हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
वार्षिक रिपोर्ट 2016-17

Hindustan Petroleum Corporation Limited
Annual Report 2016-17

Delivering Happiness...

Delivering Happiness...

The future belongs to those who believe in their dreams and then the whole universe conspires to make those dreams come true.

We, at HPCL, take pride in being an integral part of the endeavours of billions to realise their dreams. We touch lives everyday, in everyway.

We provide warmth to the kitchen which transforms a house into a 'Home'. We bring smiles on the wheels which make memorable travelogues. We fuel the wings which make dreams fly. We power the economy which propels the wheels of prosperity. We ensure a safe, healthy and sustainable future for you and your loved ones.

Led by innovation and steered by sense of responsibility, we promise a 'Future Full of Energy' and a 'Life full of cheer'.

At HPCL, We deliver happiness.

Contents

Our Directors

Whole Time Directors	Government Directors (Ex-Officio Part-Time)	Independent Directors
Shri Mukesh Kumar Surana Chairman & Managing Director (DIN: 07464675)	**Ms. Urvashi Sadhwani** Director (DIN : 03487195)	**Shri Ram Niwas Jain** Director (DIN: 00671720)
Shri Pushp Kumar Joshi Director – Human Resources (DIN: 05323634)	**Shri Sandeep Poundrik** Director (DIN : 01865958)	**Smt. Asifa Khan** Director (DIN: 07730681) (From : 13.02.2017)
Shri J. Ramaswamy Director – Finance (DIN: 06627920)		**Shri G.V.Krishna** Director (DIN: 01640784) (From : 13.02.2017)
Shri S. Jeyakrishnan Director – Marketing (DIN: 07234397) (From: 01.11.2016)		**Dr. T.N. Singh** Director (DIN: 07767209) (From : 20.03.2017)
Shri Vinod S. Shenoy Director – Refineries (DIN: 07632981) (From: 01.11.2016)		
Shri B K Namdeo Director – Refineries (DIN: 06620620) (Upto : 31.10.2016)		
Shri Y K Gawali Director – Marketing (DIN: 05294482) (Upto : 31.10.2016)		

Chairman's Message 2016-17

Dear Shareholder,

It is with great pride and immense pleasure that I present to you the 65th Annual Report on the performance of your company for the year 2016-17.

The year 2016-17 was a year of continued transformation towards higher performance of your company by creating value for customers. The company scaled new peaks in terms of profitability, market sales and return to shareholders, and registered the best ever all-round performance since formation. For the first time ever, the profit after tax for the year crossed ₹ 6,000 crore mark on standalone basis and ₹ 8,000 crore on consolidated basis. Your company exceeded previous year's all time high profit after tax by 67% to reach ₹ 6209 crore resulting in a significant increase in the earning per share to ₹ 61.12.

The stellar performance of 2016-17 hinged on the strong financial and physical performances of the refinery and marketing divisions and our two-pronged approach of achieving business goals with responsibility. HPCL's refineries at Mumbai and Visakh achieved the highest ever combined refining throughput of 17.8 MMT with a capacity utilization of 113% and recorded a healthy combined GRM of USD 6.20 per barrel. Against the backdrop of rising competition in domestic market, your company registered highest ever market sales of 35.2 MMT with a growth of 3% over historical. The excellent performance reflected in HPCL being conferred with Petrofed Oil & Gas Marketing company of the year award among the many recognitions and awards received.

The outstanding performance of the company was also recognized by the capital markets with the market capitalization more than doubling during the financial year to reach a level of Rs 53,380 crore by 31st March 2017. Your company has declared/proposed total dividend of ₹ 30.00 per share(ex-bonus) for 2016-17 and issued bonus shares twice for the year totalling to 7 equity shares (Rs 10/- each) for every 2 equity shares (₹ 10/- each) held. The results of 2016-17 have made us more ambitious about our future and confident of continuing the performance momentum.

For the Global Oil and Gas Industry, the year gone by was challenging, with interplay between economic, political and social forces; a thrust towards low carbon future and advent of digital technologies to drive down costs. It was yet another year of low crude oil prices. However, Oil prices recovered from the 12-year low witnessed in the previous year to US$ 54-55 per barrel during Jan-Feb'17 and witnessed decline thereafter. The production cut agreement between OPEC and non-OPEC countries at the end of 2016, partially assisted in reversing the prevailing global supply glut. For another year in succession, lower oil prices posed challenge for oil exporting countries; however, these favoured oil importers including India by reducing the cost of imports. Lower crude oil prices also had a positive impact on inflation and economic growth of India.

The Indian economy maintained its momentum and registered impressive GDP growth rate of 7.1% aided by a better growth in agriculture sector on the back of a normal monsoon. Foreign exchange reserves increased by about USD 22 billion during 2016-17 to reach about USD 370 billion by March 2017. Rupee-US dollar exchange rate, which was about 66 in the beginning of financial year, ended at about 65 at the end of the year as portfolio inflows went up. Various reforms and land mark policy initiatives undertaken by Government of India laid a strong foundation for future growth and saw a major thrust on digital payment transactions. Another major development on economic front, last year, was demonetization of high value currency. It did create initial difficulties for informal and cash intensive sectors of the economy. However, intended long-term benefits in terms of greater formalisation of economy, better measurement, greater tax compliance, revenue generation and increased flow of savings to financial instruments are likely to outweigh short term costs of demonetization.

Accelerated economic activities coupled with low oil prices helped drive strong demand growth for petroleum products in India. India is now the world's third largest oil consumer and has become a key driver of global oil demand growth. During 2016-17, Petroleum product consumption in India increased with an annual growth of 5.2% to reach 194 MMT. All major products recorded a positive consumption growth during the year while Kerosene, Naphtha, Bitumen and Lubricants recorded a de-growth. Petrol consumption recorded a strong growth of 8.8% on the back of increased passenger vehicle & two wheeler vehicle sales. Continuing the last three year's trend, Diesel consumption recorded a positive growth of 1.8% during 2016-17 owing to increased usage of public transport & improvement in medium and heavy commercial vehicle sales. Kerosene registered a de-growth of 21% during the year which is the highest ever de-growth in last 46 years, mainly because of enhanced LPG penetration in rural areas through Pradhan Mantri Ujjwala Yojana and voluntary surrender of kerosene quota by some states. LPG consumption increased with a growth of 9.8% due to Government's impetus to provide clean cooking fuels by enhancing LPG penetration through various schemes. Aviation fuel consumption recorded a growth of 12.1%, highest growth during last decade on the back of growth in passenger traffic due to rising income levels and government's thrust to promote low cost air travel. Fuel oil witnessed a growth of 8% due to increased use by Power, Steel and Small & Medium Enterprise Sectors. Slowdown of construction activities led to a marginal de-growth of 0.8% in Bitumen consumption during the year.

To cater to the increased demand, HPCL's refineries at Mumbai and Visakh recorded combined distillate yield of 75.8% with highest ever production of Petrol, Diesel & Lube Oil Base Stock and achieved lowest ever specific energy consumption. Both the refineries successfully completed planned turnaround cycles within the scheduled timelines, enhancing reliability and ensuring product availability. Both HPCL refineries prepared well ahead of the schedule to ensure supply of BS IV MS and HSD from 1st April 2017.

Continued strategic expansion of pipeline network, judicious expansion and revamp of primary distribution network of Terminals, Depots & LPG Plants coupled with strategic commissioning of new dealerships / distributorships helped us leverage the opportunity of increased demand and increase our domestic market sales by about 2.5% in 2016-17 to reach 34.7 MMT.

Your company recorded a growth of 1.3% in total motor fuel basis despite the re-entry of private players in fuel retailing after deregulation of retail fuel prices. Your company maintained No. 2 position in LPG Sales with a double digit growth of 11.1% and continued the market leadership position in Non-Domestic Bulk LPG segment. The strategy to focus on maximising volumes in three focus products of Fuel Oil, Consumer Diesel and Bitumen helped HPCL outperform industry growth and cross 1 million tonne sales in these three products in the same year for the second consecutive year. In the highly profitable segment of lubricants, your company rolled out a systematic process to appoint channel partners to strengthen and increase the presence in bazaar and MSME segment. Your company continues to be India's largest lube marketer for the fourth consecutive year with 9.5% growth in total lubricants sales. In Aviation fuel sales, international airlines and carriers like Lufthansa, Aerologic, Brussels Airlines, DHL Group and Aeroflot were added to the existing customer portfolio which helped your company gain 0.20 percent market share with growth of 13 % over historical.

To enhance our distribution and logistics capabilities through expansion of pipeline network, your company commissioned and commenced operations of 355 km long Mangalore Hassan Mysore Yediyur LPG pipeline taking the total cross country pipeline network to 3370 km.

To enhance the ethanol production and improve blending of Ethanol in petrol, your company has laid the Foundation stone on 25th December 2016 for India's first 2G Bio Refinery to be set up at Bathinda, Punjab.

To align our business to the changing patterns of demand and leverage potential opportunities as the country transitions to a low carbon economy, your company is strengthening its presence in Natural Gas & Renewables and has commissioned a 50.5 MW wind power project in Rajasthan during the year.

In line with your company's vision to provide high quality products and innovative services, Green Research and Development Centre (HPGRDC) has been set up at Bengaluru. A total of eight products / technologies were demonstrated by HPGRDC till date which will help HPCL achieve significant cost advantages and efficiency improvements. HPCL is also the first company to launch Petrol with 99 Octane rating in India. Further, to nurture an eco-system conducive for innovation 'HP Startup' initiative has also been launched.

Your company constantly strives to be a model of excellence in all endeavours be it in business excellence or in societal and environmental stewardship. HPCL undertook implementation of Pradhan Mantri Suraksha Bima Yojna, Pradhan Mantri Jan Dhan Yojna, Pradhan Mantri Jeevan Jyoti Bima Yojna at locations. Under PMUY over 53 lakh new LPG connections to BPL families were released.

To enhance transparency and bring in better visibility of information to stakeholders, various e-initiatives like cashless payment facilities at retail outlets through various mobile wallets and online payment platforms, migration of subscription vouchers of 4.3 crore LPG consumers to Digi-Locker platform, on-line and cashless payment facilities for LPG refill, Crude procurement through e-platform, 100% e-procurement compliance etc. were implemented by your company.

In efforts to create a competent workforce and develop technical skills, HPCL in consortium with Oil PSUs has partnered with Government of India to set up in the state of Andhra Pradesh, the "Indian Institute of Petroleum & Energy (IIPE)", an institute of national importance for imparting technical education and promote research activities and "Skill Development Institute (SDI)" for training unemployed youth and enhancing their technical skills.

During the year, your company continued the Integrated Margin Management (IMM) approach of maximising Net Corporate Realisation by improving the cross functional decision making across the organization. It has brought tight control over inventory and logistic cost. To stabilize the margins, activities of Oil Price Risk Management (OPRM) were resumed during 2016-17 through IMM group.

HSE Management systems have been put in place across all locations of HPCL to strengthen HSE governance & compliance through surveillance audits, benchmarking & Safety Index. Safety is a Non Negotiable Pillar of the core strategy of HPCL and your company strives to ensure zero Incidents in business operations.

Your company secured 'Excellent' rating with a Memorandum of Understanding (MOU) score of 99.36 in terms of the MOU signed with the Government of India for the year 2015-16.

Chairman's Message 2016-17

All the subsidiaries and joint venture companies of your company continued the successful business partnerships and achieved growth in their respective business spheres which resulted into highest ever consolidated net profit of Rs 8236 crore for HPCL with 76.2% growth over historical.

The superior performance was made possible by our committed and competent workforce of more than 10,000 employees and business associates who enable us to operate effectively in the highly competitive environment. Our human resource management initiatives are aimed at developing a vibrant workforce and enhancing the value to various stakeholders.

As per IEA estimates, Global oil demand in 2017 is expected to grow by 1.3% as compared to 1.7% in 2016. China and India are expected to lead in consuming the additional demand garnering a share of about 45% in global incremental oil consumption. Crude oil prices have decreased by 17% by the end of Q1 of 2017-18 from the levels witnessed in Feb'17. The main reasons for this downfall are the consistently decreasing breakeven prices of Shale Gas, resumption of supplies from African countries, economic concerns in China and build-up of product inventories. Brent prices are expected to remain range bound in US$ 45-55 per barrel range during 2017. Most forecasts project India's GDP to grow around 7.0 percent to 7.5 percent during 2017-18, with consumption continuing to drive the Indian economy.

As India is poised to become one of the fastest growing economies in the world, there will be more opportunities. To leverage and capitalize on these opportunities freewheeling discussions were held with employees across levels during the year to gain critical insights from the ground level on the challenges facing our company, identify focus areas and undertake actions and finalise investment plan to stay ahead of the performance curve in the changing scenario. This helped us develop a 5-year road map named T20 (Target 2020), ushering the beginning of a new journey, which will set HPCL on a higher and accelerated trajectory of growth and profitability.

To participate in the growth, your company have undertaken investments for enhancing refining capacity and build marketing infrastructure. Environmental clearance for Visakh Refinery Modernization Project (VRMP) for enhancing the refinery capacity to 15 MMTPA and Mumbai Refinery expansion Project (MREP) for enhancing the refinery capacity to 9.5 MMTPA have been received. Project activities for both the projects are on track. On the Marketing front, expansion of Mundra Delhi (MDPL), Visakh Vijayawada Secunderabad (VVSPL), Ramanmandi Bahadurgarh (RBPL) Pipelines, Extension line from Palanpur to Vadodara with associated terminal facilities, new POL Depots, LPG Plants and Lube Blending plants have been planned. Your company is taking steps to create and grow our presence in the new business of Petrochemicals. HPCL has signed a Revised Memorandum of Understanding (RMOU) with the government of Rajasthan for setting up of an Integrated Petroleum cum Petrochemical Refinery in Rajasthan. The planned Capex outlay during the period 2017-21 is about ₹ 61,000 crore.

Recently Government of India has announced its decision to consider strategic sale of its 51.11% of total paid up Equity holding in your company to Oil and Natural Gas Corporation Ltd (ONGC) as a part of integration of Oil Public Sector Undertakings announced in the Union Budget for 2017-18. It is envisaged that even after proposed acquisition of GOI's equity holding in HPCL by ONGC, HPCL will continue to be Central Government Public Sector Enterprise (CPSE) retaining its cultural uniqueness and Brand identity.

It has been your Company's resolve to build an Institution for India that will truly be an engine of growth for the national economy. HPCL's unshakeable commitment to serve national priorities enjoins on us the responsibility to ensure that this growth is inclusive, creates meaningful sustainable livelihoods and a secure ecological environment.

Your Corporation has indeed traversed a remarkable journey of transformation to create an incredible company with boundless potential. I have tremendous faith in HPCL's world-class team of dedicated professionals, and I know that they will leave no stone unturned in their continuing quest to take the Company to new heights.

Our customers, employees, business associates and shareholders have always been a source of strength and I thank them for their continued trust and support. The Ministry of Petroleum & Natural Gas, Departments of Central / State Governments and local authorities have guided and supported us in all our efforts ensuring smooth conduct of the business, I look forward to their continued support and guidance in all our endeavours.

We look forward to your continued support for our shared success by creating value in the eyes of customers and deliver Happiness.

Thank you

Mukesh Kumar Surana

Senior Management Team (Positions as on 31.07.2017)

Shri U. Krishna Murty	Chief Vigilance Officer
Shri S.P. Gupta	Executive Director - Joint Ventures
Shri S T Sathiavageeswaran	Executive Director - Information Systems
Shri G. Sriganesh	Executive Director - R & D
Shri A. Pande	Executive Director - Opns, Dist. & Engg.
Shri Rakesh Misri	Executive Director - CS&P & Business Development
Shri Ajit Singh	Executive Director - LPG
Shri H.R. Wate	Executive Director - Gas & Renewables
Shri A.V. Sarma	Executive Director - Internal Audit
Shri V.K. Jain	Executive Director - Tax
Ms. Sonal Desai	Executive Director - Finance (Refineries)
Shri M. Naveen Kumar	Executive Director - Compensation Management
Shri R. Radhakrishnan	Executive Director - Information Systems (Functional)
Shri R. Kesavan	Executive Director - Corporate Finance
Shri B. Ravindran	Executive Director - Treasury and Pricing
Shri M.V.R. Krishnaswamy	Executive Director - Central Procurement (Marketing)
Shri M. Rambabu	Executive Director - Refinery Co-ordination
Shri S. Paul	Executive Director - IT & S
Shri GSVSS Sarma	Executive Director - Visakh Refinery
Shri S.P. Gaikwad	Executive Director - Refinery Projects
Shri M.D. Pawde	Executive Director - Integrated Margin Management
Shri J.S. Prasad	Executive Director - Pipelines
Shri Rajnish Mehta	Executive Director - Direct Sales
Shri S. Raja	Executive Director - Visakh Refinery Modernisation Project
Shri L. Venugopal	Executive Director - Mumbai Refinery
Shri K. Radhakrishnan	Chief Executive Officer – Hindustan Colas Private Limited *
Shri G.S.V. Prasad	Executive Director - Retail
Shri P.P. Nadkarni	Chief General Manager- Pipelines Operations
Shri S. Bhattacharjee	Chief General Manager - Compensation Management
Shri K. Daniel Santhosh	Chief General Manager - Internal Audit
Shri D.K. Pattanaik	Chief General Manager - Aviation
Shri K.R. Rao	OSD (R), PNGRB, Delhi *
Shri G. Chiranjeevi	Chief General Manager- Special Projects
Shri S. Biswas	Chief General Manager - Information Systems (Operations & Distribution)
Shri K. Ananda Rao	Chief General Manager - HSE
Shri Vikram Gulati	Chief Executive Officer – Prize Petroleum Company Limited *
Shri A.V. Narayana Rao	Chief General Manager - Marketing Finance
Shri A.S.V. Ramanan	Chief General Manager - Materials, Visakh Refinery
Shri C Rama Krishnan	Chief General Manager - Engineering and Facilities Planning
Shri T.R. Sundararaman	Chief General Manager - Highway Retailing
Shri Rajiv Chandra	Chief General Manager - Information Systems (Technical), Infrastructure and Security
Shri Abhishek Datta	Chief General Manager (I/C) - HR
Shri Shyam Mustyalwar	Chief General Manager - LPG (Sales and Marketing)
Shri S.K. Suri	Chief General Manager - Co-ordination and EA to C & MD
Shri K. Srinivas	Chief General Manager - Retail, West Zone
Shri R. Sudheendranath	Chief General Manager - Lubes, Direct Sales
Shri Rajneesh Narang	Executive Assistant to C & MD
Shri V.S. Agashe	Chief General Manager - Operations, Mumbai Refinery

Shri R. Sridhar	Chief General Manager - Finance, Mumbai Refinery
Shri B. Balagangadharam	Chief General Manager - Technical (Process), Visakh Refinery
Shri Shaji Idicula	Chief General Manager - Maintenance, Mumbai Refinery
Shri Iyer H. Narayanan	Chief General Manager - Legal
Shri M. Selvakumar	MD - Petronet MHB Ltd. *
Shri Shrikant M. Bhosekar	Company Secretary
Shri D.N. Vijayendrakumar	Chief General Manager - Information Systems (Technical), Development and Data Centre
Shri Nandi Sukumar	Chief General Manager - LPG Operations
Shri Sanjay Kumar	Chief General Manager - Business Development
Shri Jain Amitabh Kumar	Chief General Manager - QC & R & D (Marketing)
Shri Anuj Kumar Jain	Chief General Manager - Retail, North Central Zone
Dr. Peddy V C Rao	Chief General Manager - Corporate R & D
Shri P. Veerabhadra Rao	Chief General Manager - Maintenance, Visakh Refinery
Shri Subodh Batra	Chief General Manager - Retail, North Zone
Shri Alok Kumar Gupta	Chief General Manager - Retail, East Zone
Shri V. Ratanraj	Chief General Manager - Operations, Visakh Refinery
Shri M.S. Yadav	Chief General Manager - LPG
Shri Swapan Kumar Chowdhury	Head - Integrated Support Function
Shri P. Raman	Chief General Manager - S & P, Risk, C and T
Shri Shrikant Ramchandra Hasyagar	Chief General Manager - Commercial, Direct Sales
Shri H. Prem Kumar	Chief General Manager - Finance (Refineries)
Shri Suresh Varma	Chief General Manager - HSE (Marketing)
Shri S. Subbarao	Chief General Manager - Talent Source and Manpower Planning
Ms. G. Anuradha	Chief General Manager - Information Systems (Functional)
Shri Praful Chandra Agrawal	Chief General Manager - Petrochemical Marketing
Shri R. Elango	Chief General Manager - Employee Relations
Shri Sushanta Dhar	Chief General Manager - Administration and Real Estate
Ms. Uma Deb	Chief General Manager - Corporate Accounts
Shri K. Shankar Narayan Murty	Chief General Manager - Tax
Shri Yelisetty Sriramulu	Chief General Manager - Technical (Minor Projects, CES and Inspection)
Shri Sanalkumar C S	Chief General Manager - Operations and Distribution
Shri Anil Kumar Ranjan	Chief General Manager - Projects
Shri R.P. Bhan	Chief General Manager - Technical (Minor Projects and Inspection)
Shri A.B. Chattopadhyay	Chief General Manager - Technical (Process)
Shri D. Ravichandran	Chief General Manager - Retail Upgradation
Shri N Ramachandran	Chief General Manager - Finance, Visakh Refinery
Shri P.K. Bansal	Assistant Director General, UIDAI*
Shri P.S. Murty	Chief General Manager - Pipeline Projects
Shri C. Sridhar Goud	Chief General Manager - Operations and Distribution
Shri S. Bharathan	Chief General Manager - Refinery Projects (Process)

* On deputation

Offices, Auditors & Bankers

Registered Office & Headquarters Office
Petroleum House,
17, Jamshedji Tata Road,
Mumbai - 400 020
e-mail: corphqo@hpcl.in
website:www.hindustanpetroleum.com

Marketing Headquarters
Hindustan Bhavan
8, Shoorji Vallabhdas Marg
Ballard Estate,
Mumbai - 400 001

Mumbai Refinery
B.D. Patil Marg, Chembur,
Mumbai – 400 074

Visakh Refinery
Post Box No.15,
Visakhapatnam – 530 001

Zonal Offices

East Zone
771, Anandpur,
Off EM By-Pass,
Kolkata – 700 107.

North Zone
6th & 7th Floor,
Core 1 & 2, North Tower,
Scope Minar, Laxmi Nagar,
Delhi – 110 092

North Central Retail Zone
C/o. Lucknow Retail R.O.
4, Shanajaf Road,
1, Nehru Enclave,
Besides VishwasKhand, Gomti Nagar,
Lucknow – 226 001 (U.P.)

North West Retail Zone
1st Floor, Alpha Bazaar,
Opp. Thakorjibhai Desai Hall,
High Street – 1,
Law Garden,
Ahmedabad – 380 006.

South Zone
Thalamuthu Natarajan Building,
4th Floor, 8, Gandhi Irwin Road,
Post Box No. 3045, Egmore,
Chennai – 600 008

South Central Zone
Parishram Bhavan, 7th Floor, Door No. 5-9-58/B,
Fateh Maidan Road, Basheer Bagh,
Hyderabad 500 004

West Zone
R & C Building,
Sir J.J. Road, Byculla,
Mumbai – 400 008

Statutory Auditors

CVK & Associates
Chartered Accountants, Mumbai

G.M. Kapadia & Co.
Chartered Accountants, Mumbai

Branch Auditors

A Ramachandra Rao & Co.
Chartered Accountants, Visakhapatnam.

Cost Auditors

R. Nanabhoy & Co.
Mumbai

CMA Rohit J. Vora
Mumbai

Bankers
Bank of Baroda
Bank of India
Citibank N.A.
Corporation Bank
HDFC Bank
ICICI Bank
Punjab National Bank
Standard Chartered Bank
State Bank of India
Union Bank of India

Company Secretary
Shrikant M. Bhosekar

Notice of Annual General Meeting

HINDUSTAN PETROLEUM CORPORATION LIMITED

(A Government of India Enterprise)

REGISTERED OFFICE: 17, JAMSHEDJI TATA ROAD, MUMBAI 400 020

website: www.hindustanpetroleum.com E-mail: corphqo@hpcl.in Tel: (022) 22863900 Fax: (022) 22872992

(CIN: L23201MH1952GOI008858)

NOTICE

NOTICE is hereby given that the 65th ANNUAL GENERAL MEETING of the Members of Hindustan Petroleum Corporation Limited will be held on Friday, September 15, 2017 at 11.00 A.M. at Y.B. Chavan Auditorium, Yashwantrao Chavan Pratishthan, General Jagannathrao Bhosale Marg, Mumbai – 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Corporation for the Financial Year ended March 31, 2017 and Reports of the Board of Directors and Auditors thereon.
2. To confirm Interim Equity Dividends declared during Financial Year 2016-2017 and to approve Final Equity Dividend for the Financial Year 2016-2017
3. To appoint a Director in place of Shri Sandeep Poundrik (DIN01865958), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri J. Ramaswamy (DIN06627920), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

5. Appointment of Shri S. Jeyakrishnan (DIN07234397) as Director of the Corporation.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

RESOLVED that pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also provisions of Article 112 of Articles of Association of the Company, Shri S. Jeyakrishnan (DIN:07234397) who was appointed as an Additional Director and also as Whole Time Director (Director Marketing), of the Company by the Board of Directors with effect from 01.11.2016 and who holds the said office under the said Article and pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or upto the last date on which the Annual General Meeting for Financial Year 2016-2017 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

6. Appointment of Shri Vinod S. Shenoy (DIN07632981) as Director of the Corporation.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

RESOLVED that pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also provisions of Article 112 of Articles of Association of the Company, Shri Vinod S. Shenoy (DIN:07632981) who was appointed as an Additional Director and also as Whole Time Director (Director Refineries), of the Company by the Board of Directors with effect from 01.11.2016 and who holds the said office under the said Article and pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or upto the last date on which the Annual General Meeting for Financial Year 2016-2017 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

Notice of Annual General Meeting

7. Appointment of Smt. Asifa Khan (DIN07730681) as an Independent Director of the Corporation.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

RESOLVED that pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also provisions of Article 112 of Articles of Association of the Company, Smt. Asifa Khan (DIN: 07730681) who was appointed as an Additional Director and also as an Independent Director of the Company, by the Board of Directors with effect from 13.02.2017 and who holds the said office under the said Article and pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or upto the last date on which the Annual General Meeting for Financial Year 2016-2017 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose her as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation.

8. Appointment of Shri G.V. Krishna (DIN01640784) as an Independent Director of the Corporation.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

RESOLVED that pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also provisions of Article 112 of Articles of Association of the Company, Shri G.V. Krishna (DIN: 01640784) who was appointed as an Additional Director and also as an Independent Director of the Company, by the Board of Directors with effect from 13.02.2017 and who holds the said office under the said Article and pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or upto the last date on which the Annual General Meeting for Financial Year 2016-2017 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation.

9. Appointment of Dr. Trilok Nath Singh (DIN07767209) as an Independent Director of the Corporation.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

RESOLVED that pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also provisions of Article 112 of Articles of Association of the Company, Dr. Trilok Nath Singh (DIN: 07767209) who was appointed as an Additional Director and also as an Independent Director of the Company, by the Board of Directors with effect from 20.03.2017 and who holds the said office under the said Article and pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or upto the last date on which the Annual General Meeting for Financial Year 2016-2017 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation

10. Payment of Remuneration to Cost Auditors for Financial Year 2017-2018

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and such other permissions as may be necessary, the payment of the remuneration of ₹ 2,95,000 plus reimbursement of out of pocket expenses at actuals plus applicable GST payable to M/s. ABK & Associates and M/s. Dhananjay V. Joshi & Associates, who were appointed as "Cost Auditors" to conduct the audit of Cost Records maintained by the Company for Financial Year ending March 31, 2018, pertaining to various units as applicable and detailed in the statement annexed to the said notice, be and is hereby ratified and approved.

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11. Approval for Material Related Party Transactions:

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to Regulation 23 and such other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of Members of the Company be and is hereby accorded to the Material Related Party Transactions to be entered into with M/s. HPCL Mittal Energy Limited for the Financial Year 2017-2018 for a value of ₹45,447.97 Crore and for Financial Year 2018-2019 for a value of ₹48,777.40 Crore and that the Board of Directors of the Company be and are hereby authorized to perform and execute all such deeds, matters and things including delegation of such authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.

12. Borrowing of Funds upto ₹ 6000 crores through issue of Debentures / Bonds etc

To consider and if thought fit, to pass with or without modification(s), the following Resolutions as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), as well as rules prescribed thereunder, the SEBI (Issue and Listing of Debt Securities), Regulations, 2008 including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, and in accordance with the provisions contained in the Memorandum & Articles of Association of the Company, and subject to the receipt of necessary approvals as may be applicable and such other permissions and sanctions, as may be necessary, the consent of the members of the Company be and is hereby accorded to issue Secured/Unsecured redeemable Non-Convertible Bonds / Debentures ("Bonds"), of such face value in both domestic as well as overseas market, in one or more series / tranches aggregating up to an amount not exceeding ₹6000 Crore (Rupees Six Thousand Crore) within the overall borrowing limits approved by the Members, on private placement basis, during a period of one year from the date of approval by members

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board/Committee of the Board or officers authorized by them in this regard be and are hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary pre and the post issue, in respect of issue of Debentures/ Bonds, including but not limited to number of issue/tranches, face value, issue price, issue size, timing, amount, tenor, method of issuance, security/charge creation, coupon / interest rate(s), yield, listing, allotment and other terms and conditions of issue of Bonds as proper and most beneficial to the Company, including as to when the said Bonds be issued , the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto and to select, appoint and finalize the remuneration of various agencies, including but not limited to credit rating agencies, trustee, Legal Counsels, Arrangers, Joint Lead Managers, Process Agents and any other agency associated with the issue of secured/unsecured redeemable non-convertible bonds/ debentures ("Bonds") as they may, in their absolute discretion, deemed necessary for this purpose, as the case may be.

By the Order of the Board,

Shrikant M. Bhosekar
Company Secretary

Date : August 16, 2017
Regd. Office : 17, Jamshedji Tata Road
Churchgate,
Mumbai - 400 020

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

3. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

4. Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting are requested to forward a certified copy of Board Resolution authorizing their representative to attend and vote at the Annual General Meeting either to the Company in advance or submit the same at the venue of the General Meeting.

5. The relevant Statement made pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Special Business to be transacted at the Annual General Meeting, set out in the Notice, is annexed hereto and forms part of the Notice.

6. Record date for Final Dividend:

   The Company has announced Record date of July 12, 2017 and accordingly, Final Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year 2016-2017, if approved at the meeting, will be payable to those eligible members whose names appeared:

   (1) As Beneficial Owners, as on July 12, 2017 as per the list furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in Dematerialized form, and

   (2) As Members in the Register of Members of the Company as on July 12, 2017 in respect of shares held in Physical Form, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents (R&TA) on or before July 12, 2017.

7. **Transfer of Shares (held in Physical Form):**

   In terms of Regulation 40(7) and 61(4) read with Schedule VII of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is mandatory for the transferor and the transferee(s) of the physical shares to furnish copy(ies) of their PAN card(s) for registration of transfer of shares. Transferor and the Transferee(s) are requested to furnish copies of their PAN card(s) along with Share Transfer Deed duly completed and physical share certificate(s). For securities market transactions and/or for off-market or private transactions involving transfer of shares, the transferee(s) as well as transferor(s) shall furnish copy of PAN card to the Company / Registrar and Transfer Agents, as the case may be, for registration of such transfer of securities.

   In case where PAN card is not available i.e. in case of residents of Sikkim, the identify proof shall be submitted for registration of such transfer of securities.

8. **Nomination:**

   Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, Members/Beneficial Owners are entitled to make nomination in respect of Shares held by them in Form No. SH-13. Shareholders holding shares in single name and physical form are advised to make nomination in respect of their holding in the Company by submitting duly completed form No SH-13 with the Company and to their respective Depository Participant in case of shares held in electronic form. Joint Holders can also use nomination facility for shares held by them.

   The Nomination form can be downloaded from the Company's website www.hindustanpetroleum.com under Section "Investors".

9. **Members' holding shares in Multiple Folios:**

   Members holding shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Transfer Agents, M/s. Link Intime India Pvt.Ltd. for consolidation into a single folio. Members holding shares in Dematerialized from are also requested to consolidate their shareholding.

10. Non-Resident Members:

Non Resident Indian Members are requested to inform Registrar and Transfer Agents:

a. Change in their local address in India for correspondence and e-mail ID for sending all e-communications.

b. Change in their residential status on return to India for permanent settlement.

c. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank, if not furnished earlier, to enable Corporation to remit dividend to the said Bank Account directly.

11. Green Initiative:

In support of the "Green Initiative" measure taken by Ministry of Corporate Affairs, Government of India, New Delhi, enabling electronic delivery of documents and also in line with circular Ref. No. CIR/CFD/DIL/7/2011 dated November 05, 2011 issued by Securities and Exchange Board of India (SEBI) and as prescribed under the relevant provisions under the Companies Act, 2013 and the Rules made thereunder, Company has sent Annual Reports in Electronic Mode to the Members who have registered their E-mail IDs either with the Registrar and Transfer Agents or with the Respective Depositories. However, an option is available to the Members to continue to receive the physical copies of the documents/ Annual Reports by making a specific request quoting their Folio No./Client ID & DP ID to Company or to R & T Agents.

12. Members to whom hard copy of Annual Reports have been provided are requested to bring their copies of the Annual Report to the Meeting. The copies of Annual Reports shall be made available at the venue of the Meeting.

13. Members / Proxies attending the Meeting should bring the Admission Slip, duly filled, for handing over at the venue of the meeting.

14. e-Voting through CDSL and Declaration of Results:-

(i) The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date of September 08, 2017

(ii) In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Amendment Rules, 2015 made thereunder, the Members are provided with the facility to cast their vote electronically, through the remote e-Voting platform provided by CDSL on all the resolutions set forth in this notice. The e-Voting shall commence on September 09, 2017 at 5.00 p.m. (IST) and shall end on September 14, 2017 at 5.00 p.m. (IST). The e-Voting module shall be disabled by M/s. CDSL for e-Voting thereafter. During this period, all the Members of the Company holding shares either in Physical Form or in Dematerialized Form as on September 08, 2017 may cast their vote electronically.

The results of AGM declared along with Scrutinizer Report shall be placed on the Company's website www.hindustanpetroleum.com & also on the website of the CDSL e-Voting within 48 hours of conclusion of the Meeting and be also communicated to NSE and BSE where the shares of the company are listed.

(iii) The Members should log on to the e-Voting website www.evotingindia.com

(iv) Click on Shareholders/Members

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-Voting of any company, then your existing password is to be used.

(viii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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(ix) If you are a first time user follow the steps given below:

For **Members holding shares in Demat Form and Physical Form**	**USE**
Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members)	PAN
Note:	
Members who have not updated their PAN with the Company/Depository Participant are requested to use the Sequence Number which is printed on Attendance Slip indicated in the PAN field.	
Enter the Date of Birth (in dd/mm/yyyy format) OR Dividend Bank Details as recorded in your demat account or in the company records in order to login.	Date of Birth or Dividend Bank Details
Note: If both the details are not recorded with the depository or company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (v).	

(x) After entering these details appropriately, click on "SUBMIT" tab.

(xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xii) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.

(xiii) Click on the EVSN of **"Hindustan Petroleum Corporation Limited"** on which you choose to vote.

(xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xv) Click on the "RESOLUTIONS FILE LINK" to view the entire Resolution details.

(xvi) After selecting the options as above, once you have decided to vote on, click "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xviii) You can also take a print of the details of the votes cast by clicking on "Click here to print" option on the Voting page.

(xix) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and is holding shares as of the cut-off date i.e. September 08, 2017 should follow the same procedure for e-Voting as mentioned above.

(xx) A member may participate in the AGM even after exercising his right to vote through remote e-Voting but shall not be entitled to vote again at the Annual General Meeting.

In case you have any queries regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia. com or call on **Toll Free No. 18002005533**.

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(xxi) Note for Non – Individual Members and Custodians

(a) Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

(b) A scanned copy of the Registration Form duly completed bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

(c) After receiving the login details a Corporate User should be created using the admin login and password. The Corporate User would be able to link the account(s) for which they wish to vote on.

(d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

(e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(f) However, if you are already registered with CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot Password" option available on www.evotingindia.com

(xxii) A person, whose name is recorded in the Register of Members or in the register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM through ballot paper/electronic voting.

(xxiii) The facility for voting through ballot paper/e-Voting shall be made available at the AGM and in such case, the members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the meeting through ballot paper/electronic voting.

(xxiv) Shri Upendra Shukla, Practising Company Secretary (PCS), (Membership No. 1654) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-Voting process in a fair and transparent manner.

(xxv) The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "e-Voting" or "Ballot Paper" for all those members who are present at the Annual General Meeting but who have not cast their votes earlier by availing the remote e-Voting facility.

(xxvi) The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(xxvii) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hindustanpetroleum.com and on the website of CDSL e-Voting immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE & NSE.

15. Change of Address:

(a) Members Holding Shares in Physical Form:

Members holding shares in physical form are requested to advise immediately change in their address, and also inform their valid E-mail ID, if any, quoting their Folio number(s), to M/s. Link Intime India Pvt. Ltd., R & T Agents at their address given in Note Serial No. 19.

(b) Members Holding Shares in Dematerialised Form:

Members holding shares in dematerialised form are requested to advise immediately change in address and register their valid E-mail ID, if any, quoting their respective Client ID / DP ID Nos., to their respective Depository Participants only and not to M/s. Link Intime India Pvt. Ltd or to the Company.

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16. Bank Mandates:

(a) In terms of Regulation 12 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, SEBI has advised all the concerned to use electronic mode of payment facility approved by the Reserve Bank of India (RBI) for making payment viz. dividends, interest, redemption or repayment amounts to the investors. Provided that where it is not possible to use electronic mode of payment, payable-at-par warrants or cheques may be issued. In the cases of shareholder/s, where it is not possible to effect electronic payment, SEBI has advised to print bank details on the dividend warrant instruments issued to them. However, in case of Members, whose bank details are not available, the company shall mandatorily print the address of the investors on such payment instruments.

(b) In order to facilitate the Members who are holding the shares in Physical Form, our Corporation has hosted various Forms including e-payment mandate form, on its website www.hindustanpetroleum.com under the menu "Investors" & Sub-Menu "Investors Guide". Members can download the requisite form, fill it as per the direction given therein and forward the same to the R&T Agents at the address given below along with attachments. Form can also be obtained from our R&T Agents.

(c) Members who are holding shares in Electronic Form are requested to contact their respective Depository Participants (DP) only for updating their bank details. They are also advised to seek 'Client Master Advice (CMA)' from their respective DP to ensure that correct updation has been carried out in their record. It may be noted that the bank details data provided by the Depositories is solely used by the company to effect the payment of dividend. Hence, it is utmost necessary for Members to ensure that the correct Bank details are updated with DPs.

17. Investors Education and Protection Fund:

Members are hereby informed that Dividends which remain unclaimed / unencashed over a period of seven years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 125 of the Companies Act, 2013.

We give below the details of Dividends paid by the Company and their respective due dates of transfer to the Fund of the Central Government if they remain unencashed.

Date of Declaration of Dividend	Dividend for the Financial Year	Proposed Month and Year of Transfer to the Fund
16.09.2010	2009-10 (Final)	Oct. 2017
22.09.2011	2010-11 (Final)	Oct. 2018
18.09.2012	2011-12 (Final)	Oct. 2019
05.09.2013	2012-13 (Final)	Oct. 2020
05.09.2014	2013-14 (Final)	Oct. 2021
10.09.2015	2014-15 (Final)	Oct. 2022
01.02.2016	2015-16 (1st Interim)	Mar. 2023
11.03.2016	2015-16 (2nd Interim)	Apr. 2023
08.09.2016	2015-16 (final)	Oct. 2023
13.02.2017	2016-17 (1st Interim)	Mar. 2024
23.03.2017	2016-17 (2nd Interim)	Apr. 2024

It may please be noted that under the provisions of Sec. 125 (4) of the Companies Act, 2013, any person claiming to be entitled to the amount referred to sub-section 2 of Sec. 125 of the Companies Act, 2013 may apply to authority constituted under sub-section 5 for the payment of dividends claimed.

In compliance of Sec. 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, Corporation has issued Individual as well as Public Notice to the Shareholders with a request to claim their unclaimed dividends if any, from Financial Year 2008-2009 onwards and thereby ensure non-transfer of such shares to the IEPF authority in cases where dividends remain unclaimed for seven consecutive years.

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Shareholders who have not claimed their dividends paid for seven consecutive years since 2008-09 are therefore once again requested to claim such dividend from Company/R&T agents.

18. Unclaimed Dividends:

In view of the above mentioned regulation, the Members who are yet to encash the earlier dividend(s) are advised to send requests for duplicate dividend warrants in case they have not received/ not encashed the Dividend Warrants for any of the above mentioned financial years and/ or send for revalidation the unencashed Dividend Warrants still held by them to the Registrars and Transfer Agents of the Company.

19. Registrar and Transfer Agents:

The address of Registrars and Transfer Agents of the Company is as follows:

M/s. LINK INTIME INDIA PVT. LTD.

Unit: HINDUSTAN PETROLEUM CORPORATION LTD.

C101, 247 Park, Lal Bahadur Shastri Marg,

Vikhroli West,

Mumbai – 400 083

Contact No.: (022) 49186000 Fax No.: (022) 49186060

E-mail : rnt.helpdesk@linkintime.co.in

Bonds.helpdesk@linkintime.co.in

20. Route Map showing Directions to reach to the venue of the Meeting is given at the end of this Notice.

21. Appointment / Re-appointment of Directors

At the ensuing Annual General Meeting, Shri Sandeep Poundrik & Shri J. Ramaswamy retire by rotation and being eligible, offer themselves for re-appointment

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STATEMENT IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013

Statement with respect to items under Special Business covered in the Notice of Meeting are given below:

5. Appointment of Shri S. Jeyakrishnan as Director of the Corporation.

Shri S. Jeyakrishnan was appointed by the Board as an Additional Director and as Whole Time Director with effect from 01.11.2016 consequent to his appointment as Director Marketing of the Corporation by the Government of India, in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 112 of Articles of Association of the Company. As per the provisions contained under Section 161 of the Companies Act, 2013, the Additional Director so appointed shall hold office upto the date of the next Annual General Meeting or upto the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Shri S. Jeyakrishnan, as an Additional Director, holds office upto the date of this Annual General Meeting.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as the case may be, along with deposit of Rupees One Lakh. The deposit shall be refunded to the person, if the person whose name is so proposed gets elected as a Director or gets more than twenty-five percent of total valid votes cast on such resolution.

Accordingly, Corporation has received a notice from a member along with requisite Deposit proposing candidature of Shri S. Jeyakrishnan, for the office of Director in terms of Section 160 of the Companies Act, 2013.

Shri S. Jeyakrishnan, prior to his appointment as Director Marketing, was an Executive Director (Retail) of the Corporation. He is also on the Board of HPCL's Joint Venture Company M/s. Hindustan Colas India Pvt. Ltd. He holds 1,125 shares of HPCL.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out at item no. 5 for approval by the Members.

6. Appointment of Shri Vinod S. Shenoy as Director of the Corporation.

Shri Vinod S. Shenoy was appointed by the Board as an Additional Director and as Whole Time Director with effect from 01.11.2016 consequent to his appointment as Director Refineries of the Corporation by the Government of India, in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 112 of Articles of Association of the Company. As per the provisions contained under Section 161 of the Companies Act, 2013, the Additional Director so appointed shall hold office upto the date of the next Annual General Meeting or upto the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Shri Vinod S. Shenoy, as an Additional Director, holds office upto the date of this Annual General Meeting.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as the case may be, along with deposit of Rupees One Lakh. The deposit shall be refunded to the person, if the person whose name is so proposed gets elected as a Director or gets more than twenty-five percent of total valid votes cast on such resolution.

Accordingly, Corporation has received a notice from a member along with requisite Deposit proposing candidature of Shri Vinod S. Shenoy, for the office of Director in terms of Section 160 of the Companies Act, 2013.

Shri Vinod S. Shenoy, prior to his appointment as Director Refineries, was General Manager – Projects, Visakh Refinery, of the Corporation. He does not hold any share of HPCL.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 6 of the Notice.

The Board recommends the Ordinary Resolution as set out at item no. 6 for approval by the Members.

7. Appointment of Smt. Asifa Khan as an Independent Director of the Corporation.

Smt. Asifa Khan was appointed by the Board as an Additional Director/Independent Director with effect from 13.02.2017 consequent to her appointment as an Independent Director by the Government of India, in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 112 of Articles of Association of the Company. As per the provisions contained under Section 161 of the Companies Act, 2013, the Additional Director so appointed shall hold office upto the date of the next Annual General Meeting or upto the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Smt. Asifa Khan, as an Additional Director holds the office upto the date of this Annual General Meeting.

In terms of provision contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if she or some member intending to propose her as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying her candidature as a Director, or the intention of such member to propose her as a candidate for that office, or as the case may be, along with deposit of Rupees One Lakh. The deposit shall be refunded to the person, if the person whose name is so proposed gets elected as a Director or gets more than twenty-five percent of total valid votes cast on such resolution.

Accordingly, Corporation has received a notice from a member along with requisite deposit proposing candidature of Smt. Asifa Khan, as an Independent Director in terms of Section 160 of the Companies Act, 2013. Smt. Asifa Khan has also given a declaration to the company that she meets criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. She does not hold any shares of HPCL.

A graduate in English Literature, Smt. Asifa Khan has a vast experience in Print & Electronic media journalism, representation and analysis. She holds deep interest in social welfare and upliftment of the weaker sections of the society.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

None of the Other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 7 of the Notice.

The Board recommends the Ordinary Resolution as set out at item no. 7 for approval by the Members.

8. Appointment of Shri G.V. Krishna as an Independent Director of the Corporation.

Shri G.V. Krishna was appointed by the Board as an Additional Director/ Independent Director with effect from 13.02.2017 consequent to his appointment as an Independent Director by the Government of India, in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 112 of Articles of Association of the Company. As per the provisions contained under Section 161 of the Companies Act, 2013, the Additional Director so appointed shall hold office upto the date of the next Annual General Meeting or upto the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Shri G.V. Krishna, as an Additional Director holds the office upto the date of this Annual General Meeting.

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In terms of provision contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, or as the case may be, along with deposit of Rupees One Lakh. The deposit shall be refunded to the person, if the person whose name is so proposed gets elected as a Director or gets more than twenty-five percent of total valid votes cast on such resolution.

Accordingly, Corporation has received a notice from a member along with requisite deposit proposing candidature of Shri G.V. Krishna, as an Independent Director in terms of Section 160 of the Companies Act, 2013. Shri G.V. Krishna has also given a declaration to the company that he meets criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and the relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He does not hold any shares of HPCL.

Shri G.V. Krishna, Practising Chartered Accountant, is advisor to major Industrial Groups in Karnataka as a Strategic and Business Advisor and also Counsels other Chartered Accountants in technical areas of practice, including in Banking, Tax and Regulatory matters. Exposed extensively to the Rural and Co-operative Sector, he was also an Independent Director on the Karnataka Apex Cooperative Bank.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

None of the Other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 8 of the Notice.

The Board recommends the Ordinary Resolution as set out at item no. 8 for approval by the Members

9. Appointment of Dr. Trilok Nath Singh as an Independent Director of the Corporation.

Dr. Trilok Nath Singh was appointed by the Board as an Additional Director/ Independent Director with effect from 20.03.2017 consequent to his appointment as an Independent Director by the Government of India, in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 112 of Articles of Association of the Company. As per the provisions contained under Section 161 of the Companies Act, 2013, the Additional Director so appointed shall hold office upto the date of the next Annual General Meeting or upto the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Dr. Trilok Nath Singh, as an Additional Director holds the office upto the date of this Annual General Meeting.

In terms of provision contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, or as the case may be, along with deposit of Rupees One Lakh. The deposit shall be refunded to the person, if the person whose name is so proposed gets elected as a Director or gets more than twenty-five percent of total valid votes cast on such resolution.

Accordingly, Corporation has received a notice from a member along with requisite deposit proposing candidature of Dr. Trilok Nath Singh, as an Independent Director in terms of Section 160 of the Companies Act, 2013. Dr. Trilok Nath Singh has also given a declaration to the company that he meets criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and the relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He does not hold any shares of HPCL.

Dr. T. N. Singh is Institute Geoscience Chair Professor in IIT, Bombay. He has made innovative and substantial contribution in several fields of Geosciences. He is well known in the area of Engineering Geology, Rock mechanics, Establishment of Rock Indices, Triaxial and Post Failure Behaviour of Rocks, Dynamic and Static Properties of Rocks, CO2 Sinking, Natural Hazard and Climate Change etc.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

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

The Board recommends the Ordinary Resolution as set out at item no. 9 for approval by the Members.

10. Payment of Remuneration to Cost Auditors for Financial Year 2017-2018

The Board, on the recommendations of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the Cost Records of the Company for the financial year ending March 31, 2018 as per the following details: -

Sr. No.	Name of the Unit	Name & Address of the Cost Auditor	Audit Fees (In ₹)
1.	Mumbai Refinery & Visakh Refinery and Corporate Consolidation	M/s. A B K & Associates, Jamuna Niwas, 1st Floor, 32-A, Jai Bharat Society, 3rd Road, Khar (W) Mumbai – 400 052.	1,60,000
2.	All Marketing manufacturing Locations and Corporate Consolidation	M/s. Dhananjay V. Joshi & Associates, 4, Shrikrushna Bhavan, 1st Floor, Prashant Nagar, Behind Naupada Police Station, Naupada, Thane (W) – 400 064.	1,35,000
		Total	**2,95,000**

* plus reimbursement of out of pocket expenses at actuals and applicable GST.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors needs to be ratified by the Members of the Company.

Accordingly, approval of the members is requested for passing an Ordinary Resolution as set out at item no. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors to conduct audit of the Cost Records of the Company for the Financial Year ending March 31, 2018.

Relevant documents referred in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 10 of the Notice.

The Board recommends the Ordinary Resolution as set out at item no. 10 for approval by the Members.

11. Approval for Material Related Party Transactions:

M/s. HPCL Mittal Energy Limited (HMEL), a Joint Venture Company, is a Related Party as defined under Section 2 (76) of the Companies Act, 2013 and under Regulations 2 (1) (zb) of the SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015. The Corporation has already entered/ propose to enter into certain business transactions with M/s. HPCL Mittal Energy Limited during Financial Years 2017-2018 & 2018-2019. These transactions are estimated at ₹ 45,447.97 Crores for Financial Year 2017-2018 and ₹ 48,777.40 Crore for Financial Year 2018-2019 and which are likely to exceed 10% of the Annual Consolidated Turnover of the Company as per the Last Audited Financial Statements of the Corporation for Financial Year 2016-2017 and estimated Annual Consolidated Turnover of the Corporation for the Financial Year 2017-2018.

The nature of transactions is purchase / sale of Petroleum products, employee deputation, Infrastructure charges etc. from / by HMEL.

All transactions entered/to be entered into by the Corporation with M/s. HPCL Mittal Energy Limited are in the ordinary course of business and are at arm's length basis.

The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, contains provisions relating to Related Party Transactions under Regulations 23. The Regulations 23 inter-alia, also defines the term "Material Related Party Transaction". It provides that all related party transactions shall be considered as "Material" if the transaction entered with or transactions to be entered individually or taken together with a Related Party along with previous transactions during a Financial Year exceed

Notice of Annual General Meeting

10% of the Annual Consolidated Turnover of the company as per the Last Audited Financial Statement of the Company and estimated annual consolidated turnover of the Company. The said transactions can be entered into with the approval of the Audit Committee/Board and also of the Members by passing an Ordinary Resolution.

Members may please note that based on the criteria as mentioned above in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, transactions proposed to be entered into by the Corporation with M/s. HPCL Mittal Energy Limited for F.Y. 2017-2018 & 2018-2019 are "Material" and therefore requires approval of the Company by Ordinary Resolution. The Audit Committee/Board of the Corporation has approved entering into the said Material Related Party transactions.

Relevant documents in respect of the said items are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution as set out at No. 11 of the Notice.

The Board recommends the Ordinary Resolution as set out at item No. 11 for the approval of the Members.

12. Approval for issue of Non-Convertible Bonds/Debentures

As per provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Members of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for "non-convertible debentures", it shall be sufficient for the Company to pass a previous Special Resolution only once a year for all the offers or invitations for such debentures during the year.

Hindustan Petroleum Corporation Limited has been raising money by issue of Non-Convertible Bonds / Debenture from time to time to meet its long term borrowing requirements. In order to augment long term resources for financing, the ongoing capital expenditure and also for general corporate purpose, Non-Convertible Bonds / Debentures issued in domestic as well as overseas market would constitute a significant source of long term borrowings for the Company.

In view of the above and to meet the requirements of Section 42 of the Companies Act, 2013 read with applicable Rules, approval of the Members of the Company by way of Special Resolution is sought for Private Placement of Unsecured/ Secured Redeemable Non-Convertible Bonds / Debentures ("Bonds") up to ₹ 6,000 Crore (from domestic as well as overseas market) in aggregate during the period of one year from the date of passing the Special Resolution by the Members, within the overall borrowing limits of the Company, as approved by the Members from time to time.

Further, the Board of Directors of the Company (the "Board") / Committee of the Board or other authority as may be approved by the Board, shall be authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of Bonds, including but not limited to number of issues / tranches, face value, issue price, issue size, timing, amount, tenor, method of issuance, security, coupon / interest rate(s), yield, listing, allotment and other terms and conditions of issue of Bonds as they may, in their absolute discretion, as may be deemed necessary including utilization of the issue proceeds, appointment & finalistion of various agencies associated with the issue.

The Board in its Meeting held on 18th July, 2017 approved the above proposal for putting up to shareholders. The Board accordingly recommends the passing of the proposed Special Resolution by Members of the Company as contained in the Notice.

Relevant documents in respect of the said items are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

None of the Directors or Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in passing of the said resolutions as set out at No. 12 of the Notice.

The Board recommends the Special Resolution as set out at item No. 12 for the approval of the Members.

By the order of the Board,

Date : August 16, 2017

Regd. Office: 17, Jamshedji Tata Road
Churchgate,
Mumbai - 400 020

Shrikant M. Bhosekar
Company Secretary

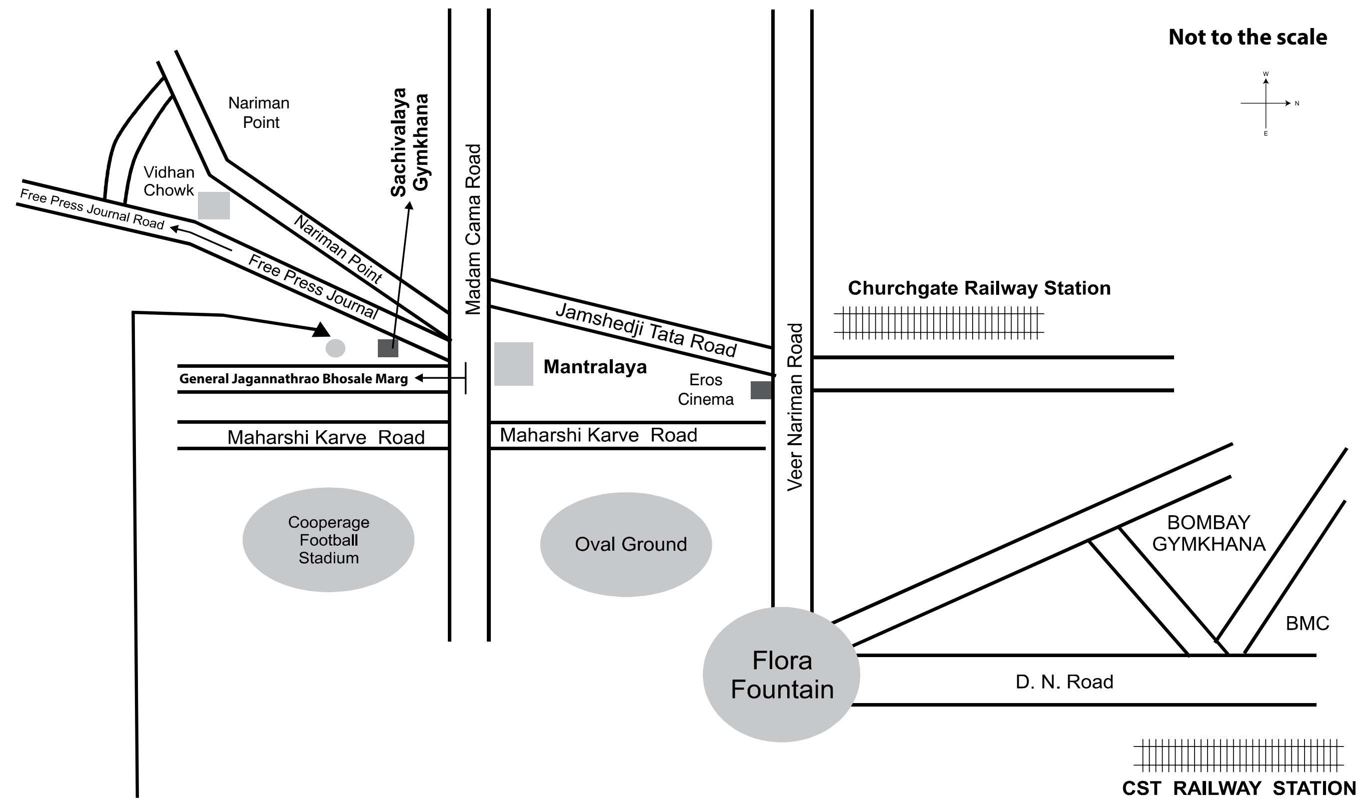
Notice of Annual General Meeting

ANNEXURE TO ITEMS 3,4,5,6,7,8 AND 9 OF THE NOTICE

Details of Directors seeking appointment / reappointment at the 65th Annual General Meeting in pursuance of Section 160 of the Companies Act, 2013 & Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Name of the Director	Shri Sandeep Poundrik	Shri J. Ramaswamy	Shri S. Jeyakrishnan	Shri Vinod S. Shenoy	Smt. Asifa Khan	Shri G.V. Krishna	Dr. Trilok Nath Singh
Date of Birth	03.10.1968	17.02.1959	13.06.1959	09.09.1962	08.07.1965	25.05.1963	09.08.1962
Nationality	Indian	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment on the Board	16.10.2014	01.10.2015	01.11.2016	01.11.2016	13.02.2017	13.02.2017	20.03.2017
Qualification	B.E. (Electrical) IAS	FCA	B.A.	B.E. (Chemical)	M.A. (English Literature)	FCA	Ph.D. (IIT, BHU)
List of Directorship in other companies as on 31.07.2017	1. Engineers India Limited	1. CREDA HPCL Bio Fuel Limited. 2. HPCL Mittal Energy Limited 3. HPCL Rajasthan Refinery Limited 4. HPCL Biofuels Limited. 5. HPCL Mittal Pipelines Limited 6. Prize Petroleum Co.Limited 7. SA LPG Co.Pvt.Ltd. 8. Hindustan Colas Pvt. Limited 9. HPCL Shapoorji Energy Pvt. Ltd.	1. Hindustan Colas Private Limited	1. Mangalore Refinery & Petrochemicals Limited. 2. HPCL Rajasthan Refinery Limited 3. HPCL Mittal Energy Limited 4. Prize Petroleum Company Limited	NIL	1. Jnana Bharathi Prakashana Limited 2. Pushti Refineriers Pvt. Limited 3. Harihara Estates Mysore Pvt. Limited 4. Harihara Developers & Constructions Pvt. Ltd.	NIL

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING ON FRIDAY, SEPTEMBER 15, 2017 AT 11.00 A.M.



Y. B. Chavan Auditorium,
Yashwantrao Chavan Pratishthan,
General Jagannathrao Bhosale Marg,
Mumbai – 400 021

Performance Profile

FINANCIAL	2016-17	2016-17	2015-16	2014-15	2013-14	2012-13
	US $ Million	₹ / Crores	₹ / Crores			
Sales / Income from Operations	32,917.89	213,488.95	197,437.53	217,061.11	232,275.82	215,666.45
Gross Profit	1,864.43	12,091.77	9,083.45	6,831.86	6,140.31	4,821.78
Depreciation	390.92	2,535.28	2,653.21	1,971.15	2,188.44	1,934.42
Interest Expenses	82.59	535.65	653.60	706.59	1,336.36	1,412.80
Tax including Deferred Tax	433.59	2,812.04	2,050.48	1,420.86	881.74	569.85
Net Profit	957.34	6,208.80	3,726.16	2,733.26	1,733.77	904.71
Dividend	536.23	3,477.70	1,456.10	829.64	524.87	287.83
Tax on distributed profits	109.16	707.98	296.43	168.89	89.20	48.92
Retained earnings	311.95	2,023.12	1,973.63	1,734.73	1,119.70	567.96
INTERNAL RESOURCES GENERATED	**853.39**	**5,534.65**	**5,421.69**	**3,901.05**	**3,618.22**	**3,015.45**
VALUE ADDED	**3,411.85**	**22,127.55**	**19,311.59**	**14,830.76**	**15,548.31**	**13,158.78**
WHAT CORPORATION OWNS						
Gross PPE & Intangible Assets	6,347.19	41,164.67	35,735.31	48,174.91	42,466.76	37,006.21
Less: Depreciation	776.01	5,032.79	2,627.73	19,112.10	16,554.52	14,457.51
Net PPE & Intangible Assets	5,571.18	36,131.88	33,107.58	29,062.81	25,912.24	22,548.70
Capital work-in-progress (including Capital Advances)	313.12	2,030.72	1,875.80	3,634.04	4,755.86	5,199.22
Investments (including current investments)						
JVCs & Subsidiary	779.01	5,052.27	5,018.56	5,300.73	5,169.04	4,199.27
Others	904.53	5,866.32	5,559.99	5,945.76	5,690.83	6,427.66
Net current/non current assets	(244.94)	(1,588.49)	(1,505.31)	(3,482.31)	9,558.67	12,738.92
Total	**7,322.90**	**47,492.70**	**44,056.62**	**40,461.03**	**51,086.64**	**51,113.77**
WHAT CORPORATION OWES						
Net Worth						
Share capital	158.81	1,016.97	339.71	339.71	339.71	339.71
Share forfeiture	(0.11)	(0.70)	(0.70)	(0.70)	(0.70)	(0.70)
Reserves (including OCI)	2,980.67	19,331.14	17,630.79	15,683.08	14,673.15	13,387.39
Total	**3,137.37**	**20,347.41**	**17,969.80**	**16,022.09**	**15,012.16**	**13,726.40**
Borrowings	3,276.49	21,249.70	21,167.47	20,335.34	32,166.05	33,789.02
Deferred tax liability	909.04	5,895.59	4,919.35	4,103.60	3,908.43	3,598.35
Total	**7,322.90**	**47,492.70**	**44,056.62**	**40,461.03**	**51,086.64**	**51,113.77**
PHYSICAL (MMT)						
CRUDE THRUPUT		17.81	17.23	16.18	15.51	15.78
- Mumbai Refinery		8.51	8.01	7.41	7.74	7.75
- Visakh Refinery		9.30	9.22	8.77	7.77	8.03
PIPELINE THRUPUT		17.91	17.61	14.91	15.69	14.04
MARKET SALES		35.23	34.19	31.95	30.96	30.32

Notes:

1. Previous year figures have been regrouped / reclassified wherever necessary.
2. 1 US$ = ₹ 64.855 (Exchange rate as on 31.03.2017).
3. The Figures for the year 2016-17 & 2015-16 are as per Financial statements prepared under Ind AS.
4. The Corporation has chosen the carrying value of PPE as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.
5. Market sales for FY 2016-17 & 2015-16 is as per Ind As.

Performance Profile

FINANCIAL	2016-17	2016-17	2015-16	2014-15	2013-14	2012-13
	US $ Million	₹ / Crores		₹ / Crores		
FUND FLOW STATEMENT						
Sources of Funds						
Profit after tax	957.34	6,208.80	3,726.16	2,733.26	1,733.77	904.71
Other Comprehensive Income	24.69	160.12	(191.16)			
Depreciation	390.92	2,535.28	2,653.21	1,971.15	2,188.44	1,934.42
Deposits from Dealers/LPG Consumers	246.56	1,599.06	1,143.92	1,081.37	1,029.19	763.44
Borrowings (net)	89.28	579.04	(620.51)	(11,282.31)	(1,986.53)	2,970.03
Redemption of Oil bonds	16.11	104.47	401.20	(249.92)	(0.00)	708.00
Amortisation of capital grant received from OIDB & amortisation of FCMITDA*	54.64	354.38	248.82	35.58	(9.63)	1.85
Provision for deferred tax	150.53	976.25	794.85	195.17	310.08	513.07
Adjustment on account of sale/deletion of assets, provision for diminution in investment & others	(26.10)	(169.64)	284.81	306.87	782.83	584.62
Total	**1,903.90**	**12,347.76**	**8,441.30**	**(5,208.83)**	**4,048.15**	**8,380.14**
Utilisation of Funds						
Dividend	536.23	3,477.70	1,456.10	829.64	524.87	287.83
Tax on distributed profits	109.16	707.98	296.43	168.89	89.20	48.92
Capital expenditures	887.65	5,756.86	5,361.30	4,806.29	5,154.62	5,090.31
Increase/(decrease) in net current / non-current assets	364.37	2,363.10	925.99	(11,107.37)	(2,276.04)	2,026.34
Investment in JVCs & Subsidiaries and Others (Including advance towards equity & share application money pending allotment)	6.49	42.12	401.49	93.73	555.49	926.74
Total	**1,903.90**	**12,347.76**	**8,441.30**	**(5,208.83)**	**4,048.15**	**8,380.14**
CONTRIBUTION TO EXCHEQUER						
Excise duty	4,039.44	26,197.76	19,324.84	10,820.00	8,569.03	8,386.47
Customs duty	126.84	822.62	525.71	242.49	193.03	340.29
Sales tax	5,250.27	34,050.62	28,762.41	27,126.63	25,663.63	21,874.41
Service tax	52.76	342.18	280.63	212.04	166.26	127.96
Income tax	449.12	2,912.75	1,246.54	788.83	356.96	87.95
Others	207.92	1,348.44	2,094.60	1,562.43	1,474.56	1,356.42
Total	**10,126.34**	**65,674.37**	**52,234.73**	**40,752.42**	**36,423.47**	**32,173.50**
RATIOS						
Gross profit/Sales (%)		5.66%	4.60%	3.15%	2.64%	2.24%
Net profit/Sales (%)		2.91%	1.89%	1.26%	0.75%	0.42%
Earnings per share (₹)		61.12	36.68	26.91	17.07	8.91
Cash earnings per share (₹)		92.26	70.05	50.57	39.77	32.29
Avg. sales/Employee (₹ / Crores)		20.36	18.57	19.87	19.92	17.23
Avg. net profit/Employee (₹ / Crores)		0.60	0.35	0.26	0.17	0.07
Debt equity ratio (long term debt to equity)		0.51 : 1	0.96 : 1	1.13 : 1	1.05 : 1	0.75 : 1
MANPOWER (NOs.)		**10,422**	**10,538**	**10,634**	**10,858**	**11,027**

* Foreign Currency Monetary Item Translation Difference Account (FCMITDA) as per Ind AS -21.

1. EPS for earlier periods have been recalculated in accordance with Ind AS 33.

2. The Figures for the year 2016-17 & 2015-16 are as per Financial statements prepared under Ind AS.

Performance Profile

FINANCIAL	2016-17	2016-17	2015-16	2014-15	2013-14	2012-13
	US $ Million	₹ / Crores	₹ / Crores			
HOW VALUE IS ADDED						
Income						
Sales / income from operations	32,917.89	213,488.95	197,437.53	217,061.11	232,275.82	215,666.45
Add: Increase/(decrease) in inventory	686.77	4,454.06	(90.86)	(3,749.44)	574.43	(809.46)
	33,604.66	**217,943.01**	**197,346.67**	**213,311.67**	**232,850.25**	**214,856.99**
Cost of Raw materials						
Raw material consumption	6,919.96	44,879.42	40,523.83	56,158.44	61,962.49	63,182.62
Purchases for resale	18,924.02	122,731.74	115,948.43	129,278.36	145,137.95	128,163.93
Packages	39.82	258.24	287.81	231.40	213.20	183.12
Stores & spares	45.67	296.22	223.72	244.20	167.81	156.39
Utilities	134.23	870.56	1,008.09	848.41	642.24	1,093.55
	26,063.71	**169,036.18**	**157,991.88**	**186,760.81**	**208,123.69**	**192,779.61**
Duties applicable to products						
Duties	4,129.10	26,779.28	20,043.20	11,720.10	9,178.25	8,918.60
Total value added	**3,411.85**	**22,127.55**	**19,311.59**	**14,830.76**	**15,548.31**	**13,158.78**
HOW VALUE IS DISTRIBUTED						
Operations						
Operating & service costs	1,093.16	7,089.70	7,906.82	5,584.25	7,377.70	5,811.44
Employees' benefits	454.26	2,946.08	2,321.32	2,414.66	2,030.30	2,525.56
Providers of capital						
Interest on borrowings	82.59	535.65	653.60	706.59	1,336.36	1,412.80
Dividend	645.39	4,185.68	1,752.53	998.53	614.07	336.75
Income tax/fringe benefit tax	433.59	2,812.04	2,050.48	1,420.86	881.74	569.85
Re-deployment in business						
Retained profit	311.95	2,023.12	1,973.63	1,734.73	1,119.70	567.96
Depreciation	390.92	2,535.28	2,653.21	1,971.15	2,188.44	1,934.42
Total value distributed	**3,411.85**	**22,127.55**	**19,311.59**	**14,830.76**	**15,548.31**	**13,158.78**

* The Figures for the year 2016-17 & 2015-16 are as per Financial statements prepared under Ind AS.

Performance Profile

'000 Tonnes

SALES VOLUME *	2016-17	2015-16#	2014-15	2013-14	2012-13
Light Distillates					
Liquified petroleum gas	5,682.76	5,108.70	4,707.00	4,251.56	4,073.41
Naphtha	595.75	735.25	1,014.04	712.63	674.59
Motor spirit	6,034.45	5,607.25	4,999.61	4,422.16	4,070.66
Hexane	20.98	18.93	15.52	18.22	19.47
Propylene	43.81	42.81	13.93	19.66	48.85
Sub-total	**12,377.75**	**11,512.94**	**10,750.10**	**9,424.22**	**8,886.98**
Middle Distillates					
Mineral turpentine oil	55.20	53.58	41.24	43.00	36.88
Aviation turbine fuel	691.44	609.68	505.53	445.29	567.30
Superior kerosene oil	1,003.82	1,250.04	1,294.87	1,308.00	1,375.30
High speed diesel	16,984.80	16,841.05	15,834.33	15,973.03	15,459.50
JBO/WO	6.22	3.97	3.79	2.07	0.96
Light diesel oil	197.25	182.41	161.19	179.17	175.87
Sub-total	**18,938.74**	**18,940.71**	**17,840.95**	**17,950.55**	**17,615.80**
Lubes & Greases	583.04	532.07	442.72	482.12	470.94
Heavy Ends					
Furnace oil	1,695.53	1,549.10	1,459.34	1,590.27	1,794.17
Low sulphur heavy stock	49.79	61.47	177.52	227.63	187.09
Bitumen	1,233.95	1,245.25	976.47	1,007.45	1,056.13
Others	348.27	346.45	304.20	282.63	306.92
Sub-total	**3,327.55**	**3,202.27**	**2,917.54**	**3,107.98**	**3,344.30**
Total	**35,227.07**	**34,187.99**	**31,951.30**	**30,964.87**	**30,318.03**

* Including Exports
# Sales volume for Financial year 2015-16 has been restated in line with Ind AS

MARKETING NETWORK (Nos.)	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Regional offices	119	106	100	100	101
Terminals/Installations/TOPs	42	37	36	35	34
Depots (including exclusive lube depots)	62	73	91	90	90
LPG bottling plants	47	46	45	46	45
ASFs	37	37	35	35	35
Retail outlets	14,412	13,802	13,233	12,869	12,173
SKO/LDO dealers	1,638	1,638	1,638	1,638	1,638
LPG distributors	4,532	4,278	3,952	3,506	3,194
LPG customers (in crores)	6.17	5.29	4.77	4.37	3.99

Performance Profile

'000 Tonnes

PRODUCTION VOLUME - MUMBAI REFINERY	2016-17	2015-16	2014-15	2013-14	2012-13
Light distillates					
Liquified petroleum gas	438.02	405.48	378.70	379.50	440.60
Naphtha	406.10	353.17	499.46	382.90	408.97
Motor spirit	1,497.50	1,376.60	1,296.91	1,328.60	1,357.59
Hexane	9.45	13.94	8.21	17.00	16.65
Solvent 1425	4.84	6.60	3.12	11.20	5.47
Sub-total	**2,355.91**	**2,155.79**	**2,186.41**	**2,119.20**	**2,229.28**
Middle distillates					
Mineral turpentine oil	39.98	41.80	37.68	41.90	36.19
Aviation turbine fuel	418.59	447.91	408.78	500.90	536.65
Superior kerosene oil	208.81	223.87	190.86	272.50	330.93
High speed diesel	3,082.57	2,708.12	2,504.49	2,234.40	2,201.83
Light diesel oil	81.96	94.62	69.55	84.10	84.10
Sub-total	**3,831.91**	**3,516.32**	**3,211.36**	**3,133.80**	**3,189.71**
LOBS/TOBS	**430.86**	**422.59**	**294.61**	**385.80**	**361.99**
Heavy ends					
Furnace oil	580.75	619.67	665.01	804.90	847.49
Low sulphur heavy stock			(10.60)	4.20	(1.39)
Bitumen	595.95	610.28	522.40	612.20	631.07
Others (including input of BH gas)	111.21	90.28	95.52	135.60	(33.51)
Sub-total	**1,287.92**	**1,320.23**	**1,272.33**	**1,556.90**	**1,443.66**
Total	**7,906.60**	**7,414.93**	**6,964.71**	**7,195.70**	**7,224.65**
Intermediate stock differential	6.66	(21.32)	(23.94)	29.60	(54.52)
Fuel & loss	613.69	627.80	556.19	534.20	584.66
Grand total	**8,526.94**	**8,021.41**	**7,496.95**	**7,759.50**	**7,754.78**

Performance Profile

'000 Tonnes

PRODUCTION VOLUME - VISAKH REFINERY	2016-17	2015-16	2014-15	2013-14	2012-13
Light Distillates					
Liquified petroleum gas	401.62	419.19	428.73	423.33	382.75
Naphtha	223.13	353.51	518.69	331.05	251.38
Motor spirit	1,788.66	1,655.40	1,545.43	1,347.62	1,258.69
Propylene	43.28	43.38	14.40	19.35	48.02
Sub-total	**2,456.68**	**2,471.48**	**2,507.25**	**2,121.35**	**1,940.84**
Middle Distillates					
Mineral turpentine oil	2.04	0.37	0.33		
Aviation turbine fuel	117.51	97.51	76.73	40.22	65.73
Superior kerosene oil	315.21	550.81	614.42	615.67	582.38
High speed diesel	3,876.65	3,759.91	3,616.88	3,007.00	3,116.26
JBO	7.45	4.38	2.79	2.13	0.75
Light diesel oil	106.82	95.52	88.85	101.63	84.76
Sub-total	**4,425.69**	**4,508.50**	**4,400.00**	**3,766.64**	**3,849.88**
Heavy Ends					
Furnace oil	1,083.66	955.11	722.82	825.77	1,025.60
Low sulphur heavy stock	21.70	(2.36)	197.32	162.22	183.29
Bitumen	619.80	587.47	384.35	340.06	394.65
Others	(20.79)	25.95	1.51	(39.16)	31.40
Sub-total	**1,704.37**	**1,566.18**	**1,306.00**	**1,288.90**	**1,634.94**
Total	**8,586.75**	**8,546.17**	**8,213.26**	**7,176.89**	**7,425.65**
Intermediate stock differential	37.30	(32.88)	(94.97)	7.78	(5.00)
Fuel & loss	679.83	705.93	652.15	587.74	607.81
Grand total	**9,303.87**	**9,219.21**	**8,770.43**	**7,772.41**	**8,028.47**

Directors' Report

DEAR MEMBERS

On behalf of the Board of Directors, it gives me immense pleasure in presenting to you the sixty-fifth Annual Report on the Performance of the Corporation, together with the Audited Financial Statements for the financial year ended March 31, 2017.

HIGHLIGHTS

(₹ / Crores)

	Consolidated		Standalone	
	2016-17	**2015-16**	**2016-17**	**2015-16**
FINANCIAL PERFORMANCE				
Sales/Income from Operation	2,13,904.15	1,97,655.81	2,13,488.95	1,97,437.53
Profit before Depreciation, Interest and Tax (PBDIT)	14,583.03	10,304.37	12,091.77	9,083.45
Depreciation & Amortization Expenses	(2,776.37)	(2,846.09)	(2,535.28)	(2,653.21)
Finance Cost	(609.24)	(723.18)	(535.65)	(653.60)
Profit before Tax (PBT)	**11,197.42**	**6,735.10**	**9,020.84**	**5,776.64**
Tax Expenses	(2,961.60)	(2,060.41)	(2,812.04)	(2,050.48)
Profit after Tax (PAT)	**8,235.82**	**4,674.69**	**6,208.80**	**3,726.16**
Balance brought forward from previous year	13,498.08	10,421.72	14,740.12	12,621.96
Amount available for Appropriation				
Appropriations/Others:				
Debenture Redemption Reserve (net)	-	148.17	-	148.17
Dividend	(3,477.70)	(1,456.10)	(3,477.70)	(1,456.10)
Tax on distributed profits	(707.98)	(296.43)	(707.98)	(296.43)
Other Comprehensive Income that will not be reclassified to profit or loss(Net of tax)	(16.78)	(3.62)	(15.49)	(3.64)
Other Appropriations	-	9.65	-	-
Balance carried forward	**17,531.44**	**13,498.08**	**16,747.75**	**14,740.12**
SHAREHOLDERS' VALUE (₹)				
Earnings per Share	81.07	46.02	61.12	36.68
Cash Earnings per Share	116.06	81.39	92.26	70.05
Book Value per Share	207.42	164.03	200.29	176.89

* The Financials for the year 2016-17 and 2015-16 have been prepared under Ind AS

PHYSICAL PERFORMANCE (MMT)	2016-17	2015-16
Market Sales (Including Exports)#	35.22	34.21
Crude Thruput:		
Mumbai Refinery	8.51	8.01
Visakh Refinery	9.30	9.22

Market sales (Including Exports) as per Ind AS is 35.23 MMT for FY 2016-17 and 34.19 MMT for FY 2015-16.

SALES/INCOME FROM OPERATIONS

Your Corporation has achieved Sales/Income from operations of ₹ 2,13,488.95 crores in 2016-17 as compared to ₹ 1,97,437.53 crores in 2015-16 on standalone basis.

PROFIT

Your Corporation has earned Gross Profit of ₹ 12,091.77 crores in 2016-17 as against ₹ 9,083.45 crores in 2015-16 and profit after tax of ₹ 6,208.80 crores in 2016-17 as compared to ₹ 3,726.16 crores in 2015-16 on standalone basis.

Directors' Report

DIVIDEND

The Board, in its meeting held on February 13, 2017 declared an interim dividend of ₹ 22.50 per share. Further, the Board in its meeting held on March 23, 2017 declared second Interim Dividend of ₹ 6.40 per share. The total interim dividend declared is ₹ 28.90 Per Share.

The Board of Directors, after taking into account the Financial Results of the Corporation during the year, have recommended dividend of ₹1.10 per share (2015-16 : ₹ 16 per share). The total dividend for the year 2016-17 works out to ₹ 30.00 per share as against ₹ 34.50 per share for the year 2015-16.

The amount of proposed dividend totaling to ₹ 111.75 crores, inclusive of ₹ 22.75 crores for Corporate Dividend Tax on distributed profits, shall be dispensed from the profit after tax for the year.

BONUS SHARES

Pursuant to the approval of the Shareholders in its meeting dt. Sept. 08, 2016, your company has issued bonus shares in the ratio of two equity shares of ₹ 10/- for one existing equity share of ₹ 10/- each in September, 2016.

Further, the Board of Directors in their meeting dated 26th May, 2017 have recommended the issue of Bonus shares in the ratio of one equity share of ₹ 10 /- for two existing equity shares of ₹ 10 each.

INTERNAL RESOURCES GENERATION

The Internal Resources generated during the year were ₹ 5,534.65 crores as compared to ₹ 5,421.69 crores in 2015-16 on standalone basis.

CONTRIBUTION TO EXCHEQUER

Your Corporation has contributed a sum of ₹ 65,674.37 crores to the exchequer during the year by way of duties and taxes, as compared to ₹ 52,234.73 crores in 2015-16 on standalone basis.

MEMORANDUM OF UNDERSTANDING (MOU) WITH GOVERNMENT OF INDIA

Your Corporation has been signing a Memorandum of Understanding (MOU) with the Ministry of Petroleum & Natural Gas. The performance of the Corporation for the year 2016-17 qualifies for "Excellent" rating basis self-evaluation.

REFINERY PERFORMANCE

FY 2016-17 was a stellar year for your refineries, which have recorded the best ever crude processing with a combined refining throughput of 17.81 MMT surpassing previous year's thruput of 17.23 MMT with a capacity utilization of 113 %. This improvement in performance could be achieved by sustaining the good endeavours viz. sustained equipment reliability, timely shutdown adherence and commendable operational discipline.

Higher crude processing translated into enhanced production of petroleum Products with your refineries recording best ever LPG (840 TMT), MS (3,286 TMT), HSD (6,962 TMT), LOBS (431 TMT) and Bitumen (1,216 TMT) production respectively.

In a continuous effort to upgrade the product quality and for compliance to BS IV specification Motor Spirit ("MS") and High Speed Diesel ("HSD"), necessary modifications in this aspect were completed. Thus, your refineries have successfully switched over complete production of MS and HSD to BS IV specification much in advance of April 2017, the timeline given by MoP&NG.

With Sustained commitment towards environmental protection, your Corporation has always been a frontrunner to implement initiatives for reduction of emissions, Mumbai refinery has successfully ensured mechanical completion of Tail Gas Treating Unit (TGTU) in the Sulphur recovery Train at DHDS, the technology which was offered by M/s Engineers India Limited (EIL). Visakh refinery has successfully commissioned Tail Gas Treating Unit (TGTU) in DHDS SRU III. With this, all the SRUs at Visakh refineries have TGTU facilities.

Continuing its focus towards a safe and secure work environment, both refineries have put in place a robust system to bring in safety awareness amongst personnel in their respective assignments on a regular basis. Both refineries have undertaken safety Management evaluation by external agencies. In this year, Mumbai refinery has achieved best ever safety record since its inception with 18.33 Million Safe Man Hours as of 31st March 2017 i.e. 2092 incident free days since 7/10/2011.

The planned capacity enhancement under Mumbai Refinery Expansion Plan (MREP) to 9.5 MMTPA and Visakh Refinery Modernization Plan (VRMP) to 15 MMTPA has obtained all the necessary statutory clearances during the year. Basic engineering for the package is completed and residual process engineering finalized. Projects team has been working relentlessly to manage space for the projects by site clearance activities through reorientation/removal of old assets. The project includes Bottoms Upgradation and BS VI fuel production in compliance to GOI guidelines for Implementation by 1st April 2020.

Your Corporation's R&D Centre at Bengaluru was dedicated to the nation by Hon'ble Minister of State – Independent charge, Ministry of Petroleum & Natural Gas. The facility has worked on number of technologies /products viz. H2 PSA Technology, HPFurnOKare, SprayMax FCC Feed Nozzle, HP-ENOCT, HP-DAK to name a few. During 2016-17, 13 Indian and 13 International Patents have been filed and two key technologies have been developed/ demonstrated on a commercial scale.

The particulars with respect to conservation of Energy, Technology Absorption, Foreign Exchange Earning & Outgo are detailed in **Annexure I.**

The particulars relating to control of Pollution and other initiatives by Refineries are listed in **Annexure II.**

Operating Performance of Refineries (Refinery-wise):

Parameter	Unit	Mumbai Refinery	Visakh Refinery
Crude Thruput	TMT	8,510	9,304
Capacity utilization	%	113	112
Distillate yield	%	77.7	74.0
Fuel & Loss	%	7.2	7.3
Specific Energy Consumption*	MBTU/BBL/ NRGF	87.9	78.9
Gross Refinery Margin	$/Bbl	6.95	5.51

* Specific Energy Consumption for the year is as per CHT New MBN method

MARKETING PERFORMANCE

The year 2016-17 saw your Corporation benefiting from the strategic plans implemented across different business verticals, which include several meticulously executed customer-centric initiatives at its Retail, LPG, Institutional, Government, Aviation, Lubes, Gas and Renewables marketing streams.

Your Corporation has reinforced its winning streak, by recording a best ever physical performance during 2016-17, by achieving a sales volume of 35.22 Million Tonnes (including exports), compared to sales of 34.21 Million Tonnes during the previous year 2015-16. In the Domestic sales segment, your Corporation recorded a growth of 2.5% over previous year volume. Amongst public sector oil companies, your Corporation has increased its market share by 0.16%, to reach a market share of 23.63% (excluding Petcoke/ LNG) as on 31st March, 2017.

In the mainstay Motor-Fuel segment, your Corporation has achieved a sales volume of 22.78 Million Tonnes and increased its market share in MS and HSD (combined) by 0.08%. Strategic expansion of its network saw the commissioning of 624 new retail outlets during 2016-17, which include 209 retail outlets positioned to cater to customers in rural areas. The network reach has further spread and deepened across markets, with the retail outlet strength rising to 14,412 by the year end.

Your Corporation has also significantly improved its market share in other key customer segments i.e., Diesel (Retail & Direct Consumers), LSHS, Bitumen, Lubricants, Aviation Fuel & LPG, which have contributed to its top line and bottom line.

Domestic LPG marketing is a vital part of your Corporation, and unremitting focus has been given to maintaining excellence in all customer service areas, across India. A significant addition to the customer base has made through the noble Pradhan Mantri Ujwala Yojana (PMUY), by which your Corporation has strived to reach the benefit of this user friendly fuel to persons at the bottom of the pyramid.

An enrolment of 87.07 Lakhs new LPG Gas (Domestic) customers has been completed during the year, which includes 53.85 Lakhs customers enrolled under PMUY during 2016-17. Your Corporation's domestic LPG customer base now stands at a robust 612 Lakhs, wherein the domestic fuel quantity supplied during the financial year 2016-17 stands at 4.89 Million Tonnes. Another path breaking initiative piloted by the government is the "#GiveItUp" campaign, by which more than 30 Lakhs consumers of domestic LPG have been motivated give up LPG Subsidy, which has helped in a significant way to promote the PMUY programme.

In the Aviation Business Line, your Corporation achieved a sales volume of 691 TMT and increased its market share by 0.34% amongst PSU companies, and is now supplying Jet Fuel to all the ten scheduled domestic airlines of the country.

Your Corporation has maintained its pole position in the significantly profitable Lubricants business segment in the Indian market, in which players from the MNC segment, private sector and public sector are very active. Your Corporation has created a new sales benchmark with an all-time high total Lubes sales of 607 TMT during the year, by which it has retained its No. 1 position for the fourth year in succession.

Your Corporation continued to focus on enhancing the efficiency and reliability in operations of the O&D assets, which has helped to register the highest ever throughput of 47 MMT through its POL installations. Simultaneously, your Corporation has also achieved an all-time high pipeline thruput of 17.9 MMT during the year, which commensurately aided in minimizing the product placement costs.

