: 22-04-2026

Annexure C

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

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

Response

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S

Prashanth S
Partner
Membership Number: 228407
UDIN: **26228407PTRBEN4878**

Place: Bangalore
Date: 22-04-2026

Petronet MHB Limited
Balance Sheet as at March 31, 2026

Rs. In lakhs

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

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

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

K.P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

Prashally

Prashanth S
Partner
Membership Number: 228407

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

Pankaj Kumar Meena
Managing Director
DIN: 11617835

Ramesh Ramasamy
Director
DIN:10304253

Chandan Kumar Das
Chief Financial Officer

Sachin Jayaswal
Company Secretary

Place : Bangalore
Date : 22/04/2026

Place : Bangalore
Date :22/04/2026

Petronet MHB Limited

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

Rs. In lakhs

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

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

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

Prashanth S
Partner
Membership Number: 228407

K.P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

Place : Bangalore
Date : 22/04/2026

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

Pankaj Kumar Meena
Managing Director
DIN: 11617835

Ramesh Ramasamy
Director
DIN:10304253

Chandan Kumar Das
Chief Financial Officer

Sachin Jayaswal
Company Secretary

Place : Bangalore
Date :22/04/2026

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

(1) Current reporting period

Rs. In lakhs

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

(2) Pervious reporting period

Rs. In lakhs

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

B. Other Equity

Rs. In lakhs

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

K.P. RAO & CO. ★ CHARTERED ACCOUNTANTS ★ BENGALURU FRN:003135S

Petronet MHB Limited
Statement of changes in Equity

Rs. In lakhs

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

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

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

Prashanth S
Partner
Membership Number: 228407

K.P. RAO & CO. ★ BENGALURU FRN:003135S ★ CHARTERED ACCOUNTANTS

Place : Bangalore
Date : 22/04/2026

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

Pankaj Kumar Meena
Managing Director
DIN: 11617835

Chandan Kumar Das
Chief Financial Officer

Place : Bangalore
Date :22/04/2026

Ramesh Ramasamy
Director
DIN:10304253

Sachin Jayaswal
Company Secretary

Petronet MHB Limited

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

Rs. In lakhs

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

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

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

Prashanth

Prashanth S
Partner
Membership Number: 228407

K.P. RAO & CO. ★ BENGALURU FRN:003135S CHARTERED ACCOUNTANTS ★

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

Pankaj Kumar Meena
Managing Director
DIN: 11617835

Ramesh Ramasamy
Director
DIN:10304253

Chandan Kumar Das
Chief Financial Officer

Sachin Jayaswal
Company Secretary

Place : Bangalore
Date : 22/04/2026

Place : Bangalore
Date :22/04/2026

SIGNIFICANT ACCOUNTING POLICIES

1 CORPORATE INFORMATION

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

SIGNIFICANT ACCOUNTING POLICIES

1.1. Statement of Compliance

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

1.2. Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

1.3. Use of estimates and judgements

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

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

1.3.1 Useful lives of property, plant and equipment

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

1.3.2 Valuation of deferred tax assets

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

K.P. RAO & CO.
BENGALURU
FRN:003135S
CHARTERED ACCOUNTANTS

1.3.3 Provisions ,Contingent liabilities & Contingent Assets

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

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

1.4. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

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

1.5. Assets held for sale

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

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

1.6. Revenue Recognition

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

1.6.1. Income from Services

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

K.P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

1.6.2. Interest Income

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

1.6.3. Other Income

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

1.7. Leases

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less(short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or if not readily determinable,using the incremental borrowing rates of these leases.

1.8. Foreign Currency

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

1.9. Borrowing Costs

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

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

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

K.P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

1.10. Employee Benefits

1.10.1. Retirement benefit costs and termination benefits

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

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

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

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

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

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

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

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

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

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

1.10.3. Defined Contribution Plans-Provident Fund & NPS

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

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

K.P. RAO & CO. ★ BENGALURU FRN:003135S CHARTERED ACCOUNTANTS ★

1.11. Taxation

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

1.11.1. Current tax

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

1.11.2. Deferred tax

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

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

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

1.11.3. Current and deferred tax for the year

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

1.12. Property, Plant & Equipment

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

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

Freehold land is not depreciated.