Your Corporation has always considered supply and distribution infrastructure to be the essential corner-stone which determines the success of its long term business development plans. Close monitoring of infrastructure development projects during the Financial Year 2016-17 has led to creation of facilities at important greenfield locations and significant enhancement of capacity and handling capabilities at existing brownfield supply locations across the country. Thrust on strengthening infrastructure saw the commissioning of a new LPG Bottling Plant at Bhopal in the State of Madhya Pradesh and commissioning of Mangalore Hasan Solur Mysore LPG Pipeline (MHSMLPG) in Karnataka State.

Your Corporation has played well its role as a conscientious corporate citizen in two other important government led initiatives i.e., Swachh Bharat Abhiyan (SBA) and thrust towards Digital Payments vis-à-vis cash based transactions.

In support of SBA, 89 Toilet blocks were constructed in villages and schools, for the benefit of people in the vicinity of our supply locations. Retail Outlets located on the country's Highway being an important touchpoint for the traveling public, exclusive toilet facility for Ladies at 330 Retail Outlets has been developed during the year, supplementing the existing Gents toilets at these locations.

At your Corporation, 99.8% of the payment receipts, from institutional customers, dealers and other business associates, is through digital i.e., electronic payment routes. The Retail Outlet and LPG Distributor networks of your Corporation played a vital role during the de-monetisation, as one of the points authorized by the government to accept high denomination notes, thereby creating substantial goodwill amongst the citizens served by them. Hand in hand with the above, your Corporation's Retail and LPG network also single-mindedly strived to motivate customers to adopt digital payments as a way of life e.g., Bank Debit Cards payment with 'nil' bank charges, Mobile wallet payment etc.

Many of the products handled being intrinsically vulnerable from fire safety standpoint, your Corporation has exercised the maximum care throughout the logistics chain. Constant vigilance in this regard has enabled your Corporation to practically eliminate serious incidents across the supply network, during the year.

Your Corporation vigilantly monitors the emerging trends in the market place, as well as the continuously evolving customer preferences. These are continuously analysed for developing and implementing strategic initiatives, repositioning of its products and services as per the evolving market needs along with a sustained effort to make the best use of technology to engage customers in innovative and impactful ways.

A detailed discussion of the performance of the Marketing function is given in the Management Discussion & Analysis.

TREASURY MANAGEMENT

During the year the company has repaid Long Term External commercial borrowings (ECB) of USD 1000 million (₹ 6,813 crores). Your Corporation effectively used a variety of borrowing instruments to optimize its cost of borrowings. The short term borrowing requirements was met through Collateralized Borrowing and Lending Obligations (CBLO), Commercial Papers (CP), MIBOR Linked Loan, USD Revolving Line of Credit (RLC) and Cash Credit facility from consortium banks. Effective Treasury management and timely hedging of LIBOR interest rate risk resulted in reduction in interest cost of the Corporation from ₹ 654 crores during FY 2015-16 to ₹ 536 crores during FY 2016-17.

Temporary surplus of funds were invested at best rates deriving substantial income on such investment. These funds were invested in term deposit with public sector banks, debt schemes of public sector mutual funds and Treasury Bills. The income from temporary surplus funds was increased from ₹ 51 crores in financial year 2015-16 to ₹ 126 crores in financial year 2016-17.

Your Corporation was able to retain long term issuer rating of "Baa3" with positive outlook from M/s. Moody's Investors Services and BBB- rating from Fitch Ratings with "stable" outlook. Both ratings are at par with sovereign rating.

INTERNAL FINANCIAL CONTROLS

Your Corporation has adequate Internal Financial Controls for ensuring the orderly and efficient conduct of its business, including adherence to the Corporation'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 information, which is commensurate with the operation of the Corporation. As part of this exercise, the design of internal controls, and its operating effectiveness, for the key business processes is tested by independent experts. Based on the review carried out, independent experts have confirmed that they are satisfied with the effectiveness and adequacy of Internal Controls over Financial Reporting. The entire activity of review and assessment of Internal Controls is carried out under the guidance of a Core Committee set-up for this purpose.

RISK MANAGEMENT POLICY

Your Corporation has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk conscious manner. These self-regulatory processes and procedures are contained in our Risk Management Charter and Policy, 2007. The Corporation has a structured and comprehensive Risk Management Framework, under which the risks are identified, assessed, monitored and reported, as a part of a normal business practice. Your Corporation has leveraged technology to seamlessly integrate and automate the entire process of risk monitoring and reporting which also facilitate company-wide process of managing the risks. Our risk management system is fully aligned with the corporate and operational objectives.

The Corporation has engaged the services of an independent expert to assist in continued implementation of effective Risk Management Framework. In that direction, Risk Management Steering Committee (RMSC) continues to provide its guidance. Your Corporation has put in place mechanism to inform Board Members about the risk management and minimisation procedures, and periodical review to ensure that executive management controls risks by means of a properly defined framework.

VIGILANCE

The vigilance function of your Corporation, in addition to its regular duties, has regularly interacted with other functions for promoting awareness amongst users about the proper method for achieving set objectives while complying with system and procedure guidelines and other rules of your Corporation.

During the year, based on the theme of Public Participation in promoting integrity and Eradicating Corruption, a campaign was launched for administering E-Integrity Pledge. More than 12,000 E-Integrity pledges were taken by employees and other stakeholders like vendors, dealers etc.

Interactions with employees including new recruits and other stakeholders were held. Also surprise inspections were carried out. Co-ordination with agencies like CBI, CVC, Vigilance wing of MOP&NG etc. was done apart from carrying out investigation of complaints received from offices of MOP&NG, CVC, CBI and other sources.

Review of operating areas for such as Terminal Automation system, activities of R&D centres, Outlet Diagnostic and Monitoring Tool etc. for system improvement was also carried out during the year.

INDUSTRIAL RELATIONS

As a result of proactive approach, Industrial Relations remained also harmonious across the Corporation. It is worth mentioning that not only there was no loss of productivity due to IR issues, the year also witnessed productivity increase across locations which amply demonstrates the maturity of our Unions and commitment of employees. Various Settlements were signed with the Unions in the areas of Productivity Enhancement, Redeployment etc. which is the outcome of Trust and the healthy IR climate in your Corporation.

The Corporation took proactive steps to ensure that all our contract workmen were covered under Pradhan Mantri Jan Dhan Yojana and Prime Minister Suraksha Bima Yojana. To promote Digital India and cashless economy, it was ensured that all Contract Labour deployed across your Corporation are paid their wages through National Electronic Fund Transfer ("NEFT"). Further, various programs across your Corporation were organized for Contract workmen so that they can use various modes of cashless payments.

At your Corporation, we believe that safety and wellbeing of all stake holders including Contract Workmen is of paramount importance. Under the ('Prerna') program launched by the Corporation to imbibe safe work culture and improve well-being of contract workmen, 109 'Prerna' Programs covering 5,153 Contract workmen were conducted during year 2016-17.

This year also your Corporation has been conferred with the prestigious "Global HR Excellence Award" for "Organization with Best Employee Relation Practices" at a ceremony held during the 25th edition of World HRD Congress on February 15, 2017 at Mumbai.

OFFICIAL LANGUAGE IMPLEMENTATION

Your Corporation gives significant importance towards implementation of Official Language. Keeping in mind the harmony, encouragement and motivation, necessary compliance of constitutional provisions pertaining to Official Language is ensured by using hindi as business language. By using Modern technology use of Hindi is ensured in the field of Information Technology.

Through MOP&NG OL Conference, All India Hindi Mahotsav, Official Language Conferences, competitions and Hindi workshops your Corporation creates awareness among its employees for progressive use of Hindi. Your Corporation has headed Mumbai (PSU) Town Official Language Implementation Committee since 1983 and has been awarded by Official Language Dept. GOI and has been appreciated by Secretary-OL, MHA, GOI. Thus, your Corporation also provides guidance to the other Public Sector Undertakings for OL Implementation.

Your Corporation has bagged 37 awards in Official Language Implementation, including Petroleum and Natural Gas OL Shield for last two consecutive years thus maintaining a lead position in the entire Oil Industry for which special appreciation has been received from the Ministry of Petroleum & Natural Gas.

CORPORATE SOCIAL RESPONSIBILITY

Your Corporation has taken a leap forward this year in direction of achieving its corporate vision by meeting its social commitment through taking steps beyond the mandates of various statutes and guidelines. Continuing with efforts to create a heathy, educated and empowered nation, your Corporation has spent its CSR Budget in the areas of Child Care, Education, Health Care, Sports, Skill Development, Environment and Community Development. Your Corporation believes in creating social capital for the community as well as business through its CSR efforts to accelerate social development.

Your corporation collaborated and undertook innovative CSR projects in the year 2016-17 that brought together collective efforts to positively impact the quality of life of those who are marginalized and less privileged. The focused efforts of your Corporation towards social development through creation of community infrastructure and social intervention has led to empowerment and socio-economic welfare of the host communities.

Your Corporation is constantly adding value to the sustainable solutions to societal problems and all the CSR activities of the Corporation has remained aligned with National Developmental Policies & Programs and has followed the standards of Global Developmental Practices. The projects and intervention models have been able to make sustained and long term impacts on the society. Your Corporation has adopted the strategy of 'Bridging the Gaps' by identifying gaps in the existing system and narrowing them rather than creating new parallel systems.

As a conscientious Corporate citizen, recognizing the need of Child Care, a model of inclusivity and equal opportunity was created by your Corporation under project ADAPT. Through therapies, special education and skill development, the project makes special children independent and also sensitizes the stakeholders at large to accept them as equal members of society.

Your Corporation's CSR Projects are in sync with Government's focus on education and girl child. Project 'Nanhi Kali' contributes to education of girl child and women empowerment through proper academic, material and social support. This results in reducing the school dropout and holistic development of girl child.

Project 'Akshayapatra' supplements the efforts of Government Mid-Day Meal Scheme resulting in reduction in mal-nutrition and improved school attendance.

Project 'Unnati' aims to support the Digital India initiative, by spreading computer literacy among the school children from under privileged communities in semi urban and rural areas.

Project 'Agastya' ignites the curious minds of the school children by fueling scientific temper at the young age. The mobile science labs provide the infrastructure and learning opportunities for the same.

As a part of focus on health care, amongst other projects our project 'Dil without Bill' offers free heart surgeries for patients belonging to economically weaker section. Beneficiaries are identified through medical camps in different parts of the country.

17 Mobile Medical Vans under Project 'Dhanwantari' provides free basic health care facilities in the 'last mile connect' to the remotest parts of the country and urban slums. This is achieved by providing facilities at the doorsteps of the community.

Long Distance Truck drivers are the most vulnerable in our supply chain. To address their sensitive issues of STIs and HIV/AIDS, Project Suraksha reaches out to them by offering free medical consultation, counselling and other outreach services through 'Khushi Clinics' at our retail outlets on Highways.

Your Corporation has been at the forefront of Skill India Mission and has been providing skill training to youth from under privileged areas. Project 'Swavalamban' trains school dropouts in various skill trades like automobile, hospitality, welding, driving, construction etc. enhancing their employability. The project also covers difficult geographical areas which includes naxal affected areas and conflict areas of J&K.

Your Corporation is establishing Indian Institute of Petroleum and Energy, Visakhapatnam and has also contributed to the Skill Development Institutes at Visakhapatnam and Kochi. These initiatives will result in promoting higher education and employability skills.

To address the needs of the host communities, number of development programs were implemented to reach out to the last mile of population. Programs like development of Rain shed bio-industrial areas, organic farming, farmers cooperatives and self-help groups etc. were executed through community participation.

Your Corporation has enthusiastically participated in 'Swachh Bharat Abhiyan' by engaging all its stakeholders including employees and citizens alike. Corporation focused on creation of infrastructure for sanitation and awareness among masses. Beneficiaries of CSR Projects also actively participated in the Abhiyan. Your Corporation also collaborated with Municipal Corporations and Panchayats in various states for achieving the objectives of Swachh Bharat Abhiyan.

Supporting the goals of Make in India and Stand Up India, we have a unique Entrepreneurship Development Project for aspiring youth from SC and ST Communities. This program trains entrepreneurs on all round aspects of a startup.

To energize the academic talent among meritorious students from SC, ST, OBC and PWD Communities, scholarships worth ₹ 6.03 Crores were distributed to 10,932 school and college students.

Your Corporation was the proud winner of the Platts Global Energy Award-2016 for Corporate Social Responsibility and gained recognition at the international level. The judges acknowledged the work of Your Corporation by saying that "nobody.. and we mean nobody does CSR better than your Corporation".

Your Corporation has endeavoured to ensure the maximum impact, from the well planned initiatives undertaken during the year, with the expenditure being commensurate with the mandatory average net profit of the company for last three financial years.

The details of CSR activities of your Corporation containing details of CSR Committee Members, brief outline of the CSR policy, overview of the CSR initiatives, web link of CSR Policy, projects and Programmes, prescribed expenditure, amount spent etc., forming part of Director's report are provided in **Annexure III**

CORPORATE GOVERNANCE

Your Corporation continues to adopt the best practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning. The corporate Governance Report highlighting these endeavours has been incorporated as a separate section, forming part of the Annual Report.

PROCUREMENT OF GOODS & SERVICES FROM MSES

In line with the Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012, for the year 2016-17, against the set target of 20 %, your Corporation has achieved 33.72% (₹ 2,519 Crores) procurement of goods and services from Micro & Small Enterprises (MSEs).

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Corporation's emphasis is to provide a Safe Workplace for its employees. During the year ending 31.03.2017, neither any complaint of sexual harassment had been filed nor any complaint pending for enquiry. Further, your Corporation has conducted one workshop for the members of Internal Complaint Committee formed as per the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013 at Hyderabad.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed Management Discussion and Analysis Report forms part of this Annual Report.

FINANCIAL STATEMENTS OF SUBSIDIARIES

In terms of Proviso to Section 136 (1) of the Companies Act, 2013, the Company will place separate audited accounts in respect of each of its subsidiary on its website & also provide a copy of separate audited financial statement in respect of each of its subsidiary, to any shareholder of the company who asks for it. The Financial Statements of the subsidiary companies will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary companies.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 a separate statement containing salient features of the Financial Statement of Subsidiary/Associate/Joint Venture Companies in Form AOC-1 is attached along with Financial Statements.

COST AUDIT

The Cost Audit for the financial year 2015-16 was carried out and the Cost Audit Reports were filed with the Ministry of Corporate Affairs before the stipulated date of filing.

Directors' Report

DIRECTORS

Your Corporation's Board presently comprises of 11 Directors. The Whole Time Directors are Shri Mukesh Kumar Surana (Chairman & Managing Director), Shri Pushp Kumar Joshi (Director – Human Resources), Shri J. Ramaswamy (Director- Finance), Shri S. Jeyakrishnan (Director – Marketing) and Shri Vinod S. Shenoy (Director – Refineries).

Shri J Ramaswamy is also the Chief Financial Officer (CFO) of the Corporation in terms of requirement of Section 203 of the Companies Act, 2013.

The Government Directors are Ms. Urvashi Sadhwani and Shri Sandeep Poundrik. The Part Time Non Official Directors (Independent) are Shri Ram Niwas Jain, Smt. Asifa Khan, Shri G.V. Krishna and Dr. Trilok Nath Singh.

As per the provisions of Section 152 of the Companies Act, Shri Sandeep Poundrik and J. Ramaswamy retire by rotation at the next Annual General Meeting and being eligible offer themselves for re-appointment.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Appointment:

- Shri S. Jeyakrishnan, Director Marketing (Whole Time Director) & Shri Vinod S. Shenoy , Director Refineries (Whole Time Director) were appointed as Additional Directors on the Board of your Corporation, effective 01.11.2016.
- Smt.Asifa Khan and Shri G.V. Krishna were appointed as Non-Official Independent Directors on the Board of your Corporation, effective 13.02.2017.
- Dr. Trilok Nath Singh was appointed as Non-Official Independent Director on the Board of your Corporation effective 20.03.2017.

Cessationship:

- Shri B. K. Namdeo, Director Refineries (Whole Time Director) and Shri Y.K. Gawali, Director Marketing (Whole Time Director) have ceased to be Directors of the Corporation effective 31.10.2016 on attaining the age of superannuation.

  The Board places on record its sincere appreciation for the valuable services rendered by the above Directors during their tenure as Directors of the Corporation.

NUMBER OF MEETINGS OF THE BOARD

During the year 10 (Ten) Board meetings were convened and held. The details of the Board Meetings are given in Corporate Governance Report.

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

Your Corporation, being a Govt. Company, is exempted to furnish information under Section 197 of companies Act, 2013 vide Ministry of Corporate Affairs (MCA) Notification dated 05/06/2015.

There was a reference by C&AG with regard to the requirement of shift allowance being part of allowances within the ceiling of 50% of Basic pay. Corporation has represented on this matter to MOP&NG.

The details regarding the number of women employees vis-à-vis the total number of employees in each group is also given as herein below:

Group	Total No. of Employees	No. of Women Employees	% of Women Employees
A	5,858	610	10.41
B*	-	-	-
C	3,796	289	7.61
D	768	20	2.60
TOTAL	**10,422**	**919**	**8.82**

*Your Corporation, has no posts classified under group 'B' as the entry in non-management grades has been re-classified in group 'C' effective 1.1.1994.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Your Corporation, being a Government Company, the Performance Evaluation of the Company is carried by the Administrative Ministry i.e. Ministry of Petroleum and Natural Gas (MOP&NG) through the process of Memorandum of Understanding in each Financial Year. Further there is also performance evaluation of Functional Directors by MOP&NG. As per MCA Notification dated

Directors' Report

5th June, 2015, Compliance of Section 134 (3) (p) are exempted for Government Companies as Performance Evaluation of Directors are carried out by the MOP&NG as per its own evaluation methodology.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent directors have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Statement of declaration required under Section 149(6) have been obtained from the Independent Directors.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

Your Corporation being a Government Company, is exempted to furnish information under Section 134 (3) (e) of the Companies Act, 2013 vide MCA Notification dated 05.06.2015.

POLICY FOR REMUNERATION OF KEY MANAGERIAL PERSON AND OTHER EMPLOYEE

Your Corporation, being a Central Public Sector Enterprise, the remuneration payable to Key Managerial Persons and other employees are fixed by the Government of India. However, payment like Performance Related Pay is placed for the approval of Nomination and Remuneration Committee.

AUDIT COMMITTEE

The composition of Audit committee, as required under section 177(8) of the companies Act, 2013 is given as under:

Sl. No.	Name	Category
1.	Shri Ram Niwas Jain	Part-Time Non Official Director (Independent) -Chairman
2.	Shri G V Krishna	Part-Time Non Official Director (Independent) –Member
3.	Shri J. Ramaswamy	Whole Time Director, Member

During the year, there were no such cases observed where the Board had not accepted any recommendation of the Audit Committee.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed Shri Upendra Shukla, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure IV**. There is no qualification, reservation or adverse remark made by the Practising Company Secretary in his Secretarial Audit Report.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return is annexed as **Annexure V**.

RELATED PARTY TRANSACTIONS

The details of transactions entered into with the Related Parties during the year 2016-17 are enclosed as **Annexure VI**.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The details on the performance and financial position of Subsidiary, Associate and Joint Venture Companies are given in Management Discussion & Analysis Report Further, Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule (5) of the Companies (Accounts) Rules, 2014, the salient features of Financial Statement of Subsidiary and Joint Ventures in Form AOC-1 forms part of the Annual Report separately.

COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE

Godavari Gas Private Limited (GGPL) was incorporated on 27th September 2016 with your Corporation holding 26% equity stake and balance 74% being held by Andhra Pradesh Gas Distribution Corporation Limited (APGDC).

No company have ceased to be subsidiary, joint venture or associate of your Corporation during 2016-17.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the Financial Year 2016-17 there is no Order or Direction of any Court or Tribunal or Regulator which either affects your Corporation's status as a going concern or which substantially or significantly affects your Corporation's business operations:

Directors' Report

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Corporation, being a Government Company is subjected to the CVC Guidelines and the Corporation has a separate Vigilance Department administering the Vigilance matters.

Your Corporation has a Whistle Blower Policy approved by the Board and the same is placed on the website of the Corporation. Weblink of whistle blower policy is stated herein below:-

Weblink: **https://www.hindustanpetroleum.com/documents/pdf/Whistle_Blower_policy.pdf**

DETAILS OF DEPOSITS

	Particulars	Amount (₹/ crores)
i)	Deposits accepted during the year	NIL
ii)	Deposits remaining unpaid or unclaimed as at the end of the year	NIL
iii)	Default in repayment of deposit or payment of Interest thereon during the year.	NIL

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, it is hereby confirmed that:

i. In the preparation of the Annual Accounts, the applicable Accounting standards have been followed along with proper explanation relating to material departures.

ii. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and the profit and loss of the company for that period.

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

iv. The Directors have prepared the Annual Accounts on a going concern basis.

v. The Directors, have laid down Internal Financial Controls to be followed by the company and that such Internal Financial Controls are adequate and are operating effectively.

vi. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors gratefully acknowledge the valuable guidance and support extended by the Government of India, Ministry of Petroleum and Natural Gas, other Ministries, Petroleum Planning & Analysis Cell and the State Governments.

The Directors also acknowledge the contribution made by the large number of dealers and distributors spread all over the country towards improving the service to our valued customers as well as for the overall performance of the Corporation.

The employees of the Corporation have continued to display their total commitment towards the pursuit of excellence. Your Directors take this opportunity to place on record their appreciation for the valuable contribution made by the employees and look forward to their services with zeal and dedication in the years ahead to enable the Corporation to scale even greater heights.

Your Directors are thankful to the shareholders for their faith and continued support in the endeavors of the Corporation.

Date : 26th May, 2017

For and on behalf of the Board of Directors

Sd/-

MUKESH KUMAR SURANA

Chairman & Managing Director

Annexure to Directors' Report for the year 2016-17

Annexure-I

1. Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per The Companies (Accounts) Rules, 2014.

Energy Conservation & technology absorption

A) Conservation of energy

The major component of Refineries operating cost is energy cost and refineries accord highest priority to energy conservation. Accordingly, both Mumbai and Visakh refineries have taken proactive role in the area of energy conservation and achieved significant improvement by continuously improving operating practices and implementing energy conservation projects. The major energy conservation measures undertaken during 2016-17 are as follows:

The energy conservation measures undertaken by both the refineries during the year 2016-17 have resulted in a savings of 35,500 SRFT/year (standard refinery fuel tonnage per year).

The major energy conservation measures undertaken during 2016-17 are as follows:

Mumbai Refinery:

1. Revamp of SEU III to improve design efficiency in SEU III furnace using Split flow technology, resulted in reduction of fuel consumption.
2. Online chemical cleaning of FR-VPS/ FRE-VPS/LR VPS /SEU-II /PDA furnaces was carried out with HPGRDC chemical. Survey of excess air in furnaces and air leak survey of air header was carried out periodically and identified air leaks were rectified. Steam optimization was carried out in LR VPS furnace.
3. Feed CCR of NFCCU was increased which has resulted in increase in steam generation from waste heat thereby reducing load on conventional Boilers reaping the benefit of lower overall fuel consumption.
4. Refinery has also taken up ISO-50001 Energy Management Study (EnMS) implementation. Energy policy framed for the refinery with appointment of Management representative and Asst MR along with steering & core committee was formed for implementation of EnMS. Energy Performance indicators (EnPIs) for Mumbai Refinery were identified as well.
5. As a part of PAT cycle. Mandatory Energy Audit is being carried out by M/s PCRA. Data was collected for the various utilities and the process unit motors for the Mandatory Energy Audit. In addition, energy improvement study is being carried to identify areas for further reduction.

Impact of above measures on energy conservation and consequent impact on the cost of production of goods:

The above energy conservation measures undertaken during the year 2016-17 have resulted in a savings of ~ 21,800 SRFT/ year (standard refinery fuel tonnage per year).

Visakh Refinery:

1. New Flare Gas Recovery compressors were commissioned for recovery of flare gas from HC flare header and reuse as refinery fuel gas. This measure has resulted in better utilization of flare gases thereby reduction of emissions.
2. Online chemical cleaning of CDU furnaces was carried out periodically resulting in reduced stack temperatures and fuel savings.
3. Periodic cleaning of fouled preheat exchangers in CDUs was carried out for sustaining preheat temperature.
4. The lowest ever Specific Fuel Consumption of 0.336 in CPP was achieved upon maximization of GTG loads as per the characteristics of individual GTGs.
5. Steam generator (5 MT/hr) for CDU-III slop cut rundown stream was installed & commissioned.
6. Reduction in stripping steam consumption achieved after provision of state-of-the-art structured packing (MODGRID) in FCCU-I reactor stripper in the place of baffles.
7. Periodic steam leak survey was carried out and the identified leaks were arrested. A comprehensive steam trap management system is in place in the refinery.

8. As a part of PAT cycle. Mandatory Energy Audit is being carried out by M/s PCRA. Data was collected for the various utilities and the process unit motors for the Mandatory Energy Audit. In addition, energy improvement study is being carried to identify areas for further reduction

Impact of above measures on energy conservation and consequent impact on the cost of production of goods:

The above energy conservation measures undertaken during the year 2016-17 have resulted in a savings of ~ 13,700 SRFT/year (standard refinery fuel tonnage per year).

Both Mumbai and Visakh Refinery observed Oil & Gas Conservation Mass Awareness Campaign from Jan-16 to Feb15, 2017 to generate mass awareness amongst the public for conservation of petroleum products.

This year the title of the campaign was SAKHSHAM. Several activities were organized inside the Refinery and also to the general public in the city.

Capital investments on energy conservation equipment:

Capital investment on energy conservation equipment during financial year 2016-17 is ₹ 29.2 Crore for MR and ₹ 9.5 Crore for VR.

B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

i. Efforts made & benefits derived towards technology absorption, adaptation & innovation is given under

Mumbai Refinery:

1. New feed nozzles (Spray Max) in house design by HPCL R&D incorporated. Reduction in gas yield by 0.3 % was observed.
2. SEU-3 furnace revamp with split flow technology. Efficiency improvement from 77% to 85%.
3. New FGRC commissioned and the Fuel gas recovery is around 40 TPD.
4. Bermad valves installed & commissioned in TK-114/116/362/369. This will help in reducing oil loss during water draw off and bring down load on IETP

Visakh Refinery:

1. FCCU-I reactor stripper internal was replaced with high efficient structured packing (MODGRID).
2. FCCU-I reactor feed nozzles were replaced with HPCL R&D designed feed nozzles.
3. Medium & high Sulfur Heavy Naphtha from CDUs was processed in DHT-HGU PDS section since April 2016 and the PDS product routed to diesel pool upon implementing the in-house design modifications.
4. Debutanizer in DHT was installed & commissioned in March 2017 to facilitate processing Heavy Naphtha stream and blending thereafter in diesel pool thus maximizing BS-IV HSD production.
5. Second HDS (finishing) reactor in FCC-NHT was installed and commissioned in March 2017 to facilitate processing of high Sulphur feed and thus maximize BS-IV MS production.
6. Online crude blending facility commissioned in October 2016.
7. Liquid Sulphur loading facility in DHT-SRU successfully commissioned.

ii. **Imported Technology (Imported during last 3 years) is tabulated below.**

Technology Imported	Year of Import	Whether fully absorbed or not	If not absorbed, Reasons
Mumbai Refinery :			
Diesel Hydro Treater (DHT)	2014	Yes	
DHT SRUs	2014	Yes	
DHDS-Isotherming Technology	2015	Yes	
Flare Gas Recovery (FGR) Facility	2016	Yes	
Split pass flow technology	2016	Yes	
Visakh Refinery:			
Flue Gas Desulphurization units for FCCUs	2013	Yes	
BCA for FCCUs	2013	Yes	
Diesel Hydrotreating Unit, DHT - Hydrogen Generation	2015	Yes	
Unit & DHT – Sulphur Recovery Unit			
PRU Revamp Project	2013	Yes	
Flare Gas Recovery (FGR) Facility	2016	Yes	
FCCU I reactor stripper internal replacement with MODGRID packing	2017	Yes	
2nd HDS (finishing) reactor in FCC-NHT	2017	Yes	
Debutanizer in DHT	2017	Yes	

iii. **Expenditure incurred on Research & Development.**

(₹ / Crores)

Particulars	2016-17	2015-16
Capital	209.75	136.78
Revenue	66.79	43.54

C) FOREIGN EXCHANGE EARNING AND OUTGO:

a. **Activities relating to exports**

Various Initiatives have been taken to increase exports and for development of new Export markets for products and services. Efforts are on to access international Markets and to tap export potential for free trade products and lubricants.

b. **Total Foreign Exchange used and earned**

(₹ / Crores)

Particulars	2016-17	2015-16
Expenditure in Foreign Exchange	32,458.36	29,216.25
Earnings in Foreign Exchange	1,209.42	1,810.68

Annexure to Directors' Report for the year 2016-17

Annexure-II

Environmental Conservation measures:

Control of pollution & other environment initiatives undertaken by refineries during 2016-17

Mumbai Refinery :

A. Hazardous Waste Management

As per the Hazardous Waste Management Amendment Rules 2008, low oily sludge is to be treated by adopting bio-remediation using natural occurring bacteria for oil degradation thereby converting the low oily silt into a fertile soil. This is an ongoing process at Mumbai refinery for safe disposal of low oily silt/oily sediments after mechanical recovery of oil. For this, Your Corporation has entered into a partnership with TERI, New Delhi. In the year 2016-17 the total batch bio-remediated is around 2000 m3.

Crude Sludge processing, a Thermo-Mechanical process involving unit operations viz vacuuming out the sludge, heating, diluting, screening, shakers, homogenizing, decanting, centrifuging and finally transfer of recovered oil to the interceptor tanks and sludge cake for bioremediations. MR did crude sludge processing of TK-110 and TK-118 of about 4,400 m3 in the FY 2016-17.

Mumbai Refinery has disposed approx. 2,216 MT of spent catalyst during 2016-17 to "Common Hazardous Wastes Treatment Storage Disposal Facility" (CHWTSDF), operated by Mumbai Waste Management Limited (MWML) for secured Landfill / incineration. Besides this Your Corporation has also sold a consignment of 27.5 MT of spent metal catalyst and oily sludge to a recycler through MSTC e-auction.

B. Air Emission Control and Monitoring

All continuous ambient air monitoring stations have been upgraded by M/s Chemtrol Industries. Additional analyzers for monitoring of parameters namely Ozone, Benzene, Ammonia and H2S have been added along with new SOx and NOx analyzer. Data from these stations has been uploaded on Central Pollution Control Board (CPCB) website, New Delhi as well as MPCB website and is available in public domain.

All quality parameters of the ambient air were conforming to the National Ambient Air Quality Standards (NAAQS) during the year.

Apart from online monitoring, manual Monitoring of ambient air as per NAAQS is also being carried out by external MoEF approved laboratory. Other measures are as under:

- Flue Gas scrubbing unit and Purge Treatment unit control Sulphur Dioxide and Suspended particulate matter wherein more than 90% of these pollutants are reduced before letting the flue gas into the atmosphere.
- Fuel gas is treated in Fuel gas Desulphurization unit to bring down the Sulphur content before being fired in furnaces and boilers for reduction in SOx emissions. Tail Gas Treating Unit is installed in Sulphur Recovery units with 99.7% efficiency, for recovery of elemental Sulphur in continuous operation.
- Tail Gas Treating Unit is commissioned and operational in DHT Sulphur recovery units with >99.5% efficiency, for recovery of elemental Sulphur in continuous operation. Tail Gas Treating Unit is installed in DHDS SRU and commissioning is in progress.
- Low NOx burners are installed for NOx emissions reduction.
- Ultrasonic Mass flow meters are installed for continuous monitoring of flare.
- Natural gas is being used as fuel in fired equipment thereby substituting part of the liquid fuel as an emission control measure for sustainable operations.
- Flare Gas recovery system is installed and is in operation thereby reducing air emissions.

C. Effluent Water Treatment and Control

Mumbai refinery conforms to ISO 14001:2004 Environment Management Systems and has various Environmental system and procedures in place to control and mitigate significant environmental aspects and their impacts.

State of the art New Integrated Effluent Treatment Plant consisting of primary, secondary and tertiary treatment sections has been in operation consistently since 2010 with a design capacity of 300 m3/hr. The technology conforms to existing MINAS (environment standards) and can also cater to further stringent standards in the future. The purified treated water is being recycled for refinery consumption and has reduced intake of fresh water from the municipal corporation.

Natural Resource conservation by recycling 6,64,149 KL of treated water in the year 2016-2017. Cumulative water recycling since the inception of the "Effluent Treatment Plant" is 35,32,518 KL till Mar 31, 2017 thereby saving equivalent amount of Natural Water resource for community. Effluent Quality Monitoring System (EQMS) consisting of following parameters pH, O&G and Flow are installed at the final discharge. The EQMS data connectivity is established till CPCB/MPCB.

D. Other Initiatives

- ✓ **Rain Water Harvesting –** Rainwater Management has been in place since 2010-11. Mumbai Refinery has constructed necessary infrastructure and has harvested about 60000 KL, 74000 KL, 120000 KL, 169000 KL, 170000KL and 83900 KL of rainwater during 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17 respectively. Further augmentation of rain water management facility is in progress as a part of Natural Water Resource Conservation and sustainable development.
- ✓ **Ground Water Quality Monitoring –** Ground water aquifers are recharged during rainy season employing roof top rain water harvesting and being monitored for quality (IS 10500: 1991) regularly with a network of bore-wells spread across entire geographical area of the refinery.
- ✓ **Leak Detection and & Repair (LDAR) -** Leak detection & repair program is in place since 2010 for various equipment like block valves, Heat Exchangers, Compressors etc. to detect any fugitive emissions and corrective action with respect to arresting these leaks are being taken.
- ✓ Mumbai refinery has installed VOC containment system for "Effluent Treatment plant" operations for Fugitive Emission control.

Visakh Refinery

A. Hazardous Waste Management

All spent catalysts and discarded chemicals were disposed of to the authorized Central Pollution Control Board (CPCB) recyclers and disposed around 787 MT of various hazardous waste materials. Also processed highest ever oily sludge of ~ 14276 m3 during the year.

B. Air Emission Control and Monitoring

Completion of Compliance to ambient air quality and stack is 100%

Online connectivity to CPCB server was established in addition to the existing connectivity to APPCB server. Stack analyzers installed and commissioned for IBH boiler.

Commissioned TGTUs in DHDS - SRU - Train III. Now all SRUs have TGT facilities and the reduction in SO2 emissions from 1.5-2.0 Tons/day to 0.2-0.3 Tons/day for each train is achievable with this upgradation.

C. Effluent Water Treatment and Control

Overall compliance to the MINAS (environment standards) has enhanced. Installation of on-line effluent analyzers in ETPs completed in June 2016 and connectivity established to CPCB for ETP-IV analyzers in March, 2017.

D. Other Initiatives

- ✓ **ISO 14001 –** ISO-14001 recertification audit was successfully carried out and certificate obtained from M/s Bureau Veritas with a validation of 3 years.
- ✓ Front Level Safety Drive (FLSD) field audits carried out periodically..
- ✓ Safety Management evaluation carried out by M/s DuPont during September 2016
- ✓ **Leak Detection and & Repair (LDAR) :** Leak Detection and Repair (LDAR) program is in place for monitoring & controlling the hydrocarbon emission level.
- ✓ **World Environment Day (June 5) –** was celebrated and 2,00,000 saplings planted in the designated locations of Visakhapatnam as part of Green Visakh Program.

Achievements / Awards / Recognition:

- ➢ Mumbai Refinery was conferred with 'Energy conservation award - 2016' from MOP, GOI and 'Golden Peacock Award for sustainability' - 2016' from Institute of Directors
- ➢ Visakh Refinery bestowed with 'Oil & Gas Conservation Fortnight Award' for the year 2015 towards 'Best Performance in steam leaks over previous year' from MOP&NG..

Annexure III

REPORT ON CSR ACTIVITIES/ INITIATIVES
[Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the company's CSR policy, including overview of the projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs:-

   "Your Corporation believes in creation of shared values and interdependency of business and its stakeholders including community and environment. In line with this, the approved CSR policy of the corporation pens down the philosophy and defines the scope of CSR that provides structure and guidelines for identification, implementation and monitoring of CSR projects and activities. During the year 2016-17, corporation has implemented various CSR initiatives in the focus areas of Childcare, Education, Healthcare, Skill Development, Sports, Environment and Community Development, creating social capital, especially in the host communities of the business."

   Weblink to CSR Policy - http://www.hindustanpetroleum.com/csrpolicy

   Weblink to Projects and Programs - http://www.hindustanpetroleum.com/csrprojects

2. The composition of the CSR Committee as on 31st March, 2017:-
   i. Shri Ram Niwas Jain: Director (Chairman, CSR Committee)
   ii. Shri G. V Krishna: Director- (Member, CSR Committee)
   iii. Shri P.K. Joshi: Director- Human Resources (Member, CSR Committee)
   iv. Shri S. Jeyakrishnan: Director – Marketing (Member, CSR Committee)
   v. Shri V.K. Shenoy: Director – Refineries (Member, CSR Committee)

3. Average Net Profit of the company for last 3 financial years (2013-16) = ₹ 4,145.04 Crores

4. Prescribed CSR expenditure (2% of amount) = ₹ 82.90 Crores

5. Details of CSR activities/projects undertaken during the year:-
   a) Total amount to be spent for the financial year = ₹ 107.90 Crores
   b) Amount un-spent, if any = Nil
   c) Manner in which the amount spent during financial year, is detailed below:

Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken		Amount Outlay (Budget) project or programs wise (₹ in Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency *
1	Community Development and Environment	Empowerment of Socially and Economically Backward groups	Local Area		4.91	4.91	4.91	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Andhra Pradesh	Visakhapatnam, West Godavari				
			Assam	Kamrup				
			Bihar	Seohar, Begusarai				
			Chandigarh	Chandigarh				
			Delhi	Delhi				
			Gujarat	Ahmedabad, Gandhinagar				
			Haryana	Gurugram				
			Himachal Pradesh	Mandi				
			Jammu and Kashmir	Jammu				
			Karnataka	Bangalore, Dakshin Kannada				
			Kerala	Ernakulam, Trichur				
			Madhya Pradesh	Indore, Rajgarh				
			Maharashtra	Solapur, Mumbai, Aurangabad , Pune, Nagpur, Ratnagiri				
			Odisha	Sundergarh				
			Rajasthan	Jaipur				
			Tamil Nadu	Chennai				
			Telangana	Secunderabad				
			Uttar Pradesh	Balrampur, Allahabad, Lucknow, Barabanki, Chandauli, Bhadoi				

Annexure to Directors' Report for the year 2016-17

Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken		Amount Outlay (Budget) project or programs wise (₹ in Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency *
2	Skill Development for Marginalised	Imparting Employment Enhancing Vocation Skills	**Local Area**		11.48	11.48	11.48	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Andhra Pradesh	Visakhapatnam, Vijayawada				
			Chattisgarh	Jajpur				
			Gujarat	Vadodra				
			Haryana	Fatehabad, Gurugram				
			Himachal Pradesh	Sirmaur				
			Jammu and Kashmir	Jammu, Srinagar, Baramulla				
			Jharkhand	Dumka, Gumla, Simdega, West Singhbhum, Palamu, Jamshedpur, Ranchi Hazaribagh.				
			Karnataka	Belgaum				
			Kerala	Kochi				
			Madhya Pradesh	Chhindwara, Shivpuri, Indore				
			Maharashtra	Mumbai, Nagpur, Pune, Nashik				
			Delhi	Delhi				
			Odisha	Jagatsinghpur, Bhubaneshwar				
			Punjab	Bhatinda				
			Tamil Nadu	Thiruvallur				
			Telangana	Hyderabad				
			Uttar Pradesh	Amroha, Varanasi				
			West Bengal	Purulia, Cooch-Bihar				
3	School Infrastructure and Amenities	Promoting Education	**Local Area**		21.21	21.21	21.21	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Andhra Pradesh	Visakhapatnam, East Godavari, Krishna, Kurnool, Prakasam				
			Arunachal Pradesh	Lower Dibang Valley				
			Gujarat	Aravalli, Sabarkantha, Tapi, Bhavnagar				
			Haryana	Gurugram, Jhajjar				
			Karnataka	Tumkur, Dharwad, Hassan, Dakshin Kannada, Bangalore				
			Kerala	Ernakulam				
			Maharashtra	Mumbai, Raigad, Nagpur, Palgarh, Akola, Solapur, Pune, Sangli				
			Madhya Pradesh	Indore				
			Odisha	Puri, Khordha, Deogarh				
			Rajasthan	Kota, Balotra, Jodhpur				
			Tamil Nadu	Madurai, Coimbatore, Tanjore, Chennai				
			Telangana	Pedapalli, Mahbubnagar, Karimnagar, Hyderabad, Khammam, Suryapet, Nalgonda				
			Uttar Pradesh	Kanpur Nagar, Ghaziabad, Lucknow, Kanpur Dehat				

Annexure to Directors' Report for the year 2016-17

Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken		Amount Outlay (Budget) project or programs wise (₹ in Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency *
4	Scholarships for economically backward SC/ ST/OBC/PWD Students in Local Areas of Operation Locations	Promoting Education	**Local Area**		6.03	6.03	6.03	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Andhra Pradesh	East Godavari, Visakhapatnam, Krishna				
			Assam	Chirang				
			Gujarat	Gandhinagar, Sabarkantha, Surat, Patan				
			Jharkhand	Latehar				
			Maharashtra	Jalgaon, Chandpur, Sindhudurg, Thane, Pune, Chandrapur, Amravati, Nagpur.				
			Mizoram	Aizwal , Kolasib				
			Odisha	Sundergarh, Sambalpur, Deogarh				
			Tamil Nadu	Kanchipuram				
			Telangana	Ranga Reddy, Nalgonda, Suryapet, Hyderabad				
			Uttar Pradesh	Lucknow, Hardoi, Barabanki, Ghaziabad				
5	Interventions in Health, including provision of medical equipments and reach-in approach through health camps and medical vans	Promoting Preventive Health Care	**Local Area**		11.76	11.76	11.76	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Andhra Pradesh	Visakhapatnam, East Godavari				
			Bihar	Patna, Saran, Gopalganj, Jamui, Jahanabad, Madhubani, Champaran, Muzzafarpur,Nawada, Saharsa, Samastipur				
			Chattisgarh	Rajnandgaon, Janjgir -champa				
			Delhi	Delhi				
			Gujarat	Ahmadabad, Amreli, Anand, Kachchh, Banaskantha, Vadodra, Bharuch, Bhavnagar, Kutch, Botad, Devbhoomi Dwarka, Gandhinagar, Gir Somnath, Panchmahal, Sabarkantha, Jamnagar, Junagadh, Kheda, Mehsana, Morbi, Navsari, Patan, Porbandar,Rajkot, Surat, Surendranagar, Valsad.				
			Haryana	Fatehabad, Karnal, Mahendragarh, Rewari, Sirsa				
			Jammu and Kashmir	Samba				
			Jharkhand	Bokaro, Dhanbad, Giridih ,Palamau, Ramgarh, Chatra				
			Karnataka	Bangalore Rural, Tumkur				
			Madhya Pradesh	Agarmalwa, Alirajpur, Morena , Barwani, Bhind, Chinndwada, Dewas, Dhar, Hosangabad, Indore, Khandva, Khargone, Mandsaur, Neemuch, Ratlam, Rewa, Sagar, Satna, Ujjain, Singrauli				

Annexure to Directors' Report for the year 2016-17

Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken		Amount Outlay (Budget) project or programs wise (₹ in Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency *
5			Maharashtra	Chandrapur, Gondiya, Kolhapur, Mumbai, Nashik, Aurangabad Pune, Sangli, Satara, Thane, Washim.				
			Nagaland	Dimapur				
			Odisha	Angul, Balasore, Bargarh, Deogarh, Jagatsinghpur, Keonjhar				
			Punjab	Fazilka, Jalandhar, Moga, Pathankot				
			Rajasthan	Ajmer, Alwar, Barmer, Bhilwara, Bikaner, Bundi, Chittorgarh, Dausa, Dholpur, Hanumangarh, Jaipur, Jhalawar, jalor, Jhunjunu, Jodhpur, Kota, Nagaur, Pali, Rajsamand, Sri Ganganagar, Udaipur				
			Tamil Nadu	Coimbatore, Krishnagiri				
			Uttar Pradesh	Azamgarh, Allahabad, Amethi, Etawah, Farrukhabad, Gorakhpur, Jaunpur, Kanpur dehat, Kushinagar, Lalitpur, Maharajganj, Mainpuri,Mirzapur, Pratapgarh, Saharanpur, Varanasi				
			Uttarakhand	Kashipur				
			West Bengal	Bardhaman, Darjeeling,Dugali, Kolkatta, South 24 Paraganas				
6	Promotion of Sports	Promotion of Nationally Recognised and Paralympic Sports	**Local Area**		0.99	0.99	0.99	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Maharashtra	Mumbai				

Annexure to Directors' Report for the year 2016-17

Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken		Amount Outlay (Budget) project or programs wise (₹ in Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency *
7	Swachh Bharat Abhiyan	Swachh Bharat Abhiyan	**Local Area**		10.15	10.15	10.15	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Andhra Pradesh	Visakhapatnam, Guntur, East Godavari, Krishna, Anantpur, Nalgonda,				
			Assam	Guwahati, Betkuchi				
			Bihar	Purnea, Patna, West Champaran				
			Chandigarh	Chandigarh				
			Chattisgarh	Bemetara, Janjgir-champa, Mungeli, Gariaband, Raipur				
			Delhi	Delhi				
			Gujarat	Sabarkantha, Rajkot				
			Haryana	Panipat, Gurgaon, Rewari, Hissar, Bahadurgarh, Jind				
7			Himachal Pradesh	Nalagarh, Shimla				
			Jammu and Kashmir	Jammu, Pampore				
			Jharkhand	Ranchi				
			Karnataka	Haveri, Dharwad, Dakshin Kannada, Bangalore, Hassan				
			Kerala	Ernakulam, Kozhikode				
			Madhya Pradesh	Indore, Mandla, Bhopal				
			Maharashtra	Mumbai, Raigad, Nagpur, Amravati, Thane, Pune				
			Odisha	Sambalpur, Bhubaneshwar				
			Punjab	Bhatinda, Jalandhar, Hoshiarpur, Sangrur				
			Rajasthan	Jaipur, Ajmer, Jodhpur, Alwar				
			Tamil Nadu	Chennai, Madurai, Thiruvallur, Coimbatore				
			Telangana	Hyderabad, Ranga Reddy, Nalgonda, Suryapet				
			Uttar Pradesh	Gorakhpur, Unnao, Mathura, Ghaziabad,				
			Uttarakhand	Roorkee				
			West Bengal	Kolkata, Haldia, Howrah				
9	Pradhan Mantri Ujjawala Yojana (LPG Connections to BPL families)	Environmental Sustainability	Pan India		16.58	16.58	16.58	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc

Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken		Amount Outlay (Budget) project or programs wise (₹ in Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency *
10	Statue of Unity' Project	Heritage and culture	Gujarat	Vadodara	25.00	25.00	25.00	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
	Total				**108.11**	**108.11**	**108.11**	

* Projects of Long Term Commitments were implemented through the following partners: ADAPT, Akshaya Patra Foundation, Agastya Foundation, Confederation of Indian Industries, KC Mahindra Education Trust, NIIT Foundation, Prashanti Medical Services and Research Foundation, Transport Corporation of India Foundation, Wockhardt Foundation

6. In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report – Not Applicable

7. In compliance to the Section 135 (1) of the Companies Act, 2013, your corporation has constituted the CSR Committee comprising of Functional Directors as its members and Independent Director as Chairman. The CSR Committee has ensured the implementation of CSR Policy, as approved by the Board, and monitoring of CSR projects and activities in conformance with our CSR objectives.

   In line with CSR objectives and policy, during the year 2016-17, various CSR activities/projects were implemented under the focus areas of Child care, Education, Health care, Skill Development, Sports and Environment & Community Development. In addition, CSR activities were undertaken under Swachh Bharat Abhiyan and protection of heritage, art & culture. An amount of ₹ 108.11 crores were spent during the year towards these CSR projects and activities.

   Further, during the year, the CSR Committee has reviewed and monitored various CSR projects and activities carried out by your Corporation and is satisfied that it conforms to all the requirements as laid down under the Companies Act, 2013

Sd/-	Sd/-
Chairman & Managing Director	Chairman - CSR Committee

Annexure - IV

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

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

To,

The Members,

Hindustan Petroleum Corporation Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindustan Petroleum Corporation Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Hindustan Petroleum Corporation Limited for the financial year ended on 31st March, 2017 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India, (Prohibition of Insider Trading) Regulations, 2015; and

   I report that during the year under review there was no action/event in pursuance of-

   a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   b) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; and

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;

   e) The Securities and Exchange Board of India (Employees Stock Option Scheme and employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.

   f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.

(vi) The Acts / Guidelines specifically applicable to the Company: (Based on the quarterly legal compliance report placed before the Board, the following laws are specifically applicable to the Company):

   - Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;
   - The Petroleum Act, 1934;

- Petroleum Rules, 2002
- Explosive Act, 1884; and
- Gas Cylinder Rules, 1981 (as amended 2004).

I have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-l) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India;

b) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above subject to the following observation:

"The Corporation has complied with requirements of corporate governance as provided under Clause 17 of the SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance with the exception of appointment of Independent Directors to the extent of 50% of the total strength of the Board. Absence of requisite number of Independent Directors had an impact on the proper constitution of Audit Committee and Nomination and Remuneration Committee. It is Clarified by the Corporation that the matter is being pursued with the Administrative Ministry for appointment of required number of Independent Directors on the Board"

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors with an exception of appointment of Independent Directors to the extent of 50% of the total strength of the Board. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance. duly complying with the time limits specified and a system exits for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous.

I further report that based on the information provided by the Company, in my opinion adequate systems and processes and control mechanism exists commensurate with the size and operation of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that during the audit period the Corporation issued and allotted Bonus Equity Shares in ratio of two Equity Shares for every one Equity Share held. There was no other specific event/action in pursuance of the above referred laws, rules, regulations, standards, guidelines, etc. referred to above, having major bearing on the Company's affairs.

Sd/-

(U.C. SHUKLA)

COMPANY SECRETARY

FCS; 2727/CP;1654

Place: Mumbai

Date: 26th May, 2017

Annexure to Directors' Report for the year 2016-17

Annexure V

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L23201MH1952GOI008858
2.	Registration Date	05-07-1952
3.	Name of the Company	Hindustan Petroleum Corporation Limited
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	Petroleum House, 17, Jamshedji Tata Road, Churchgate, Mumbai – 400 020 Telephone No.: (022) 22863900 Fax No.: (022) 22872992 e-mail ID: corphqo@hpcl.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. Unit: Hindustan Petroleum Corporation Limited, C 101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai – 400 083 Telephone No.: (022) 61715400 Fax No.: (022) 49186060 e-mail ID : **mt.helpdesk@linkintime.co.in; Bonds.helpdesk@linkintime.co.in**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated) –

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Motor Spirit (MS)	192	24.64%
2	High Speed Diesel (HSD)	192	52.57%
3	Liquefied Petroleum Gas (LPG)	192	11.19%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:

S.No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary / Associate	% of Shares	Applicable Section
1	Prize Petroleum Co. Ltd. Jeevan Bharati Building, 11th Floor, Tower 1, 124, Connaught Place, Indira Chowk, New Delhi – 110 001 Delhi	U74899DL1998GOI096845	Subsidiary	100.00	2 (87)

Annexure to Directors' Report for the year 2016-17

S.No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary / Associate	% of Shares	Applicable Section
2	HPCL Biofuels Ltd. House No.271, Road No.3E, Holding No. 437 & 438, Ward No. 22, New Patliputra Colony, Patna – 800 013 Bihar	U24290BR2009GOI014927	Subsidiary	100.00	2 (87)
3	CREDA-HPCL Bio Fuel Limited, HPCL Raipur Retail Office, 2nd Floor, Madina Manzil, Kutchery Chowk, Jail Road, Raipur – 492 001 Chhattisgarh	U01119CT2008GOI020900	Subsidiary	74.00	2 (87)
4.	HPCL Rajasthan Refinery Limited, Tel Bhawan, Sahkar Marg, Lal Kothi Vistar Jyoti Nagar, Jaipur - 302 005 Rajasthan	U23201RJ2013GOI043865	Subsidiary	74.00	2 (87)
5.	HPCL Mittal Energy Ltd., Village Phulokhari Taluka Talwandi Saboo, Bhatinda - 151 301 Punjab	U23201PB2000PLC024126	JV	48.99	2 (6)
6.	Hindustan Colas Private Ltd., HINCOL House, B-601, 6th Floor, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai – 400 013. Maharashtra.	U23200MH1995PTC090671	JV	50.00	2 (6)
7.	South Asia LPG Company Pvt.Ltd., Varun Towers, 4th Floor, Varun Par Side, Kasturba Marg, Siripuram, Visakhapatnam – 530 003 Andhra Pradesh	U1110AP1999PTC032851	JV	50.00	2 (6)
8.	Mangalore Refinery and Petrochemicals Ltd. Mudapadav Kuthethur, P.O. Via Katipalla, Mangalore – 575 030 Karnataka.	L85110KA1988GOI008959	Associate	16.95	2 (6)
9.	Petronet India Ltd., BPCL Sewree A/K Installation, Sewree Fort Road, Sewree East, Mumbai – 400 015 Maharashtra	U45203MH1997PLC108251	JV	16.00	2 (6)

Annexure to Directors' Report for the year 2016-17

S.No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary / Associate	% of Shares	Applicable Section
10	Petronet MHB Ltd., 332, 1st Floor, Darus Salam Building, Queen's Road, Bangalore – 560 052 Karnataka	U85110KA1998PLC024020	JV	32.72	2 (6)
11	Bhagyanagar Gas Ltd., Parishram Bhawan, Basheerbag, Hyderabad – 500 004 Telangana	U40200TG2003PLC041566	JV	49.97	2 (6)
12	Aavantika Gas Ltd., 202-B, 2nd Floor, NRK Business Park, Vijay Nagar Square, A.B. Road, Indore – 452 008 Madhya Pradesh	U40107MP2006PLC018684	JV	49.97	2 (6)
13	GSPL India Gasnet Ltd., GSPC Bhawan, B/H Udyog Bhavan, Sector 11, Gandhinagar – 382 011 Gujarat	U40200GJ2011SGC067449	Associate	11.00	2 (6)
14	GSPL India Transco Ltd., GSPC Bhawan, B/H Udyog Bhavan, Sector 11, Gandhinagar – 382 011 Gujarat	U40200GJ2011SGC067450	Associate	11.00	2 (6)
15	HPCL Shapoorji Energy Private Ltd., Venus Amadeus, 301-305, 3rd Floor, Jodhpur Cross Road, Satellite, Ahmedabad – 380 015 Gujrat.	U40101GJ2013PTC077228	JV	50.00	2 (6)
16	Mumbai Aviation Fuel Farm Facility Pvt. Ltd. Opp. ITC Maratha, Sahar Police Station, CSI Airport, Sahar, Andheri East, Mumbai – 400 099 Maharashtra	U63000MY2010PTC200463	JV	25.00	2 (6)
17	Godavari Gas Private Limited 69-4-4/1, Srinivasa Nagar, Pithapuram Road, H/O. Dr. Dilip, Opp. Boat Club, Kakinada – 533 003 Andhra Pradesh	U40300AP2016PTC104159	JV	26.00	2 (6)

Annexure to Directors' Report for the year 2016-17

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2016]				No. of Shares held at the end of the year [As on 31-03-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) **Indian**									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.or State Govt.	173076750	0	173076750	51.11	519230250	0	519230250	51.11	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)	**173076750**	**0**	**173076750**	**51.11**	**519230250**	**0**	**519230250**	**51.11**	**0.00**
B. Public Shareholding									
a) Mutual Funds	33584051	200	33584251	9.92	63520751	600	63521351	6.25	-3.66
b) Banks/FI	13838878	950	13839828	4.09	33783219	1350	33784569	3.33	-0.76
c) Central Govt.	0	0	0	0.00	0	0	0	0	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
g) FIIS	65337383	2000	65339383	19.30	171456726	6000	171462726	16.88	-2.41
h) Foreign Banks	9077	0	9077	0.00	450	0	450	0	-0.00
i) Unit Trust of India	0	0	0	0.00	0	0	0	0	0.00
SUB TOTAL (B)(1):	**112769389**	**3150**	**112772539**	**33.30**	**268761146**	**7950**	**268769096**	**26.46**	**-6.84**
2. Non-Institutions									
a) Bodies corporates									
i) Indian	17503176	5826	17509002	5.17	31908636	17328	31925964	3.14	-2.02
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	26276671	1229461	27506132	8.12	57450428	3446595	60897023	5.99	-2.12
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	5535441	0	5535441	1.63	126260204	183150	126443354	12.45	10.81
c) Others (specify)									
Non Resident Indians (Repat)	417073	220500	637573	0.19	1684152	623250	2307402	0.23	0.04
Non Resident Indians (Non Repat)	270882	5850	276732	0.08	1114687	16450	1131137	0.11	0.03
Office Bearers	0	214100	214100	0.06	0	590550	590550	0.06	-0.01
Clearing Member	898853	0	898853	0.27	3792136	0	3792136	0.37	0.11
Overseas Corporate Bodies	100	0	100	0.00	300	0	300	0.00	0.00
Directors / Relatives	2825	0	2825	0.00	4335	0	4335	0.00	-0.00
Hindu Undivided Family	133592	1050	134642	0.04	395366	3150	398516	0.04	-0.00
Market Maker	9178	0	9178	0.00	19208	0	19208	0.00	-0.00
Trust	52983	400	53383	0.02	371279	1200	372479	0.04	0.02
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**51100774**	**1677187**	**52777961**	**15.59**	**223000731**	**4881673**	**227882404**	**22.43**	**6.84**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**163870163**	**1680337**	**165550500**	**48.89**	**491761877**	**4889623**	**496651500**	**48.89**	**0.00**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**336946913**	**1680337**	**338627250**	**100.00**	**1010992127**	**4889623**	**1015881750**	**100.00**	**0.00**

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B) Shareholding of Promoter-

S.NO.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	President of India	173076750	51.11	Nil	519230250 *	51.11	Nil	0.00

* Due to Bonus Issue made in 2016 in the ratio of 2:1

C) Change in Promoters' Shareholding (please specify, if there is no change)

S.N0.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding at end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of year				
	President of India	173076750	51.11	519230250 *	51.11
	At the end of the year				
	President of India	173076750	51.11	519230250	51.11

* Due to Bonus Issue made in 2016 in the ratio of 2:1

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction during the year			Shareholding at the beginning of the year - 2016		Cumulative Shareholding at the end of the year - 2017	
				NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	**LIFE INSURANCE CORPORATION OF INDIA**			**9314927**	**2.7508**		**2.75**
	Date	**S/P**	**No.**				
	17 Jun 2016	S	-20000			9294927	2.75
	08 Jul 2016	S	-116009			9178918	2.74
	15 Jul 2016	S	-51414			9127504	2.71
	22 Jul 2016	S	-46400			9081104	2.70
	29 Jul 2016	S	-30000			9051104	2.68
	05 Aug 2016	S	-27949			9023155	2.67
	23 Sep 2016	P	18046310			27069465	2.66
	25 Nov 2016	S	-899500			26169965	2.66
	02 Dec 2016	S	-2451342			23718623	2.58
	09 Dec 2016	S	-1661158			22057465	2.33
	17 Mar 2017	S	-30000			22027465	2.17
	AT THE END OF THE YEAR					**22027465**	2.17

Sr No.	Name & Type of Transaction during the year			Shareholding at the beginning of the year - 2016		Cumulative Shareholding at the end of the year - 2017	
				NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
2	**STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL**			**2403281**	**0.7097**		0.71
	24 Jun 2016	B	74870			2478151	0.71
	08 Jul 2016	B	119528			2597679	0.73
	22 Jul 2016	B	70627			2668306	0.77
	29 Jul 2016	B	69472			2737778	0.79
	12 Aug 2016	B	728886			3466664	0.81
	19 Aug 2016	B	89627			3556291	1.02
	26 Aug 2016	S	-35139			3521152	1.05
	02 Sep 2016	B	61110			3582262	1.04
	23 Sep 2016	B	7361990			10944252	1.06
	30 Sep 2016	B	127411			11071663	1.08
	07 Oct 2016	S	-101975			10969688	1.09
	14 Oct 2016	S	-71013			10898675	1.08
	28 Oct 2016	S	-45073			10853602	1.07
	04 Nov 2016	S	-65072			10788530	1.07
	11 Nov 2016	S	-66502			10722028	1.06
	18 Nov 2016	S	-115874			10606154	1.06
	25 Nov 2016	S	-103802			10502352	1.04
	02 Dec 2016	S	-165747			10336605	1.03
	09 Dec 2016	S	-2070			10334535	1.02
	16 Dec 2016	B	722481			11057016	1.02
	23 Dec 2016	B	69507			11126523	1.09
	06 Jan 2017	S	-144446			10982077	1.10
	13 Jan 2017	B	822995			11805072	1.08
	20 Jan 2017	B	482993			12288065	1.16
	27 Jan 2017	B	893219			13181284	1.21
	03 Feb 2017	B	452767			13634051	1.30
	10 Feb 2017	B	-243551			13390500	1.34
	17 Feb 2017	B	21148			13411648	1.32
	03 Mar 2017	B	155263			13566911	1.32
	10 Mar 2017	B	383519			13950430	1.34
	24 Mar 2017	B	85255			14035685	1.37
	31 Mar 2017	B	651625			14687310	1.38
	AT THE END OF THE YEAR					**14687310**	1.45

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Sr No.	Name & Type of Transaction during the year			Shareholding at the beginning of the year - 2016		Cumulative Shareholding at the end of the year - 2017	
				NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
3	**BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE FRONTLINE EQUITY FUND**			**4869757**	**1.4381**		1.44
	15 Apr 2016	B	100000			4969757	1.44
	22 Apr 2016	S	-45000			4924757	1.47
	29 Apr 2016	B	16200			4940957	1.45
	06 May 2016	S	-5000			4935957	1.46
	13 May 2016	B	900			4936857	1.46
	20 May 2016	S	-25000			4911857	1.46
	03 Jun 2016	B	19200			4931057	1.45
	10 Jun 2016	S	-40000			4891057	1.46
	30 Jun 2016	S	-9600			4881457	1.44
	01 Jul 2016	S	-1800			4879657	1.44
	22 Jul 2016	B	2500			4882157	1.44
	29 Jul 2016	S	-55605			4826552	1.44
	05 Aug 2016	S	-92000			4734552	1.43
	12 Aug 2016	S	-659594			4074958	1.40
	19 Aug 2016	S	-192100			3882858	1.20
	26 Aug 2016	S	-1088500			2794358	1.15
	02 Sep 2016	S	-111172			2683186	0.83
	09 Sep 2016	S	-165800			2517386	0.79
	16 Sep 2016	S	-66100			2451286	0.74
	23 Sep 2016	B	4942472			7393758	0.24
	30 Sep 2016	S	-66400			7327358	0.73
	07 Oct 2016	B	50000			7377358	0.72
	14 Oct 2016	B	400			7377758	0.73
	21 Oct 2016	B	27300			7405058	0.73
	11 Nov 2016	S	-227400			7177658	0.73
	18 Nov 2016	S	-207900			6969758	0.71
	25 Nov 2016	S	-10000			6959758	0.69
	02 Dec 2016	B	140000			7099758	0.69
	09 Dec 2016	S	-123300			6976458	0.70
	16 Dec 2016	B	431000			7407458	0.69
	23 Dec 2016	B	661000			8068458	0.73
	30 Dec 2016	B	256000			8324458	0.79
	06 Jan 2017	B	1334611			9659069	0.82
	13 Jan 2017	B	359000			10018069	0.95
	20 Jan 2017	B	332700			10350769	0.99
	27 Jan 2017	B	3139			10353908	1.02
	03 Feb 2017	B	10800			10364708	1.02
	10 Feb 2017	B	1125100			11489808	1.02
	17 Feb 2017	B	528600			12018408	1.13
	03 Mar 2017	S	-284800			11733608	1.18
	10 Mar 2017	B	70000			11803608	1.16
	17 Mar 2017	S	-60000			11743608	1.16
	24 Mar 2017	B	456300			12199908	1.16
	31 Mar 2017	S	-57300			12142608	1.20
	AT THE END OF THE YEAR					**12142608**	1.20

Sr No.	Name & Type of Transaction during the year			Shareholding at the beginning of the year - 2016		Cumulative Shareholding at the end of the year - 2017	
				NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
4	**GOVERNMENT OF SINGAPORE**			**791405**	**0.2337**		0.23
	08 Apr 2016	S	-22128			769277	0.23
	12 Aug 2016	B	220312			989589	0.23
	19 Aug 2016	B	64288			1053877	0.29
	23 Sep 2016	B	2107754			3161631	0.31
	07 Oct 2016	B	324496			3486127	0.31
	21 Oct 2016	B	492834			3978961	0.34
	28 Oct 2016	B	475135			4454096	0.39
	04 Nov 2016	B	14691			4468787	0.44
	18 Nov 2016	S	-478022			3990765	0.44
	25 Nov 2016	B	370339			4361104	0.39
	02 Dec 2016	B	5944481			10305585	0.43
	16 Dec 2016	B	42379			10347964	1.01
	30 Dec 2016	B	42931			10390895	1.02
	06 Jan 2017	B	40085			10430980	1.02
	13 Jan 2017	B	203472			10634452	1.03
	20 Jan 2017	B	89360			10723812	1.05
	27 Jan 2017	B	303258			11027070	1.06
	03 Feb 2017	S	-174593			10852477	1.09
	10 Feb 2017	B	146732			10999209	1.07
	17 Feb 2017	B	38088			11037297	1.08
	03 Mar 2017	S	-26948			11010349	1.09
	10 Mar 2017	B	50421			11060770	1.08
	31 Mar 2017	S	-137699			10923071	1.09
	AT THE END OF THE YEAR					**10923071**	1.08
5	**NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND**			**4175000**	**1.2329**		1.23
	01 Jul 2016	S	-175000			4000000	1.23
	08 Jul 2016	S	-47526			3952474	1.18
	22 Jul 2016	S	-152860			3799614	1.17
	29 Jul 2016	S	-124614			3675000	1.12
	26 Aug 2016	S	-98000			3577000	1.09
	23 Sep 2016	B	7154000			10731000	1.06
	25 Nov 2016	S	-947601			9783399	1.06
	02 Dec 2016	S	-1100596			8682803	0.96
	31 Mar 2017	B	359848			9042651	0.85
	AT THE END OF THE YEAR					**9042651**	0.89

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Sr No.	Name & Type of Transaction during the year			Shareholding at the beginning of the year - 2016		Cumulative Shareholding at the end of the year - 2017	
				NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
6	**DSP BLACKROCK TOP 100 EQUITY FUND**			**3258080**	**0.9621**	**3258080**	0.96
	08 Apr 2016	S	-48426			3209654	0.96
	29 Apr 2016	S	-4489			3205165	0.95
	13 May 2016	B	19215			3224380	0.95
	27 May 2016	B	9937			3234317	0.95
	17 Jun 2016	S	-4540			3229777	0.96
	08 Jul 2016	S	-41823			3187954	0.95
	15 Jul 2016	B	215773			3403727	0.94
	22 Jul 2016	B	154159			3557886	1.01
	29 Jul 2016	B	10000			3567886	1.05
	12 Aug 2016	S	-800611			2767275	1.05
	19 Aug 2016	S	-171108			2596167	0.82
	26 Aug 2016	S	-597566			1998601	0.77
	16 Sep 2016	S	-100457			1898144	0.59
	23 Sep 2016	B	3490427			5388571	0.19
	07 Oct 2016	B	18181			5406752	0.53
	21 Oct 2016	B	21275			5428027	0.53
	28 Oct 2016	B	145519			5573546	0.53
	04 Nov 2016	B	199127			5772673	0.55
	11 Nov 2016	B	24725			5797398	0.57
	18 Nov 2016	B	585987			6383385	0.57
	25 Nov 2016	B	2658			6386043	0.63
	02 Dec 2016	B	124276			6510319	0.63
	09 Dec 2016	B	138910			6649229	0.64
	23 Dec 2016	B	37872			6687101	0.65
	06 Jan 2017	B	1393099			8080200	0.66
	13 Jan 2017	B	205699			8285899	0.80
	20 Jan 2017	B	17767			8303666	0.82
	03 Feb 2017	B	231248			8534914	0.82
	10 Feb 2017	B	138058			8672972	0.84
	24 Feb 2017	B	200129			8873101	0.85
	03 Mar 2017	S	-46923			8826178	0.87
	10 Mar 2017	S	-1060			8825118	0.87
	17 Mar 2017	B	31961			8857079	0.87
	24 Mar 2017	B	29573			8886652	0.87
	31 Mar 2017	B	2825			8889477	0.87
	AT THE END OF THE YEAR					**8889477**	0.88

Sr No.	Name & Type of Transaction during the year			Shareholding at the beginning of the year - 2016		Cumulative Shareholding at the end of the year - 2017	
				NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
7	**SBI BLUE CHIP FUND**			**4440262**	**1.3113**		1.31
	08 Apr 2016	B	445189			4885451	1.31
	15 Apr 2016	B	64251			4949702	1.44
	06 May 2016	B	110000			5059702	1.46
	13 May 2016	S	-86681			4973021	1.49
	20 May 2016	B	413182			5386203	1.47
	27 May 2016	B	200000			5586203	1.59
	03 Jun 2016	B	40000			5626203	1.65
	17 Jun 2016	B	20000			5646203	1.66
	30 Jun 2016	S	-622			5645581	1.67
	15 Jul 2016	S	-30000			5615581	1.67
	29 Jul 2016	S	-40282			5575299	1.66
	05 Aug 2016	S	-80998			5494301	1.65
	12 Aug 2016	S	-99000			5395301	1.62
	19 Aug 2016	S	-99399			5295902	1.59
	26 Aug 2016	S	-100081			5195821	1.56
	02 Sep 2016	B	153400			5349221	0.51
	16 Sep 2016	B	1			5349222	0.53
	23 Sep 2016	B	10698442			16047664	0.53
	30 Sep 2016	B	174990			16222654	1.58
	07 Oct 2016	S	-182000			16040654	1.60
	14 Oct 2016	S	-1708000			14332654	1.58
	21 Oct 2016	S	-75600			14257054	1.41
	04 Nov 2016	S	-1138582			13118472	1.40
	11 Nov 2016	S	-1225702			11892770	1.29
	18 Nov 2016	S	-616326			11276444	1.17
	25 Nov 2016	S	-465205			10811239	1.11
	02 Dec 2016	S	-1761119			9050120	1.06
	09 Dec 2016	S	-232242			8817878	0.89
	16 Dec 2016	S	-115000			8702878	0.87
	06 Jan 2017	B	700000			9402878	0.86
	03 Feb 2017	S	-100000			9302878	0.93
	17 Feb 2017	S	-549993			8752885	0.92
	24 Feb 2017	S	-85000			8667885	0.86
	03 Mar 2017	S	-460006			8207879	0.85
	10 Mar 2017	S	-620000			7587879	0.81
	24 Mar 2017	S	-11099			7576780	0.75
	31 Mar 2017	S	-760			7576020	0.75
	AT THE END OF THE YEAR					**7576020**	0.75

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Sr No.	Name & Type of Transaction during the year			Shareholding at the beginning of the year - 2016		Cumulative Shareholding at the end of the year - 2017	
				NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
8	**HDFC STANDARD LIFE INSURANCE COMPANY LIMITED**			**5145024**	**1.5194**		1.52
	08 Apr 2016	S	-623804			4521220	1.52
	15 Apr 2016	S	-99950			4421270	1.34
	22 Apr 2016	B	75207			4496477	1.31
	29 Apr 2016	S	-4769			4491708	1.33
	06 May 2016	S	-301			4491407	1.33
	13 May 2016	B	2700			4494107	1.33
	20 May 2016	S	-44539			4449568	1.33
	27 May 2016	B	10202			4459770	1.31
	03 Jun 2016	S	-196737			4263033	1.32
	10 Jun 2016	S	-102490			4160543	1.26
	17 Jun 2016	S	-310815			3849728	1.23
	24 Jun 2016	S	-469168			3380560	1.14
	30 Jun 2016	S	-69350			3311210	1.00
	01 Jul 2016	S	-423324			2887886	0.98
	08 Jul 2016	S	-7072			2880814	0.85
	15 Jul 2016	B	33734			2914548	0.85
	22 Jul 2016	S	-342406			2572142	0.86
	12 Aug 2016	S	-347000			2225142	0.76
	19 Aug 2016	B	150000			2375142	0.66
	26 Aug 2016	B	150000			2525142	0.70
	02 Sep 2016	B	35173			2560315	0.75
	09 Sep 2016	B	7071			2567386	0.76
	16 Sep 2016	S	-39002			2528384	0.76
	23 Sep 2016	B	5158017			7686401	0.25
	30 Sep 2016	S	-45360			7641041	0.76
	07 Oct 2016	B	49859			7690900	0.75
	14 Oct 2016	B	193704			7884604	0.76
	21 Oct 2016	B	26662			7911266	0.78
	28 Oct 2016	B	235911			8147177	0.78
	04 Nov 2016	B	50000			8197177	0.80
	11 Nov 2016	S	-33661			8163516	0.81
	18 Nov 2016	S	-36340			8127176	0.80
	25 Nov 2016	B	100000			8227176	0.80
	02 Dec 2016	B	102738			8329914	0.81
	09 Dec 2016	S	-20750			8309164	0.82
	23 Dec 2016	B	3549			8312713	0.82
	30 Dec 2016	B	12258			8324971	0.82
	06 Jan 2017	B	14551			8339522	0.82
	20 Jan 2017	B	30230			8369752	0.82
	27 Jan 2017	S	-35737			8334015	0.82
	03 Feb 2017	S	-50000			8284015	0.82
	10 Feb 2017	S	-50000			8234015	0.82
	17 Feb 2017	S	-13800			8220215	0.81
	24 Feb 2017	B	14813			8235028	0.81
	03 Mar 2017	S	-830599			7404429	0.81
	10 Mar 2017	S	-14691			7389738	0.73
	17 Mar 2017	B	80000			7469738	0.73
	24 Mar 2017	B	105950			7575688	0.74
	31 Mar 2017	S	-5538			7570150	0.75
	AT THE END OF THE YEAR					**7570150**	0.75

Annexure to Directors' Report for the year 2016-17

Sr No.	Name & Type of Transaction during the year			Shareholding at the beginning of the year - 2016		Cumulative Shareholding at the end of the year - 2017	
				NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
9	**HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND**			**3996000**	**1.1801**		1.18
	08 Apr 2016	B	221000			4217000	1.18
	27 May 2016	B	90000			4307000	1.25
	03 Jun 2016	B	242800			4549800	1.27
	17 Jun 2016	S	-13200			4536600	1.34
	24 Jun 2016	B	779100			5315700	1.34
	30 Jun 2016	B	445000			5760700	1.57
	01 Jul 2016	S	-29400			5731300	1.70
	08 Jul 2016	S	-65378			5665922	1.69
	15 Jul 2016	B	150000			5815922	1.67
	22 Jul 2016	B	153900			5969822	1.72
	29 Jul 2016	B	255000			6224822	1.76
	05 Aug 2016	B	77700			6302522	1.84
	09 Sep 2016	S	-74200			6228322	1.86
	16 Sep 2016	S	-142800			6085522	1.84
	23 Sep 2016	B	11968944			18054466	0.60
	07 Oct 2016	S	-326500			17727966	1.78
	21 Oct 2016	S	-400000			17327966	1.75
	28 Oct 2016	S	-400000			16927966	1.71
	11 Nov 2016	S	-857500			16070466	1.67
	18 Nov 2016	S	-538600			15531866	1.58
	02 Dec 2016	S	-912000			14619866	1.53
	16 Dec 2016	S	-200000			14419866	1.44
	23 Dec 2016	S	-1841866			12578000	1.42
	06 Jan 2017	S	-1173900			11404100	1.24
	13 Jan 2017	S	-77700			11326400	1.12
	10 Feb 2017	S	-248400			11078000	1.11
	17 Feb 2017	S	-450000			10628000	1.09
	24 Feb 2017	S	-480500			10147500	1.05
	03 Mar 2017	B	768400			10915900	1.00
	10 Mar 2017	S	-20000			10895900	1.07
	24 Mar 2017	S	-4577500			6318400	1.07
	AT THE END OF THE YEAR					**6318400**	0.62

Annexure to Directors' Report for the year 2016-17

Sr No.	Name & Type of Transaction during the year			Shareholding at the beginning of the year - 2016		Cumulative Shareholding at the end of the year - 2017	
				NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
10	**MOTILAL OSWAL MOST FOCUSED MULTICAP 35 FUND**			**3086744**	**0.9115**		0.91
	08 Apr 2016	B	38631			3125375	0.91
	15 Apr 2016	B	12547			3137922	0.92
	29 Apr 2016	B	2075			3139997	0.93
	13 May 2016	S	-74144			3065853	0.93
	20 May 2016	S	-57333			3008520	0.91
	03 Jun 2016	B	59142			3067662	0.89
	10 Jun 2016	S	-37230			3030432	0.91
	17 Jun 2016	B	32074			3062506	0.89
	24 Jun 2016	S	-5275			3057231	0.90
	30 Jun 2016	B	5100			3062331	0.90
	08 Jul 2016	S	-191572			2870759	0.90
	15 Jul 2016	S	-59300			2811459	0.85
	22 Jul 2016	S	-93123			2718336	0.83
	29 Jul 2016	S	-40452			2677884	0.80
	05 Aug 2016	S	-51796			2626088	0.79
	12 Aug 2016	S	-81290			2544798	0.78
	26 Aug 2016	S	-3886			2540912	0.75
	09 Sep 2016	B	1620			2542532	0.75
	23 Sep 2016	B	5085064			7627596	0.75
	30 Sep 2016	B	309749			7937345	0.75
	21 Oct 2016	S	-418098			7519247	0.78
	11 Nov 2016	S	-55556			7463691	0.74
	18 Nov 2016	B	14901			7478592	0.73
	25 Nov 2016	B	344995			7823587	0.74
	02 Dec 2016	S	-21978			7801609	0.77
	09 Dec 2016	S	-399961			7401648	0.77
	16 Dec 2016	S	-298148			7103500	0.73
	23 Dec 2016	S	-279073			6824427	0.70
	30 Dec 2016	S	-321520			6502907	0.67
	06 Jan 2017	B	90024			6592931	0.64
	03 Feb 2017	S	-73105			6519826	0.65
	03 Mar 2017	B	48789			6568615	0.64
	17 Mar 2017	S	-196440			6372175	0.65
	24 Mar 2017	S	-40574			6331601	0.63
	31 Mar 2017	S	-68000			6263601	0.62
	AT THE END OF THE YEAR					**6263601**	0.62

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding at the end of year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mukesh Kumar Surana	120	0.00	360	0.00
2	Pushp Kumar Joshi	600	0.00	1800	0.00
3	Ramaswamy Jagannathan	50	0.00	150	0.00
4	S Jeyakrishnan	250	0.00	750	0.00
4	Shrikant Madhukar Bhosekar Vaiju Shrikant Bhosekar	425	0.00	1275	0.00
	Total	**1,445**		**4,335**	

V). INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ / Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,210.86	15,956.60	-	21,167.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.45	24.38	-	28.83
Total (i+ii+iii)	**5,215.31**	**15,980.98**	**-**	**21,196.29**
Change in Indebtedness during the financial year				
* Addition	-	7,661.17	-	7,661.17
* Reduction	720.87	6,858.05	-	7,578.92
Net Change	**(720.87)**	**803.12**	**-**	**82.25**
Indebtedness at the end of the financial year				
i) Principal Amount	4,489.99	16,759.72	-	21,249.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.45	16.41	-	20.85
Total (i+ii+iii)	**4,494.44**	**16,776.13**	**-**	**21,270.57**

Annexure to Directors' Report for the year 2016-17

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹)

S. NO.	Particulars of Remuneration	Name of MD/WTD/ Manager							Total Amount
		Mukesh Kumar Surana	Pushp Kumar Joshi	J. Rama-swamy	S. Jeya-krishnan*	Vinod S. Shenoy*	B.K. Namdeo**	Y.K. Gawali**	
1	Gross salary	43,85,747	50,07,500	42,86,978	13,82,991	13,00,769	82,06,547	68,65,100	3,14,35,632
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,49,884	41,01,934	35,61,001	11,42,732	12,00,695	62,81,268	53,58,519	2,52,96,033
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,35,863	9,05,566	7,25,977	2,40,259	1,00,074	19,25,279	15,06,581	61,39,599
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961								
2	Stock Option								
3	Sweat Equity								
4	Commission - as % of profit - others, specify…								
5	Others, (Medical, Housing Persqusite Tax, Company Contribution to PF, Superannuation Rebate upto ₹1 lac)	6,82,141	6,72,921	6,70,182	3,17,003	2,96,447	5,66,197	4,80,533	36,85,424
	Total (A)	50,67,888	56,80,421	49,57,160	16,99,994	15,97,216	87,72,744	7345,633	3,51,21,076
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Appointed as Directors with effect from 01.11.2016

** Superannuated from the services of the Corporation with effect from 31.10.2016

B. Remuneration to other directors

(₹)

S. NO.	Particulars of Remuneration	Name of Directors				Total Amount
		Ram Niwas Jain	Asifa Khan *	G.V. Krishna *	Trilok Nath Singh **	
3	Independent Directors					
	Fee for attending board committee meetings	3,80,000	1,20,000	1,20,000	80,000	7,00,000
	Commission	-	-	-	-	
	Others, please specify (Fees for attending Board Sub Committee Meetings)	4,20,000	-	-	-	4,20,000
	Total (1)	8,00,000	1,20,000	1,20,000	80,000	11,20,000
4	Other Non-Executive Directors	-	-	-	--	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)	8,00,000	1,20,000	1,20,000	80,000	11,20,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

* Appointed as Independent Directors with effect from 13.02.2017

** Appointed as Independent Director with effect from 20.03.2017

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹)

S. NO.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary	-	32,81,454		32,81,454
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	30,36,860		30,36,860
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	2,44,594		2,44,594
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-			
2	Stock Option	-			
3	Sweat Equity	-			
4	Commission	-			
	- as % of profit	-			
	others, specify…	-			
5	Others, please specify	-	5,18,172		5,18,172
	Total	**-**	**37,99,626**		**37,99,626**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure VI

Form No. AOC-2

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

1. **Details of Contracts or arrangements or transactions not at arm's length basis: Nil**

2. **Details of Material Contracts or arrangements or transactions at arm's length basis:**

S. No.	Name of the Related Party	Nature of Relationship	Nature of Contract/ Arrangement/ Transactions	Duration of the Contract/ Arrangement/ Transactions	Salient terms of Contracts Arrangements/ Transactions	Transaction Values. (₹ in crores)	Date of Board Approval	Amount paid as advance.
1.	South Asia LPG Co. Pvt. Ltd. (SALPG)	Joint Venture	Receiving of Service	2016-17	Terminalling Charges paid for storage services provided by SALPG	124.89		Nil
2.	Hindustan Colas Pvt Ltd. (HINCOL)	Joint Venture	Sale of Goods	2016-17	Sale of Bitumen to HINCOL	332.48		Nil
3.	Hindustan Colas Pvt Ltd. (HINCOL)	Joint Venture	Purchase of Goods	2016-17	Purchase of CRMB from HINCOL	115.34		Nil
4.	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	Associate	Purchase of Goods	2016-17	Purchase of Petroleum Products from MRPL	11,763.00		Nil
5.	HPCL Mittal Energy Ltd. (HMEL)	Joint Venture	Purchase of Goods	2016-17	Purchase of Petroleum Products from HMEL	23,101.15		Nil
6.	HPCL Mittal Energy Ltd. (HMEL)	Joint Venture	Sale of Goods	2016-17	Sale of Petroleum Products to HMEL	86.61		Nil

For and on behalf of the Board of Directors

Place: New Delhi

Date : 26th May, 2017

Sd/-

Mukesh Kumar Surana

Chairman & Managing Director

Management Discussion & Analysis Report 2016-17

A. DEVELOPMENTS IN THE INDIAN ECONOMY AND PETROLEUM SECTOR

For the Global Oil and Gas Industry, the year gone by was challenging, with interplay between economic, political and social forces; a thrust towards low carbon future and advent of digital technologies to drive down costs. It was yet another year of low crude oil prices. However, Oil prices recovered from the 12-year low witnessed in the previous year to US$ 54-55 per barrel during Jan-Feb'17 and witnessed decline thereafter. The production cut agreement between OPEC and non-OPEC countries at the end of 2016, partially assisted in reversing the prevailing global supply glut. For another year in succession, lower oil prices posed challenge for oil exporting countries; however, these favoured oil importers including India by reducing the cost of imports. Lower crude oil prices also had a positive impact on inflation and economic growth of India.

The Indian economy maintained its momentum and registered impressive GDP growth rate of 7.1% aided by a better growth in agriculture sector on the back of a normal monsoon. Foreign exchange reserves increased by about USD 22 billion during 2016-17 to reach about USD 370 billion by March 2017. Rupee-US dollar exchange rate, which was about 66 in the beginning of financial year, ended at about 65 at the end of the year as portfolio inflows went up. Various reforms and land mark policy initiatives undertaken by Government of India laid a strong foundation for future growth and saw a major thrust on digital payment transactions. Another major development on economic front, last year, was demonetization of high value currency. It did create initial difficulties for informal and cash intensive sectors of the economy. However, intended long-term benefits in terms of greater formalisation of economy, better measurement, greater tax compliance, revenue generation and increased flow of savings to financial instruments are likely to outweigh short term costs of demonetization.

Accelerated economic activities coupled with low oil prices helped drive strong demand growth for petroleum products in India. India is now the world's third largest oil consumer and has become a key driver of global oil demand growth. During 2016-17, Petroleum product consumption in India increased with an annual growth of 5.2% to reach 194 MMT. All major products recorded a positive consumption growth during the year while Kerosene, Naphtha, Bitumen and Lubricants recorded a de-growth. Petrol consumption recorded a strong growth of 8.8% on the back of increased passenger vehicle & two wheeler vehicle sales. Continuing the last three year's trend, Diesel consumption recorded a positive growth of 1.8% during 2016-17 owing to increased usage of public transport & improvement in medium and heavy commercial vehicle sales. Kerosene registered a de-growth of 21% during the year which is the highest ever de-growth in last 46 years, mainly because of enhanced LPG penetration in rural areas through Pradhan Mantri Ujjwala Yojana and voluntary surrender of kerosene quota by some states. LPG consumption increased with a growth of 9.8% due to Government's impetus to provide clean cooking fuels by enhancing LPG penetration through various schemes. Aviation fuel consumption recorded a growth of 12.1%, highest growth during last decade on the back of growth in passenger traffic due to rising income levels and government's thrust to promote low cost air travel. Fuel oil witnessed a growth of 8% due to increased use by Power, Steel and Small & Medium Enterprise Sectors. Slowdown of construction activities led to a marginal de-growth of 0.8% in Bitumen consumption during the year.

B. PERFORMANCE PROFILE

For the year 2016-17, HPCL has achieved its highest ever Profit after tax of ₹ 6,208.80 crore resulting in increase of Earnings per share to ₹ 61.12.

The Board, in the meeting held on 13th February 2017 declared an interim dividend of ₹ 22.50 per share. Further, the Board in its meeting held on 23rd March 2017 declared second Interim Dividend of ₹ 6.40 per share. The total interim dividend declared is ₹ 28.90 Per Share for 2016-17.

Further, the Board of Directors have proposed a final dividend of ₹ 1.10 per share for 2016-17 which combined with the two Interim dividends totalled to a dividend of ₹ 30.00 per share (ex-Bonus) for the year 2016-17.

HPCL continues to retain its strong credit ratings assigned by various credit rating agencies as under:

Instrument	Rating Agency	Rating	Outlook	Remark
International Issuer Rating	Moody's	Baa3	Positive	At par with India's sovereign rating
International Long Term Rating	Fitch	BBB-	Stable	At par with India's sovereign rating
Long Term Debt	CRISIL	AAA	Stable	Highest rating grade by CRISIL
Long Term Debt	India Ratings	Ind AAA	Stable	Highest rating grade by India Ratings

Management Discussion & Analysis Report 2016-17

GROSS SALES

The Gross Sales of the Corporation (inclusive of excise duty) for the year ended 31st March, 2017 was ₹ 2,13,489 crore as compared to ₹ 1,97,438 crore in the previous year. The total sale of products (including exports) for the year 2016-17 was 35.22 Million Metric Tonnes (MMT) as against 34.21 MMT during 2015-16.

PROFIT BEFORE TAX

The Corporation has earned a Profit before Tax of ₹ 9,021 crore in 2016-17 as compared to ₹ 5,777 crore in 2015-16.

PROVISION FOR TAXATION

An amount of ₹ 2812 crore has been provided towards income tax for 2016-17 as against ₹ 2050 crore provided during 2015-16.

PROFIT AFTER TAX

The Corporation has earned a Profit after Tax of ₹ 6209 crore during the current financial year as compared to ₹ 3726 crore in 2015-16.

DEPRECIATION AND AMORTISATION

Depreciation for the year 2016-17 was ₹ 2535 crore as against ₹ 2653 crore for the year 2015-16.

BORROWINGS

The Borrowings of the Corporation were ₹ 21,250 crore as on 31st March, 2017 as compared to ₹ 21,167 crore as on 31st March, 2016. Borrowings during the year were mainly through short term foreign currency loans, Collateralized Borrowing and Lending Obligations, Commercial paper and other short term rupee loans. Foreign currency loans continued to form substantial portion of borrowings. The long term debt to equity ratio stands at 0.51:1 as on 31st March, 2017 as against 0.96:1 as on 31st March 2016 and on overall borrowing basis (long term and short term) the debt to equity ratio stands at 1.04:1 as on 31st March, 2017 as against 1.18:1 as on 31st March 2016.

CAPITAL ASSETS

Net Fixed Assets (including Capital Work in Progress) increased to ₹ 37,946 crore as on 31st March 2017 from ₹ 34,966 crore as on 31st March 2016.

INVESTMENTS

Investments as on 31st March, 2017 were ₹ 10,919 crore as compared to ₹ 10,579 crore as on 31st March, 2016.

GROSS REFINING MARGINS (GRMs)

Gross Refining Margin for HPCL averaged at US$ 6.20 /bbl. during the year as against US$ 6.68 /bbl. for the year 2015-16.

Gross Refining Margin of Mumbai Refinery averaged at US$ 6.95 /bbl. during the year as against US$ 8.09 /bbl. for the year 2015-16.

Gross Refining Margin of Visakh Refinery averaged at US$ 5.51 /bbl. during the year as against US$ 5.46 /bbl. for the year 2015-16.

EARNING PER SHARE

Earnings per share for the year 2016-17 increased significantly to ₹ 61.12 as compared to ₹ 36.68 in 2015-16.

DIVIDEND

Total Dividend of ₹ 30 per share has been proposed/declared for the year 2016-17. The dividend would result in total payout of ₹ 3,668 crore, including Dividend Distribution Tax of ₹ 620 crore.

BONUS SHARES

During the Financial year 2016-17, pursuant to the approval of the shareholders in its meeting dated 8th September 2016, the company has issued bonus shares in the ratio of two equity shares of ₹ 10/- for one existing equity share of ₹ 10/- each in September 2016.

In addition to above, the Board of Directors, in its meeting held on 26th May 2017, recommended issue of bonus shares in the ratio of one equity share of ₹ 10/- for two existing equity shares of ₹ 10/- each. These shares were issued in July 2017 after obtaining the approval of the Shareholders.

C. STRATEGY

In today's competitive and dynamic business environment, it has become imperative to prepare a strategic plan which helps to navigate the future business environment. For realizing the growth and profit potential of the corporation and keeping HPCL ahead of the performance curve, a 5-year strategy named "Target 2020 (T20)" has been developed coinciding with the first 5-year period of our long term perspective plan "UDAAN 2030" which will help company to maximise customer value thereby achieving exponential growth & accelerated profits.

T20 strategy has been developed with clearly defined year wise physical and financial targets, investment required and action plan for implementation covering both "Business-as-usual" and "New initiatives". T20 strategy is being institutionalised through the Central Strategy Management & Implementation Office (SMIO). The focus is on implementing the identified strategic initiatives with clear ownership and monitoring the progress of achievement through a well-defined process at Business Unit and Corporate level.

D. REFINERIES

BRIEF ON CRUDE OIL AND REFINING MARGINS

2016-17 was yet another year of low crude oil prices. OPEC countries held various meetings during the year to balance the market by resorting to crude cut in collaboration with non-OPEC countries. However, the OPEC countries produced close to 1 million barrels per day (mbpd) more in 2016 as compared to 2015. Even after OPEC agreement of November 2016, which was supposed to be applicable from 1st Jan 2017, OPEC production in Q1 of 2017 was 0.30 mbpd more than Q1 of 2016. However, short term increase in crude oil prices helped Shale oil producers to lock their margins for medium term. Resultantly, US oil rig count started increasing during the previous year after a decline of more than two years. On the other hand, lower oil prices incentivized the consumers and the oil demand grew by 1.5 mbpd in 2016. However, the incremental demand was lesser than last year by 0.3 mbpd due to uncertainties in global economy due to Brexit, change in U.S. policies and slowdown in Chinese economy.

CRUDE OIL

Brent prices averaged about US$ 45.57/bbl. in Q1 (2016-17), up from US$ 33.89/bbl. in the previous quarter (Jan-Mar 2016). Crude prices rallied in the month of April 2016 on expectations of a production cut after Doha meeting of 17th April 2016, held between OPEC and non-OPEC producers. Further, continued attacks by militants in Nigeria (2nd largest exporter of West African crude) led to supply side disruption of about 300 to 400 kbd. Major Nigerian export grades were under force majeure during Q1. Severe congestion in Basrah ports due to planned maintenance in 4 ports out of seven, led to lesser exports of Basrah during the Q1 of 2016-17.

After UK voted to exit the European Union, the market expected another global crisis. Moreover, in view of the seasonal maintenance in Q2 (2016-17) and the increased product surplus in the market, the crude prices remained under pressure during Q2. Few grades in Nigeria remained under Force majeure. Sudden preliminary agreement by OPEC members to cut production for the first time in eight years during the last week of September surprised the market. This fuelled rally in crude oil prices. Dated Brent prices averaged about US$ 45.85/bbl. in Q2 (2016-17).

Brent prices continued the rally in the month of October 2016 due to the positive market sentiments across the regions in view of OPEC agreement for an output cut. But with OPEC output rise on monthly basis, actual impact of the deal remained uncertain and Brent prices slipped substantially by US$ 4.5/bbl. in November 2016. Finally, on Nov 30, 2016, OPEC agreed to cut supply by 1.2 mbpd from 1st Jan 2017 (exempting Libya and Nigeria) initially for 6 months, with the option to extend it for further 6 months. Brent prices maintained the upward momentum due to optimism of non-OPEC countries joining the call for cut to balance the market. Overall the contango in crude oil forward prices narrowed and this led to diminished incentive for the traders to store the crude in floating storage. Dated Brent averaged about US$ 49.46/bbl. during Q3 of 2016-17.

The prices remained supported during January 2017 after statement from Saudi Oil Minister regarding production cut of about 1.0 mbpd. Brent prices were sustained in the month of February following comments by Russian Energy Minister that OPEC and non-OPEC production had already been cut by 1.4 mbpd. Sentiments also got boosted after news of Nigeria's supplies disruption continuation till June'17. During this upward momentum in crude oil prices, US onshore inventory kept on increasing and reached well above its last five years average in February due to the possibility of floating storages continuing to find their way to onshore tanks and US rig count continuing to increase week on week. Moreover, OECD crude stocks showed little sign of drawing downward. This led to crude oil prices slipping by US$ 3.5/bbl. during March 2017. Dated Brent prices averaged at US$ 53.8/bbl. during Q4 of 2016-17.

Indian Crude Basket

Indian crude oil basket prices increased month-on-month during Q1 (2016-17), up from US$31.72 /bbl. in the previous quarter to US$ 43.97/bbl. due to strength in International crude oil price markers. During Q2 (2016-17), the Indian Crude oil basket price increased marginally to USS$ 44.15/bbl. despite rally of Brent crude oil Prices in September end, as Dubai crude oil prices remained static. The strength in international crude oil prices regained momentum in October and Indian crude oil basket prices closed Q3 (2016-17) at US$ 48.82/bbl. The international crude oil prices touched their peak on monthly basis during the last quarter with Brent touching US$55.11/bbl. and Dubai touching US$54.44/bbl. in February 2017, but the prices could not sustain the pressure of increasing US rig count and started falling in March 2017. However, Q4 (2016-17) still closed on a higher note than the previous quarter at US$53.47/bbl.

REFINING MARGINS

Singapore refining margins moved down sharply to US$ 5.0/bbl. in Q1 of 2016-17 from US$ 7.8/bbl. during previous quarter as the crude prices recovered by US$ 12.0/bbl. during Q1 and the rally in light distillate cracks blew off. Light distillate cracks were marred by high inventory across the region as the refiners tried to run their refinery in Max Gasoline mode, in anticipation of strong gasoline cracks like 2015. Gasoline Dubai cracks came down by around US$ 4/bbl. with Naphtha cracks also dipping by more than US$ 5.0/bbl. as compared to previous quarter and became negative for the first time in May 2016 after eight months. Middle distillate cracks, particularly Gasoil, improved steadily during the quarter due to spot demand by Vietnam, Pakistan and India and closed at an average of US$10.5/bbl. against US$ 9.5/bbl. during the previous quarter. Bunker Fuel demand declined as the prices reached 5 months high in May 2016 and then kept on increasing during Q1 of 2016-17.

Singapore refining margins bettered slightly during Q2 as compared to Q1, supported by improving middle distillate cracks and fuel oil cracks, and closed at an average of US$ 5.1/bbl. Gasoline Dubai cracks reached 32 months low in July 2016 and closed at US$ 7.0/bbl. This was due to higher exports by China during the year (up by 89 kbd y-o-y during H1’ 2016), adding to the surplus built up during early part of the year and lesser demand by Asia’s biggest buyer, Indonesia, which turned to maximizing domestic production to reduce imports. Gasoline cracks improved in September on account of unexpected shutdown of a major gasoline pipeline in USA and few shutdowns in India, and closed at an average of US$ 9.0/bbl., substantially lower than US$ 11.50/bbl. during previous quarter. Gasoil cracks began the quarter on a negative note as the surplus reached an all-time high of 1.4 mbpd in July 2016, on the back of higher Asian crude runs. Further, the situation was aggravated due to monsoon in the month of August which led to fall in demand. The cracks got supported only in September due to planned maintenance in Asia and closed at an average of US$ 11.0/bbl. during Q2 of 2016-17.

Singapore refining margins improved by about US$ 1.5/bbl. during Q3 as compared to Q2 and closed at an average of US$ 6.7/bbl. This strength was driven by robust cracks across the barrel due to planned maintenance in the region along with robust oil products demand of 5.1% during Q3 against 1.5% during Q2. Light distillates cracks, particularly naphtha, was strong due to lesser arbitrage volume from West along with lesser exports from Middle East. Naphtha cracks closed at an average of US$ 0.19/bbl. Gasoline cracks remained range-bound and closed at an average of US$ 12.0/bbl. due to trade-off between higher supplies from China and increased intermittent demand from India (due to demonetization) and other parts of Asia. Middle distillate cracks increased seasonally due to winter demand and refinery maintenance in the region. Gasoil cracks closed at an average of US$ 12.0/bbl. Q3 of 2016-17.

Singapore refining margins dipped slightly during Q4 as compared to Q3 and closed at an average of US$ 6.40/bbl. Asian oil products demand was slower at 2.4% during the quarter as compared to last quarter as well as corresponding period of previous year. Light distillate cracks maintained to improve due to unplanned outages in Middle East. Naphtha cracks gained substantially and reached at a ten month high of about US$ 2.0/bbl. during February 2017 due to lower arbitrage from the west, lesser exports from India and Fire at one refinery in Middle East. Gasoline cracks increased marginally during the quarter mainly due to unplanned outages in the region despite huge supplies. Middle distillate cracks were slightly under pressure during the quarter due to floating storages in Singapore apart from already higher exports from China. This resulted in gasoil cracks closing at an average of US$ 11.8/bbl. during Q4 of 2016-17.

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CRUDE OIL IMPORTS

HPCL uplifted 4.10 MMT of indigenous low sulphur crude oil (Mumbai High & KG D6 Condensate) during 2016-17.

HPCL imported 13.82 MMT of crude oil in 2016-17 as compared to 12.97 MMT in 2015-16. The import requirement of 13.82 MMT was met through term imports and spot purchases. High sulphur crude oil procurement of 10.92 MMT was done mainly through term contracts from the Gulf region. Low sulphur crude oil imports amounted to 2.90 MMT, which was sourced through term and spot purchases.

FOB cost of imported crude oil amounted to USD 4876 million (₹ 32,715 crore) in 2016-17 as compared to US$ 4229 million (₹ 27,511 crore) in 2015-16. The average cost of crude oil imported in 2016-17 stood at US$ 47.75/ bbl. as compared to US$ 44.11/bbl. in 2015-16. The average exchange rate was INR 67.10/ US$ as compared to INR 65.06/ US$ in 2015-16.

REFINING PERFORMANCE

The year 2016-17 has seen the overall Refining performance of HPCL surpassing the previous years in terms of physical and financials. This was possible on account of better utilization of capacity and availability of refinery units. Both the refineries have started supplying the BS IV specification grade of MS & HSD well ahead of the schedule.

The volatility in crude and product prices during 2016-17 was moderate as compared to previous year, giving the much needed respite to oil and gas sector. The stability on industrial horizon and the promising atmosphere of industrial growth ensured a healthy atmosphere for Refineries to excel and perform better. Refining sector fared better than the expectations and continued the trend of sustained growth.

During 2016-17, HPCL refineries have recorded the highest ever refining throughput of 17.8 MMT as compared to 17.2 MMT registered during previous year and achieved a capacity utilization of 113%. Mumbai Refinery (MR) recorded best ever crude throughput of 8.5 MMT surpassing the previous high of 8 MMT achieved in the previous year. Visakh Refinery (VR) achieved 9.3 MMT compared to 9.2 MMT achieved in the previous year. This superior performance was achieved by meticulous planning of crude sourcing, ensuring a right crude mix and also ensuring speedy evacuation of all the products produced by the Refineries. Excellent refining performance during 2016-17 was supported by sustained level of refinery reliability and strict adherence to the laid out processes and safety.

The landmark performance in refining throughput helped achieve various other milestones on production front during the year. On a combined basis, HPCL refineries recorded the best ever production of LPG, MS, HSD, LOBS and Bitumen. On individual basis, Mumbai Refinery achieved the highest ever production of MS, HSD, LOBS and Visakh Refinery achieved the highest ever production of MS, HSD, ATF and Bitumen.

Another significant aspect of the superlative refining performance was sustained reliability of assets. During the year, Mumbai Refinery (MR) successfully completed planned turnaround cycles of Fluid catalytic cracking unit I (FCCU I), Solvent Extraction Unit III (SEU III), Lube Oil Upgradation Plant (LOUP) & Hydrogen generation Unit (HGU) and Visakh Refinery (VR) successfully completed turnarounds of Crude Distillation Unit III (CDU III) & Fluid catalytic cracking Unit I (FCCU I) within the stipulated timelines and with utmost adherence to safety at the same time without causing any disruption to product availability to the market. Synchronization of all Gas Turbine Generators (GTGs) and implementation of load shedding scheme at Visakh Refinery was one of the most important reliability initiative which paid good dividend in providing the uninterrupted power to the units.

Maximizing the asset utilization has always been the priority of HPCL refineries. HPCL has taken the advantage of regular turnarounds and installed new FCC feed nozzles at both refineries, which were specially developed and designed by R&D team indigenously.

Keeping abreast with the latest technology has yielded in benefits on operational and energy front and assured product quality for refineries. In this direction MR has revamped existing SEU III furnace with novel split-pass flow technology and VR has adopted structured MODGRID packing for FCC-2 reactor stripper. VR also added a second reactor at FCC NHT and debutanizer at DHT facilities which has enabled the refinery for complete compliance to production of BS IV specification MS and HSD.

On energy saving front, refineries have implemented various initiatives viz. commissioning of slop cut steam generator in CDU II at Visakh Refinery, on-line cleaning of furnaces using in-house developed chemical by R&D, decongestion of FCC-I Preheat exchangers along with relocation of Resid pumps at MR for access to equipment etc. One of the most significant achievements of the energy conservation initiatives was stabilization of the new Flare Gas Recovery Compressors (FGRCs) at both the refineries which has helped the refineries to handle the unavoidable escape of hydrocarbons to the flare during normal operations and put back to refinery fuel gas system.

To reduce energy consumption further, both the refineries have undertaken various other energy efficiency improvement initiatives. A mega-scale steam trap management study was conducted in MR which helped in significant reduction in steam losses. All these efforts have also a direct impact on the energy conservation and OPEX reduction of the refineries. As a result of this, both refineries were able to achieve their best ever Energy Intensity Index (EII) during 2016-17.

In pursuit of continual improvement of refinery operations, both HPCL refineries have participated in performance benchmarking study by M/s Solomon Associates for the third time. The study is now being conducted for the calendar year 2016. The phase of data submission has already been completed by both the refineries. Bureau of energy Efficiency (BEE) has extended PAT (Perform, achieve and trade) cycle II program to petroleum sector which is being coordinated by CHT for Indian refineries. Both HPCL refineries are actively participating in the PAT Cycle II. As a part of this process, a gap identification audit was carried out by Petroleum Conservation Research Association (PCRA). Both HPCL refineries have participated in this audit and operating data acquisition phase has been completed.

As notified by Ministry of Petroleum & Natural Gas (MoP&NG), BS-IV specification MS and HSD were to be rolled out on pan India basis from 1st April 2017. Both HPCL refineries prepared well ahead of the schedule to supply BS IV MS and HSD seamlessly without any interruption in product supply to the market.

Both the refineries are slated for their capacity augmentation plans while complying to BS-VI grade of auto-fuels. Mumbai Refinery expansion project (MREP) will augment refinery capacity from 7.5 to 9.5 MMTPA whereas Visakh Refinery Modernization Project (VRMP) will enhance refinery capacity from 8.3 to 15 MMTPA and will feature state of the art technologies and residue up gradation facilities. Both the projects have received the environmental clearances during 2016-17. Site clearances have been completed and the projects are now gearing up for field executions. Dedicated teams have been placed at MR and VR for taking the projects along the scheduled timelines.

Health, safety and environment make an integral part of Refinery performance at HPCL. MR celebrated the best ever safety performance by achieving 18 Million safe Man hours on 19/02/2017. VR actively participated in "Green Vizag" program by planting 2 lakh saplings all over the city. During 2016-17, MR and VR have fully complied with M B Lal committee recommendations which were mandatory for hydrocarbon industry. To reduce sulphur emissions a Tail Gas Treating Unit was commissioned at VR and the same was mechanically completed at MR during the year. MR successfully recycled 724576 m3 of water as compared to 577511 m3 of water during the previous year. VR achieved highest ever oily sludge processing record of 12000 m3 during 2016-17.

E. INTEGRATED MARGIN MANAGEMENT

Keeping in view the strategic objective of maximizing the Net Corporate Realization (NCR) across crude to customer value chain, the Integrated Margin Management (IMM) group was established during 2014-15. The group focused on various key performance areas like Crude Procurement, Crude processing, Operational reliability, Enhancing pipeline throughput, Optimization of logistic and operating cost and maximizing the sales of value added products of Petrol, Diesel and Bitumen.

To facilitate continuous margin improvement, IMM group is also driving the various ideas across Corporation from concept to implementation phase through a structured Idea Management Process. These ideas are tracked and their status is reported to Management on regular basis.

With the objective of stabilizing the margins, activities of Oil Price Risk Management (OPRM) were resumed during 2016-17 through IMM group. All the risk management principles, policies, hedging positions, credit exposure of the Counter-parties etc. are closely monitored on a regular basis by Oil Price Risk Management Committee comprising of Senior Management personnel.

HPCL was successful in hedging a part of its Refinery Margins during 2016-17 by concluding derivate deals in the International OTC (Over-the-Counter) Market. Similar initiatives were replicated on the marketing front to cover risks from various business portfolios.

IMM approach has helped in improving the cross functional decision making across the organization. It has brought tight control over inventory and logistic cost. All business units are aligned to common objective of maximizing the NCR through IMM.

F. MARKETING

The performance in marketing during 2016-17, has been remarkable for HPCL. The total market sales (including exports) was 35.2 million tonnes compared to previous year sales of 34.2 million tonnes. The domestic sales grew by 2.5% over historical to reach a market share of about 21% amongst the public sector oil Companies.

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The performances of the Marketing Function Strategic Business Units (SBUs) are detailed in the sections below:

RETAIL

Retail SBU is the face of HPCL as Retail Sales constitute about 67% of total market sales of HPCL. Retail SBU enjoys the greatest amount of visibility through the nearly 14,500 strong network of retail fuel stations spread across the length and breadth of the country. Gasoline (Motor Spirit) and Gas Oil (Diesel) are the major products marketed by the SBU and account for the bulk of the business, 21.6 MMT from a total of nearly 23 MMT for 2016-17, other products being SKO, CNG, Auto LPG and Retail Lubricants. The strategic initiatives undertaken during the last few years helped Retail SBU deliver a good performance despite various challenges thrown up by the rapidly changing market.

In India's petro-retailing market, proximity of the retail outlet to the point of consumption plays an important role for driving sales and HPCL continued the approach of strategic network expansion. During 2016-17, HPCL commissioned 624 new retail outlets taking the total retail number of outlets to 14,412 and modernised over 2000 retail outlets with an outlay of over ₹ 200 crore. Besides network expansion, improving the volumes of the existing network and revival of closed outlets has been the focus of the SBU since 2014-15. Following the revival of 172 closed outlets in 2015-16, the current year too saw the revival of 120 closed retail outlets which are expected to contribute additional volumes in 2017-18. In addition, HPCL implemented automation at 1,611 retail outlets, taking the total number of automated outlets to 4,342.

HPCLs information technology-related initiatives include text message (sms)-triggered retail automation system and a Network Planning tool for evaluating potential of new locations. HPCL has a mobile application for technology savvy customers, which is available for all Android as well as iOS platforms. A new IT enabled initiative – "Vehicle Identification System", using RFID technology and leveraging retail automation at retail outlets offers a complete fuel management solution to fleet owners.

HPCL actively pursues initiatives to improve customer service and promote customer loyalty. HPCL has DriveTrack Plus loyalty card program for fleet customers and motorists. The DriveTrack Plus card is accepted at over 12,000 retail outlets and is used by more than 130,000 customers. HPCL has HP Refuel loyalty card program, a prepaid card for retail customers (driving two, three and four wheeler vehicles).

Following the Government's thrust on digitisation, HPCL established electronic data capture (EDC) services and mobile wallets at more than 12,500 retail outlets thereby enabling digital transactions at more than 88% of the total retail fuel stations during 2016-17. Currently about 96% of retail outlets are digitally enabled for cashless transactions. In Jan`17, HPCL shifted the DriveTrack Plus and HP Refuel cards to card-less platform leveraging mobile and web space to offer the same intended benefits to the respective target customer segments.

HPCL has launched Club HP on the platform of "Outstanding Customer & Vehicle Care" and offers a bouquet of value added products and differentiated services to customers. There are more than 2,000 Club HP retail outlets across India. The key offerings under the Club HP Brand include quality and quantity assurance, vehicle and customer care, branded fuels (power and turbo), improved housekeeping and clean toilet facilities. In the fiscal year 2017, about 330 toilet blocks having separate facilities for male and female customers were constructed at retail outlets on state and national highways for increased convenience of customers.

As part of Government of India's efforts to ease the rush for new currency notes at bank branches and provide relief to the currency crunch of common man post demonetisation, HPCL partnered with banks to leverage POS machines installed at select retail outlets, for permitting the bank's customers limited cash withdrawal using their ATM/Debit cards.

The Club HP Star brand takes the value proposition of Club HP outlets to an even higher level by adding stringent enrolment norms like minimum volume criterion, presence of Automation and CCTV monitoring at the outlet. Another major addition is the focus on quick fills in order to provide the best possible service in the least possible time to the customers. HPCL has upgraded 50 retail outlets to Club HP Star status during the year, bringing the total number of Club HP Star retail outlets to 256.

HPCL has various quality assurance initiatives under its Good Fuel Promise campaign. "Check and Fill" campaigns are regularly conducted to invite customers to check the quality and quantity before filling their vehicles. In addition, surveillance audit of Club HP retail outlets is conducted on regular basis through Bureau Veritas, a reputed International certification Agency. In fiscal year 2017, a total of approximately 45,000 inspections were carried out.

Continuing the thrust on brand building, in fiscal year 2017, HPCL increased the number of outlets retailing the Power brand fuel to nearly 2,500 and recorded 260 TKL sales volume. HPCL launched a super-premium version of Gasoline (Motor Spirit) with highest octane rating for high end cars for the first time in the country under the brand poWer 99.

HPCL has a tie-up with State Bank of India which enables retail outlet dealers to secure working capital finance at attractive rates. In fiscal year 2017, more than 2,200 retail outlet dealers availed of the facility under the Dealer Finance Scheme (e DFS), a facility for HPCL dealers to avail credit facility from SBI bank at attractive rate of interest.

HPCL has built a profitable Non-Fuel Business (Allied Retail Business) with a wide range of facilities for the customers including ATMs, take away food counters, "C" Stores, vehicle accessories etc. through tie-ups with leading banks, Food Brands & OEMs. In 2016-17, all these tie ups helped to realize an impressive ARB income.

The strategic initiatives undertaken by HPCL helped deliver consistent performance. During the year 2016-17, the total retail sales volume was 22.8 TMT a growth of 0.2% over historical compared to PSU industry de-growth of 0.6%.

LPG

HP GAS, the LPG brand of HPCL is one of the most preferred brands among LPG consumers and has been bestowed with awards based on market research and customer survey like 'Super Brand' and '100 Most Valuable Brands'. In the year 2016-17, HP GAS served more than 61 million customers through a network of 4,532 LPG distributors. HP GAS also enrolled 8.7 million new customers and commissioned 254 distributorships in the same period. The thrust on LPG by Government of India and the flagship program of Pradhan Mantri Ujjwala Yojana (PMUY), which aims to provide 50 million LPG connections to women from households below the poverty line over a period of three years up to March 2019 will drive future growth in LPG Sales. HPCL has a target of providing 15 million PMUY LPG connections. During the year 2016-17, HPCL registered 6.9 million beneficiaries and released 5.3 million new LPG connections under the PMUY Program.

To keep pace and cater to the increase in LPG demand, HPCL commissioned a new LPG plant in Bhopal which has a bottling capacity of 60 TMTPA during the year 2016-17. In addition, capacity augmentation projects of 60 TMTPA each at the Ajmer, Patna and Loni LPG plants were also completed. LPG Bottling from own LPG Plants crossed 5 MMT during the year.

HPCL leverages technology and innovation extensively to drive growth, increase operational efficiency, ensure safety and reduce operating cost in LPG. To increase productivity in LPG Plants, HPCL has installed vision reader units at 12 LPG plants during the year which eliminates manual intervention by facilitating auto reading of cylinder tare weight and due date for testing of LPG cylinders. In addition, 12 number of Online valve changing machines were installed in 10 LPG plants to eliminate conventional methods of cylinder evacuation before changing the LPG cylinder valve thereby increasing the operational safety and reducing manpower cost.

HPCL has launched the Centralised Distributor and Consumer Management (CDCM) system at all LPG distributorships which enables LPG distributors to have a better control over the transactions and also ensures data security and integrity. Introduction of plain paper SV/ TV printing facility and web based printing facility for refill cash memo at the distributorships has eliminated requirement of pre-printed stationary making the process easier, while also lowering the operating cost.

HPCL participated in the initiative of Digital India Program by moving 4.3 crore SV's of LPG consumers who have provided Aadhaar Numbers, to Digi-Locker platform. HP GAS also implemented HP Anytime, a 24 x 7 SMS/interactive voice response system that enables customers to book through phone LPG refills and receive real time booking confirmation in vernacular language.

About 3200 distributors are enabled with at least one mode (wallet or POS) of receiving digital payment from the consumers. To incentivise the customers to shift to digital mode of payment, an incentive of ₹ 5/- per transaction was started for consumers paying for their refills online.

In keeping with the Corporation policy of highest safety standards, Live Fire Training was conducted for employees, security staff and contract labour during the year. As part of capability building measures, 317 persons have been given Live Fire Training. Sachet Safety Videos have been prepared in 9 different modules and distributed to all the plants for further disseminating Behaviour Based Safety (BBS) culture as part of our Project Sachet Program. Online BBS Index Module, for making an objective assessment of BBS implemented at plants, has been prepared and implemented across all the plants.

As part of initiatives for sustainability, Solar Projects of 302 KW were installed & commissioned at 4 LPG Plants, viz. Ajmer, Visakh, Anantapur & Aurangabad and energy efficient LED/LEP lighting of 169 KW was provided at 14 LPG Plants. Visakh LPG terminal is the first LPG Terminal in the country to receive Greenco Platinum Rating.

HPCL achieved highest ever LPG sales volume of 5.63 MMT during 2016-17, representing a growth of 11.1 per cent over historical.

DIRECT SALES

Direct Sales business unit has two divisions viz. Lubes and Industrial & Consumers (I&C). Lubes business line caters to Lubricant and Greases requirement of industrial customers in both private and government sectors viz. power plants, chemical units, fertilizer companies, railways, state transport units, army etc. Lubes business line also manages lubricant sales through network of Lube Distributors catering to bazaar market and Carrying & Forwarding Agents (CFAs) catering to Lubricant requirement of Small & Medium Enterprise (SME) segments. Industrial & Consumer business line caters to bulk fuels, bitumen & specialties supplies to industrial customers in both private and government sectors and is also involved in exports of bulk fuels and finished petroleum products.

DIRECT SALES - LUBES

India is estimated to be the third largest lube market in the world after US and China, with an approximate share of 7% of the total world Lubricant sales. During the year, the lube market size in India remained steady at approximately 2800 TMT, including Transformer and White Oils.

During the year 2016-17, HPCL has recorded total lubricant sales volume of 607 TMT, making HPCL the number one lube marketer in India for the fourth consecutive year. The total value added lubes i.e. additive blended lubes and Process oils sales volume was 416 MMT representing a growth of about 6.3% over historical.

Lubes SBU implemented well planned strategies and optimised the product mix by balancing between tonnage growth and brand premium growth. HPCL is present in all lube product segments, from the high volume entry level segment to the super-premium segment like synthetic lubricants.

The original equipment manufacturer (OEM) sector is a key focus area of the Lubes SBU. HPCL has consolidated Lubricant business at important OEMs including JCB India, Royal Enfield and Bajaj Auto Ltd. and renewed partnerships with reputed OEMs like Komatsu India Pvt. Ltd., San Engineering and Locomotive Co. Ltd., SKF India Ltd. and Greaves Cotton Ltd. A cornerstone for OEM business development was the close interactions between the research and development (R&D) teams at HPCL and the OEMs opening the way for more partnerships in the coming years.

To strengthen and increase the presence in bazaar and MSME segment, HPCL rolled out a systematic process to appoint channel partners in 2016-17. The same was done after careful identification of potential available and HP lubricants presence in those locations. The initiative resulted in the structured commissioning of 20 new lube distributors and 21 CFAs across the country based on potential available for various locations. In addition, a retail loyalty programme was launched to reach end users of lubricants and connect with them thus creating better brand awareness for HP Lubricants in the market and increase the customer base within the bazaar market.

The R&D wing of the Lubes SBU continued its meticulous activities during 2016-17, with development of new products for both government as well as private sector customers. Close interaction with customers for development and approval of new products enabled about 21 approvals from various customers, including Bajaj Auto Ltd., Defence, Gabriel India Ltd., Indian Railways and Steel Authority of India Ltd.

The aggressive business strategy adopted for both segments viz. Consumer Lubes and Retail Lubes, steps for improving operational efficiency and optimising inventory of lubricants helped the Lubes SBU to record excellent performance during 2016-17.

DIRECT SALES - INDUSTRIAL & CONSUMER (I&C)

HPCL is the second largest player in the I & C business-line, which handles institutional sales of fuels, bitumen, naphtha and other bulk products consumed by industries, mining sector, construction, power plants, shipping, etc. During 2016-17, the total Industrial & Consumer sales was 5 MMT representing a growth of 2.6 per cent over historical. The strategy to focus on maximising volumes in three focus products helped HPCL cross 1 million tonne sales in Fuel Oil, Diesel and Bitumen in the same year for the second year in a row.

HPCL supplies Gas Oil (Diesel) to public and private entities, including the state transport undertakings of Andhra Pradesh, Gujarat, Rajasthan and Telangana, and accounts for 26 per cent of total Gas Oil (Diesel) sales in the state transport undertaking sector. In fiscal year 2017, the total Gas Oil (Diesel) sales volume of HPCL was 1,362 TMT, resulting in a growth of 2.12 % over historical.

HPCLs focus on large bitumen customers, promotion of VG-40 grade bitumen, partnerships with major infrastructure players and new bitumen drumming facilities at Mumbai and Visakh enabled the I&C business line to record impressive Bitumen sales of 1234 TMT during 2016-17.

Bunkering has been the major thrust area for HPCL which helped build sales volumes in the last two years at major ports. HPCL has undertaken projects to improve the availability of Bunker Fuels at more number of ports which will lead to increased availability of Bunker Fuels at Port and resultant increase in sales of Bunker Fuels. HPCL has recently entered into MOU with Mumbai Port Trust for development of Facilities at Butcher Island for Bunkering.

HPCL sustained leadership in Hexane by becoming a major supplier to Solvent extraction plants and gained volumes from Pharmaceutical industries and Petrochemical industries.

Large and strategic key accounts also play a key role in HPCL's I&C business line. To strengthen its relationship with these key accounts, HPCL has undertaken various initiatives to provide differentiated services such as priority loading, online test certificate and assignment of a specific account manager.

HPCL proudly served Indian Army with a product basket which also includes SKO and Winter Grade Diesel and commissioned around 50 new KSPs in toughest terrains to ensure smooth supply of POL products to Army and also installed 4400 KL of scattered tankage with Army at Leh. HPCL has been executing the Advance Winter Stocking of POL products in the Valley and Leh with in stipulated time for Indian Army.

HPCL have put online blending facility for Biodiesel at Vatva RCD, pioneered amongst OMCs, and ensures national wide quality assurance mechanism for product standards as per BIS specifications up to end customer. In addition to railways, HPCL is also catering to other industry segments by supplying B-5 for their respective consumption.

As part of strategy to maximise sales, HPCL has looked beyond traditional domestic product sources, for tapping the seasonal market demand. During the year, HPCL has made the first ever imports of Bitumen and Fuel Oil to meet market demand and is focussed on infrastructure development and capability building in this new business opportunity.

The growth in I&C business line was the result of a well calibrated strategy to focus on products of bitumen, fuel oil, Diesel and specialities like Hexane and MTO against a backdrop of increasing demand for these products.

AVIATION

Aviation SBU provides fuelling services to customers in the aviation industry through a large network of Aviation Service Fuel stations (ASFs) covering all the major airports in India. HP Aviation fuelling service meets and exceeds the stringent International regulations for handling Jet fuel. During 2016-17, HPCL has achieved Sales volume of 691 TMT in Aviation fuel (Jet fuel) with growth of 13.4 % against PSU industry growth of 9.9% resulting in a Market share gain of 0.35%.

HPCL is supplying Jet Fuel to all major scheduled domestic airlines of the country. During 2016-17, international airlines and carriers like Lufthansa, Aerologic, Brussels Airlines, DHL Group and Aeroflot were added to the existing customer portfolio. HPCL became the major supplier to SpiceJet catering to 45% of their Jet fuel needs. Aviation Service facilities was augmented by setting up fixed facility at Pune, Vijayawada, Dehradun and Jaipur. The supply infrastructure was augmented to reach product up to Bengaluru Airport.

Strategic initiatives undertaken during the year like new business agreements / renewals with new / existing airlines, leveraging relationship with commercial partners etc. have contributed to the business growth and enhanced profitability.

NATURAL GAS

Natural gas, a clean fuel which is expected to increase its share significantly in Indian Energy Mix is a key focus business line for HPCL. The thrust by Government of India on clean fuels and reducing carbon emissions will increase the usage of Natural Gas in India. The Government's Hydrocarbon Exploration and Licensing Policy (HELP) is expected to quicken exploration and production of natural gas from domestic fields. Availability of natural gas in the global market is also expected to increase as new production sources commence production.

HPCL is operating a CNG network at Ahmedabad through one mother station and 21 daughter stations. During 2016-17, the sale of CNG through CNG Stations in Ahmedabad was 11.73 TMT representing a growth of 7.4 percent over historical. HPCL is supplying RLNG to various industrial customers and achieved a RLNG sales volume of 6.5 TMT during the year.

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HPCL is constructing a 5 MMTPA LNG regasification terminal at estimated cost of ₹ 5400 crore at Chhara Port in Gir, Somnath District of Gujarat through a Joint venture company HPCL Shapoorji Energy Pvt. Ltd. (HSEPL). The project is expected to be commissioned by 2020. Setting up of this LNG terminal will facilitate in meeting captive requirement of HPCL refineries and help in marketing of Natural Gas.

The major consumption in India is in the fertilizer and power sectors. The demand for fertilizer sector is met through domestic gas and imported LNG. The entire supply of domestic gas and RLNG to all the fertilizer plants is monitored by Empowered Pool Management Committee (EPMC) – Fertilizer. HPCL intends to foray in this sector.

Consequent to withdrawal of process of e-bid RLNG supply wherein entire supply used to be routed through a pool operator, HPCL is in touch with gas based power plants for supply of RLNG. In addition, HPCL is exploring possibilities of marketing of RLNG in the CGD and industrial sector.

HPCL is participating in two separate Joint Venture companies viz. GSPL India Gas Net Limited (GIGL) and GSPL India Transco Limited (GITL) with equity stake from GSPL (52%), IOCL (26%), HPCL (11%) and BPCL (11%) for laying, building and operating three (3) natural gas pipe lines. The companies will facilitate HPCL to source Natural gas and market it independently to customers along the pipeline route.

HPCL is actively pursuing for improved participation in upcoming CGD opportunities and is currently participating through three separate Joint Venture companies viz. Avantika Gas Ltd. operating in Indore, Ujjain and Gwalior, Bhagyanagar Gas Ltd. operating in Hyderabad, Vijayawada and Kakinada and Godavari Gas Pvt Ltd. Operating in East Godavari and West Godavari Districts.

OPERATIONS, DISTRIBUTION & ENGINEERING

The backbone for marketing of petroleum products is robust supply chain management which is handled by the Operations, Distribution & Engineering (OD&E) vertical in the company. OD&E is a key enabler to the Marketing SBUs / function, providing unstinted support and innovative solutions to stay ahead of competition and plays a key role in increasing market sales. HPCL has achieved accident free operations at all POL locations during 2016-17.

A key focus area during 2016-17 was to achieve conversion from BS-III to BS-IV Fuels. The entire process of migrating from BS-III to BS-IV was done on All India basis through meticulous planning and executing the planned activities. The migration to supplying BS-IV was successfully completed at all POL locations within the timelines.

Timely and adequate delivery of petroleum products and optimization of resources remained a focus area, resulting in enhanced customer satisfaction levels in both Retail and I&C business lines. Enhanced Safety processes at POL installations enabled uninterrupted product supplies & improved service levels.

Detailed planning was carried out for meeting future market demand along with time bound infrastructure development. During the year, major revamp of facilities was carried out at Jabalpur, Loni, Akola, Nalagarh, Manmad, Vizag black oil & Bahadurgarh locations. In addition, temporary product storage facilities were commissioned at Leh Depot. The commissioning of the tanker discharge to simultaneously discharge through 2 separate pipelines at Ennore terminal helped to increase the flow rate resulting in savings of over ₹ 4 crore per annum.

To enable cashless transactions, HPCL was the first among the OMC’s to complete cashless transaction at NHAI toll gates by affixing RFID tags on 10,100 POL tank trucks.

Sustained focus on implementation of ethanol blending saw achievement of 3.51 % ethanol blending in Petrol. The emphasis was on environment protection, sustainability measures and steps for reduction in greenhouse gas (GHG) emissions at locations. Foundation stone for India’s first 2G Bio Refinery to be set up at Bathinda, Punjab was laid on 25th December 2016.

A comprehensive energy & power quality audit was completed for 17 locations during the year for enhancing efficient usage of energy. Energy Efficient lighting system (100% conversion from conventional lighting to LED lighting) was installed at 20 locations. Solar plants of total capacity 226 KW at 9 locations have been commissioned taking the total installed solar capacity to 521 KW at POL locations. Strict monitoring of specific energy & water consumption across locations was achieved through sustained awareness building. Rain water harvesting at all major locations along with fresh water management has helped reduce water consumption significantly.

HPCL undertook implementation of Pradhan Mantri Suraksha Bima Yojna, Pradhan Mantri Jan Dhan Yojna, Pradhan Mantri Jeevan Jyoti Bima Yojna at all POL locations. Oil conservation awareness activities were conducted at all POL locations as part of Saksham.

For achieving the objective of delighting customer through timely delivery, De-bottle necking through Process improvement using quick wins in man, machine & method related solutions and productivity enhancement techniques continues to be the key focus area. To ensure Quality and Quantity 100% of the POL Tank trucks are fitted with Vehicle Tracking System.

Considering the significant and indispensable role of personnel in operational area, capability building and Skill Development of employees across levels remained a key thrust area. Officers and workmen were trained on Live Fire Simulation, Handling of equipment installed in line with MB Lal Committee recommendations and HSE.

The various process improvement initiatives resulted in increasing the Tank Truck bay filling rate and reduction of the Tank Truck cycle time.

PIPELINES

HPCL has laid special emphasis on acquiring high level of competency in managing the pipeline network effectively to optimize cost and maximize revenue along with planning & development of new cross country pipeline network. Pipelines continues to yield attractive returns through lower logistics costs apart from increasing safety in product movements and decreasing carbon footprints. HPCL is having the second largest network of pipelines amongst Oil marketing companies and thus derives very significant logistic advantage with optimised cost.

The company is currently operating 3,370 Km of Pipelines with mainline capacity of 23.21 MMTPA and branch line capacity of 10.32 MMTPA. In addition to above, HPCL is also operating specialty product pipelines for transportation of Black Oil and Lube Oil. During 2016-17, corporation recorded the highest ever mainline throughput of 17.91 MMT.

HPCL commissioned its first LPG cross country pipeline, Mangalore Hassan Mysore Yediyur LPG Pipeline of 356 Km length and 1.94 MMTPA capacity in October 2016 against MOU target of November 2016. The newly commissioned Rewari Kanpur Pipeline & Kanpur Terminal were dedicated to the nation by the Hon'ble Prime Minister of India on 19th December 2016 in a ceremony held at Kanpur.

Pipeline capacity expansion remains a major focus area for HPCL and projects are underway with a capital expenditure of ₹ 2601 crore which are envisaged to be completed within next 3 years. New Pipeline infrastructure projects which are underway are Mundra Delhi Pipeline (MDPL) Capacity Expansion; Extension line from Palanpur to Vadodara Project including Green field Terminal at Vadodara; Visakh Vijayawada Secunderabad Pipeline (VVSPL) Capacity Expansion including Off Shore Tanker Terminal (OSTT) / Sunken Ship (SS) Jetty sub-sea pipeline Projects at Visakh and Ramanmandi Bahadurgarh Pipeline (RBPL) Capacity Expansion project. Pre-Project activities for Vijayawada Dharmapuri Pipeline and Hassan Cherlapalli LPG Pipeline are under progress. HPCL has also participated in PNGRB bidding for 2700 Km (approx.) long Kandla Gorakhpur LPG Pipeline for which IOCL has submitted the bid on behalf of the Consortium of IOCL, HPCL and BPCL.

As a part of sustainability initiatives, solar power panels of 158.5 KW and rain water harvesting system were installed during the year at various pipeline locations.

G. CENTRAL PROCUREMENT

Central Procurement Organization (CPO) which was set up with an objective to manage all the procurement activities of your Corporation has progressed rapidly in all fronts, deriving value from Category based procurement, Efficiency & Transparency and ensuring policy compliance. CPO has expanded its operation by taking over procurement function of Corporate, SBUs and Zones.

To drive value through standardization and consolidation in procurement, Uniform Item codification has been implemented. Vendor Registration Portal was enhanced to facilitate existing vendors to update their profiles. In efforts to rationalise the vendor base, a Know Your Vendor (KYV) drive was launched. Focus on compliance of Micros and Small Enterprises (MSE) public Procurement Policy helped in achieving MSE procurement percentage of 33.72% surpassing the laid down target of 20%.

H. RESEARCH AND DEVELOPMENT

HPCL has set up a Green Research and Development Centre (HPGRDC) at Bengaluru with an objective to develop innovative & path breaking technologies and products in the energy sector. The Phase–I of HPGRDC has laboratories in the areas of FCC / RFCC, Hydro-processing, Catalysis, Bio-processes, Crude Evaluation & Fuels Research, Analytical, Process Modelling & Simulation and Nano Technology which are built with state-of-the-art research facilities / equipment. HPGRDC has a dedicated team of about 80 scientists and has been recognized by Department of Scientific and Industrial Research (DSIR). R&D centre has been made fully functional during 2016-17 and is carrying out research in various areas like development of new products, development of new technologies up gradation of existing technologies etc. It was dedicated to the nation by the Hon'ble Minister of State (Independent charge), MoP&NG on October 14th, 2016.

HPCL is an Industry Member from India on the two Indo-US Consortia projects on 'Development of technologies for conversion of lignocellulosic biomass into biofuels' and 'Development of novel and cost effective Thermal Storage Fluids for Solar Thermal Applications'. HPCLs R&D is also undertaking various collaborative projects with IISc Bengaluru, IIT Kanpur, IIT Madras, IIT Delhi, IIT Bombay, IIP Dehradun, IICT Hyderabad, NCL Pune, ARCI Hyderabad, JNCASR Bengaluru and PPISR Bengaluru.

During 2016-17, HPGRDC has filed 13 Indian patents and 13 International patents and developed two key technologies and demonstrated on commercial scale, viz., (i) Development of Hydrogen PSA adsorbent for purification of HGU Reformer gases and (ii) Development of SprayMax FCC feed nozzles which were installed and commissioned at both HPCL Refineries. The following eight (8) number products / technologies were demonstrated by HPGRDC till date which led to significant cost advantages and efficiency improvements in HPCL.

HP-HiGAS Technology

HPGRDC developed new generation 'HP-HiGAS' technology for gas absorption / separation application. The technology is based on 'Process Intensification' and intensifies mass transfer through rotating packed bed having high centrifugal process. The first of its kind commercial unit was commissioned at HPCL Visakh Refinery for the process of H2S removal from fuel gas. The existing conventional trayed column (23 meters) was replaced with 2.5 meters HiGAS unit achieving size reduction by 10 times. This technology has significant potential for H2S, CO2 absorption from refinery fuel gases and natural gas offshore treatment. Further developments are being undertaken to develop second generation technology with improved performance.

Hydrogen PSA Technology

Pressure Swing Adsorption (PSA) is extensively used for purification of Hydrogen from mixture of gases. The technology is offered by very few foreign licensors worldwide. HPCL commercialized H2PSA technology, and the first unit with 36,000 Nm3/hr capacity was commissioned at HPCL Visakh Refinery producing 99.5% H2 from the CCR off-gas feed. Technology has been developed synergizing knowledge of adsorbents and process sequencing. HPCL plans to set-up new H2 PSA units in future and is now ready for offering the technology in India and abroad.

SprayMax: FCC Feed Nozzle

Feed Nozzle is a critical hardware component of a FCC unit, which atomizes liquid feed into finer droplets. This helps in enhancing desired vapour phase reaction. These nozzles are supplied by technology licensors only. HPCL developed "SprayMax" nozzles for FCC unit & successfully commercialized at HPCL Mumbai & Visakh Refineries. Concept to commercialization of "SprayMax" nozzles has gone through various stages viz. design conceptualization, Air-water testing with prototype nozzle & CFD study. Advantages are conversion increase by 1-2wt%, improved MoC, suit to site design with minimum hardware modification & short lead time for delivery.

Cat Visbreaking Technology

HPCL has developed Cat-Visbreaking process for increasing the distillate yield in Visbreaker unit while maintaining stability of fuel oil. Usage of HPCL developed VisCat Catalyst helps in increasing conversion in Visbreaking unit & thereby reduces the fuel oil production. This was successfully demonstrated at HPCL Visakh Refinery Visbreaker unit with conversion improvement of 3 to 4 wt.%. VisCat is a liquid catalyst and easy to implement in existing Visbreaker units with very short payback. Further, oil soluble VisCat was developed with higher activity resulting in higher distillate yields.

HP FurnOKare

Furnace tube scaling is a commonly encountered problem in refineries, which over a period of time becomes thick deposits. This reduces the heat transfer efficiency of the tubes & the skin temperature increases to the maximum design temperature. To address this, HPCL developed in-house chemical formulation for online cleaning of furnace tubes for removal of scales without shutting down the unit. The product was successfully implemented at 16 furnaces of HPCL Refineries and one furnace at MRPL Refinery with significant reduction in arch temperature by 80 to 120 Degree C.

HP Bio-Activa

HPCL developed a new bio-additive for the treatment of refinery effluent. The newly developed product consists of adapted microbial consortia along with essential nutrients for boosting the microbial activity. The addition of HP-Bioactiva reinvigorates the biological system resulting in about 70% reduction in BOD, COD, and phenolics. The newly developed bio-additive has undergone extensive testing in HPCL refineries (Mumbai & Visakh refineries) and has shown sustained activity with high chlorides tolerance along with sulphurous compounds and ammonia.

HP-CoSol

HPCL has developed a highly selective HP CoSol process for lube oil yield improvement in Solvent Extraction units. This process uses mixed solvent system comprising of co-solvents along with N-Methylpyrrolidone (NMP) and was implemented at HPCL Mumbai refinery. The commercial plant trials resulted 2 to 3 wt.% raffinate yield improvements for 500 N distillate and Deasphated oil operation respectively. The process is highly selective towards removal of Polycyclic Aromatic hydrocarbons (PAH). The PAH reduction was observed to be 2-3 wt.% compared to base case in the lube raffinate, which will be useful as blending stock in production of low PAH rubber process oil.

PoWer 99

A high performance gasoline fuel composition with 99 Octane rating using a suitable additive was developed. 'PoWer 99' is the product with highest octane rating in the country targeting high end vehicles. The product has been launched in Bengaluru and New Delhi markets.

I. QUALITY ASSURANCE

In line with the directives of MOP&NG, HPCL has a dedicated Quality Assurance (QA) Cell, having officers posted at all the zones and its functioning is independent of Refining & Marketing functions directly reporting to Human Resources function. Quality Assurance (QA) Cell carries out surprise inspections covering Retail Outlets, SKO agencies, LPG Distributors, Depot-Terminals and LPG plants in compliance with the revised Marketing Discipline Guidelines (MDG) & HQO directives. The QA cell acts as an important nodal agency for ensuring supply of right quality & correct quantity of products from all supply sources, storage points, distributors and outlets to customers.

During the year Quality Assurance (QA) Cell carried out inspections of 3219 Retail Outlets, 172 SKO Agencies, 456 LPG Distributors, 9 plants /terminal, 4 DS customers. Establishment of such robust systems has enabled HPCL set high customer service benchmarks both for supply locations and channel partners and helped in strengthening key focus areas in line with the vision of the company to provide high quality products and innovative services.

J. HEALTH, SAFETY & ENVIRONMENT

HPCL conducts business with strong Focus on Health, Safety & Environment (HSE) and a robust Sustainability Development (SD) Model. Safe Operations & implementation of health and environmental initiatives continue to be at core of all business activities at HPCL. To achieve Excellence in all spheres of HSE, the company apart from continuous improvements in systems & procedures, focuses on adopting New Technologies & Up-gradation of existing Infrastructure. Fostering sound HSE culture across the organization is given Top Priority. A dedicated team has been put in place to monitor the HSE performance across the corporation.

Ensuring occupational and personal health of all employees at work locations has always been viewed as an important factor in overall performance of HPCL. Preventive and Curative health services are ensured for all employees across the country. Designated Physicians are available at marketing terminals and LPG Plants. Other smaller locations have tie ups with Local Hospitals for health management. To improve and maintain employees' Health, Employee Wellness programs are conducted by corporation regularly. Health education and awareness sessions and diagnostic camps were carried out at all major locations during 2016-17. All HPCL employees undergo regular Periodic Medical Examinations and the results are analysed to provide targeted interventions from Doctors at the individual and group levels.

Considering the nature of the Industry, the company operates in, Safety is core to all operations and HPCL has a policy of Zero tolerance towards any unsafe business operations. HPCL is committed to provide a safe workplace to all employees & contract workmen and to the communities where it operates. HSE Management systems have been put in place across all locations of

HPCL to strengthen HSE governance & compliance through surveillance audits, benchmarking & Safety Index. Major locations of HPCL are certified with International Safety Rating System (ISRS).

Safety at Retails outlets has seen significant improvement as a result of upgradation of infrastructure, implementation of Standard Operating Procedures (SOPs) and Automation. Recognizing that personnel competency is a key area to ensure safe and efficient operations, various training programs were conducted during 2016-17 at Marketing Depots/Terminals & LPG Plants, throughout the year for knowledge dissemination pertaining to the equipment installed in compliance with M B Lal Committee Recommendations, OISD Standards, Contract Workmen Safety, Electrical Safety, LPG Customer Safety etc.

K. EXPLORATION & PRODUCTION

HPCL undertakes Exploration & Production (E&P) of Hydrocarbons through its wholly owned subsidiary company, Prize Petroleum Company Limited (PPCL). Details of PPCL have been provided in the section on "Joint Venture Companies & Subsidiaries".

L. RENEWABLE ENERGY

Wind Energy

HPCL currently operates Wind Farms of 100.9 MW capacity, installed in the states of Rajasthan and Maharashtra. This includes 50.4 MW Wind farm which was commissioned in Rajasthan in December 2016.

During 2016-17, Total Electricity Generation through these wind farms was 962 lakh kWh. In addition, total 21,648 Nos of Renewable Energy Certificates (REC) were generated from newly commissioned 50.4 MW Wind farm during 2016-17.

Solar Energy

HPCL Commissioned its first grid connected captive solar PV plant at Ennore terminal (Chennai) in March 2016. During 2016-17, Total Electricity generated from this plant was around 3.8 Lakh kWh. In addition, total 379 Nos of Renewable Energy Certificates (REC) were generated from this plant during 2016-17.

M. INFORMATION SYSTEMS

Robust Information Systems have been deployed to support all business processes of HPCL. Enterprise Resource Planning (ERP) system and a large number of other applications including workflow applications and portals have been deployed to address the need of effectively handling business information. Business Intelligence system provides decision making support for tactical and strategy level decisions.

Users of various applications are being trained extensively to impart competencies for effective utilization of these systems. During 2016-17, over 2000 man days of training was imparted to Employees on functional and operational areas of various information systems.

NEW INITIATIVES

A multitude of IT enabled solutions have been developed & implemented at HPCL to help managers do their job effectively. Real time interfaces from ERP to Information Technology (IT) enabled systems of various business partners have been implemented. Some of these initiatives have transformed the processes for HPCL's customers and enhanced the ease of doing business with the Corporation, in line with the "Digital India" initiative of Government of India.

E-PROCUREMENT

E-procurement system developed in-house by HPCL has been certified by STQC (Standardization, Testing and Quality Certification), the quality assurance agency of Department of Electronics and Information Technology, Government of India. HPCL is the first company in Oil Industry to have its own procurement application certified by STQC. In-house E-procurement application meets the highest standards in Security, Functionality and Transparency and provides a robust and user friendly electronic platform for procurement of goods and services across the corporation.

The use of the system ensures substantial cost savings in procurement in terms of tender hosting charges and procurement man hours. It also ensures Data security with complete audit trail as well as conformance to CVC guidelines, complete integration with ERP system and helped improve the cycle time from Purchase Request (PR) to Purchase Order (PO).

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BUSINESS INTELLIGENCE

Business Intelligence (BI) System of HPCL has matured significantly during the year 2016-17 in terms of content, user adoption and technology improvement. Your corporation is effectively using BI system which has been upgraded to the latest version including redesign and enhancement of dash boards, analytics for sales & other modules.

The upgraded version has better data visualization, easy data selection and Geo map feature for sales analytics. The new BI system is being used extensively by marketing, finance, refineries, integrated margin management and Human resource departments of your corporation. Users across the various functions leverage BI system for sales analysis, logistics & inventory management, payables & receivables monitoring, internal accounting, budget controls and tracking critical HR metrics. The Geo map feature portrays enhanced visualization in geo-spatial format for user appreciation of the critical performance parameters.

MOBILITY

The power of mobility is being exploited at HPCL by bringing in more & more applications on mobile platform. 'Sales Sahayak', which is the most popular mobile application, has now matured into "One-point e-tool" for field sales officers/regional managers across SBUs for all online information requirement. In addition, HPCL has designed and implemented Geo Map based business analytics to provide industry performance analysis and insights with geographical analytical capability for country, State, Districts, Zonal and Regional level comparisons. A Mobile App for Retail SBU has been developed for enabling the timely reporting of First Information Reports of Major incidents to all concerned. HPCL has also rolled out an online 'Near Miss reporting system' across the country.

INFORMATION SYSTEMS CENTRE

HPCL's Information Systems Centre (ISC) at HITEC City, Hyderabad is spread over 1.3 acres with state-of-the-art facilities and hosts 200+ servers that run various IT systems, Network & Operations Control Centre, Security Operations Centre, Development Centre and Training Centre. ISC has been made secure with Infrastructure facilities that include Integrated Building Management System with access controls, very early smoke detection system, waterless fire systems and leak detection system.

ISC infrastructure of servers and storage has been kept upgraded and updated to take care of the growing requirements of business. Various requirements from projects like CDMS, Pradhan Mantri Ujjwala Yojana (PMUY), Centralisation of Finance etc. were handled smoothly during the year. Provisioning of the required server and storage for meeting these new application requirements were done in a timely manner. All major applications have been configured in a Disaster Ready mode. The application performance is monitored closely using new tools like System Centre Operations Manager (SCOM) and Application Performance Monitoring (APM) on a regular basis. Application load testing solutions have been also implemented.

During 2016-17, ISO 27001 Certification for Information Security Management System (ISMS) was received for the HPCLC's secondary data centre at Corporate Office. Both the Data Centres are now ISO ISMS certified.

NETWORKS

Internet and location networks at HPCL are continuously monitored for usage and the capacity is being augmented on a regular basis in line with the growth in usage.

COMPLIANCE AND SECURITY

Security of information systems continues to be a key consideration and HPCL has taken a number of steps to address this critical area. Security Operations Centre monitors all systems for any security related incident. Some of the new initiatives implemented during the year to strengthen security are as under:

- Systems for Privileged Identity Management (PIM) was implemented for managing access to the servers at the Data Centre and controlling the access provided with enhanced privileges to Systems, Database and Application administrators with session logs and recordings
- Data Leak Protection (DLP) was implemented for protecting the Corporation's vital digital resources and information.
- Two Factor Authentication (2FA) access for ERP system was implemented for critical user groups like Regional Managers and third party users. The system would be scaled up for other users.

- Systems for Advanced Persistent Threat (APT) was implemented at the Data Centres to protect the Corporation from newer threats from the Internet.
- An e-mail archival system was implemented which would archive all mails sent and received from the Corporate E‐mail system for purpose of compliance.

N. VIGILANCE

Vigilance mechanism in HPCL is based on the guidelines from Central Vigilance Commission (CVC) on Vigilance Management in Public Sector Enterprises and instructions issued from time to time by the Department of Personnel and Training (DOPT) as well as the Ministry of Petroleum & Natural Gas (MOP&NG).

Vigilance complaints are handled as per the complaint handling policies stipulated in Vigilance Manual 2005 of the Central Vigilance Commission (CVC).

Under preventive vigilance, various activities are being adopted by HPCL which include Surprise and Regular Inspections, Study of Systems & Procedures, Regular interaction with employees, stake holders and public at large. HPCL's Vigilance Department also undertakes various activities for creating increased public awareness like conducting interaction sessions in Schools/ Colleges, promoting ethical values and sharing case studies with employees through in-house Vigilance publication "Jagaran", observing Vigilance Awareness Week etc..

O. HUMAN RESOURCES

Business environment is reshaping the corporations amid various challenges like increased globalization, rapid technological change, tougher competition combined with organizational changes, changing employees' priorities, capabilities, and demographics etc. which necessitates human resource function to play a critical role in helping organizations navigate through these transitions.

The mission of HR function is to 'Enable human performance' by becoming integral part of business. There is a multi-faceted approach adopted by HPCL to deliver HR services that meets the needs of both employees and organization by establishing strong linkages between employees, processes and organization's vision and values. HR at HPCL has identified the needs of the organization and is transforming the business by developing a strong leadership pipeline and competent workforce.

LEADERSHIP DEVELOPMENT

Project Akshaypath

Project Akshaypath-II, the in-house leadership development initiative, was concluded in March 2017 which involved deployment of scientifically designed processes with Mentoring and Executive Coaching as key elements.

CAPABILITY BUILDING

Key focus areas of the capability building department include enhancement of competencies, strengthening the leadership pipeline, cultural interventions to enhance collaboration and leveraging technology for Learning and Development. MOUs were entered with renowned academic institutes for various specialized programs viz. NITIE Mumbai for Certification Program in Project Management, IIM Indore for Certificate Program in Management and IIM Calcutta for General Management program for Regional Managers etc. As part of leadership development initiatives, various interactions have been conducted through renowned thought leaders from reputed business schools like ESADE, Spain, Texas A&M University, CEIBS (China Europe International Business School), etc.

During 2016-17, about 25052 man-days of training was imparted to Management employees through various training and development interventions which translated to around 4.5 man-days per officer.

Advanced Management Program for Senior Management:

Advanced Management Program (AMP) aims at developing a strategic understanding of the issues involved in managing a globally competitive organization, achieving global leadership through organizational excellence and value creation and developing competencies to identify and evaluate opportunities in the global business environment. The company has been nominating senior executives, from last few years, for AMPs conducted by various reputed institutions like IIM Calcutta (SCOPE), ASCI-Hyderabad, MDI-Gurgaon and IIPA-New Delhi.

Certified Petroleum Manger Program & MBA (Oil & Gas)

Certified Petroleum Manager Program, conducted in collaboration with University of Petroleum & Energy Studies (UPES), Dehradun, is a capability building initiative aimed at development of young officers of HPCL. The program encompasses the functional and technical knowledge of the entire hydrocarbon value chain. During 2016-17, the third, fourth and fifth modules of the third batch were completed following which the enrolment of the next batch has been initiated.

MBA (Oil & Gas) is a year-long program for CPM (Certified Petroleum Manager) degree holders conducted in association with HPCL's knowledge partner UPES, Dehradun. The program is aimed at equipping the officers with requisite knowledge to enhance their effectiveness in driving business with sustained value creation and adopting contemporary approaches. During 2016-17, a total of 103 officers from the second batch successfully completed the program.

Behavioural Trainings:

Behavioral trainings are aligned with the Behavioural Competency Framework of the company – HP PATH. These behavioral training programs enable employees to identify the competencies that are essential for ensuring effective contributions in their job roles. During 2016-17, various competencies based training programs were conducted at HPMDI Nigdi.

e-Learning

In continuation of our efforts to offer best of learning resources to employees, we have collaborated with EBSCO Information Services, an aggregator of full-text content and online databases. As part of e-Learning initiatives, a Young Managers Program was conducted during 2016-17 wherein live lectures were delivered online. The program covered management topics from domains like marketing, operations, finance, HR and strategy.

Safety Quotient improvement programs

With a focus on Safety First attitude, a number of initiatives were undertaken like Project Sankalp in OD&E SBU and Project Shapath in LPG SBU for the workmen across locations through various training interventions. With Project Sankalp, the overall Safety Quotient of Depots & Terminals has increased. Under Project Shapath Technical Assessment & Behavioural Assessment of LPG workmen/ clerical staff was completed for a total of 871 workmen/ clerical staff.

Technical competency enhancement programs

We have implemented programs in various SBUs towards enhancement of technical competencies at workplace. Sachet is a behaviour based safety initiative aimed at reinforcing the safe behaviours and eliminating unsafe behaviours at the LPG and Operations Distribution & Engineering locations.

Shrestha & Daksh are techno-behavioural training programs aimed at providing focused developmental inputs to the LPG and Depot / Terminal Location In-charges respectively.

Gyan Jyoti

Gyan Jyoti is a comprehensive training program which aims at Computer literacy of Labor category employees. During 2016-17, the Phase-3 of the program was launched which included different training modules based on the proficiency of the participants.

TALENT SOURCING AND ACQUISITION

Samavesh is a flagship induction process for the New Joinees to help them during the on boarding process with an aim to integrate seamlessly into HPCL work culture. The structured program provides the new officers with an overview of the Oil and Gas industry, different Strategic Business Units and organization's culture.

REWARD & RECOGNITION

HPCL has implemented reward and recognition schemes aimed at motivating all employees towards higher performance. For executives in the Senior / Middle Management, "HP ICON Awards" have been instituted since 2010 which aims to identify and recognize People Managers. For Officers in the junior management category, "HP Outstanding Achievers Awards" have been instituted to recognize outstanding contributions of officers from Junior Management, while "HP Gaurav Awards" recognize outstanding efforts amongst Non-Executive category of employees. During 2016-17, 16 employees were facilitated as HP ICON award winners, 57 employees as HP Outstanding Achievers Award winners and 85 employees as HP Gaurav Award winners.

IMPROVEMENT IN INDUSTRIAL HARMONY

HPCL takes pride in having cordial & productive relations with Employee Unions for more than two decades and consider employee Unions as an integral part of Business. Corporation's emphasis on openness, fairness, continuous dialogue, effective grievance management system, development of Union leadership pipeline etc. has resulted in having high level of mutual Trust and alignment of Unions & employees to Organizational Vision, Strategy & HP FIRST Culture. Unions at HPCL keep striving for achieving the Corporation's Goals with their maturity and positive leadership.

At HPCL, employee unions have become Partners in Progress and have actively partnered in the various productivity enhancement initiatives at work locations viz. Utkarsh, Utkrisht, Uttam etc. which are based on 5S, TQM, TPM and Kaizan approaches and has led to significant increase in Productivity year on year. Various Settlements with the Unions were signed in the areas of Productivity enhancement, Redeployment etc. which is the outcome of Trust and the healthy Industrial Relation climate in the Corporation. HP Connect Workshops have been designed and are being conducted to strengthen relationship across Employees, Strategy, Competition & Business. These workshops have helped Union Leaders & other non-executive employees in becoming HR Champion at work locations.

EMPLOYEE ENGAGEMENT INITIATIVES

To enhance employee engagement and strengthen relations with extended HP families, HR has initiated a number of interventions to ensure that the families take pride in being associated with HPCL. Employee Engagement initiatives across demographics have been implemented for holistic inclusion of workforce.

In pursuance of the mission of Hale and Hearty HPCL, HR has taken a historical stride by launch of Paramarsh – an Employee Assistance Program, for all employees and their families. 'Paramarsh - Consult in Confidence' is a uniquely personalized assistance platform wherein employees, their spouses and children can share and seek consultation on any personal or professional matter, from the expert professional counsellors. It is a 24x7x365 service through various contact modes, and is available in ten languages.

Yuvantage is an employee engagement initiative for the employees in the age group of 35 and below. It is a platform for the young workforce of HPCL for overall development and inculcation of team spirit. Various events were organized in 15 cities & more than 800 young officers actively participated in the 2nd edition of Yuvantage. Reboot@35+ was launched for officers in the age group of 35 – 50 years, with an aim to operationalize the vision of engaging self, immediate family members and fostering and building common interest networks across the Corporation.

PRODUCTIVITY ENHANCEMENT INITIATIVES

In line with the HR philosophy to position itself as an integral part of business, a number of SBU specific initiatives like Project Utkarsh for LPG Plants, Project Utkrisht for O&D were implemented. Each of these initiatives have resulted in tremendous improvement in productivity, engagement levels and Safety Index.

To include all the people aspects in the Business Value Chain, training for LPG Deliverymen through "Ji Haan Samarth" and Distributorship staff through "Samvaad" were conducted. Further the existing module of Sada Aap ke Liye for Forecourt Salesman was comprehensively revamped and launched during the year.

OTHER INITIATIVES

Implementation of Social Security Schemes

Government of India had launched a scheme for financial inclusion in form of 'Pradhan Mantri Jan Dhan Yojana' (PMJDY). HPCL ensured that almost 100% of the Contract Labour deployed are covered under this scheme and the wage disbursements are made in e-payment mode as a part of Digital India Initiative.

To aid the contract workmen in their personal well-being and social upliftment, a training initiative 'Prerna' was conducted which benefited 5153 Contract workmen at various HPCL locations to enhance safe work practices and improve their work-life balance.

Training for Cashless Transactions

To support the digitisation of economy and promote cashless systems, Innovative training methods like On-The-Spot training to Supervisors, Flipchart sessions together with Classroom training module etc. had been employed for maximum coverage emphasizing on the need and easiness of going digital for monetary transactions and digital payment interfaces.

SC/ST WELFARE LIASION

During 2016-17, various welfare initiatives designed for the SC/ST/OBC communities were undertaken including interventions on knowledge dissemination through distribution of books. In addition, HPCL supported economically backward students including disabled students through grant of scholarship, holding of health camps, distribution of water and food etc. during the year.

OVERVIEW OF SPORTS ACTIVITIES AT HPCL

HPCL has always emphasized on promotion of sports across the corporation and regularly participates in various tournaments organised under the aegis of Petroleum Sports Promotion Board (PSPB) as well as the All India Public Sector Sports Promotion Board (AIPSSPB). In addition to the participation in these tournaments, HPCL also organises tournaments such as Annual Sports Meet, Indoor Games and Cricket tournaments for its employees on Pan India basis. It also conducts a Cricket Coaching Camp every year for the children of its Mumbai-based employees. HPCL offers many Awards and Incentives for its employees and their children showing excellence in sports at various tournaments at national and international levels.

To help young aspiring players, HPCL engages players under Contract / Scholarship scheme and encourages them to accomplish their goal in their respective sports. At present HPCL has engaged players in Athletics, Badminton, Chess, Cricket and Table Tennis. Some of the players engaged by the Corporation in the past are winning titles in various prestigious tournaments and are displaying excellent performance at international level too.

P. RIGHT TO INFORMATION (RTI)

HPCL has established a robust mechanism for compliance with the requirements of the RTI Act 2005. HPCL has designated about 180 Officials as Central Public Information Officers (CPIOs) and about 35 Officials as Appellate Authorities in line with requirements of the RTI Act. An internal workflow system to receive, handle, transfer, monitor and reply to any RTI request from about 140 locations Pan-India has been put in place.

HPCL as a public authority provides as much information suo moto to the public through various means of communications so that the public have minimum resort to the use of this Act to obtain information. Internet being one of the most effective means of communications, the information is also posted on HPCL's corporate website www.hindustanpetroleum.com on a regular basis.

Q. CORPORATE SOCIAL RESPONSIBILITY

HPCL aspires to improve the quality of life of the less privileged communities through its CSR intervention. The Corporation constantly strives to be a model of excellence in all endeavours be it in business excellence or in societal and environmental stewardship. CSR at HPCL has become a strategic action wherein successful initiatives have been undertaken to create a healthy and developed community around business locations and foster eloquent engagements with all stakeholders.

HPCL has undertaken dynamic CSR activities and touched thousands of lives during the year 2016-17 across the country. Efforts were made to ensure that benefits of these activities reach the less privileged and marginalized sections of society. Based on the needs of the local communities our locations across the countries have undertaken various CSR activities under corporation's focus areas of Child Care, Education, Health Care, Skill Development, Sports and Environment & Community Development.

HPCL through its long term CSR interventions have invested in the following activities during 2016-17:

ADAPT

To see the ability beyond the disability and ensure equal opportunities & dignity to differently abled requires effort, awareness and mobilization of all available resources. With this spirit HPCL supported inclusive education, therapeutic needs and vocational training of 315 special children during 2016-17.

Akshaya Patra

HPCL is connecting the last mile by providing hygienic and nutritious food to under privileged children and has addressed the vital requirement of basic nutrition of 12,585 young children during 2016-17 who belonged to economically marginalized section. The program has resulted in higher enrolments and lower dropouts from government schools.

Agastya

HPCL has partnered with specialized agencies to promote hands-on practical science education among the new generation learners from less advantaged communities. The mobile science labs travel and reach at the doorstep of schools in distant areas to develop interest about Physics, Chemistry and Biology amongst the Class V to X students. During 2016-17, HPCL provided hands-on science knowledge to 9,548 students of 23 schools.

Nanhi Kali

HPCL's intervention to growing issue of girl child education includes providing direct material, academic and social support to the first generation girl child from socio-economic backward communities. The social barriers of education for girls are eradicated through constant engagement at family & village level and a support network for girl child is created that enables her to continue her education. Through this planned intervention, HPCL has been able to reduce the dropouts of girls, prevent child marriages and promote higher education for girls. During 2016-17, HPCL has supported 1,2000 girls under this project.

Unnati

Project Unnati has been undertaken to introduce e-Literacy and basic computer education to first generation computer learners in semi-urban and rural areas. Along with training, well-equipped Computer Labs have been established in the schools. Sustainability of the project is ensured by following the "Training the Trainer" Model wherein the school teachers are also trained. During 2016-17, HPCL has provided training to 6,000 students from different states of the country.

Dhanwantari

Project Dhanwantari strives to meet basic medical needs of people residing in remote rural areas and urban slums by taking medical facilities to their doorsteps. The Mobile Medical Vans offer free consultation and referrals from qualified doctors. During 2016-17, HPCL operated 17 Mobile Medical Vans in the remote and backward villages and urban communities of 10 states/UTs.

Dil without Bill

Project Dil Without Bill supports free of cost heart surgeries to patients from poor socio–economic background, giving preference to children. Awareness and follow-up camps are also conducted in various cities and towns that helps in identifying the needy patients. During 2016-17, HPCL has supported treatment of 1,100 patients from various parts of country.

Suraksha

The objective of Project Suraksha through its seven 'Khushi Clinics' is to arrest the spread of HIV/AIDS and STIs amongst truck drivers. Trucker's crew at the highways, are provided with AIDS awareness, STI treatment, and basic healh facilities. Safe sex measures like condoms and counselling etc. are also provided to ensure holistic health and well-being of the truckers.

Swavalamban

Project 'Swavalamban' provides skill training in multiple trades to school dropout youth from socioeconomic backward communities. The model is a forward-backward integration, as it identifies the needs of industries, imparts training and ties up for employment. Through the project, HPCL reached out to 4,500 youths with its centres in different locations across the country.

SWACHH BHARAT ABHIYAN

HPCL developed collaborations with local bodies to achieve the goals of clean India. Corporation partnered with Greater Visakhapatnam Municipal Corporation (GVMC) to provide sanitation infrastructure in Visakhapatnam and collaborated with Municipal Corporation of Amritsar to maintain cleanliness at Golden Temple.

HPCL has created sanitation infrastructure in many parts of the country under the Abhiyan with a special focus on schools. During 2016-17, Corporation constructed 112 school toilets of which 72 were for girl students. HPCL has also constructed 37 community toilets at public places with large footfalls. Corporation has also undertaken special initiative of providing pre-fabricated disabled friendly toilets for college hostels.

Employees across business locations have participated in various activities promoting objectives of Swachh Bharat Abhiyan through Shram Daan and awareness activities.

COMMUNITY DEVELOPMENT

Through various initiatives viz. support in health care, provision of clean drinking water, sanitation infrastructure, educational support to underprivileged children and numerous other CSR activities, HPCL has contributed to the empowerment and self-dependency of the socially and economically backward people.

HPCL has conducted various field level activities with special focus on all round development of SC, ST and OBC communities. During 2016-17 HPCL has distributed highest ever scholarships to appx. 11000 meritorious students from socially less privileged groups to enable them to continue their studies.

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ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

A socio-economic initiative under HPCL CSR, Entrepreneurship Development Program for ST/SC youth was conceptualized, designed and volunteered by All India Hindustan Petroleum SC/ST Employees' Welfare Association (HPSEWA). The project seeks to redress the underrepresentation of SC/ST in business and also to support Make in India, Start-Up India, and Stand-Up India initiatives by the Government of India.

After the success of EDP-I, HPCL initiated another program to develop women from SC and ST communities into entrepreneurs. In line with EDP I, applications were invited from educated women up-to the age of 35 years and 35 women were selected after written tests and personal interviews. Convocation for the 2nd batch was held on April 29th, 2017. EDP II also saw registration of 35 Startups under MSME. The Company is also helping them by providing initial business opportunities through relaxation of certain criteria for establishing foot hold in non-critical areas.

SKILL DEVELOPMENT

In line with Government of India's Skill India Mission and under the advice of Ministry of Petroleum & Natural Gas, HPCL has set up "Skill Development Institute (SDI), Visakhapatnam" during September 2016 in consortium with other oil PSUs, with an initial fund of ₹ 15 crore.

SDI-Visakhapatnam is presently operating from a 3-acre interim campus, with built up area of 74500 square feet and residential facilities. The Institute is equipped with world class specialization labs and class rooms for various technical trades. Within 6 months of commencing operations, as of March 2017, SDI-Visakhapatnam has trained 338 unemployed youth through eminent training partners in 10 different trades viz., Welding, Electrical, Fitter, Plumbing, Heating Ventilation & Air Conditioning (HVAC), Instrumentation, Warehouse Packer & Picker, Pipe Fitter, Inventory Clerk and IT-Hardware Infrastructure and employment opportunities have been facilitated for 95% of the students in over 50 companies under various sectors like construction, engineering, electrical, IT, ITeS, BPO, Automobile, Power and Supermarkets.

R. OFFICIAL LANGUAGE IMPLEMENTATION

HPCL gives significant importance towards implementation of Official Language (OL). Through MOP&NG OL Conference, All India Hindi Mahotsav, Official Language Conferences, competitions and Hindi workshops HPCL creates awareness among its employees for progressive use of Hindi. The Corporation has headed Mumbai (PSU) Town Official Language Implementation Committee since 1983 and got awarded by Official Language Department, Government of India. The Corporation also endeavours to provide guidance to the other Public Sector Undertakings for OL Implementation.

HPCL has bagged 37 awards in Official Language Implementation, including Petroleum and Natural Gas OL Shield for last three consecutive years thus maintaining a lead position in the entire Oil Industry for which special appreciation has been received by Ministry of Petroleum & Natural Gas.

S. AWARDS RECEIVED

HPCL has been conferred with number of awards and has received recognitions in various national and international forums. The following is the list of awards received during 2016-17.

1. Petrofed Award for "Oil & Gas Marketing company of the Year 2015"
2. "Platts Global Energy Award 2016" for Corporate Social Responsibility by S&P Global Platts
3. Petrotech Award 2016 for "Best Project Management Team" for Rewari Kanpur Pipeline (RKPL) Project
4. Petrofed Award for "Innovator of the Year 2015" in Team Category for innovation in indigenous development and utilization of catalyst and catalytic visbreaking process.
5. "National Energy Conservation Award (Second Prize)" to Mumbai Refinery by Ministry of Power, Government of India
6. "Process Innovator of the Year" award by FICCI in Petroleum and Petrochemical Category
7. Awards for "Excellence in HR" and "Excellence in Developing Leaders of Tomorrow" Categories by Society for Human Resources Management (SHRM) India
8. "Forecourt Retailer of the Year" award for the 9th time at Star Retailer Awards 2016
9. "India's Most Trusted Brand Award 2016" to HP Lubricants for HP Neo Synth 5W 30 in India's Most Trusted Automotive Synthetic Engine Oil Category

10. "Trusted Brand Award" from Readers Digest for 11th consecutive year
11. "Asia Pacific Procurement Leaders Award 2016" to Central Procurement Organization (CPO), HPCL at Annual Asia Pacific Procurement forum, Singapore
12. "Most Effective Recruitment Strategy Using Technology" Award at Times Ascent HR Tech Awards during the World HRD Congress
13. "Energy Efficient Unit award" for Mumbai refinery at National Awards for Excellence in Energy Management 2016 by Confederation of Indian Industry (CII)
14. OISD Safety Award for Best Overall Safety Performance of Mundra-Delhi Pipeline
15. "Emerging Brand of the Year" award for Premium Branded Outlets 'Club HP Star' at Global Marketing Excellence Awards 2016
16. OISD Safety Award for "Best Near Miss Incident Reporting - POL Marketing Organization"
17. "FICCI Chemical and Petrochemical Award" 2016 to Visakh Vijayawada Secunderabad Pipeline (VVSPL) for Most Environment Friendly Company in Petrochemicals Sector
18. "FICCI Chemical and Petrochemical Award" 2016 to "MDPL for Excellence in Corrosion Management in Petrochemicals Sector"
19. "Retailer of the Year (Forecourt Retailing)" award by Chief Marketing Officer Council (CMO) Asia
20. "Innovation in Customer Service Processes" Award by M/s John Deere
21. "Best Supplier for Quality Performance" Award by M/s Gabirel India Ltd (GIL)
22. "Golden Peacock Innovative Product Service Award 2016" to HP Lubricants for 2nd Consecutive Year
23. Construction Industry Development Council (CIDC) Award to RKPL Project and Mangalore Hassan Mysore Solur Pipeline (MHMSPL) Project under "Best Construction Projects" Category
24. "Oil & Gas Excellence Awards" for (i) Project SHRESTHA in "Best Leadership Development Program in Oil & Gas" category, (ii) Project SANKALP in "Award for Innovation in Safety" category and (iii) Project SACHET in "Award for Innovation in Safety" category by CMO Asia
25. "Oil & Gas Excellence Award "to Rewari Kanpur Pipeline Project under 'Best Project and Facilities & Construction' category by CMO Asia
26. "Express Intelligent PSU Award 2016" in Analytics/Big Data category
27. "South Asia Procurement Innovation Awards 2016-17 (First Runner up)" to Central Procurement Organization (CPO), HPCL by South Asia Procurement Network
28. "Golden Peacock Award for Sustainability" to Mumbai Refinery for the year 2016
29. HP Aviation was awarded "Best Fuel Supplier in Asia region" by United Aviation Services
30. "Suraksha Puraskar - Bronze Trophy" to Mundra Delhi Pipeline and 'Certificate of Appreciation' for highest Safety Performance during 2012-2015 to VVSPL by National Safety Council of India (NSCI)
31. "Best Overall Performance Award among small states (category–II)" to State Level Coordinator (SLC) for Delhi for Oil & Gas Conservation Fortnight 2016 (OGCF 2016).
32. "Silver Award" at Stevie Awards 2016 for Great Employers under the 'HR Achievement' Category
33. "HR Gold Award" to Visakh Refinery by Greentech Foundation for excellence in employee engagement
34. "SCOPE Corporate Communication Excellence Awards 2016" - (i) 1st Prize in the Category of Best Internal Communication Programme for 'HP Senior League' (ii) 2nd Prize in the Category of Best House Journal (English) for 'HP News' and (iii) 2nd Prize in the Category of Best Annual Report for 'Annual Report 2014-15'
35. "PRSI National Award 2016" in 'Best Communication Campaign (Internal Publics)' category by Public Relations Society of India (PRSI)

36. VVSPL conferred with the highest rating of "Platinum" under GreenCo Rating system for adoption of environment friendly measures and became the First location in the Oil and Gas Industry and 7th among all GreenCo rated companies in India to receive Platinum rating
37. "Silver Award" for Training Excellence in HR at '1st Annual Exceed Award 2017' by Ek Kaam Desh Ke Naam NGO
38. "Game Changer Award" in the 'Learning & Development' Category at 7th National Conference by The HR Club, Leadership Lounge & The Entrepreneurs Network (TEN India)
39. Golden Star Awards for projects 'HPCoSol', 'Catalytic Visbreaking', and 'HP FurnOKare'
40. "National Award for Manufacturing Competitiveness 2015-16" (Silver Medal in Petrochemical & Refineries Sector) to Mazagaon Terminal by International Research Institute for Manufacturing, India
41. "Green Business Award" to Retail SBU for implementation of Vapour Recovery Systems, Solar Power Panels, Bio Toilets and Rain Water Harvesting Systems at retail outlets by SingEx Exhibitions and Franchise India
42. Visakh LPG Terminal awarded Greenco Platinum Rating by the Confederation of Indian Industry-Godrej Green Business Centre
43. "ISRS certification" for Mazgaon & Silvassa Lube Blending plants, making both locations the first ISRS certified Lube blending plants in India
44. "Golden Peacock Occupational Health & Safety Award" 201 under Oil Production Category to Mumbai Pune Solapur Pipeline (MPSPL)
45. "FAME Award" to Loni terminal under Platinum Category for excellence in Worker's Health & Safety by Foundation for Accelerated Mass Empowerment (FAME)
46. "Fame Award" to - (i) VVSPL under Platinum category for Excellence in Environment Protection, (ii) MPSPL under Platinum category for Excellence in Environment Protection and (iii) MDPL under Gold Category for Excellence in Health & Safety for Workers by Foundation for Accelerated Mass Empowerment (FAME)
47. "Certificate of Merit" to Trombay, Khopoli and Talegaon booster stations of MPSPL by National Safety Council - Maharashtra Chapter (NSC–MC)
48. "Meritorious Performance in Industrial Safety" Award to Loni Terminal by National Safety Council, Maharashtra Chapter
49. "Ethical Company of the Year" Award to Loni Terminal by World CSR Forum
50. "Greentech Environment Gold Award" to Loni Terminal by Greentech Foundation
51. "Silver Award" for CSR to VVSPL at "1st Annual Exceed Award 2017" in Petroleum Storage & Transportation Sector
52. "Gold Award" for Safety to Loni Terminal at "'Exceed HSSE Awards 2017" by Ek Kaam Desh Ke Naam NGO
53. "SVAGRIHA Star ratings" to RKPL for control room buildings at Kanpur (4 Star Rating) and Mathura & Bharatpur (3 Star Rating) from GRIHA Council and TERI
54. "Swachh Housing Society" Award to HP Nagar East Housing Colony (under medium society category) at Swachh Society Awards by ICICI Bank.

T. CORPORATE GOVERNANCE

A separate segment on Corporate Governance forms part of the Annual Report. However, it would be relevant to point out here that the Corporation is giving utmost importance to compliance with Corporate Governance requirements including compliance of regulations, transparent management processes and adherence to both internal and external value norms and has implemented a robust grievance redressal mechanism.

U. INTEGRITY PACT

The Corporation has complied with "Integrity Pact" (IP) to enhance ethics / transparency in the process of awarding contracts. HPCL has signed MOU with "Transparency International" and has implemented the Integrity Pact with effect from 1st September 2007. The Integrity Pact has is an integral part of procurement process for all tenders above ₹ 1 crore.

V. RISK MANAGEMENT

A properly defined Risk Management framework has been put in place. This system is implemented as an integral part of business processes across the entire operations and includes recording, monitoring and controlling internal enterprise business risks and addressing them through informed and objective strategies. The services of independent experts have been engaged to facilitate the detailed exercise and ensuring the effectiveness by adopting best practices in Risk Management. The company has identified risks including disruption in supply of crude, global oil price volatility, foreign exchange exposure, regulations affecting business operations, intensity of competition, progress of capital projects etc. which are reviewed through risk owners to minimise risks with appropriate mitigation strategies.