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

1.12.1. Depreciation:

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

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

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

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

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

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

1.13. Intangible Assets

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

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

1.13.1. Derecognition of intangible assets

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

1.13.2. Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Right of Way	Indefinite
Computer Software	6 years

1.14. Impairment of Non-Financial Assets

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

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

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

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

1.15. Inventories

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

1.16. Provisions

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

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

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

1.16.1. Onerous contracts

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

1.17. Financial Instruments

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

1.17.1. Financial assets

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

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

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1.17.2. Classification of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

1.17.6 . Derecognition of financial assets

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

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

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

1.18. Cash and Cash Equivalents

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

1.19. Trade Receivables

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

1.20. Trade & other payables

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

1.21. Investment properties

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

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

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

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

1.22. Earnings per Share

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

1.23. Dividends

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

1.24. Rounding of amounts

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

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

Note No. 2 - Tangible Assets

Rs. In lakhs

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

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

Notes:

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

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

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

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Note No. 2.1 -Right of use Assets

Rs. In lakhs

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

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

Note No. 2.2 - Capital Work In Progress

Rs. In lakhs

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

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

Rs. In lakhs

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

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

Rs. In lakhs

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

Note No. 3 - Investment Property

Rs. In lakhs

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

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

Notes:

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

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

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Note No. 4 - Other Intangible Assets

Rs. In lakhs

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

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

Notes:

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

Note 5 - Other Financial Assets

Rs. In lakhs

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

Note 5.1 - Loans

Rs. In lakhs

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

Note 6 - Income Taxes

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

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

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

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

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

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

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

Rs. In lakhs

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

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

Rs. In lakhs

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

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

Rs. In lakhs

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

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

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

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

Rs. In lakhs

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

Note 7 - Other Non Current Assets

Rs. In lakhs

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

Notes:

Note 7.1 - Current Tax Assets

Rs. In lakhs

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

Note 8 - Inventories

Rs. In lakhs

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

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

Note 9 - Trade Receivables

Rs. In lakhs

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

K.P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

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

Rs. In lakhs

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

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

Rs. In lakhs

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

Note 10- Cash and cash equivalents

Rs. In lakhs

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

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Note 11 - Bank Balance other than above

Rs. In lakhs

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

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

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

Note 12 - Other Current Assets

Rs. In lakhs

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

Note 13 - Assets classified as held for sale

Rs. In lakhs

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

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

Note 14 - Equity Share capital

Rs. In lakhs

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

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

Equity shares with voting rights

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

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

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

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

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

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

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

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

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

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

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

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Note 14.1 - Other equity

Rs. In lakhs

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

14.1.1 - Retained earnings

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

Note 15 - Trade payables

Rs. In lakhs

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

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

Rs. In lakhs

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

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

Rs. In lakhs

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

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Note 16 - Other Financial Liabilities

Rs. In lakhs

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

Note 16.1 -Lease liabilities

Rs. In lakhs

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

Note 17 - Provisions

Rs. In lakhs

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

K.P. RAO & CO. ★ CHARTERED ACCOUNTANTS ★ BENGALURU FRN:003135S

Details of movement in provisions:

Rs. In lakhs

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

Note 18 - Other Current Liabilities

Rs. In lakhs

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

K.P. RAO & CO. ★ BENGALURU FRN:003135S ★ CHARTERED ACCOUNTANTS

Note 19 - Revenue from operations

Rs. In lakhs

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

Notes:

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

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

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

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

Note 20 - Other income

Rs. In lakhs

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

Note 21 - Employee benefit expense

Rs. In lakhs

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

Note :-

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

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Note 22 - Finance costs

Rs. In lakhs

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

Note 23 - Other expenses

Rs. In lakhs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Power & Fuel	2,165.37	1,798.04
Repair & Maintenance on Plant and Machinery	208.87	139.47
Repair & Maintenance on Buildings	83.39	-
Repair & Maintenance - Electricals, ROW & Others	233.84	247.50
Operations and maintenance - Contract Manpower	231.50	159.76
Stores & Spares Consumed	173.39	93.94
Insurance Premium	186.09	120.58
Painting of Station Pipings And equipment's	6.70	66.14
Watch and Wards	411.01	347.73
Lease Rent	86.75	14.21
Compensation to CA(LAO) Staff	4.30	2.36
Communication Expense	29.92	38.20
Net Loss on disposal of Fixed Assets	11.48	-
Impairment on assets classified as held for sale	187.52	-
Write- Down of inventories to NRV	3.59	-
Printing & Stationery	10.20	10.24
Professional and Consultancy Charges (Refer Note 23A below)	172.86	59.52
Rates and Taxes	82.87	28.28
Training, Recruitment, Seminar and Mock Drill Expenses	50.45	40.80
Travelling and Conveyance	74.37	63.59
Vehicle Hire Charges	124.83	110.85
Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013.	237.45	220.18
Advertisement for Public Tender	-	7.19
Other Expenses	57.76	94.20
Total	**4,834.51**	**3,662.78**

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

As auditors		
Statutory audit	2.75	2.75
For Taxation matters	0.83	0.70
For other services	1.63	1.20
Total	**5.21**	**4.65**

Note 24 - Settlement of Legal Claims

Rs. In lakhs

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

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Note 25 - Employee Benefits

a. Defined Benefit Plan - Gratuity

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

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

Rs. In lakhs

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

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

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

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

Rs. In lakhs

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

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

Rs. In lakhs

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

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

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

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

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

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

Rs. In lakhs

	As at	
	March 31, 2026	**March 31, 2025**
Change in benefit obligations		
Benefit obligations at the beginning	284.19	250.89
Service cost	23.85	17.53
Interest expense	19.07	17.93
Remeasurements - Actuarial (gains)/ losses	26.32	19.09
Benefits paid	(35.94)	(21.25)
Benefit obligations at the end	**317.49**	**284.19**
Change in plan assets		
Fair value of plan assets at the beginning	-	-
Interest income	-	-
Transfer of assets	-	-
Remeasurements- Return on plan assets excluding amounts included in interest	-	-
Contributions	-	-
Benefits paid	-	-
Fair value of plan assets at the end	-	-

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

Rs. In lakhs

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

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

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

c. Defined Contribution Plans-Provident Fund & NPS

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

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

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Note 26 - Financials Instruments

Financial instruments by category

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

Rs. In lakhs

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

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

Rs. In lakhs

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

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Financial risk management

Financial risk factors

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

Market risk

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

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

In lakhs

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

Credit risk

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

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

Liquidity risk

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

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Note 27 - Earning Per Share

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

Basic earnings per share

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

Rs. In lakhs

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

Diluted earnings per share

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

Rs. In lakhs

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

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

Note 28 - Related party disclosures

Nature of relationship	Names of the related parties
Key management personnel (KMP)	Shri. Anuj Kumar Jain - Chairman Shri. Sudhir Kumar -Managing Director (resigned with effect from 01.04.2026) Shri. Pankaj Kumar Meena -Managing Director (Appointed with effect from 01.04.2026) Shri. Subodh Batra - Director Shri. Ramesh Ramasamy - Director Shri C Sridhar Goud- Director

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	(resigned with effect from 26.07.2025)
	Shri Neeraj Lal-Director
	Smt Pinky Rai-Director
	Shri B Sudharshan-Director
	(resigned with effect from 01.07.2025)
	Shri Deepak Padmanabhan Nayer Prabhakar-Director
	(Appointment effective from 23.07.2025)
	Shri Debasish Basak-Director
	(Appointment effective from 01.08.2025)
	Shri. Chandan Kumar Das - CFO(KMP)
	Shri.Sachin Jayaswal - Company Secretary(KMP)
Ultimate Holding Company	Oil and Natural Gas Corporation Limited
Fellow Subsidiary	Mangalore Refinery & Petrochemicals Limited
Investing Party	Hindustan Petroleum Corporation Limited

Rs. In lakhs

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

Note:- All the above supply & services are including GST
* - Remuneration to Managing Director represents amounts debited by HPCL & ONGC for its Executive on deputation to the company and the entitlement released by PMHBL as per HPCL & ONGC rules