As part of effective implementation of the Risk Management framework, Risk Management Steering Committee (RMSC) continues to provide direction and guidance. The company has in place mechanism to inform Board Members about the risk assessment and minimisation procedures and periodical review to ensure that executive management controls risks by means of a properly defined framework

W. INTERNAL CONTROL PROCESSES

The Company has robust internal control processes for smooth and efficient conduct of business. The internal control processes are aimed at ensuring compliance with the applicable laws, regulations and guidelines. The control processes help in preparation of financial statements in conformity with established accounting principles and ensure that the assets of the Corporation are adequately safe-guarded against misuse or loss.

The Company has an independent Internal Audit Department consisting of professionally qualified persons, which supplements the internal control processes through an extensive internal audit program. The internal audits are carried out across all the operations of the corporation to review the implementation of business processes and controls. Significant Internal Audit observations are periodically reviewed by the Audit Committee of the Board.

X. GLOBAL COMPACT

HPCL is also a member of the Global Compact Society of India which is the Unit of the UN Global Compact, the largest voluntary corporate initiative in the world. It offers a unique platform to engage companies in responsible business behaviour through the principles of Human Right, Labour Standards, Environment norms and Ethical practices. All these areas receive constant attention of the management to ensure continuous compliance.

Y. OUTLOOK

CCEA in its meeting held on 19th July 2017 has given ' in principle' approval to consider strategic sale of Government of India's existing 51.11% of paid up equity shareholding in HPCL to Oil and Natural Gas Corporation Ltd. (ONGC) It is envisaged that HPCL will continue to be a Central Government Public Sector Enterprise (CPSE) even after the proposed acquisition of GOI's equity holding in HPCL by ONGC retaining its cultural uniqueness and Brand identity.

Most of the forecasts project India's GDP to grow above 7% in 2017-18. Consumption is expected to be main bulwark for the growth. Private investment is still weighed down by stressed balance sheets and is unlikely to provide a boost to the economy. Consumption is expected to receive a boost from two sources, viz. catch-up after the demonetisation-induced reduction and cheaper borrowing costs, which are likely to lift spending on housing and consumer durables and semi-durables.

Roll out of Goods and Services Tax (GST) from 1st July 2017 across the country may pose challenges in the initial period till its stabilisation. Non inclusion of crude, petrol, Diesel and ATF under GST may have impact on available input tax credits. In respect of motor fuels of Petrol and diesel, daily pricing was rolled out on a pilot basis from 1st May 2017 onwards in 5 cities of Chandigarh, Udaipur, Visakhapatnam, Puducherry and Jamshedpur and subsequently rolled out pan India effective 16th June 2017. The change from fortnightlypricing cycle to daily pricing has aligned the domestic prices with the international prices of petroleum products.

Global economic activity is picking up especially in advanced countries. This should improve outlook for exports. Major downside risks to growth may arise from higher than expected increase in oil prices and eruption of trade wars among major economies. Inflationary conditions are expected to remain benign.

Crude oil prices have been under pressure since mid-2014 in an effort to mitigate the onslaught of shale oil. In spite of six months of OPEC production cut with high compliance, crude prices have fallen close to 19% by the end of Q1 of 2017-18. On Supply side, main reasons for this downfall is consistently decreasing Shale's breakeven prices, return of African supplies, Chinese economic concerns and stubbornly high product inventories across the globe. Oil prices may find some support from supply concerns arising due to recent increased Geo-Political tensions around the globe. On demand side, concerns are over low growth of demand and slowing Chinese economy. As per IEA estimates, Global oil demand in 2017 is expected to grow by 1.3% as compared to 1.7% in 2016. China and India are expected to lead in consuming the additional demand garnering a share of 45% in global incremental oil consumption. On account of the above factors Brent prices are expected to remain range bound in US$ 45-55 /bbl. on a monthly basis till early 2018.

Z. JOINT VENTURE COMPANIES AND SUBSIDIARIES

The Joint Venture companies and subsidiaries of HPCL have performed well during the year 2016-17. The details of performance of subsidiary and joint venture companies are given hereunder:

HPCL-Mittal Energy Ltd (HMEL)

HPCL-Mittal Energy Ltd (HMEL) is a Joint Venture between HPCL & M/s Mittal Energy Investments Pte. Ltd. (MEI), Singapore, (a wholly owned subsidiary of Mittal Investments S.a.r.l.). As of 31st March 2017, HPCL as well as MEI hold 48.99% equity in HMEL.

HMEL operates a Greenfield refinery of 9 MMTPA capacity at Bathinda, in the State of Punjab. The refinery produces two principal categories of products: (i) Liquid products such as LPG, Naphtha, MS, HSD, ATF etc. and (ii) Solid products such as Pet coke, Polypropylene and Sulphur.

In the financial year 2016-17 HMEL reported its best ever financial performance. During 2016-17 HMEL processed 10.52 MMT of crude oil achieving a capacity utilization of 117%. HMEL recorded a sales turnover of ₹ 42,488 crore and a net profit after tax of ₹ 3,090 crore.

The capacity expansion of HMEL from 9 MMTPA to 11.2 MMTPA is in advanced stage of completion and is expected to be commissioned in the second quarter of 2017-18.

The Company continued to nurture an environment of safe performance across its facilities, achieving best ever Total Recordable Incident Rate during the year reinforcing its commitment to encourage ‘Safety First’ amongst its employees.

South Asia LPG Company Pvt Ltd (SALPG)

South Asia LPG Company Pvt Ltd (SALPG) is a Joint Venture Company for LPG Cavern Storage between HPCL and M/s Total Holding India (formerly known as Total Gas & Power India), a subsidiary of Total, France. HPCL holds 50% equity stake in SALPG with Total Holding India, France as equal partners. SALPG has commissioned an underground LPG Cavern Storage of 60 TMT capacity and associated receiving & despatch facilities at Visakhapatnam in December 2007.

During 2016-17, SALPG Cavern received 1.627 MMT of LPG as compared to 1.342 MMT during previous year, registering a growth of 21%. SALPG has achieved a total revenue of ₹ 234.63 crore and recorded a net profit of ₹ 120.21 crore.

SALPG has been continuously paying dividend for the last 7 years. For the year 2016-17, SALPG Board has recommended a dividend of ₹ 7.50 per share.

Prize Petroleum Company Ltd (PPCL)

Prize Petroleum Company Ltd (PPCL) is a wholly owned subsidiary of HPCL. PPCL is the upstream arm of HPCL and is in the business of Exploration and Production (E&P) of Hydrocarbons as well as providing services for management of E&P blocks.

PPCL has a wholly owned subsidiary namely Prize Petroleum International Pte Ltd (PPIPL), incorporated in Singapore. PPIPL has acquired 11.25% and 9.75% participating interest in two E&P blocks (T/L1 and T/18P respectively) in Australia.

During 2016-17, PPCL achieved total production of 37,068 barrels of crude oil from the two domestic oil fields (Hirapur and Sanganpur). PPIPL has achieved its share of production of 4,29,548 BoE (Barrels of Oil Equivalent) from Yolla Producing Field (T/L1). During 2016-17, PPCL has achieved an increase in revenue to ₹ 86.49 crore on consolidated basis as compared to ₹ 82.71 crore during previous year.

Hindustan Colas Private Ltd (HINCOL)

Hindustan Colas Pvt Ltd (HINCOL) is a Joint Venture between HPCL and M/s Colas S.A. of France. HPCL has 50% equity holding in HINCOL with Colas S.A. as equal partner. HINCOL is engaged in the manufacturing and selling of value added Bituminous products in India such as Bitumen Emulsions and Modified Bitumen. HINCOL is the Market Leader in Bitumen Emulsion business in India and also undertakes road maintenance activities like micro-surfacing and slurry sealing.

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HINCOL owns and operates 9 strategically located manufacturing plants certified for the Integrated Management System (IMS) complying with ISO 9001 / 14001 and OHSAS 18001. HINCOL implemented Key Account Management (KAM) process aimed at enhancing service delivery to top-tier Road Construction Companies and undertook a number of measures to reduce cost and enhance productivity & safety. HINCOL have introduced Bituclair, a petroleum-based synthetic binder, from COLAS portfolio, that can be used to produce coloured paving materials. Bituclair is the first colourless bitumen solution in India.

The financial year 2016-17 saw HINCOL turning out a record performance both in sales and profitability. HINCOL recorded highest-ever sale of 220 TMT representing a growth of 6.7% over historical. In the Bitumen Emulsion business segment, HINCOL achieved a growth of 23%. In Site services, HINCOL logged in 5.7 lakh square meters of micro surfacing. HINCOL also constructed its first pedestrian / cycle track (red-coloured) at Lucknow using Bituclair.

During 2016-17, HINCOL recorded a total revenue of ₹ 772 crore. The PBIT and PAT stood at ₹ 142 crore & ₹ 92 crore, an increase of 21% & 22% respectively over the previous year. The earnings per share was ₹ 97.76, representing an increase of 22%.

HINCOL has been paying dividend for the past 17 consecutive years and has declared a dividend of ₹ 50/- per Share for 2016-17. To create a more dynamic visual effect symbolizing leadership, innovation and openness, a new logo and signature was launched. HINCOL continues to remains a `Zero-debt' entity.

As part of business diversification, HINCOL has joined hands with AXTER, a Group Co. of COLAS engaged in the Business of design, manufacturing & marketing Water Proofing systems in more than 50 Countries. In India, these Products would be marketed under `HINCOLAXTER' Brand in the areas of infrastructure, industry and housing sectors.

HPCL Rajasthan Refinery Ltd (HRRL)

HPCL Rajasthan Refinery Ltd (HRRL) was incorporated on 18th September 2013 for setting up a 9 MMTPA capacity Greenfield refinery and a petrochemical complex in the State of Rajasthan. As on 31st March 2016, HRRL's authorized share capital is ₹ 4,000 crore and paid up share capital is ₹ 0.05 crore. HPCL has 74% equity participation in HRRL and the balance 26% is held by Government of Rajasthan.

HPCL and the Government of Rajasthan entered into a revised memorandum of understanding, on 18th April 2017 for the construction of the said refinery with revised agreed parameters. Land totalling to about 4675 acres has been earmarked and all other initial activities for commencement of the project are in advanced stage of roll out. The cost of project is estimated to be ₹ 43129 crores.

Mangalore Refinery and Petrochemicals Ltd (MRPL)

HPCL holds an equity of 16.96% in Mangalore Refinery and Petrochemicals Ltd (MRPL). MRPL operates a refinery of 15 MMTPA capacity at Mangalore, in the state of Karnataka. During 2016-17, MRPL achieved total consolidated revenue of ₹ 59,430 crore and recorded net profit of ₹ 3643 crore.

HPCL Biofuels Ltd (HBL)

HPCL Biofuels Ltd (HBL) is a wholly owned subsidiary company of HPCL. HBL was promoted as a backward integration initiative to foray into manufacture of ethanol for blending in petrol. HBL presently has two integrated sugar-ethanol-cogen plants at Sugauli and Lauriya in East Champaran and West Champaran Districts respectively in the State of Bihar.

During 2016-17, HBL has recorded total revenue of ₹ 385.95 crore and cane crushing of 598 TMT with highest ever average sugar recovery of 9.26%. In the production front, HBL achieved sugar production of 55,333 MT, ethanol production of 10,101 KL and power production of 63.383 Million Units.

CREDA-HPCL Biofuel Ltd (CHBL)

CREDA-HPCL Biofuel Ltd (CHBL) was promoted to venture into alternate fuels through the process of undertaking cultivation of Jatropha plant (an energy crop used for production of bio-diesel) on leased land from the Government of Chhattisgarh. HPCL has 74% equity participation in CHBL and balance 26% is held by Chhattisgarh State Renewable Energy Development Agency (CREDA), an agency under Department of Energy, Govt. of Chhattisgarh.

During 2016-17, in view of non-viability of operations, the CHBL Board approved the closure / winding up of the operations of CHBL. Promoters, HPCL and CREDA also granted approval for the closure / winding up. In March 2017, the Cabinet Committee of Economic Affairs granted approval for the closure of CHBL.

Petronet MHB Ltd (PMHBL)

PMHBL is a joint venture company, wherein HPCL has an equity stake of 32.72% along with ONGC and the remaining balance 34.56% of equity is held by leading banks & financial institutions. PMHBL owns and operates a multiproduct petroleum pipeline to transport products from MRPL refinery to various parts in the state of Karnataka.

During 2016-17, PMHBL has achieved highest ever throughput of 3.429 MMT as compared to 3.318 MMT during previous year. PMHBL has reported highest ever total revenue of ₹ 170.20 crore as compared to ₹ 163.67 crore in the previous year and recorded a net profit of ₹ 80.95 crore as compared to ₹ 63.49 crore in 2015-16.

PMHBL's Integrated Management System (IMS) is certified by M/s. Det Norske Veritas (DNV) covering Quality Management System-ISO-9001, Environmental Management System-ISO-14001and OHSAS–18001. PMHBL has deployed various updated technologies solutions for pipeline operations as per International standards.

PMHBL had successfully implemented the Approved Restructuring Package (ARP) and repaid all the instalments pertaining to the principle amount of ₹ 164.37 crore of Zero Coupon Bonds to the Lenders by 31.03.2015. The promoters (HPCL & ONGC) along with PMHBL were successful in obtaining the approval of all the 10 banks for settlement of recompense amount for ₹ 91.50 crore which is 82.5% of the total recompense amount of ₹ 110.91 crore. Corporate Debt Restructuring Empowered Group (CDR-EG) in December 28, 2016 has approved the proposal for settlement of recompense amount and elevated to CDR Core Group as recommended by the Monitoring Institution – Union Bank of India. The Core Group has approved settlement of Recompense amount on July 17, 2017. The process of re-payment by PMHBL is under progress.

Bhagyanagar Gas Ltd (BGL)

Bhagyanagar Gas Limited (BGL) was incorporated to implement City Gas Distribution (CGD) projects in the states of Andhra Pradesh and Telangana.

HPCL has 49.97 per cent equity stake in BGL with GAIL as equal partner. As on 31st March, 2017, BGL operates 41 CNG Stations including 33 daughter booster stations, 5 online stations & 3 mother stations and one (1) Auto LPG station at Tirupati.

As on 31st March 2017, BGL supplies PNG to around 6608 households, 52 commercial & 5 industrial consumers in its authorized geographical regions. BGL also fulfils the fuel requirement of around 39,000 CNG vehicles operating in the region.

During 2016-17, BGL has achieved sales of 28,573 MT of CNG, 29.35 Lakh SCM of PNG and 210.13 MT of Auto LPG. BGL has also reported a total revenue of ₹ 134.82 crore and recorded a net profit of ₹ 13.10 crore during the year.

Aavantika Gas Ltd (AGL)

AGL was incorporated to implement City Gas Distribution (CGD) projects in the cities of Indore, Ujjain, Pitampur and Gwalior, in the state of Madhya Pradesh. HPCL has 49.97% equity stake in AGL with GAIL as equal partner. As on 31st March 31, 2017, AGL has a CGD network comprised of a 1371-kilometre medium-density polyethylene (MDPE) pipeline and an 89-kilometre steel pipeline serving than 12,500 domestic customers, and operated 22 CNG stations (4 Mother Stations, 9 Daughter Stations & 9 Online Stations) in the cities of Indore, Ujjain, Gwalior and Pitampur.

During 2016-17, AGL has achieved sales volume of 19,221 MT of CNG and 6,870 MT of PNG, registering a growth of 11 % over the previous year. AGL has also reported a total revenue of ₹ 132.26 crore and net profit of ₹ 19.08 crore.

GSPL India Gasnet Ltd (GIGL)

GSPL India Gasnet Ltd (GIGL) is a consortium between Gujarat State Petronet Ltd (GSPL), Indian Oil Corporation Ltd (IOCL), Bharat Petroleum Corporation Ltd (BPCL) and HPCL. HPCL has 11% equity participation in the company and the remaining stake is held by GSPL (52%), IOCL (26%) & BPCL (11%).

GIGL is laying two cross country gas pipelines viz. 1,640 KM Mehsana to Bathinda Pipeline and 740 KM Bathinda to Srinagar Pipeline. The company will facilitate HPCL to source gas and market it independently to customers along the pipeline route.

GSPL India Transco Ltd (GITL)

GSPL India Transco Ltd (GITL) is a consortium between Gujarat State Petronet Ltd (GSPL), Indian Oil Corporation Ltd (IOCL), Bharat Petroleum Corporation Ltd (BPCL) and HPCL. HPCL has 11% equity participation in the company and the remaining stake is held by GSPL (52%), IOCL (26%), & BPCL (11%).

GITL is laying 1,881 KM pipeline Mallavaram to Bhilwara. The company will facilitate HPCL to source gas and market it independently to customers along the pipeline route.

HPCL Shapoorji Energy Pvt. Ltd (HSEPL)

HPCL Shapoorji Energy Pvt Ltd ("HSEPL") is a Joint Venture between Hindustan Petroleum Corporation Limited and SP Ports Pvt Ltd. HPCL has a 50% equity stake in HSEPL with SP Ports Pvt Ltd as equal partner. As on 31st March, 2017, HSEPL's authorized share Capital is ₹ 50 crore and paid up share capital is ₹ 26 crore.

HSEPL will build and operate 5 MMTPA LNG regasification terminal at Chhara Port in Gir, Somnath District of Gujarat. The project is estimated to cost about ₹ 5,400 crore, to be funded by a mix of debt and equity. The key LNG terminal facilities include Marine Facilities for LNG carrier berthing & unloading, Tanks and Storage Facilities, Re- Gasification Facility based on Shell & Tube Vaporizer (STV) and Utilities such as Boil-Off System and Emergency generator.

HSEPL has achieved financial closure of the Chhara LNG project. Front End Engineering & Design (FEED) & other technical studies have been completed. HSEPL has initiated the process of award of EPC contract through international competitive bidding process.

HSEPL has received Goa Coastal Zone Management Authority (GCZMA) Expert Committee recommendation for CRZ clearance to Chhara LNG Terminal. HSEPL has applied to MoEF and PESO for necessary clearances/approvals.

Mumbai Aviation Fuel Farm Facility Pvt. Ltd (MAFFFL)

Mumbai Aviation Fuel Farm Facility Private Limited (MAFFFL) is a Joint Venture Company (JVC) comprising of Mumbai International Airport Private Limited (MIAL), Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) with equity holding of 25% each. The Company was incorporated on February 26, 2010.

The business of the Company is to operate & maintain existing Aviation fuel farm facilities and to provide Into-plane services at Chhatrapati Shivaji International Airport (CSIA), Mumbai. The Company will construct, maintain and operate the new Integrated Fuel Farm Facility on an Open Access basis. The revenue to MAFFFL shall be by way of the Fuel Infrastructure Charges, payable by the Suppliers for utilising the Facility.

MAFFFL started operation from February 2015 and this is the second consecutive year of complete operation. The volumes handled increased from 15.53 Lakh KL in 2015-16 to 16.55 Lakh KL in 2016-17.

The total Income increased from ₹ 115.08 crore in 2015-16 to ₹ 127.60 crore in 2016-17 recording an increase of 11% and the profit after tax (PAT) increased from ₹ 18.58 crore in 2015-16 to ₹ 26.58 crore in 2016-17 recording an increase of 43%.

During 2016-17, the overall progress of the integrated fuel farm project is about 47%. The main focus is on the construction of integrated fuel farm project and 70% cumulative overall completion is expected to be achieved by end of FY 2017-18.

Godavari Gas Pvt. Ltd. (GGPL)

Godavari Gas Pvt Ltd. (GGPL) is a joint venture between Hindustan Petroleum Corporation Ltd (HPCL) and Andhra Pradesh Gas Distribution Corporation Limited (APGDC). The company was incorporated on 27th September 2016. The initial authorized share capital is ₹ 100 crore.

GGPL has been authorised by PNGRB for setting up of City Gas Distribution Network in East Godavari and West Godavari District in Andhra.

AA. CAUTIONARY STATEMENT

Matters covered in the Management Discussion and Analysis Reports describing the Company's Objective, Projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. The actual performance could vary from those projected or implied, important or unforeseen factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic market in which the company predominantly operates, changes in regulations and other incidental factors.

Business Responsibility Report

Introduction

Business Responsibility Report (BRR) is a disclosure of adoption of responsible business practices by a listed company to all its stakeholders. This is important considering the fact that these companies have accessed funds from the public, have an element of public interest involved and are obligated to make exhaustive disclosures on a regular basis.

Hindustan Petroleum Corporation Limited (HPCL) is delighted to present its First Business Responsibility Report as a part of Annual report 2016-17.

Securities and Exchange Board of India (SEBI) notified Listing obligations and disclosure requirements (amendment) regulation 2015 in Gazette of India dated 22nd December, 2015. Vide this notification it is made mandatory to release the BRR by the top 500 listed entities based on market capitalization of BSE and NSE as on March 31, of every financial year. As HPCL stands 46th in ranking of market capitalization as on 31st March, 2017 we are presenting herewith BRR for the financial year 2016-17.

This report is developed in-line with the suggested framework by SEBI which is based on 'National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business' released by the Ministry of Corporate affairs, Govt. of India.

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L23201MH1952GOI008858
2. **Name of the Company:** Hindustan Petroleum Corporation Limited
3. **Registered Address:** 17, Jamshedji Tata Road, Mumbai - 400020
4. **Website:** http://www.hindustanpetroleum.com
5. **E-mail id:** corphqo@hpcl.co.in
6. **Financial Year Reported:** 2016 -17
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

Group	Class	Sub-class	Description
192	1920	19201	Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals
		19203	Bottling of LPG/CNG
		19209	Manufacture of other petroleum n.e.c. (includes manufacture of petroleum jelly, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)
352	3520	35202	Distribution and sale of gaseous fuels through mains
061	0610	06102	On shore extraction of crude petroleum
351	3510	35105	Electric power generation using solar energy
		35106	Electric power generation using other non-conventional sources
493	4930	49300	Transport via pipeline
466	4661	46610	Wholesale of solid, liquid and gaseous fuels and related products
473	4730	47300	Retail sale of automotive fuel in specialized stores [includes the activity of petrol filling stations]
477	4773	47736	Retail sale of household fuel oil, bottled gas, coal and fuel wood
721	7210	72100	Research and experimental development on natural sciences and engineering

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

   i. High Speed Diesel (HSD)

   ii. Liquefied Petroleum Gas (LPG)

   iii. Motor Spirit (MS)

Business Responsibility Report

9. Total number of locations where business activity is undertaken by the Company:

i. Number of International Locations: NIL

ii. Number of National Locations: We have 2 major refineries at Mumbai and Visakhapatnam. We have a strong country-wide network of infrastructure as below:

1	Retail Outlets	14412
2	LPG Distributorships	4532
3	SKO/ LDO Dealerships	1638
4	Auto LPG Dispensing Stations (ALDS)	218
5	CNG Outlets	231
6	Aviation Fuel Stations	37
7	Terminals & TOPs	42
8	Inland Relay Depots	40
9	LPG Bottling Plants	47
10	Lube Blending Plants	7
11	Exclusive Lube Depots (COLD/COD)	22
12	LPG Import Facility Locations	2
13	Lube Oil/Black Oil/ATF Pipelines Capacity in MMTPA	3.6
14	Designed Multi Product Pipeline Capacity in MMTPA	-
	Main Lines	23.21
	Branch Lines	10.32

iii. Markets served by the Company – local/state/national/international:

We serve national as well as international markets. We do international trade (Lubricants & other petroleum products) with Nepal, Bhutan, Myanmar, Malaysia, Srilanka and Thailand

Section B: Financial Details of the Company

1.	**Paid Up Capital (INR)**	₹ 1015,88,17,500
2.	**Total Turnover (INR)**	₹ 2,13,488.95 crores
3.	**Total Profit after Taxes (INR)**	₹ 6,208.80 crores
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)**	₹ 108.11 Crores (2.6% of average net profit of the company for last three FY (2013- 2016)

5. List of activities in which the expenditure in 4 above has been incurred.

a) Community development and environment

b) Skill development for marginalized people

c) Provide scholarships for economically backward SC/ST/OBC/PWD students in local areas of operation along with school infrastructure and amenities

d) Interventions in health, including provision of medical equipment and reach-in approach through health camps and medical vans

e) Promotion of sports

f) Swachh Bharat Abhiyan

g) Pradhan Mantri Ujjwala Yojana (LPG connections to BPL families)

h) Statue of Unity Project

Business Responsibility Report

Section C: Other Details

1. Does the company have any Subsidiary Company/Companies?

Yes, HPCL has subsidiary companies and the details are as follows;

i. CREDA-HPCL Biofuel Ltd. : HPCL's equity holding - 74%
ii. HPCL Biofuels Ltd. : HPCL's equity holding - 100%
iii. HPCL Rajasthan Refinery Ltd. : HPCL's equity holding - 74%
iv. Prize Petroleum Co. Ltd. : HPCL's equity holding - 100%

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

The subsidiary companies are aligned to CSR philosophy and agenda of the parent company. They are also working in similar focus areas such as education and health care.

3. Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)

More than 60%. HPCL engages periodically with its suppliers, distributors, dealers, transporters etc for raising awareness on sustainability issues. Being a responsible company, we ensure that all the statutory requirements such as labour laws, minimum wages, no forced or compulsory labour etc are met by the business entities associated with us. Our Dealers/ Distributors and Transporters participate in various activities of the company such as training to retail outlet staff, Oil & Gas conservation fortnight, training to transport crew, health camps for transporters, safety trainings and fitness camps for tank trucks etc to name a few.

Section D – BR Information

1. Details of Director/Directors responsible for Business Responsibility (BR)

a) Details of the Director/Director responsible for implementation of the BR policy/policies

The Corporation has a "CSR & Sustainability Development Committee" for periodic review, discussion and guidance on various CSR, sustainability development initiatives and measures and implementation of BR policies. The composition of CSR & Sustainability Development Committee as on March 31, 2017 is as follows:

DIN Number	Name	Position in the Committee	Designation
00671720	Ram Niwas Jain	Chairman	Part-Time Non-official Director
01640784	G.V. Krishna	Member	Part-Time Non-official Director
05323634	Pushp Kumar Joshi	Member	Director – Human Resources
07234397	S. Jeyakrishnan	Member	Director – Marketing
07632981	Vinod S. Shenoy	Member	Director – Refineries

b) Details of the BR head

Particulars	Details
DIN Number (if applicable)	NA
Name	K Ananda Rao
Designation	GM-Corporate HSE
Telephone number	022-25077725
e-mail id	anandaraok@hpcl.in

Business Responsibility Report

2. Principle wise (as per NVGs) BR policy/Policies (Reply in Y/N)

The 9 principles of the National Voluntary Guidelines are as follows;

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for…	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of Conduct; Whistle Blower Policy P2: HSE Policy; Sustainable Development Policy P3: Signatory to United Nations Global Compact (UNGC); Whistle Blower Policy; Internal Human Resource Policies P4: CSR Policy; Sustainable Development Policy P5: Signatory to UNGC; CDA Rules; Internal Human Resource Policies P6: HSE Policy; Sustainable Development Policy; Climate Change Policy Statement P7: Sustainable Development Policy P8: CSR Policy P9: Citizen Charter; Quality Policy; Sustainable Development Policy								
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been formulated in accordance with the relevant statutory laws, guidelines issued by Government of India, Regulatory bodies and industry best practices.								
4	Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If yes, has it been signed by the MD/owner/ CEO/appropriate Board Director?	The Policies are approved by Board / Competent Authorities as per Delegation of Power.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link to view the policy online? Contd….	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Code of Conduct: https://www.hindustanpetroleum.com/codeofconduct **Whistle Blower Policy:** https://www.hindustanpetroleum.com/documents/pdf/Whistle_Blower_policy.pdf **HSE Policy** https://www.hindustanpetroleum.com/CSRPolicys **Sustainable development Policy:** https://www.hindustanpetroleum.com/CSRPolicys **UNGC:** https://www.hindustanpetroleum.com/CSRGCCommitment **CSR Policy:** http://www.hindustanpetroleum.com/documents/pdf/csr/CSR-POLICY.pdf **Climate Change Policy Statement:** http://www.hindustanpetroleum.com/documents/pdf/HPCL_Climate_Change_policy.pdf **Citizen's Charter:** http://www.hindustanpetroleum.com/citizens-clients-charter **Quality Policy:** http://www.hindustanpetroleum.com/lubricantsquality								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

b) If answer against any principle, is 'No', please explain why: (Tick up to 2 options):

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	N.A.								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

Business Responsibility Report

3. **Governance related to BR**

   a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

   Half Yearly. The Corporation has constituted a "CSR & Sustainability Development Committee" for periodic review, discussion and guidance on various CSR initiatives and Sustainability Development Initiatives and measures.

   b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   HPCL publishes Sustainability Report annually. Also from FY 2016-17, we are publishing the BRR as part of the Annual Report.

   Hyperlink for viewing HPCL Sustainability Reports:

   http://www.hindustanpetroleum.com/CSRPolicys

Section E: Principle-wise performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   Yes. HPCL has a defined Code of Conduct which is applicable to all Whole-time Directors, all Non-Whole Time Directors including Independent Directors under the provisions of law and Senior Management Personnel. The purpose of this Code is to enhance further ethical and transparent process in managing the affairs of the Company.

   HPCL is a Government of India Enterprise with a Navratna Status, a Forbes 2000 and Global Fortune 500 company. Having a huge market presence, the Corporation believes in conducting its business in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. As such the Corporation endeavors to work against corruption in all its forms including demand and acceptance of illegal gratification and abuse of official position with a view to obtain pecuniary advantage for self or any other person. Towards this end, the Corporation has framed and adopted Conduct, Discipline and Appeal rules which govern the conduct of all Officers of the Company including Whole-time Directors but excluding Non - whole time Directors.

   The Vigilance department of the Corporation is also empowered to initiate investigations on its own and act on complaints received from public / employees, with regard to violation of Corporation's rules and procedures, if any, in the conduct of business.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   The Company has received a total of 3489 public grievances in the FY 2016-17, through Centralized Public Grievance Redress and Monitoring System (CPGRAMS) and out of which 3359 complaints have been resolved as on 31st March 2017 i.e. 96.27%. Balance grievances are being attended.

   Company has also received 37 complaints from Regulatory/Statutory bodies and all of them were successfully resolved as on 31st March 2017.

   In addition, Vigilance department handled total 98 complaints, out of which 81 complaints (83%) are resolved as on 31st March 2017. Balance complaints are being addressed.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   HPCL is committed to achieve the economic, ecological and social responsibility objectives of sustainable development consistently through our varied operations and activities. All activities of the organization with respect to manufacturing, storage and marketing are assessed for environment-related risks by qualified auditors periodically and suitable remedial steps, as recommended are implemented. Our R&D Centre provides support to the Refineries and Marketing divisions for operational improvement, imbibing new technologies, developing innovative and path-breaking technologies and in the long run, license technologies and become a knowledge hub. Following are few of the products which are designed to address social and environmental concerns.

i. Biodiesel blended HSD

ii. Ethanol blended MS

iii. BS III and BS IV MS and HSD

iv. Tree Spray Oil

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

HPCL is continuously working for development of clean fuels for future. In this process the company is using technique of blending biological fuels such as Ethanol and Biodiesel.

As per the national policy on Biofuels by Government of India, Biofuels are derived from renewable bio-mass resources. This provides a strategic advantage to promote sustainable development and to supplement conventional energy sources in meeting the rapidly increasing requirements. Biofuels can increasingly satisfy these energy needs in an environmentally benign and cost-effective manner while reducing dependence on import of fossil fuels and thereby providing a higher degree of National Energy Security.

In the year 2016-17, HPCL has also procured 313000 KL of Ethanol and 9500 KL of Biodiesel for blending in MS and HSD respectively. The sales volume of ethanol Blended MS was 3043500 KL and Biodiesel Blended Diesel Sale was 216469 KL.

HPCL has been working towards production of cleaner fuels in terms of sulphur content as well and thus taken tremendous efforts towards production of BS IV fuels. Lower the sulphur content, cleaner is the fuel.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Corporation considers various factors and parameters for selection of a supplier for various specialized procurement. The evaluation criteria is based on factors like social, ethical and environmental performance. Through Terms and Conditions of the contract, the vendors are required to ensure compliance to all applicable environment and labour laws.

The Central procurement team has formed a better management of the organization's supply chain. Various initiatives are being taken which have helped address some of the key issues and reduce emissions:

i. Reduction in transaction load.

ii. Implementation of e-procurement platforms.

iii. Online tendering process to increase transparency.

iv. Online Vendor Portal for suppliers.

v. Bill tracking system for suppliers for stage-wise tracking of bills from submission to disbursement.

vi. Out route optimization - With a view to reduce the emissions due to transportation of its products, HPCL carries out route optimization activity which has the following salient features:

a) RTKM calculated based on Google maps and actual distance.

b) Allocation of customers is done based on nearest depots and locations thereby reducing the distance

c) Real-time fleet tracking using GPS to ensure that the vehicles do not deviate from the assigned shortest route.

d) Defined threshold age of the vehicle used in transportation

vii. Training to transport crew on defensive driving practices, safety training, fuel conservation techniques and first aid etc

HPCL has basket of varied crude oil from different geographies for its spot/term crude procurement which ensures security of sourcing. To optimize and enlarge the crude basket for HPCL refineries, three new types of crude oil were processed in 2016-17.

HPCL has entered into Contract of Affreightment with Indian ship owner having capability to execute the contract for meeting our crude transportation requirements ensuring support to Indian shipping tonnage and complete security for our crude transportation requirements.

Vessels deployed for crude transportation comply with all extant International / Domestic Maritime regulations, safe and duly accepted at load ports & disports prior to being pressed into operation.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company is engaged with various local and small vendors for procurement activities.

Along with our centralized procurement process, we also have procurement offices across the country for procurement of materials and services at various locations. These offices have developed local vendor base and send procurement inquiries under the policy of "Open Competition" from technically accepted bidders on a competitive basis. We encourage local supplies depending upon the economics and quality of products and services meeting our specifications.

We abide to be in compliance with Public Procurement Policy and extended the benefits like exemption of Earnest Money Deposit (EMD), allowing to supply a portion quoting within +15% on matching lowest (L1) rates and up to 20% of requirement etc.

Further, case to case basis relaxation in Past track record is also being extended to improve capacity and capability of small vendor. The details of procurement of goods and services through Micro, Small and Medium Enterprises (MSME) in reporting year is tabulated below;

Procurement of goods & services from Micro, Small & Medium Enterprises (MSME) in 2016-17.	Target	Achieved	Value of procurement in ₹ Crores
	20%	33.72%	2519

The corporation also organizes various vendor meets with focus on MSME and SC/ST MSMEs.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company has a mechanism to recycle waste. At HPCL, we aim to measure, manage and monitor waste from our operations in order to minimize our impact on people and the environment. Waste generated in our operations is either treated within the premise or disposed through CPCB approved waste treatment, storage and disposal facility.

One of the principle product being marketed by the company is packed LPG. Cylinders of various capacities are used for packaging this product. These cylinders i.e. packaging along safety caps & O-rings is fully re-used (subject to inspection) and company has arrangements for testing, repairing and maintaining this packaging material. Additionally, Safety caps & O- Rings used in the cylinders are re-used after necessary checks.

Some of the examples of waste recycling and processing are mentioned below;

a) Slop gets generated during crude oil refining process as well as during product handling process. This slop generated at across the process plants as well as in marketing locations is reprocessed/re-blended for converting it into a valuable product on regular basis.

b) Installed a Flare Gas Recovery systems in its refineries for minimizing flared gases and put back them into fuel gas system for use.

c) At some of the select locations, we have implemented a novel technique for recycling of liquid sewage waste called phyto-remediation. The treated water from this method is used for gardening purpose.

d) We have ETP at various Refineries and Marketing locations to treat the effluents and further re-use the treated at our locations.

e) The company has installed organic waste converters at select location for speedy conversion on waste to manure which is further used within the locations.

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees.

The company has "10422" Permanent employees as on 31st March, 2017.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Contract labour is engaged through contractors for peripheral, irregular, random nature of jobs. The number of contract labour working in different locations/units of HPCL under various contractors as on 31st March, 2017 was 34944.

3. Please indicate the Number of permanent women employees

The total of permanent women employees is "919" as on 31st March, 2017.

4. Please indicate the Number of permanent employees with disabilities

The total of permanent employees with disabilities is "162" as on 31st March, 2017.

5. Do you have an employee association that is recognized by management?

Yes, The Company has 13 recognized unions for representing non-management employees. The Company also has Employee Welfare Associations representing SC/ST Employees and OBC Employees.

6. What percentage of your permanent employees is members of this recognized employee association?

97% of our employees (non-management employees only) are member of recognized unions and associations.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory Employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

All our employees are covered in various training programs including safety and skill up-gradation under behavioral and technical training programs. Mandatory training programs are also a part of KPI of our officers.

Contract employees are provided basic safety trainings and use of personal protective equipment before engagement in the working locations.

Man-days of training given to various employees in 2016-17 are as follows:

a) Permanent Employees: 26753 (Includes all Management and Non-Management)

b) Permanent Women Employees: 2698 (Includes Management and Non-Management)

c) Employees with Disability: 120

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the company mapped its internal and external stakeholders?**

   Yes, HPCL has mapped both its internal and external stakeholders and continuously engages with them in order to have synergetic relationship. The identified stakeholders in no order of preference are Shareholders, Customers, Statutory/ Regulatory Bodies, Government, Employees, Dealers, Distributors, Financial Institutions, Transporters, Suppliers, Contractors, Contract Workmen, Delivery Personnel, Community etc.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes, HPCL as a responsible corporate cares for the community. We have adopted a holistic approach for the socio-economic development of the disadvantaged, vulnerable and marginalized stakeholders. Our CSR policy has provision that the CSR projects/activities/programs shall be undertaken in:

   a) Backward Region Grant Fund (BRGF) Districts

   b) SC/ST communities

   c) Other weaker sections of the society

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Yes. HPCL undertook innovative CSR projects that brought together collective efforts to positively impact the quality of life of those who are marginalized and less privileged. The focused efforts of the corporation towards social development through creation of community infrastructure and social interventions has led to empowerment and socio-economic welfare of the host communities. Some of the special initiatives/projects undertaken by HPCL are:

Project Name	Beneficiaries
Dhanwantari	Door step medical help and free medicine to villages through mobile medical units
Dil Without Bill	Free heart surgery for patients hailing from economically weaker sections of society
Suraksha	Awareness on HIV and Aids prevention through khushi clinics at highway outlets
Nanhi Kali	Material and social support to girl children of backward areas
Akshay Patra	Provided mid-day meal to children
Adapt	Therapeutic and educational support to differently-abled children
Unnati	Basic computer training to semi-urban/rural students
Swavalamban	Skill development training to school dropouts
Swachh Bharat Abhiyan	Constructed toilets in Government schools and community across various backward districts of India.
Entrepreneurship Development Project	Workshops conducted to train entrepreneurs on all aspects of a startup for aspiring youth from SC and ST communities
Agastya	Mobile science lab to school children
Scholarships	Scholarships to meritorious students from SC, ST, OBC and PWD Communities

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   At HPCL, we respect human rights to ensure that everyone is protected against any actions which undermine their dignity and provide the opportunities they need to realize their full potential. As a Company-wide value system, we are committed to fair labour practices, freedom of association and the principles embodied in the Indian constitution.

   Our comprehensive disciplinary and grievance procedures lay down the requirements of fairness in all operations as defined in the applicable legislation. The compliance of human rights throughout our Corporation is ensured by our well designed Conduct, Discipline & Appeal Rules applicable to Management employees and Standing Orders applicable to Non-Management employees. These policies/rules cover the Company employees. Our Joint ventures have their independent policies and procedures towards protecting human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

HPCL has not received any complaints from stakeholders in the reporting year.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

Yes, HPCL has an "Environment Policy" in place which covers only the company and all the joint ventures have their independent policies.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, HPCL is a socially responsible Corporate Citizen caring for the environment and striving to reduce its carbon footprint by incorporating the 'green' perspective in all its key organizational processes, while pursuing its own growth aspirations towards Customer delight.

http://www.hindustanpetroleum.com/documents/pdf/HPCL_Climate_Change_policy.pdf
http://www.hindustanpetroleum.com/csrnitiative
http://www.hindustanpetroleum.com/refinerynewprojects

3. Does the company identify and assess potential environmental risks? Y/N

Yes, our Corporation has a well-defined process for managing its risks on an ongoing basis. We have Enterprise Risk management system in place to do so. There are laid down policies and procedures to handle risk. These are assessed by concerned functions and mitigation plans are prepared. The risks are monitored periodically by respective authorities.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company does not have any projects registered under CDM in the reporting financial year.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, HPCL is committed to conducting business with a strong focus on preserving the environment, sustainable development, safe work place and enrichment of the quality of life of employees, customers and the community. Established systems and procedures are constantly revised across our operations for continual improvement to achieve the higher standards of safety, occupational health and environment protection.

Some of our initiatives at the location level are given below;

a) Bureau of Energy Efficiency (BEE) has extended PAT (Perform, Achieve and Trade) cycle II program to petroleum sector which is being coordinated by CHT for Indian refineries. Both HPCL refineries along with other PSU's are actively participating into this process. As a part of this process, a gap identification audit will be carried out by M/s.PCRA. Both HPCL refineries have participated in this audit and operating data acquisition phase is already completed.

b) Blending of Biofuels with Fossil Fuels - During 2016-17, HPCL has received 313000 KL of ethanol and achieved overall 3.51% EBP (Ethanol Blended Petrol) in states notified by Govt. of India for EBP (i.e. in entire country other than J&K, N/E and Islands). HPCL has also received 9500 KL of Biodiesel and blended the same with Diesel.

c) Replacing conventional lighting with LED lights across our locations towards energy conservation

d) Installation of Solar PVs at operating locations. We are also encouraging our dealers to install Solar PVs at outlets. They have installed Solar PVs at 445 outlets.

e) Installation of 50.5 MW Wind power project in Rajasthan during 2016-17 taking the total wind power capacity to around 101 MW.

f) Installed Vapour Recovery System (VRS) at various retail outlets.

g) Installed rain water harvesting systems at various locations

http://hindustanpetroleum.com/alternateenergy

http://www.hindustanpetroleum.com/refinerysafetyandenvironment

http://www.hindustanpetroleum.com/refinerynewprojects

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emission/Waste generated during the course of operations are within the permissible limits given by CPCB/SPCB norms.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are no such pending show cause/ legal notices from CPCB/SPCB for the reporting year.

Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, HPCL is member of various trade, chamber and associations, few of them are tabulated below;

a) All India Association of Industries

b) All India Management Association

c) Association of Business Communicators of India

d) Associated Chambers of Commerce and Industry of India

e) Bombay Chamber of Commerce & Industry

f) Bombay Management Association

g) Confederation of Indian Industry

h) Council for Fair Business Practices

i) Federation of Indian Chambers of Commerce & Industry

j) Global Compact Network India

k) Indian Merchants Chambers

l) Indo American society

m) Indo German Chamber of commerce

n) International Market Assessment India Pvt Ltd – CEO

o) International Market Assessment India Pvt Ltd – CIO

p) Maharashtra Chamber of Commerce, Industry & Agriculture

q) Maharashtra Economic Development Council

r) Petroleum Federation of India

s) Standing Conference of Public Enterprises

t) The Energy and Resources Institute

Association with other Institutional Memberships are as follows:

a) Administrative Staff College of India

b) Centre for Public Sector Studies

c) National Institute of Personnel Management

d) Vigilance Study Circle, Mumbai

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

We have been part of various associations and we put forward our opinion from industry point of view by participating in concerned forums. We also take part in the consultative committees that frame policies as and when asked by Government or regulatory departments. Our senior officials have been member of several working committees in various areas such as Oil India Safety Directorate (OISD), Petroleum and Natural Gas Regulatory Board (PNGRB), Center for High Technology (CHT)etc. and contribute towards the agenda.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

HPCL has a CSR policy with identified focus areas as mentioned below:

a) Education

b) Healthcare

c) Child-Care

d) Skill Development

e) Sports

f) Swachh Bharat Abhiyan (Environment & Community Development)

All the CSR activities are aimed at promoting inclusivity and leading to equitable development.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The CSR Programmes/projects/activities are implemented either directly by HPCL or through NGO's and Government agencies etc.

3. Have you done any impact assessment of your initiative?

Yes, key CSR projects undertaken by HPCL are subject to third party impact assessment at the end of every financial year. Apart from third party impact assessment there is an internal two-tier monitoring mechanism under which CSR Committee and CSR Council monitors the activity on quarterly basis.

Business Responsibility Report

4. **What is your company's direct contribution to community development? Projects – Amount in INR and the details of the projects undertaken.**

   HPCL is involved in various CSR activities and the list of expenditure is reported as below:

S. No	CSR Project or Activity identified	Sector in which project is covered	Amount in ₹ Crores
1	Community Development and Environment	Empowerment of Socially and Economically Backward groups	4.91
2	Skill Development for Marginalized	Imparting Employment Enhancing Vocation Skills	11.48
3	Scholarships for economically backward SC/ST/OBC/PWD Students in Local Areas of Operation Locations and School Infrastructure and Amenities	Promoting Education	27.24
4	Interventions in Health, including provision of medical equipments and reach-in approach through health camps and medical vans	Promoting Preventive Health Care	11.76
5	Promotion of Sports	Promotion of Nationally Recognised and Paralympic Sports	0.99
6	Swachh Bharat Abhiyan	Swachh Bharat Abhiyan	10.15
7	Pradhan Mantri Ujjwala Yojana (LPG Connections to BPL families)	Environmental Sustainability	16.58
8	Statue of Unity' Project	Heritage and culture	25.00
		Total	**108.11**

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   CSR projects at HPCL are designed and carried out by field level offices with the help of nearby communities. Prior to the implementation of the project, need assessment for various CSR activities are carried out involving community members. This helps the company to understand the requirement of the community and design a tailor-made activity for their betterment. We also conduct third party impact assessment for major projects.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   HPCL believes in total customer satisfaction through quality products by doing it right the first time, every time. However, with such huge customer base, it's not possible to keep complaints away. However, we always try to improve our quality and minimize the customer complaints. In this reporting period, the Company has received total 254489 complaints and out of them only 0.49% (1259) of cases are pending.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   As an integral part of business, HPCL believes that no work or service or activity is so important or urgent that safety be overlooked or compromised. Safety of the employees and public is very important to avoid any national loss. The company follows National and International particulars laws to display its products labels with all the required information of the products.

   All our products are in line with BIS specifications, internationally accepted standards and customer specific standards.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

The Company has not received any complaints on unfair trade practices and Irresponsible advertising. HPCL has received complaints on Anti- Competitive behaviour and details are provided below on same.

Complaints	No. of cases filed in the last five years	No. of cases pending as on end of Financial Year 2016-17
Unfair Trade Practice	0	0
Irresponsible Advertising	0	0
Anti-competitive behavior	7	7

The following cases/appeals are pending:

i. RIL/Essar/Shell had filed a complaint before the Petroleum & Natural Gas Regulatory Board (PNGRB) against PSU OMCs and upstream companies alleging collusion cartelization and predatory pricing for MS and HSD.

ii. A complaint was filed by RIL before the Competition Commission of India alleging cartelization and misuse of its dominant position.

iii. India Glycols Ltd. Vs. India Sugar Mills Associates & Ors. alleging that ISMA, on behalf of member companies (including BPCL) have lobbied with Govt. of India for increasing the price of Ethanol from various suppliers.

iv. CCI vide its own cognizance started inquiry against OMCs by observing that OMCs are behaving like a cartel by fixing petrol price. Preliminary objection taken by Respondent OMCs that CCI does not have jurisdiction and PNGRB has jurisdiction to hear this issue.

   Commission ordered DG investigation which should cover the entire value chain of price build up. We challenged the said order in Delhi High Court vide WP 7303/2013 and Delhi High Court vide order dated 22/11/2013 ordered stay in the said proceedings

v. Appeal filed against order dated 11/02/2014 passed by CCI in suo-motto case no. 95/2013. Federation is alleging unfair terms in Dealership Agreements for a) Not allowing to use petroleum products of other OMCs and b) Reserving Dealer land just for selling of and impose condition to give land to OMC when dealership is terminated.

vi. Integrated Pharma & Life Sciences, Distillers viz., Jubilant/Wave/AB Sagar/Lloyd Distillers have filed u/s 33(1) of Competition Act alleging that Sugar Manufacturers are in cartel for raising price of ethanol and OMCs by inviting joint tender have indulged in violation of Sec 3 of the Act.

vii. Indian Glycols Ltd & Easter India Chemicals Ltd filed Case 21 & 29 of 2013 against Sugar Manufacturers Association. Alleging that they have quoted similar/ identical prices. Cartelization charges were levelled against OMCs since they have invited Joint tender.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes. Everything begins with understanding the customers' expectations. We consistently provide products and services, which meet or exceed our customer expectations and satisfy customers by anticipating their requirements. We conduct all India customer satisfaction surveys regularly for our retail outlets and domestic LPG customers. The surveys are conducted through independent external agencies. The objective of these surveys is not only to understand the expectations of our key stakeholders but also to devise strategies to address their concerns.

The customer satisfaction survey was carried out during the period of January 2016 to March 2017 and total "57705" of respondents were covered on all India level. The score of our survey was 66 as per all India Customer Satisfaction Index (CSI) which is rated as healthy performance as per CSI Benchmarking of Majestic MRSS India Ltd.

Independent Auditors' Report

TO THE MEMBERS OF HINDUSTAN PETROLEUM CORPORATION LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of HINDUSTAN PETROLEUM CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as on March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information in which, is incorporated Ind AS financial statements of Visakh Refinery, audited by the branch auditor, whose report dated May 22, 2017 has been considered in preparing this report.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as on March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

We refer to note no. 56 in connection with 21 Un-incorporated Jointly Controlled Entities (UJCEs) involved in exploration activities, of which majority of UJCEs are under relinquishment. The attached standalone Ind AS financial statements include Company's proportionate share in Assets and Liabilities, Income and Expenditure amounting to ₹ 20.02 crores and ₹ 12.29 crores, ₹ Nil crores and ₹ 15.25 crores respectively, as on March 31, 2017. In respect of these UJCEs, the audited accounts are not available with the Company. The financial information has been incorporated based on un-audited Ind AS financial statements / data received from the respective operators.

Our opinion is not modified in respect of these matters.

Independent Auditors' Report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by the section 143(5) of the Act, we give in the Annexure II a statement on the directions / sub-directions issued by the Comptroller and Auditor-General of India.
3. As required by section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The reports on the accounts of the branch office of the Company viz. Visakh Refinery audited under section 143(8) of the Act by the branch auditor have been sent to us and have been properly dealt with by us in preparing this report;
   (d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
   (e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) (Amendment) Rules, 2016;
   (f) As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 164(2) of the Act, accordingly, we are not required to report whether any directors are disqualified in terms of provisions contained in the said section;
   (g) 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 III.
   (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 as amended by the Companies (Audit and Auditors) Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 68 to the standalone Ind AS financial statements;
      (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
      (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company except minor delay involving sum of ₹ 3,430, which has been regularized post the date of balance sheet; and
      (iv) The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management – Refer Note 72 to the standalone Ind AS financial statements.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Sd/-
Rajen Ashar
Partner
Membership No.: 048243

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi
Dated : 26th May 2017

Independent Auditors’ Report

Annexure I - referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” of our report of even date

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

(b) The Property Plant and Equipment of the Company, other than LPG cylinders and pressure regulators with customers are physically verified by the Management in a phased program of three to five years cycle. In our opinion, the programme is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and as per the information given by the management, the discrepancies observed were not material and have been appropriately accounted in the books of account.

(c) According to the information and explanations given to us and based on verification of records on random basis, we report that the title deeds of immovable properties held as Property Plant and Equipment, other than self-constructed properties, are held in the name of the Company, except for the following:

₹ / Crores

Particulars	No. of Cases	Gross Block as on March 31, 2017	Net Block as on March 31, 2017	Remarks
Freehold Land	3	0.02	0.02	Title Deeds not available for verification

For the purpose of reporting under this clause, the title deeds of immovable properties were not available but substantial evidence like property tax payment receipts, noting in municipal records conveying the title of the Corporation over the property have not been considered.

(ii) During the year, the inventories have been physically verified at reasonable intervals by the management. The discrepancies noticed on physical verification, as compared to the book records, were not material having regards to size and nature of operations and have been properly dealt with in the books of account.

(iii) As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 188 of the Act in respect of contracts or arrangements entered into between the Government companies. The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, the question of reporting under sub-clauses (a), (b) & (c) of the clause 3(iii) of the Order does not arise.

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under section 186 of the Act.

(v) The Company has not accepted any deposits from the public, within the meaning of sections 73 to 76 of the Act and the rules framed there under. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this regard.

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

(vii) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and any other statutory dues, wherever applicable.

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on March 31, 2017 for a period of more than 6 months from the date they became payable.

Independent Auditors' Report

(b) According to the information and explanations given to us, the particulars of statutory dues that have not been deposited on account of disputes are as under:

Statute	Forum pending	Amount in Crores	Period to which amount relates
Customs	Tribunal**	12.45	1998 to 2011
	Appellate Authority*	2.47	2007 to 2013
	Total	**14.92**	
Central Excise	Tribunal**	344.60	1994 to 2015
	Adjudicating Authority ***	25.28	2004 to 2014
	Revision Authority	1.09	1999 to 2012
	High Court	4.21	1994 to 2008
	Appellate Authority*	15.26	1996 to 2016
	Total	**390.43**	
Sales tax/ Entry tax	Board of Revenue	4.99	1999 to 2014
	Appellate Authority*	1,809.73	1976 to 2015
	Adjudicating Authority ***	4,100.62	1985 to 2014
	Supreme Court	6.68	2002 to 2004
	High Court	854.25	1979 to 2014
	Objection Hearing Authority	17.89	2008 to 2012
	Tribunal**	2,775.63	1985 to 2014
	Total	**9,569.79**	
Service Tax	Appellate Authority*	1.16	2005 to 2015
	Tribunal**	78.81	2002 to 2015
	High Court	3.75	1981 to 2013
	Total	**83.72**	
Income Tax	Tribunal**	0.17	2006 to 2011
	Total	**0.17**	

* Appellate Authority represents Assistant Commissioner (A), Deputy Commissioner (A), Joint commissioner (A), Additional Commissioner (A)

** Tribunal represents Sales Tax Appellate Tribunal, Central excise and Service tax Appellate Tribunal (CESTAT) , Income tax Appellate Tribunal (ITAT)

*** Adjudicating authority represents Assessing Officer, Additional Commissioner, Deputy Commissioner, Joint commissioner, Additional Commissioner, Chief Commissioner

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, government or dues to debenture holders.

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us and on the basis of the records examined by us, the Company has prima facie applied the term loan for the purpose for which it was obtained.

(x) During the course of our examination of the books and records of the Corporation, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of material fraud by the Corporation or on the Corporation by its officers and employees have been noticed or reported during the year except suspected irregularity detected by the management of ₹ 5.60 Crores involving employees of the Corporation. The management has taken appropriate steps and the matter is under investigation.

Independent Auditors' Report

(xi) As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 197 of the Act, accordingly, the question of reporting whether the payment of managerial remuneration is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act does not arise.

(xii) The Company is not a chit fund or a nidhi company. Hence, the question of reporting under clause 3(xii) of the Order does not arise.

(xiii) As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 188 of the Act in respect of contracts or arrangements entered into between the Government companies. The Company has complied with the provisions of section 177 and section 188 of the Act in respect of transactions with the related parties and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him covered under the provisions of section 192 of the Act.

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

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Sd/-
Rajen Ashar
Partner
Membership No.: 048243

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi
Dated : 26th May 2017

Independent Auditors' Report

Annexure II referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" of our report of even date

Based on the verification of records of the Company and based on information and explanation given to us, we give below a report on the directions issued by the Comptroller and Auditor General of India in terms of section 143(5) of the Act.

<table>
<tr><th>Sr No</th><th>Areas to be examined</th><th>Observation /Finding</th></tr>
<tr><td>1</td><td>Whether the company has clear title / lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title / lease deeds are not available.</td><td>Based on the verification of the records of the Company and as reported in Annexure I para 1(c) of this report, the Company does not have the original clear title deeds in respect of 4 freehold land /lease hold lands. The details of area of such land as complied by the management is as under:
<table>
<tr><th>Particulars</th><th>No. of Cases</th><th>Acres</th><th>Remarks</th></tr>
<tr><td>Freehold Land</td><td>3</td><td>0.75</td><td>Title Deeds not available for verification</td></tr>
<tr><td>Leasehold Land</td><td>1</td><td>0.31</td><td>Lease Deeds not available for verification</td></tr>
<tr><td>Total</td><td>4</td><td></td><td></td></tr>
</table></td></tr>
<tr><td>2</td><td>Whether there are any cases of waiver / write off of debts / loans / interest etc., if yes, the reasons there for and the amount involved.</td><td>As per the process followed by the Company, any waiver of debt is accounted only with the approval of Competent Authority in line with the Delegation of Authority. Interest on delayed payments is waived from Customers on merit of each case by approving authority. During the year the Company has waived off ₹ 5.26 crores being the differential tax in respect of amounts paid to the sales tax authorities consequent to availing amnesty benefit under Maharashtra Settlement of Dispute Act, 2016</td></tr>
</table>

Sr No	Areas to be examined	Observation /Finding
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities.	a. Proper records are maintained for inventories lying with third parties. b. During the year, the Company has not received any assets as gifts from Government or other authorities.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Sd/-
Rajen Ashar
Partner
Membership No.: 048243

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi
Dated : 26th May 2017

Independent Auditors' Report

Annexure III - referred to in paragraph 3(g) under "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HINDUSTAN PETROLEUM CORPORATION LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Independent Auditors' Report

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2017, 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.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates Visakh Refinery audited by the branch auditor, appointed under section 143(8) of the Act is based on the report of the branch auditor which has been sent to us and has been properly dealt with by us in preparing this report.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Sd/-
Rajen Ashar
Partner
Membership No.: 048243

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi
Dated : 26th May 2017

Balance Sheet as on 31st March, 2017

₹ / Crores

	Notes	31.03.2017	31.03.2016	01.04.2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	3	35,711.00	32,692.94	28,294.38
(b) Capital Work-in-Progress	4	1,810.48	1,852.77	3,472.99
(c) Intangible Assets	5	420.88	414.63	386.94
(d) Financial Assets				
(i) Investment in Subsidiaries, Joint Ventures and Associates	6	5,052.27	5,018.56	4,881.08
(ii) Other Investments	7	757.58	568.55	748.70
(iii) Loans	8	457.01	565.16	390.86
(iv) Other Financial Assets	9	-	-	2.00
(e) Other Non-Current Assets	10	1,338.88	981.05	1,073.00
Total Non-Current Assets		**45,548.10**	**42,093.66**	**39,249.95**
(2) Current Assets				
(a) Inventories	11	18,576.28	13,211.40	13,397.60
(b) Financial Assets				
(i) Investments	12	5,108.74	4,991.44	5,376.15
(ii) Trade Receivables	13	4,064.21	3,758.03	3,215.03
(iii) Cash and Cash Equivalents	14	8.85	8.05	9.16
(iv) Bank Balances other than (iii) above	15	24.82	15.71	9.49
(v) Loans	16	163.21	55.82	135.63
(vi) Other Financial Assets	17	4,318.50	4,865.45	4,788.03
(c) Other Current Assets	18	647.24	574.40	595.39
		32,911.85	**27,480.30**	**27,526.48**
(d) Assets classified as held for Sale / Disposal		3.96	5.33	1.99
Total Current Assets		**32,915.81**	**27,485.63**	**27,528.47**
Total Assets		**78,463.91**	**69,579.29**	**66,778.42**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	19	1,016.27	339.01	339.01
(b) Other Equity				
Reserves and Surplus	20a	19,298.03	17,773.29	15,935.31
Other Reserves	20b	33.11	(142.50)	45.02
Total Equity		**20,347.41**	**17,969.80**	**16,319.34**
Liabilities				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	6,278.15	10,507.35	14,649.24
(ii) Other Financial Liabilities	22	10,997.27	9,398.18	8,254.23
(b) Provisions	23	182.32	163.77	99.08
(c) Deferred Tax Liabilities (Net) (refer note 42)		5,895.59	4,919.35	4,124.50
(d) Other Non-Current Liabilities	24	7.67	11.37	2.73
Total Non-Current Liabilities		**23,361.00**	**25,000.02**	**27,129.78**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	25	10,892.41	3,887.61	2,198.80
(ii) Trade Payables	26	12,658.10	9,416.93	11,442.93
(iii) Other Financial Liabilities	27	4,755.67	7,559.40	4,063.96
(b) Other Current Liabilities	28	3,968.21	3,736.91	3,583.46
(c) Provisions	29	2,408.50	1,646.59	1,678.88
(d) Current Tax Liabilities (Net)	30	72.61	362.03	361.27
Total Current Liabilities		**34,755.50**	**26,609.47**	**23,329.30**
Total Equity and Liabilities		**78,463.91**	**69,579.29**	**66,778.42**
Significant Accounting Policies	1 & 2			

Significant Accounting Policies and Notes Forming Part of Accounts are integral part of the Financial Statements

FOR AND ON BEHALF OF THE BOARD

Sd/-
MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

Sd/-
J RAMASWAMY
Director - Finance
DIN - 06627920

Sd/-
SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Sd/-
Rajen Ashar
Partner
Membership No. 048243

Statement of Profit and Loss for the year ended 31st March, 2017

₹ / Crores

	Notes	2016 - 17	2015 - 16
Revenue			
Revenue From Operations			
Gross Sale of Products	31	213,488.95	197,437.53
Other Operating Revenues	32	314.04	306.30
		213,802.99	**197,743.83**
Other Income	33	1,514.72	1,144.16
Total Revenue		**215,317.71**	**198,887.99**
Expenses			
Cost of Materials Consumed	34	45,137.66	40,811.64
Purchases of Stock-in-Trade		122,731.74	115,948.43
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	35	(4,454.06)	90.86
Excise Duty		26,779.28	20,043.20
Transportation Expenses		5,316.76	5,261.66
Exploration cost		15.23	20.84
Employee Benefits Expense	36	2,946.08	2,321.32
Finance Costs	37	535.65	653.60
Depreciation & Amortization Expense	3 & 5	2,535.28	2,653.21
Other Expenses	38	4,753.25	5,306.59
Total Expenses		**206,296.87**	**193,111.35**
Profit Before exceptional items and Tax		**9,020.84**	**5,776.64**
Exceptional Items			
Profit Before Tax		**9,020.84**	**5,776.64**
Tax expense:			
Current tax		2,236.24	1,433.56
Deferred tax		628.28	737.30
Provision for tax for earlier years written back (net)		(52.48)	(120.38)
Total Tax Expenses		**2,812.04**	**2,050.48**
Profit/(loss) for the period		**6,208.80**	**3,726.16**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans;		(23.69)	(5.57)
Equity Instruments through Other Comprehensive Income;		175.61	(187.52)
Income tax relating to items that will not be reclassified to profit or loss		8.20	1.93
Other Comprehensive Income for the period (net of tax)		**160.12**	**(191.16)**
Total Comprehensive Income for the period, net of tax		**6,368.92**	**3,535.00**
Earning per share [Basic & Diluted earnings per share (₹)]	44	**61.12**	**36.68**
Significant Accounting Policies	1 & 2		

Significant Accounting Policies and Notes Forming Part of Accounts are integral part of the Financial Statements

FOR AND ON BEHALF OF THE BOARD

Sd/-
MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

Sd/-
J RAMASWAMY
Director - Finance
DIN - 06627920

Sd/-
SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Sd/-
Rajen Ashar
Partner
Membership No. 048243

Statement of changes in equity as on 31st March 2017

A. Statement of Changes in Equity

	No. of Share	₹ / Crores
Balance as on 1st April 2015	**33,86,27,250**	**339.01**
Changes in equity Share Capital	-	-
Balance as on 31 March 2016	**33,86,27,250**	**339.01**
Changes in equity Share Capital	67,72,54,500	677.25
Balance as on 31 March 2017	**101,58,81,750**	**1,016.26**

B. Other Equity

₹ / Crores

	Reserves & Surplus						
	General reserve	Share premium	Debenture redemption reserve	FCMITDA	Retained earnings	Equity instruments through OCI	Total Other Equity
Balance as on 1 April 2015	**1,809.07**	**1,153.77**	**413.30**	**(62.79)**	**12,621.96**	**45.02**	**15,980.33**
Profit or Loss for the year	-	-	-	-	3,726.16	-	**3,726.16**
Other Comprehensive income for the year	-	-	-	-	(3.64)	(187.52)	**(191.16)**
Proposed dividend for 2014 - 15 (₹ 24.50 per share)	-	-	-	-	(829.64)	-	**(829.64)**
Dividend distribution Tax on above	-	-	-	-	(168.89)	-	**(168.89)**
First Interim Dividends 2015 - 16 (₹ 11.50 per share)	-	-	-	-	(389.42)	-	**(389.42)**
Dividend distribution Tax on above	-	-	-	-	(79.28)	-	**(79.28)**
Second Interim Dividends 2015 - 16 (₹ 7.00 per share)	-	-	-	-	(237.04)	-	**(237.04)**
Dividend distribution Tax on above	-	-	-	-	(48.26)	-	**(48.26)**
Transfer to retained earnings	-	-	(148.17)	-	148.17	-	-
Net Addition in FCMITDA	-	-	-	(132.01)	-	-	**(132.01)**
Balance as on 31 March 2016	**1,809.07**	**1,153.77**	**265.13**	**(194.80)**	**14,740.12**	**(142.50)**	**17,630.79**
Profit/ (Loss) for the year	-	-	-	-	**6,208.80**	-	**6,208.80**
Other Comprehensive income for the year	-	-	-	-	(15.49)	175.61	**160.12**
Proposed dividend for 2015 - 16 (₹ 16.00 per share)	-	-	-	-	(541.80)	-	**(541.80)**
Dividend distribution Tax on above	-	-	-	-	(110.30)	-	**(110.30)**
First Interim Dividend 2016 - 17 (₹ 22.50 per share)	-	-	-	-	(2,285.73)	-	**(2,285.73)**
Dividend distribution Tax on above	-	-	-	-	(465.32)	-	**(465.32)**
Second Interim Dividend 2016 - 17 (₹ 6.40 per share)	-	-	-	-	(650.16)	-	**(650.16)**
Dividend distribution Tax on above	-	-	-	-	(132.37)	-	**(132.37)**

Statement of changes in equity as on 31st March 2017

₹ / Crores

	Reserves & Surplus						
	General reserve	Share premium	Debenture redemption reserve	FCMITDA	Retained earnings	Equity instruments through OCI	Total Other Equity
Issuance of Bonus shares (2 equity shares for each existing share)	-	(677.25)	-	-	-	-	**(677.25)**
Net Addition / amortization in FCMITDA	**-**	**-**	**-**	194.36	-	-	**194.36**
Balance as on 31 March 2017	**1,809.07**	**476.52**	**265.13**	**(0.44)**	**16,747.75**	**33.11**	**19,331.14**

Note:

General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Share Premium : Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by the Companies Act, 2013.

Debenture redemption reserve : Debenture redemption reserve represents amounts set aside by the Company for future redemption of debentures.

Foreign Currency Monetary Item Translation Difference Account (FCMITDA) : Reserve recognised on account of translation of long term foreign currency denominated borrowings related to non - depreciable Property, Plant & Equipment. Amounts recognised as part of such reserve is recognised in the statement of profit or loss over remaining maturity of related borrowing.

Retained earnings : The balance held in this reserve is the accumulated retained profits and is permitted to be distributed to shareholders as part of dividend.

Equity instruments through OCI : The Corporation has chosen to recognise the changes in the value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through OCI reserve.

FOR AND ON BEHALF OF THE BOARD

Sd/-
MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

Sd/-
J RAMASWAMY
Director - Finance
DIN - 06627920

Sd/-
SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Sd/-
Rajen Ashar
Partner
Membership No. 048243

Cash Flow Statement for the year ended 31st March, 2017

₹ / Crores

		2016 - 17	2015 - 16
A.	**Cash Flow From Operating Activities**		
	Net Profit/(Loss) before Tax & Extraordinary Items	**9,020.84**	**5,776.64**
	Adjustments to reconcile profit before tax to net cash used in operating activities:		
	Depreciation/ impairment on property, plant and equipment & Intangible Assets	2,535.28	2,653.21
	Interest income from HBL Preference Shares	(13.43)	(12.32)
	(Gain)/loss on sale of property, plant and equipment	6.54	19.45
	Remeasurement of Defined benefit plans Gain / (Loss)	(15.49)	(3.64)
	Amortisation of Foreign Currency Monetary Item Translation Difference	354.38	248.82
	Spares Written off	12.14	0.41
	Impairment in Value of Investments	8.41	282.10
	Fair value gain on Current Investments carried at FVTPL	(221.77)	(16.49)
	(Profit)/Loss on Sale of Current Investment	(32.36)	35.86
	Finance Costs	535.65	653.60
	Un realised Exchange Rate Difference	(200.07)	242.10
	Provision for Doubtful Debts & Receivables	1.94	15.51
	Bad Debts written off	5.26	9.62
	Interest Income	(366.75)	(379.66)
	Share of Profit from Petroleum India International	(0.94)	(0.77)
	Dividend Received	(80.36)	(87.45)
	Operating Profit before Changes in Assets & Liabilities {Sub Total - (i)}	**11,549.27**	**9,436.99**
	(Increase) / Decrease in Assets and Liabilities :		
	Trade Receivables	(307.91)	(566.15)
	Loans and Advances and Other Assets	358.85	(124.32)
	Inventories	(5,377.02)	185.79
	Liabilities and Other Payables	5,938.11	(935.04)
	Sub Total - (ii)	**612.03**	**(1,439.72)**
	Cash Generated from Operations (i) + (ii)	**12,161.30**	**7,997.27**
	Less : Direct Taxes / FBT refund / (paid) - Net	2,178.57	1,214.22
	Net Cash from Operating Activities (A)	**9,982.73**	**6,783.05**
B.	**Cash Flow From Investing Activities**		
	Purchase of Property, Plant & Equipment (incl. Capital Work in Progress /excluding interest capitalised)	(5,889.01)	(4,710.03)
	Sale of Property, Plant & Equipment	37.18	15.85
	Purchase of Investments (Including share application money pending allotment/ Advance towards Equity)	(42.12)	(280.04)
	Investment in Subsidiary	-	(125.00)
	Sale Proceeds of current investments	136.84	352.42
	Capital refunded from PII	-	4.95
	Loan Given to Subsidiary	-	(84.00)
	Interest received	366.91	384.08
	Dividend Received	80.36	87.45
	Net Cash Flow generated from / (used in) Investing Activities (B)	**(5,309.84)**	**(4,354.32)**

Cash Flow Statement for the year ended 31st March, 2017

₹ / Crores

		2016 - 17	2015 - 16
C.	**Cash Flow From Financing Activities**		
	Long term Loans raised	-	4,988.30
	Long term Loans repaid	(6,980.04)	(6,637.80)
	Short term Loans raised / (repaid)	7,661.61	341.76
	Capital Grant Received	2.16	13.28
	Finance Cost paid	(521.87)	(674.93)
	Dividend paid (including dividend distribution tax)	(4,177.14)	(1,749.18)
	Net Cash Flow generated from / (used in) Financing Activities (C)	**(4,015.28)**	**(3,718.57)**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**657.61**	**(1,289.84)**
	Cash and cash equivalents at the beginning of the year	**2,390.49**	**1,100.65**
	Cash and cash equivalents at the end of the year	**(1,732.88)**	**(2,390.49)**
	Details of cash and cash equivalents as on the end of the year:		
	Cash and cash equivalents as on		
	Balances with Banks:		
	- on current accounts	1.14	0.25
	- on non-operative current accounts	0.01	0.01
	Cheques, drafts on hand	0.06	0.12
	Cash on hand	7.64	7.67
	Current account with Municipal Co-operative Bank Ltd.	-	-
	Less : Cash Credits	(1,741.73)	(2,398.54)
	Cash and cash equivalents as on the end of the year	**(1,732.88)**	**(2,390.49)**

FOR AND ON BEHALF OF THE BOARD

Sd/-
MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

Sd/-
J RAMASWAMY
Director - Finance
DIN - 06627920

Sd/-
SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Sd/-
Rajen Ashar
Partner
Membership No. 048243

Notes to Financial Statements for the year ended 31st March 2017

1. Corporate Information

Hindustan Petroleum Corporation Limited referred to as "HPCL" or "the Corporation" was incorporated on 5th July, 1952. HPCL is a Government of India Enterprise listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Corporation is engaged, primarily in the business of refining of crude oil and marketing of petroleum products. The Corporation has, among others, refineries at Mumbai and Vishakhapatnam, LPG bottling plants and Lube blending plants. The Corporation's marketing infrastructure includes vast network of Installations, Depots, Aviation Service Stations, Retail Outlets and LPG distributors.

Authorization of financial statements

The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors on 26th May 2017.

1.1. **Basis for preparation:**

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

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

The Corporation has adopted Ind AS and the adoption was carried out in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards). The transition was carried out from Accounting Standard as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, (previous GAAP). The Corporation's Presentation currency and Functional currency is Indian Rupees (₹). All figures appearing in the Financial Statements are rounded to the nearest crores (₹ Crores), except where otherwise indicated.

1.2. **Use of Judgement and Estimates**

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

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

- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies; and
- Evaluation of recoverability of deferred tax assets;

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.

2. Significant Accounting Policies

2.1. Property, Plant and Equipment

2.1.1. Freehold lands are carried at cost. All other items of Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

2.1.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes); any costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; initial estimated present value of any of any contractual decommissioning obligation; and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

2.1.3. Technical know-how /licence fee relating to plants/ facilities are capitalized as part of cost of the underlying asset.

2.1.4. Expenditure during construction period: Direct expenses incurred during construction period on capital projects are capitalised.

2.1.5. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Corporation.

2.1.6. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.

2.1.7. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal; or when the Property, Plant and Equipment has been re-classified as ready for disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

2.1.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes are accounted for as a change in accounting estimates on a prospective basis.

2.1.9. The Corporation has chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.2. Depreciation / amortization

2.2.1. Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II except for the following which are based on internal technical assessment:

Plant and Machinery relating to Retail Outlets (other than Storage tanks and related equipment)	15 years
Cavern Structure	60 years
LPG cylinders & regulators	15 years

2.2.2. The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components is assessed by considering historical experience, internal technical inputs and any other relevant factor.

2.2.3. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.

2.2.4. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

2.2.5. Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

2.3. Intangible assets

2.3.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Corporation has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

2.3.2. Assets where entire output generated is committed to be sold to a public sector entity (including Government body) for almost entire useful life of the asset are classified as intangible assets as per the requirements of Ind AS and are amortised (after retaining the residual value, if applicable) over their useful life.

2.3.3. In cases where, the Corporation has constructed assets and the Corporation has only a preferential right to use, these assets are classified as intangible assets and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

2.3.4. The useful lives of intangible assets are assessed as either finite or indefinite.

2.3.5. Intangible assets with finite lives are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the statement of Profit & Loss.

2.3.6. Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

2.3.7. Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets.

2.3.8. Estimated lives of intangible assets (acquired) are as follows:

- Software – 2 to 4 years
- Technical know-how/license fees – 2 to 10 years
- Right to use – wind mills – 22 years

2.3.9. The Corporation has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.4. Borrowing Cost

2.4.1. Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange rate variation to the extent regarded as an adjustment to interest cost.

2.4.2. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for intended use. All other borrowing costs are expensed in the period in which they are incurred.

2.5. Non-currents assets held for sale

2.5.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

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

2.5.3. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

2.6. Lease

2.6.1. Finance Lease

Lease arrangements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Leases arrangements in respect of land for lease period above threshold limit are classified as a finance lease.

2.6.2. Operating Lease

Lease arrangements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received / lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

2.7. Impairment of Non-Financial Assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of assets of cash generating unit (CGU) exceeds their recoverable amount.

2.8. Inventories

2.8.1. Valuation of inventories of different categories is as under: -

a) Crude oil is valued at cost on First in First Out (FIFO) basis or at net realisable value, whichever is lower. Crude oil is not written down below cost except in cases where their prices have declined subsequently and it is estimated that the cost of the finished goods will exceed their net realisable value.

b) Raw materials for lubricants are valued at weighted average cost or at net realisable value, whichever is lower.

c) Stock-in process is valued at raw material cost plus cost of conversion or at net realisable value, whichever is lower.

d) Finished products other than Lubricants are valued at cost (on FIFO basis month-wise) or at net realisable value, whichever is lower.

e) Finished products (lubricants) are valued at weighted average cost or at net realisable value, whichever is lower.

f) Empty packages are valued at weighted average cost.

g) Stores and spares which do not meet the recognition criteria under Property, Plant and Equipment are valued at weighted average cost. Surplus, obsolete and slow moving stores and spares, if any, are valued at cost of net realizable value whichever is lower. Surplus items, when transferred from completed projects are valued at cost / estimated value, pending periodic assessment / ascertainment of condition. Stores and Spares in transit are valued at cost.

2.8.2. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

2.8.3. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on applicable duty.

2.8.4. The net realisable value of finished goods and stock in trade are final selling prices for sales to oil marketing companies and depot prices applicable to the locations. For the purpose of stock valuation, the proportion of sales of oil marketing companies and consumer sales are determined on location wise and product wise sales of subsequent period.

2.9. Revenue recognition

2.9.1. Sale of goods

Revenue from the sale of goods is recognised when the:

a) significant risks and rewards of ownership of the goods are passed to the buyer,

b) the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,

c) revenue can be measured reliably,

d) it is probable that economic benefits associated with the transaction will flow to the Corporation, and

e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, taxes or duties collected on behalf of the government and applicable trade discounts or rebates.

Revenue is allocated between loyalty programs and other components of the sale. The amount allocated to the loyalty program is deferred, and is recognised as revenue when the Corporation has fulfilled its obligation to supply the products under the terms of the program or when it is no longer probable that the points under the program will be redeemed.

Where the Corporation acts as an agent on behalf of a third party, the associated income is recognised on a net basis.

Claims, including subsidy on LPG and SKO, from Government of India are booked on in principle acceptance thereof on the basis of available instructions / clarifications, subject to final adjustments as stipulated.

2.9.2. Interest income is recognised taking into account the amount outstanding and the applicable effective interest rate.

2.9.3. Dividend is recognised when right to receive the payment is established.

2.10. Accounting/ classification of expenditure and income

2.10.1. Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively.

2.10.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

2.10.3. Insurance claims are accounted on acceptance basis.

2.10.4. All other claims/entitlements are accounted on the merits of each case.

2.10.5. Raw materials consumed are net of discount towards sharing of under-recoveries.

2.11. Employee benefits

2.11.1. Short-term employee benefit

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

2.11.2. Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plans are expensed in the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

Defined Benefit Plans:

Post-employment benefits

Liability towards defined employee benefits (gratuity, pension, post–retirement medical benefits, ex-gratia and resettlement allowance) are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.

Re-measurements of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income.

Other long-term employee benefits

Liability towards other long term employee benefits (leave encashment, long service awards, provident fund contribution to trust and death benefits) are determined on actuarial valuation by independent actuaries using Projected Unit Credit method.

Re-measurements gains and losses are recognized in the Statement of Profit and Loss in the period in which they arise.

2.11.3. Termination benefits

Expenditure on account of Voluntary Retirement Schemes, are charged to Statement of Profit & Loss, as and when incurred.

2.12. Foreign currency transactions

2.12.1. Monetary items:

Transactions in foreign currencies are initially recorded at the respective exchange rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognised in Statement of Profit and Loss either as 'Exchange Rate Variation' or as 'finance costs' (to the extent regarded as an adjustment to borrowing costs), as the case maybe.

In case of long term foreign currency monetary items outstanding as of 31st March 2016, foreign exchange differences arising on settlement or translation of long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in case of other long term foreign currency monetary items, if any, accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance period of the asset / liability.

2.12.2. Non–Monetary items:

Non-monetary items, other than those measured at fair value, denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

2.13. Investment in Subsidiary, associates and joint ventures

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each reporting date.

The Corporation has chosen the carrying value of the investment in Subsidiaries, associates and joint ventures existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.14. Government Grants

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

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

2.14.3. When the grant relates to property, plant and equipment, the cost of property, plant and equipment is shown at gross value and grant thereon is treated as liability (deferred income) and are credited to statement of profit and loss on a systematic basis over the useful life of the asset.

2.15. Exploration & production expenditure

"Successful Efforts Method" of accounting is followed for Oil & Gas exploration and production activities as stated below:

2.15.1. Cost of surveys, studies, carrying and retaining undeveloped properties are expensed out in the year of incurrence.

2.15.2. Cost of acquisition, drilling and development are treated as Capital Work-in-Progress when incurred and are capitalised when the well is ready to commence commercial production.

2.15.3. Accumulated costs on exploratory wells in progress are expensed out in the year in which they are determined to be dry.

2.15.4. The proportionate share in the assets, liabilities, income and expenditure of joint operations are accounted as per the participating interest in such joint operations.

2.16. Provisions and contingent liabilities

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

2.16.2. If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

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

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

2.16.6. Contingent Liabilities are considered only when show-cause notice is converted into demand.

2.17. Fair value measurement

2.17.1. Fair value is the price that would be received/ paid to sell an asset or to transfer a liability, as the case may be, in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Corporation has access at that date. The fair value of a liability also reflects its non-performance risk.

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

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

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

Financial Instruments

2.18. Financial Assets

2.18.1. Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

2.18.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Corporation classifies financial assets (other than equity instruments) as under:

(a) subsequently measured at amortised cost;

(b) fair value through other comprehensive income; or

(c) fair value through profit or loss

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is

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

  After initial recognition, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method and such amortization is recognised in the Statement of Profit and Loss.

Debt instruments at Fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for measurement of debt instruments.

After initial measurement, any fair value changes including any interest income, impairment loss and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity investments

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

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

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

2.18.3. Impairment of financial assets

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

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date.

2.19. Financial Liabilities

2.19.1. Initial recognition and measurement

All financial liabilities (not measured subsequently at fair value through profit or loss) are recognised initially at fair value net of transaction costs that are directly attributable to the respective financial liabilities.

2.19.2. Subsequent measurement

The Corporation classifies all financial liabilities as subsequently measured at amortised cost by using the Effective Interest Rate Method ("EIR") and such amortisation is recognised in the Statement of Profit and Loss.

2.20. Financial guarantees

Financial guarantee contracts are recognised initially at fair value. Subsequently on each reporting date, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

2.21. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at each measurement date at fair value with the fair value changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.22. Offsetting of financial instruments

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

2.23. Taxes on Income

2.23.1. Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

2.23.2. Deferred tax liability/asset on account of temporary difference is recognised using tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date.

2.23.3. Deferred tax assets are recognised and carried forward for all deductible temporary differences only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary difference can be utilized.

2.23.4. The carrying amount of deferred tax assets/Liabilities is reviewed at each Balance Sheet date.

2.23.5. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, is considered as an asset when it is probable that the future economic benefits associated with it, will flow to the Corporation.

2.24. Earnings per share

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

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

2.25. Cash and Cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.26. Cash Flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated. For the purpose of the Statement of Cash Flows, cash and cash equivalent consist of cash, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Corporation's cash management.

Note 3: Property, Plant and Equipments

The following are the carrying values of Property, Plant & Equipment: ₹ / Crores

Particulars	Land -Freehold	Leasehold Property - Land	Buildings	Plant & Equipment	Furniture & Fixtures	Transport Equipment	Office Equipment	Roads and Culverts	Railway Siding & Rolling Stock	Total
Gross Block										
As on 01.04.2015	**692.05**	**29.76**	**3,643.78**	**20,887.21**	**92.50**	**50.18**	**897.02**	**1,800.49**	**201.39**	**28,294.38**
Additions/ Reclassifications	20.52	1.61	739.23	6,069.38	30.86	11.62	632.70	287.77	64.81	7,858.50
Deductions/ Reclassifications	17.51	-	20.26	739.32	8.50	0.20	64.17	10.52	0.10	860.58
As on 31.03.2016	**695.06**	**31.37**	**4,362.75**	**26,217.27**	**114.86**	**61.60**	**1,465.55**	**2,077.74**	**266.10**	**35,292.30**
Additions/ Reclassifications	48.15	12.71	526.77	4,210.32	54.62	19.09	447.51	227.55	18.75	5,565.47
Deductions/ Reclassifications	12.20	0.57	3.62	141.27	2.85	1.00	12.25	0.16	0.02	173.94
As on 31.03.2017	**731.01**	**43.51**	**4,885.90**	**30,286.32**	**166.63**	**79.69**	**1,900.81**	**2,305.13**	**284.83**	**40,683.83**
										-
Depreciation/ Amortisation										-
As on 01.04.2015	-	-	-	-	-	-	-	-	-	-
For the year 2015-16	-	0.02	122.86	1,741.46	17.96	12.63	349.57	336.72	21.14	2,602.36
Deductions/ Reclassifications	-	-	0.07	2.55	0.09	0.01	0.16	0.11	0.01	3.00
As on 31.03.2016	-	**0.02**	**122.79**	**1,738.91**	**17.87**	**12.62**	**349.41**	**336.61**	**21.13**	**2,599.36**
For the year 2016-17	-	0.04	138.72	1,691.00	19.75	11.97	295.11	324.17	22.13	2,502.89
Deductions/ Reclassifications	-	-	1.57	117.74	0.93	0.83	8.21	0.12	0.02	129.42
As on 31.03.2017	-	**0.06**	**259.94**	**3,312.17**	**36.69**	**23.76**	**636.31**	**660.66**	**43.24**	**4,972.83**
Net Block as on 01.04.15	**692.05**	**29.76**	**3,643.78**	**20,887.21**	**92.50**	**50.18**	**897.02**	**1,800.49**	**201.39**	**28,294.38**
Net Block as on 31.03.16	**695.06**	**31.35**	**4,239.96**	**24,478.36**	**96.99**	**48.98**	**1,116.14**	**1,741.13**	**244.97**	**32,692.94**
Net Block as on 31.03.17	**731.01**	**43.45**	**4,625.96**	**26,974.15**	**129.94**	**55.93**	**1,264.50**	**1,644.47**	**241.59**	**35,711.00**

1. Includes assets costing ₹ 0.007 crores /- (2015-2016 :₹ 0.007 crores; 2014-15 : ₹ 0.007 crores) of erstwhile Kosan Gas Company not handed over to the Corporation. In case of these assets, Kosan Gas Company was to give up their claim. However, in view of the tenancy right sought by third party, the matter is under litigation.
2. Includes ₹ 464.72 Crores (2015-2016: ₹ 477.90 Crores ; 2014-15 : ₹ 153.60 crores) towards Building, Other Machinery, Pipelines, Railway Sidings, Right of Way etc. being the Corporation's Share of Cost of Land & Other Assets jointly owned with other Companies.
3. Includes ₹ 35.28 Crores (2015-2016 : ₹ 35.28 Crores ; 2014-15: ₹ 35.99 crores) towards Roads & Culverts, Transformers & Transmission lines, Railway Sidings & Rolling Stock, ownership of which does not vest with the Corporation . The Corporation is having operational control over such assets. These assets are amortized at the rate of depreciation specified in Schedule II of Companies Act, 2013.
4. a) Includes following assets which are used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against which financial assistance was provided by OIDB.

Description	Orignal Cost (₹ / Crores)		
	31.03.2017	**31.03.2016**	**01.04.2015**
Roads & culverts	0.13	0.13	0.13
Buildings	1.62	1.62	1.62
Plant & Equipment	2.55	2.65	2.79
Total	**4.30**	**4.40**	**4.54**

Notes to Financial Statements as on 31st March 2017

b) Includes assets held under PAHAL (DBTL) scheme against which financial assistance is being provided by MOPNG.

Description	Orignal Cost (₹ / Crores)		
	31.03.2017	31.03.2016	01.04.2015
Computer Software	6.93	3.31	NIL
Computers/ End use devices	4.45	5.85	NIL
Office Equipment	0.01	0.01	NIL
Automation, Servers & Networks	1.55	-	NIL
Total	**12.94**	**9.17**	**NIL**

5. Deduction/ reclassification includes assets ₹ 3.96 crores as on 31.03.17 (31.03.16 : ₹ 5.32 crores; 01.04.15 ₹ 2.00 crores) for which management has given consent for disposal & hence classified as Assets held for sale.

6. Leasehold Land includes ₹ 27.57 Crores (2015-16: ₹ 26.87 Crores 2014-15 : ₹ 25.25 crores) for land acquired on lease-cum-sale basis from Karnataka Industrial Area Development Board (KIADB) which is capitalized without being amortised over the period of lease. Lease shall be converted into Sale on fulfillment of certain terms and conditions, as per allotment letter.

(₹ / Crores)

			31.03.2017	31.03.2016	01.04.2015
4:	**Capital Work-in-Progress**				
	Unallocated Capital Expenditure and Materials at Site		1,613.52	1,602.43	2,693.42
	Capital Stores lying with Contractors		6.25	9.00	304.92
	Capital goods in transit		24.95	4.63	1.22
		A	**1,644.72**	**1,616.06**	**2,999.56**
	Construction period expenses pending apportionment (Net of recovery) :				
	Opening balance		236.71	473.42	704.66
	Add: Expenditure during the year				
	Establishment charges including Salaries & Wages		79.73	81.29	107.05
	Interest		68.16	109.92	266.12
	Loss / (gain) on foreign currency transactions and translations		(193.78)	576.61	347.38
	Others		0.03	0.33	9.60
			190.85	**1,241.57**	**1,434.81**
	Less: Allocated to assets capitalised during the year / charged off		25.09	1,004.86	961.38
	Closing balance pending allocation	B	**165.76**	**236.71**	**473.43**
		A + B	**1,810.48**	**1,852.77**	**3,472.99**

Notes to Financial Statements as on 31st March 2017

Note 5: Intangible Assets

The following are the carrying values of Intangible assets : ₹ / Crores

Particulars	Right of Way	Technical / Process Licenses	Software	Wind Energy Equipments	Total
Gross Block					
As on 01.04.2015	**147.22**	**42.43**	**21.23**	**176.06**	**386.94**
Additions/ Reclassifications	11.08	27.03	15.14	12.50	65.75
Deductions/ Reclassifications	-	9.70	-	-	9.70
As on 31.03.2016	**158.30**	**59.76**	**36.37**	**188.56**	**442.99**
Additions/ Reclassifications	12.55	1.93	23.35	-	37.83
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2017	**170.85**	**61.69**	**59.72**	**188.56**	**480.82**
Depreciation/ Amortisation					
As on 01.04.2015	**-**	**-**	**-**	**-**	**-**
For the year 2015-16	-	6.92	11.44	10.00	28.36
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2016	**-**	**6.92**	**11.44**	**10.00**	**28.36**
For the year 2016-17	-	9.29	11.96	10.33	31.58
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2017	**-**	**16.21**	**23.40**	**20.33**	**59.94**
Net Block as on 01.04.15	**147.22**	**42.43**	**21.23**	**176.06**	**386.94**
Net Block as on 31.03.16	**158.30**	**52.84**	**24.93**	**178.56**	**414.63**
Net Block as on 31.03.17	**170.85**	**45.48**	**36.32**	**168.23**	**420.88**

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
6:	**Investment in Subsidiaries, Joint Ventures and Associates**			
	Investments in Equity Instruments			
	Subsidiaries			
	Un-Quoted			
	HPCL - Biofuels Ltd.			
	20,55,20,000 (31.03.2016 : 20,55,20,000; 01.04.2015 : 20,55,20,000) Equity Shares of ₹ 10 each fully paid up	205.52	205.52	205.52
	Less : Impairment	161.00	161.00	-
	Prize Petroleum Co. Ltd			
	24,50,00,000 (31.03.2016 : 24,49,99,600; 01.04.2015 : 11,99,99,600) Equity Shares of ₹ 10 each fully paid up	245.38	245.00	120.00
	Less : Impairment	129.41	105.00	-
	Associates			
	Quoted			
	Mangalore Refinery and Petrochemicals Ltd.			
	29,71,53,518 (31.03.2016 : 29,71,53,518; 01.04.2015 : 29,71,53,518) Equity Shares of ₹ 10 each fully paid up	471.68	471.68	471.68
	Un-Quoted			
	GSPL India Transco Ltd			
	2,25,50,000 (31.03.2016 : 1,81,50,000; 01.04.2015 : 1,54,00,000) Equity Shares of ₹ 10 each fully paid up	22.55	18.15	15.40
	GSPL India Gasnet Ltd			
	3,04,72,128 (31.03.2016 : 2,33,22,128; 01.04.2015 : 2,05,72,128) Equity Shares of ₹ 10 each fully paid up	30.47	23.32	20.57

Notes to Financial Statements as on 31st March 2017

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
Joint Ventures			
Un-Quoted			
CREDA HPCL Biofuel Ltd.			
1,60,99,803 (31.03.2016 : 1,60,99,803; 01.04.2015 : 1,60,99,803) Equity Shares of ₹ 10 each fully paid up	16.10	16.10	16.10
Less : Impairment	16.10	16.10	-
HPCL Rajasthan Refinery Ltd (refer note 6.1)			
37,000 (31.03.2016 : 37,000; 01.04.2015 : 37,000) Equity Shares of ₹ 10 each fully paid up	74.00	74.00	74.00
HPCL Shapoorji Energy Pvt. Ltd.			
1,30,00,000 (31.03.2016 : 1,15,00,000; 01.04.2015 : 50,00,000) Equity Shares of ₹ 10 each fully paid up	13.00	11.50	5.00
HPCL-Mittal Energy Ltd.			
3,93,95,55,200 (31.03.2016 : 3,93,95,55,200; 01.04.2015 : 3,69,07,35,200) Equity Shares of ₹ 10 each fully paid up	3,939.56	3,939.56	3,690.74
Hindustan Colas Pvt. Ltd.			
47,25,000 (31.03.2016 : 47,25,000; 01.04.2015 : 47,25,000) Equity Shares of ₹ 10 each fully paid up	4.73	4.73	4.73
Petronet India Ltd.			
1,60,00,000 (31.03.2016 : 1,59,99,999; 01.04.2015 : 1,59,99,999) Equity Shares of ₹ 10 each fully paid up	16.00	16.00	16.00
Less : Impairment	-	16.00	16.00
Petronet MHB Ltd.			
17,95,11,020 (31.03.2016 : 15,78,41,000; 01.04.2015 : 15,78,41,000) Equity Shares of ₹ 10 each fully paid up	183.93	157.84	157.84
South Asia LPG Co. Pvt. Ltd.			
5,00,00,000 (31.03.2016 : 5,00,00,000; 01.04.2015 : 5,00,00,000) Equity Shares of ₹ 10 each fully paid up	50.00	50.00	50.00
Bhagyanagar Gas Ltd.			
2,25,00,000 (31.03.2016 : 2,24,99,997; 01.04.2015 : 2,24,99,997) Equity Shares of ₹ 10 each fully paid up	22.50	22.50	22.50
Aavantika Gas Ltd			
2,25,00,000 (31.03.2016 : 2,24,99,998; 01.04.2015 : 2,24,99,998) Equity Shares of ₹ 10 each fully paid up	22.50	22.50	22.50
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.			
3,82,71,250 (31.03.2016 : 3,82,71,250; 01.04.2015 : 45,02,500) Equity Shares of ₹ 10 each fully paid up	38.27	38.27	4.50
Godavari Gas Pvt. Ltd.			
26,00,000 Equity Shares of ₹ 10 each fully paid up	2.60	-	-
	5,052.27	**5,018.56**	**4,881.08**

6.1 : Includes amount of ₹ 73.96 Crores (31.03.2016 : ₹ 73.96 crores, 01.04.2015 : ₹ 73.96 Crores) towards subscribed, but not paid shares of HPCL Rajasthan Refinery Limited being part of MOA / AOA for which liability is created under Section 10 (2) of the Companies Act, 2013.

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
Disclosure towards Cost / Market Value				
a	Aggregate amount of Quoted Investments (Market Value)	3,169.14	1,992.41	1,995.39
b	Aggregate amount of Quoted Investments (Cost)	471.68	471.68	471.68
c	Aggregate amount of Unquoted Investments (Cost)	4,887.10	4,844.98	4,425.40
d	Aggregate amount of impairment	306.51	298.10	16.00

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
7:	**Other Investments**			
	Investment in equity instruments carried at fair value through other comprehensive income			
	Quoted			
	Oil India Ltd. (refer note 7.1)			
	1,78,33,700 (31.03.2016 : 1,33,75,275; 01.04.2015 : 1,33,75,275) Equity Shares of ₹ 10 each fully paid up	594.84	419.25	606.77
	Scooters India Ltd. (refer note 7.1)			
	10,000 (31.03.2016 : 10,000; 01.04.2015 : 10,000) Equity Shares of ₹ 10 each fully paid up	0.04	0.03	0.03
	Investment in equity instruments carried at fair value through Profit and Loss Account			
	Un-Quoted			
	Shushrusha Citizen Co-operative Hospital Limited			
	100 Equity Shares of ₹ 100/- each fully paid	0.00	0.00	0.00
	Total Investments in Equity Instruments	**594.88**	**419.28**	**606.80**
	Investments in Preference Shares carried at amortized cost			
	Subsidiaries			
	Un-Quoted			
	5% HPCL - Biofuels Ltd. Non-Cumulative Pref Shares			
	41,96,51,511 Preference Shares of ₹ 10 each fully paid up	162.63	149.20	136.88
	Total Investments in Preference Shares	**162.63**	**149.20**	**136.88**
	Investment in Government securities carried at amortized cost			
	Government Securities of the face value of ₹ 0.02 Crores			
	- Deposited with Others	0.02	0.02	0.02
	- On hand - ₹ 0.25 lakhs	0.00	0.00	0.00
	Government Securities of the face value of ₹ 0.24 lakhs			
	- Deposited with Others - ₹ 0.10 lakhs	0.00	0.00	0.00
	- On hand - ₹ 0.14 lakhs	0.00	0.00	0.00
	Less: impairment	(0.00)	(0.00)	(0.00)
	Total Investments in Government securities	**0.02**	**0.02**	**0.02**
	Investment in Debentures carried at amortized cost			
	East India Clinic Ltd.			
	- 1/2% Debenture of face value of - ₹ 0.15 lakhs	0.00	0.00	0.00
	- 5% Debenture of face value of - ₹ 0.07 lakhs	0.00	0.00	0.00
	Total Investments in Debentures	**0.00**	**0.00**	**0.00**
	Other investments carried at fair value through Profit and Loss Account			
	Structured Entities			
	Un-Quoted			
	Petroleum India International (Association of Persons) Contribution towards Seed Capital (refer note 7.2)	0.05	0.05	5.00
	Total Investments in Structured Entities	**0.05**	**0.05**	**5.00**
		757.58	**568.55**	**748.70**

Notes to Financial Statements as on 31st March 2017

7.1 : The Company has designated these investment at fair value through other comprehensive income because these investments represent the investments that the Company intends to hold for long-term strategic purposes. No strategic investments were disposed of during the year. There have been no transfers of the cumulative gains or losses on these investments

7.2 : Members in Petroleum India International (AOP) : Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd., Engineers India Ltd., Indian Oil Corporation Ltd., Indian Petrochemicals Corporation Ltd., Chennai Petroleum Corporation Ltd. and Oil India Ltd. Each one is holding 10% share except Indian Oil Corporation which is holding 30% and Bharat Petroleum Corporation Ltd. which is holding 20%.

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
Disclosure towards Cost / Market Value				
a	Aggregate amount of Quoted Investments (Market Value)	594.88	419.28	606.80
b	Aggregate amount of Quoted Investments (Cost)	561.77	561.77	561.77
c	Aggregate amount of Unquoted Investments (Cost)	162.70	149.27	141.90
d	Aggregate amount of impairment	-	-	-

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
8:	**Loans**			
	Secured, considered good			
	Employee loans and advances & Interest thereon	283.58	290.57	280.17
	Unsecured, considered good			
	Deposits	89.99	83.24	73.67
	Loans to related parties (refer note 63)	50.40	159.00	-
	Other Loans	33.04	32.35	37.02
		457.01	**565.16**	**390.86**
9:	**Other Financial Assets**			
	Share application money pending allotment	-	-	2.00
		-	**-**	**2.00**
10:	**Other Non-Current Assets**			
	Balances with Excise, Customs, etc.	163.84	214.27	214.92
	Deposits	42.09	30.03	8.12
	Advance Tax (net of provisions)	250.86	185.22	192.00
	Capital advances	220.24	23.03	160.90
	Prepaid employee cost	129.67	126.70	130.45
	Prepaid Lease Rental	509.07	391.00	364.80
	Others Prepaid Expenses	23.11	10.80	1.81
		1,338.88	**981.05**	**1,073.00**

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
11: Inventories			
Raw materials (Including in transit 31.03.2017 : ₹ 1,420.99 Crores; 31.03.2016 : ₹ 1,229.77 Crores, 01.04.2015 : ₹ 1,083.53 Crores)	3,312.86	2,365.36	2,320.39
Work-in-progress	442.25	224.33	449.58
Finished goods (Including in transit 31.03.2017 : ₹ 123.78 Croress; 31.03.2016 : ₹ 244.06 Crores; 01.04.2015 : ₹ 245.41 Crores)	5,988.50	6,646.47	5,685.56
Stock-in-trade (Including in transit 31.03.2017 : 907.13 crores; 31.03.2016 : ₹ 493.42 Crores; 01.04.2015 : ₹ 363.92 Crores)	8,456.30	3,562.18	4,388.71
Stores and spares (Including in transit 31.03.2017 : ₹ 13.90 crores; 31.03.2016 : ₹ 8.81 Crores; 01.04.2015 : ₹ 105.82 Crores)	373.02	399.65	536.03
Less : provision for stores and spares	9.49	-	-
Packages	12.84	13.41	17.33
	18,576.28	**13,211.40**	**13,397.60**

11.1. The write-down of inventories to net realisable value during the year amounted to ₹ 212.09 crores (31.03.2016 : ₹ 58.32 crores; 01.04.2015 : ₹ 192.77 crores). The reversal of write downs during the year amount to ₹ Nil (31.03.2016 : ₹ Nil; 01.04.2015 : ₹ Nil). The write downs and reversal are included in cost of materials consumed or changes in inventories of finished goods and work in progress.

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
12: Investments				
Investments carried at Fair Value Through Profit or Loss				
Quoted-Government Securities				
6.90% Oil Marketing Companies' GOI Special Bonds, 24,71,36,000 (31.03.2016 : 27,71,36,000; 01.04.2015 : 31,76,36,000) ₹ 100 each face value (refer note 12.1)		2,388.88	2,560.38	2,949.25
8.00% Oil Marketing Companies' GOI Special Bonds, 24,41,000, ₹ 100 each face value (31.03.2016 : 24,41,000; 01.04.2015 : 24,41,000) ₹ 100 each face value		25.13	24.43	24.51
8.20% Oil Marketing Companies' GOI Special Bonds, 1,23,49,000, ₹ 100 each face value (31.03.2016: 1,23,49,000; 01.04.2015: 1,23,49,000) ₹ 100 each face value		128.64	125.35	125.59
6.35% Oil Marketing Companies' GOI Special Bonds, 25,32,33,000 (31.03.2016 : 25,32,33,000; 01.04.2015 : 25,32,33,000) ₹ 100 each face value		2,364.43	2,277.39	2,276.80
7.59% Government of India, G-Sec Bonds, 1,85,00,000, ₹ 100 each face value (refer note 12.1)		193.88	-	-
	A	**5,100.96**	**4,987.55**	**5,376.15**
Un-Quoted-Equity instruments				
Sai Wardha Power Ltd				
77,83,468 (31.03.2016 : 38,91,734) Equity Shares of ₹ 10 each fully paid up		7.78	3.89	-
	B	**7.78**	**3.89**	**-**
	A+B	**5,108.74**	**4,991.44**	**5,376.15**

12.1: 6.90% Special Bonds of face value of ₹ 2,178.64 Crores and 7.59% G-Sec Bonds of face value of ₹ 90 Crores are pledged with Clearing Corporation of India Limited against CBLO Loan.

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
Disclosure towards Cost / Market Value				
a	Aggregate amount of Quoted Investments (Market Value)	5,100.96	4,987.55	5,376.15
b	Aggregate amount of Quoted Investments (Cost)	5,343.23	5,451.59	5,856.59
c	Aggregate amount of Un-Quoted Investments (Cost)	7.78	3.89	-
d	Aggregate amount of impairment	-	-	-

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
13:	**Trade Receivables**			
	Unsecured considered good;	4,085.90	3,773.72	3,250.66
	Doubtful	143.08	147.79	131.27
	Less: Allowances for Bad and Doubtful Debts	143.08	147.79	131.27
	Less: Impairment Provision (Expected Credit Loss Model)	21.69	15.69	35.63
		4,064.21	**3,758.03**	**3,215.03**
14:	**Cash and Cash Equivalents**			
	Balances with Scheduled Banks:			
	- on Current Accounts	1.14	0.25	0.27
	- on Non-Operative Current Accounts	0.01	0.01	0.01
	Cheques Awaiting Deposit	0.06	0.12	1.06
	Cash on Hand	7.64	7.67	7.82
	Current account with Municipal Co-operative Bank Ltd.	-	-	-
	Fixed Deposits with Original Maturity Less than 3 months	-	-	-
		8.85	**8.05**	**9.16**
15:	**Other Bank Balances**			
	Earmarked balances with banks for unpaid dividend	14.90	6.37	3.02
	Fixed Deposits with 3-12 months maturity (Earmarked with Port trust Authorities)	9.92	9.35	6.47
	Earmarked for DBTL Claim	-	415.11	-
	Less : DBTL Buffer Liability (refer note 15.1)	-	415.11	-
		24.82	**15.71**	**9.49**
15.1:	Represents amount as of 31.03.2016 out of funds remitted by GOI in Connection with Direct Benefit Transfer of LPG Scheme and held on behalf of Government of India.			
16:	**Loans**			
	Secured, considered good;			
	Employee loans and advances & Interest thereon	33.13	33.78	36.42
	Unsecured, considered good; and			
	Loans to related parties (refer note 63)	108.60	-	75.00
	Other Loans	21.49	22.04	24.21
		163.21	**55.82**	**135.63**

Notes to Financial Statements as on 31st March 2017

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
17:	**Other Financial Assets**			
	Amounts recoverable under subsidy schemes	1,211.33	2,019.08	737.03
	Interest accrued on Investments	74.39	74.55	78.97
	Derivative Assets	58.41	-	0.11
	Delayed payment charges receivable from customers	205.68	209.91	219.97
	Less : Provision for doubtful of delayed payment charges receivables	78.85	83.66	66.72
	Receivables from Govt of India towards DBTL	1,195.08	1,663.17	2,835.27
	Receivables from LIC	826.52	759.81	697.84
	Other Receivables	837.36	228.54	289.53
	Less: Provision for doubtful of other receivables	11.42	5.95	3.97
		4,318.50	**4,865.45**	**4,788.03**
18:	**Other Current Assets**			
	Advance recoverable other than cash	9.37	19.68	56.68
	Balances with Excise, Customs, etc.	481.39	443.42	449.84
	Prepaid employee cost	13.67	12.95	12.20
	Prepaid Lease Rental	36.53	28.58	19.08
	Other Prepaid Expenses	83.85	48.94	22.05
	Gold Coins in Hand	5.33	5.32	5.18
	Other Current Assets	17.10	15.51	30.37
		647.24	**574.40**	**595.39**

Notes to Financial Statements as on 31st March 2017

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
19:	**Equity Share capital**			
A.	**Authorised:**			
	75,000 (31.03.2016 : 75,000; 01.04.2015 : 75,000) Cumulative Redeemable Preference Shares of ₹ 100/- each	0.75	0.75	0.75
	2,49,92,50,000 (31.03.2016 : 34,92,50,000; 01.04.2015 : 34,92,50,000) Equity Shares of ₹ 10/- each	2,499.25	349.25	349.25
		2,500.00	**350.00**	**350.00**
B.	**Issued :**			
	1,01,65,84,500 (31.03.2016 : 33,93,30,000; 01.04.2015 : 33,93,30,000) Equity Shares of ₹ 10 each	1,016.58	339.33	339.33
C.	**Subscribed & Fully Paid up :**			
	1,015,881,750 (31.03.2016 : 33,86,27,250; 01.04.2015 : 33,86,27,250) Equity Shares of ₹ 10 each fully paid up	1,015.88	338.63	338.63
D.	**Shares Forfeited :**			
	7,02,750 (31.03.2016 : 7,02,750; 01.04.2015: 7,02,750) Shares Forfeited (money received)	0.39	0.39	0.39
		1,016.27	**339.01**	**339.01**

		31.03.2017	31.03.2016
E.	**Reconciliation of number of equity shares**		
	Outstanding at the beginning of the year	33,86,27,250	33,86,27,250
	Equity shares allotted as fully paid bonus shares (refer note # H)	67,72,54,500	-
	Outstanding at the end of the year	**101,58,81,750**	**33,86,27,250**

F. Rights and Restrictions on Equity / preference Shares

The Company has only one class of Equity Shares having a face value of ₹ 10/- per share which are issued and subscribed. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of the winding up of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders and the amount paid up thereon.

The Company also has 75,000 6% cumulative Redeemable Non-convertible Preference Shares of ₹ 100 /- each as a part of the Authorised Capital, which were issued earlier by the erstwhile ESRC. Presently the said Preference Shares stand redeemed.

G. Details of shares held by each shareholder, holding more than 5% shares in the company:

Name of shareholders	31.03.2017	
	% Holding	No. of Shares
President of India	51.11	51,92,30,250
Life Insurance Corporation of India	2.17	2,20,27,765

Name of shareholders	31.03.2016	
	% Holding	No. of Shares
President of India	51.11	17,30,76,750
Life Insurance Corporation of India	2.60	88,16,223

Name of shareholders	01.04.2015	
	% Holding	No. of Shares
President of India	51.11	17,30,76,750
Life Insurance Corporation of India	5.18	1,75,31,442

H. During Financial Year 2016-17, the Corporation had issued Bonus Shares in the ratio of 2:1 by capitalization of Reserve. The total number of Bonus Shares issued is 67,72,54,500 equity shares having face value of ₹ 10 each.

Notes to Financial Statements as on 31st March 2017

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
20(a):Reserves and Surplus				
Share Premium Account	(i)	476.52	1,153.77	1,153.77
Debenture Redemption Reserve	(ii)	265.13	265.13	413.30
Foreign Currency Monetary Item Translation Difference Account	(iii)	(0.44)	(194.80)	(62.79)
General Reserve	(iv)	1,809.07	1,809.07	1,809.07
Retained Earnings	(v)	16,747.75	14,740.12	12,621.96
		19,298.03	**17,773.29**	**15,935.31**

₹ / Crores

		31.03.2017	31.03.2016
(i)	**Share Premium Account**		
	As per last Balance Sheet	1,153.77	1,153.77
	Less: bonus shares issue	677.25	-
		476.52	**1,153.77**
(ii)	**Debenture Redemption Reserve**		
	As per last Balance Sheet	265.13	413.30
	Less: Transfer to Surplus in the Statement of Profit and Loss	-	148.17
		265.13	**265.13**
(iii)	**Foreign Currency Monetary Item Translation Difference Account**		
	As per last Balance Sheet	(194.80)	(62.79)
	Add : Additions during the year	(160.02)	(380.83)
	Less : Amortised during the year	(354.38)	(248.82)
		(0.44)	**(194.80)**
(iv)	**General Reserve**		
	As per last Balance Sheet	**1,809.07**	**1,809.07**
(v)	**Retained Earnings**		
	As per last Balance Sheet	14,740.12	12,621.96
	Add : Profit for the year	6,208.80	3,726.16
	Add : Transfer from Debenture Redemption Reserve	-	148.17
	Less : Profit appropriated to Interim / Proposed Dividend	3,477.70	1,456.10
	Less : Profit appropriated to Tax on Distributed Profits	707.98	296.43
	Less : Remeasurment Gain / Loss on Defined Benefit Plans	15.49	3.64
		16,747.75	**14,740.12**
		19,298.03	**17,773.29**

Notes to Financial Statements as on 31st March 2017

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
20(b): Other Reserves				
Equity Instruments through Other Comprehensive Income	(i)	33.11	(142.50)	45.02
		33.11	**(142.50)**	**45.02**

₹ / Crores

	31.03.2017	31.03.2016
(i) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	(142.50)	45.02
Add : Additions during the year	175.61	(187.52)
	33.11	**(142.50)**

	31.03.2017	31.03.2016	01.04.2015
21: Borrowings			
Bonds or Debentures			
Secured			
8.77% Non-convertible debentures (refer note 21.1(i))	975.00	975.00	975.00
8.75% Non-convertible debentures (refer note 21.1(ii))	-	-	545.00
Term loans			
Secured			
Oil Industry Development Board (refer note 21.2)	283.75	348.25	258.00
Un-secured			
Syndicated Loans from Foreign Banks (repayable in foreign currency) (refer note 21.3)	9,098.55	9,248.60	9,654.05
Oil Industry Development Board (refer note 21.2)	-	125.00	325.00
Syndicated Working Capital Loans from Foreign Banks (repayable in foreign currency)(refer note 21.3)	-	6,583.00	6,162.56
	10,357.30	**17,279.85**	**17,919.61**
Less : Current Maturities of Long Term Borrowings	4,079.15	6,772.50	3,270.37
	6,278.15	**10,507.35**	**14,649.24**

21.1 Debentures

The Company has issued the following Secured Redeemable Non-convertible Debentures:

i. 8.77% Non-Convertible Debentures were issued on 13th March, 2013 with the maturity date of 13th of March, 2018. These are secured by first legal mortgage by way of a Registered Debenture Trust Deed over immovable property of the company being undivided share of land with the entire First Floor in the building High Street 1, situated at Ahmedabad and the first charge of fixed assets mainly certain Plant and Machinery at Visakh Refinery. The value of such assets is ₹ 1,111.87 Crs as on 31/03/2017, ₹ 1,072.98 Crs. as on 31/03/2016 and ₹ 1,126.39 Crs. as on 01/04/2015. During the year ended March, 2017 an amount of ₹ 975.00 crores of 8.77% Non-Convertible Debentures is repayable within one year and shown in note # 27.

ii. 8.75% Non-Convertible Debentures were issued on 9th November, 2012 with the maturity date of 9th of November, 2015. These are secured by mortgage, on first pari passu charge basis, by way of a Registered Debenture Trust Deed over immovable property of the company being undivided share of land with the entire First Floor in the building High Street 1, situated at Ahmedabad and the first charge of fixed assets mainly certain Plant and Machinery at Mumbai Refinery. The value of such assets as on 01/04/2015 is ₹ 936.15 Crores. During the year ended March, 2017 an amount of Nil (31.03.2016 : Nil; 31.03.2015 : ₹ 545.00 crores) of 8.75% Non-Convertible Debentures is repayable within one year and shown in note # 27. These Debentures Matured on 9th November, 2015.

Notes to Financial Statements as on 31st March 2017

21.2 Term Loans from Oil Industry Development Board

Amount in (₹) Crores

Repayable during	As on 31.03.2017	As on 31.03.2016	As on 01.04.2015
2015-16	-	-	234.50
2016-17	-	189.50	189.50
2017-18	95.69	95.69	64.50
2018-19	95.69	95.69	64.50
2019-20	61.19	61.19	30.00
2020-21	31.18	31.18	-
Total	**283.75**	**473.25**	**583.00**
Secured	283.75	348.25	258.00
Un-Secured	-	125.00	325.00

Security has been created with first charge on the facilities of Awa Salawas Pipeline, Manglore Hasan Mysore LPG Pipeline, Uran-Chakan / Shikarpur LPG Pipeline & Rewari Project Pipeline. ₹ 95.69 Crores (31.03.2016 : ₹ 189.50 crores; 31.03.2015 : ₹ 234.50 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 27.

Period	Range of Interest Rate		
	As on 31.03.2017	As on 31.03.2016	As on 01.04.2015
2015-16	-	-	7.20%-9.27%
2016-17	-	8.07 %-9.27 %	8.07%-9.27%
2017-18	7.86%-9.27%	7.86 %-9.27 %	8.78%-9.27%
2018-19	7.86%-9.27%	7.86 %-9.27 %	8.78%-9.27%
2019-20	7.86%-9.11%	7.86 %-9.11 %	8.78%-9.11%
2020-21	7.86%-8.09%	7.86 %-8.09 %	

21.3 Syndicated Loans from Foreign Banks (repayable in foreign currency)

The Corporation has availed Long Term Foreign Currency Syndicated Loans from banks at 3 months floating LIBOR plus spread (spread range : 65 to 155 basis point p.a.). These loans are taken for the period of 5 years. ₹ 3,008.46 Crores (31.03.2016 : ₹ 6,583.00 crores; 31.03.2015 : ₹ 2,490.87 Crores) is repayable within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 27.

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
22: Other Financial Liabilities			
Deposits (refer note 22.1 & 22.2)	10,996.83	9,397.77	8,253.85
Other Liabilities	0.44	0.41	0.38
	10,997.27	**9,398.18**	**8,254.23**

22.1: Amount reflected towards deposits received from customers/ dealers have been presented as non-current financial liabilities. In view of the Corporation, such presentation would reflect an appropriate classification based on commercial practice as these are generally not claimed in short term.

22.2: Includes deposit received towards Rajiv Gandhi Gramin LPG Vitrak Yojana and Prime Minister Ujjavala Yojana of ₹ 941.61 crores (31.03.2016 : ₹ 219.64 crores; 01.04.2015 : ₹ 34.07 crores) The deposits against these schemes have been funded from CSR fund or by Government of India.

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
23: Provisions			
Provision for employee benefits	182.32	163.77	99.08
	182.32	**163.77**	**99.08**
24: Other Non-Current Liabilities			
Capital Grant	7.67	11.37	2.73
	7.67	**11.37**	**2.73**

Notes to Financial Statements as on 31st March 2017

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
25:	**Borrowings**			
	Loans repayable on demand			
	Secured			
	from banks			
	Cash Credit (Secured by hypothecation of Inventories in favour of Banks on pari passu basis)	1,741.73	2,398.54	1,109.81
	from other parties			
	Collateral Borrowing and Lending Obligation (Secured by Pledge of 6.90 % Oil Marketing Companies' GOI Special Bonds, 2026 and 7.59% G Sec Bonds 2026)	1,489.51	1,489.07	1,088.99
	Un-Secured			
	from banks			
	Clean Loans	1,200.00	-	-
	Short term loans	-	-	-
	from other parties			
	Commercial papers	6,461.17	-	-
		10,892.41	**3,887.61**	**2,198.80**
26:	**Trade Payables**			
	Micro, Small and Medium Enterprises (MSME) (refer note 26.1)	22.76	18.55	15.19
	Other than MSME	12,635.34	9,398.38	11,427.74
		12,658.10	**9,416.93**	**11,442.93**

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

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
27:	**Other Financial Liabilities**			
	Current maturities of Long Term Borrowings (refer note 27.1)	4,079.15	6,772.50	3,270.37
	Interest accrued but not due on loans	21.19	28.83	47.74
	Unpaid Dividend (refer note 27.2)	14.90	6.36	3.02
	Preference share capital redeemed remaining unclaimed/unencashed	-	0.01	0.01
	Unpaid matured Fixed Deposits	-	-	0.02
	Derivative liability	1.75	22.39	1.96
	Other Financial Deposits	11.49	10.00	8.10
	Other liabilities	627.19	719.31	732.74
		4,755.67	**7,559.40**	**4,063.96**

27.1: This includes loans repayable within one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 3,008.46 crores (31.03.2016 : ₹ 6,583 crores; 01.04.2015: ₹ 2,490.87 Crores), 8.77% Non-Convertible Debenture ₹ 975 crores as on 31.03.2017, 8.75% Non-Convertible Debentures r 545 crores as on 01.04.2015, and Loan from Oil Industry and Development Board ₹ 95.69 crores (31.03.2016 : ₹ 189.50 crores; 01.04.2015: ₹ 234.50 Crores).

27.2: No amount is due as at the end of the year for credit to Investors' Education and Protection Fund.

Notes to Financial Statements as on 31st March 2017

28: Other Current Liabilities

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
Revenue Received in Advance	726.98	692.34	799.36
Capital Grant	3.50	2.92	0.21
Statutory Payables	3,046.39	2,849.73	2,680.85
Other Liabilities	191.34	191.92	103.04
	3,968.21	**3,736.91**	**3,583.46**

29: Provisions

	31.03.2017	31.03.2016	01.04.2015
Employee Benefits	1,584.96	978.90	1,520.12
Provisions for probable obligations(refer note 74)	823.54	667.69	158.76
	2,408.50	**1,646.59**	**1,678.88**

30: Current Tax Liabilities (Net)

	31.03.2017	31.03.2016	01.04.2015
Provision for tax (net of advance tax)	72.61	362.03	361.27
	72.61	**362.03**	**361.27**

Notes to Financial Statements for the year ended 31st March 2017

₹ / Crores

		2016 - 17	2015 - 16
31 :	**Gross Sale of Products**		
	Sale of Products (refer note 31.1)	212,196.37	195,664.50
	Recovery under Subsidy Schemes	1,292.58	1,773.03
		213,488.95	**197,437.53**

31.1: Net of discount of ₹ 1,920.07 crores (2015-16 : ₹ 1,805.78 crores) and includes amount towards additional SSC of ₹ 57.21 Crores (2015-16 : ₹ 430.14 Crores).

32 : Other Operating Revenues

₹ / Crores

	2016 - 17	2015 - 16
Rent Recoveries	116.74	113.84
Net Recovery for LPG Filling Charges	2.40	3.08
Miscellaneous Operating Income	194.90	189.38
	314.04	**306.30**

		2016 - 17	2015 - 16
33 :	**Other Income**		
	Interest Income on Financial Assets carried at amortized cost:		
	On Deposits	0.87	0.80
	On Staff Loans	35.06	34.32
	On Customers' Accounts	135.47	117.71
	Interest On Current Investments carried at fair value through P&L	366.75	379.66
	Interest on Others assets carried at amortized cost	182.85	148.46
		721.00	**680.95**
	Dividend Income from Joint Venture Companies	52.72	50.37
	Dividend Income from non-current equity instruments at FVOCI	27.64	24.08
	Dividend Income from current investments carried at FVTPL	-	13.01
	Gain on Foreign Currency Transaction & Translation (net	147.44	-
	Fair value gain on Current Investments carried at FVTPL	221.77	16.49
	Profit on Sale of Current Investment	32.36	-
	Write on of Stores and Spares	-	0.65
	Share of Profit from Petroleum India International (AOP)	0.94	0.77
	Miscellaneous Income	310.85	357.84
		793.72	**463.21**
		1,514.72	**1,144.16**
34 :	**Cost of Materials Consumed**		
	Cost of Raw Materials Consumed	44,879.42	40,523.83
	Packages Consumed	258.24	287.81
		45,137.66	**40,811.64**
35 :	**Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress (Increase)/ Decrease**		
	Closing Stock:		
	Work-in-progress	442.25	224.33
	Finished Goods	5,988.50	6,646.48
	Stock-in-trade	8,456.30	3,562.18
		14,887.05	**10,432.99**
	Less: Opening Stock:		
	Work-in-Progress	224.33	449.58
	Finished Goods	6,646.48	5,685.56
	Stock-in-Trade	3,562.18	4,388.71
		10,432.99	**10,523.85**
		(4,454.06)	**90.86**

Notes to Financial Statements for the year ended 31st March 2017

₹ / Crores

		2016 - 17	2015 - 16
36 :	**Employee Benefits Expense**		
	Salaries, Wages, Bonus, etc.	1,986.01	1,636.82
	Contribution to Provident Fund	129.70	121.14
	Pension, Gratuity and Other Employee Benefits	516.35	179.06
	Employee Welfare Expenses	314.02	384.30
		2,946.08	**2,321.32**
37 :	**Finance costs**		
	Interest	422.13	485.40
	Exchange differences regarded as an adjustment to borrowing costs	-	58.33
	Other borrowing costs (refer note 37.1)	113.52	109.87
		535.65	**653.60**
37.1:	Includes interest u/s 234B / 234C of Income Tax Act, 1961 for an amount ₹ 26.73 crores (2015 - 16 : ₹ 31.86 crores).		
38 :	**Other Expenses**		
	Consumption of Stores, Spares and Chemicals	296.22	223.72
	Power and Fuel	2,255.69	2,291.22
	Less : Fuel of own production consumed	2,118.83	2,061.09
		136.86	230.13
	Repairs and Maintenance - Buildings	50.52	54.85
	Repairs and Maintenance - Plant & Machinery	835.60	779.60
	Repairs and Maintenance - Other Assets	323.85	289.36
	Insurance	64.18	55.23
	Rates and Taxes	174.26	184.99
	Irrecoverable Taxes and Other Levies	376.42	339.07
	Equipment Hire Charges	1.53	7.87
	Lease Rentals on Operating Lease	335.09	552.40
	Travelling and Conveyance	202.52	184.67
	Printing and Stationery	18.36	16.78
	Electricity and Water	733.70	777.96
	Corporate Social Responsibility (CSR) Expenses	108.11	71.76
	Stores & spares written off	12.14	0.41
	Loss on Sale of Current Investment	-	35.86
	Impairment in value of Non-Current Investments	8.41	282.10
	Provision for Doubtful Receivables (After adjusting provision no longer required)	5.48	1.98
	Provision for Doubtful Debts (After adjusting provision no longer required written back ₹ 5.92 crores, 2015-16 : ₹ 0.30 crores)	(3.53)	13.53
	Bad Debts written off	5.26	9.62
	Loss on Sale/ write off of Fixed Assets/ CWIP (Net)	6.54	19.45
	Security Charges	164.42	139.09
	Advertisement & Publicity	156.79	70.19
	Sundry Expenses and Charges (Not otherwise classified)	666.50	612.04
	Consultancy & Technical Services	73.09	50.15
	Exchange Rate Variation (Net)	-	302.99
	Payments to the auditors for:		
	- Audit Fees	0.59	0.47
	- other Services	0.25	0.23
	- Reimbursement of expenses	0.09	0.09
		4,753.25	**5,306.59**

Notes to Financial Statements for the year ended 31st March 2017

Note 39: First-time adoption of Ind AS

Transition to Ind AS

These are the Corporation's first financial statements prepared in accordance with Ind AS.

For the year ended 31.03.2016, the Corporation had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2014, notified under Section 133 of the Companies Act 2013 and other relevant provisions of the Act ('IGAAP').

The accounting policies set out in Note 2 have been applied in preparing the Financial Statements for the year ended 31.03.2016 onwards and the opening Ind AS Balance Sheet on the date of transition (i.e. 01.04.2015).

In preparing its Ind AS Balance Sheet as on 01.04.2015 and in presenting the comparative information for the year ended 31.03.2016, the Corporation has adjusted amounts previously reported in the Financial Statements prepared in accordance with IGAAP. This note explains the principal adjustments made by the Corporation in restating its Financial Statements prepared in accordance with IGAAP, and how the transition from IGAAP to Ind AS has impacted the Corporation's financial position, financial performance and cash flows.

A. Exemptions and exceptions availed

In preparing the Financial Statements, the Corporation has availed the below mentioned optional exemptions and mandatory exceptions.

A.1 Optional exemptions

A.1.1 Property, Plant and Equipment and Intangible Assets

The Corporation has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the Financial Statements as on the date of transition to Ind ASs, measured as per the IGAAP and use that as its deemed cost as on the date of transition (1 April 2015).

A.1.2 Intangible Assets accounted for in accordance with Service Concession Arrangements

The Corporation has reclassified from its Property, plant and equipment certain Wind Mill Assets forming part of Service Concession Arrangements under Ind AS to Intangible assets on the date of transition. The Corporation has availed exemption available under Ind AS 101 to carry such wind mill assets at its IGAAP carrying values on the date of transition since it is impracticable to apply the requirements of Appendix C, Service Concession Arrangements to Ind AS 11 retrospectively.

A.1.3 Designation of previously recognised financial instruments

As per Ind AS 101, the Corporation has designated its investment in equity shares held as on 1 April 2015 as fair value through other comprehensive income (FVTOCI) based on facts and circumstances on the date of transition to Ind AS (i.e. 1 April 2015). The Corporation has availed this exemption for its investment in equity shares other than Subsidiaries, Joint Ventures and Associates.

A.1.4 Investment in Subsidiaries, Joint Ventures and Associates

The Corporation has availed the exemption available under Ind AS 101 to measure its investments in subsidiaries, joint venture and associates as the IGAAP carrying value as deemed cost as on 1 April 2015.

A.1.5 Long term foreign currency monetary items

For borrowings taken upto 31 March 2016, the Corporation has availed the exemption under Ind AS 101 to continue recognising foreign exchange differences on long-term foreign currency monetary items. Accordingly, exchange difference relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of the Borrowings.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

Ind AS estimates as on 1 April 2015 are consistent with the estimates as on the same date made in conformity with IGAAP. Corporation has made estimates for following items in accordance with Ind AS on the date of transition as these were not required under IGAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Impairment of financial assets based on expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Classification and measurement of financial assets

As permitted under Ind AS 101, the Corporation has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Notes to Financial Statements as on 31st March 2017

B: Reconciliations between previous GAAP and Ind AS

B.1. Reconciliation of Balance Sheet as on 31 March 2016 and 1 April 2015 (date of transition):

₹ / Crores

	31.03.2016			01.04.2015		
	IGAAP*	Ind AS Adjustment	Ind AS	IGAAP*	Ind AS Adjustment	Ind AS
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	32,656.81	36.13	32,692.94	28,302.02	(7.64)	28,294.38
Capital Work-in-Progress	1,852.77	-	1,852.77	3,472.99	-	3,472.99
Intangible Assets	413.21	1.42	414.63	386.94	-	386.94
Financial Assets:			-			-
Investment in Subsidiaries, Joint Ventures and Associates	5,018.56	-	5,018.56	4,881.08	-	4,881.08
Other Investments	981.50	(412.95)	568.55	986.45	(237.75)	748.70
Loans	565.16	-	565.16	390.86	-	390.86
Others Financial Assets	-	-	-	2.00	-	2.00
Other Non-Current Assets	987.19	(6.14)	981.05	1,077.67	(4.67)	1,073.00
Total Non Current Assets	**42,475.20**	**(381.54)**	**42,093.66**	**39,500.01**	**(250.06)**	**39,249.95**
Current assets						
Inventories	12,683.44	527.96	13,211.40	12,956.17	441.43	13,397.60
Financial Assets			-			-
Investments	4,989.56	1.88	4,991.44	5,373.95	2.20	5,376.15
Trade Receivables	4,362.66	(604.63)	3,758.03	3,740.29	(525.26)	3,215.03
Cash and Cash Equivalents	8.05	-	8.05	9.16	-	9.16
Bank Balances other than (iii) above	15.71	-	15.71	9.49	-	9.49
Loans	55.82	-	55.82	135.63	-	135.63
Others Financial Assets	4,865.45	-	4,865.45	4,788.03	-	4,788.03
Current Tax Assets (Net)	-	-	-	-	-	-
Other Current Assets	574.15	0.25	574.40	595.23	0.16	595.39
	27,554.84	**(74.54)**	**27,480.30**	**27,607.95**	**(81.47)**	**27,526.48**
Assets classified as held for Sale / Disposal	5.33		5.33	1.99		1.99
Total Current Assets	**27,560.17**	**(74.54)**	**27,485.63**	**27,609.94**	**(81.47)**	**27,528.47**
Total Assets	**70,035.37**	**(456.08)**	**69,579.29**	**67,109.95**	**(331.53)**	**66,778.42**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	339.01		339.01	339.01		339.01
Other Equity						
Reserves and Surplus	18,159.59	(386.30)	17,773.29	15,638.04	297.27	15,935.31
Other Reserves	(142.50)	-	(142.50)	45.02	-	45.02
Total equity	**18,356.10**	**(386.30)**	**17,969.80**	**16,022.07**	**297.27**	**16,319.34**
Liabilities						
Non Current Liabilities						
Financial Liabilities						
Borrowings	10,500.17	7.18	10,507.35	14,649.80	(0.56)	14,649.24
Other Financial Liabilities	9,398.18		9,398.18	8,253.97	0.26	8,254.23
Provisions	163.77		163.77	99.08		99.08
Deferred Tax Liabilities (Net)	4,380.89	538.46	4,919.35	3,759.27	365.23	4,124.50
Other Non-Current Liabilities	(2.92)	14.29	11.37	(0.22)	2.95	2.73
Total Non Current Liabilities	**24,440.09**	**559.93**	**25,000.02**	**26,761.90**	**367.88**	**27,129.78**
Current Liabilities						
Financial Liabilities						
Borrowings	3,887.61		3,887.61	2,198.80		2,198.80
Trade Payables	9,416.93		9,416.93	11,442.93		11,442.93
Other Financial Liabilities	7,559.40		7,559.40	4,063.96		4,063.96
Other Current Liabilities	3,714.52	22.39	3,736.91	3,581.61	1.85	3,583.46
Provisions	2,298.69	(652.10)	1,646.59	2,677.41	(998.53)	1,678.88
Current Tax Liabilities (Net)	362.03		362.03	361.27		361.27
Total Current Liabilities	**27,239.18**	**(629.71)**	**26,609.47**	**24,325.98**	**(996.68)**	**23,329.30**
Total Equity and Liabilities	**70,035.37**	**(456.08)**	**69,579.29**	**67,109.95**	**(331.53)**	**66,778.42**

*IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

B.2. Reconciliation of Equity as on 31 March 2016 and 1 April 2015:

₹ / Crores

	Note	31.03.2016	01.04.2015
Net worth under IGAAP-(A)		**18,356.09**	**16,022.08**
Summary of Ind AS adjustments:			
Proposed dividend for 14 - 15	B.2.1	-	998.53
Proposed dividend for 15 - 16	B.2.1	652.10	-
Fair valuation of equity instruments (FVOCI)	B.2.2	(142.50)	45.02
Fair valuation of investment in preference shares	B.2.3	(270.45)	(282.77)
Fair valuation of investment in OMC GOI special bonds	B.2.4	1.88	2.20
Fair valuation of derivative contracts	B.2.5	(22.39)	(1.85)
Borrowings - transaction costs adjustment	B.2.6	(7.18)	0.56
Capital grant	B.2.7	(14.29)	(2.95)
Timing of revenue recognition	B.2.8	(68.78)	(64.39)
Impairment of trade receivables - expected credit loss method	B.2.9	(7.94)	(19.44)
Amortisation of prepaid lease rentals	B.2.10	(5.73)	(4.67)
Reversal of amortisation of right of way	B.2.11	1.42	-
Stores and Spares	B.2.12	(4.10)	(7.64)
Enabling assets Capitalisation	B.2.13	41.75	-
Others		(1.62)	(0.11)
Tax effects of adjustments	B.2.16	(538.46)	(365.23)
Total Ind AS adjustments - (B)		**(386.29)**	**297.26**
Net worth under Ind AS - (A+B)		**17,969.80**	**16,319.34**

B.3. Reconciliation of Statement of Profit and Loss for the year ended 31 March 2016:

₹ / Crores

	2015 - 16		
	IGAAP*	Ind AS Adjustment	Ind AS
Revenue			
Revenue From Operations			
Sale of Products	1,97,528.40	(90.87)	1,97,437.53
Other Operating Revenues	306.30	-	306.30
	1,97,834.70	**(90.87)**	**1,97,743.83**
Other Income	1,131.84	12.32	1,144.16
Total Income	**1,98,966.54**	**(78.55)**	**1,98,887.99**
Expenses			
Cost of Materials Consumed	40,811.64	-	40,811.64
Purchases of Stock-in-Trade	1,15,948.43	-	1,15,948.43
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	177.43	(86.57)	90.86
Excise Duty	20,043.20	-	20,043.20
Transportation Expenses	5,261.66	-	5,261.66
Exploration cost	20.84	-	20.84
Employee Benefits Expense	2,326.89	(5.57)	2,321.32
Finance Costs	643.85	9.75	653.60
Depreciation & Amortization Expense	2,655.69	(2.48)	2,653.21
Other Expenses	5,338.84	(32.25)	5,306.59
Total Expenses	**1,93,228.47**	**(117.12)**	**1,93,111.35**

Notes to Financial Statements for the year ended 31st March 2017

₹ / Crores

	2015 - 16		
	IGAAP*	**Ind AS Adjustment**	**Ind AS**
Profit Before exceptional items and Tax	**5,738.07**	**38.57**	**5,776.64**
Exceptional Items			
Profit Before Tax	**5,738.07**	**38.57**	**5,776.64**
Tax expense:			
Current tax	1,433.56	-	1,433.56
Deferred tax	562.14	175.16	737.30
Provision for Tax for Earlier years written back (net)	(120.38)	-	(120.38)
Tax Expenses	**1,875.32**	**175.16**	**2,050.48**
Profit/(loss) for the period	**3,862.75**	**(136.59)**	**3,726.16**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans;	-	(5.57)	(5.57)
Equity Instruments through Other Comprehensive Income;	-	(187.52)	(187.52)
Income tax relating to items that will not be reclassified to profit or loss	-	1.93	1.93
	-	**(191.16)**	**(191.16)**
Other Comprehensive Income for the year, net of tax	**-**	**(191.16)**	**(191.16)**
Total Comprehensive Income for the year, net of tax	**3,862.75**	**(327.75)**	**3,535.00**

*IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

B.4. Reconciliation of Statement of Profit and Loss for the period ended 31 March 2016:

₹ / Crores

		2015 - 16
Profit for the year as per IGAAP	**A**	**3,862.74**
Summary of Ind AS adjustments:		
Enabling assets Capitalisation	B.2.13	43.05
Fair valuation of derivative contracts	B.2.5	(20.54)
Impairment of trade receivables-expected credit loss method	B.2.9	11.51
Interest Income on HBL- Preference Shares	B.2.3	12.32
Borrowings-transaction costs adjustment	B.2.6	(9.75)
Timing of revenue recognition	B.2.8	(4.38)
Stores and Spares	B.2.12	3.54
Depreciation on lease hold lands	B.2.10	(1.06)
Depreciation reversal on ROW assets	B.2.11	1.30
Depreciation on Enabling Assets	B.2.13	(1.30)
Fair valuation of investment in OMC GOI special bonds	B.2.4	(0.32)
Impact on Inc/Dec in inventory of FG/ISD due to change in Opex	B.2.8	0.08
Others		(1.44)
Defined Benefit Obligation		3.64
Deferred Tax impact of Ind AS Adjustments	B.2.16	(173.23)
Total Ind AS adjustments	**B**	**(136.58)**
Profit for the year as per Ind AS	**A + B**	**3,726.16**

Notes to Financial Statements for the year ended 31st March 2017

B.5. Statement of Cash Flows

The transition from IGAAP to Ind AS has not made a material impact on Statement of Cash Flows.

Notes to the Equity reconciliation:

Note B.2.1.: Proposed Dividend

Under IGAAP, dividends proposed by the Board of Directors after the Balance Sheet date but before the approval of Financial Statements were considered as adjusting event. Accordingly, provision for proposed final dividend was recognised as a liability. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by Corporation i.e. usually when approved by shareholders in an Annual General Meeting.

Accordingly, the liability for proposed final dividend as on 1 April 2015 and 31 March 2016 included under the Provisions, in respective accounting periods, has been reversed with corresponding adjustments to respective period's Retained Earnings.

Note B.2.2.: Fair valuation of Equity Instruments

Under IGAAP, Corporation accounted for long term investments in quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, Corporation has designated such investments as FVTOCI (Fair Value through Other Comprehensive Income) investments.

At the date of transition to Ind AS, the difference between the cost of the investments and the fair value is recognised under equity in a separate reserve i.e. Equity Instruments through Other Comprehensive Income reserve.

Note B.2.3.: Investment in Preference Shares of HPCL Biofuels Limited (HBL)

Under IGAAP, investment in preference shares of HBL were carried at its Face Value. Under Ind AS, the investment in Preference Shares is fair valued on initial recognition and subsequently measured at amortised cost. Hence, the difference between the carrying amount as per IGAAP and its amortised cost under Ind AS is recognised in Opening Retained Earnings. Interest income is recognised in Statement of Profit and Loss for the year 2015-16 under Ind AS on account of unwinding of discount of such investments.

Note B.2.4.: Investment in Oil Marketing Companies GOI Special Bonds

Under IGAAP, Corporation had classified the investment in GOI Special Bonds as current investment. These investments were carried at lower of cost or its fair value. Hence, loss in respect of fair valuation of such investments was recognised and gain, if any, was ignored.

Under Ind AS, Corporation has elected to carry these investments at fair value with fair value changes being recognised in Statement of Profit and Loss. Hence, gain or loss on account of fair valuation of such bonds is recognised in Statement of Profit and Loss.

Note B.2.5.: Derivative contracts

Under Ind AS, outstanding derivative contracts are considered as financial instruments and hence, needs to be fair valued at every reporting date.

Consequently, under Ind AS, fair value gain or loss on the date of transition is recognized in Opening Retained Earnings and for other periods in respective period's Statement of Profit and Loss.

Note B.2.6.: Adjustment of transaction cost on borrowings

Under IGAAP, transaction costs incurred for borrowings were recognised as an asset (Unamortised prepaid expenses) and amortised to Statement of Profit and Loss on a straight-line basis over the tenure of the borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition and subsequntly measured at amortized cost.

Accordingly, under Ind AS, restatement of outstanding ancillary cost is recognized in Opening Retained Earnings on transition date and subsequently in respective period's Statement of Profit and Loss.

Note B.2.7.: Capital Grant

Under IGAAP, Capital Grants received from Government are presented as part of Reserves. Under Ind AS, Capital Grants received from Government need to be recognised as a Liability.

Accordingly, under Ind AS, amount of Capital Grant has been reclassified from Reserves to Liabilities.

Note B.2.8.: Timing of Revenue Recognition

Under IGAAP, revenue from sale of goods is recognised when the same is dispatched by the Corporation.

Under Ind AS, in situations where goods have left Corporation's premises but Corporation continues to exercise effective managerial control on such goods till the time goods reach the customers premises, revenue is deferred and recognised when goods are accepted by the customer.

Accordingly, impact on account of margin elimination on deferred sales is recognised in Retained Earnings on transition date and in Statement of Profit and Loss for Financial Year 2015-16.

Note B.2.9.: Impairment of Trade Receivables

Under IGAAP, the Corporation recognised provision on Trade Receivables based on specific provisions to reflect the Corporation's expectation. Under Ind AS, impairment of Trade Receivables shall be recognised based on Expected Credit Loss.

Accordingly, Corporation has recognised impairment loss on Trade Receivables at transition date in Opening Retained Earnings and in Statement of Profit and Loss for Financial Year 2015-16.

Note B.2.10.: Reclassification of freehold and leasehold land into operating leases

Under IGAAP, the Corporation has classified leasehold land with a period of 99 years or more as freehold land and accordingly not amortised the same. Also, leasehold land with a lease period of less than 99 years is classified as leasehold land under tangible fixed assets. The same was amortised over the tenure of lease and presented under Statement of Profit and Loss as Depreciation and Amortisation Expense.

Under Ind AS, land leases with long tenure of lease are required to be classified as Finance Lease. Hence, Corporation has decided to consider leasehold lands with lease period of more than 99 years as finance lease. Accordingly, the same will also be subject to amortisation under Ind AS. Also, land with a lease tenure of 99 years or less is treated as operating lease and amortised over the tenure of lease as Rent Expense. The amortisation of prepaid operating lease rentals is presented under Rent Expense.

Accordingly, lease hold land for 99 years has been amortized and impact on account of amortization upto transition date has been recognised in Opening Retained Earnings. Subsequently, the amortization charge is recognized as Rent Expenses in the statement of Profit and Loss. For the purpose of tenure, the Corporation has considered the lease period including the lease period where the Corporation has an un-conditional right to renew the lease at a rate below market price or a fix price.

Note B.2.11.: Reversal of amortisation of Right of Way Assets

Under IGAAP, the Right of Way Assets with indefinite useful lives were amortised over a period of 99 years based on Expert Advisory Committee opinion issued by Institute of Chartered Accountants of India. Under Ind AS, Intangible Assets with indefinite useful life are not required to be amortised but shall be tested for impairment annually or when there is an indication. Accordingly amortisation charge created during Financial Year 2015-16, in Statement of Profit and Loss, on Right of Way Assets with indefinite useful lives has been reversed under Ind AS.

Note B.2.12.: Stores and Spares

Under IGAAP, Stores and Spares which can be identified with a particular item of Property, Plant and Equipment (PPE) and whose use is expected to be irregular is capitalised as part of Tangible Fixed Assets. Other Stores and Spares are treated as inventory and charged to Statement of Profit and Loss on consumption. Under Ind AS, Stores and Spares with a useful life of more than one year shall be treated as PPE. Such Stores and Spares need to be depreciated from the date they are ready for use (based on clarification received from ITFG) over their estimated useful life. Hence, Stores and Spares which were erstwhile treated as inventory under IGAAP have been classified as part of PPE if recognition criteria are met (referred to as capital spares). Also, such capital spares are depreciated from the date of purchase over their estimated useful life. Additionally, since capital spares would be depreciated, spares charged to Statement of Profit and Loss on consumption have been reversed and depreciated over its estimated useful life.

Note B.2.13.: Enabling Asset

Under IGAAP, expenditure incurred on construction/acquisition of enabling assets on which the Corporation does not have a control were expensed out as and when incurred.

Under Ind AS, if the expenditure incurred on such enabling asset is of such nature that it is necessary for making the item of Property, Plant and Equipment capable of operating in the manner intended by the management, then the same has been capitalised with corresponding depreciation expense charged in the statement of Profit and Loss.

Notes to Financial Statements for the year ended 31st March 2017

Note B.2.14.: Excise duty

Under IGAAP, revenue from sale of goods was presented net of the excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty has been presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the Revenue from Operations and Expenses for the year ended 31 March 2016.

Note B.2.15.: Actuarial gains/(losses)

Under Ind AS, the Corporation's Accounting Policy is to recognise all actuarial gains and losses on Post-Employment Benefit Plans in other comprehensive income. Under IGAAP the Corporation recognised actuarial gains and losses in the Statement of Profit and Loss. However, this has no impact on the total comprehensive income and total Equity as on 1 April 2015 as well as 31 March 2016.

Note B.2.16.: Deferred tax assets / (liabilities) (net)

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on Ind AS adjustments which was not required under Indian GAAP.

The table below summaries the deferred tax impact of adjustments considered on transition to Ind AS:

₹ / Crores

	31.03.2016	01.04.2015
Property plant and equipments	(13.03)	2.64
Investment in Oil Marketing Companies GOI Special Bonds	(0.65)	(0.76)
Derivatives	7.75	0.64
Borrowings	3.18	(0.19)
Deferral of sales	23.79	22.28
Trade receivables	2.75	6.73
Deferred tax on capitalization of exchange differences*	(562.15)	(396.52)
Others	(0.10)	(0.05)
	(538.46)	**(365.23)**

*:Deferred Tax has been created on temporary difference arising from capitalization of exchange differences (based on the clarification received from ITFG).

Notes to Financial Statements for the year ended 31st March 2017

Note 40: Fair Value Measurements

40.A. Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified as on Fair value through Profit and Loss (FVTPL), Fair value through other comprehensive Income (FVTOCI) and Amortized Cost.

₹ / Crores

	31.03.2017			31.03.2016			01.04.2015		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
(a) Investments									
- Investment in Equity Instruments		594.88			419.28			606.80	
- Investment in Preference Shares			162.63			149.20			136.88
- Investment in OMC GOI special bonds	5,100.96			4,987.55			5,376.15		
- Others	7.84		0.02	3.95		0.02	5.00		0.02
(b) Loans									
- Employee Loans			316.71			324.35			316.59
- Loans to Related Parties			159.00			159.00			75.00
- Others			144.51			137.63			134.90
(c) Trade receivables			4,064.21			3,758.03			3,215.03
(d) Cash and cash equivalents			8.85			8.05			9.16
(e) Other Bank Balances			24.82			15.71			9.49
(f) Derivative Assets	58.41			-			0.11		
(g) Amounts recoverable under subsidy schemes			1,211.33			2,019.08			737.03
(h) Others			3,048.77			2,846.37			4,052.89
Total	**5,167.20**	**594.88**	**9,140.84**	**4,991.50**	**419.28**	**9,417.43**	**5,381.26**	**606.80**	**8,686.99**
Financial liabilities									
(a) Borrowings									
- Non-convertible debentures			975.00			975.00			1,520.00
- Oil Industry Development Board			283.75			473.25			583.00
- Syndicated Loans from Foreign Banks			9,098.55			15,831.60			15,816.61
- Cash Credit			1,741.73			2,398.54			1,109.81
- Short term loans from banks			-			-			-
- Clean Loans			1,200.00			-			-
- Collateral Borrowing and Lending Obligation			1,489.51			1,489.07			1,088.99
- Commercial papers			6,461.17			-			-
(b) Trade Payables			12,658.10			9,416.93			11,442.93
(c) Deposits from Consumers			10,996.83			9,397.77			8,253.85
(d) Derivative liabilities	1.75			22.39			1.96		
(e) Others			675.21			764.92			792.01
Total	**1.75**	**-**	**45,579.85**	**22.39**	**-**	**40,747.08**	**1.96**	**-**	**40,607.20**

Notes to Financial Statements for the year ended 31st March 2017

40.B Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the Financial Assets and Financial Liabilities that are recognised and measured at fair value and at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, Corporation has classified its Financial Assets and Financial Liabilities into the three levels prescribed under the accounting standard. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. An explanation of each level is provided under Significant Accounting Policy.

₹ / Crores

	31.03.2017			31.03.2016			01.04.2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Investments									
- Investment in Equity Instruments	594.88			419.28			606.80		
- Investment in Preference Shares		265.21			186.13			136.73	
- Investment in OMC GOI special bonds	5,100.97			4,987.57			5,376.17		
- Others		7.84			3.95			5.00	
Loans & Advances									
- Employee Loans		316.71			324.35			316.59	
Derivative Assets		58.41		-				0.11	
Financial liabilities									
Borrowings									
- Non-convertible debentures		990.66			987.84			1,533.40	
- Oil Industry Development Board		290.99			480.90			590.77	
- Syndicated Loans from Foreign Banks		9,098.55			15,831.60			15,816.61	
Derivative Liabilities		1.75			22.39			1.96	
Total	**5,695.85**	**11,030.11**	**-**	**5,406.85**	**17,837.17**	**-**	**5,982.97**	**18,401.17**	**-**

40.C. Valuation techniques used to determine Fair Value

Type	Valuation technique
Derivative instruments-forward exchange contracts	Discounted cash flow i.e. fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract.
Commodity derivatives	Fair value of commodity derivative contracts is estimated by determing the difference between the contractual price and the current forward price for the residual maturity of the contract.
Derivative instruments-interest rate swap	Discounted cash flows i.e. Present value of expected receipt/payment.
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

Note 41: Financial risk management

41.A. Risk management framework

The Corporation has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk conscious manner. These self-regulatory processes and procedures are contained in our Risk Management Charter and Policy, 2007. The Corporation has a structures and comprehensive Risk Management Framework, under which the risks are identified, assessed, monitored and reported, as a part of a normal business practice. The Corporation has leveraged technology to seamlessly integrate and automate the entire process of risk monitoring and reporting which also facilitate Corporation-wide process of managing the risks. The Corporation's risk management system is fully aligned with the corporate and operational objectives.

The Corporation has engaged the services of an independent expert to assist in continued implementation of effective Risk Management Framework. In that direction, Risk Management Steering Committee (RMSC) continues to provide its guidance. The Corporation has put in place mechanism to inform Board Members about the risk management and minimisation procedures, and periodical review to ensure that executive management controls risks by means of a properly defined framework.

41.B. Corporation has identified financial risk and categorised them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category and how Corporation manages the risk is explained in following notes:

41.B.1-Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Corporation grants credit terms in the normal course of business. The Corporation establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade receivables

The Corporation's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Corporation grants credit terms in the normal course of business.

At 31.03.2017, the Corporation's most significant customer accounted for ₹ 1,068.86 crores of the trade receivables carrying amount (31.03.2016 : ₹ 855.93 crores and 01.04.2015 : ₹ 704.47 crores).

The Corporation uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

₹ / Crores

	31.03.2017			31.03.2016			01.04.2015		
	Gross carrying amount	Weighed average loss rate	Loss allowance	Gross carrying amount	Weighed average loss rate	Loss allowance	Gross carrying amount	Weighed average loss rate	Loss allowance
Past due 0-90 days	3,694.81	0.06%	2.26	3,533.96	0.03%	1.21	2,904.61	0.07%	1.90
Past due 91–360 days	355.68	0.69%	2.20	202.74	1.00%	2.03	298.95	6.30%	18.83
More than 360 days	178.48	89.82%	160.31	184.80	86.71%	160.24	178.37	81.87%	146.04
	4,228.98		**164.77**	**3,921.50**		**163.47**	**3,381.92**		**166.76**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Balance as on 01.04.2015	**166.76**
Add : Impairment loss recognised	6.33
Less : Amounts written off	9.62
Balance as on 31.03.2016	**163.47**
Add : Impairment loss recognised	5.48
Less : Amounts written off	4.18
Balance as on 31.03.2017	**164.77**

The amounts written off at each reporting date relates to customers who have defaulted on their payments to the Corporation and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Corporation held cash and cash equivalents of ₹ 8.85 crores at 31.03.2017 (31.03.2016 : ₹ 8.05 crores; 01.04.2015 : ₹ 9.15 crores). The cash and cash equivalents are held with consortium banks. Corporation invests its surplus funds in bank fixed deposit, GOI T-bills and liquid schemes of mutual funds, which carry no mark to market risks for short duration and exposes the Corporation to low credit risk.

Derivatives

The forex and interest rate derivatives were entered into with banks having an investment grade rating and exposure to counter-parties are closely monitor and kept within the approved limits. Commodity derivatives are entered with reputed Counterparties in the OTC (Over-the-Counter) Market.

Investment in debt securities

Investment in debt securities are in government securities or bonds which do not carry any credit risk.

Other than trade receivables, the Corporation has no other financial assets that are past due but not impaired.

41.B.2. Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. Corporation has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The corporation has adequate borrowing limits in place duly approved by its shareholders and board. Corporation sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks and liquid investment portfolio. Corporation ensures that there is minimal concentration risk by diversifying its portfolio across instruments and counterparties. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) Financing arrangements

The Corporation has an adequate fund and non-fund based lines from various banks. The corporation has sufficient borrowing limits in place duly, approved by its shareholders and board. Domestic and international credit rating from reputed credit rating agencies enables access of funds both from domestic as well as international market. HPCL's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. HPCL diversifies its capital structure with a mix of instruments and financing products across varying maturities and currencies. The financing products include syndicated loans, foreign currency bonds, commercial paper, non-convertible debentures, buyer's credit loan, clean loan etc. HPCL taps domestic as well as foreign debt markets from time to time to ensure appropriate funding mix and diversification of geographies.

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ / Crores

	Contractual cash flows								
	31.03.2017			31.03.2016			01.04.2015		
	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years
Non-derivative financial liabilities									
Borrowings and interest thereon	15,282.28	4,880.95	1,685.94	10,698.81	6,883.62	3,601.38	5,920.01	10,845.56	4,535.77
Trade payables	12,658.10	-	-	9,416.93	-	-	11,442.93	-	-
Other financial liabilities	675.21	-	10,996.83	764.92	-	9,397.77	792.01	-	8,253.85
Financial guarantee contracts*	-	-	570.72	-	-	-	-	-	-
Total	**28,615.58**	**4,880.95**	**12,682.77**	**20,880.65**	**6,883.62**	**12,999.15**	**18,154.95**	**10,845.56**	**12,789.62**
Derivative financial liabilities									
Interest rate swaps	10.75	9.86	0.54	11.94	22.20	6.45	5.68	1.82	-
Commodity contracts (net settled)	5.14	-	-	-	-	-	-	-	-
Forward exchange contracts (Gross settled)									
- Inflows	-	-	-	(333.09)	-	-	-	-	-
- Outflows	-	-	-	333.44	-	-	-	-	-
Total	**15.89**	**9.86**	**0.54**	**12.29**	**22.20**	**6.45**	**5.68**	**1.82**	**-**

* Guarantee issued by the Corporation on behalf of the Subsidiary is with respect to borrowings raised by the Subsidiary. This amount will be payable on default by the concerned Subsidiary. As of the reporting date there has been no default by the Subsidiary and hence, the Corporation does not have any present obligation in relation to such guarantee.

Notes to Financial Statements for the year ended 31st March 2017

41.C.3. Market Risk-Market Risk is further categorized in (i) Currency risk, (ii) Interest rate risk & (iii) Commodity risk:

41.C.3.1. Currency risk:

The corporation is exposed to currency risk mainly on account of its borrowings and import payables in foreign currency. Our exposures are mainly denominated in U.S. dollars. The Corporation has used generic derivative contracts to mitigate the risk of changes in foreign currency exchange rates in line with corporation forex risk management policy. The corporation has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Corporation does not uses derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of dates:

Category	Instrument	Currency	Cross Currency	31.03.2017	31.03.2016	01.04.2015	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	-	$ 50.27 mn	-	Buy

Exposure to currency risk-The currency profile of financial assets and financial liabilities is as below:

₹ / Crores

	31.03.2017		31.03.2016		01.04.2015	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial assets						
Non-current investments	757.58	-	568.55	-	748.70	-
Current investments	5,108.74	-	4,991.44	-	5,376.15	-
Long-term loans	457.01	-	565.16	-	390.86	-
Short-term loans	163.21	-	55.82	-	135.63	-
Trade receivables	3,746.34	317.87	3,092.88	665.15	2,926.57	288.46
Cash and Cash Equivalents	8.85	-	8.05	-	9.16	-
Other Bank Balances	24.82	-	15.71	-	9.49	-
Others Non Current Financial Assets	-	-	-	-	2.00	-
Others Current Financial Assets	4,318.50	-	4,865.45	-	4,788.03	-
Net exposure for assets-A	**14,585.05**	**317.87**	**14,163.06**	**665.15**	**14,386.59**	**288.46**
Financial liabilities						
Long term borrowings	1,258.75	9,098.55	1,448.25	15,831.60	2,103.00	15,816.61
Short term borrowings	10,892.41	-	3,887.61	-	2,198.80	-
Trade Payables	7,652.81	5,005.29	6,584.35	2,832.58	8,566.70	2,876.23
Other Financial Liabilities	11,673.79	-	10,185.08	-	9,047.82	-
	31,477.76	**14,103.84**	**22,105.29**	**18,664.18**	**21,916.32**	**18,692.84**
Less: Foreign currency forward exchange contracts		-		333.09		-
Net exposure for liabilities-B		**14,103.84**		**18,331.09**		**18,692.84**
Net exposure (Assets-Liabilities)(A-B)		**13,785.97**		**17,665.95**		**18,404.38**

The following exchange rates have been applied during the year:

INR	31.03.2017	31.03.2016	01.04.2015
USD 1	64.8550	66.2525	62.5050

Sensitivity analysis:

The table below show sensitivity of open forex exposure to USD/INR movement. We have considered 1% (+/-) change in USD/INR

Effect in INR	Impact on profit or loss due to % increase / Decrease in currency					
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	31.03.2017		31.03.2016		01.04.2015	
1% movement	1%		1%		1%	
USD	137.86	(137.86)	176.66	(176.66)	184.04	(184.04)

movement, increase indicates appreciation in USD/INR whereas decrease indicates depreciation in USD/INR. The indicative 1% movement is directional and does not reflect management forecast on currency movement.

41.C.3.2 Interest rate risk

Corporation's has a long-term foreign currency syndicated loans with floating rate, which expose the Corporation to cash flow interest rate risk. The borrowings at floating rate were denominated in USD. The Corporation manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Corporation agrees with other parties to exchange, at specified intervals (i.e quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Corporation monitors the interest rate movement and manages the interest rate risk based on the corporation forex risk management policy. The corporation also has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Corporation does not uses derivative financial instruments for trading or speculative purposes.

The Corporation's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Following is the derivative financial instruments to hedge the interest rate risk as of dates:

Category	Instrument	Currency	Cross Currency	31.03.2017	31.03.2016	01.04.2015	Buy/Sell
Hedges of floating rate foreign currency loans	Interest rate swaps	USD	INR	$ 530 mn	$ 260 mn	$ 200 mn	Buy

Interest rate risk exposure:

Corporation's interest rate risk arises from borrowings. The interest rate profile of the Corporation's interest-bearing financial instruments as reported to the management of the Corporation is as follows.

	Carrying amount in ₹ crores		
	31.03.2017	31.03.2016	01.04.2015
Fixed-rate instruments			
Financial assets	5,100.96	4,987.55	5,376.15
Financial liabilities	12,151.16	5,335.86	4,301.80
Variable-rate instruments			
Financial assets	316.71	324.35	316.59
Financial liabilities	9,098.55	15,831.60	15,816.61

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss					
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2017		31.03.2016		01.04.2015	
Floating rate borrowings	(20.08)	20.08	(37.40)	37.40	(40.45)	40.45
Interest rate swaps (notional principal amount)	8.71	(8.71)	3.79	(3.79)	3.02	(3.02)
Cash flow sensitivity (net)	**(11.37)**	**11.37**	**(33.62)**	**33.62**	**(37.44)**	**37.44**

41.C.3.3. Commodity Risk

The Corporation's activities are exposed to Oil price risks and therefore its Oil Price Risk Management program focuses on reducing the impact of the volatility of International Oil prices. With this objective, Risk Management activities aspire to protect the Margins of the Organization. In order to therefore manage its exposure to the risks associated with volatile Oil market / Commodity prices, the Corporation enters into derivative contracts in the OTC Market.

Notes to Financial Statements for the year ended 31st March 2017

The Oil Price Risk Management Committee regularly reviews and monitors risk management principles, policies, and risk management activities.

41.C.3.4. Offsetting

The following table presents the recognised financial instruments that are eligible for offset and other similar arrangements but are not offset, as on 31.03.2017, 31.03.2016 and 01.04.2015. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights are exercised.

₹ / Crores

	Effect of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial Instrument collateral	Net Amount
March 31, 2017					
Financial assets					
Trade Receivables	5,388.63	(1,090.21)	4,298.42	(234.21)	4,064.21
Financial liabilities					
Trade Payables	13,748.31	(1,090.21)	12,658.10	-	12,658.10
Other Current Financial Liabilities	4,989.88	-	4,989.88	(234.21)	4,755.67
March 31, 2016					
Financial assets					
Trade Receivables	8,003.98	(3,980.50)	4,023.48	(265.45)	3,758.03
Financial liabilities					
Trade Payables	13,397.44	(3,980.50)	9,416.93	-	9,416.93
Other Current Financial Liabilities	4,329.41	-	4,329.41	(265.45)	4,063.96
April 1, 2015					
Financial assets					
Trade Receivables	7,336.79	(4,121.76)	3,215.03	-	3,215.03
Financial liabilities					
Trade Payables	8,185.72	(4,121.76)	4,063.96	-	4,063.96

Note 42: Tax expense

(a) Amounts recognised in profit and loss

₹ / Crores

	2016 - 17	2015 - 16
Current tax expense		
Current year	2,236.24	1,433.56
Changes in estimates relating to prior years	(285.21)	(261.47)
Deferred tax expense		
Origination and reversal of temporary differences	628.28	737.30
Changes in estimates relating to prior years	232.73	141.09
Tax expense recognised in the income statement	**2,812.04**	**2,050.48**

(b) Amounts recognised in other comprehensive income

₹ / Crores

	2016 - 17			2015 - 16		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(23.69)	8.20	(15.49)	(5.57)	1.93	(3.64)

Notes to Financial Statements for the year ended 31st March 2017

(c) Reconciliation of effective tax rate

	31.03.2017		31.03.2016	
	%	₹ / Crores	%	₹ / Crores
Profit before tax		**9,020.84**		**5,776.64**
Tax as per Corporate Tax Rate	**34.608%**	**3,121.93**	**34.608%**	**1,999.18**
Tax effect of:				
Non-deductible tax expenses	0.460%	41.51	5.813%	335.79
Tax-exempt income	(1.428%)	(128.82)	(0.347%)	(20.03)
Interest expense u/s 234B/C not deductible for tax purposes	0.103%	9.25	0.191%	11.03
Deduction for research and development expenditure	(0.953%)	(85.97)	(1.132%)	(65.39)
Investment allowance claim	(1.126%)	(101.58)	(1.587%)	(91.65)
Adjustments recognised in current year in relation to the current tax of prior years	(0.582%)	(52.48)	(2.084%)	(120.38)
Amounts directly recognised in OCI	0.091%	8.20	0.033%	1.93
Income Tax Expense	**31.173%**	**2,812.04**	**35.496%**	**2,050.48**

(e) Movement in deferred tax balances

	Net balance 01.04.2016	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2017
Deferred tax Asset				
Provision for Employee Benefits	211.83	41.67	2.54	256.04
Current investments	166.78	(77.40)	-	89.38
MAT Credit	429.57	(112.70)	-	316.87
Provision for Doubtful Debts & Receivables	87.59	0.67	-	88.26
Disallowance u/s 43B	102.42	(1.27)	-	101.15
Others	45.39	(38.06)	-	7.33
	1,043.58	**(187.09)**	**2.54**	**859.03**
Deferred Tax Liabilities			-	
Property, plant and equipment	5,866.68	872.15	-	6,738.83
Others	96.25	(80.46)	-	15.79
	5,962.93	**791.69**	**-**	**6,754.62**
Deferred Tax (assets) / Liabilities	**4,919.35**	**978.78**	**(2.54)**	**5,895.59**

	Net balance 01.04.2015	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2016
Deferred tax Asset				
Provision for Employee Benefits	272.62	(57.16)	(3.63)	211.83
Current investments	172.57	(5.79)	-	166.78
MAT Credit	344.33	85.24	-	429.57
Provision for Doubtful Debts & Receivables	82.22	5.37	-	87.59
Disallowance u/s 43B	93.09	9.33	-	102.42
Others	27.90	17.49	-	45.39
	992.73	**54.48**	**(3.63)**	**1,043.58**
Deferred Tax Liabilities				
Property, plant and equipment	5,101.59	765.09	-	5,866.68
Others	15.64	80.61	-	96.25
	5,117.23	**845.70**	**-**	**5,962.93**
Tax assets (Liabilities)	**4,124.50**	**791.22**	**3.63**	**4,919.35**

Note 43 : Leases

Operating Lease

A. Leases as lessee

a) The Corporation enters into cancellable/non-cancellable operating lease arrangements for land, office premises, staff quarters and others. Payments made under operating leases are generally recognised in statement of Profit and Loss based on corresponding periods contractual terms of the lease, since the Corporation considers it to be more representative of time pattern of benefits flowing to lease rentals paid for the same are charged to the Statement of Profit and Loss.

The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were payable as follows:

(₹ Crores)

	31.03.2017	31.03.2016
Less than one year	11.34	10.29
Between one and five years	45.87	40.05
More than five years	361.97	308.16
	419.18	**358.50**
ii. Amounts recognised in profit or loss		
Lease expense	335.09	552.40

Note 44 : Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders

(₹ Crores)

	31.03.2017	31.03.2016
Profit attributable to equity holders for basic and diluted earnings per share	**6,208.80**	**3,726.16**
ii. Weighted average number of ordinary shares		
Issued ordinary shares at April 1	33,86,27,250	33,86,27,250
Effect of shares issued as Bonus shares*	67,72,54,500	67,72,54,500
Weighted average number of shares for basic and diluted earnings per shares	**101,58,81,750**	**101,58,81,750**
Basic and Diluted earnings per share	**61.12**	**36.68**

*The Company has issued bonus shares @ 2:1 during 2016-17. The EPS for 2016-17 and 2015-16 has been appropriately adjusted.

Note 45 : Capital management

The Corporation's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Corporation monitors capital using debt equity ratio. The Corporation's debt to equity ratio at March 31, 2017 is as follows.

(₹ Crores)

	31.03.2017	31.03.2016	01.04.2015
Long term borrowings (refer note # 21)	10,357.30	17,279.85	17,919.61
Total equity (refer note # 20a and 20b)	20,347.41	17,969.80	16,319.34
Debt to Equity ratio	**0.51**	**0.96**	**1.10**

Notes to Financial Statements for the year ended 31st March 2017

Note 46 : Dividends

(₹ Crores)

		31.03.2017	31.03.2016
(i)	**Dividends paid during the year**		
	Final dividend for the year ended 31.03.2016 of ₹ 16.00 (31.03.2015 ₹ 24.50) per fully paid share. This included Dividend distribution tax of ₹ 110.30 crores (31.03.2015 ₹ 168.89 crores).	652.10	998.53
	First Interim dividend for the year ended 31.03.2017 of ₹ 22.50 (31.03.2016 – ₹ 11.50) per fully paid share. This included Dividend distribution tax of ₹ 465.32 crores (31.03.2016 ₹ 79.28 crores)	2,751.05	468.70
	Second Interim dividend for the year ended 31.03.2017 of ₹ 6.40 (31.03.2016 – ₹ 7) per fully paid share. This included Dividend distribution tax of ₹ 132.36 crores (31.03.2016 ₹ 48.26 crores)	782.53	285.30
(ii)	**Dividends not recognised at the end of the reporting period**		
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 1.10 per fully paid equity share (31.03.2016 – ₹ 16.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	111.75	541.80
	Dividend distribution tax on above	22.75	110.30

47. The Corporation has accounted the discount of ₹ Nil (2015-16: ₹ 190.33 crores) on Crude Oil purchased from ONGC and has adjusted it against purchase cost of Crude Oil.

48. During the current financial year 2016-17, Subsidy on PDS Kerosene and Domestic Subsidized LPG from Central and State Governments amounting to ₹ 20.01 crores (2015-16: ₹ 11.77 crores) has been accounted.

49. Approval of Government of India for Budgetary Support amounting to ₹ 1,272.57 crores (2015-16: 1,761.26 crores) has been received and the same has been accounted under 'Recovery under Subsidy Schemes'.

50. (a) Inter-Oil company transactions are reconciled on a continuous basis. However, year end balances are subject to confirmation/reconciliation which is not likely to have a material impact.

(b) Customers' accounts are reconciled on an ongoing basis and such reconciliation is not likely to have a material impact on the outstanding or classification of the accounts.

51. In accordance with Para 7AA of Ind AS 21 read with Para D13AA of Ind AS 101, the Corporation has adjusted the exchange differences arising on long term foreign currency monetary items to the cost of assets and depreciated over the balance useful life of the assets.

52. In accordance with the option exercised by the Company as referred in note # 20(a), an exchange loss of ₹ 0.44 crores (2015-16: ₹ 194.80 crores) related to non-depreciable assets is remaining to be amortized over the balance period of loan in "Foreign Currency Monetary Item Translation Difference Account" as on March 31, 2017.

53. (a) Current Tax includes MAT Credit utilisation of ₹ 327.03 Crore (2015-16: ₹ 133.61 Crore).

(b) The recognition of MAT Credit Entitlements of ₹ 316.87 Crore as on March 31, 2017 (₹ 429.57 Crore as on March 31, 2016) is on the basis of convincing evidence that the Corporation will be able to avail the credit during the period specified in section 115JAA of the Act.

(c) Provision for tax for earlier years written back(net) of ₹ 52.48 Crore (2015-16: ₹ 120.38 Crore) represents reversal of excess provision towards current tax of ₹ 216.40 Crore (2015-16 : ₹ 249.75 Crore), additional provision towards deferred Tax of ₹ 232.73 Crore (2015-16: ₹ 141.08 Crore) and recognition of MAT credit Entitlements of ₹ 68.81 Crore (2015-16: ₹ 11.71 Crore).

Notes to Financial Statements for the year ended 31st March 2017

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

(₹ Crores)

Sr. No.	Particulars	2016-17	2015-16	01.04.2015
1.	Amounts payable to "suppliers" under MSMED Act, as on 31/03/17: -	22.76	18.55	15.19
	- Principal	-	-	-
	- Interest			
2.	Amounts paid to "suppliers" under MSMED Act, beyond appointed day during F.Y. 2016 – 17 (irrespective of whether it	-	-	
	pertains to current year or earlier years) –	-	-	
	- Principal			
	- Interest			
3.	Amount of interest due / payable on delayed principal which has already been paid during the current year (without interest or with part interest)	-	-	
4.	Amount accrued and remaining unpaid at the end of Accounting Year	-	-	
5.	Amount of interest which is due and payable, which is carried forward from last year	-	-	

55. Related Party Disclosure:

A. **Names of and Relationship with Related Parties**

1. **Jointly controlled entities**
   - i. HPCL-Mittal Energy Ltd.
   - ii. Hindustan Colas Pvt. Ltd.
   - iii. South Asia LPG Company Pvt. Ltd.
   - iv. Petronet India Ltd.
   - v. HPCL Shapoorji Energy Pvt. Ltd.

2. **The Company has not included disclosure in respect of following related parties which are Govt. related entities as per Ind AS 24.**
   - i. **Subsidiaries**
     1. HPCL Biofuels Ltd.
     2. Prize Petroleum Company Ltd.
   - ii. **Jointly controlled entities**
     1. CREDA-HPCL Biofuels Ltd.
     2. HPCL Rajasthan Refinery Ltd.
     3. Bhagyanagar Gas Ltd.
     4. Petronet MHB Ltd.
     5. Mumbai Aviation Fuel Farm facility Pvt. Ltd.
     6. Godavari Gas Pvt Ltd
     7. Aavantika Gas Ltd..
   - iii. **Associates**
     1. GSPL India Gasnet Ltd.
     2. GSPL India Transco Ltd.
     3. Mangalore Refinery and Petrochemicals Ltd.

Notes to Financial Statements for the year ended 31st March 2017

3. **Key Management Personnel**

   i. Shri Mukesh Kumar Surana, Chairman and Managing Director (w.e.f. 01.04.2016)
   ii. Shri J. Ramaswamy, Director – Finance
   iii. Shri Vinod S. Shenoy, Director – Refineries (from 01-11-2016)
   iv. Shri B. K. Namdeo, Director- Refineries (till 31.10.2016)
   v. Shri S. Jeyakrishnan, Director – Marketing (from 01-11-2016)
   vi. Shri Y.K. Gawali, Director – Marketing (till 31.10.2016)
   vii. Shri Pushp Kumar Joshi, Director - Human Resources
   viii. Shri Shrikant Madhukar Bhosekar, Company Secretary

4. **Independent Directors**

   i. Shri Ram Niwas Jain, Independent Director
   ii. Smt. Asifa Khan (from 13.02.2017)
   iii. Shri G.V. Krishna (from 13.02.2017)
   iv. Dr. Trilok Nath Singh (from 20.03.2017)

B. **Details of transactions with related parties**

1. **Transaction with Jointly controlled entities** (₹ Crores)

No.	Nature of Transactions	2016-17	2015-16
(i)	**Sale of goods**		
	HPCL-Mittal Energy Ltd.	86.61	127.77
	Hindustan Colas Pvt. Ltd.	332.48	268.28
	South Asia LPG Company Pvt. Ltd.	0.17	0.18
		419.26	**396.23**
(ii)	**Purchase of goods**		
	HPCL-Mittal Energy Ltd.	23101.18	23,593.34
	Hindustan Colas Pvt. Ltd.	115.34	159.00
		23,216.52	**23,752.34**
(iii)	**Dividend income received**		
	Hindustan Colas Pvt. Ltd.	16.54	22.87
	South Asia LPG Company Pvt. Ltd.	32.50	27.50
	Petronet India Ltd.	3.68	-
		52.72	**50.37**
(iv)	**Services given (Manpower Supply Service)**		
	HPCL-Mittal Energy Ltd.	0.42	0.39
	Hindustan Colas Pvt. Ltd.	2.03	2.04
	South Asia LPG Company Pvt. Ltd.	1.21	1.28
		3.66	**3.71**
(v)	**Lease rental received**		
	HPCL-Mittal Energy Ltd.	1.20	1.20
	Hindustan Colas Pvt. Ltd.	0.23	0.24
	South Asia LPG Company Pvt. Ltd.	0.87	1.68
		2.30	**3.12**

No.	Nature of Transactions	2016-17	2015-16
(vi)	**Others – (Services provided)**		
	HPCL-Mittal Energy Ltd.	14.25	24.07
	Hindustan Colas Pvt. Ltd.	3.02	2.39
	South Asia LPG Company Pvt. Ltd.	0.58	0.39
		17.85	**26.85**
(vii)	**Others - (Services availed)**		
	HPCL-Mittal Energy Ltd.	15.60	13.51
	Hindustan Colas Pvt. Ltd.	2.36	4.74
	South Asia LPG Company Pvt. Ltd.	125.12	93.61
		143.08	**111.86**
(viii)	**Purchases of Equity shares of M/s Petronet MHB Ltd. from Petronet India Ltd**	**26.09**	**-**
(ix)	**Investment in equity shares / Converted to Equity Shares**		
	HPCL-Mittal Energy Ltd.	-	248.82
	HPCL Shapoorji Energy Pvt. Ltd.	1.50	6.50
		1.50	**255.32**

No.	Description	31.03.2017	31.03.2016	01.04.2015
(x)	**Receivables as on**			
	HPCL-Mittal Energy Ltd.	8.28	0.36	12.39
	Hindustan Colas Pvt. Ltd.	10.82	5.04	32.97
	South Asia LPG Company Pvt. Ltd.	0.12	0.11	0.96
		19.22	**5.51**	**46.32**
(xi)	**Payables as on**			
	HPCL-Mittal Energy Ltd.	1,321.25	1,220.35	1448.47
	Hindustan Colas Pvt. Ltd.	25.74	16.84	21.37
	South Asia LPG Company Pvt. Ltd.	13.94	11.53	8.89
		1,360.93	**1,248.72**	**1478.73**

C. Transactions with other government-controlled entities

The corporation is a Government related entity engaged in the business of refining of crude oil and marketing of petroleum products. The corporation also deals on regular basis with entities directly or indirectly controlled by the central/state governments through its government authorities, agencies, affiliations and other organizations (collectively referred as "Government related entities").