Rs. In lakhs

Balances outstanding at the end of the year	As at March 31, 2026	As at March 31, 2025
Trade Receivable		
Hindustan Petroleum Corporation Limited	929.21	1,834.48
Mangalore Refinery & Petrochemicals Limited	328.45	277.52
Trade Payables		
Hindustan Petroleum Corporation Limited	171.88	504.11
Oil and Natural Gas Corporation Limited	9.48	7.60

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Note 29 - Leases

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less(short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentive. They are subsequently measured at cost less accumulated Depreciation and impairment loss

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term of the underlying assets

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

Rs. In lakhs

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

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

Rs. In lakhs

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

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

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

Rs. In lakhs

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

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

Rs. In lakhs

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

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

Rs. In lakhs

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

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

Rs. In lakhs

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

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

Notes:

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

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

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

Contingent liabilities

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

Rs. In lakhs

Particulars	Year ended March 31,2026	March 31,2025
01 Writ Petition case filed by PMHBL at Hon'ble High Court of Karnataka, Bangalore against the order of Hon'ble District judge of Chickmagalur District for damages outside the ROU. The Company has deposited Rs. 21.03 lakhs as court deposit.	21.03	21.03
	21.03	**21.03**
II. Appeal against Order of Income Tax :		
Income Tax Case - Income Tax Case - AY 2016-17 : Appeal filed with CIT(Appeal) against Order of AO U/s. 143(3)for disallowing Depreciation on Right of Way (being amount paid to Forest Department for regularisation of Forest Land) of Rs. 60 lakhs and raised demand of Rs. 30.40 Lakhs. The company has deposited Rs 6.08 lakhs as deposit for filling Appeal filed with CIT(Appeal). Fresh submission made for completion of faceless Assesement.	30.40	30.40
	30.40	**30.40**

III. Capital Commitments:

Rs. In lakhs

Particulars	Year ended March 31,2026	March 31,2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances if any)	829.51	154.51

Note 31 -Performance bank Guarantee:

(i) Performance Bank Guarantee of Rs. 639 lakhs has been given by the company in favour of Petroleum & Natural Gas Regulatory Board towards 1% cost of the pipeline project as security deposit for meeting the quality of service obligations and requirement of PNGRB during operating phase. The Bank Guarantee is renewed from time to time and presently valid till 5th May 2026.

(ii) Performance Bank Guarantee of Rs. 27.64 lakhs has been given by the company in favour of M/s PTC India Limited towards 18 days of contracted energy bill as security deposit for purchase of power from Indian Energy Exchange on behalf of the Company valid till 5th May 2026.

(iii) Performance Bank Guarantee of Rs. 3.93 lakhs has been given by the company in favour of M/s KREDL as security deposit as per government order no - 03NCE2026 dated 13th Feb 2026 for 0.785 MW solar power plant at managalore valid up to 31 March 2028

Note 32 - Disclosures required for Micro, Small and Medium Enterprises

Rs. In lakhs

Particulars	Year ended March 31,2026	March 31,2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	261.86	438.79
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company

Note 33 - Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting health care and sanitation, promoting education, employment enhancing vocation skills and livelihood enhancement project, promoting Women empowerment, promoting Environmental sustainability & conservation of Natural Resources and Promoting Rural Development.

A CSR committee has been formed by the company as per the Act. The funds were utilized through the year on the activities which are specified in Schedule VII of the Companies Act, 2013.Greater emphasis was given during the year on Promoting Education.

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Breakup of amount spent during the year on CSR Activities as follows :

Rs. In lakhs

Particulars	Year ended March 31,2026	March 31,2025
1. Amount required to be spent by the company during the year,	236.66	216.27
2. Amount of expenditure	237.45	220.18
3. Shortfall at the end of the year	-	-
4.Total of previous years shortfall	-	-
5.Reason for shortfall	NA	NA
6. Nature of CSR activities :		
Promoting Heath Care & Sanitation	72.51	85.86
Promoting Education, Employment enhancing Vocational Skills and Livelihood enhancement Projects	153.63	123.84
Administration Exp	11.31	10.48
	237.45	**220.18**

Note 34 - Operating Segments

The Company has only one single reportable segment i.e. Transportation of Petroleum Products of Oil Marketing Companies (OMCs').