Apart from transactions with corporations' group companies, the corporation has transactions with other Government related entities, including but not limited to the followings:

- sale and purchase of products;
- rendering and receiving services;
- lease of assets;
- depositing and borrowing money; and
- use of public utilities

These transactions are conducted in the ordinary course of the corporation's business on terms comparable to those with other entities that are not Government related.

D. Remuneration paid to Key Management Personnel*

(₹ Crores)

No.	Description	2016-17	2015-16
(i)	Short – Term Employee Benefits	3.66	3.23
(ii)	Post – Employment Benefits	0.23	0.51
		3.89	**3.74**

* Remuneration to KMP has been considered from / to the date from which they became KMP.

E. Amount due from Key Management Personnel

(₹ Crores)

No.	Description	31.03.2017	31.03.2016	01.04.2015
(i)	Smt. Nishi Vasudeva		-	0.02
(ii)	Shri Mukesh Kumar Surana	0.11	-	-
(iii)	Shri K. V. Rao		-	0.00
(iv)	Shri J Ramaswamy	0.01	0.02	-
(v)	Shri Pushp Kumar Joshi	0.06	0.06	0.07
(vi)	Shri Shrikant Madhukar Bhosekar	0.04	0.05	0.05
(vii)	Shri S Jeyakrishnan	0.26	-	-
(viii)	Shri Vinod S Shenoy	0.09	-	-
		0.57	**0.13**	**0.14**

F. Sitting Fee paid to Non-Executive Directors:

(₹ Crores)

Details of Meeting	Shri Ram Niwas Jain	Smt. Asifa Khan	Shri G.V. Krishna	Dr. Trilok Nath Singh
Board	0.04	0.01	0.01	0.01
Audit Committee	0.02	-	-	-
Nomination & Remuneration Committee	0.00	-	-	-
Stakeholders Relationship Committee	0.00	-	-	-
Investment Committee	0.00	-	-	-
CSR & SD Committee	0.02	-	-	-
Total Sitting Fees Paid	**0.08**	**0.01**	**0.01**	**0.01**

56. The Corporation has entered into production sharing oil & gas exploration contracts in India in consortium with other body corporate. These consortia are:

Name of the Block	Participating Interest of HPCL in %		
	31.03.2017	31.03.2016	01.04.2015
In India			
Under NELP IV			
KK- DWN-2002/2	20	20	20
KK- DWN-2002/3	20	20	20
CB- ONN-2002/3	15	15	15
Under NELP V			
AA-ONN-2003/3	15	15	15
Under NELP VI			
CY-DWN-2004/1	10	10	10
CY-DWN-2004/2	10	10	10
CY-DWN-2004/3	10	10	10
CY-DWN-2004/4	10	10	10
CY-PR-DWN-2004/1	10	10	10
CY-PR-DWN-2004/2	10	10	10
KG-DWN-2004/1	10	10	10
KG-DWN-2004/2	10	10	10
KG-DWN-2004/3	10	10	10
KG-DWN-2004/5	10	10	10
KG-DWN-2004/6	10	10	10
MB-OSN-2004/1	20	20	20
MB-OSN-2004/2	20	20	20
RJ-ONN-2004/1	22.22	22.22	22.22
RJ-ONN-2004/3	15	15	15
Under NELP IX			
MB-OSN-2010/2	30	30	30
Cluster – 7	60	60	60

a) The Blocks CY-DWN-2004/1,2,3,4, CY-PR-DWN-2004/1&2, RJ-ONN-2004/1&3, KK-DWN-2002/2, MB-OSN-20010/2, MB-OSN-2004/1, MB-OSN-2004/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2016. Blocks KG-DWN-2004/1,2,3,5 and 6 are under relinquishment and the operating committee had decided not to maintain books of accounts for the projects as they are under relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2015. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2017.

b) The Blocks AA-ONN-2003/3 and KK-DWN-2002/3 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2011 and March 31, 2012 respectively. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2017.

c) The block CB-ONN-2002/3 was awarded under NELP IV bidding round and the production sharing contract was signed on 06.02.2004. The exploration Minimum Work Program has been completed. The block is divided into two areas i.e. Miroli and Sanand. Approval of Mining Lease to commence production from Sanand field has been received from Govt. of Gujarat. Preparation of addendum to Sanand FDP (Field development plan) for additional discovery in Kalol reservoir is in progress.

d) In respect of Cluster – 7, the matter is under arbitration. Please refer Note # 68.1.

57. In compliance of Ind AS-27 'separate Financial Statements', the required information is as under:

	Country of Incorporation	Nature of Investments	Percentage of ownership interest as on		
			31.03.17	**31.03.16**	**01.04.15**
HPCL - Biofuels Ltd.	India	Subsidiary	100.00	100.00	100.00
Prize Petroleum Co. Ltd	India	Subsidiary	100.00	100.00	100.00
HPCL Rajasthan Refinery Ltd	India	Joint Venture	74.00	74.00	74.00
CREDA HPCL Biofuel Ltd.	India	Joint Venture	74.00	74.00	74.00
Hindustan Colas Private Ltd.	India	Joint Venture	50.00	50.00	50.00
South Asia LPG Company Pvt. Ltd.	India	Joint Venture	50.00	50.00	50.00
HPCL Shapoorji Energy Private Ltd.	India	Joint Venture	50.00	50.00	50.00
HPCL-Mittal Energy Ltd.	India	Joint Venture	48.99	48.99	48.94
Aavantika Gas Ltd.	India	Joint Venture	49.97	49.97	49.97
Petronet MHB Ltd.	India	Joint Venture	32.72	28.77	28.77
Godavari Gas Pvt. Ltd.	India	Joint Venture	26.00	-	-
Mumbai Aviation Fuel Farm Facility Pvt Ltd.	India	Joint Venture	25.00	25.00	25.00
Bhagyanagar Gas Ltd.*	India	Joint Venture	24.99	24.99	24.99
Petronet India Ltd.	India	Joint Venture	16.00	16.00	16.00
Mangalore Refinery and Petrochemicals Ltd.	India	Associate	16.96	16.96	16.96
GSPL India Transco Ltd	India	Associate	11.00	11.00	11.00
GSPL India Gasnet Ltd	India	Associate	11.00	11.00	11.00

* As of 31st March 2014, paid up equity capital of BGL was ₹ 5 lacs, in which HPCL and GAIL were holding 24.99% each. Balance 50.02% of shares were held by Kakinada Seaports Ltd (KSPL) on warehousing basis. In addition, each one of HPCL and GAIL had paid ₹ 22.49 crores as Advance against Equity / Share application money (totaling to ₹ 44.98 crores) in earlier years. On 20th August 2014, BGL allotted 2,24,87,500 shares on preferential basis to each of HPCL and GAIL towards the money paid earlier. Meanwhile there are certain issues pending adjudication with another shareholder. Accordingly, keeping in view financial prudence, HPCL's share has been considered at 24.99% (considered as 24.99% in F.Y. 2015-16).

58. The net worth of HPCL Biofuel Limited, a 100% subsidiary, was partially eroded. The management had considered ₹ 161 Crores as an impairment in the value of Investment and accordingly, a provision was made during financial year 2015-16. No further impairment is considered during financial year 2016 – 17.

59. During the financial year 2015-16, Corporation had made 100% provision amounting to ₹ 16.10 crores for impairment in value of investment in CREDA HPCL Biofuels Ltd. as all the business activities of the company had been suspended and Financial Statement of the company had not been prepared on a going concern basis.

60. Net worth of M/s Prize Petroleum Company Limited (PPCL), a 100% subsidiary of the Corporation is partially eroded. Accordingly, the Management considered ₹ 24.41 crores (2015 – 16 : ₹ 105 crores) as an impairment loss in value of HPCL's investment in M/s PPCL and made provision.

Notes to Financial Statements for the year ended 31st March 2017

61. As per the guidelines issued by Department of Public Enterprises (DPE) in August, 2005, the Board of Directors of Navratna Public Sector Enterprises (PSEs) can invest in joint ventures and wholly owned subsidiaries subject to an overall ceiling of 30% of the net worth of the PSE. The company has requested Ministry of Petroleum & Natural Gas (MOP&NG) to confirm its understanding that for calculating this ceiling limit, the amount of investments specifically approved by Government of India (i.e. investment in HMEL and HPCL Rajasthan Refinery Limited) are to be excluded. The Company has calculated the limit of 30% investment in joint ventures and wholly owned subsidiaries, by excluding the investments specifically approved by Govt. of India. As per financial position as on 31st march 2017, the investments in joint ventures and wholly owned subsidiaries are well within 30% limit.

62. Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on the desired margins for deciding on impairment of related Cash Generating Units. Since there is no indication of impairment of assets as on Balance Sheet date as per the assessment carried out, no impairment has been considered. In view of assumptions being technical, peculiar to the industry and Government policy, the auditors have relied on the same.

63. Disclosure as required by Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(₹ Crores)

	Particulars	Balance as on			Maximum amount outstanding during the year	
		31.03.2017	**31.03.2016**	**01.04.2015**	**2016 – 17**	**2015 – 16**
a)	Loans and advances in the nature of loans to subsidiary Companies (by name and amount)					
	Inter Corporate Loan to HPCL – Biofuels Ltd.	84.00	84.00	-	84.00	84.00
b)	Loans and advances in the nature of loans to joint ventures (by name and amount)					
	Inter Corporate Loan to Bhagyanagar Gas Ltd.	75.00	75.00	75.00	75.00	75.00
c)	Loans and advances in the nature of loans to firms/ companies in which directors are interested	-	-	-	-	-
d)	Investment by the loanee in the shares of HPCL and its subsidiary company, when the Company has made a loan or advance in the nature of loan	-	-	-	-	-

64. The Corporation had complied with the requirement of para 4 (a) of Notes to Schedule II to the Companies Act, 2013 relating to componentization from 2015-16. As per para 7 (b) of Schedule II to the Companies Act, 2013, the Corporation has charged ₹ 219.49 crores to Statement of Profit and Loss for 2015-16 as one-time impact.

65. The Corporation has considered the ISBL (Inside boundary Limit) pipeline directly associated as an integral part of Plant and Machinery / Tanks and has depreciated such pipelines based on the useful life of respective plants, which is considered as 25 years in line with the Schedule II of the Companies Act, 2013.

Notes to Financial Statements for the year ended 31st March 2017

66. During the year 2016 – 17, Corporation has spent ₹ 108.11 Crores (2015-16: ₹ 71.76 Crores) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 107.90 crores (2015-16: ₹ 71.67 Crores).

Head wise break up of CSR expenses are given below:

(₹ Crores)

S. No.	Head of Expenses	2016-17	2015-16
1	Promoting Education	27.24	16.00
2	Promoting Preventive Health Care	11.76	11.64
3	Empowerment of Socially and Economically Backward groups	4.91	4.37
4	Promotion of Nationally recognized and Para-Olympic Sports	0.99	0.68
5	Imparting Employment by Enhancing Vocation Skills	11.48	5.38
6	Swachh Bharat Abhiyaan	10.15	15.82
7	Environment Sustainability	16.58	17.87
8	Others	25.00	-
	Total	**108.11**	**71.76**

Amount spent during the year 2016-17 on:-

(₹ Crores)

Details		In Cash	Yet to be paid in Cash	Total
(i)	Construction / Acquisition of an assets	-	-	-
(ii)	On purpose other than (i) above	108.11	-	108.11

Amount spent during the year 2015-16 on:-

Details		In Cash	Yet to be paid in Cash	Total
(i)	Construction / Acquisition of an assets	-	-	-
(ii)	On purpose other than (i) above	71.76	-	71.76

67. There are no reportable segments other than downstream petroleum, as per Ind AS-108 on Segment Reporting.

68. Contingent Liabilities and Commitments

(₹ Crores)

		31.03.2017	31.03.2016	01.04.2015
I.	**Contingent Liabilities**			
A.	No provision has been made in the accounts in respect of the following disputed demands/claims since they are subject to appeals/representations filed by the Corporation			
	i. Income Tax	75.74	75.74	75.74
	ii. Sales Tax/Octroi	2,141.88	2,156.45	2,483.43
	iii. Excise/Customs	229.65	260.87	324.84
	iv. Land Rentals & Licence Fees	132.65	88.94	181.83
	v. Others	66.95	74.02	111.28
		2,646.87	**2,656.02**	**3,177.12**

		31.03.2017	31.03.2016	01.04.2015
B.	Contingent Liabilities not provided for in respect of appeals filed against the Corporation			
	i. Sales Tax/Octroi	6.16	6.16	-
	ii. Employee Benefits/Demands (to the extent quantifiable)	210.11	214.07	362.71
	iii. Claims against the Corporation not acknowledged as Debts(refer note 68.1)	321.12	382.52	400.62
	iv. Others	218.68	304.81	300.38
		756.07	**907.56**	**1,063.71**
C.	Guarantees given to others	**390.31**	**136.21**	**158.28**

68.1: A claim of ₹ 236.81 crores (36.51 Million USD @ Exchange rate of 1 US = $ 64.855), claim by M3nergy on termination of service contract of Cluster-7 field, which was awarded by ONGC to the consortium of M3nergy (Malaysia) BHD (30%), Prize Petroleum Company Limited (10%) and HPCL (60%). HPCL and Prize Petroleum has also initiated arbitration proceedings against M3nergy. The share of the claim of the company is ₹ 871.09 crores with loss of profit and other expenses etc. Arbitration was bifurcated into two aspects one is liability and the other is quantification. Liability aspects have been held in favour of Corporation and by an interim award by Hon'ble Arbitral Tribunal, which has been challenged by M3nergy in Bombay High Court. The said Partial Award has been challenged by M3energy before High Court of Bombay wherein Court refused the request of M3nergy to stay arbitration proceedings. The matter is pending for further arguments.

The final hearing set of hearing before the before the Hon'ble Arbitral Tribunal dealing with nature and extent of relief to be granted to the PPCL and HPCL as well as question of costs were held on November 4-5, 2016, as the oral argument could not be completed, by M3nergy filed their written submission on Apr 6, 2017. The rejoinder to the same is now to be filed by PPCL and HPCL. This amount is not included above.

(₹ Crores)

		31.03.2017	31.03.2016	01.04.2015
II.	**Commitments**			
A.	Estimated amount of contracts remaining to be executed on Capital Account not provided for	**3,654.26**	**3,634.45**	**2,353.39**
B.	Other Commitments (for Investments in Joint Ventures)	**-**	**27.74**	**-**

68.2: Company has entered into a long term product off take agreement with M/s HPCL- Mittal Energy Limited (HMEL), its joint venture company, for purchase of petroleum products produced by the refinery. This agreement has a take or pay clause and the Company is committed to purchase the said petroleum products over the tenure of the agreement.

68.3: The Company and Mittal Energy Investment Pte. Ltd. (its joint venture partner in HPCL-Mittal Energy Limited) have committed that they would jointly hold at least 51 % of share capital of HPCL-Mittal Energy Limited till the repayment of certain bank loans / bonds.

(₹ Crores)

		31.03.2017	31.03.2016	01.04.2015
III.	Corporation's Share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Operations:			
	Jointly controlled Operations			
	Contingent Liabilities	239.77	288.73	231.19
	Capital Commitment	Nil	100.62	94.93

Notes to Financial Statements for the year ended 31st March 2017

(₹ Crores)

		2016 - 17	2015 – 16
69.	Expenditure incurred on Research and Development		
	- Capital	209.75	136.78
	- Revenue	66.79	43.54
70.	Interest on Project borrowings capitalized*	67.26	115.08
	*(weighted average cost borrowing rate used for capitalization of general borrowing (other than specific borrowings) is 7.95% during FY 2016 – 17 (FY 2015 – 16 : 8.28%).		
71.	Exchange Differences adjusted in the carrying amount of Assets during the accounting period.	(191.42)	541.35

72. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are produced herein below:

(in full Rupees)

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	11,63,67,000	53,65,383	12,17,32,383
(+) Permitted receipts	2,26,76,62,000	1,20,15,02,273	3,46,91,64,273
(-) Permitted payments	4,14,000	38,27,116	42,41,116
(-) Amount deposited in Banks	2,38,36,15,000	1,14,87,76,664	3,53,23,91,664
Closing cash in hand as on 30.12.2016	-	5,42,63,876	5,42,63,876

73. Based on 3rd Pay Revision Committee recommendation, a provision of ₹ 449.52 crores have been made towards increase in gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs and revision in salary for management staff w.e.f. 01.01.2017.

74. In compliance of Ind AS – 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

Particulars	Opening Balance as on 01.04.16	Additions	Utilization	Reversals	Closing Balance 31.03.17
Excise	0.59	0.00	0.00	0.00	0.59
Sales Tax	323.29	6.31	0.00	4.95	324.65
Service Tax	12.59	0.00	0.00	0.00	12.59
Others	331.22	220.12	1.97	0.45	548.92
Total	**667.69**	**226.43**	**1.97**	**5.40**	**886.75**
Less: Pre Deposit	-	-	-	-	63.21
Net	**667.69**	**226.43**	**1.97**	**5.40**	**823.54**

Particulars	Opening Balance as on 01.04.15	Additions	Utilization	Reversals	Closing Balance 31.03.16
Excise	0.59	0.00	0.00	0.00	0.59
Sales Tax	82.66	266.10	8.27	17.20	323.29
Service Tax	12.58	0.00	0.00	0.00	12.58
Others	62.93	285.36	17.07	0.00	331.22
Total	**158.76**	**551.46**	**25.34**	**17.20**	**667.69**

The above provisions are made based on estimates and expected timing of outflows is not ascertainable at this stage.

75. Threshold limits adopted in respect of financial statements is given below:

Threshold item	Unit of measurement	Threshold limits
Capitalization of spare parts meeting the definition of property plant and equipment.	₹ Lakhs	10.00
Deprecation at 100% in the year of acquition except LPG cylinders and pressure regulators.	₹	5,000.00
Classification as finance lease for land	Lease period (years)	More than 99
Income / expenditure pertaining to prior year (s)	₹ Crores	75.00
Prepaid expenses	₹ Lakhs	5.00
Disclosure of contingent liabilities	₹ Lakhs	5.00
Disclosure of capital commitments	₹ Lakhs	1.00

Note 76 : Employee benefit obligations

A: Provident Fund

The Corporation's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees salary and charged to Statement of Profit and Loss.

Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Corporation and charged to Statement of Profit and Loss. The actual return earned by the fund has mostly been higher than the Government specified minimum rate of return in the past years. There is no shortfall in the fund as on 31st March 2017, 31st March 2016 and 1st April 2015.

Present value of benefit obligation at period end is ₹ 3,438.00 crores (31.03.2016 : ₹ 3,156.89 crores; 01.04.2015 : ₹ 2,852.56 crores).

During the year, the company has recognised ₹ 128.90 crore (2015-16 : ₹ 120.46 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss.

B: Superannuation Fund

The company has Superannuation Scheme - Defined Contribution Scheme maintained by SBFS trust wherein Company contributes a certain percentage every month out of 30% of Basic plus DA (in accordance with DPE guidelines) to the credit of individual employee accounts maintained with LIC.

During the year, the company has recognised ₹ 152.15 crore (2015-16 : ₹ 178.34 crore) as Employer's contribution to Superannuation Fund in the statement of Profit and Loss.

C: The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

S#		Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
1	**Present value of projected benefit obligation**					
	Present value of Benefit Obligation at the beginning of the period	495.06	562.61	64.84	32.14	13.57
		501.31	*504.15*	*57.84*	*33.71*	*2.49*
	Interest Cost	39.56	45.35	5.05	2.50	1.08
		38.19	*42.45*	*4.21*	*2.44*	*0.20*
	Current Service Cost	4.90	49.08	-	-	2.52
		3.04	*45.84*	-	-	*0.46*
	Past Service Cost	368.44	-	-	-	-
		-	-	-	-	-
	Benefit paid	(46.15)	(40.06)	(3.51)	(5.72)	(1.51)
		(41.75)	*(32.13)*	*(7.71)*	*(5.94)*	*(0.95)*
	Actuarial (gains)/ losses on obligations - due to change in financial assumptions	36.91	49.40	2.51	0.71	0.62
		(1.70)	*(5.02)*	*1.22*	*0.28*	*(0.17)*
	Actuarial (gains)/ losses on obligations - due to experience	(20.96)	(19.59)	(9.86)	0.72	(3.82)
		(4.03)	*7.32*	*9.28*	*1.65*	*11.54*
	Present value of Benefit Obligation a the end of the period	877.76	646.79	59.03	30.35	12.46
		495.06	*562.61*	*64.84*	*32.14*	*13.57*
2	**Changes in fair value of plan assets**					
	Fair value of Plan Assets at the beginning of the period	512.75	411.81	NA	NA	NA
		510.96	-	*NA*	*NA*	*NA*
	Interest income	40.97	33.19	NA	NA	NA
		40.37	-	*NA*	*NA*	*NA*
	Contributions by the employer	0.01	144.21	NA	NA	NA
		0.18	*432.13*	*NA*	*NA*	*NA*
	Contributions by the employee	-	0.59	NA	NA	NA
		-	-	*NA*	*NA*	*NA*
	Benefit paid	(46.15)	(40.06)	NA	NA	NA
		(41.75)	*(32.13)*	*NA*	*NA*	*NA*
	Return on plan assets, excluding interest income	1.84	11.11	NA	NA	NA
		2.99	*11.81*	*NA*	*NA*	*NA*
	Fair value of Plan Assets at the end of the period	509.42	560.85	NA	NA	NA
		512.75	*411.81*	*NA*	*NA*	*NA*
3	**Included in profit and loss account**					
	Current Service Cost	4.90	49.08	-	-	2.52
		3.04	*45.84*	-	-	*0.46*
	Past Service Cost	368.44	-	-	-	-
		-	-	-	-	-
	Net interest cost	(1.41)	12.16	5.05	2.50	1.08
		(2.18)	*42.45*	*4.21*	*2.44*	*0.20*
	Contributions by the employee	-	(0.59)	-	-	-
		-	-	-	-	-
	Total amount recognised in profit and loss account	371.93	60.65	5.05	2.50	3.60
		0.86	*88.29*	*4.21*	*2.44*	*0.66*

S#		Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
4	**Remeasurements**					
	Return on plan assets, excluding interest income	(1.84)	(11.11)	-	-	-
		(2.99)	*(11.81)*	-	-	-
	(Gain)/loss from change in demographic assumptions	-	-	-	-	-
		-	-	-	-	-
	(Gain)/loss from change in financial assumptions	36.91	49.40	2.51	0.71	0.62
		(1.70)	*(5.02)*	*1.22*	*0.28*	*(0.17)*
	Experience (gains)/losses	(20.96)	(19.59)	(9.86)	0.72	(3.82)
		(4.03)	*7.32*	*9.28*	*1.65*	*11.54*
	Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-
		-	-	-	-	-
	Total amount recognised in other comprehensive income	14.11	18.70	(7.35)	1.43	(3.20)
		(8.72)	*(9.51)*	*10.50*	*1.93*	*11.37*

D: Amount recognised in the Balance Sheet

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Present value of benefit obligation as on 01.04.2015	501.31	504.15	57.84	33.71	2.49
Fair value of plan assets as on 01.04.2015	510.96	-	-	-	-
Net Liability / (Asset) recognised in Balance Sheet	**(9.65)**	**504.15**	**57.84**	**33.71**	**2.49**

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Present value of benefit obligation as on 31.03.2016	495.06	562.61	64.84	32.14	13.57
Fair value of plan assets as on 31.03.2016	512.75	411.81	-	-	-
Net Liability / (Asset) recognised in Balance Sheet	**(17.69)**	**150.80**	**64.84**	**32.14**	**13.57**

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Present value of benefit obligation as on 31.03.2017	877.76	646.79	59.03	30.35	12.46
Fair value of plan assets as on 31.03.2017	509.42	560.85	-	-	-
Net Liability / (Asset) recognised in Balance Sheet	**368.34**	**85.94**	**59.03**	**30.35**	**12.46**

E: Plan assets

	31.03.2017		31.03.2016	
	Gratuity	PRMBS	Gratuity	PRMBS
Plan assets comprise the following:				
Insurance fund	509.42	560.85	512.75	411.81
	509.42	**560.85**	**512.75**	**411.81**

Notes to Financial Statements for the year ended 31st March 2017

F: Significant estimates: actuarial assumptions and sensitivity

F(i): The significant actuarial assumptions were as follows:

31.03.2017	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.26%	7.45%	NA	NA	NA
Rate of Discounting	7.26%	7.45%	7.12%	7.09%	7.26%
Rate of Salary Increase	7.00%	7.00%	NA	NA	7.00%
Medical Cost Inflation	NA	3.00%	NA	NA	NA
Rate of Employee Turnover	2.00%	2.00%	NA	NA	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)				
Mortality Rate After Employment	Indian Assured Lives Mortality (2006-08)				

31.03.2016	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.99%	8.06%	NA	NA	NA
Rate of Discounting	7.99%	8.06%	7.79%	7.79%	7.99%
Rate of Salary Increase	7.00%	7.00%	NA	NA	NA
Rate of Employee Turnover	2.00%	2.00%	NA	NA	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)				
Mortality Rate After Employment	Indian Assured Lives Mortality (2006-08)				

F(ii): Sensitivity analysis

31.03.2017	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(49.76)	(77.63)	(2.99)	(1.00)	(0.83)
Delta effect of -1% Change in Rate of Discounting	56.44	97.93	3.36	1.07	0.95
Delta effect of +1% Change in Future Benefit cost inflation	-	98.50	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(78.43)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	17.49	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(19.61)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	13.41	-	-	-	-
Delta effect of -1% Change in Rate of Employee Turnover	(14.87)	-	-	-	-

31.03.2016	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(26.83)	(64.61)	(3.99)	(1.35)	(1.19)
Delta effect of -1% Change in Rate of Discounting	30.27	80.39	2.79	0.91	1.25
Delta effect of +1% Change in Rate of Salary Increase	2.97	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(3.39)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	14.74	-	-	-	-
Delta effect of -1% Change in Rate of Employee Turnover	(16.28)	-	-	-	-

Notes to Financial Statements for the year ended 31st March 2017

G: The expected maturity analysis of undiscounted benefits is as follows:

	Less than 1 year	1 - 2 year	2 - 5 year	6 - 10 year
31.03.2017				
Gratuity	92.85	68.54	308.90	452.75
PRMBS	28.30	30.89	111.09	199.19
Pension	6.82	6.78	20.04	32.19
Ex - Gratia	5.24	5.12	14.95	22.32
Resettlement Allowance	0.96	0.64	3.89	7.02
Total	**134.17**	**111.97**	**458.87**	**713.47**
31.03.2016				
Gratuity	62.18	38.27	175.90	281.41
PRMBS	26.18	28.61	102.51	184.94
Pension	7.54	7.50	22.19	35.68
Ex - Gratia	5.34	5.29	15.47	24.16
Resettlement Allowance	1.11	0.53	3.68	7.69
Total	**102.35**	**80.20**	**319.75**	**533.88**

H: Notes:

Gratuity : All employees are entitled to receive gratuity as per the provisions of Payment of Gratuity Act, 1972. The Defined Benefit Plan of Gratuity is administered by Gratuity Trust. The Board of Trustees comprises of representatives from the Corporation who are also plan participants in accordance with the plans regulation. Based on 3rd pay commission recommendation, the gratuity ceiling has been considered as ₹ 20 lakhs due to that, past service cost of ₹ 368.44 crores is estimated and provided.

Pension : The employees covered by the Pension Plan of the Corporation are entitled to receive monthly pension for life.

Post Retirement Medical Benefit : The serving and superannuated employees are covered under medical insurance policy taken by Corporation. It provides reimbursement of medical expenses for self and dependents as per the terms of the policy.

Ex-gratia : The ex-employees of Corporation covered under the Scheme are entitled to get ex-gratia based on the grade at the time of their retirement. The benefit will be paid to eligible employees till their survival, and after that, till the survival of their spouse.

Resettlement Allowance : At the time of retirement, the employees are allowed to permanently settle down at a place other than the location of the last posting.

The fair value of the assets of Provident Fund Trust as of balance sheet date is greater than the obligation, including interest, and also the returns on these plan assets including the amount already provided are sufficient to take care of PF interest obligations, over and above the fixed contribution recognized.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

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

Figures in italics represent last year figures

77 Previous periods figures are reclassified / regrouped wherever necessary.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HINDUSTAN PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai

Place: Mumbai
DATE: 20 July 2017

Independent Auditors' Report

TO THE MEMBERS OF HINDUSTAN PETROLEUM CORPORATION LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of HINDUSTAN PETROLEUM CORPORATION LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its jointly controlled entities comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statements of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance consolidated cash flows and consolidated statements of changes in equity of the Group including its Associates and its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies / governing bodies included in the Group, its associates and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, associates and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and jointly controlled entities, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and its jointly controlled entities as at March 31, 2017, and their consolidated profit (including other comprehensive income) and their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Independent Auditors' Report

Emphasis of Matter

We draw attention to note no. 1.3.4 to the financial results which describes the reasons for considering joint venture interest lower than the percentage of shareholding in a joint venture known as Bhagyanagar Gas Limited.

Our opinion is not modified in respect of these matters.

Other Matters

a) We refer to note no. 56 in connection with 21 Un-incorporated Jointly Controlled Entities (UJCEs) involved in exploration activities, of which majority of UJCEs are under relinquishment. The attached Consolidated Ind AS financial statements include Company's proportionate share in Assets and Liabilities, Income and Expenditure amounting to ₹ 20.02 crores and ₹ 12.29 crores, ₹ Nil crores and ₹ 15.25 crores respectively, as at March 31, 2017. In respect of these UJCEs, the audited accounts are not available with the Company. The financial information has been incorporated based on un-audited Ind AS financial statements / data received from the respective operators.

b) We did not audit the Ind AS financial statements of 2 subsidiaries (and its step-down subsidiary) included in the consolidated financial statement, whose Ind AS financial statements reflects total assets of ₹ 1,106 crores and net assets of ₹ (153.03) as at March 31, 2017, total revenues of ₹ 472 crores and net cash flows of ₹ (28) crores for the year ended on that date, as considered in the consolidated financial Statement. The consolidated Statement also includes Group's share of net profit of ₹ 2,319 crores for the year ended March 31, 2017, as considered in the consolidated financial Statement, in respect of 11 jointly controlled entities (and its step-down subsidiary), and 3 associates (and its step-down subsidiary and jointly controlled entity), whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries jointly controlled entities and associate, and our report in terms of sub-section (3) of section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates is based solely on the reports of the other auditors. The Statement also includes Group's share of net loss of ₹ 0.23 crores for the year ended March 31, 2017, as considered in the consolidated financial Statement, in respect of 1 jointly controlled entity whose Ind AS financial statements are unaudited. These Ind AS financial statement has been incorporated based on un-audited financial statement from the respective management.

Our opinion on the consolidated financial statement, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and jointly controlled entities, as noted in the 'other matter' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and workings maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standard) (Amendment) Rules, 2016;

(e) As per notification no: G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 164(2) of the Act, accordingly, we are not required to report whether any directors are disqualified in terms of provisions contained in the said section. On the basis the reports of the statutory auditors of its subsidiary companies, associates and jointly controlled companies incorporated in India other than Government companies, none of the directors of the subsidiary, associates and jointly controlled companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164 (2) of the Act.

Independent Auditors' Report

(f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled entities and the operating effectiveness of such controls, refer to our separate report in Annexure I.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended by the Companies (Audit and Auditors) Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and jointly controlled entities, as noted in the 'Other matter' paragraph :

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and its jointly controlled entities – Refer note 63(I) to the consolidated Ind AS financial statements.

ii. The Holding Company and the individual entities have made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group except minor delay involving sum of ₹ 3,430 by the Holding Company, which has been regularized post the date of balance sheet; and

iv. The group has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures by the respective auditors of the group and relying by the respective management representations, we report that the disclosures are in accordance with respective books of account maintained by each of the entities of the Group. – Refer Note 64 to the consolidated Ind AS financial statements;

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Sd/-
Rajen Ashar
Partner
Membership No.: 048243

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi
Dated : 26th May 2017

Independent Auditors' Report

Annexure I - referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of HINDUSTAN PETROLEUM CORPORATION LIMITED ('the Holding Company') and its subsidiaries together referred to as 'the Group'), its associates and its Jointly controlled entities as of March 31, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Independent Auditors' Report

Opinion

In our opinion, the Holding Company, its Subsidiaries, its Associates and Jointly Controlled Entities, which are companies incorporated in India, have, 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 March 31, 2017, 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.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiaries, 11 Jointly Controlled Entities and 3 Associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. We are unable to comment on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 1 unaudited Jointly Controlled Entity.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Sd/-
Rajen Ashar
Partner
Membership No.: 048243

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi
Dated : 26th May 2017

Consolidated Balance Sheet as on 31st March 2017

₹ / Crores

	Notes	31.03.2017	31.03.2016	01.04.2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	3	36,438.56	33,654.83	29,283.44
(b) Capital Work-in-Progress	4	1,794.54	1,852.77	3,472.99
(c) Goodwill on Consolidation		16.69	16.69	16.69
(d) Other Intangible Assets	5	421.01	414.80	387.19
(e) Intangible Assets under development	5a	72.95	61.68	88.36
(f) Investment in Joint ventures and Associates	6	6,069.75	3,773.73	2,597.99
(g) Financial Assets				
(i) Investments	7	594.95	419.35	611.82
(iii) Loans	8	406.63	481.17	392.06
(iii) Other Financial Assets	9	-	-	2.00
(h) Other Non-Current Assets	10	1,437.88	1,086.71	1,177.99
Total Non Current Assets		**47,252.96**	**41,761.73**	**38,030.53**
(2) Current assets				
(a) Inventories	11	18,629.16	13,354.83	13,514.91
(b) Financial Assets				
(i) Investments	12	5,108.73	4,991.44	5,376.16
(ii) Trade Receivables	13	4,091.66	3,776.28	3,217.70
(iii) Cash and Cash Equivalents	14	111.47	138.25	104.76
(iv) Bank Balances other than (iii) above	15	24.93	15.90	9.67
(v) Loans	16	125.49	55.81	176.87
(vi) Other Financial Assets	17	4,317.23	4,867.82	4,791.27
(c) Other Current Assets	18	653.45	585.63	574.38
		33,062.12	**27,785.96**	**27,765.72**
(d) Assets classified as held for Sale / Disposal		3.96	5.32	2.00
Total Current Assets		**33,066.08**	**27,791.28**	**27,767.72**
Total Assets		**80,319.04**	**69,553.01**	**65,798.25**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	19	1,016.27	339.01	339.01
(b) Other Equity				
Reserves and Surplus	20a	20,018.19	16,467.64	13,671.46
Other Reserves	20b	36.97	(142.88)	44.89
Total equity		**21,071.43**	**16,663.77**	**14,055.36**
Liabilities				
(1) Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	7,117.80	11,358.76	15,488.75
(ii) Other Financial Liabilities	22	10,997.27	9,398.18	8,254.23
(b) Provisions	23	183.33	164.64	99.79
(c) Deferred Tax Liabilities (Net) (Refer note 42)		6,149.27	5,034.20	4,239.67
(d) Other Non-Current Liabilities	24	23.61	28.21	20.46
Total Non Current Liabilities		**24,471.28**	**25,983.99**	**28,102.90**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	25	10,914.38	3,991.28	2,262.98
(ii) Trade Payables	26	12,699.66	9,464.80	11,582.70
(iii) Other Financial Liabilities	27	4,844.71	7,681.92	4,120.05
(b) Other Current Liabilities	28	3,974.40	3,758.59	3,634.08
(c) Provisions	29	2,270.57	1,646.64	1,678.91
(d) Current Tax Liabilities (Net)	30	72.61	362.02	361.27
Total Current Liabilities		**34,776.33**	**26,905.25**	**23,639.99**
Total Equity and Liabilities		**80,319.04**	**69,553.01**	**65,798.25**
Significant Accounting Policies	1 & 2			

Significant Accounting Policies and Notes Forming Part of Accounts are integral part of the Financial Statements

FOR AND ON BEHALF OF THE BOARD

Sd/-
MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

Sd/-
J RAMASWAMY
Director - Finance
DIN - 06627920

Sd/-
SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Sd/-
Rajen Ashar
Partner
Membership No. 048243

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

₹ / Crores

	Notes	FY 2016-17	FY 2015-16
Revenue			
Revenue From Operations			
Gross Sale of Products	31	213,904.15	197,655.81
Other Operating Revenues	32	317.86	308.51
		214,222.01	**197,964.32**
Other Income	33	1,451.03	1,082.62
Total Income		**215,673.04**	**199,046.94**
Expenses			
Cost of Materials Consumed	34	45,273.13	40,918.92
Purchases of Stock-in-Trade		122,731.74	115,948.43
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	35	(4,362.52)	64.16
Excise Duty		26,795.76	20,054.10
Transportation Expenses		5,317.83	5,262.23
Exploration Cost		15.61	21.28
Employee Benefits Expense	36	2,969.35	2,339.31
Finance Costs	37	609.24	723.18
Depreciation & Amortization Expense	3&5	2,776.37	2,846.09
Other Expenses	38	4,668.09	5,076.41
Total Expenses		**206,794.60**	**193,254.11**
Profit before share in profit of Joint ventures and associates and tax		**8,878.44**	**5,792.83**
Share in Profit of Joint Ventures and Associates		2,318.98	942.27
Profit Before Tax		**11,197.42**	**6,735.10**
Tax expense:			
Current tax		2,236.24	1,433.56
Deferred tax		777.84	747.23
Provision for tax for Earlier years written back (net)		(52.48)	(120.38)
Total Tax Expenses		**2,961.60**	**2,060.41**
Profit/(loss) for the period		**8,235.82**	**4,674.69**
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of the defined benefit plans		(23.65)	(5.57)
Equity Instruments through Other Comprehensive Income;		175.61	(187.52)
Share in Other comprehensive Income of Joint Venture and Associates		(1.33)	0.02
Income tax relating to items that will not be reclassified to profit or loss		8.20	1.93
		158.83	**(191.14)**
Items that will be reclassified to profit or loss			
Foreign Currency Translation Reserve		4.24	(0.25)
		4.24	**(0.25)**
Other Comprehensive Income for the period, net of tax		**163.07**	**(191.39)**
Total Comprehensive Income for the period, net of tax		**8,398.89**	**4,483.30**
Earnings per share [Basic & Diluted earnings per share (₹)]	44	81.07	46.02
Significant Accounting Policies	1 & 2		
See accompanying notes to the financial statements			

FOR AND ON BEHALF OF THE BOARD

Sd/-
MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

Sd/-
J RAMASWAMY
Director - Finance
DIN - 06627920

Sd/-
SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Sd/-
Rajen Ashar
Partner
Membership No. 048243

Statement of changes in equity as on 31st March 2017

A. Statement of Changes in Equity

	No. of Share	Amount in ₹ / Crores
Balance as on 1st April 2015	**33,86,27,250**	**339.01**
Changes in equity share capital during the year	-	-
Balance as on 31 March 2016	**33,86,27,250**	**339.01**
Changes in equity Share Capital	67,72,54,500	677.25
Balance as on 31 March 2017	**101,58,81,750**	**1,016.26**

B. Other Equity

₹ / Crores

	Reserves & Surplus							Other Equity		
Particulars	Retained earnings	Share Premium Account	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Capital Reserve	Foreign Currency Monetary items translation difference Account	Equity Instruments thru OCI	Foreign Currency Translation Reserve	Total Equity
Balance as on April 1, 2015	**10,421.72**	**1,038.06**	**1.56**	**413.30**	**1,859.17**	**0.44**	**(62.79)**	**45.02**	**(0.13)**	**13,716.35**
Profit or Loss for the year	**4,674.69**									**4,674.69**
Other Comprehensive income for the year	(3.62)								(0.25)	(3.87)
Total comprehensive income for the year	**4,671.07**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.25)**	**4,670.82**
										-
Interim / Proposed Dividend	(1,456.10)									(1,456.10)
Dividend Distribution Tax (DDT)	(296.43)									(296.43)
Reversal of Provision for diminution in value of Investment on Consolidation*	9.65									9.65
Transfers / Additions (Net of amortisation)	148.17			(148.17)			(132.01)	(187.52)		(319.53)
										-
Balance as on March 31, 2016	**13,498.08**	**1,038.06**	**1.56**	**265.13**	**1,859.17**	**0.44**	**(194.80)**	**(142.50)**	**(0.38)**	**16,324.76**
Profit for the year	8,235.82	-	-	-	-	-	-		-	8,235.82
Other comprehensive income for the year	(16.78)	-	-	-	-	-	-		4.24	(12.54)
Total comprehensive income for the year	**8,219.04**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4.24**	**8,223.28**
										-
Interim / Proposed Dividend	(3,477.70)	-	-	-	-	-	-		-	(3,477.70)
Dividend Distribution Tax (DDT)	(707.98)	-	-	-	-	-	-		-	(707.98)
Reversal of Provision for diminution in value of Investment on Consolidation*	-	-	-	-	-	-	-		-	-
Transfers / Additions (Net of amortisation)	-	-	-	-	-	0.08	194.36	175.61	-	370.05
Issuance of Bonus shares (2 equity shares for each existing share)	-	(677.25)	-	-	-	-	-		-	(677.25)
										-
Balance as on March 31, 2017	**17,531.44**	**360.81**	**1.56**	**265.13**	**1,859.17**	**0.52**	**(0.44)**	**33.11**	**3.86**	**20,055.16**

Notes:

Retained earnings : The balance held in this reserve is the accumulated retained profits and is permitted to be distributed to shareholders as part of dividend.

Share Premium : Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by the Companies Act, 2013.

Capital Redemption reserve : Capital redemption reserve is created on redemption of preference share capital during the financial years 2011-12 and 2012-13.

Debenture redemption reserve : Debenture redemption reserve represents amounts set aside by the Company for future redemption of debentures.

General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Capital Reserve : Capital reserve and is created on account of consolidation.

Foreign Currency Monetary Item Translation Difference Account (FCMITDA) : Reserve recognised on account of translation of long term foreign currency denominated borrowings related to non - depreciable Property, Plant & Equipment. Amounts recognised as part of such reserve is recognised in the statement of profit or loss over remaining maturity of related borrowing.

Equity instruments through OCI : The Corporation has choosen to recognise the changes in the value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through OCI reserve.

Foreign Currency translation Reserve : is created on account of translation of financial statements of foreign operations of PPIPL.

FOR AND ON BEHALF OF THE BOARD

Sd/-
MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

Sd/-
J RAMASWAMY
Director - Finance
DIN - 06627920

Sd/-
SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Sd/-
Rajen Ashar
Partner
Membership No. 048243

Consolidated Cash Flow Statement for the year ended 31st March, 2017

₹ / Crores

		FY 2016-17	FY 2015-16
A.	**Cash Flow From Operating Activities**		
	Net Profit/(Loss) before Tax & Extraordinary Items	11,197.42	6,735.10
	Adjustments to reconcile profit before tax to net cash used in operating activities:		
	Depreciation / impairment of property, plant and equipment	2,776.37	2,846.09
	(Gain)/loss on sale of property, plant and equipment	6.54	19.45
	Remeasurement of Defined benefit plans Gain / (Loss)	(15.49)	(3.63)
	Amortisation of Foreign Currency Monetary Item Translation Difference	354.38	248.82
	Amortisation of Capital Grant	(0.89)	(0.89)
	Amortisation of Lease premium	1.50	1.50
	Spares Written off	12.14	0.41
	Fair value gain on Current Investments carried at FVTPL	(221.77)	(16.49)
	(Profit)/Loss on Sale of Current Investment	(32.36)	35.86
	Finance Costs	567.40	677.91
	Unrealised exchange Rate difference	(195.83)	241.85
	Provision for Doubtful Debts & Receivables	1.94	15.51
	Bad Debts written off	5.26	9.62
	Interest Income	(374.80)	(383.19)
	Share of Profit from Petroleum India International	(0.94)	(0.77)
	Dividend Received	(27.64)	(37.08)
	Share of Profit from Associates or Joint Ventures	(2,318.98)	(942.27)
	Operating Profit before Changes in Assets and Liabilities {Sub Total - (i)}	**11,734.25**	**9,447.80**
	(Increase) / Decrease in Assets and Liabilities :		
	Trade Receivables	(317.12)	(580.45)
	Loans and Advances and Other Assets	375.79	(91.30)
	Inventories	(5,286.48)	159.68
	Liabilities and Other Payables	5,886.59	(1,069.59)
	Sub Total - (ii)	**658.78**	**(1,581.66)**
	Cash Generated from Operations (i) + (ii)	**12,393.03**	**7,866.14**
	Less : Direct Taxes / FBT refund / (paid) - Net	2,180.27	1,214.69
	Net Cash from Operating Activities (A)	**10,212.76**	**6,651.45**
B.	**Cash Flow From Investing Activities**		
	Purchase of Property, Plant & Equipment (including CWIP / excluding interest capitalised)	(5,907.00)	(4,840.12)
	Sale of Property, Plant & Equipment	52.81	15.86
	Purchase of Investments (Including share application money pending allotment/Advance towards Equity)	(42.12)	(280.04)
	Sale Proceeds of Oil bonds	136.84	352.42
	Capital refunded from PII	-	4.95
	Interest received	374.96	387.61
	Dividend received from Associate or Joint Venture companies	52.72	50.37
	Dividend received - Others	27.64	37.08
	Net Cash Flow generated from / (used in) investing activities (B)	**(5,304.15)**	**(4,271.87)**

Consolidated Cash Flow Statement for the year ended 31st March, 2017

₹ / Crores

		FY 2016-17	FY 2015-16
C.	**Cash Flow From Financing Activities**		
	Long term Loans raised	-	4,988.29
	Long term Loans repaid	(7,053.83)	(6,609.92)
	Short Term Loans raised / (repaid) during the year	7,579.92	381.24
	Capital Grant Received	2.17	13.28
	Finance Cost paid	(548.00)	(698.02)
	Dividend paid (including dividend distribution tax)	(4,177.14)	(1,749.18)
	Net Cash Flow generated from / (used in) Financing Activities (C)	**(4,196.88)**	**(3,674.31)**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**711.73**	**(1,294.73)**
	Cash and cash equivalents at the beginning of the year	(2,363.96)	(1,069.23)
	Cash and cash equivalents at the end of the year	**(1,652.23)**	**(2,363.96)**
		31.03.2017	**31.03.2016**
	Details of cash and cash equivalents as on the end of the year:		
	Cash / cheques on hand	7.70	7.79
	Balances with scheduled banks		
	On current accounts	5.85	14.53
	Others	0.01	0.01
	Balances with other banks	97.91	115.92
	Less :Cash Credit	(1,763.70)	(2,502.21)
	Cash and cash equivalents as on the end of the year	**(1,652.23)**	**(2,363.96)**

FOR AND ON BEHALF OF THE BOARD

Sd/-
MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

Sd/-
J RAMASWAMY
Director - Finance
DIN - 06627920

Sd/-
SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

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FRN - 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Sd/-
Rajen Ashar
Partner
Membership No. 048243

Notes to the Consolidated Financial Statements for the year ended 31st March 2017

CORPORATE OVERVIEW

Hindustan Petroleum Corporation Limited referred to as "HPCL" or "the Corporation" was incorporated on 5th July, 1952. HPCL is a Government of India Enterprise listed on the Bombay Stock exchange Limited and National Stock Exchange of India Limited. The Group (Comprising the Corporation, its subsidiaries, Joint venture entities and associates) is mainly engaged, primarily in the business of refining of crude oil and marketing of petroleum products, production of hydrocarbons as well as providing services for management of E&P Blocks.

Authorization of financial statements

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 26th May 2017.

1. BASIS OF PREPARATION

1.1 The Consolidated Financial Statements (CFS) relates to parent company, Hindustan Petroleum Corporation Limited (HPCL), its subsidiary companies, associates and its interest in Joint Ventures, in the form of jointly controlled entities (collectively referred to as the "Group").

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant Provisions of Companies Act, 2013 and Rules thereunder.

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

The Group's presentation currency is INR, which is also the functional currency of the Corporation. All values are rounded to the nearest crores (₹ Crores), except where otherwise indicated.

Use of judgements, estimates & assumptions

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

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Assessment of functional currency;
- Financial instruments;
- Useful lives of property, plant and equipment and intangible assets;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Assets and obligations relating to employee benefits;
- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies.

In particular these CFS are prepared in accordance with Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS-110), "Joint Arrangements" (Ind AS-111) and "Investments in Associates and Joint Ventures" (Ind AS – 28) notified under Companies (Indian Accounting Standards) Rules, 2015.

1.2 Principles of Consolidation

The CFS are prepared, as far as possible, using uniform significant accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as HPCL's separate financial statements.

The Financial Statements of HPCL and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, the intra group balance and intra group transactions and unrealised profits or losses resulting from intra group transactions are fully eliminated.

The financial statements of Joint Ventures and associates have been consolidated using equity method whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income after eliminating unrealized profits or losses.

Figures pertaining to the Subsidiary Companies/Joint Ventures/ Associates have been reclassified, wherever necessary, to conform to the parent company, HPCL's Financial Statements.

1.3 Companies included in Consolidation

The CFS comprise the Audited Financial Statements (except as mentioned otherwise) of HPCL, its Subsidiaries, Joint ventures and Associates for the year ended 31st March 2017, which are as under;

Name of the Company	Country of Incorporation	HPCL's Ownership Interest		
		31.03.2017	**31.03.2016**	**01.04.2015**
(i) Subsidiaries (refer note No 1.3.1)				
HPCL Biofuels Ltd. (HBL)	India	**100.00%**	100.00%	100.00%
Prize Petroleum Company Ltd. (PPCL) (refer note no 1.3.2)	India	**100.00%**	100.00%	100.00%
(ii) Joint Ventures				
HPCL Rajasthan Refinery Ltd. (HRRL)	India	**74.00%**	74.00%	74.00%
CREDA - HPCL Biofuels Ltd. (CHBL)	India	**74.00%**	74.00%	74.00%
HPCL - Mittal Energy Ltd. (HMEL) (refer note no 1.3.2)	India	**48.99%**	48.99%	48.94%
Hindustan Colas Pvt. Ltd. (HINCOL)	India	**50.00%**	50.00%	50.00%
South Asia LPG Co. Pvt. Ltd. (SALPG)	India	**50.00%**	50.00%	50.00%
Bhagyanagar Gas Ltd. (BGL) (refer note no. 1.3.4)	India	**24.99%**	24.99%	24.99%
Godavari Gas Pvt Ltd. (GGPL) (refer note no 1.3.3)	India	**26.00%**	N.A.	N.A.
Petronet India Ltd. (PIL)	India	**16.00%**	16.00%	16.00%
Petronet MHB Ltd. (PMHBL)	India	**32.72%**	28.77%	28.77%
Aavantika Gas Ltd. (AGL)	India	**49.97%**	49.97%	49.97%
HPCL Shapoorji Energy Pvt Ltd. (HSEL)	India	**50.00%**	50.00%	50.00%
Mumbai Aviation Fuel Farm Facility Pvt. Ltd. (MAFFFL)	India	**25.00%**	25.00%	25.00%
(iii) Associates				
Mangalore Refinery and Petrochemicals Ltd. (MRPL) (refer note no 1.3.2)	India	**16.96%**	16.96%	16.96%
GSPL India Gasnet Ltd. (GIGL)	India	**11.00%**	11.00%	11.00%
GSPL India Transco Ltd. (GITL)	India	**11.00%**	11.00%	11.00%

1.3.1 The company has two subsidiaries: Prize Petroleum Company Ltd. is engaged in the business of exploration and production of hydrocarbons as well as providing services for management of E&P Blocks. HPCL Biofuels Ltd is engaged in the business of manufacturing sugar and ethanol from crushing of sugarcane and generation of power from the bagasse generated in the process.

1.3.2 Consolidated Financial Statements have been considered for consolidation of the following:

a) Mangalore Refinery and Petrochemical Limited has one subsidiary namely ONGC Mangalore Petrochemicals limited (MRPL is holding 51%) and two joint ventures namely Shell MRPL Aviation Fuels & Services Limited (MRPL is holding 50%) and Mangalam Retail Services Limited (MRPL is holding 49.98%).

b) Prize Petroleum Company Limited has wholly owned subsidiary namely Prize Petroleum International PTE Limited.

c) HPCL – Mittal Energy Limited has a 100% subsidiary namely HPCL – Mittal Pipelines Limited.

1.3.3 Unaudited Financial statements have been considered.

1.3.4 As of 31st March 2014, paid up equity capital of BGL was ₹ 5 lacs, in which HPCL and GAIL were holding 24.99% each. Balance 50.02% of shares were held by Kakinada Seaports Ltd (KSPL) on warehousing basis. In addition, each one of HPCL and GAIL had paid ₹ 22.49 crores as Advance against Equity / Share application money (totaling to ₹ 44.98 crores) in earlier years. On 20th August 2014, BGL allotted 2,24,87,500 shares on preferential basis to each of HPCL and GAIL towards the money paid earlier. Meanwhile there are certain issues pending adjudication with another shareholder. Accordingly, keeping in view financial prudence, HPCL's share has been considered at 24.99% (considered as 24.99% in F.Y. 2015-16 & 2014-15).

2. Significant Accounting Policies

2.1. Property, Plant and Equipment

2.1.1. Freehold lands are carried at cost. All other items of Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

2.1.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes); any costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; initial estimated present value of any of any contractual decommissioning obligation; and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

2.1.3. Technical know-how /licence fee relating to plants/ facilities are capitalized as part of cost of the underlying asset.

2.1.4. Expenditure during construction period: Direct expenses incurred during construction period on capital projects are capitalised.

2.1.5. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

2.1.6. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.

2.1.7. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal; or when the Property, Plant Equipment has been re-classified as ready for disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

2.1.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes are accounted for as a change in accounting estimates on a prospective basis.

2.1.9. The Group has chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.2. Depreciation / amortization

2.2.1. Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II except for the following which are based on internal technical assessment:

Plant and Machinery relating to Retail Outlets (other than Storage tanks and related equipment)	15 years
Cavern Structure	60 years
LPG cylinders & regulators	15 years

2.2.2. The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components is assessed by considering historical experience, internal technical inputs and any other relevant factor.

2.2.3. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.

2.2.4. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

2.2.5. Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

2.3. Intangible assets

2.3.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

2.3.2. Assets where entire output generated is committed to be sold to a public sector entity (including Government body) for almost entire useful life of the asset are classified as intangible assets as per the requirements of Ind AS and are amortised (after retaining the residual value, if applicable) over their useful life.

2.3.3. In cases where, the Group has constructed assets and the Group has only a preferential right to use, these assets are classified as intangible assets and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

2.3.4. The useful lives of intangible assets are assessed as either finite or indefinite.

2.3.5. Intangible assets with finite lives are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the statement of Profit & Loss.

2.3.6. Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

2.3.7. Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets.

2.3.8. Estimated lives of intangible assets (acquired) are as follows:

- Software – 2 to 4 years
- Technical know-how/license fees – 2 to 10 years
- Right to use – wind mills – 22 years

2.3.9. The Group has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.4. Borrowing Cost

2.4.1. Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange rate variation to the extent regarded as an adjustment to interest cost.

2.4.2. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for intended use. All other borrowing costs are expensed in the period in which they are incurred.

2.5. Non-currents assets held for sale

2.5.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

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

2.5.3. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

2.6. Lease

2.6.1. Finance Lease

Lease arrangements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Leases arrangements in respect of land for lease period above threshold limit are classified as a finance lease

2.6.2. Operating Lease

Lease arrangements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received / lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

2.7. Impairment of Non-Financial Assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of assets of cash generating unit (CGU) exceeds their recoverable amount.

2.8. Inventories

2.8.1. Valuation of inventories of different categories is as under: -

a) Crude oil is valued at cost on First in First Out (FIFO) basis or at net realisable value, whichever is lower. Crude oil is not written down below cost except in cases where their prices have declined subsequently and it is estimated that the cost of the finished goods will exceed their net realisable value.

b) Raw materials for lubricants are valued at weighted average cost or at net realisable value, whichever is lower.

c) Stock-in process is valued at raw material cost plus cost of conversion or at net realisable value, whichever is lower.

d) Finished products other than Lubricants are valued at cost (on FIFO basis month-wise) or at net realisable value, whichever is lower.

e) Finished products (lubricants) are valued at weighted average cost or at net realisable value, whichever is lower.

f) Empty packages are valued at weighted average cost.

g) Stores and spares which do not meet the recognition criteria under Property, Plant and Equipment are valued at weighted average cost. Surplus, obsolete and slow moving stores and spares, if any, are valued at cost of net realizable value whichever is lower. Surplus items, when transferred from completed projects are valued at cost / estimated value, pending periodic assessment / ascertainment of condition. Stores and Spares in transit are valued at cost.

2.8.2. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

2.8.3. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on applicable duty.

2.8.4. The net realisable value of finished goods and stock in trade are final selling prices for sales to oil marketing companies and depot prices applicable to the locations. For the purpose of stock valuation, the proportion of sales of oil marketing companies and consumer sales are determined on location wise and product wise sales of subsequent period.

2.9. Revenue recognition

2.9.1. Sale of goods

Revenue from the sale of goods is recognised when the:

a) significant risks and rewards of ownership of the goods are passed to the buyer,

b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,

c) revenue can be measured reliably,

d) it is probable that economic benefits associated with the transaction will flow to the Group, and

e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, taxes or duties collected on behalf of the government and applicable trade discounts or rebates.

Revenue is allocated between loyalty programs and other components of the sale. The amount allocated to the loyalty program is deferred, and is recognised as revenue when the Group has fulfilled its obligation to supply the products under the terms of the program or when it is no longer probable that the points under the program will be redeemed. Where the Group acts as an agent on behalf of a third party, the associated income is recognised on a net basis.

Claims, including subsidy on LPG and SKO, from Government of India are booked on in principle acceptance thereof on the basis of available instructions / clarifications, subject to final adjustments as stipulated.

2.9.2. Interest income is recognised taking into account the amount outstanding and the applicable effective interest rate.

2.9.3. Dividend is recognised when right to receive the payment is established.

2.10. Accounting/ classification of expenditure and income

2.10.1. Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively.

2.10.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

2.10.3. Insurance claims are accounted on acceptance basis.

2.10.4. All other claims/entitlements are accounted on the merits of each case.

2.10.5. Raw materials consumed are net of discount towards sharing of under-recoveries.

2.11. Employee benefits

2.11.1. Short-term employee benefit

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

2.11.2. Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plans are expensed in the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

Defined Benefit Plans:

Post-employment benefits

Liability towards defined employee benefits (gratuity, pension, post – retirement medical benefits, ex-gratia and resettlement allowance) are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.

Re-measurements of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income.

Other long-term employee benefits

Liability towards other long term employee benefits (leave encashment, long service awards, provident fund contribution to trust and death benefits) are determined on actuarial valuation by independent actuaries using Projected Unit Credit method.

Re-measurements gains and losses are recognized in the Statement of Profit and Loss in the period in which they arise.

2.11.3. Termination benefits

Expenditure on account of Voluntary Retirement Schemes are charged to Statement of Profit & Loss, as and when incurred.

2.12. Foreign currency transactions

2.12.1. Monetary items:

Transactions in foreign currencies are initially recorded at the respective exchange rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognised in Statement of Profit and Loss either as 'Exchange Rate Variation' or as 'finance costs' (to the extent regarded as an adjustment to borrowing costs), as the case maybe.

In case of long term foreign currency monetary items outstanding as of 31st March 2016, foreign exchange differences arising on settlement or translation of long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in case of other long term foreign currency monetary items, if any, accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance period of the asset / liability.

2.12.2. Non – Monetary items:

Non-monetary items, other than those measured at fair value, denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

2.13. Investment in Subsidiary, associates and joint ventures

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each reporting date.

The Group has chosen the carrying value of the investment in Subsidiaries, associates and joint ventures existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.14. Government Grants

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

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

2.14.3. When the grant relates to property, plant and equipment, the cost of property, plant and equipment is shown at gross value and grant thereon is treated as liability (deferred income) and are credited to statement of profit and loss on a systematic basis over the useful life of the asset.

2.15. Exploration & production expenditure

"Successful Efforts Method" of accounting is followed for Oil & Gas exploration and production activities as stated below:

2.15.1. Cost of surveys, studies, carrying and retaining undeveloped properties are expensed out in the year of incurrence.

2.15.2. Cost of acquisition, drilling and development are treated as Capital Work-in-Progress when incurred and are capitalised when the well is ready to commence commercial production.

2.15.3. Accumulated costs on exploratory wells in progress are expensed out in the year in which they are determined to be dry.

2.15.4. The proportionate share in the assets, liabilities, income and expenditure of joint operations are accounted as per the participating interest in such joint operations.

2.16. Provisions and contingent liabilities

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

2.16.2. If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

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

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

2.16.6. Contingent Liabilities are considered only when show-cause notice is converted into demand.

2.17. Fair value measurement

2.17.1. Fair value is the price that would be received/ paid to sell an asset or to transfer a liability, as the case may be, in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability also reflects its non-performance risk.

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

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

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

Financial Instruments

2.18. Financial Assets

2.18.1. Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

2.18.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Group classifies financial assets (other than equity instruments) as under;

(a) subsequently measured at amortised cost;

(b) fair value through other comprehensive income; or

(c) fair value through profit or loss

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is

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

After initial recognition, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method and such amortization is recognised in the Statement of Profit and Loss.

Debt instruments at Fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for measurement of debt instruments.

After initial measurement, any fair value changes including any interest income, impairment loss and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity investments

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

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

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

2.18.3. Impairment of financial assets

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

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date.

2.19. Financial Liabilities

2.19.1. Initial recognition and measurement

All financial liabilities (not measured subsequently at fair value through profit or loss) are recognised initially at fair value net of transaction costs that are directly attributable to the respective financial liabilities.

2.19.2. Subsequent measurement

The Group classifies all financial liabilities as subsequently measured at amortised cost by using the Effective Interest Rate Method ("EIR") and such amortisation is recognised in the Statement of Profit and Loss.

2.20. Financial guarantees

Financial guarantee contracts are recognised initially at fair value. Subsequently on each reporting date, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

2.21. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at each measurement date at fair value with the fair value changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.22. Offsetting of financial instruments

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

2.23. Taxes on Income

2.23.1. Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

2.23.2. Deferred tax liability/asset on account of temporary difference is recognised using tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date.

2.23.3. Deferred tax assets are recognised and carried forward for all deductible temporary differences only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary difference can be utilized.

2.23.4. The carrying amount of deferred tax assets/Liabilities is reviewed at each Balance Sheet date.

2.23.5. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, is considered as an asset when it is probable that the future economic benefits associated with it, will flow to the Group.

2.24. Earnings per share

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

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

2.25. Cash and Cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.26. Cash Flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated. For the purpose of the Statement of Cash Flows, cash and cash equivalent consist of cash, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.27. Business combination

The acquisition method of accounting is used to account for business combination by the Group. In this method, acquiree's identifiable assets, liabilities and contingent liabilities that meet condition for recognition are recognized at their fair values at the acquisition date. Non-controlling interest is measured at proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired. The transaction costs incurred in connection with business combination are recognised in the consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

Notes to the Consolidated Financial Statements as on 31st March 2017

Note 3: Property, Plant and Equipments

The following are the carrying values of Property, Plant & Equipment: ₹ / Crores

Particulars	Land -Freehold	Leasehold Property - Land	Buildings	Plant & Equipment	Furniture & Fixtures	Transport Equipment	Office Equipment	Roads and Culverts	Railway Siding & Rolling Stock	E&P Producing Properties	Total
Gross Block											
As on 01.04.2015	**692.25**	**29.76**	**3,688.06**	**21,413.13**	**93.36**	**50.19**	**897.38**	**1,800.49**	**201.39**	**417.43**	**29,283.44**
Additions/ Reclassifications	20.52	1.61	739.21	6,079.07	30.86	11.62	632.70	287.77	64.81	132.47	8,000.64
Deductions/ Reclassifications	17.51	-	20.26	739.32	8.50	0.20	64.17	10.52	0.10	(24.06)	836.52
As on 31.03.2016	**695.26**	**31.37**	**4,407.01**	**26,752.88**	**115.72**	**61.61**	**1,465.91**	**2,077.74**	**266.10**	**573.96**	**36,447.56**
Additions/ Reclassifications	48.15	12.71	526.77	4,220.50	54.62	19.09	447.53	227.55	18.75	2.61	5,578.28
Deductions/ Reclassifications	12.20	0.57	3.62	141.27	2.85	1.00	12.25	0.16	0.02	11.98	185.92
As on 31.03.2017	**731.21**	**43.51**	**4,930.16**	**30,832.11**	**167.49**	**79.70**	**1,901.19**	**2,305.13**	**284.83**	**564.59**	**41,839.92**
											-
Depreciation/ Amortisation											-
As on 01.04.2015	-	-	-	-	-	-	-	-	-	-	-
For the year 2015-16	-	0.02	124.59	1,766.77	18.09	12.65	349.69	336.72	21.14	165.49	2,795.16
Deductions/ Reclassifications	-	-	0.07	2.55	0.09	0.01	0.16	0.11	0.01	(0.57)	2.43
As on 31.03.2016	-	**0.02**	**124.52**	**1,764.22**	**18.00**	**12.64**	**349.53**	**336.61**	**21.13**	**166.06**	**2,792.73**
For the year 2016-17	-	0.04	140.44	1,717.96	19.89	11.97	295.16	324.17	22.13	212.15	2,743.91
Deductions/ Reclassifications	-	-	1.57	117.80	0.93	0.83	8.21	0.12	0.02	5.80	135.28
As on 31.03.2017	-	**0.06**	**263.39**	**3,364.38**	**36.96**	**23.78**	**636.48**	**660.66**	**43.24**	**372.41**	**5,401.36**
Net Block as on 01.04.15	**692.25**	**29.76**	**3,688.06**	**21,413.13**	**93.36**	**50.19**	**897.38**	**1,800.49**	**201.39**	**417.43**	**29,283.44**
Net Block as on 31.03.16	**695.26**	**31.35**	**4,282.49**	**24,988.66**	**97.72**	**48.97**	**1,116.38**	**1,741.13**	**244.97**	**407.90**	**33,654.83**
Net Block as on 31.03.17	**731.21**	**43.45**	**4,666.77**	**27,467.73**	**130.53**	**55.92**	**1,264.71**	**1,644.47**	**241.59**	**192.18**	**36,438.56**

1. Includes assets costing ₹0.007 crores /- (2015-2016 :₹0.007 crores; 2014-15 : ₹0.007 crores) of erstwhile Kosan Gas Company not handed over to the Corporation. In case of these assets, Kosan Gas Company was to give up their claim. However, in view of the tenancy right sought by third party, the matter is under litigation.

2. Includes ₹ 464.72 Crores (2015-2016: ₹ 477.90 Crores ; 2014-15 : ₹ 153.60 crores) towards Building, Other Machinery, Pipelines, Railway Sidings, Right of Way etc. being the Corporation's Share of Cost of Land & Other Assets jointly owned with other Companies.

3. Includes ₹ 35.28 Crores (2015-2016 : ₹ 35.28 Crores ; 2014-15: ₹ 35.99 crores) towards Roads & Culverts, Transformers & Transmission lines, Railway Sidings & Rolling Stock, ownership of which does not vest with the Corporation. The Corporation is having operational control over such assets. These assets are amortized at the rate of depreciation specified in Schedule II of Companies Act, 2013.

4. a) Includes following assets which are used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against which financial assistance is being provided by OIDB.

Description	Orignal Cost (₹ / Crores)		
	31.03.2017	**31.03.2016**	**01.04.2015**
Roads & culverts	0.13	0.13	0.13
Buildings	1.62	1.62	1.62
Plant & Equipment	2.55	2.65	2.79
Total	**4.30**	**4.40**	**4.54**

Notes to the Consolidated Financial Statements as on 31st March 2017

b) Includes assets held under PAHAL (DBTL) scheme against which financial assistance is being provided by MOP&NG.

Description	Orignal Cost (₹ / Crores)		
	31.03.2017	31.03.2016	01.04.2015
Computer Software	6.93	3.31	NIL
Computers/ End use devices	4.45	5.85	NIL
Office Equipment	0.01	0.01	NIL
Automation, Servers & Networks	1.55	-	NIL
Total	**12.94**	**9.17**	**NIL**

5. Deduction/ reclassification includes assets ₹ 3.96 crores as on 31.03.17 (31.03.16 : ₹ 5.32 crores ; 01.04.15 ₹ 2.00 crores) for which management has given consent for disposal & hence classified as Assets held for sale.

6. Leasehold Land includes ₹27.57 Crores (2015-16: ₹ 26.87 Crores 2014-15 : ₹ 25.25 crores) for land acquired on lease-cum-sale basis from Karnataka Industrial Area Development Board (KIADB) which is capitalized without being amortised over the period of lease. Lease shall be converted into Sale on fulfillment of certain terms and conditions, as per allotment letter.

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
4: Capital Work-in-Progress				
Unallocated Capital Expenditure and Materials at Site		1,597.58	1,602.43	2,693.42
Capital Stores lying with Contractors		6.25	9.00	304.92
Capital goods in transit		24.95	4.63	1.22
	A	**1,628.78**	**1,616.06**	**2,999.56**
Construction period expenses pending apportionment (Net of recovery)				
Opening balance		236.71	473.42	704.66
Add: Expenditure during the year				
Establishment charges including Salaries & Wages		79.73	81.29	107.05
Interest		68.16	109.92	266.12
Loss / (gain) on foreign currency transactions and translations		(193.78)	576.61	347.38
Others		0.03	0.33	9.60
		190.85	**1,241.57**	**1,434.81**
Less: Allocated to assets capitalised during the year / charged off		25.09	1,004.86	961.38
Closing balance pending allocation	B	**165.76**	**236.71**	**473.43**
	A + B	**1,794.54**	**1,852.77**	**3,472.99**

Note 5: Intangible Assets

The following are the carrying values of Other Intangible assets : ₹ / Crores

Particulars	Right of Way	Technical / Process Licenses	Software	Wind Energy Equipments	Total
Gross Block					
As on 01.04.2015	**147.22**	**42.44**	**21.47**	**176.06**	**387.19**
Additions/ Reclassifications	11.08	27.04	15.14	12.50	65.76
Deductions/ Reclassifications	-	9.70	-	-	9.70
As on 31.03.2016	**158.30**	**59.78**	**36.61**	**188.56**	**443.25**
Additions/ Reclassifications	12.55	1.92	23.40	-	37.87
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2017	**170.85**	**61.70**	**60.01**	**188.56**	**481.12**
Depreciation/ Amortisation					-
As on 01.04.2015	**-**	**-**	**-**	**-**	**-**
For the year 2015-16	-	6.92	11.53	10.00	28.45
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2016	**-**	**6.92**	**11.53**	**10.00**	**28.45**
For the year 2016-17	-	9.29	12.04	10.33	31.66
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2017	**-**	**16.21**	**23.57**	**20.33**	**60.11**
Net Block as on 01.04.15	**147.22**	**42.44**	**21.47**	**176.06**	**387.19**
Net Block as on 31.03.16	**158.30**	**52.86**	**25.08**	**178.56**	**414.80**
Net Block as on 31.03.17	**170.85**	**45.49**	**36.44**	**168.23**	**421.01**

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
5a: Intangible Assets Under Development *			
ONGC onshore marginal fields	1.36	1.36	1.36
Discovered Field (Permit T/18P)	18.48	18.88	17.81
Yolla Field (License: T/L 1)	53.11	41.44	69.19
	72.95	**61.68**	**88.36**
* Pertains to wholly owned subsidiary prize Petroleum Company Ltd. (PPCL)			
6: Investments in Joint Ventures and Associates			
Investments in Equity Instruments			
Associates			
Quoted			
Mangalore Refinery and Petrochemicals Ltd.			
29,71,53,518 (31.03.2016 : 29,71,53,518 ; 01.04.2015 : 29,71,53,518) Equity Shares of ₹ 10 each fully paid up	1,606.25	1,019.92	883.38
Un - Quoted			
GSPL India Transco Ltd			
2,25,50,000 (31.03.2015 : 1,81,50,000 ; 01.04.2015 : 1,54,00,000) Equity Shares of ₹ 10 each fully paid up	23.15	18.65	15.81
GSPL India Gasnet Ltd			
3,04,72,128 (31.03.2016 : 2,33,22,128 ; 01.04.2015 : 2,05,72,128) Equity Shares of ₹ 10 each fully paid up	31.09	23.82	20.95

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
Joint Ventures			
Un - Quoted			
HPCL-Mittal Energy Ltd.			
3,93,95,55,200 (31.03.2016 : 3,93,95,55,200 ; 01.04.2015 : 3,69,07,35,200) Equity Shares of ₹ 10 each fully paid up	3,681.42	2,109.59	1,172.66
Hindustan Colas Pvt. Ltd.			
47,25,000 (31.03.2016 : 47,25,000 ; 01.04.2015 : 47,25,000) Equity Shares of ₹ 10 each fully paid-up	131.18	105.10	95.15
CREDA HPCL Biofuel Ltd.			
1,60,99,803 (31.03.2016 : 1,60,99,803 ; 01.04.2015 : 1,60,99,803) Equity Shares of ₹ 10 each fully paid up	0.01	2.79	8.09
HPCL Rajasthan Refinery Ltd (refer note 6.1)			
37,000 (31.03.2016 : 37,000 ; 01.04.2015 : 37,000) Equity Shares of ₹ 10 each fully paid-up	72.50	72.51	72.51
Petronet India Ltd.			
1,60,00,000 (31.03.2016 : 1,59,99,999 ; 01.04.2015 : 1,59,99,999) Equity Shares of ₹ 10 each fully paid up	16.91	11.84	16.00
Less:- Provision for Impairment	-	-	(16.00)
Petronet MHB Ltd.			
17,95,11,020 (31.03.2016 : 15,78,41,000 ; 01.04.2015 : 15,78,41,000) Equity Shares of ₹ 10 each fully paid up	217.55	166.75	148.48
South Asia LPG Co. Pvt. Ltd.			
5,00,00,000 (31.03.2016 : 5,00,00,000 ; 01.04.2015 : 5,00,00,000) Equity Shares of ₹ 10 each fully paid up	155.89	134.91	120.41
Bhagyanagar Gas Ltd.			
2,25,00,000 (31.03.2016 : 2,24,99,997 ;01.04.2015 : 2,24,99,997) Equity Shares of ₹ 10 each fully paid up	32.71	29.44	28.25
Aavantika Gas Ltd			
2,25,00,000 (31.03.2016 : 2,24,99,998 ; 01.04.2015 : 2,24,99,998) Equity Shares of ₹ 10 each fully paid up	45.39	35.85	27.36
HPCL Shapoorji Energy Pvt. Ltd.			
1,30,00,000 (31.03.2016 : 1,15,00,000 ; 01.04.2015 : 50,00,000) Equity Shares of ₹ 10 each fully paid up	12.51	11.17	4.94
Godavari Gas Pvt Ltd.			
26,00,000 Equity Shares of ₹ 10 each fully paid up	2.37	-	-
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.			
3,82,71,250 (31.03.2016 : 3,82,71,250 ; 01.04.2015 : 45,02,500) Equity Shares of ₹ 10 each fully paid up	40.82	31.39	-
	6,069.75	**3,773.73**	**2,597.99**

6.1 : Includes amount of ₹ 73.96 Crores (31.03.2016 : ₹ 73.96 crores, 01.04.2015 : ₹ 73.96 Crores) towards subscribed, but not paid shares of HPCL Rajasthan Refinery Limited being part of MOA / AOA for which liability is created under Section 10 (2) of the Companies Act, 2013.

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
Disclosure towards Cost / Market Value				
a	Aggregate amount of Quoted Investments (Market Value)	3,169.14	1,992.41	1,995.39
b	Aggregate amount of Quoted Investments (Cost)	471.68	471.68	471.68
c	Aggregate amount of Unquoted Investments (Cost)	4,436.21	4,394.46	4,099.88

Notes to the Consolidated Financial Statements as on 31st March 2017

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
7:	**Other Investments**			
	Investment in equity instruments carried at fair value through other comprehensive income			
	Quoted			
	Oil India Ltd. (refer note 7.1)			
	1,78,33,700 (31.03.2016 : 1,33,75,275 ; 01.04.2015 : 1,33,75,275) Equity Shares of ₹ 10 each fully paid up	594.84	419.25	606.77
	Scooters India Ltd.(refer note 7.1)			
	10,000 (31.03.2016 : 10,000 ; 01.04.2015 : 10,000) Equity Shares of ₹ 10 each fully paid up	0.04	0.03	0.03
	Investment in equity instruments designated at fair value through Profit and Loss Account			
	Un - Quoted			
	Shushrusha Citizen Co-operative Hospital Limited			
	100 (31.03.2016 : 100 ; 01.04.2015 : 100) Equity Shares of ₹ 100/- each fully paid	0.00	0.00	0.00
	Total Investments in Equity Instruments	**594.88**	**419.28**	**606.80**
	Investment in Government securities carried at amortized cost			
	Government Securities of the face value of ₹ 0.02 Crores			
	- Deposited with Others	0.02	0.02	0.02
	- On hand - ₹ 0.25 lakhs	0.00	0.00	0.00
	Government Securities of the face value of ₹ 0.24 lakhs			
	- Deposited with Others - ₹ 0.10 lakhs	0.00	0.00	0.00
	- On hand - ₹ 0.14 lakhs	0.00	0.00	0.00
	Less: Impairment	0.00	0.00	0.00
	Total Investments in Government Securities	**0.02**	**0.02**	**0.02**
	Investment in Debentures or bonds carried at amortized cost			
	East India Clinic Ltd.			
	- 1/2% Debenture of face value of - ₹ 0.15 lakhs	0.00	0.00	0.00
	- 5% Debenture of face value of - ₹ 0.07 lakhs	0.00	0.00	0.00
	Total Investments in Debentures or Bonds	**0.00**	**0.00**	**0.00**
	Other investments carried at fair value thru Profit and Loss Account			
	Structured Entities			
	Un - Quoted			
	Petroleum India International (Association of Persons) contribution towards Seed Capital (refer note 7.2)	0.05	0.05	5.00
	Total Investments in Structured Entities	**0.05**	**0.05**	**5.00**
		594.95	**419.35**	**611.82**

7.1 : The Company has designated these investment at fair value through other comprehensive income because these investments represent the investments that the Company intends to hold for long-term strategic purposes. No strategic investments were disposed of during the year. There have been no transfers of the cumulative gains or losses on these investments

7.2 : Members in Petroleum India International (AOP) : Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd., Engineers India Ltd., Indian Oil Corporation Ltd., Indian Petrochemicals Corporation Ltd., Chennai Petroleum Corporation Ltd. and Oil India Ltd. Each one is holding 10% share except Indian Oil Corporation which is holding 30% and Bharat Petroleum Corporation Ltd. which is holding 20%.

Notes to the Consolidated Financial Statements as on 31st March 2017

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
Disclosure towards Cost / Market Value				
a	Aggregate amount of Quoted Investments - Market Value	594.88	419.28	606.80
b	Aggregate amount of Quoted Investments - Cost	561.77	561.77	561.77
c	Aggregate amount of Unquoted Investments - Cost	0.07	0.07	5.02
d	Aggregate amount of impairment in value of investments.	0.00	0.00	0.00

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
8:	**Loans**			
	Secured, considered good			
	Employee loans and advances & Interest thereon	283.58	290.57	280.17
	Unsecured, considered good			
	Deposits	90.02	83.26	73.73
	Loans to related parties	-	75.00	-
	Other Loans	33.03	32.34	38.16
		406.63	**481.17**	**392.06**
9:	**Other Financial Assets**			
	Share application money pending allotment	-	-	2.00
		-	**-**	**2.00**
10:	**Other Non-Current Assets**			
	Balances with Excise, Customs, etc.	180.62	234.77	233.81
	Deposits	42.17	30.13	8.20
	Advance tax (net of provisions)	255.68	188.34	194.65
	Capital advances	221.12	27.03	164.81
	Prepaid employee cost	129.67	126.70	130.46
	Prepaid lease rental	585.50	468.94	444.25
	Others Prepaid Expenses	23.12	10.80	1.81
		1,437.88	**1,086.71**	**1,177.99**
11:	**Inventories**			
	Raw materials (Including in transit 31.03.2017 : ₹ 1,420.99 crores; 31.03.2016 : ₹ 1,229.77 Crores, 01.04.2015 : ₹ 1,083.53 Crores)	3,312.86	2,365.36	2,320.39
	Work-in-progress	443.67	229.40	457.28
	Finished goods (Including in transit 31.03.2017 : ₹ 559.47crores ,31.03.2016 : ₹ 534.67 Crores, 01.04.2015 : ₹ 460.68 Crores)	6,032.39	6,778.26	6,565.40
	Stock-in-trade (Including in transit 31.03.2017 : ₹ 472.00 crores ,31.03.2016 : ₹ 202.81 Crores, 01.04.2015 : ₹ 149.11 Crores)	8,456.30	3,562.18	3,611.32
	Stores and spares (Including in transit 31.03.2017 : ₹ 13.90 crores; 31.03.2016 : ₹ 8.81 Crores, 01.04.2015 : ₹ 105.82 Crores)	380.43	405.96	542.61
	Less : provision for stores and spares	9.49	-	-
	Packages	13.00	13.67	17.91
		18,629.16	**13,354.83**	**13,514.91**

11.1. The write-down of inventories to net realisable value during the year amounted to ₹ 212.09 crores (31.03.2016 : ₹ 58.32 crores; 01.04.2015 : ₹ 192.77 crores). The reversal of write downs during the year amount to ₹ Nil (31.03.2016 : ₹ Nil; 01.04.2015 : ₹ Nil). The write downs and reversal are included in cost of materials consumed or changes in inventories of finished goods and work in progress.

Notes to the Consolidated Financial Statements as on 31st March 2017

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
12: Investments				
Investments carried at Fair Value Through Profit or Loss				
Quoted				
6.90% Oil Marketing Companies' GOI Special Bonds, 24,71,36,000 (31.03.2016 : 27,71,36,000 ; 01.04.2015 : 31,76,36,000) ₹ 100 each face value*		2,388.88	2,560.38	2,949.25
8.00% Oil Marketing Companies' GOI Special Bonds, 24,41,000 (31.03.2016 : 24,41,000 (01.04.2015 : 24,41,000) ₹ 100 each face value		25.13	24.43	24.51
8.20% Oil Marketing Companies' GOI Special Bonds, 1,23,49,000 (31.03.2016 : 1,23,49,000 ; 01.04.2015 : 1,23,49,000) ₹ 100 each face value		128.64	125.35	125.59
6.35% Oil Marketing Companies' GOI Special Bonds, 25,32,33,000 (31.03.2016 : 25,32,33,000 ; 01.04.2015 : 25,32,33,000) ₹ 100 each face value		2,364.43	2,277.39	2,276.81
7.59% Government of India, G - Sec Bonds, 1,85,00,000, ₹ 100 each face value (refer note 12.1)		193.87	-	-
	A	**5,100.95**	**4,987.55**	**5,376.16**
Un - Quoted				
Sai Wardha Power Ltd				
77,83,468 (31.03.2016 : 38,91,734) Equity Shares of ₹ 10 each fully paid up		7.78	3.89	-
	A+B	**5,108.73**	**4,991.44**	**5,376.16**

12.1:`6.90% Special Bonds of face value of ₹ 2,178.64 Crores and 7.59% G - Sec Bonds of face value of ₹ 90 crores are pledged with Clearing Corporation of India Limited against CBLO Loan.

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
Disclosure towards Cost / Market Value				
a	Aggregate amount of Quoted Investments - Market Value	5,100.95	4,987.55	5,376.16
b	Aggregate amount of Quoted Investments - Cost	5,343.23	5,451.59	5,856.59
c	Aggregate amount of Unquoted Investments - Cost	7.78	3.89	-
d	Aggregate amount of impairment	-	-	-

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
13: Trade Receivables			
Unsecured considered good	4,113.35	3,791.97	3,253.32
Doubtful	143.08	147.79	131.27
Less: Allowances for Bad and Doubtful Debts	21.69	15.69	35.62
Less: Impairment Provision (Expected Credit Loss Model)	143.08	147.79	131.27
	4,091.66	**3,776.28**	**3,217.70**

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
14: Cash and Cash Equivalents			
Balances with Banks:			
- on current accounts	5.85	14.53	59.31
- on non-operative current accounts	0.01	0.01	0.01
Cheques awaiting deposit	0.06	0.12	1.06
Cash on hand	7.64	7.67	7.82
Current account with Municipal Co-operative Bank Ltd.	-	-	0.00
Fixed Deposits with original maturity less than 3 months	97.91	115.92	36.56
	111.47	**138.25**	**104.76**
15: Other Bank Balances			
Earmarked balances with banks*	15.01	6.56	3.20
Fixed Deposits with 3 - 12 months maturity	9.92	9.34	6.47
Earmarked for DBTL Claim		415.11	-
Less : DBTL Buffer Liability (refer note 15.1)		415.11	-
	24.93	**15.90**	**9.67**

*Includes Earmarked for unclaimed dividend

15.1: Represents amount as of 31.03.2016 out of funds remitted by GOI in Connection with Direct Benefit Transfer of LPG Scheme and held on behalf of Government of India.

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
16: Loans			
Secured, considered good			
Employee loans and advances & Interest thereon	33.13	33.82	36.45
Unsecured, considered good			
Deposits	0.03	0.03	-
Loans to related parties	75.00	-	75.00
Other Loans	17.33	21.96	65.42
	125.49	**55.81**	**176.87**

Notes to the Consolidated Financial Statements as on 31st March 2017

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
17:	**Other Financial Assets**			
	Amounts recoverable under subsidy schemes	1,218.25	2,028.43	744.96
	Interest accrued on investments	74.39	74.54	80.25
	Derivative Assets	58.41	-	0.10
	Delayed payment charges receivable from customers	205.68	209.91	219.97
	Less : Provision for doubtful receivables	78.85	83.66	66.72
	Receivables from Govt of India towards DBTL	1,195.08	1,663.17	2,835.27
	Receivables from LIC	826.52	759.81	697.84
	Other Receivables	829.46	221.56	283.57
	Less: Provision for doubtful	11.71	5.94	3.97
		4,317.23	**4,867.82**	**4,791.27**
18:	**Other Current Assets**			
	Advance recoverable in kind for value to be received	9.65	19.97	20.45
	Balances with Excise, Customs, etc.	484.13	451.12	460.61
	Prepaid employee cost	13.67	12.95	12.20
	Prepaid lease rental	38.03	30.09	20.58
	Other Prepaid Expenses	85.51	50.66	24.99
	Gold Coins in hand	5.32	5.32	5.18
	Other Current Assets	17.14	15.52	30.37
		653.45	**585.63**	**574.38**

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
19:	**Equity Share capital**			
A.	**Authorised:**			
	75,000 (31.03.2016 : 75,000; 01.04.2015 : 75,000) Cumulative Redeemable Preference Shares of ₹ 100/- each	0.75	0.75	0.75
	2,49,92,50,000 (31.03.2016 : 34,92,50,000; 01.04.2015 : 34,92,50,000) Equity Shares of ₹ 10/- each	2,499.25	349.25	349.25
		2,500.00	**350.00**	**350.00**
B.	**Issued :**			
	1,01,65,84,500 (31.03.2016 : 33,93,30,000; 01.04.2015 : 33,93,30,000) Equity Shares of ₹ 10 each	1,016.58	339.33	339.33
C.	**Subscribed & Fully Paid up :**			
	1,015,881,750 (31.03.2016 : 33,86,27,250; 01.04.2015 : 33,86,27,250) Equity Shares of ₹ 10 each fully paid up	1,015.88	338.63	338.63
D.	**Shares Forfeited :**			
	7,02,750 (31.03.2016 : 7,02,750; 01.04.2015: 7,02,750) Shares Forfeited (money received)	0.39	0.39	0.39
		1,016.27	**339.01**	**339.01**

		31.03.2017	31.03.2016
E.	**Reconciliation of number of shares outstanding at the beginning and end of the year :**		
	Equity share :		
	Outstanding at the beginning of the year	33,86,27,250	33,86,27,250
	Equity shares allotted as fully paid bonus shares (refer note # H)	67,72,54,500	
	Outstanding at the end of the year	**101,58,81,750**	**33,86,27,250**

F. Rights and Restrictions on Equity / preference Shares

The Company has only one class of Equity Shares having a face value of ₹ 10/- per share which are issued and subscribed. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of the winding up of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders and the amount paid up thereon.

The Company also has 75,000 6% cumulative Redeemable Non-convertible Preference Shares of ₹ 100 /- each as a part of the Authorised Capital, which were issued earlier by the erstwhile ESRC. Presently the said Preference Shares stand redeemed.

G. Details of shares held by each shareholder holding more than 5% shares in the company:

Name of shareholders	31.03.2017	
	% Holding	No. of Shares
President of India	51.11	51,92,30,250
Life Insurance Corporation of India	2.17	2,20,27,765

Name of shareholders	31.03.2016	
	% Holding	No. of Shares
President of India	51.11	17,30,76,750
Life Insurance Corporation of India	2.60	88,16,223

Notes to the Consolidated Financial Statements as on 31st March 2017

Name of shareholders	01.04.2015	
	% Holding	No. of Shares
President of India	51.11	17,30,76,750
Life Insurance Corporation of India	5.18	1,75,31,442

H. During Financial Year 2016-17, the Corporation had issued Bonus Shares in the ratio of 2:1 by capitalization of Reserve. The total number of Bonus Shares issued is 67,72,54,500 equity shares having face value of ₹ 10 each.

20(a): Reserves and Surplus

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
Capital Redemption Reserve	(i)	1.56	1.56	1.56
Share Premium Account	(ii)	360.81	1,038.06	1,038.06
Debenture Redemption Reserve	(iii)	265.13	265.13	413.30
Capital Reserve	(iv)	0.52	0.44	0.44
Foreign Currency Monetary Item Translation Difference Account	(v)	(0.44)	(194.80)	(62.79)
General Reserve	(vi)	1,859.17	1,859.17	1,859.17
Surplus	(vii)	17,531.44	13,498.08	10,421.72
		20,018.19	**16,467.64**	**13,671.46**

₹ / Crores

		31.03.2017	31.03.2016
(i)	**Capital Redemption Reserve :**		
	As per last Balance Sheet	**1.56**	**1.56**
(ii)	**Share Premium Account**		
	As per last Balance Sheet	1,038.06	1,038.06
	Less:- Bonus shares issued during the year	677.25	0.00
		360.81	**1,038.06**
(iii)	**Debenture Redemption Reserve**		
	As per last Balance Sheet	265.13	413.30
	Less: Transfer to Surplus in the Statement of Profit and Loss	0.00	148.17
		265.13	**265.13**
(iv)	**Capital Reserve**		
	As per last Balance Sheet	0.44	0.44
	Add: Transfer during the year	0.08	0.00
		0.52	**0.44**
(v)	**Foreign Currency Monetary Item Translation Difference Account**		
	As per last Balance Sheet	(194.80)	(62.79)
	Add : Additions during the year	(160.02)	(380.83)
	Less : Amortised during the year	(354.38)	(248.82)
		(0.44)	**(194.80)**
(vi)	**General Reserve**		
	As per last Balance Sheet	**1859.17**	**1859.17**
		1859.17	**1859.17**

Notes to the Consolidated Financial Statements as on 31st March 2017

₹ / Crores

	31.03.2017	31.03.2016
(vii) Surplus		
As per last Balance Sheet	13,498.08	10,421.72
Add : Profit for the year	8,235.82	4,674.69
Add : Transfer from Debenture Redemption Reserve	-	148.17
Less : Profit appropriated to Interim / Proposed Dividend	3,477.70	1,456.10
Less : Profit appropriated to Tax on Distributed Profits	707.98	296.43
Add : Reversal of Provision for diminution in value of Investment on Consolidation*	-	9.65
Add: Share in Other comprehensive Income of equity accounted investees	(1.33)	0.02
Add : Restatement Gain / Loss on Defined Benefit Plans	(15.45)	(3.64)
	17,531.44	**13,498.08**
	20,018.19	**16,467.64**

*On Account of first time consolidation of Petronet India Ltd., excess of provision over the absorption of losses is transferred to reserves.

20(b): Other Reserves

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
Equity Instruments through Other Comprehensive Income	(i)	33.11	(142.50)	45.02
Foreign Currency Translation Reserve	(ii)	3.86	(0.38)	(0.13)
		36.97	**(142.88)**	**44.89**

	31.03.2017	31.03.2016
(i) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	(142.50)	45.02
Add : Additions during the year	175.61	(187.52)
	33.11	**(142.50)**
(ii) Foreign Currency Translation Reserve		
As per last Balance Sheet	(0.38)	(0.13)
Add : Additions during the year	4.24	(0.25)
	3.86	**(0.38)**

Notes to the Consolidated Financial Statements as on 31st March 2017

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
21: Borrowings			
Bonds or Debentures			
Secured			
8.77% Non-convertible debentures (refer note 21.1)	975.00	975.00	975.00
8.75% Non-convertible debentures (refer note 21.1)	-	-	545.00
Term loans			
Secured			
Oil Industry Development Board (refer note 21.2)	283.75	348.25	258.00
Other Loans (refer note 21.4)	309.42	324.12	307.55
Un - secured			
Syndicated Loans from Foreign Banks (repayable in foreign currency) (refer note 21.3)	9,647.52	9,813.56	10,186.01
Oil Industry Development Board (refer note 21.2)	-	125.00	325.00
Syndicated Working Capital Loans from Foreign Banks (repayable in foreign currency) (refer note 21.3)	-	6,583.00	6,162.56
	11,215.69	**18,168.93**	**18,759.12**
Less: Current Maturities of Long Term Borrowings	4,097.89	6,810.17	3,270.37
	7,117.80	**11,358.76**	**15,488.75**

In respect of Secured Loans :

21.1 Debentures

(a) The Group has issued the following Secured Redeemable Non-convertible Debentures:

With respect to debentures issued by Hindustan Petroleum Corporation Ltd. (HPCL)

i. 8.77% Non-Convertible Debentures were issued on 13th March, 2013 with the maturity date of 13th of March, 2018. These are secured by first legal mortgage by way of a Registered Debenture Trust Deed over immovable property of the company being undivided share of land with the entire First Floor in the building High Street 1, situated at Ahmedabad and the first charge of fixed assets mainly certain Plant and Machinery at Visakh Refinery. The value of such assets is ₹ 1,111.87 Crs as on 31/03/2017, ₹ 1,072.98 Crs. as on 31/03/2016 and ₹ 1,126.39 Crs. as on 01/04/2015. During the year ended March, 2017 an amount of ₹ 975.00 crores of 8.77% Non-Convertible Debentures is repayable within one year and shown in note # 27.

ii. 8.75% Non-Convertible Debentures were issued on 9th November, 2012 with the maturity date of 9th of November, 2015. These are secured by mortgage, on first pari passu charge basis, by way of a Registered Debenture Trust Deed over immovable property of the company being undivided share of land with the entire First Floor in the building High Street 1, situated at Ahmedabad and the first charge of fixed assets mainly certain Plant and Machinery at Mumbai Refinery. The value of such assets as on 01/04/2015 is ₹ 936.15 Crores. During the year ended March, 2017 an amount of Nil (31.03.2016 : Nil; 31.03.2015 : ₹ 545.00 crores) of 8.75% Non-Convertible Debentures is repayable within one year and shown in note # 27. These Debentures Matured on 9th November, 2015.

21.2 Term Loans from Oil Industry Development Board

Amount in (₹) Crores

Repayable during	As on 31.03.2017	As on 31.03.2016	As on 01.04.2015
2015-16	-	-	234.50
2016-17	-	189.50	189.50
2017-18	95.69	95.69	64.50
2018-19	95.69	95.69	64.50
2019-20	61.19	61.19	30.00
2020-21	31.19	31.19	0.00
Total	**283.75**	**473.26**	**583.00**
Secured	283.75	348.25	258.00
Un - Secured	-	125.00	325.00

Security has been created with first charge on the facilities of Awa Salawas Pipeline, Manglore Hasan Mysore LPG Pipeline, Uran - Chakan / Shikarpur LPG Pipeline & Rewari Project Pipeline. ₹ 95.69 Crores (31.03.2016 : ₹ 189.50 crores; 31.03.2015 : ₹ 234.50 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 27.

	Range of Interest Rate		
Repayable during	**As on 31.03.2017**	**As on 31.03.2016**	**As on 01.04.2015**
2015-16	-	-	7.20%-9.27%
2016-17	-	8.07 %-9.27 %	8.07%-9.27%
2017-18	7.86%-9.27%	7.86 %-9.27 %	8.78%-9.27%
2018-19	7.86%-9.27%	7.86 %-9.27 %	8.78%-9.27%
2019-20	7.86%-9.11%	7.86 %-9.11 %	8.78%-9.11%
2020-21	7.86%-8.09%	7.86 %-8.09 %	

21.3 Syndicated Loans from Foreign Banks (repayable in foreign currency)

With respect to Loan taken by Hindustan Petroleum Corporation Ltd.

The Corporation has availed Long Term Foreign Currency Syndicated Loans from banks at 3 months floating LIBOR plus spread (spread range : 65 to 155 basis point p.a.). These loans are taken for the period of 5 years. ₹ 3,008.46 Crores (31.03.2016 : ₹ 6,583.00 crores; 31.03.2015 : ₹ 2,490.87 Crores) is repayable within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 27.

With respect to Loan taken by Prize Petroleum International Pte Ltd.

The bank loan bear interest at 1.2% + 6-months LIBOR per annum (2016: 3.65% + 6- months LIBOR per annum), which is ranging from 2.46% to 2.60% (2016: 3.98% to 4.10%) p.a. for the financial year ended 31st March 2017. The bank loan is repayable on the 7th anniversary of the utilisation date on 28th October, 2023.

21.4 : Other Loans

With respect to Loan taken by HPCL Biofuels Ltd. (HBL)

Soft loan of ₹ 10.14 crores (which was availed through SBI during 2015-16 through SBI with interest subvention to the extent of 10%, as announced by Government of India) has been fully settled during 2016-17.

Government Of Bihar (GOB) Soft Loan of ₹ 16.48 crores was availed through SBI during FY 2015-16 with interest subvention to the extent of 10%. Four installments amounting to ₹ 3.30 crores was paid during FY 2016-17 (P.Y. Nil) The Balance of GoB Soft Loan as on 31.03.2017 was ₹ 13.14 crores (P.Y. ₹ 16.41 crores)

Term Loan of ₹ 308.80 crores was availed through SBI during FY 2014-15. Three installments amounting to ₹ 11.58 crores was paid during the current FY 2016-17 (P.Y. Nil) The Balance of term loan as on 31.03.2017 was ₹ 29.63 crores (₹ 307.71 crores) as on 31.03.2016).

The term loan as well as the soft loans under GOI and GOB schemes are secured by equitable mortgage of Land, Building & Fixed Assets."

22: Other Financial Liabilities

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
Deposits from Consumers (refer note 22.1)	10,996.83	9,397.77	8,253.85
Other Liabilities	0.44	0.41	0.38
	10,997.27	9,398.18	8,254.23

22.1: Amount reflected towards deposits received from customers / dealers have been presented as non-current Financial Liabilities. In view of the Group, such presentation would reflect an appropriate classification on commercial practice as these are generally not claimed in short term.

Amount includes deposits received towards Rajiv Gandhi Gramin LPG Vitrak Yojana and Prime Minister Ujjavala Yojana of ₹ 941.61 crores (31.03.2016 : ₹ 219.64 crores; 01.04.2015 : ₹ 34.07 crores). The deposit against these schemes have been funded from CSR fund or by Government of India.

Notes to the Consolidated Financial Statements as on 31st March 2017

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
23:	**Provisions**			
	Provision for employee benefits	183.26	164.58	99.73
	Others	0.07	0.06	0.06
		183.33	**164.64**	**99.79**
24:	**Other Non-Current Liabilities**			
	Capital Grant	23.61	28.21	20.46
		23.61	**28.21**	**20.46**
25:	**Borrowings**			
	Loans repayable on demand			
	Secured			
	from banks			
	Cash Credit (Secured by hypothecation of Inventories in favour of Banks on pari passu basis)	1,763.70	2,502.21	1,173.99
	from other parties			
	Collateral Borrowing and Lending Obligation (Secured by Pledge of 6.90 % Oil Marketing Companies' GOI Special Bonds, 2026)	1,489.51	1,489.07	1,088.99
	Unsecured			
	Clean Loans	1,200.00	-	-
	from other parties			
	Commercial papers	6,461.17	-	-
		10,914.38	**3,991.28**	**2,262.98**
26:	**Trade Payables**			
	Micro, Small and Medium Enterprises (MSME) (refer note 26.1)	22.76	18.55	15.19
	Other than MSME	12,676.90	9,446.25	11,567.51
		12,699.66	**9,464.80**	**11,582.70**

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

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27: Other Financial Liabilities

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
Current Maturities of Long Term Borrowings	4,097.89	6,810.17	3,270.37
Interest accrued but not due on loans	30.02	41.96	58.51
Unpaid Dividend (refer note 27.1)	14.90	6.36	3.02
Preference share capital redeemed remaining unclaimed/unencashed	-	0.01	0.01
Unpaid matured Fixed Deposits	-	-	0.02
Derivative liability	1.75	22.39	1.96
Other Deposits	12.44	10.87	9.53
Other Current Financial liabilities	687.71	790.16	776.63
	4,844.71	**7,681.92**	**4,120.05**

27.1: No amount is due as at the end of the year for credit to Investors' Education and Protection Fund.

₹ / Crores

		31.03.2017	31.03.2016	01.04.2015
28:	**Other Current Liabilities**			
	Revenue received in advance	726.98	703.53	833.42
	Capital Grant	4.39	3.81	1.10
	Statutory Payables	3,051.25	2,859.07	2,686.07
	Other Liabilities	191.78	192.18	113.49
		3,974.40	**3,758.59**	**3,634.08**
29:	**Provisions**			
	Provision for employee benefits	1,585.03	978.95	1,520.15
	Provision for probable obligations (refer Note No 66)	685.54	667.69	158.76
		2,270.57	**1,646.64**	**1,678.91**
30:	**Current Tax Liabilities (Net)**			
	Provision for tax (net of advance tax)	72.61	362.02	361.27
		72.61	**362.02**	**361.27**

Notes to the Consolidated Financial Statements for the year ended 31st March 2017

₹ / Crores

		2016 - 17	2015 - 16
31 :	**Gross Sale of Products**		
	Sale of Products (refer note 31.1)	2,12,611.57	1,95,882.78
	Recovery under Subsidy Schemes	1,292.58	1,773.03
		2,13,904.15	**1,97,655.81**
31.1:	Net of discount of ₹ 1,920.07 crores (2015 - 16 : ₹ 1,805.78 crores) and includes amount towards additional SSC of ₹ 57.21 Crores (2015 - 16 : ₹ 430.14 Crores).		
32 :	**Other Operating Revenues**		
	Rent Recoveries	116.96	114.10
	Net Recovery for LPG Filling Charges	2.40	3.08
	Miscellaneous Operating Income	198.50	191.33
		317.86	**308.51**
33 :	**Other Income**		
	Interest Income on Financial Assets carried at amortized cost:		
	On Deposits	8.65	3.94
	On Staff Loans	35.06	34.32
	On Customers' Accounts	135.47	117.71
	Interest On Current Investments carried at fair value through P&L	366.75	379.66
	Interest on Others assets carried at amortized cost	162.68	133.08
		708.61	**668.71**
	Dividend Income from non-current equity instruments at FVOCI	27.64	24.08
	Dividend Income from current investments at FVTPL	-	13.01
	Gain or Loss on sale of Current Investment (net)	32.36	-
	Gain or Loss on Foreign Currency Transaction & Translation (net)	147.44	-
	Fair value gain on Current Investments carried at FVTPL	221.77	16.49
	Write on of Stores and Spares	-	0.65
	Share of Profit from Petroleum India International (AOP)	0.94	0.77
	Miscellaneous Income	312.27	358.91
		742.42	**413.91**
		1,451.03	**1,082.62**
34 :	**Cost of Materials Consumed**		
	Cost of Raw Materials Consumed	45,013.15	40,629.21
	Packages Consumed	259.98	289.71
		45,273.13	**40,918.92**
35 :	**Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in -Trade (Increase)/ Decrease**		
	Closing Stock:		
	Work-in-progress	443.67	229.40
	Finished Goods	6,032.39	6,778.26
	Stock-in-trade	8,456.30	3,562.18
		14,932.36	**10,569.84**
	Opening Stock:		
	Work - in - Progress	229.40	457.28
	Finished Goods	6,778.26	6,565.40
	Stock - in - Trade	3,562.18	3,611.32
		10,569.84	**10,634.00**
		(4,362.52)	**64.16**

₹ / Crores

		2016 - 17	2015 - 16
36 :	**Employee Benefits Expense**		
	Salaries, Wages, Bonus, etc.	2,007.70	1,653.56
	Contribution to Provident Fund	130.84	122.09
	Pension, Gratuity and Other Employee Benefits	516.55	179.24
	Employee Welfare Expenses	314.26	384.42
		2,969.35	**2,339.31**
37 :	**Finance costs**		
	Interest	490.05	553.84
	Exchange differences regarded as an adjustment to borrowing costs	-	58.33
	Other Borrowing Costs (refer note 37.1)	119.19	111.01
		609.24	**723.18**
37.1:	Includes interest u/s 234B / 234C of Income Tax Act, 1961 for an amount ₹ 26.73 crores (2015 - 16 : ₹ 31.86 crores).		
38 :	**Other Expenses**		
	Consumption of Stores, Spares and Chemicals	304.47	228.83
	Power and Fuel	2,260.73	2,294.46
	Less : Fuel of own production consumed	2,118.83	2,061.09
		141.90	233.37
	Repairs and Maintenance - Buildings	50.71	55.07
	Repairs and Maintenance - Plant & Machinery	839.05	781.26
	Repairs and Maintenance - Other Assets	324.48	289.71
	Insurance	64.87	55.87
	Rates and Taxes	174.42	185.07
	Irrecoverable Taxes and Other Levies	376.42	339.07
	Equipment Hire Charges	1.53	7.87
	Rent	338.72	556.02
	Travelling and Conveyance	203.75	185.66
	Printing and Stationery	18.44	16.88
	Electricity and Water	733.94	778.16
	Corporate Social Responsibility (CSR) Expenses	108.11	71.80
	Stores & spares written off	12.14	0.41
	Loss on Sale of Current Investment	-	35.86
	Provision for Doubtful Receivables	5.48	1.98
	Provision for Doubtful Debts	(3.25)	13.53
	Bad Debts written off	5.26	9.62
	Loss on Sale/ write off of Fixed Assets/ CWIP (Net)	6.54	19.45
	Security Charges	165.61	140.26
	Advertisement & Publicity	156.92	70.25
	Sundry Expenses and Charges (Not otherwise classified)	570.20	650.33
	Consultancy & Technical Services	66.56	44.73
	Exchange Rate Variation (Net)	0.74	304.43
	Payments to the auditor for:		
	- Audit Fees	0.75	0.60
	- Other Services	0.24	0.23
	- Reimbursement of expenses	0.09	0.09
		4,668.09	**5,076.41**

Note 39: First-time adoption of Ind AS

Transition to Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

For the year ended 31.03.2016, the Group had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2014, notified under Section 133 of the Companies Act 2013 and other relevant provisions of the Act ('IGAAP').

The accounting policies set out in Note 2 have been applied in preparing the Financial Statements for the year ended 31.03.2016 onwards and the opening Ind AS Balance Sheet on the date of transition (i.e. 01.04.2015).

In preparing its Ind AS Balance Sheet as on 01.04.2015 and in presenting the comparative information for the year ended 31.03.2016, the Group has adjusted amounts previously reported in the Financial Statements prepared in accordance with IGAAP. This note explains the principal adjustments made by the Group in restating its Financial Statements prepared in accordance with IGAAP, and how the transition from IGAAP to Ind AS has impacted the Group's financial position, financial performance and cash flows.

A. Exemptions and exceptions availed

In preparing the Financial Statements, the Group has availed the below mentioned optional exemptions and mandatory exceptions.

A.1 Optional exemptions

A.1.1 Property, plant and equipment and Intangible assets

The Group has availed the exemptions available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the Financial Statements as at the date of transition to Ind ASs, measured as per the IGAAP and use that as its deemed cost as at the date of transition (1 April 2015).

A.1.2 Intangible Assets accounted for in accordance with Service Concession Arrangements

The Group has reclassified from its Property, plant and equipment certain Wind Mill Assets forming part of Service Concession Arrangements under Ind AS to Intangible assets on the date of transition. The Corporation has availed exemption available under Ind AS 101 to carry such wind mill assets at its IGAAP carrying values on the date of transition since it is impracticable to apply the requirements of Appendix C, Service Concession Arrangements to Ind AS 11 retrospectively.

A.1.3 Designation of previously recognised financial instruments

As per Ind AS 101, the Group has designated its investment in equity shares held as on 1 April 2015 as fair value through other comprehensive income (FVTOCI) based on facts and circumstances on the date of transition to Ind AS (i.e. 1 April 2015). The Group has availed this exemption for its investment in equity shares other than Subsidiaries, Joint Ventures and Associates.

A.1.4 Business Combinations

The group has elected not to restate business combinations that occurred before the date of transition and apply Ind AS 103 prospectively to business combinations occurring after its transition date. The group has applied the same exemption for investment in associates and joint ventures.

A.1.5 Long term foreign currency monetary items

For borrowings taken upto 31 March 2016, the Group has availed the exemption under Ind AS 101 to continue recognising foreign exchange differences on long-term foreign currency monetary items. Accordingly, exchange difference relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of the Borrowings.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with IGAAP. Corporation has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Impairment of financial assets based on expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Classification and measurement of financial assets

As permitted under Ind AS 101, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

B: Reconciliations between previous GAAP and Ind AS

Reconciliation of equity as on 31 March 2016 and 1 April 2015 (date of transition):

₹ / Crores

	31.03.2016				01.04.2015			
		Ind AS Adjustment				Ind AS Adjustment		
	IGAAP*	Application of equity method for accounting for JV and associates	Other Ind AS adjustment	Ind AS	IGAAP*	Application of equity method for accounting for JV and associates	Other Ind AS adjustment	Ind AS
ASSETS								
(1) Non-Current Assets								
(a) Property, Plant and Equipment	48,772.98	(15,092.58)	(25.57)	33,654.83	44,410.68	(15,054.84)	(72.40)	29,283.44
(b) Capital Work-in-Progress	2,255.59	(402.82)		1,852.77	3,866.00	(393.01)		3,472.99
(c) Investment Property	0.13	(0.13)			0.02	(0.02)		
(c) Goodwill on Consolidation	120.35	(103.66)		16.69	118.56	(101.87)		16.69
(d) Other Intangible Assets	449.89	(36.51)	1.42	414.80	437.48	(50.29)		387.19
(e) Intangible Assets under development	61.68	-		61.68	87.86	(1.39)	1.89	88.36
(f) Investment in Joint ventures and Associates	-	4,215.84	(442.11)	3,773.73	-	2,944.91	(346.92)	2,597.99
(g) Financial Assets								
(i) Investments	669.07	(107.22)	(142.50)	419.35	658.07	(91.27)	45.02	611.82
(iii) Loans	500.03	(18.86)		481.17	410.60	(18.54)		392.06
(iv) Other Financial Assets	19.73	(19.73)		-	9.45	(7.45)		2.00
(h) Other Non current Assets	1,271.37	(256.46)	71.80	1,086.71	1,344.17	(240.95)	74.77	1,177.99
Total Non Current Assets	**54,120.82**	**(11,822.13)**	**(536.96)**	**41,761.73**	**51,342.89**	**(13,014.72)**	**(297.64)**	**38,030.53**
(2) Current assets								
(a) Inventories	14,917.99	(2,091.09)	527.93	13,354.83	15,995.75	(2,922.73)	441.89	13,514.91
(b) Financial Assets	-							
(i) Investments	4,995.20	(5.64)	1.88	4,991.44	5,529.78	(155.82)	2.20	5,376.16
(ii) Trade Receivables	5,425.11	(1,044.20)	(604.63)	3,776.28	4,957.55	(1,214.59)	(525.26)	3,217.70
(iii) Cash and Cash Equivalents	540.17	(401.92)		138.25	491.81	(387.05)		104.76
(iv) Bank Balances other than (iii) above	2,236.05	(2,220.15)		15.90	1,767.42	(1,757.75)		9.67
(v) Loans	57.06	(1.25)		55.81	178.05	(1.18)		176.87
(vi) Other Financial Assets	4,908.29	(40.47)		4,867.82	5,083.46	(292.19)		4,791.27
(c) Current Tax Assets (Net)	0.16	(0.16)		-	0.44	(0.44)		-
(d) Other Current Assets	776.23	(192.35)	1.75	585.63	816.88	(244.17)	1.67	574.38
	33,856.26	**(5,997.23)**	**(73.07)**	**27,785.96**	**34,821.14**	**(6,975.92)**	**(79.50)**	**27,765.72**
Assets classified as held for Sale / Disposal	7.85	(2.53)		5.32	4.53	(2.53)		2.00
Total Current Assets	**33,864.11**	**(5,999.76)**	**(73.07)**	**27,791.28**	**34,825.67**	**(6,978.45)**	**(79.50)**	**27,767.72**
Total Assets	**87,984.93**	**(17,821.89)**	**(610.03)**	**69,553.01**	**86,168.56**	**(19,993.17)**	**(377.14)**	**65,798.25**
EQUITY AND LIABILITIES								
Equity								
(a) Equity Share Capital	339.01			339.01	339.01			339.01
(b) Other Equity								-
Reserves and Surplus	17,130.53		(662.89)	16,467.64	13,540.51		130.95	13,671.46
Other Reserves	(142.88)			(142.88)	44.89			44.89
Non Controlling Interest	39.73	(39.73)			114.33	(114.33)		
Total equity	**17,366.39**	**(39.73)**	**(662.89)**	**16,663.77**	**14,038.74**	**(114.33)**	**130.95**	**14,055.36**
Liabilities								
(1) Non Current Liabilities								
(a) Financial Liabilities								
(i) Borrowings	21,724.86	(10,372.03)	5.93	11,358.76	28,442.27	(12,946.13)	(7.39)	15,488.75
(ii) Other Financial Liabilities	9,433.87	(35.69)		9,398.18	8,314.15	(60.18)	0.26	8,254.23
(b) Provisions	210.10	(45.49)	0.03	164.64	132.84	(33.08)	0.03	99.79
(c) Deferred Tax Liabilities (Net)	3,198.10	1,191.89	644.21	5,034.20	2,456.29	1,307.28	476.10	4,239.67
(d) Other Non-Current Liabilities	119.37	(122.29)	31.13	28.21	93.25	(93.46)	20.67	20.46
Total Non Current Liabilities	**34,686.30**	**(9,383.61)**	**681.30**	**25,983.99**	**39,438.80**	**(11,825.57)**	**489.67**	**28,102.90**
(2) Current Liabilities								
(a) Financial Liabilities								
(i) Short term Borrowings	5,940.55	(1,949.27)		3,991.28	4,620.84	(2,357.86)		2,262.98
(ii) Trade Payables	14,159.54	(4,694.74)		9,464.80	16,016.31	(4,434.40)	0.79	11,582.70
(iii) Other financial liabilities	9,088.78	(1,406.86)		7,681.92	5,062.27	(938.96)	(3.26)	4,120.05
(b) Other Current Liabilities	3,976.89	(241.96)	23.66	3,758.59	3,871.19	(240.35)	3.24	3,634.08
(c) Provisions	2,340.46	(41.72)	(652.10)	1,646.64	2,757.98	(80.54)	(998.53)	1,678.91
(d) Current Tax Liabilities (Net)	426.02	(64.00)		362.02	362.43	(1.16)		361.27
Total Current Liabilities	**35,932.24**	**(8,398.55)**	**(628.44)**	**26,905.25**	**32,691.02**	**(8,053.27)**	**(997.76)**	**23,639.99**
Total Equity and Liabilities	**87,984.93**	**(17,821.89)**	**(610.03)**	**69,553.01**	**86,168.56**	**(19,993.17)**	**(377.14)**	**65,798.25**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as on 31 March 2016 and 1 April 2015

₹ / Crores

	Note	31.03.2016	01.04.2015
Net worth under IGAAP - (A)		**17,366.39**	**14,038.74**
Summary of Ind AS adjustments:			
Proposed dividend for 14 - 15	B.2.1		998.53
Proposed dividend for 15 - 16	B.2.1	652.10	
Fair valuation of equity instruments (FVOCI)	B.2.2	(142.50)	45.02
Derecognition of Non controlling Interest on reclassification of subsidiary as joint venture	B.2.3	(39.73)	(114.33)
Fair valuation of investment in OMC GOI special bonds	B.2.4	1.88	2.20
Fair valuation of derivative contracts	B.2.5	(22.39)	(1.85)
Borrowings - transaction costs adjustment	B.2.6	(5.81)	1.81
Capital grant	B.2.7	(14.29)	(2.95)
Timing of revenue recognition	B.2.8	(68.78)	(64.43)
Impairment of trade receivables - expected credit loss method	B.2.9	(7.94)	(19.44)
Amortisation of prepaid lease rentals	B.2.10	(5.73)	(4.67)
Reversal of amortisation of right of way	B.2.11	1.30	
Depreciation on capital spares	B.2.12	(4.10)	(7.64)
Enabling Assets Capitalisation	B.2.13	41.75	
Others		(2.05)	7.39
Tax effects on Ind AS adjustments	B.2.16	(538.46)	(365.22)
Tax effects on Consolidation adjustments	B.2.16	(105.76)	(110.88)
Share in Ind AS Adjustments of Joint Ventures / Associates	B.2.17	(442.11)	(346.92)
Total Ind AS adjustments - (B)		**(702.62)**	**16.62**
Net Worth as per IND AS		**16,663.77**	**14,055.36**

Notes to the Consolidated Financial Statements for the year ended 31st March 2017

Reconciliation of total comprehensive income for the year ended 31 March 2016:

₹ / Crores

	2015 - 16			
		Ind AS Adjustment		
	IGAAP	Application of equity method for accounting for JV and associates	Other Ind AS adjustment	Ind AS
Revenue				
Revenue From Operations				
Sale of Products	2,26,697.37	(28,950.69)	(90.87)	1,97,655.81
Other Operating Revenues	336.88	(28.37)		308.51
Sale of Services	35.67	(35.67)		-
	2,27,069.92	**(29,014.73)**	**(90.87)**	**1,97,964.32**
Other Income	1,659.28	(576.66)	-	1,082.62
Total Income	**2,28,729.20**	**(29,591.39)**	**(90.87)**	**1,99,046.94**
Expenses				
Cost of Materials Consumed	58,151.77	(17,232.85)		40,918.92
Purchases of Stock-in-Trade	1,15,964.08	(15.65)		1,15,948.43
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	601.50	(450.81)	(86.53)	64.16
Excise Duty	27,566.95	(7,512.85)		20,054.10
Transportation Expenses	5,262.23	-		5,262.23
Exploration cost	33.77	(12.49)		21.28
Employee Benefits Expense	2,530.68	(185.82)	(5.55)	2,339.31
Finance Costs	1,756.02	(1,042.59)	9.75	723.18
Depreciation & Amortization Expense	3,583.34	(734.65)	(2.60)	2,846.09
Other Expenses	6,289.07	(1,180.08)	(32.58)	5,076.41
Total Expenses	**2,21,739.41**	**(28,367.79)**	**(117.51)**	**1,93,254.11**
Share in Profit of Joint ventures and asssociates	-	1,035.41	(93.14)	942.27
Profit Before exceptional items and Tax	**6,989.79**	**(188.19)**	**(66.50)**	**6,735.10**
Exceptional Items	35.97	(35.97)		-
Profit Before Tax	**6,953.82**	**(152.22)**	**(66.50)**	**6,735.10**
Tax expense:				
Current tax	1,546.73	(113.17)		1,433.56
Deferred tax	682.81	(115.88)	180.30	747.23
Provision for Tax for Earlier years written back (net)	(120.33)	(0.05)		(120.38)
Less: MAT credit entitlement	(2.30)	2.30		-
Tax Expenses	**2,106.91**	**(226.80)**	**180.30**	**2,060.41**
Profit/(loss) for the period	**4,846.91**	**74.58**	**(246.80)**	**4,674.69**
Profit attributable to Non Controlling Interest	(74.58)	74.58		
Profits attributable to Owners of the company	**4,921.49**	**0.00**	**(246.80)**	**4,674.69**
Other Comprehensive Income				
A: Items that will not be reclassified to profit or loss in subsequent periods:				
Remeasurements of the defined benefit plans;	-	-	(5.57)	(5.57)
Equity Instruments through Other Comprehensive Income;	-	-	(187.52)	(187.52)
Share in Other comprehensive Income of Joint Venture and Associates	-	-	0.02	0.02
Income tax relating to items that will not be reclassified to profit or loss	-	-	1.93	1.93
Net Other Comprehensive income not to be reclassified to Profit and Loss in subsequent periods	**-**	**-**	**(191.14)**	**(191.14)**
Items that will be reclassified to profit or loss				
Foreign Currency translation reserve	-	-	(0.25)	(0.25)
Net Other Comprehensive income to be reclassified to Profit and Loss in subsequent periods	**-**	**-**	**(0.25)**	**(0.25)**
Other Comprehensive Income for the year, net of tax	**-**	**-**	**(191.39)**	**(191.39)**
Total Comprehensive Income for the year, net of tax (Comprising Profit (Loss) and Other Comprehensive Income for the period)	**4,921.49**	**-**	**(438.19)**	**4,483.30**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Profit Reconciliation

₹ / Crores

		2015 - 16
Profit for the year as per IGAAP	**A**	**4,921.49**
Summary of Ind AS adjustments		
Enabling Assets Capitalisation	B.2.13	43.05
Fair valuation of derivative contracts	B.2.5	(20.54)
Impairment of trade receivables - expected credit loss method	B.2.9	11.51
Borrowings - transaction costs adjustment	B.2.6	(9.84)
Timing of revenue recognition	B.2.8	(4.35)
Depreciation on Stores and Spares	B.2.12	3.54
Depreciation on lease hold lands	B.2.10	(1.06)
Depreciation reversal on ROW assets	B.2.11	1.30
Depreciation on Enabling Assets	B.2.13	(1.30)
Fair valuation of investment in OMC GOI special bonds	B.2.4	(0.32)
Impact on Inc/Dec in inventory of FG/ISD due to change in Opex	B.2.8	0.08
Tax effects on Ind AS adjustments	B.2.16	(173.24)
Tax effects on Consolidation adjustments	B.2.16	(5.13)
Defined Benefit Obligation	B.2.15	3.62
Share in Ind AS Adjustments of Joint Ventures / Associates	B.2.17	(93.14)
Others		(0.98)
Total Ind AS adjustments	**B**	**(246.80)**
Profit for the year as per Ind AS	**A + B**	**4,674.69**

Notes to the reconciliation:

B.5. Statement of Cash Flows

Under IGAAP, Joint Ventures were consolidated using proportionate consolidation method, accordingly proportionate amounts of Joint Ventures were included in consolidated statements of cash flows. Under Ind AS, Joint Ventures are consolidated using equity method. Accordingly, amounts included in consolidated statement of cash flow do not include amounts relating to joint ventures. Except this, the transition from IGAAP to Ind AS has not made material impact to the consolidated statement of cash flow.

Note B.2.1.: Proposed Dividend

Under IGAAP, dividends proposed by the Board of Directors after the Balance Sheet date but before the approval of Financial Statements were considered as adjusting event. Accordingly, provision for proposed final dividend was recognised as a liability. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by Group i.e. usually when approved by shareholders in an Annual General Meeting. Accordingly, the liability for proposed final dividend as at 1 April 2015 and 31 March 2016 included under the Provisions, in respective accounting periods, has been reversed with corresponding adjustments to respective period's Retained Earnings.

Note B.2.2.: Fair valuation of Equity Instruments

Under IGAAP, Group accounted for long term investments in quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, Corporation has designated such investments as FVTOCI (Fair Value through Other Comprehensive Income) investments. At the date of transition to Ind AS, the difference between the cost of the investments and the fair value is recognised under equity in a separate reserve i.e. Equity Instruments through Other Comprehensive Income reserve.

Note B.2.3.: Derecognition of Non controlling Interest on reclassification of subsidiaries as Joint Venture

Under IGAAP, 'Creda HPCL Biofuel Limited' and 'HPCL Rajasthan Refinery Limited' were treated as subsidiaries based on the shareholding in such companies. Under Ind AS, investment in such companies do not meet the definition of control as per Ind AS 110 and hence, cannot be classified as subsidiary. Hence, based on the revised assessment on the date of transition and subsequent reporting dates, the same has been treated as joint ventures. Accordingly, non-controlling interest appearing as per IGAAP in relation to such companies has been derecognized under Ind AS.

Note B.2.4.: Investment in Oil Marketing Companies GOI Special Bonds

Under IGAAP, Group had classified the investment in GOI Special Bonds as current investment. These investments were carried at lower of cost or its fair value. Hence, loss in respect of fair valuation of such investments was recognised and gain, if any, was ignored. Under Ind AS, Group has elected to carry these investments at fair value with fair value changes being recognised in Statement of Profit and Loss. Hence, gain or loss on account of fair valuation of such bonds is recognised in Statement of Profit and Loss.

Note B.2.5.: Derivative contracts

Under Ind AS, outstanding derivative contracts are considered as financial instruments and hence, needs to be fair valued at every reporting date. Consequently, under Ind AS, fair value gain or loss on the date of transition is recognized in Opening Retained Earnings and for other periods in respective period's Statement of Profit and Loss.

Note B.2.6.: Adjustment of transaction cost on borrowings

Under IGAAP, transaction costs incurred for borrowings were recognised as an asset (Unamortised prepaid expenses) and amortised to Statement of Profit and Loss on a straight-line basis over the tenure of the borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition and subsequently measured at amortized cost. Accordingly, under Ind AS, restatement of outstanding ancillary cost is recognized in Opening Retained Earnings on transition date and subsequently in respective period's Statement of Profit and Loss.

Note B.2.7.: Capital Grant

Under IGAAP, Capital Grants received from Government are presented as part of Reserves. Under Ind AS, Capital Grants received from Government need to be recognised as a Liability. Accordingly, under Ind AS, amount of Capital Grant has been reclassified from Reserves to Liabilities.

Note B.2.8.: Timing of Revenue Recognition

Under IGAAP, revenue from sale of goods is recognised when the same is dispatched by the Corporation. Under Ind AS, in situations where goods have left Group's premises but Corporation continues to exercise effective managerial control on such goods till the time goods reach the customers premises, revenue is deferred and recognised when goods are accepted by the customer. Accordingly, impact on account of margin elimination on deferred sales is recognised in Retained Earnings on transition date and in Statement of Profit and Loss for Financial Year 2015-16.

Note B.2.9.: Impairment of Trade Receivables

Under IGAAP, the Corporation recognised provision on Trade Receivables based on specific provisions to reflect the Corporation's expectation. Under Ind AS, impairment of Trade Receivables shall be recognised based on Expected Credit Loss. Accordingly, Corporation has recognised impairment loss on Trade Receivables at transition date in Opening Retained Earnings and in Statement of Profit and Loss for Financial Year 2015 - 16.

Note B.2.10.: Reclassification of freehold and leasehold land into operating leases

Under IGAAP, the Group has classified leasehold land with a period of 99 years or more as freehold land and accordingly not amortised the same. Also, leasehold land with a lease period of less than 99 years is classified as leasehold land under tangible fixed assets. The same was amortised over the tenure of lease and presented under Statement of Profit and Loss as Depreciation and Amortisation Expense. Under Ind AS, land leases with long tenure of lease are required to be classified as Finance Lease. Hence, Group has decided to consider leasehold lands with lease period of more than 99 years as finance lease. Accordingly, the same will also be subject to amortisation under Ind AS. Also, land with a lease tenure of 99 years or less is treated as operating lease and amortised over the tenure of lease as Rent Expense. The amortisation of prepaid operating lease rentals is presented under Rent Expense. Accordingly, lease hold land for 99 years has been amortized and impact on account of amortization upto transition date has been recognised in Opening Retained Earnings. Subsequently, the amortization charge is recognized as Rent Expenses in the statement of Profit and Loss. For the purpose of tenure, the Corporation has considered the lease period including the lease period where the Group has an un - conditional right to renew the lease at a rate below market price or a fix price.

Note B.2.11.: Reversal of amortisation of Right of Way Assets

Under IGAAP, the Right of Way Assets with indefinite useful lives were amortised over a period of 99 years based on Expert Advisory Committee opinion issued by Institute of Chartered Accountants of India. Under Ind AS, Intangible Assets with indefinite useful life are not required to be amortised but shall be tested for impairment annually or when there is an indication. Accordingly amortisation charge created during Financial Year 2015-16, in Statement of Profit and Loss, on Right of Way Assets with indefinite useful lives has been reversed under Ind AS.

Note B.2.12.: Stores and Spares

Under IGAAP, Stores and Spares which can be identified with a particular item of Property, Plant and Equipment (PPE) and whose use is expected to be irregular is capitalised as part of Tangible Fixed Assets. Other Stores and Spares are treated as inventory and charged to Statement of Profit and Loss on consumption. Under Ind AS, Stores and Spares with a useful life of more than one year shall be treated as PPE. Such Stores and Spares need to be depreciated from the date they are ready for use (based on clarification received from ITFG) over their estimated useful life. Hence, Stores and Spares which were erstwhile treated as inventory under IGAAP have been classified as part of PPE if recognition criteria are met (referred to as capital spares). Also, such capital spares are depreciated from the date of purchase over their estimated useful life. Additionally, since capital spares would be depreciated, spares charged to Statement of Profit and Loss on consumption have been reversed and depreciated over its estimated useful life.

Note B.2.13.: Enabling Asset

Under IGAAP, expenditure incurred on construction/acquisition of enabling assets on which the Corporation does not have a control were expensed out as and when incurred. Under Ind AS, if the expenditure incurred on such enabling asset is of such nature that it is necessary for making the item of Property, Plant and Equipment capable of operating in the manner intended by the management, then the same has been capitalised with corresponding depreciation expense charged in the statement of Profit and Loss.

Note B.2.14.: Excise duty

Under IGAAP, revenue from sale of goods was presented net of the excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty has been presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the Revenue from Operations and Expenses for the year ended 31 March 2016.

Note B.2.15.: Actuarial gains/(losses)

Under Ind AS, the Group's Accounting Policy is to recognise all actuarial gains and losses on Post-Employment Benefit Plans in other comprehensive income. Under IGAAP the Group recognised actuarial gains and losses in the Statement of Profit and Loss. However, this has no impact on the total comprehensive income and total Equity as on 1 April 2015 as well as 31 March 2016.

Note B.2.16.: Deferred tax assets (net)

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on Ind AS adjustments which was not required under Indian GAAP.

The above changes decreased (increased) the deferred tax asset / (liability) as follows: ₹ / Crores

	31.03.2016	01.04.2015
Property plant and equipments	(13.04)	2.66
Investment in Oil Marketing Companies GOI Special Bonds	(0.65)	(0.76)
Derivatives	7.75	0.64
Borrowings	3.18	(0.19)
Deferral of sales	23.79	22.28
Trade receivables	2.75	6.73
Deferred tax on capitalization of exchange differences*	(562.15)	(396.52)
Others	(0.09)	(0.06)
	(538.46)	**(365.22)**

*:Deferred Tax has been created on temporary difference arising from capitalization of exchange differences (based on the clarification received from ITFG).

Notes to the Consolidated Financial Statements for the year ended 31st March 2017

Note B.2.17.: Share in Ind AS Adjustment of Joint Ventures / Associates :

Under I-GAAP, the Financial Statements of Jointly controlled entities had been consolidated by applying Proportionate consolidation method on a line by line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of intra-group balances, intragroup transactions and unrealised profits or losses. Under Ind AS, financial statements of Joint Ventures and associates have been consolidated using equity method whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income after eliminating unrealized profits or losses against the respective investment in Joint Venture or Associate. For the purpose of applying the equity method, the investment in joint ventures, as at the date of transition, has been measured as the aggregate of the carrying amounts of assets and liabilities that the group had previously proportionately consolidated.

As per the notification issued by MCA for implementation of Ind AS, if parent is applying Ind AS for the purpose of preparation of financial statements then, subsidiaries, joint ventures and associates of the group also need to prepare accounts as per Ind AS. Hence, on account of adoption of Ind AS by the Corporation from financial year 2016-17, its joint ventures and associates are required to prepare their financial statements as per Ind AS along with comparatives for the financial year 2016-17 and an opening Ind AS balance sheet as on 1 April 2015. Ind AS adjustments in the books of joint ventures and associates would result in change in consolidated networth of the group. The following are the significant adjustments in the consolidated networth on account of Ind AS adjustments of joint ventures and associates:

₹ / Crores

	31-Mar-16	1-Apr-15
Deferred tax on Ind AS adjustments *	(378.05)	(324.03)
Fair valuation of derivative contracts	(31.53)	(29.23)
Depreciation on spares and overhaul cost	(34.29)	-
Others	1.75	6.34
	(442.12)	**(346.92)**

Note 40: Fair Value Measurements

40.A. Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified as at Fair value through Profit and Loss (FVTPL), Fair value through other comprehensive Income (FVTOCI) and Amortized Cost.

₹ / Crores

	Carrying amount								
	31.03.2017			31.03.2016			01.04.2015		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
(a) Investments									
- Investment in Equity Instruments		594.88			419.27			606.79	
- Investment in OMC GOI special bonds	5,100.96			4,987.55			5,376.16		
- Others	7.83		0.02	3.94		0.02	5.00		0.02
(b) Loans & Advances									
- Employee Loans			316.71			324.39			316.62
- Loans to Related Parties			75.00			75.00			75.00
- Others			140.41			137.60			177.31
(c) Trade receivables			4,091.66			3,776.27			3,217.70
(d) Cash and cash equivalents			111.47			138.25			104.76
(e) Other Bank Balances			24.93			15.90			9.68
(f) Derivative Assets	58.41			-			0.10		
(g) Amounts recoverable under subsidy schemes			1,218.25			2,028.43			744.96
(h) Others			3,040.58			2,839.41			4,048.20
Total	**5,167.20**	**594.88**	**9,019.03**	**4,991.49**	**419.27**	**9,335.27**	**5,381.26**	**606.79**	**8,694.25**

₹ / Crores

	Carrying amount								
	31.03.2017			31.03.2016			01.04.2015		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities									
(a) Borrowings									
- Non-convertible debentures			975.00			975.00			1,520.00
- Oil Industry Development Board			283.75			473.25			583.00
- Syndicated Loans from Foreign Banks			9,647.52			16,396.56			16,348.57
- Long term loans from banks			309.42			324.12			307.55
- Cash Credit			1,763.70			2,502.21			1,173.99
- Clean Loans			1,200.00			-			-
- Collateral Borrowing and Lending Obligation			1,489.51			1,489.07			1,088.99
- Commercial papers			6,461.17			-			-
(b) Trade Payables			12,699.66			9,464.80			11,582.70
(c) Deposits from Consumers*			10,996.83			9,397.77			8,253.85
(d) Derivative Liability	1.75			22.39			1.96		
(e) Others			745.51			849.76			848.10
Total	**1.75**	**-**	**46,572.07**	**22.39**	**-**	**41,872.54**	**1.96**	**-**	**41,706.75**

40.B Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the Financial Assets and Financial Liabilities that are recognised and measured at fair value and at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, Group has classified its Financial Assets and Financial Liabilities into the three levels prescribed under the accounting standard. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. An explanation of each level is provided under Significant Accounting Policy.

₹ / Crores

	31.03.2017			31.03.2016			01.04.2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Investments									
- Investment in Equity Instruments	594.88			419.27			606.79		
- Investment in OMC GOI special bonds	5,100.96			4,987.55			5,376.16		
- Others	0.02	7.83		0.02	3.94		0.02	5.00	
Loans & Advances									
- Employee Loans		316.71			324.39			316.62	
Derivative Assets		58.41			-			0.10	
Financial liabilities									
Borrowings									
- Non-convertible debentures		990.66			987.84			1,533.40	
- Oil Industry Development Board		290.99			480.90			590.77	
- Syndicated Loans from Foreign Banks		9,647.52			16,396.56			16,348.57	
Derivative Liabilities		1.75			22.39			1.96	
Total	**5,695.86**	**11,313.87**	**-**	**5,406.84**	**18,216.02**	**-**	**5,982.97**	**18,796.42**	**-**

40.C. Valuation techniques used to determine Fair Value

Type	Valuation technique
Derivative instruments - forward exchange contracts	Discounted cash flow i.e. fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract.
Commodity derivatives	Fair value of commodity derivative contracts is estimated by determining the difference between the contractual price and the current forward price for the residual maturity of the contract.
Derivative instruments - interest rate swap	Discounted cash flows i.e. Present value of expected receipt/payment.
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

Note 41: Financial risk management

41.A. Risk management framework

The Group has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk conscious manner. These self-regulatory processes and procedures are contained in our Risk Management Charter and Policy, 2007. The Corporation has a structures and comprehensive Risk Management Framework, under which the risks are identified, assessed, monitored and reported, as a part of a normal business practice. The Corporation has leveraged technology to seamlessly integrate and automate the entire process of risk monitoring and reporting which also facilitate Corporation-wide process of managing the risks. The Corporation's risk management system is fully aligned with the corporate and operational objectives.

The Group has engaged the services of an independent expert to assist in continued implementation of effective Risk Management Framework. In that direction, Risk Management Steering Committee (RMSC) continues to provide its guidance. The Group has put in place mechanism to inform Board Members about the risk management and minimisation procedures, and periodical review to ensure that executive management controls risks by means of a properly defined framework.

41.B. Group has identified financial risk and categorised them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category and how Corporation manages the risk is explained in following notes:

41.B.1 - Credit risk ;

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Corporation establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Corporation grants credit terms in the normal course of business.

At 31.03.2017, the Group's most significant customer accounted for ₹ 1,068.86 crores of the trade receivables carrying amount (31.03.2016 : ₹ 855.93 crores and 01.04.2015 : ₹ 704.47 crores).

The Group uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

₹ / Crores

	31.03.2017			31.03.2016			01.04.2015		
	Gross carrying amount	Weighed average loss rate	Loss allowance	Gross carrying amount	Weighed average loss rate	Loss allowance	Gross carrying amount	Weighed average loss rate	Loss allowance
Past due 0-90 days	3,721.96	0.06%	2.26	3,552.01	0.03%	1.21	2,906.38	0.07%	1.90
Past due 91–360 days	355.79	0.62%	2.20	202.86	1.00%	2.03	299.77	6.28%	18.83
More than 360 days	178.68	89.72%	160.31	184.88	86.67%	160.24	178.45	81.84%	146.04
	4,256.43		**164.77**	**3,939.75**		**163.48**	**3,384.59**		**166.77**

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Balance as on 01.04.2015	**166.77**
Impairment loss recognised	6.33
Amounts written off	9.62
Balance as on 31.03.2016	**163.48**
Impairment loss recognised	5.48
Amounts written off	4.19
Balance as on 31.03.2017	**164.77**

The amounts written off at each reporting date relates to customers who have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 111.47 crores at March 31, 2017 (March 31, 2016: ₹ 138.25 crores, April 1, 2015 : ₹ 104.76 crores).

The cash and cash equivalents are held with consortium banks. Group invests its surplus funds in bank fixed deposit, GOI T-bills and liquid schemes of mutual funds, which carry no mark to market risks for short duration and exposes the Group to low credit risk.

Derivatives

The forex and interest rate derivatives were entered into with banks having an investment grade rating and exposure to counter-parties are closely monitor and kept within the approved limits. Commodity derivatives are entered with reputed Counterparties in the OTC (Over-the-Counter) Market.

Investment in debt securities

Investment in debt securities are in government securities or bonds which do not carry any credit risk.

Other than trade receivables, the Corporation has no other financial assets that are past due but not impaired.

41.B.2. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Group has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Group has adequate borrowing limits in place duly approved by its shareholders and board. Group sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks and liquid investment portfolio. Group ensures that there is minimal concentration risk by diversifying its portfolio across instruments and counterparties. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

Notes to the Consolidated Financial Statements for the year ended 31st March 2017

(i) Financing arrangements

The Group has an adequate fund and non-fund based lines from various banks. The Group has sufficient borrowing limits in place duly, approved by its shareholders and board. Domestic and international credit rating from reputed credit rating agencies enables access of funds both from domestic as well as international market. Group's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. Group diversifies its capital structure with a mix of instruments and financing products across varying maturities and currencies. The financing products include syndicated loans, foreign currency bonds, commercial paper, non-convertible debentures, buyer's credit loan, clean loan etc. Group taps domestic as well as foreign debt markets from time to time to ensure appropriate funding mix and diversification of geographies.

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ / Crores

	Contractual cash flows								
	31.03.2017			31.03.2016			01.04.2015		
	Upto 1 year	1-3 years	Above 3 years	Upto 1 year	1-3 years	Above 3 years	Upto 1 year	1-3 years	Above 3 years
Non-derivative financial liabilities									
Borrowings and interest thereon	15,400.55	5,038.40	3,022.97	10,893.73	7,275.34	4,859.06	6,028.02	11,086.73	5,927.03
Trade payables	12,699.66			9,464.80			11,582.70		
Other financial liabilities	745.51		10,996.83	849.76		9,397.77	848.10		8,253.85
Total	**28,845.72**	**5,038.40**	**14,019.80**	**21,208.29**	**7,275.34**	**14,256.83**	**18,458.82**	**11,086.73**	**14,180.88**
Derivative financial liabilities									
Interest rate swaps	10.75	9.86	0.54	11.94	22.20	6.45	5.68	1.82	-
Commodity contracts (net settled)	5.14	-	-	-	-	-	-	-	-
Forward exchange contracts (Gross settled)									
Inflows	-	-	-	(333.09)	-	-	-	-	-
Outflows	-	-	-	333.44	-	-	-	-	-
Total	**15.89**	**9.86**	**0.54**	**12.29**	**22.20**	**6.45**	**5.68**	**1.82**	**-**

41.C.3. Market Risk - Market Risk is further categorised in (i) Currency risk , (ii) Interest rate risk & (iii) Commodity risk:

41.C.3.1. Currency risk:

The Group is exposed to currency risk mainly on account of its borrowings and import payables in foreign currency. Our exposures are mainly denominated in U.S. dollars. The Group has used generic derivative contracts to mitigate the risk of changes in foreign currency exchange rates in line with Group forex risk management policy. The corporation has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Group does not uses derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of dates:

Category	Instrument	Currency	Cross Currency	31.03.2017	31.03.2016	01.04.2015	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	-	$ 50.27 mn	-	Buy

Exposure to currency risk - The currency profile of financial assets and financial liabilities is as below:

	31.03.2017		31.03.2016		01.04.2015	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial assets						
Non-current investments	594.95	-	419.35	-	611.82	-
Current investments	5,108.74	-	4,991.44	-	5,376.16	-
Long-term loans and advances	406.63	-	481.18	-	392.05	-
Short-term loans and advances	125.49	-	55.82	-	176.88	-
Trade and other receivables	4,010.85	80.81	3,705.64	70.63	3,071.94	145.76
Cash and Cash Equivalents	111.47	-	138.25	-	104.76	-
Other Bank Balances	24.93	-	15.90	-	9.68	-
Others Non Current Financial Assets	-	-	-	-	2.00	-
Others Current Financial Assets	4,317.24	-	4,867.82	-	4,791.27	-
Net exposure for assets - A	**14,700.30**	**80.81**	**14,675.40**	**70.63**	**14,536.56**	**145.76**
Financial liabilities						
Long term borrowings	2,117.13	9,098.55	2,337.34	15,831.60	2,942.52	15,816.61
Short term borrowings	10,914.38	-	3,991.28	-	2,262.98	-
Trade Payables	7,694.37	5,005.29	6,632.22	2,832.58	8,706.47	2,876.23
Other Financial Liabilities	11,744.09	-	10,269.92	-	9,103.90	-
	32,469.97	**14,103.84**	**23,230.76**	**18,664.18**	**23,015.87**	**18,692.84**
Less: Foreign currency forward exchange contracts				333.09		
Net exposure for liabilities - B		**14,103.84**		**18,331.09**		**18,692.84**
Net exposure (Assets - Liabilities)(A - B)		**14,023.03**		**18,260.46**		**18,547.08**

The following significant exchange rates have been applied during the year:

INR	31.03.2017	31.03.2016	01.04.2015
USD	64.8550	66.2525	62.5050

The above table show sensitivity of open forex exposure to USD/INR movement. We have considered 1% (+/-) change in USD/INR movement, increase indicates appreciation in USD/INR whereas decrease indicates depreciation in USD/INR. The indicative 1% movement is directional and does not reflect management forecast on currency movement.

Effect in INR	Impact on profit or loss due to 1 % increase / Decrease in currency					
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	31.03.2017		31.03.2016		01.04.2015	
Movement		1%		1%		1%
USD	140.23	(140.23)	182.60	(182.60)	185.47	(185.47)

The above table show sensitivity of open forex exposure to USD/INR movement. We have considered 1% (+/-) change in USD/INR movement, increase indicates appreciation in USD/INR whereas decrease indicates depreciation in USD/INR. The indicative 1% movement is directional and does not reflect management forecast on currency movement.

41.C.3.2 Interest rate risk

"Group's has a long-term foreign currency syndicated loans with floating rate, which expose the Corporation to cash flow interest rate risk. The borrowings at floating rate were denominated in USD. The Corporation manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals (i.e quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Group monitors the interest rate movement and manages the interest rate risk based on the corporation forex risk management policy. The Group also has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Group does not uses derivative financial instruments for trading or speculative purposes.

Notes to the Consolidated Financial Statements for the year ended 31st March 2017

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Following is the derivative financial instruments to hedge the interest rate risk as of dates:

Category	Instrument	Currency	Cross Currency	31.03.2017	31.03.2016	01.04.2015	Buy/Sell
Hedges of floating rate foreign currency loans	Interest rate swaps	USD	INR	$ 530 mn	$ 260 mn	$ 200 mn	Buy

Interest rate risk exposure:

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

	Carrying amount in ₹ crores		
	31.03.2017	31.03.2016	01.04.2015
Fixed-rate instruments			
Financial assets	5,175.96	5,062.55	5,451.16
Financial liabilities	12,482.55	5,763.65	4,673.53
Variable-rate instruments			
Financial assets	316.71	324.39	316.62
Financial liabilities	9,647.52	16,396.56	16,348.57

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss					
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2017		31.03.2016		01.04.2015	
Floating rate borrowings	(21.15)	21.15	(38.49)	38.49	(40.45)	40.45
Interest rate swaps (notional principal amount)	8.71	(8.71)	3.79	(3.79)	3.02	(3.02)
Cash flow sensitivity (net)	**(12.44)**	**12.44**	**(34.70)**	**34.70**	**(37.43)**	**37.43**

41.C.3.3. Commodity Risk

The Group's activities are exposed to Oil price risks and therefore its Oil Price Risk Management program focuses on reducing the impact of the volatility of International Oil prices. With this objective, Risk Management activities aspire to protect the Margins of the Organization. In order to therefore manage its exposure to the risks associated with volatile Oil market / Commodity prices, the Group enters into derivative contracts in the OTC Market.

The Oil Price Risk Management Committee regularly reviews and monitors risk management principles, policies, and risk management activities.

41.C.3.4. Offsetting

The following table presents the recognised financial instruments that are eligible for offset and other similar arrangements but are not offset, as on 31.03.2017, 31.03.2016 and 01.04.2015. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights are exercised.

₹ / Crores

	Effect of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial Instrument collateral	Net Amount
March 31, 2017					
Financial assets					
Trade Receivables	5,416.08	(1,090.21)	4,325.87	(234.21)	4,091.66
Financial liabilities					
Trade Payables	13,789.87	(1,090.21)	12,699.66	-	12,699.66
Other Current Financial Liabilities	5,078.92	-	5,078.92	(234.21)	4,844.71
March 31, 2016					
Financial assets					
Trade Receivables	8,022.23	(3,980.50)	4,041.73	(265.45)	3,776.28
Financial liabilities					
Trade Payables	13,445.30	(3,980.50)	9,464.80	-	9,464.80
Other Current Financial Liabilities	7,947.37	-	7,947.37	(265.45)	7,681.92
April 1, 2015					
Financial assets					
Trade Receivables	7,339.46	(4,121.76)	3,217.70	-	3,217.70
Financial liabilities					
Trade Payables	15,704.46	(4,121.76)	11,582.70	-	11,582.70

Note 42: Tax expense

(a) Amounts recognised in profit and loss

₹ / Crores

	2016 - 17	2015 - 16
Current tax expense		
Current year	2,236.24	1,433.56
Changes in estimates relating to prior years	(285.21)	(261.47)
Deferred tax expense		
Origination and reversal of temporary differences	777.84	747.23
Changes in estimates relating to prior years	232.73	141.08
Tax expense recognised in the income statement	**2,961.60**	**2,060.40**

(b) Amounts recognised in other comprehensive income

₹ / Crores

	2016 - 17			2015 - 16		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(23.65)	8.20	(15.45)	(5.57)	1.93	(3.64)

(c) Reconciliation of effective tax rate

	31.03.2017		31.03.2016	
	%	(₹ / Crores)	%	(₹ / Crores)
Profit before tax		**11,197.42**		**6,735.10**
Tax as per Corporate Tax Rate	**34.608%**	**3,875.20**	**34.608%**	**2,330.88**
Tax effect of:				
Non-deductible tax expenses	(0.087%)	(9.69)	3.537%	238.23
Tax-exempt income	(0.987%)	(110.56)	(0.039%)	(2.60)
Interest expense u/s 234B/C not deductible for tax purposes	0.083%	9.25	0.164%	11.03
Deduction for research and development expenditure	(0.768%)	(85.97)	(0.971%)	(65.39)
Investment allowance claim	(0.907%)	(101.59)	(1.361%)	(91.64)
Share in profit/ loss of equity accounted investees	(7.167%)	(802.55)	(4.841%)	(326.07)
Losses of Subsidiary not available for set-off in Group profit	0.734%	82.24	1.126%	75.87
Deferred tax assets on Unrealised profits	0.158%	17.69	(0.443%)	(29.87)
Deferred tax Liability on Undistributed earnings	1.178%	131.87	0.570%	38.42
Adjustments recognised in current year in relation to the current tax of prior years	(0.469%)	(52.48)	(1.787%)	(120.38)
Amounts directly recognised in OCI	0.073%	8.20	0.029%	1.93
Income Tax Expense	**26.449%**	**2,961.60**	**30.592%**	**2,060.41**

(d) Movement in deferred tax balances

	Net balance 01.04.2016	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2017
Deferred tax Asset				
Provision for Employee Benefits	211.83	41.68	2.54	256.05
Current investments	166.78	(77.40)	-	89.38
MAT Credit	429.57	(112.70)	-	316.87
Provision for Doubtful Debts & Receivables	87.59	0.67	-	88.26
Disallowance u/s 43B	102.42	(1.27)	-	101.15
Others	75.93	(55.76)	-	20.17
	1,074.12	**(204.78)**	**2.54**	**871.88**
Deferred Tax Liabilities				
Property, plant and equipment	5,866.68	872.15	-	6,738.83
Undistributed earnings	145.39	121.14		266.53
Others	96.25	(80.46)	-	15.79
	6,108.32	**912.83**	**-**	**7,021.15**
Deferred Tax (assets) / Liabilities	**5,034.20**	**1,117.61**	**(2.54)**	**6,149.27**

	Net balance 01.04.2015	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2016
Deferred tax Asset				
Provision for Employee Benefits	272.62	(57.16)	(3.63)	211.83
Current investments	172.57	(5.79)	-	166.78
MAT Credit	344.33	85.24	-	429.57
Provision for Doubtful Debts & Receivables	82.22	5.37	-	87.59
Disallowance u/s 43B	93.09	9.33	-	102.42
Others	29.95	45.98	-	75.93
	994.78	**82.97**	**(3.63)**	**1,074.12**
Deferred Tax Liabilities				
Property, plant and equipment	5,101.59	765.09	-	5,866.68
Undistributed earnings	117.22	28.17		145.39
Others	15.64	80.61	-	96.25
	5,234.45	**873.87**	**-**	**6,108.32**
Tax assets/(Liabilities)	**4,239.67**	**790.91**	**3.63**	**5,034.20**

Note 43 : Leases

Operating Lease

A. Leases as lessee

a) The Group enters into cancellable/non-cancellable operating lease arrangements for land, office premises, staff quarters and others. Payments made under operating leases are generally recognised in statement of Profit and Loss based on corresponding periods contractual terms of the lease, since the Group considers it to be more representative of time pattern of benefits flowing to it.The lease rentals paid for the same are charged to the Statement of Profit and Loss.

The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were payable as follows:

₹ / Crores

	31.03.2017	31.03.2016
Less than one year	11.34	10.29
Between one and five years	45.87	40.05
More than five years	361.97	308.16
	419.18	**358.50**
ii. Amounts recognised in profit or loss		
Lease expense	335.09	552.40

Note 44 : Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders

₹ / Crores

	31.03.2017	31.03.2016
Profit attributable to equity holders for basic and diluted earnings per share	**8,235.82**	**4,674.69**
ii. Weighted average number of ordinary shares		
Issued ordinary shares at April 1	33,86,27,250	33,86,27,250
Effect of shares issued as Bonus shares*	67,72,54,500	67,72,54,500
Weighted average number of shares for basic and diluted earnings per shares	**101,58,81,750**	**101,58,81,750**
Basic and Diluted earnings per share	**81.07**	**46.02**

*The Company has issued bonus shares @ 2:1 during 2016-17. The EPS for 2016-17 and 2015-16 has been appropriately adjusted.

Note 45 : Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using debt equity ratio. The Group's debt to equity ratio at March 31, 2017 is as follows.

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
Long term borrowings (refer note # 21)	11,215.68	18,168.94	18,759.13
Total equity (refer note # 20a and 20b)	21,071.43	16,663.78	14,055.37
Debt to Equity ratio	**0.53**	**1.09**	**1.33**

Note 46 : Dividends

₹ / Crores

		31.03.2017	31.03.2016
(i)	**Dividends paid during the year**		
	Final dividend for the year ended 31.03.2016 of ₹ 16.00 (31.03.2015 ₹ 24.50) per fully paid share. This included Dividend distribution tax of ₹ 110.30 crores (31.03.2015 ₹ 168.89 crores).	652.10	998.53
	First Interim dividend for the year ended 31.03.2017 of ₹ 22.50 (31.03.2016 – ₹ 11.50) per fully paid share. This included Dividend distribution tax of ₹ 465.32 crores (31.03.2016 ₹ 79.28 crores)	2,751.05	468.70
	Second Interim dividend for the year ended 31.03.2017 of ₹ 6.40 (31.03.2016 – ₹ 7) per fully paid share. This included Dividend distribution tax of ₹ 132.36 crores (31.03.2016 ₹ 48.26 crores)	782.52	285.30
(ii)	**Dividends not recognised at the end of the reporting period**		
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 1.10 per fully paid equity share (31.03.2016 – ₹ 16.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	111.75	541.80
	Dividend distribution tax on above	22.75	110.30

47. The Group has accounted the discount of ₹ Nil (2015-16: ₹ 190.33 crores) on Crude Oil purchased from ONGC and has adjusted it against purchase cost of Crude Oil.

48. During the current financial year 2016-17, Subsidy on PDS Kerosene and Domestic Subsidized LPG from Central and State Governments amounting to ₹ 20.01 crores (2015-16: ₹ 11.77 crores) has been accounted.

49. Approval of Government of India for Budgetary Support amounting to ₹ 1,272.57 crores (2015-16: 1,761.26 crores) has been received and the same has been accounted under 'Recovery under Subsidy Schemes'.

50. (a) Inter-Oil company transactions are reconciled on a continuous basis. However, year end balances are subject to confirmation/reconciliation which is not likely to have a material impact.

(b) Customers' accounts are reconciled on an ongoing basis and such reconciliation is not likely to have a material impact on the outstanding or classification of the accounts.

51. In accordance with Para 7AA of Ind AS 21 read with Para D13AA of Ind AS 101, the Group has adjusted the exchange differences arising on long term foreign currency monetary items to the cost of assets and depreciated over the balance useful life of the assets.

52. In accordance with the option exercised by the Company as referred in note # 20(a), an exchange loss of ₹ 0.44 crores (2015-16: ₹ 194.80 crores) related to non-depreciable assets is remaining to be amortized over the balance period of loan in "Foreign Currency Monetary Item Translation Difference Account" as at March 31, 2017.

53. (a) Current Tax includes MAT Credit utilisation of ₹ 327.03 Crore (2015-16: ₹ 133.61 Crore).

(b) The recognition of MAT Credit Entitlements of ₹ 316.87 Crore as at March 31, 2017 (₹ 429.57 Crore as at March 31, 2016) is on the basis of convincing evidence that the Group will be able to avail the credit during the period specified in section 115JAA of the Act.

(c) Provision for tax for earlier years written back(net) of ₹ 52.48 Crore (2015-16: ₹ 120.38 Crore) represents reversal of excess provision towards current tax of ₹ 216.40 Crore (2015-16 : ₹ 249.75 Crore), additional provision towards deferred Tax of ₹ 232.73 Crore (2015-16: ₹ 141.08 Crore) and recognition of MAT credit Entitlements of ₹ 68.81 Crore (2015-16: ₹ 11.71 Crore).

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

₹ / Crores

Sr. No.	Particulars	2016-17	2015-16	01.04.2015
1.	Amounts payable to "suppliers" under MSMED Act, as on 31/03/17: -			
	- Principal	22.76	18.55	15.19
	- Interest	-	-	-
2.	Amounts paid to "suppliers" under MSMED Act, beyond appointed day during F.Y. 2016 – 17 (irrespective of whether it pertains to current year or earlier years) –			
	- Principal	-	-	
	- Interest	-	-	
3.	Amount of interest due / payable on delayed principal which has already been paid during the current year (without interest or with part interest)	-	-	
4.	Amount accrued and remaining unpaid at the end of Accounting Year	-	-	
5.	Amount of interest which is due and payable, which is carried forward from last year	-	-	

55. Related Party Disclosure:

A. **Names of and Relationship with Related Parties**

1. **Jointly controlled entities**

i. HPCL-Mittal Energy Ltd.

ii. Hindustan Colas Pvt. Ltd.

iii. South Asia LPG Company Pvt. Ltd.

iv. Petronet India Ltd.

v. HPCL Shapoorji Energy Pvt. Ltd.

2. **The Company has not included disclosure in respect of following related parties which are Govt. related entities as per Ind AS 24.**

i. **Subsidiaries**

1. HPCL Biofuels Ltd.
2. Prize Petroleum Company Ltd.

ii. **Jointly controlled entities**

1. CREDA-HPCL Biofuels Ltd.
2. HPCL Rajasthan Refinery Ltd.
3. Bhagyanagar Gas Ltd.
4. Petronet MHB Ltd.
5. Mumbai Aviation Fuel Farm facility Pvt. Ltd.
6. Godavari Gas Pvt Ltd
7. Aavantika Gas Ltd..

iii. **Associates**

1. GSPL India Gasnet Ltd.
2. GSPL India Transco Ltd.
3. Mangalore Refinery and Petrochemicals Ltd.

3. **Key Management Personnel**

   i. Shri Mukesh Kumar Surana, Chairman and Managing Director (w.e.f. 01.04.2016)

   ii. Shri J. Ramaswamy, Director – Finance

   iii. Shri Vinod S. Shenoy, Director – Refineries (from 01-11-2016)

   iv. Shri B. K. Namdeo, Director- Refineries (till 31.10.2016)

   v. Shri S. Jeyakrishnan, Director – Marketing (from 01-11-2016)

   vi. Shri Y.K. Gawali, Director – Marketing (till 31.10.2016)

   vii. Shri Pushp Kumar Joshi, Director - Human Resources

   viii. Shri Shrikant Madhukar Bhosekar, Company Secretary

4. **Independent Directors**

   i. Shri Ram Niwas Jain, Independent Director

   ii. Smt. Asifa Khan (from 13.02.2017)

   iii. Shri G.V. Krishna (from 13.02.2017)

   iv. Dr. Trilok Nath Singh (from 20.03.2017)

B. **Details of transactions with related parties**

1. **Transaction with Jointly controlled entities**

₹ / Crores

No.	Nature of Transactions	2016-17	2015-16
(i)	**Sale of goods**		
	HPCL-Mittal Energy Ltd.	86.61	127.77
	Hindustan Colas Pvt. Ltd.	332.48	268.28
	South Asia LPG Company Pvt. Ltd.	0.17	0.18
		419.26	**396.23**
(ii)	**Purchase of goods**		
	HPCL-Mittal Energy Ltd.	23101.18	23,593.34
	Hindustan Colas Pvt. Ltd.	115.34	159.00
		23,216.52	**23,752.34**
(iii)	**Dividend income received**		
	Hindustan Colas Pvt. Ltd.	16.54	22.87
	South Asia LPG Company Pvt. Ltd.	32.50	27.50
	Petronet India Ltd.	3.68	-
		52.72	**50.37**
(iv)	**Services given (Manpower Supply Service)**		
	HPCL-Mittal Energy Ltd.	0.42	0.39
	Hindustan Colas Pvt. Ltd.	2.03	2.04
	South Asia LPG Company Pvt. Ltd.	1.21	1.28
		3.66	**3.71**
(v)	**Lease rental received**		
	HPCL-Mittal Energy Ltd.	1.20	1.20
	Hindustan Colas Pvt. Ltd.	0.23	0.24
	South Asia LPG Company Pvt. Ltd.	0.87	1.68
		2.30	**3.12**

No.	Nature of Transactions	2016-17	2015-16
(vi)	**Others – (Services provided)**		
	HPCL-Mittal Energy Ltd.	14.25	24.07
	Hindustan Colas Pvt. Ltd.	3.02	2.39
	South Asia LPG Company Pvt. Ltd.	0.58	0.39
		17.85	**26.85**
(vii)	**Others - (Services availed)**		
	HPCL-Mittal Energy Ltd.	15.60	13.51
	Hindustan Colas Pvt. Ltd.	2.36	4.74
	South Asia LPG Company Pvt. Ltd.	125.12	93.61
		143.08	**111.86**
(viii)	**Purchases of Equity shares of M/s Petronet MHB Ltd. from Petronet India Ltd**	**26.09**	**-**
(ix)	**Investment in equity shares / Converted to Equity Shares**		
	HPCL-Mittal Energy Ltd.	-	248.82
	HPCL Shapoorji Energy Pvt. Ltd.	1.50	6.50
		1.50	**255.32**

₹ / Crores

No.	Description	31.03.2017	31.03.2016	01.04.2015
(x)	**Receivables as on**			
	HPCL-Mittal Energy Ltd.	8.28	0.36	12.39
	Hindustan Colas Pvt. Ltd.	10.82	5.04	32.97
	South Asia LPG Company Pvt. Ltd.	0.12	0.11	0.96
		19.22	**5.51**	**46.32**
(xi)	**Payables as on**			
	HPCL-Mittal Energy Ltd.	1,321.25	1,220.35	1448.47
	Hindustan Colas Pvt. Ltd.	25.74	16.84	21.37
	South Asia LPG Company Pvt. Ltd.	13.94	11.53	8.89
		1,360.93	**1,248.72**	**1478.73**

C. Transactions with other government-controlled entities

The corporation is a Government related entity engaged in the business of refining of crude oil and marketing of petroleum products. The corporation also deals on regular basis with entities directly or indirectly controlled by the central/state governments through its government authorities, agencies, affiliations and other organizations (collectively referred as "Government related entities").

Apart from transactions with corporations' group companies, the corporation has transactions with other Government related entities, including but not limited to the followings:

- sale and purchase of products;
- rendering and receiving services;
- lease of assets;
- depositing and borrowing money; and
- use of public utilities

These transactions are conducted in the ordinary course of the corporation's business on terms comparable to those with other entities that are not Government related.

D. Remuneration paid to Key Management Personnel*

(₹ Crores)

No.	Description	2016-17	2015-16
(i)	Short – Term Employee Benefits	3.66	3.23
(ii)	Post – Employment Benefits	0.23	0.51
		3.89	**3.74**

* Remuneration to KMP has been considered from / to the date from which they became KMP.

E. Amount due from Key Management Personnel

(₹ Crores)

No.	Description	31.03.2017	31.03.2016	01.04.2015
(i)	Smt. Nishi Vasudeva		-	0.02
(ii)	Shri Mukesh Kumar Surana	0.11	-	-
(iii)	Shri K. V. Rao		-	0.00
(iv)	Shri J Ramaswamy	0.01	0.02	-
(v)	Shri Pushp Kumar Joshi	0.06	0.06	0.07
(vi)	Shri Shrikant Madhukar Bhosekar	0.04	0.05	0.05
(vii)	Shri S Jeyakrishnan	0.26	-	-
(viii)	Shri Vinod S Shenoy	0.09	-	-
		0.57	**0.13**	**0.14**

F. Sitting Fee paid to Non-Executive Directors:

(₹ Crores)

Details of Meeting	Shri Ram Niwas Jain	Smt. Asifa Khan	Shri G.V. Krishna	Dr. Trilok Nath Singh
Board	0.04	0.01	0.01	0.01
Audit Committee	0.02	-	-	-
Nomination & Remuneration Committee	0.00	-	-	-
Stakeholders Relationship Committee	0.00	-	-	-
Investment Committee	0.00	-	-	-
CSR & SD Committee	0.02	-	-	-
Total Sitting Fees Paid	**0.08**	**0.01**	**0.01**	**0.01**

56. The Group has entered into production sharing oil & gas exploration contracts in India in consortium with other body corporate. These consortia are:

Name of the Block	Participating Interest of HPCL in %		
	31.03.2017	31.03.2016	01.04.2015
In India			
Under NELP IV			
KK- DWN-2002/2	20	20	20
KK- DWN-2002/3	20	20	20
CB- ONN-2002/3	15	15	15
Under NELP V			
AA-ONN-2003/3	15	15	15
Under NELP VI			
CY-DWN-2004/1	10	10	10
CY-DWN-2004/2	10	10	10
CY-DWN-2004/3	10	10	10
CY-DWN-2004/4	10	10	10
CY-PR-DWN-2004/1	10	10	10

Name of the Block	Participating Interest of HPCL in %		
	31.03.2017	31.03.2016	01.04.2015
CY-PR-DWN-2004/2	10	10	10
KG-DWN-2004/1	10	10	10
KG-DWN-2004/2	10	10	10
KG-DWN-2004/3	10	10	10
KG-DWN-2004/5	10	10	10
KG-DWN-2004/6	10	10	10
MB-OSN-2004/1	20	20	20
MB-OSN-2004/2	20	20	20
RJ-ONN-2004/1	22.22	22.22	22.22
RJ-ONN-2004/3	15	15	15
Under NELP IX			
MB-OSN-2010/2	30	30	30
Cluster – 7	60	60	60
In Respect of PPCL			
In India			
SR-ONN-2004/1	10	10	10
AA ONN 2010/1	50	20	20
Sanganpur Field	50	50	50
Outside India			
Yolla Field (Australia) Licence T/L-1	11.25	11.25	11.25
Cluster 7	9.75	9.75	9.75

In Respect of HPCL

a) The Blocks CY-DWN-2004/1,2,3,4, CY-PR-DWN-2004/1&2, RJ-ONN-2004/1&3, KK-DWN-2002/2, MB-OSN-20010/2, MB-OSN-2004/1, MB-OSN-2004/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2016. Blocks KG-DWN-2004/1,2,3,5 and 6 are under relinquishment and the operating committee had decided not to maintain books of accounts for the projects as they are under relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2015. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2017.

b) The Blocks AA-ONN-2003/3 and KK-DWN-2002/3 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2011 and March 31, 2012 respectively. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2017.

c) The block CB-ONN-2002/3 was awarded under NELP IV bidding round and the production sharing contract was signed on 06.02.2004. The exploration Minimum Work Program has been completed. The block is divided into two areas i.e. Miroli and Sanand. Approval of Mining Lease to commence production from Sanand field has been received from Govt. of Gujarat. Preparation of addendum to Sanand FDP (Field development plan) for additional discovery in Kalol reservoir is in progress.

d) In respect of Cluster – 7, the matter is under arbitration. Please refer Note # 63.1.

b) In respect of PPCL

1.1 ONGC Onshore Marginal Fields

The Company was awarded Service Contracts dated 28th April, 2004, for development of ONGC's Hirapur, Khambel and West Bechraji onshore marginal oil fields.

The Company executed Agreements for development of Hirapur, Khambel and West Bechraji onshore marginal fields with Valdel Oil and Gas Private Limited (VALDEL) with equal share in the Service Contracts. The Service Contracts in respect of Khambel and West Bechraji had been terminated in February, 2009 by ONGC and the Service Contract with respect to Hirapur field is operating currently.

The Company's share of assets and liabilities as on 31st March 2017 and the Income and expenditure for the year in respect of above joint venture is as follows:

(₹ Crores)

	Particulars	31.03.2017	31.03.2016	01.04.2015
A	Property, Plant & Equipment (Gross)	9.99	9.99	9.99
B	Intangible asset under development	1.36	1,36	1.36
C	Other Net Non-Current Assets	(0.02)	(0.02)	(0.02)
D	Net Current Assets (*)	1.39	1.25	1.03
E	Income	1.02	1.05	0.98
F	Expenditure	**1.27**	**1.24**	**1.21**

(*) Includes receivable from joint venture amounting to ₹ 0.82 Crs. (for FY 15-16 – ₹ 0.78 Crs. and for FY 14-15 - ₹ 0.60 Crs.).

1.2 Sanganpur Field

The Company acquired 50% participating interest in Sanganpur field from M/s Hydrocarbon Development Company Pvt. Ltd. (HDCPL) effective 1st September, 2004. Accumulated amount prior to acquisition of Sanganpur field amounting ₹1,18 Crs. have been included in Sanganpur field Assets. The Company has accounted its proportionate share in the Sanganpur field based on estimated un-Audited accounts as at 31st March, 2017.

Bombay High Court vide order dated 14th Nov, 2014 in Company Petition 550 of 2013 has passed order for appointment of liquidator for assets and business of Company M/s HDCPL. This petition was filed by ETA Star Golding limited for non-payment of its invoices by M/s HDCPL. Said order of Bombay High Court was challenged before its Division Bench and is still pending before the Court.

Presently the Operation in Sanganpur field is continued by HDCPL as before. Product dispatch is also continuing.

The Company's share of assets and liabilities as on 31st March 2017 and the Income, expenditure for the year in respect of above joint venture is as follows:

₹ / Crores

	Particulars	FY 2016-17	FY 2015-16	FY 2014-15
A	Property, Plant & Equipment (Gross)	5.63	5.63	5.63
B	Other Net Non-Current Assets	(0.02)	(0.02)	(0.02)
C	Net Current Assets (*)	(0.1)	(0.1)	(0.08)
D	Income	0.09	0.05	0.13
E	Expenditure	**0.09**	**0.08**	**0.22**

(*) Includes payable to joint venture amounting to ₹ 0.05 Crs. (for FY 15-16 – ₹ 0.04 Crs. and for FY 14-15 - ₹ 0.08 Crs.)

1.3 ONGC Offshore Marginal Fields (Cluster-7)

The Company along with Consortium member, M/s Hindustan Petroleum Corporation Limited (HPCL) (PI - 60%) and M/s Trenergy (PI – 30%) was awarded a Contract vide letter of award dated 31st March, 2006 for the development of ONGC's offshore marginal Oilfields viz. B -192, B - 45 and WO – 24. The Service Contract for Cluster-7 was signed on 27th September, 2006 between ONGC and Consortium members. The Company is the Executing Contractor and its participating interest (PI) is 10%.

The said Service Contract was terminated by ONGC. Subsequently, HPCL/PPCL started arbitration proceedings against Trenergy which are still in progress, hence the joint bank account has not been closed on the advise of the legal department- HPCL.

1.4 SR – ONN – 2004 / 1 (South Rewa Block):

The Company along with Consortium member M/s Jaiprakash Associates Limited (PI - 90%) was awarded PSC for the SR-ONN-2004/1 block vide letter dated 12th February, 2007 of Ministry of Petroleum & Natural Gas (MOP & NG) under NELP – VI round. The Company is the executing contractor and its PI is 10%. The PSC was signed on 2nd March, 2007.

Consortium has proposed to relinquish the block effective from 23rd October, 2014 and Operating Committee Resolution (OCR) for relinquishment of the block has been submitted to Directorate General of Hydrocarbon (DGH).

The Company's share of assets and liabilities as on 31st March, 2017 in respect of above joint venture is as follows:

(₹ Crores)

	Particulars	FY 2016-17	FY 2015-16	FY 2014-15
A	Property, Plant and Equipment (Gross)	0.00	0.00	0.00
B	Intangible asset under development	-	-	-
C	Other Net Non-Current Assets	0.00	0.00	0.00
D	Net Current Assets (*)	2.81	2.46	1.34
E	Expenditure (**)	0.04	0.16	0.81

(*) Includes receivables from joint venture amounting to ₹ 2,42 Crs. (for FY 15-16 - ₹ 2,07 Crs. and for FY 14-15 - ₹ 0.95 Crs.)

(**) Includes ₹ NIL (for FY 15-16 R. Nil and for FY 14-15 - ₹ 0.13 Crs.) written off towards dry wells cost. Also includes Inventory written off amounting to ₹ Nil (for FY 15-16 –NIL and for FY 2014-15 - ₹ 0.31 Crs.)