Rs. In lakhs

Particulars	Year ended March 31,2026	March 31,2025
Revenue from External Customers		
Within India	19,941.24	16,249.82
Outside India	-	-
Non Current Assets		
Within India	19,058.96	19,262.76
Outside India	-	-
Information about Major External Customers		
Major External Customer No. 1	9,137.91	7,315.53
Major External Customer No. 2	4,905.61	4,054.31
Major External Customer No. 3	4,522.23	3,353.81

Note 35-Interim Dividend

Current Year 2025-26:

The Company has declared and paid 1st Interim Dividend to Shareholder during the year 2025-26 @ Rs 0.65 per equity share totalling Rs, 3566.60 Lakhs out of surplus in Profit and Loss account as on 31.03.2025 and also paid 2nd Interim Dividend to Shareholder during the year 2025-26 @ Rs 1.28 per equity share totalling Rs. 7023.45 Lakhs out of current year Profits .

Previous Year 2024-25:

The Company has declared and paid 1st Interim Dividend to Shareholder during the year 2024-25 @ Rs 0.74 per equity share totalling Rs, 4060.43 Lakhs out of surplus in Profit and Loss account as on 31.03.2024 and also paid 2nd Interim Dividend to Shareholder during the year 2024-25 @ Rs 0.865 per equity share totalling Rs. 4746.32 Lakhs out of current year Profits .

Companies is required to pay /distribute dividend after deducting applicable withholding income taxes

Note 36-Ratios

Ratio	Current year	Previous Year	Variance	resons for variance where change in the ratio is more than 25% as compared to the ratio of preceding year
Current Ratio	20.21	15.72	28.56%	This is cumulative impact of decrease in working capital
Return on Equity	0.20	0.14	39.27%	Revenue growth has resulted in improvement in this ratios.
Trade receivable Turnover ratio	6.57	5.74	14.45%	
Trade payable Turnover ratio	20.96	19.70	6.39%	
Net capital Turnover ratio	0.43	0.35	25.08%	
Net profit ratio	58%	51%	14.22%	
Return on Capital Employed (in %)	24%	18%	31.51%	Revenue growth has resulted in improvement in these ratios.

Formula used for computation of:

(i) Current Ratio = Current assets / Current liabilities.
(ii) Return on Equity ratio = Profit for the year / Average Total equity
(iii) Trade receivable turnover = Revenue from operations / Average trade receivables
(iv)Trade payable turnover = Revenue from operations / Average trade payables.
(v) Net capital turnover ratio = Revenue from operations / working Capital
(vi) Net Profit ratio (%) = Profit for the period / Revenue from operations.
(viii) Return on Capital employed = Profit Before Interest & Tax / Capital Employed.(Capital employed = Net worth + lease liabilities + deferred tax liabilities)

K.P. RAO & CO. ★ BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

Note 37 Other Disclosures

(i) There have not been any revaluation of Property, Plant & Equipment and Intangible Assets.

(ii) There are no proceedings initiated or pending for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(iii)There are no unrecorded transactions, which have been surrendered or disclosed as Income during the year in the tax assessments under the Income tax act, 1961.

(iv) There are no trading entered into or investments made in Crypto Currency or Virtual Currency during the year.

Note 38
Previous year's figures have been regrouped where necessary to conform to those of the current year's classification.

Note 39
The above financials statements was reviewed by the Audit committee at the meeting held on 22nd April 2026 and approved by the board of directors at its meeting held on 22nd April 2026

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

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

Prashanth S
Partner
Membership Number: 228407

K.P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

Place : Bangalore
Date : 22/04/2026

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

Pankaj Kumar Meena
Managing Director
DIN: 11617835

Ramesh Ramasamy
Director
DIN:10304253

Chandan Kumar Das
Chief Financial Officer

Sachin Jayaswal
Company Secretary

Place : Bangalore
Date :22/04/2026