2. Estimated Hydrocarbon Proven Reserves as on 31st March, 2017 in the Oil fields as follows:

a) Domestic Operations (Hirapur and Sanganpur (On-shore Marginal Fields))

(*) The Company Share is 50% of total

Particulars (*)	FY 2016-17		FY 2015-16	
	MM BBLS	MMT	MM BBLS	MMT
Recoverable Reserves	3.01	0.403	3.04	0.409

International Operations (Yolla Field, Australia – License T/L 1 – Offshore Filed)

Particulars	FY 2016-17	FY 2015-16
	MM BoE	MM BoE
Recoverable Reserves	2.049	3.912

(*) The Company Share is 11.25% of total

3. Quantitative Particulars of Petroleum:-

Particulars (*)	FY 2016-17	FY 2015-16
Total Dry Crude Production	BoE	BoE
Hirapur Field	36,503	38,221
Sanganpur Field	541	296
Yolla Field (T/L1) Australia	429,582	460,068
TOTAL	466,626	498,585

57. Primarily due to the fall in the international crude oil prices, the assets of PPIPL in the Bass Gas project (License T/L1 & Permit T/18P) were tested for impairment. During the financial year, PPIPL has recognized an impairment loss amounting to USD 22.98 million (₹ 149.06 Crs.) and has reduced the carrying amount of these assets.

The asset valuation is based on recoverable reserve production profit against various estimates and assumptions. The post-tax discount rate of 9.50% for T/L1 and 9.75% for T/18P has been used to estimate the value in use of these assets.

58. As per the guidelines issued by Department of Public Enterprises (DPE) in August, 2005, the Board of Directors of Navratna Public Sector Enterprises (PSEs) can invest in joint ventures and wholly owned subsidiaries subject to an overall ceiling of

30% of the net worth of the PSE. The company has requested Ministry of Petroleum & Natural Gas (MOP&NG) to confirm its understanding that for calculating this ceiling limit, the amount of investments specifically approved by Government of India (i.e. investment in HMEL and HPCL Rajasthan Refinery Limited) are to be excluded. The Company has calculated the limit of 30% investment in joint ventures and wholly owned subsidiaries, by excluding the investments specifically approved by Govt. of India. As per financial position as on 31st march 2017, the investments in joint ventures and wholly owned subsidiaries are well within 30% limit.

59. Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on the desired margins for deciding on impairment of related Cash Generating Units. Since there is no indication of impairment of assets as at Balance Sheet date as per the assessment carried out, no impairment has been considered. In view of assumptions being technical, peculiar to the industry and Government policy, the auditors have relied on the same.

60. The Corporation had complied with the requirement of para 4 (a) of Notes to Schedule II to the Companies Act, 2013 relating to componentization from 2015-16. As per para 7 (b) of Schedule II to the Companies Act, 2013, the Corporation has charged ₹ 219.49 crores to Statement of Profit and Loss for 2015 - 16 as one-time impact.

61. The Corporation has considered the ISBL (Inside boundary Limit) pipeline directly associated as an integral part of Plant and Machinery / Tanks and has depreciated such pipelines based on the useful life of respective plants, which is considered as 25 years in line with the Schedule II of the Companies Act, 2013.

62. During the year 2016 – 17, Group has spent ₹ 108.11 Crores (2015-16: ₹ 71.80 Crores) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 107.90 crores (2015-16: ₹ 71.67 Crores).

Head wise break up of CSR expenses are given below:

(₹ Crores)

S.No.	Head of Expenses	2016-17	2015-16
1	Empowerment of Socially and Economically Backward groups	4.91	4.37
2	Imparting Employment Enhancing Vocation Skills	11.48	5.38
3	Promoting Education	27.24	16.00
4	Promoting Preventive Health Care	11.76	11.64
5	Promotion of Nationally Recognised and Paralympic Sports	0.99	0.68
6	Swachh Bharat Abhiyan	10.15	15.82
7	Environmental Sustainability	16.58	17.87
8	Others	25.00	0.04
	Total	**108.11**	**71.80**

Amount spent during the year 2016-17 on:-

(₹ Crores)

Details		In Cash	Yet to be paid in Cash	Total
(i)	Construction / Acquisition of an assets			
(ii)	On purpose other than (i) above	108.11	-	108.11

Amount spent during the year 2015-16 on:-

Details		In Cash	Yet to be paid in Cash	Total
(i)	Construction / Acquisition of an assets			
(ii)	On purpose other than (i) above	71.80	-	71.80

Notes to the Consolidated Financial Statements for the year ended 31st March 2017

63. Contingent Liabilities and Commitments

(₹ Crores)

		31.03.2017	31.03.2016	01.04.2015
I.	**Contingent Liabilities**			
A.	No provision has been made in the accounts in respect of the following disputed demands/claims since they are subject to appeals/representations filed by the Group			
	i. Income Tax	147.49	188.57	176.58
	ii. Sales Tax/Octroi	2,145.28	2,174.29	2,483.98
	iii. Excise/Customs	345.94	280.40	353.26
	iv. Land Rentals & Licence Fees	155.97	88.94	181.83
	v. Others	67.80	74.86	111.77
		2,862.48	**2,807.06**	**3,307.42**
B.	Contingent Liabilities not provided for in respect of appeals filed against the Group			
	i. Income Tax	15.29	15.29	12.79
	ii. Sales Tax/Octroi	20.87	14.07	3.48
	iii. Excise/Customs/Service Tax	93.39	83.97	84.62
	iv. Employee Benefits/Demands (to the extent quantifiable)	210.11	214.07	362.71
	v. Claims against the Group not acknowledged as debt	516.91	517.63	803.78
	vi. Others	219.82	444.00	439.79
		1,076.39	**1,289.03**	**1,707.17**
C.	Guarantees given to others	**161.25**	**170.95**	**228.07**

(Includes ₹ 546.27 (31.03.16 : ₹ 496.31 Crores ; 01.04.15 : ₹ 554.52 Crores) towards share of jointly controlled entities)

(Includes ₹ 239.77 crores (31.03.16: ₹ 288.73 crores ; 01.04.15 : ₹ 231.19 crores) towards share of jointly controlled operations)

63.1: A claim of ₹ 276.28 crores (42.60 Million USD @ Exchange rate of 1 US = $ 64.855), claim by M3nergy on termination of service contract of Cluster - 7 field, which was awarded by ONGC to the consortium of M3nergy (Malaysia) BHD (30%) and Group (70%). Group has also initiated arbitration proceedings against M3nergy. The share of the claim of the company is ₹ 1016.28 crores with loss of profit and other expenses etc. Arbitration was bifurcated into two aspects one is liability and the other is quantification. Liability aspects have been held in favour of Group and by an interim award by Hon'ble Arbitral Tribunal, which has been challenged by M3nergy in Bombay High Court. The said Partial Award has been challenged by M3energy before High Court of Bombay wherein Court refused the request of M3nergy to stay arbitration proceedings. The matter is pending for further arguments.

The final hearing set of hearing before the before the Hon'ble Arbitral Tribunal dealing with nature and extent of relief to be granted to the Company and HPCL as well as question of costs were held on November 4-5, 2016, as the oral argument could not be completed, by M3nergy filed their written submission on Apr 6, 2017. The rejoined to the same is now to be filed by the Group. This amount is not included above.

(₹ Crores)

		31.03.2017	31.03.2016	01.04.2015
II.	**Commitments**			
A.	Estimated amount of contracts remaining to be executed on Capital Account not provided for	**3,921.00**	**4,037.26**	**2,773.40**
B.	Other Commitments (for Investments in Joint Ventures)	**29.76**	**31.93**	**25.52**

(Includes ₹ 296.48 (31.03.16 : ₹ 408.72 Crores ;01.04.15 : ₹ 419.99 Crores) towards share of jointly controlled entities)
(Includes Nil (31.03.16: ₹ 100.62 crores ;01.04.15 : ₹ 94.93 crores) towards share of jointly controlled operations)

64. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are produced herein below:

(in full Rupees)

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	11,63,67,000	53,67,614	12,17,34,614
(+) Permitted receipts	226,76,62,000	120,15,27,273	346,91,89,273
(-) Permitted payments	4,14,000	38,30,706	42,44,706
(-) Amount deposited in Banks	238,36,15,000	114,87,76,664	353,23,91,664
Closing cash in hand as on 30.12.2016	-	5,42,87,517	5,42,87,517

65. Based on 3rd Pay Revision Committee recommendation, a provision of ₹ 449.52 crores have been made towards increase in gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs and revision in salary for management staff w.e.f. 01.01.2017.

66. In compliance of Ind AS – 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

Particulars	Opening Balance as on 01.04.16	Additions	Utilization	Reversals	Closing Balance 31.03.17
Excise	0.59	0.00	0.00	0.00	0.59
Sales Tax	323.29	6.31	0.00	4.95	324.65
Service Tax	12.59	0.00	0.00	0.00	12.59
Others	331.22	82.12	1.97	0.45	410.92
Total	**667.69**	**88.43**	**1.97**	**5.40**	**748.75**
Less: Pre Deposit	-	-	-	-	63.21
Net	**667.69**	**88.43**	**1.97**	**5.40**	**685.54**

Particulars	Opening Balance as on 01.04.15	Additions	Utilization	Reversals	Closing Balance 31.03.16
Excise	0.59	0.00	0.00	0.00	0.59
Sales Tax	82.66	266.10	8.27	17.20	323.29
Service Tax	12.58	0.00	0.00	0.00	12.58
Others	62.93	285.36	17.07	0.00	331.22
Total	**158.76**	**551.46**	**25.34**	**17.20**	**667.69**

The above provisions are made based on estimates and expected timing of outflows is not ascertainable at this stage.

67. Threshold limits adopted in respect of financial statements is given below:

Threshold item	Unit of measurement	Threshold limits
Capitalization of spare parts meeting the definition of property plant and equipment.	₹ Lakhs	10.00
Deprecation at 100% in the year of acquisition except LPG cylinders and pressure regulators.	₹	5,000.00
Classification as finance lease for land	Lease period (years)	More than 99
Income / expenditure pertaining to prior year (s)	₹ Crores	75.00
Prepaid expenses	₹ Lakhs	5.00
Disclosure of contingent liabilities	₹ Lakhs	5.00
Disclosure of capital commitments	₹ Lakhs	1.00

68. Segment reporting

A. Basis for segmentation

There are no reportable segments other than downstream petroleum, as per para 13 of Ind AS - 108, Operating Segments.

(i) Downstream Petroleum, engaged in Refining and Marketing of Petroleum products.

(ii) Others

The Company's Chairman, the Chief Operating Decision Maker for the Group , periodically reviews the internal management reports and evaluates performance/allocates resources based on the analysis of various performance indicators relating to the segments referred to above.

B. Information about reportable segments

(₹ Crores)

For the year ended March 31, 2017	Reportable segments				
Particulars	**Downstream**	**Others**	**Total Segments**	**Adjustments & Eliminations**	**Consolidated**
Revenue					
External Customers	2,13,802.64	419.37	2,14,222.01	-	2,14,222.01
Inter-segment	0.35	44.90	45.25	(45.25)	-
Total Revenue	**2,13,802.99**	**464.27**	**2,14,267.26**	**(45.25)**	**2,14,222.01**
Segment profit / (loss) [EBIT]	**8,850.72**	**(166.99)**	**8,683.73**	**95.34**	**8,779.07**
Interest Income / (expenses) :					
Interest Income					708.61
Interest expense					(609.24)
Profit before tax and share of Profit in equity accounted investees					**8,878.44**
Share of profit of equity accounted investees					2,318.98
Profit before tax (PBT)					**11,197.42**
Income tax expense					(2,961.60)
Profit after Tax (PAT)					**8,235.82**
Other Comprehensive Income (Net of Tax)					163.07
Total Comprehensive Income					**8,398.89**
Segment assets	**79,195.95**	**1,123.09**	**80,319.04**		**80,319.04**
Segment liabilities	**58,232.18**	**1,015.43**	**59,247.61**		**59,247.61**
Other disclosures:					
Depreciation and amortization	2,535.28	241.09	2,776.37	-	2,776.37
Investment in equity accounted investees			-	-	6,069.75
Material non-cash items other than depreciation and amortisation					262.76
Capital expenditure					5,783.04

(₹ Crores)

For the year ended March 31, 2016	Reportable segments				
Particulars	**Downstream**	**Others**	**Total Segments**	**Adjustments & Eliminations**	**Consolidated**
Revenue					
External Customers	1,97,743.40	220.92	197,964.32	-	1,97,964.32
Inter-segment	0.42	28.46	28.88	(28.88)	-
Total Revenue	**1,97,743.82**	**249.38**	**197,993.20**	**(28.88)**	**1,97,964.32**
Segment profit / (loss) [EBIT]	**5,770.11**	**(155.90)**	**5,614.21**	**233.09**	**5,847.30**
Interest Income / (expenses) :					
Interest Income					668.71
Interest expense					(723.18)
Profit before tax and share of Profit in equity accounted investees					**5,792.83**
Share of profit of equity accounted investees					942.27
Profit before tax (PBT)					**6,735.10**
Income tax expense					(2,060.41)
Profit after Tax (PAT)					**4,674.69**
Other Comprehensive Income (Net of Tax)					(191.39)
Total Comprehensive Income					**4,483.30**
Segment assets	**68,081.13**	**1,471.88**	**69,553.01**		**69,553.01**
Segment liabilities	**51,724.35**	**1,164.89**	**52,889.24**		**52,889.24**
Other disclosures :					
Depreciation and amortization	2,653.21	192.88	2,846.09	-	2,846.09
Investment in equity accounted investees					3,773.73
Material non-cash items other than depreciation and amortisation					217.90
Capital expenditure					6,278.51

69.

I. Summarised financial information for Joint ventures and associates that are material to the reporting entity as per Ind AS 112 *:

(₹ Crores)

Particulars	**HMEL**			**MRPL**		
	31.03.2017	**31.03.2016**	**01.04.2015**	**31.03.2017**	**31.03.2016**	**01.04.2015**
Assets:						
Non Current Assets	24,610.12	25,182.12	25,381.86	22,804.36	23,936.46	23,970.32
Current Assets						
Cash and Cash equivalents	72.60	12.20	64.80	246.15	1,355.32	1,367.12
Other current Assets (Excluding cash and cash equivalents)	7,597.07	4,591.03	7,541.60	9,760.58	18,760.11	15,971.93
Total (A)	**32,279.79**	**29,785.35**	**32,988.26**	**32,811.09**	**44,051.89**	**41,309.37**
Liabilities:						
Non Current Liabilities						
Non-Current Financial Liabilities (excluding Trade/Other payables and Provisions)	16,873.70	17,915.30	22,316.10	8,590.95	8,952.02	11,747.69
Other Non current Liabilities	671.83	621.50	236.10	439.08	596.89	907.51

(₹ Crores)

Particulars	HMEL			MRPL		
	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
Current Liabilities						
Current-Financial Liabilities (excluding Trade/Other payables and Provisions)	3,112.20	4,318.30	5,046.40	7,750.07	6,691.31	4,438.39
Other Current Liabilities	4,107.80	2,624.30	2,993.50	6,557.40	21,796.22	19,005.64
Total (B)	**24,766**	**25,479.40**	**30,592.10**	**23,337.50**	**38,036.44**	**36,099.23**
Net Assets included in Financial Statement of Joint Venture/Associate	**7,514.26**	**4,305.94**	**2,396.16**	**9,473.59**	**6,015.45**	**5,210.14**
Ownership Interest	48.99%	48.99%	48.94%	16.96%	16.96%	16.96%
Carrying amount of Interest in Joint Venture/Associate	**3,681.42**	**2,109.59**	**1,172.66**	**1,606.25**	**1,019.92**	**883.38**
Quoted Market Price	N.A.	N.A.	N.A.	3,169.14	1,992.41	1,995.39

* The information provided above is after considering adjustment due to alignment of accounting policies and inter-company eliminations.

(₹ Crores)

Other Information:	HMEL		MRPL	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Revenue	42,488.60	40,327.70	59,989.14	50,962.33
Dividend Income	-	-	26.80	117.32
Interest Income	12.00	18.10	378.37	689.86
Interest Expenses	1,073.10	1,711.80	965.92	1,080.33
Depreciation	1,138.70	1,147.20	984.12	1,013.04
Income tax expenses	1,160.60	495.20	1,760.64	(219.26)
Group's share of Profit / Loss	**3,209.32**	**1,404.71**	**3,462.48**	**805.24**
Group's share in Other Comprehensive Income (Net of Tax)	(1.00)	(0.20)	(4.78)	0.07
Group's share in Total Comprehensive Income	**3,208.32**	**1,404.51**	**3,457.70**	**805.30**

II. Details of all individually immaterial equity accounted investees :

(₹ Crores)

	Joint Ventures			Associates		
	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
Carrying amount of Investment in equity accounted investees	**727.84**	**601.75**	**505.19**	**54.24**	**42.47**	**36.76**
Group's Share of Profit or Loss from Continuing Operations	**168.32**	**117.33**		**0.22**	**0.21**	
Group's share in other comprehensive income.	-0.03	0.11		-	-	
Group's share in Total comprehensive income.	**168.28**	**117.44**		**0.22**	**0.21**	

Notes to the Consolidated Financial Statements for the year ended 31st March 2017

Note 70 : Employee benefit obligations

A: Provident Fund

The Group's Contribution to the provident fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees salary and charged to the statement of profit and loss.

Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return will be made good by the Corporation and charged to the statement of profit and loss. The Actual return earned by the fund has mostly been higher than Government specified minimum rate of return in the past years. There is no shortfall in the fund as on 31st March 2016, as on 31st March 2016 and 1st April, 2015. Present value of benefit obligation at period end is ₹ 3,438.00 crores (31.03.2016 : ₹ 3,156.89; 01.04.2015 : ₹ 2,852.56 crores) During the year, the company has recognised ₹ 128.90 crore (2015-16 : ₹ 120.46 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss.

B: Superannuation Fund

The Group has Superannuation Scheme - Defined Contribution Scheme maintained by SBFS trust wherein Company contributes a certain percentage every month out of 30% of Basic plus DA (in accordance with DPE guidelines) to the credit of individual employee accounts maintained with LIC. During the year, the company has recognised ₹ 152.15 crore (2015-16 : ₹ 178.34 crore) as Employer's contribution to Superannuation Fund in the statement of Profit and Loss.

C: The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ Crores)

S#		Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity Unfunded
1	**Present value of projected benefit obligation**						
	Present value of Benefit Obligation at the beginning of the period	495.06	562.61	64.84	32.14	13.57	0.63
		501.31	*504.15*	*57.84*	*33.71*	*2.49*	*0.48*
	Interest Cost	39.56	45.35	5.05	2.50	1.08	0.05
		38.19	*42.45*	*4.21*	*2.44*	*0.20*	*0.04*
	Current Service Cost	4.90	49.08	-	-	2.52	0.11
		3.04	*45.84*	-	-	*0.46*	*0.11*
	Past Service Cost	368.44	-	-	-	-	-
		-	-	-	-	-	-
	Benefit paid	(46.15)	(40.06)	(3.51)	(5.72)	(1.51)	
		(41.75)	*(32.13)*	*(7.71)*	*(5.94)*	*(0.95)*	
	Actuarial (gains)/ losses on obligations - due to change in financial assumptions	36.91	49.40	2.51	0.71	0.62	0.04
		(1.70)	*(5.02)*	*1.22*	*0.28*	*(0.17)*	*0.00*
	Actuarial (gains)/ losses on obligations - due to experience	(20.96)	(19.59)	(9.86)	0.72	(3.82)	(0.08)
		(4.03)	*7.32*	*9.28*	*1.65*	*11.54*	*(0.00)*
	Present value of Benefit Obligation a the end of the period	877.76	646.79	59.03	30.35	12.46	0.75
		495.06	*562.61*	*64.84*	*32.14*	*13.57*	*0.63*
2	**Changes in fair value of plan assets**						
	Fair value of Plan Assets at the beginning of the period	512.75	411.81	NA	NA	NA	NA
		510.96	-	*NA*	*NA*	*NA*	*NA*
	Interest income	40.97	33.19	NA	NA	NA	NA
		40.37	-	*NA*	*NA*	*NA*	*NA*
	Contributions by the employer	0.01	144.21	NA	NA	NA	NA
		0.18	*432.13*	*NA*	*NA*	*NA*	*NA*
	Contributions by the employee	-	0.59	NA	NA	NA	NA
		-	-	*NA*	*NA*	*NA*	*NA*
	Benefit paid	(46.15)	(40.06)	NA	NA	NA	NA
		(41.75)	*(32.13)*	*NA*	*NA*	*NA*	*NA*
	Return on plan assets, excluding interest income	1.84	11.11	NA	NA	NA	NA
		2.99	*11.81*	*NA*	*NA*	*NA*	*NA*
	Fair value of Plan Assets at the end of the period	509.42	560.85	NA	NA	NA	NA
		512.75	*411.81*	*NA*	*NA*	*NA*	*NA*

(₹ Crores)

S#		Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity Unfunded
3	**Included in profit and loss account**						
	Current Service Cost	4.90	49.08	-	-	2.52	0.11
		3.04	*45.84*	-	-	*0.46*	*0.11*
	Past Service Cost	368.44	-	-	-	-	
		-	-	-	-	-	
	Net interest cost	(1.41)	12.16	5.05	2.50	1.08	0.05
		(2.18)	*42.45*	*4.21*	*2.44*	*0.20*	*0.04*
	Contributions by the employee	-	(0.59)	-	-	-	-
		-	-	-	-	-	-
	Total amount recognised in profit and loss account	371.93	60.65	5.05	2.50	3.60	0.16
		0.86	*88.29*	*4.21*	*2.44*	*0.66*	*0.15*
4	**Remeasurements**						
	Return on plan assets, excluding interest income	(1.84)	(11.11)	-	-	-	-
		(2.99)	*(11.81)*	-	-	-	-
	(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-
		-	-	-	-	-	-
	(Gain)/loss from change in financial assumptions	36.91	49.40	2.51	0.71	0.62	0.04
		(1.70)	*(5.02)*	*1.22*	*0.28*	*(0.17)*	*0.00*
	Experience (gains)/losses	(20.96)	(19.59)	(9.86)	0.72	(3.82)	(0.08)
		(4.03)	*7.32*	*9.28*	*1.65*	*11.54*	*(0.01)*
	Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-	-
		-	-	-	-	-	-
	Total amount recognised in other comprehensive income	14.11	18.70	(7.35)	1.43	(3.20)	(0.04)
		(8.72)	*(9.51)*	*10.50*	*1.93*	*11.37*	*(0.00)*

D: Amount recognised in the Balance Sheet

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity-Unfunded
Present value of benefit obligation as on 01.04.2015	501.31	504.15	57.84	33.71	2.49	0.48
Fair value of plan assets as on 01.04.2015	510.96	-	-	-	-	-
Net Liability / (Asset) recognised in Balance Sheet	**(9.65)**	**504.15**	**57.84**	**33.71**	**2.49**	**0.48**

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity-Unfunded
Present value of benefit obligation as on 31.03.2016	495.06	562.61	64.84	32.14	13.57	0.63
Fair value of plan assets as on 31.03.2016	512.75	411.81	-	-	-	-
Net Liability / (Asset) recognised in Balance Sheet	**(17.69)**	**150.80**	**64.84**	**32.14**	**13.57**	**0.63**

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity-Unfunded
Present value of benefit obligation as on 31.03.2017	877.76	646.79	59.03	30.35	12.46	0.75
Fair value of plan assets as on 31.03.2017	509.42	560.85	-	-	-	-
Net Liability / (Asset) recognised in Balance Sheet	**368.34**	**85.94**	**59.03**	**30.35**	**12.46**	**0.75**

E: Plan assets (₹ Crores)

	31.03.2017		31.03.2016	
	Gratuity	PRMBS	Gratuity	PRMBS
Plan assets comprise the following:				
Insurance fund	509.42	560.85	512.75	411.81
	509.42	**560.85**	**512.75**	**411.81**

F: Significant estimates: actuarial assumptions and sensitivity

F(i): The significant actuarial assumptions were as follows:

31.03.2017	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.26%	7.45%	NA	NA	NA
Rate of Discounting	7.26%	7.45%	7.12%	7.09%	7.26%
Rate of Salary Increase	7.00%	7.00%	NA	NA	7.00%
Medical Cost Inflation	NA	3.00%	NA	NA	NA
Rate of Employee Turnover	2.00%	2.00%	NA	NA	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)				
Mortality Rate After Employment	Indian Assured Lives Mortality (2006-08)				

31.03.2016	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.99%	8.06%	NA	NA	NA
Rate of Discounting	7.99%	8.06%	7.79%	7.95%	7.99%
Rate of Salary Increase	7.00%	7.00%	NA	NA	NA
Rate of Employee Turnover	2.00%	2.00%	NA	NA	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)				
Mortality Rate After Employment	Indian Assured Lives Mortality (2006-08)				

F(ii): Sensitivity analysis (₹ Crores)

31.03.2017	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(49.76)	(77.63)	(2.99)	(1.00)	(0.83)
Delta effect of -1% Change in Rate of Discounting	56.44	97.93	3.36	1.07	0.95
Delta effect of +1% Change in Future Benefit cost inflation	-	98.50	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(78.43)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	17.49	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(19.61)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	13.41	-	-	-	-
Delta effect of -1% Change in Rate of Employee Turnover	(14.87)	-	-	-	-

(₹ Crores)

31.03.2016	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(26.83)	(64.61)	(3.99)	(1.35)	(1.19)
Delta effect of -1% Change in Rate of Discounting	30.27	80.39	2.79	0.91	1.25
Delta effect of +1% Change in Rate of Salary Increase	2.97	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(3.39)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	14.74	-	-	-	-
Delta effect of -1% Change in Rate of Employee Turnover	(16.28)	-	-	-	-

G: The expected maturity analysis of undiscounted benfits is as follows: **(₹ Crores)**

	Less than 1 year	1 - 2 year	2 - 5 year	6 - 10 year
31.03.2017				
Gratuity	92.85	68.54	308.90	452.75
PRMBS	28.30	30.89	111.09	199.19
Pension	6.82	6.78	20.04	32.19
Ex - Gratia	5.24	5.12	14.95	22.32
Resettlement Allowance	0.96	0.64	3.89	7.02
Total	**134.17**	**111.97**	**458.87**	**713.47**
31.03.2016				
Gratuity	62.18	38.27	175.90	281.41
PRMBS	26.18	28.61	102.51	184.94
Pension	7.54	7.50	22.19	35.68
Ex - Gratia	5.34	5.29	15.47	24.16
Resettlement Allowance	1.11	0.53	3.68	7.69
Total	**102.35**	**80.20**	**319.75**	**533.88**

H: Notes:

Gratuity : All employees are entitled to receive gratuity as per the provisions of Payment of Gratuity Act, 1972. The Defined Benefit Plan of Gratuity is administered by Gratuity Trust. The Board of Trustees comparises of representatives from the Corporation who are also plan participants in accordance with the plans regulation. Based on 3rd pay commission recommendation, the gratuity ceiling has been considered as ₹ 20 lakhs due to that, past service cost of ₹ 368.44 crores is estimated and provided.

Pension : The employees covered by the Pension Plan of the Corporation are entitled to receive monthly pension for life.

Post Retirement Medical Benefit : The serving and superannuated employees are covered under medical insurance policy taken by Corporation. It provides reimbursement of medical expenses for self and dependents as per the terms of the policy.

Ex-gratia : The ex-employees of Corporation covered under the Scheme are entitled to get ex-gratia based on the grade at the time of their retirement. The benefit will be paid to eligible employees till their survival, and after that, till the survival of their spouse.

Resettlement Allowance : At the time of retirement, the employees are allowed to permanently settle down at a place other than the location of the last posting.

The fair value of the assets of Provident Fund Trust as of balance sheet date is greater than the obligation, including interest, and also the returns on these plan assets including the amount already provided are sufficient to take care of PF interest obligations, over and above the fixed contribution recognized.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

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

Figures in italics represent last year figures

71 Previous periods figures are reclassified / regrouped wherever necessary.

Schedule III - Additional Disclosure on Consolidated Financial Statements as on 31 Mar, 2017 is as under :-

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (₹ / Crores)	As a % of Consolidated profit or loss	Amount (₹ / Crores)	As a % of Consolidated Other Comprehensive Income	Amount (₹ / Crores)	As a % of Consolidated Total comprehensive Income	Amount (₹ / Crores)
Hindustan petroleum Corporation Limited	72.13%	15,198.08	75.42%	6,211.73	98.19%	160.13	75.87%	6,371.85
Subsidiaries								
Prize Petroleum Company Ltd.	(0.91%)	(191.83)	(2.51%)	(206.92)	2.60%	4.24	(2.41%)	(202.68)
HPCL Biofuels Ltd.	0.18%	38.80	(0.37%)	(30.72)	0.03%	0.04	(0.37%)	(30.68)
Joint Ventures								-
Hindustan Colas Pvt. Ltd.	0.63%	131.98	0.56%	46.19	(0.01%)	(0.02)	0.55%	46.17
CREDA - HPCL Biofuels Ltd.	0.00%	0.01	(0.03%)	(2.78)	0.00%	-	(0.03%)	(2.78)
HPCL Rajasthan Refinery Ltd.	(0.01%)	(1.46)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
South Asia LPG Co. Pvt. Ltd.	0.74%	155.90	0.73%	60.11	0.00%	(0.00)	0.72%	60.11
HPCL Shapoorji Energy Pvt. Ltd.	0.06%	12.51	0.00%	(0.14)	(0.01%)	(0.01)	0.00%	(0.15)
HPCL - Mittal Energy Ltd.	17.63%	3,713.90	18.39%	1,514.16	(0.30%)	(0.49)	18.02%	1,513.67
Petronet MHB Ltd.	1.03%	216.12	0.32%	26.48	0.00%	(0.01)	0.32%	26.48
Godavari Gas Pvt Ltd.	0.01%	2.37	0.00%	(0.23)	0.00%	-	0.00%	(0.23)
Petronet India Ltd.	0.08%	16.91	0.12%	9.49	0.00%	-	0.11%	9.49
Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	0.22%	46.43	0.08%	6.65	0.00%	-	0.08%	6.65
Aavantika Gas Ltd.	0.21%	44.85	0.12%	9.53	0.00%	0.01	0.11%	9.54
Bhagyanagar Gas Ltd.	0.10%	21.47	0.04%	3.27	0.00%	0.00	0.04%	3.27
Associates								
Mangalore Refinery and Petrochemicals Ltd.	7.65%	1,611.11	7.15%	588.79	(0.50%)	(0.81)	7.00%	587.98
GSPL India Gasnet Ltd.	0.15%	31.10	0.00%	0.12	0.00%	-	0.00%	0.12
GSPL India Transco Ltd.	0.11%	23.18	0.00%	0.10	0.00%	-	0.00%	0.10
Total		**21,071.43**		**8,235.82**		**163.07**		**8,398.89**

FOR AND ON BEHALF OF THE BOARD

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director - Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Date : 26th May, 2017
Place : New Delhi

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Rajen Ashar
Partner
Membership No. 048243

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in ₹)

	Particulars	HPCL Biofuels Ltd.	Prize Petroleum Company Ltd.#	CREDA-HPCL Biofuels Ltd.	HPCL Rajasthan Refinery Ltd.
	Sl. No.	1	2.	3.	4.
1.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Rupees (₹)	Rupees (₹)	Rupees (₹)	Rupees (₹)
2.	Share capital	205,52,00,000	245,00,00,000	21,75,64,910	5,00,000
3.	Reserves & surplus	(166,72,03,340)	(436,82,66,969)	(21,74,23,057)	(2,02,47,414)
4.	Total assets	704,61,91,131	401,77,74,896	1,93,795	28,48,47,355
5.	Total Liabilities	665,81,94,468	593,60,41,865	51,942	30,45,94,769
6.	Investments	-	-	-	-
7.	Turnover	382,52,00,732	78,32,27,463	-	-
8.	Profit before taxation	(30,72,44,289)	(206,92,05,050)	(3,75,73,369)	(73,670)
9.	Provision for taxation	-	-	-	-
10.	Profit after taxation	(30,72,44,289)	(206,92,05,050)	(3,75,73,369)	(73,670)
11.	Proposed Dividend				
12.	% of shareholding	100.00%	100.00%	74.00%	74.00%

Figures based on Consolidated Financial Statements of the Company

Notes:-

1. Names of subsidiaries which are yet to commence operations

   a) HPCL Rajasthan Refinery Ltd.

2. CREDA-HPCL Biofuels Ltd and HPCL Rajasthan refinery Ltd are considered as subsidiaries as per Sec 2(87) of Companies Act, 2013
3. Names of subsidiaries which have been liquidated or sold during the year: **NIL**

FOR AND ON BEHALF OF THE BOARD

Sd/-
MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

Sd/-
J RAMASWAMY
Director - Finance
DIN - 06627920

Sd/-
SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part ''A'' (Amount in ₹)

Name of Joint Ventures	Hindustan Colas Pvt. Ltd.	HPCL-Mittal Energy Ltd. #	South Asia LPG Co. Pvt. Ltd.	Petronet MHB Ltd.	Bhagyanagar Gas Ltd.	Petronet India Ltd.	Godavari Gas Pvt Ltd.
1. **Latest audited Balance Sheet Date**	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	Unaudited
2. **Shares of Joint Ventures / Associate held by the company on the year end**							
No.	47,25,000	393,95,55,200	5,00,00,000	17,95,11,020	2,25,00,000	1,60,00,000	26,00,000
Amount of Investment in Joint Venture / Associate	4,72,50,000	3939,55,52,000	50,00,00,000	183,93,17,041	22,50,00,000	16,00,00,000	2,60,00,000
Extend of Holding %	50.00%	48.99%	50.00%	32.72%	24.99%	16.00%	26.00%
3. **Description of how there is significant influence**	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
4. **Reason why the joint venture/Associate is not consolidated**	-	-	-	-	-	-	-
5. **Networth attributable to Shareholding as per latest audited Balance Sheet**	263,95,99,854	7580,53,68,270	311,80,92,000	660,62,14,000	85,89,24,831	105,66,14,703	9,11,19,487
6. **Profit / Loss for the year 2016-17**							
i. Considered in Consolidation	92,37,97,355	3090,60,00,000	120,21,97,000	80,94,76,000	13,10,06,439	59,32,40,194	(88,80,513)
i. Not Considered in Consolidation	-	-	-	-	-	-	-

Figures based on Consolidated Financial Statements of the Company

FOR AND ON BEHALF OF THE BOARD

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director - Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Date : 26th May, 2017
Place : New Delhi

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part ''B"

(Amount in ₹)

	Name of Joint Ventures	Aavantika Gas Ltd.	Mangalore Refinery and Petrochemicals Ltd.#	HPCL Shaaporji Energy Pvt. Ltd.	Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	GSPL India Gasnet Ltd.	GSPL India Transco Ltd.
1.	**Latest audited Balance Sheet Date**	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017
2.	**Shares of Joint Ventures / Associate held by the company on the year end**						
	No.	2,25,00,000	29,71,53,518	1,30,00,000	3,82,71,250	3,04,72,128	2,25,50,000
	Amount of Investment in Joint Venture / Associate	22,50,00,000	471,67,99,957	13,00,00,000	38,27,12,500	30,47,21,280	22,55,00,000
	Extend of Holding %	49.97%	16.96%	50.00%	25.00%	11.00%	11.00%
3.	**Description of how there is significant influence**	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
4.	**Reason why the joint venture/Associate is not consolidated**	-	-	-	-	-	-
5.	**Networth attributable to Shareholding as per latest audited Balance Sheet**	89,75,13,564	9502,23,55,000	25,02,91,856	185,73,50,336	282,71,53,000	210,69,99,000
6.	**Profit / Loss for the year 2016-17**						
	i. Considered in Consolidation	19,07,07,354	3472,64,10,000	(28,72,798)	26,58,42,257	1,07,71,000	91,78,000
	i. Not Considered in Consolidation	-	-	-	-	-	-

Figures based on Consolidated Financial Statements of the Company

1. Names of joint ventures or associates which are yet to commence operations.
   a) GSPL India Gasnet Ltd
   b) GSPL India Transco Ltd
   c) HPCL Shapoorji Energy Ltd
2. Names of joint ventures or associates which have been liquidated or sold during the year.-NIL

FOR AND ON BEHALF OF THE BOARD

Sd/-
MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

Sd/-
J RAMASWAMY
Director - Finance
DIN - 06627920

Sd/-
SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of consolidated financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the-Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of (Annexure -I), but did not conduct supplementary audit of the financial statements of (Annexure-II) for the year ended on that date. Further, section 139(5) and 143 (6) (b) of the Act are not applicable to (Annexure-III} being private entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai

Place: Mumbai
DATE: 20 July 2017

Annexure I

Audit Conducted:

(A) Subsidiaries:

1. HPCL Biofuels Ltd. (HBL)
2. Prize Petroleum Company Ltd. (PPCL)

(B) Joint Ventures

1. Bhagyanagar Gas Ltd. (BGL)
2. Petronet MHB Ltd. (PMHBL)
3. Aavantika Gas Ltd. (AGL)
4. Mumbai Avaiation Fuel Farm Facility Pvt. Ltd. (MAFFFPL)

(C) Associates

1. Mangalore Refinery and Petrochemicals Ltd. (MRPL)
2. GSPL India Gasnet Ltd. (GIGL)
3. GSPL India Transco Ltd. (GITL)

Annexure II

Audit not conducted:

(A) Subsidiaries:

Nil

(B) Joint Ventures

1. CREDA-HPCL Biofuels Ltd. (CHBL)
2. HPCL Rajasthan Refinery Ltd. (HRRL)
3. Petronet India Ltd. (PIL)
4. Godavari Gas Pvt Ltd (GGPL)

Annexure III

Audit not applicable

(A) Subsidiaries:

Nil

(B) Joint Ventures

1. HPCL-Mittal Energy Ltd. (HMEL)
2. Hindustan Colas Pvt. Ltd. (HINCOL)
3. South Asia LPG Co. Pvt. Ltd. (SALPG)
4. HPCL Shapoorji Energy Pvt. Ltd. (HSEL)

Human Resource Accounting

HPCL considers human dimension as the key to organization's success. Several initiatives for development of human resources to meet new challenges in the competitive business environment have gained momentum. HPCL recognizes the value of its human assets who are committed to achieve excellence in all spheres. The Human Resource Profile given below in table shows that HPCL has a mix of energetic youth and experienced seniors who harmonize the efforts to achieve the Corporation's goals.

Particulars	Age				
	21-30	31-40	41-50	Above 50	Total
No. of Employees	2,096	1,564	2,307	4,455	10,422
Management	1,988	1,263	1,117	1,490	5,858
Non- Management	108	301	1,190	2,965	4,564
Average Age	26	35	47	55	44

Accounting for Human Resource Assets

The Lev & Schwartz model is being used by our Company to compute the value of Human Resource Assets. The evaluation as on 31st March 2017 is based on the present value of future earnings of the employees on the following assumptions:

1. Employees' compensation represented by direct & indirect benefits earned by them on cost to company basis.
2. Earnings up to the age of superannuation are considered on incremental basis taking the Corporation's policies into consideration.
3. Such future earnings are discounted @ 7.26%.

₹ / Crores

VALUE OF HUMAN RESOURCES	2016-17	2015-16
Management Employees	27,003	17,875
Non-management Employees	7,878	7,367
	34,881	**25,242**
Human Assets vis-à-vis Total Assets		
Value of Human Assets	34,881	25,242
Net Assets	40,076	32,880
Investments	10,919	10,579
	85,876	**68,701**
Employee Cost	2,946	2,321
Net Profit Before Tax (PBT)	9,021	5,777
Ratios (in %)		
Employee Cost to Human Resource	8.45	9.20
Human Resource to Total Resource	40.62	36.74
PBT to Human Resource	25.86	22.89

Note: The figures for the year 2016-17 and 2015-16 are as per Financial Statements prepared under Ind AS.

Joint Ventures / Associates

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31st March 2017		Nature of Operations
1.	HPCL-Mittal Energy Ltd.	13.12.2000	HPCL Mittal Investments S.A.R.L. Indian Financial Institutions	48.99% 48.99% 2.02%	Refining of crude oil and manufacturing of petroleum products.
2.	Hindustan Colas Pvt Ltd.	17.07.1995	HPCL COLASIE	50.00% 50.00%	Manufacture and marketing of Bitumen Emulsions & Modified Bitumen.
3.	South Asia LPG Company Pvt Ltd.	16.11.1999	HPCL TOTAL	50.00% 50.00%	Storage of LPG in underground cavern and associated receiving and dispatch facilities at Visakhapatnam.
4.	Mangalore Refinery & Petrochemicals Ltd.	07.03.1988	ONGC HPCL Others	71.62% 16.95% 11.43%	Refining of crude oil and manufacturing of petroleum products.
5.	Petronet India Ltd.	26.05.1997	HPCL Financial / Strategic Investors Other OMCs	16.00% 50.00% 34.00%	To act as nodal agency for developing identified and prioritized petroleum product pipelines in the country.
6.	Petronet MHB Ltd.	31.07.1998	HPCL ONGC Financial / Strategic Investors	32.72% 32.72% 34.56%	Operation and maintenance of petroleum product pipeline between Mangalore-Hassan-Bangalore.
7.	Bhagyanagar Gas Ltd.	22.08.2003	HPCL GAIL Others	49.97% 49.97% 0.06%	Distribution and marketing of CNG and Auto LPG in the state of Andhra Pradesh/ Telangana.
8.	Aavantika Gas Ltd.	07.06.2006	HPCL GAIL Financial Institutions	49.97% 49.97% 0.06%	Distribution and marketing of CNG in the state of Madhya Pradesh.

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31st March 2017		Nature of Operations
9.	GSPL India Gasnet Ltd.	13.10.2011	GSPL HPCL IOCL BPCL	52.00% 11.00% 26.00% 11.00%	To design, construct, develop, operate and maintain cross country Natural Gas Pipelines from Mehsana (Gujarat) to Bhatinda (Punjab) and Bhatinda (Punjab) to Srinagar (Jammu & Kashmir).
10.	GSPL India Transco Ltd.	13.10.2011	GSPL HPCL IOCL BPCL	52.00% 11.00% 26.00% 11.00%	To design, construct, develop, operate and maintain cross country Natural Gas Pipelines from Mallavarm (Andhra Pradesh) to Bhilwara (Rajasthan).
11.	HPCL Shapoorji Energy Pvt Ltd.	15.10.2013	HPCL SP Ports Pvt Limited	50.00% 50.00%	To set up and operate an LNG Re-gasification Terminal at the greenfield port at Chhara (Gujarat)
12.	Mumbai Aviation Fuel Farm Facility Pvt Ltd.	26.02.2010	HPCL IOCL BPCL Mumbai International Airport Pvt Limited	25.00% 25.00% 25.00% 25.00%	To design, develop, construct and operate the aviation fuel facility at Chhatrapati Shivaji International Airport, Mumbai
13.	Godavari Gas Pvt Ltd.	27.09.2016	APGDC HPCL	74.00% 26.00%	Distribution and marketing of CNG in East Godavari and West Godavari Districts of Andhra Pradesh.

Corporate Governance

1. Company's Philosophy on Code of Governance

HPCL believes in good Corporate Governance practices, ethics, fairness, professionalism and accountability to enhance stakeholder's value and interest on sustainable basis and to build an environment of trust and confidence of its stakeholders. At HPCL, Corporate Governance is to follow a systematic processes, policies, rules, regulations and laws by which companies are directed, controlled and administered by the management in meeting the stakeholder's aspirations and societal expectations.

HPCL lays special emphasis on conducting its affairs within the framework of policies, internal and external regulations, in a transparent manner. Being a Government Company its activities are subject to review by several external authorities like the Comptroller & Auditor General of India (CAG), the Central Vigilance Commission (CVC), and Parliamentary Committees etc.

Keeping in view the above philosophy, the Corporate Governance at HPCL is based on the following main key principles & practices:-

- Proper composition of the Board of Directors, size, varied experience and commitment to discharge their responsibilities
- Well-developed internal control, systems and processes, risk management and financial reporting
- Full adherence and compliance of laws, rules & regulations
- Timely and balanced disclosures of all material information on operational and financial matters to the stakeholders
- Clearly defined management Performance and accountability.
- Enhanced accuracy and transparency in business operations, performance and financial position.

In compliance with Regulations 34 (3) & 53 (f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as mandated by Securities and Exchange Board of India (SEBI) applicable on account of Uniform Listing Agreements executed with Stock Exchanges, as well as notification on Corporate Governance for Public Sector Enterprises, issued by the Department of Public Enterprises (DPE), the Corporate Governance disclosures are as under :-

2. Disclosures:

BOARD OF DIRECTORS:

2.1 Composition of Board of Directors as on 31.03.2017

Category & Name of Directors	
Whole Time Directors including C&MD * Shri Mukesh Kumar Surana Shri Pushp Kumar Joshi Shri J. Ramaswamy Shri S. Jeyakrishnan Shri Vinod S. Shenoy	5
Non-Official Government Directors (Ex-Officio) Ms. Urvashi Sadhwani Shri Sandeep Poundrik	2
Independent Directors ** Shri Ram Niwas Jain Smt. Asifa Khan Shri G V Krishna Dr. Trilok Nath Singh	4

* Shri B.K. Namdeo & Shri Y.K. Gawali, Director (Refineries) & Director (Marketing) respectively, have ceased to be Whole Time Directors of the Corporation effective 31.10.2016 (PM) on attaining the age of superannuation.

* Shri S. Jeyakrishnan & Shri Vinod S. Shenoy have been appointed as Director (Marketing) & Director (Refineries) respectively, of the Corporation effective 01.11.2016.

** Smt. Asifa Khan & Shri G.V. Krishna have been appointed as Independent Directors of the Corporation effective 13.02.2017.

** Dr. Trilok Nath Singh was appointed as Independent Director of the Corporation effective 20.03.2017.

2.2 Board Meetings:

Ten Board Meetings were held during the Financial Year on the following dates:

27.05.2016	20.07.2016	22.08.2016
16.09.2016	26.10.2016	15.11.2016
27.12.2016	13.02.2017	20.03.2017
23.03.2017		

2.3 Particulars of Directors including their attendance at the Board/Shareholder's Meetings.

Name of Director	Academic Qualification	No. of Board Meeting(s) held	No of Board Meeting(s) attended	Attendance at the last AGM	Details of Directorship in other companies	Membership held in Committees as specified in Clause 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
WHOLE TIME DIRECTORS						
Shri Mukesh Kumar Surana (DIN07464675)	B.E. (Mechanical), Masters in Financial Management	10	10	Yes.	**Public Limited Cos** 1. HPCL Mittal Energy Limited 2. HPCL Rajasthan Refinery Limited 3. Prize Petroleum Company Limited **Private Limited Cos.** 1. SA LPG Co.Pvt.Limited	NIL
Shri Pushp Kumar Joshi (DIN05323634)	B.A., LLB, PG (PM&IR) XLRI, Jamshedpur	10	08	Yes	**Public Limited Cos.** 1. CREDA HPCL Bio Fuel Limited 2. HPCL Rajasthan Refinery Limited 3. HPCL Biofuels Limited 4. Prize Petroleum Co. Limited **Pvt. Limited Cos.** 1. Hindustan Colas Pvt. Limited 2. HPCL Shapoorji Energy Pvt. Limited	**Chairman, Audit Committee:** 1. Prize Petroleum Co. Limited 2. HPCL Biofuels Limited
Shri J. Ramaswamy (DIN06627920)	FCA	10	10	Yes	**Public Limited Cos.** 1. CREDA HPCL Bio Fuel Limited. 2. HPCL Mittal Energy Limited 3. HPCL Rajasthan Refinery Limited 4. HPCL Biofuels Limited. 5. HPCL Mittal Pipelines Limited 6. Prize Petroleum Co.Limited. **Pvt.Limited Cos**. 1. SA LPG Co.Pvt.Ltd. 2. Hindustan Colas Pvt. Limited 3. HPCL Shapoorji Energy Pvt.Ltd.	**Member, Audit Committee** 1. Hindustan Petroleum Corporation Limited. 2. HPCL Biofuels Limited 3. CREDA HPCL Bio Fuel Limited 4. HPCL Mittal Energy Limited 5. HPCL Mittal Pipelines Limited 6. Prize Petroleum Co. Limited. **Member, Stakeholders Relationship Committee** 1. Hindustan Petroleum Corporation Limited
Shri S. Jeyakrishnan * (DIN07234397)	B.A.	05	05	N.A.	**Pvt.Limited Co.** **1.** Hindustan Colas Pvt.Ltd.	NIL
Shri Vinod S. Shenoy * (DIN07632981)	B.E. (Chemical)	05	05	N.A.	**Public Limited Cos.** 1. Mangalore Refinery and Petrochemicals Limited. 2. HPCL Mittal Energy Limited 3. HPCL Rajasthan Refinery Limited 4. Prize Petroleum Co. Limited	**Member, Audit Committee** 1. Mangalore Refinery and Petrochemicals Limited. 2. Prize Petroleum Co. Limited **Member, Stakeholders Relationship Committee** 1. Mangalore Refinery and Petrochemicals Limited.
Shri B.K. Namdeo ** (DIN06620620)	B.E.. (Mechanical), M.Tech	05	05	Yes	**Public Limited Cos.** 1. Mangalore Refinery and Petrochemicals Limited. 2. Prize Petroleum Co. Limited. 3. HPCL Mittal Energy Limited. 4. CREDA HPCL Bio Fuel Limited 5. HPCL Rajasthan Refinery Limited 6. HPCL Biofuels Limited.	**Member, Audit Committee** 1. Hindustan Petroleum Corporation Limited. 2. Mangalore Refinery and Petrochemicals Limited 3. HPCL Biofuels Limited 4. Prize Petroleum Co. Limited 5. HPCL Mittal Energy Limited
Shri Y.K. Gawali ** (DIN05294482)	B.E. (Civil)	05	04	Yes	**Public Limited Cos.** 1. Aavantika Gas Limited.	NIL

Name of Director	Academic Qualification	No. of Board Meeting(s) held	No of Board Meeting(s) attended	Attendance at the last AGM	Details of Directorship in other companies	Membership held in Committees as specified in Clause 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
NON-EXECUTIVE GOVERNMENT DIRECTORS						
(a) PART – TIME EX-OFFICIO						
Ms. Urvashi Sadhwani (DIN03487195)	Post Graduate in Business Economics, M. Phil Indian Economic Services	10	09	N.A.	NIL	NIL
Shri Sandeep Poundrik (DIN01865958)	B.E. (Electrical), IAS	10	08	No.	**Public Limited Cos**. 1. Engineers India Limited	NIL
(b) INDEPENDENT DIRECTORS						
Shri Ram Niwas Jain (DIN00671720)	B.E. (Mechanical)	10	10	N.A.	**Public Limited Cos.** 1. Visa Realty Limited 2. Universal Sompo General Insurance Co. Limited **Pvt.Limited Cos.** 1. B.P. Engineers Pvt.Ltd.	**Chairman, Audit Committee** 1. Hindustan Petroleum Corporation Limited 2. Visa Realty Limited **Member, Audit Committee** 1. Universal Sompo General Insurance Co. Limited
Smt. Asifa Khan *** (DIN07730681)	M.A. (English Literature)	03	03	N.A.	NIL	**Member, Stakeholders' Relationship Committee** 1. Hindustan Petroleum Corporation Limited
Shri G.V. Krishna*** (DIN01640784)	B. Com, FCA	03	03	N.A.	**Public Limited Co.** 1. Jnana Bharathi Prakashana Limited **Pvt. Limited Cos.** 1. Pushti Refineriers Pvt.Limited. 2. Harihara Estates Mysore Pvt. Limited 3. Harihara Developers & Constructions Pvt.Limited	**Member, Audit Committee** 1. Hindustan Petroleum Corporation Limited
Dr. Trilok Nath Singh**** (DIN07767209)	Ph.D. (IIT, BHU)	02	02	N.A.	NIL	**Chairman, Stakeholders Relationship Committee** 1. Hindustan Petroleum Corporation Limited

* Shri S. Jeyakrishnan, Director (Marketing) & Shri Vinod S. Shenoy, Director (Refineries) have been appointed as Whole Time Directors of the Corporation effective 01.11.2016.

** Shri B.K. Namdeo, Director (Refineries) & Shri Y.K. Gawali, Director (Marketing) have ceased to Whole Time Directors of the Corporation effective 31.10.2016 (PM) on attaining age of superannuation.

*** Smt. Asifa Khan & Shri G.V. Krishna have been appointed as Independent Directors of the Corporation effective 13.02.2017.

**** Dr. Trilok Nath Singh was appointed as Independent Director of the Corporation effective 20.03.2017.

2.4 Shareholding of Non-Executive Directors:

None of the Non-Executive Directors are holding any shares or Convertible Instruments in the Company.

2.5 Web link where details of familiarization programs imparted to Independent Directors:

http://www.hindustanpetroleum.com/documents/pdf/Familiarization%20Programme%20to%20Independent%20Directors2017-2018.pdf

2.6 PROFILES OF DIRECTORS:

Shri Mukesh Kumar Surana -DIN 07464675

Shri Mukesh Kumar Surana is Chairman & Managing Director of of the Corporation effective April 01, 2016. Prior to this, he served as Chief Executive Officer, Prize Petroleum Company Ltd., a wholly owned subsidiary and upstream arm of HPCL since September 2012.

A Mechanical Engineer with Master's degree in Financial Management, Mr. Surana joined HPCL in the year 1982. During his career spanning over 35 years in Petroleum Industry, Mr. Surana has handled a wide range of responsibilities including leadership positions in Refineries, Corporate, Information Systems and upstream business of HPCL. He has been closely involved in Strategy Formulation, Business Process Re-engineering, Major Projects Implementation, Refinery Operations, Corporation wide ERP Implementation, Acquisition and Management of upstream assets etc.

Mr Surana has vast experience in domestic and international Oil & Gas business and is known for his business acumen, innovative ideas and people-centric leadership. In his various roles, he has been able to empower teams to perform and deliver exceptional results through positive engagement and a shared vision. He was a Core Team Member for Corporate wide ERP implementation in HPCL which now forms the backbone of all business transactions at HPCL.

A certified Competency Assessor and a Project Management Professional, Mr. Surana has also been actively associated with various important industry forums in Oil & Gas Sector.

Shri Pushp Kumar Joshi -DIN 05323634

Shri Pushp Kumar Joshi is Director – Human Resources of the Corporation effective August 01, 2012. Prior to this, he was holding key portfolios in Human Resources function viz. Executive Director – HRD and Head – HR of Marketing Division.

A Bachelor of Law and an alumnus of XLRI, Jamshedpur, Shri Pushp Kumar Joshi joined HPCL in 1986. Since then he has held various key positions in Human Resources and Industrial Relations functions in HQO, Marketing and Refineries divisions of HPCL.

As Director-HR, Shri Joshi is presently responsible for overseeing the design and deployment of key Human Resource policies and strategies while leading Human Resources practices that are employee oriented and aim at building high performance culture. He is also responsible for providing key outlook to the management on strategic HR plans, employee development, labour relations apart from others.

Spearheading HR practices with strong business focus and contemporary approaches – few hallmarks of his innovation and leadership have been Project Akshay – the leadership development programme, Productivity Improvement Initiatives, Introduction of Internal Customer care by leveraging IT Platform, Conceptualization and Rollout of Technical & Behavioral Training Programs, Business Process Reengineering exercise, Implementation of JDE (HR), Introduction of Health Management System, HR Green Credit and also pioneering & driving numerous other HR initiatives.

Shri J. Ramaswamy -DIN 06627920

Shri J. Ramaswamy is Director – Finance of the Corporation effective 1st October 2015. He is also the Chief Financial Officer (CFO) of the Company. Prior to his taking over as Director – Finance & as CFO, Mr. Ramaswamy was Executive Director – Corporate Finance of HPCL for over 2 years.

A Fellow member of the Institute of Chartered Accountants of India (ICAI), Mr. Ramaswamy brings with him rich experience of over 3 decades in handling various challenging assignments in HPCL in the field of Corporate Finance, Marketing Finance, SBU Commercial, C&MD's Office, Internal Audit, Vigilance, System & Procedures, and Refinery Finance.

Mr. Ramaswamy has expertise in Financial Management, and is known for strengthening financial discipline, cost consciousness and commercial acumen in the Corporation, which is of immense benefit to the organization. He is also credited with effective treasury management in raising External Commercial Borrowing, Non-Convertible Debentures issue and various other types of financial instruments at a very competitive interest rate as compared with the Oil Industry.

He has various academic distinctions to his credit, and is a key technical speaker in in-house capability building seminars and workshops.

Shri S. Jeyakrishnan- DIN 07234397 (From 01.11.2016)

Shri S. Jeyakrishnan is Director – (Marketing) of the Corporation effective November 01, 2016. Prior to this, he was Executive Director (Retail) of HPCL.

An alumini of Madas University, Mr. S. Jeyakrishnan joined HPCL in 1981 and has a rich and varied experience across the spectrum of Petroleum marketing. He is known for his participative leadership style and believes in leading his teams from the front, consistently delivering high performance despite all odd situation.

During a career spanning over 35 years, he has led large teams in the Marketing functions and held Leadership positions including General Manager – East Zone, Executive Director – Business Development and Corporate Affairs, Executive Director – Direct Sales and Executive Director – Retail. He also played a key role in several transformational initiatives undertaken at HPCL.

During his tenure across the various marketing SBUs, HPCL became India's largest Lubricant marketer, augmented infrastructure, developed robust process and undertook several pioneering customer centric initiatives which enhanced productivity and profitability and established HPCL as the preferred brand.

Mr. S. Jeyakrishnan has been an active participant in various industry forums and conferences both at national and international levels. He also attended the Advanced Management Program at Cambridge (UK) and the Authentic Leadership Program of the Harvard Business School.

Shri Vinod S. Shenoy -DIN 07632981 (From 01.11.2016)

Shri Vinod S. Shenoy is Director – Refineries of the Corporation effective November 01, 2016. Prior to this, he was the General Manager – Refinery Coordination of HPCL.

A Bachelor in Chemical Engineering from IIT Bombay, Shri Vinod Shenoy started his career with HPCL in June 1985. During his career spanning over 32 years, Shri Shenoy has held various positions in the Refinery Divisions and Corporate Departments of Hindustan Petroleum Corporation Limited and has wide exposure to the Petroleum Indsutry.

Intelligent refinery production strategy to ensure profitability, vision from operational excellence and capacity expansion of refineries at Mumbai and Visakh with bottom up gradation facilities meeting Euro V and Euro VI fuel specifications are the task ahead.

Shri B.K. Namdeo - DIN 06620620 (Upto 31.10.2016)

Shri B.K. Namdeo ceased to be Director – Refineries of the Corporation effective 31.10.2016 on attaining the age of superannuation.

Prior to Director (Refineries), Mr. Namdeo was heading the International Trade & Supplies SBU as Executive Director and was responsible for managing the crude oil procurement & product evacuation for HPCL's two coastal refineries with a combined refining capacity of over 17 million metric tons per annum. The job also entailed handling of Ship Chartering requirements along with Refinery planning and scheduling and related commercial activities.

A Mechanical Engineer and a Master of Technology from IIT Powai, Mumbai, Shri Namdeo had over 32 years of experience in various functions and has held key positions in Central Engineering (Refinery Projects), Operations, Projects and Maintenance Departments of the Refineries.

Shri Y.K. Gawali - DIN 05294482 (Upto 31.10.2016)

Shri Y K Gawali ceased to be Director – Marketing of the Corporation effective 31.10.2016 on attaining the age of superannuation.

Prior to Director Marketing, he was the Executive Director - LPG of HPCL.

A graduate in Civil Engineering, Mr. Y K Gawali had over 32 years of experience in Operations, Engineering & Projects, Logistics, Terminals, and LPG.

Mr. Y K Gawali represented HPCL in the 'World LPG Forum'. He has been faculty / guest speaker at several international conferences. He has been a key member of numerous Committees viz. Core Petroleum Industry Committee for formulating the post APM LPG policies and pricing, Joint Implementation Committee constituted by MOPNG for time bound implementation of M.B.Lal Committee recommendations and committee for formulation of various standards of Oil Industry etc.

Ms. Urvashi Sadhwani -DIN 03487195

Ms. Urvashi Sadhwani, is Part-Time Ex-Officio (Government) Director on the HPCL Board effective 04.01.2016. She is currently Sr. Adviser, Ministry of Petroleum & Natural Gas (MOP&NG).

Ms. Urvashi Sadhwani is a Post Graduate in Business Economics and M. Phil from Delhi University. Before joining the Petroleum Ministry as Senior Adviser, she was Economic Adviser in the Ministry of Railways.

An alumnus of Lady Shri Ram College, Delhi University, Ms. Sadhwani began her career with teaching Mathematics, Statistics and Indian Economics at this college. She is a member of the 1982 batch of the Indian Economic Service. During her career trajectory spanning over 33 years, she has handled key portfolios involving major responsibilities, across various Ministries, including inter-alia, Health, Tribal Affairs, Tourism, Railways, Industries (in the erstwhile Bureau of Industrial Costs and Prices) and 2 stints – Transport and Project Appraisal – at the former Planning Commission.

Shri Sandeep Poundrik -DIN 01865958

Shri Sandeep Poundrik is Part-Time Ex-Officio (Government) Director on the HPCL Board effective 16.10.2014.

Mr. Sandeep Poundrik, IAS is presently posted as Joint Secretary (Refineries), Ministry of Petroleum & Natural Gas, New Delhi. As Joint Secretary (Refineries), Mr. Sandeep Poundrik is looking after the matters related to Refineries, Auto Fuel Policy, Petrochemicals, Import/export of crude oil and other petroleum products; Pricing of Petroleum products; Bio Fuels, Renewable energy and conservation, Integrated Energy Policy; Climatic Change & National Clean Energy Policy.

Before joining Ministry of Petroleum & Natural Gas in New Delhi, Shri Poundrik has served State government of Bihar at various senior level assignments including Secretary, Energy; C&MD, Bihar State Power Holding Company, Secretary, Road Construction Department, MD, Infrastructure Development Authority; MD, Bihar Industrial Area Development Authority and Collector & District Magistrate, Gaya, Begusarai, Buxar.

Mr. Poundrik's academic background includes Rajasthan University Gold Medal in BE (Electrical) and Masters in Public Administration in International Development from Harvard University. His publications include "Group Disaster Risk Financing: Case studies" & "Improving the resilience of livelihoods to natural disaster" published by the World Bank and "Leadership and Institutional Change in the Public Provision of Transport Infrastructure: An analysis of India's Bihar" in the Journal of Development Studies.

Shri Ram Niwas Jain - DIN 00671720

Shri Ram Niwas Jain is an Independent Director on HPCL Board with effect from November 20, 2015.

Mr. Jain is B.E. (Mechanical) from Motilal Nehru Regional Engineering College, Allahabad. He is Managing Director of the B.P. Engineers Pvt.Ltd. an ancillary to Hindustan Aeronautics Ltd., Lucknow Division, Lucknow, engaged in manufacturing of aeronautical components for fighter aircrafts, mainly indigenization work for Indian Airforce and various Divisions of Hindustan Aeronautics Ltd for last more than 30 years. M/s. B.P. Engineers Pvt.Ltd. has been awarded "Excellence in Aerospace Indigenization" from SAITI. He was Independent Director on the Board of two nationalized banks, Allahabad Bank and UCO Bank. He is an Independent Director in Universal Sompo General Insurance Co.Ltd. He is president of Entrepreneurs' Association of Scooters India Ancillary Units, Amausi, Lucknow. Mr. Jain is doing a lot of social work in the field of Leprosy, welfare and rehabilitation of Tribal children.

Smt. Asifa Khan -DIN 07730681

Smt. Asifa Khan is an Independent Director on the Board of HPCL with effect from February 13, 2017

A graduate in English Literature, Smt. Asifa Khan has a vast experience in Print & Electronic media journalism, representation and analysis. She holds deep interest in social welfare and upliftment of the weaker sections of the society.

Shri G.V. Krishna -DIN 01640784

Shri G.V. Krishna is an Independent Director on the Board of HPCL with effect from February 13, 2017

Shri G.V. Krishna is a Chartered Accountant, apart from being a Bachelor of Commerce from Bangalore University. He completed his Chartered Accountancy in 1988 and has been in practice since then. Shri G.V. Krishna is advisor to major Industrial Groups in Karnataka as a Strategic and Business Advisor and also Counsels Other Chartered Accountants in technical areas of practice, including in Banking, Tax and Regulatory matters. Exposed extensively to the Rural and Co-operative Sector, he has also been an Independent Director on the Karnataka Apex Cooperative Bank. He has experience in Statutory, Internal and Bank Audits covers over 3 decades and includes many large Private organizations and Public Sector Banking entities. Shri G.V. Krishna is also a Founder Trustee of the Forward Foundation which focuses on sustainable environment and Solid Waste Management Issues. A regular speaker across professional forums, Shri G.V. Krishna also takes special interest in Counselling and motivating Rural youth on Entrepreneurship and Self-employment avenues.

Dr. Trilok Nath Singh -DIN 07767209

Dr. T. N. Singh is an Independent Director on the Board of HPCL with effect from March 20, 2017.

Dr. T. N. Singh is Institute Geoscience Chair Professor in IIT, Bombay. He has made innovative and substantial contribution in several fields of Geosciences. He is well known in the area of Engineering Geology, Rock mechanics on account of his pioneer work in Rock-Mechanics and Petrophysics, Establishment of Rock Indices, Triaxial and Post Failure Behaviour of Rocks, Dynamic and Static Properties of Rocks, CO_2 Sinking, Natural Hazard and Climate Change etc.

Prof. Singh's noteworthy contribution in the area of ground vibration due to blasting and slope stability has earned him recognition between the earth scientists and engineers. He has made prominent contribution to the design of blast for improved fragmentation. He has established Equivalent Material Modelling technique for simulating various Geo-mining problems to resolve some of the outstanding problem for optimum resource recovery.

He has received several recognition like National Geoscience Award, First P N Bose Mineral Award, S Rakshit Rock Mechanics Award, Prof. Gopal Rangan Award and many more. He has published more than 300 research papers in various journals and 112 Conference Papers. Dr. Singh has edited 12 books published from reputed publishers from India and abroad. He is a Member of various Government Committee set up by the Department of Science & Technology, BARC, Ministry of Commerce, Ministry of Railways etc.

2.7 INDEPENDENT DIRECTORS:

As provided under Schedule IV of the Companies Act, 2013 and also as per Regulation 25(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, separate meeting of Independent Directors was held. The Corporation is also nominating Independent Directors to the Familiarization Program and other Corporate Program from time to time. The details of familiarization programs provided to the Independent Directors are also hosted on the website of the company. Being a Government Company, the appointment of all Directors including Independent Directors and their performance evaluation is being done by the Government of India.

Performance Evaluation criteria for Independent Directors

Being a Government Company, all the Directors on the Board of HPCL are appointed by the Government of India. The performance evaluation of all the Directors are done by the Ministry or Department of the Central Government which is administratively in charge of the Company.

Corporate Governance

3.0 Audit Committee:

The Audit Committee comprises of Whole Time and Independent Directors as follows. The Composition of Audit Committee as on 31.03.2017 was as follows: -

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain	Chairman	Independent Director
2.	Shri G.V. Krishna *	Member	Independent Director
3.	Shri J. Ramaswamy	Member	Whole Time Director

* Shri G.V. Krishna was appointed as Member of the Audit Committee effective 20.03.2017

The terms of reference of the Audit Committee are as provided under the Companies Act, 2013, Regulation 18 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule II Part C (A) & Part C (B) of the said regulation and other applicable guidelines to Central Public Sector Enterprises (CPSE).

The Committee at the Meeting held on May 26, 2017 reviewed the Financial Statements for the Financial Year 2016-2017, before the said Financial Statements were adopted by the Board.

Dates of Audit Committee Meetings held during 2016-17:

30.04.2016	27.05.2016	20.07.2016	22.08.2016
15.11.2016	27.12.2016	05.01.2017	13.02.2017

Attendance at the Audit Committee Meetings during 2016-2017

Name of the Members	No. of Meetings held	No. of Meetings attended	% of attendance
Shri Ram Niwas Jain	08	08	100%
Shri G.V. Krishna	N.A.	N.A.	N.A.
Shri J. Ramaswamy	08	08	100%
Shri Pushp Kumar Joshi *	04	03	75%
Shri B K Namdeo **	04	04	100%

* Shri Pushp Kumar Joshi was appointed as Member of the Audit Committee effective 15.11.2016 and ceased to be Member of the Audit Committee effective 20.03.2017

** Shri B.K. Namdeo, ceased to be Director (Refineries) of the Corporation on attaining the age of superannuation effective 31.10.2016 and also as a Member of the Audit Committee.

4.0 Nomination and Remuneration Committee:

The Board has constituted the Nomination and Remuneration Committee, the Board Sub-Committee to look into various aspects including Remuneration as well as Compensation and Benefits for the employees. The terms of reference of Nomination and Remuneration Committee is as prescribed under Section 178 of the Companies Act, 2013 except to the extent of exemptions granted to Government Companies.

Since the remuneration of the Whole-Time Functional Directors is fixed by the Government of India, HPCL did not feel the need for a separate Remuneration Committee in view of the fact that the Company is a Government Company as per Section 2 (45) of the Companies Act, 2013.

The Composition of Nomination and Remuneration Committee as on 31.03.2017 was as follows: -

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain *	Chairman	Independent Director
2.	Shri G.V. Krishna **	Member	Independent Director
3.	Dr. Trilok Nath Singh **	Member	Independent Director
4.	Shri Pushp Kumar Joshi ***	Permanent Invitee	Whole Time Director

* Shri Ram Niwas Jain who was earlier Member, has been appointed as Chairman of Nomination and Remuneration Committee effective 20.03.2017

** Shri G.V. Krishna & Dr. Trilok Nath Singh were appointed as Members of Nomination and Remuneration Committee effective 20.03.2017

*** Shri Pushp Kumar Joshi, was appointed as "Permanent Invitee" of Nomination and Remuneration Committee effective 20.03.2017

During the year 2016-2017, a Nomination and Remuneration Committee Meeting was held on 24.10.2016

Attendance at the Nomination and Remuneration Committee Meeting during 2016-17

Name of the Members	No. of Meetings held	No. of Meetings attended	% of attendance
Shri Ram Niwas Jain	01	01	100%

5.0 Risk Management Committee:

The Board has constituted the Risk Management Steering Committee, to review the Risk Management and minimization procedure in the Corporation

The Composition of Risk Management Committee as on 31.03.2017 was as follows: -

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Mukesh Kumar Surana	Chairman	Chairman & Managing Director
2.	Shri Pushp Kumar Joshi	Member	Whole Time Director
3.	Shri J. Ramaswamy	Member	Whole Time Director
4.	Shri S. Jeyakrishnan	Member	Whole Time Director
5.	Shri Vinod S. Shenoy	Member	Whole Time Director

6.0 Stakeholders' Relationship Committee:

The Board has constituted a Stakeholders' Relationship Committee comprising of Independent and Whole Time Director to specifically look into the redressal of grievances of shareholders, debenture holders, and other Security holders. The Composition of Stakeholders Relationship Committee as on 31.03.2017 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Dr. Trilok Nath Singh*	Chairman	Independent Director
2.	Smt. Asifa Khan *	Member	Independent Director
3.	Shri J. Ramaswamy	Member	Whole Time Director

* Dr. Trilok Nath Singh and Smt. Asifa Khan, were appointed as Chairman & Member respectively, of the Stakeholders Relationship Committee effective 20.03.2017.

The Committee reviews the status of Investors' Grievances and Services and other important matters of investors' interest.

During the year 2016-2017, a meeting of the Stakeholders Relationship Committee was held on 27.12.2016.

Attendance at the Stakeholders' Relationship Committee Meetings:

Name of the Members	No. of Meetings held	No. of Meetings attended	% of attendance
Dr. Tilok Nath Singh	N.A.	N.A.	N.A.
Smt. Asifa Khan	N.A.	N.A.	N.A.
Shri J. Ramaswamy	01	01	100%
Shri Ram Niwas Jain *	01	01	100%

* Shri Ram Niwas Jain has ceased to be Chairman of the Stakeholders Relationship Committee effective 20.03.2017.

Corporate Governance

7.0 CSR & Sustainability Development Committee:

The Board has constituted a Corporate Social Responsibility & Sustainability Development Committee in line with Section 135 of the Companies Act, 2013 and DPE Guidelines, comprising of Independent and Whole Time Directors to carry out the functions as provided in Section 135(3) of the Companies Act and in the DPE guidelines.

The Composition of CSR & Sustainability Development Committee as on 31.03.2017 was as follows:

Sr. No.	Name/Designation of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain	Chairman	Independent Director
2.	Shri G.V. Krishna *	Member	Independent Director
3.	Shri Pushp Kumar Joshi	Member	Whole Time Director
4.	Shri S. Jeyakrishnan	Member	Whole Time Director
5.	Shri Vinod S. Shenoy	Member	Whole Time Director

* Shri G.V. Krishna, was appointed as Member of the CSR & Sustainability Development Committee effective 20.03.2017.

Dates of CSR & Sustainability Development Committee Meetings held during 2016-2017: -

23.05.2016	29.06.2016	11.11.2016	27.12.2016
13.02.2017	20.03.2017		

Attendance at the CSR & Sustainability Development Committee Meetings:

Name/Designation of the Members	No. of Meetings held	No. of Meetings attended	% of attendance
Shri Ram Niwas Jain	06	06	100%
Shri G.V. Krishna *	N.A.	N.A.	N.A.
Shri Pushp Kumar Joshi	06	04	67%
Shri S. Jeyakrishnan **	04	04	100%
Shri Vinod S. Shenoy **	04	04	100%
Shri B.K. Namdeo ***	02	02	100%
Shri Y.K. Gawali ***	02	02	100%

* Shri G.V. Krishna has been appointed as Member of the CSR & Sustainability Development Committee effective 20.03.2017.

** S/Shri S. Jeyakrishnan and Vinod S. Shenoy have been appointed as Members of the CSR & Sustainability Development Committee effective 01.11.2016.

*** S/Shri B.K. Namdeo and Y.K. Gawali ceased to be Members of the CSR & Sustainability Development Committee effective 31.10.2016 (PM).

8.0 Investment Committee:

The Board has re-constituted a Investment Committee comprising of Independent and Whole Time Directors mainly to review the investment in the projects of higher value before seeking approval of the Board.

The Composition of Investment Committee as on 31.03.2017 was as follows:

Sr. No.	Name/Designation of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain *	Chairman	Independent Director
2.	Smt. Asifa Khan **	Member	Independent Director
3.	Dr. Trilok Nath Singh **	Member	Independent Director
4.	Shri J. Ramaswamy	Member	Whole Time Director

* Shri Ram Niwas Jain was appointed as Chairman of the Investment Committee effective 20.03.2017.

** Dr. Trilok Nath Singh and Smt. Asifa Khan, were appointed as Members of the Investment Committee effective 20.03.2017.

Corporate Governance

9.0 REMUNERATION OF DIRECTORS:

- HPCL being a Government Company, the remuneration payable to its Whole-time directors is approved by the Government and advices received through the Administrative Ministry, viz., Ministry of Petroleum & Natural Gas.
- The non-official part–time Directors are paid Sitting Fees for Board Meetings and Sub Committee Meetings of the Board attended by them. HPCL does not have a policy of paying commission on profits to any of the Directors of the Company.
- The remuneration payable to officers below Board level is also approved by the Government of India.

  The details of Remuneration paid to all the Functional Directors are given below:

- ➢ The remuneration of the Whole Time Functional Directors include basic salary, allowances and perquisites as determined by the Government of India. Moreover, they are entitled to provident fund and superannuation contributions as per the rules of the Company.
- ➢ The gross value of the fixed component of the remuneration paid to the Whole-Time Functional Directors, during the financial year 2016-2017 is given below:

(in ₹)

Sr. No.	Particulars of Remuneration	Name of Chairman & Managing Director / Whole Time Directors							Total Amount
		Mukesh Kumar Surana	Pushp Kumar Joshi	J. Ramaswamy	S. Jeyakrishnan *	Vinod S. Shenoy *	B.K. Namdeo **	Y.K. Gawali **	
1	Gross salary	43,85,747	50,075,500	42,86,978	13,82,991	13,00,769	82,06,547	68,65,100	3,14,35,632
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,49,884	41,01,934	35,61,001	11,42,732	12,00,695	62,81,268	53,58,519	2,52,96,033
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,35,863	9,05,566	7,25,977	2,40,259	1,00,074	19,25,279	15,06,581	61,39,599
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-
4	Commission - as % of profit - Others, specify…	-	-	-	-	-	-	-	-
5	Others : (PF, DCS, House Perks tax etc)	6,82,141	6,72,921	6,70,182	3,17,003	2,96,447	5,66,197	4,80,553	36,85,444
	Total	50,67,888	56,80,421	49,57,160	16,99,994	15,97,216	87,72,744	73,45,653	3,51,21,076
	Ceiling as per the Act	N.A.	N.A	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Shri S. Jeyakrishnan and Shri Vinod S. Shenoy were appointed as Director (Marketing) and Director (Refineries) respectively, of the Corporation from 01.11.2016.

** S/Shri B.K. Namdeo and Y.K. Gawali, have ceased to Director (Refineries) & Director (Marketing) respectively, of the Corporation effective 31.10.2016 (PM), on attaining age of superannuation and therefore, their details of remuneration includes some Retirement benefits.

10. SITTING FEES FOR THE YEAR 2016-2017:

The details of Sitting Fees* paid to Independent Directors for the year 2016-2017 for attending the Board / Sub- Committee Meetings are given below:

(in ₹)

	Shri Ram Niwas Jain	Smt. Asifa Khan	Shri G.V. Krishna	Dr. Trilok Nath Singh
Details of Meeting				
Board	3,80,000	1,20,000	1,20,000	80,000
Audit Committee	2,10,000	-	-	-
Nomination & Remuneration Committee	30,000	-	-	-
Stakeholders Relationship Committee	30,000	-	-	-
Investment Committee	-	-	-	-
CSR & SD Committee	1,50,000	-	-	-
Total Sitting Fees Paid	8,00,000	1,20,000	1,20,000	80,000

* Sitting Fees paid to Independent Directors for attending meeting of the Board & of the Sub-Committee has been revised from 20.07.2016.

11.0 References & Investors Complaints Received and Replied During 2016-2017

Sr. No.	Nature of Correspondence	For Year Ended March 2017
1	Share Transfers & related issues / Demat / Warrant Conversion	12
2	Transmission of shares / Nomination of Shares	119
3	Issue of Duplicate Share Certificates / Bonus / Rectification of shares	1083
4	Dividend related issues / ECS / Bank Mandates	519
5	Request for Change of Address	184
6	Call Money Payment Correspondence / Reminders / Forfeiture Shares	0
7	References through Statutory / Regulatory bodies like ROC / SEBI / NSE / BSE / NSDL / CDSL	37
8	Others	159
TOTAL		2113

Investor references, not amounting to complaints received during the year were appropriately dealt within the scheduled time.

Statutory complaints received from the regulatory/statutory bodies were resolved and no complaint pending as on 31/03/2017

References are requests received from the shareholders' like request for updation of bank details, change of address. These are not per se complaints. Complaints are like non receipt of dividend, share certificates etc.

12.0. CODE OF CONDUCT:

In compliance with the terms of Regulation 17 (5a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, with Stock Exchanges, "Code of conduct for Board Members and Senior Management Personnel of Hindustan Petroleum Corporation Limited" has been devised by the Corporation and this code has been suitably amended to incorporate the duties of Independent Directors as envisaged in Regulation 17 (5a & b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The purpose of this Code is to enhance further ethical and transparent process in managing the affairs of the company. This Code has been made applicable to

a) All Whole-Time Directors

b) All Non-Whole Time Directors including Independent Directors under the provisions of law and

c) Senior Management Personnel.

This code would be read in conjunction with the Conduct, Discipline & Appeal Rules for Officers applicable to Whole time Directors and Senior Management Personnel.

All the Board Members and Senior Management Personnel have provided the Annual Compliance Certificate duly signed by them as on March 31, 2017.

13.0 RIGHT TO INFORMATION ACT 2005:

The Right to Information Act, 2005(RTI) became effective 12th October, 2005, is being complied with by HPCL. HPCL has hosted detailed information in its WEB portal "www.hindustanpetroleum.com", and update the same from time to time. Officers across the country, representing different Departments, have been appointed as Public Information Officers and Appellate Authorities to deal with the queries received from the Indian Citizens under RTI.

14.0. INTEGRITY PACT:

The Corporation has introduced "Integrity Pact" (IP) to enhance ethics / transparency in the process of awarding contracts. An MoU has been signed with "Transparency International" on July 13, 2007. This was made applicable in the Corporation effective September 01, 2007 for contracts above ` 1 crore. The Integrity Pact has now become a part of tender documents to be signed by the Company and by the vendor(s) / bidder(s).

15.0 SHARES DEPARTMENT ACTIVITIES:

The Shares Department of HPCL is first among the shares department of other oil companies accredited ISO 9001:2008 certification in March 2009 from International Certification Services agency accredited by joint accreditation system of Australia and New Zealand. The Certificate of Compliance was issued for 3 years from March 2009 to March 2012. The agency after review and satisfaction of the quality of services provided to Shareholders renewed the Certificate for a further period of three years from March 2012 to March 2015. The Agency M/s. ICS Pvt. Ltd. has once again re-certified the Shares Department of HPCL for further period of 3 years from March 2015 to March 2018 certifying that Share Department is complying with International Standard of ISO 9001:2008 requirements.

Shares Department monitors the activities of R&T Agents M/s. Link Intime India Pvt. Ltd., and looks into the issues of shareholders like Share Transfers, Demat, Remat, Duplicate, Transmission and other important matters which are approved by the Share Transfer Committee. The Share Department carries various activities in-house like; Transmission, Dividend Reconciliation, Dividend Audits, Statutory Compliances, Shareholders grievances, shares related legal cases etc.

Presently, HPCL has around 1,54,747 shareholders as on 31.03.2017. The Corporation regularly interacts with the shareholders through e-mails, letters during AGM, Investors' Meets, wherein the activities of the Corporation, its performance and its future plans are shared with the Shareholders.

The Company has been taking appropriate steps to ensure that Shareholder queries are given top priority and all references / representations are resolved at the earliest.

The Company Secretary of the Corporation is the Compliance Officer in terms of the requirements of Stock Exchanges. The quarterly results are published in English and Vernacular newspapers. The Financial and other details are also posted on the Company's website viz. www.hindustanpetroleum.com.

16.0. GENERAL BODY MEETINGS:

16.1 Location and time, of the last three Meetings held:

Year	Location	Date	Time
2015-2016	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosale Marg, Mumbai – 400 021.	08.09.2016	11.00 a.m.
2014-2015	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosale Marg, Mumbai – 400 021.	10.09.2015	11.00 a.m.
2013-2014	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosale Marg, Mumbai – 400 021.	05.09.2014	11.00 a.m.

16.2 Whether any special resolutions passed in the previous 3 AGMs?

At the 63rd Annual General Meeting which was held on September 10, 2015, one Special Resolution was passed approving the Material Related Party Transactions.

At the 64th Annual General Meeting which was held on September 08, 2016, two resolutions viz. to amend the Article 109 of Articles of Association of the Company to increase in the Number of Directors and to increase the Authorized Capital of the Company and amend the Capital Clause in the Memorandum of Association and Articles of Association of the Company were passed.

16.3 Whether any Special Resolutions passed last year through Postal Ballot – Yes. Special Resolution for approval of Secured/ Unsecured Redeemable Non-Convertible Bonds/Debentures ("Bonds") in one or more series/tranches aggregating upto an amount not exceeding `6000 Crore within the overall borrowing limits approved by the Members, on private placement basis, during a period of one year from the date of approval by Members was approved by Postal Ballot on 06.01.2017.

16.4 Person who conducted the Postal Ballot Exercise: Shri Upendra Shukla, Practising Company Secretary (PCS).

16.5 Whether any special resolution is proposed to be conducted through Postal Ballot

For the year 2017-18, Special Resolution through Postal Ballot if any, will be passed on need basis as and when required.

16.6 Procedure for Postal Ballot

As prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

17.0 MEANS OF COMMUNICATION:

Timely disclosure of consistent, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, major steps taken are as under:

i) **Quarterly Financial Results.**

The quarterly unaudited financial / yearly audited financial results of the Company are announced within the time limits prescribed by the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The results are published in leading business/regional newspapers like Economic Times, Navbharat Times, Maharashtra Times etc. and were also sent to the Shareholders through E-Mails who have registered their e-mails for e-communication.

ii) **Website**

The Company's Corporate Website www.hindustanpetroleum.com provides separate sections for investors "Investors Relations" where relevant information for shareholders is available. Website also provides comprehensive information on HPCL's Portfolio of businesses, including sustainability initiatives comprising CSR activities, HSE performance etc.

iii) **News Releases**

Official News Releases, are hosted on Company's website: www.hindustanpetroleum.com

iv) **Annual Report**

Annual Report for 2016-17 is circulated to shareholders and others entitled thereto. The Management Discussion & Analysis Report is part of the Annual Report.

v) **Investor Education & Protection Fund (IEPF- 1)**

As per Clause (1) of Section 205A of the Companies Act, 1956 read with Clause (5), (the then applicable) unclaimed dividend in "Unpaid Dividend Account", has to be transferred to "Investor Education & Protection Fund" (IEPF) on completion of 7 years. The unpaid dividend of 2008-09 was due to be transferred to IEPF. As a Good Corporate Governance, Shares Dept. sent communications well in advance to shareholders to claim their unpaid dividends before transferring to IEPF. Further, in compliance of the provisions contained under Section 125 of the Companies Act, 2013 and the further amendments notified by Ministry of Corporate Affairs to the existing Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the company has transferred to the Investor Education and Protection Fund the sale proceeds of fractional bonus shares except minor delay involving a sum of `3,430/- which has been regularized post the date of Balance Sheet.

vi) **Form IEPF- 2 – Statement of Unclaimed and unpaid amount uploaded to MCA Website**

In pursuance of Investor Education and Protection Fund (uploading of information, regarding unpaid and unclaimed amounts lying with Companies) Rules, 2016, the companies are required to upload Form IEPF- 2 each year on MCA site. The information is also required to be hosted on the website of the Company.

As our last Annual General Meeting held on 08-09-2016, the information on unpaid / unclaimed dividends from 2009-10 to 2015-16 was successfully uploaded on MCA website vide SRN No. G27966068 dtd. 02/12/2016. Data is also uploaded on the website of the Corporation on 14/12/2016. Shareholders can seek payment of their unclaimed dividends by referring the HPCL's website.

vii) **E-Communications**

Audited Financial Results for the year 2016-17 were sent to shareholders through Emails after the Board Meeting, held on 26.05.2017 intimating shareholders about the Financial Results of the Corporation.

Unaudited Financial Results for all Quarters of the year 2016-17 were also sent to shareholders through their registered emails.

Emails were sent to the shareholders intimating about their credit of Dividends 2015-16 electronically.

Corporate Governance

viii) **Correspondences with Shareholders**

- Physical letters were sent to shareholders on updation of bank details during the year.
- Inland letters on intimation of dividend credited electronically for the year 2015-16, Interim Dividend I & II for the year 2016-17 were sent.
- Inland letters on allotment & credit of Bonus Shares 2016 into their Demat account were sent to Demat Shareholders and allotment advice along with Bonus Shares Certificates 2016 were sent to Physical shareholders.

ix) **Green Initiative of MCA:**

In order to ensure timely and quick receipt of information and the benefits associated with electronic receipt of Corporate Benefits and in line with Green Initiative measures introduced by the Ministry of Corporate Affairs in 2011 and also in line with the provisions contained in the New Companies Act, 2013 and the rules made thereunder, HPCL has been sending thru e-mail all the shareholders related documents or Corporate Benefits including dividend in electronic mode. However, an option is also given to the shareholders to receive documents in physical form. Shareholders, who have not presently registered their E-Mails address and have not provided their banks details for E-Payment, but wish to receive documents in Electronic Mode and E-Payment of Corporate Benefits, were advised to register their E-Mail addresses and Bank Details either with the Depository Participants or with HPCL's R&T Agents depending upon their type of holding.

x) **General Shareholders Information:**

General Shareholder Information has been incorporated below and form part of the Annual Report.

18.0 GENERAL SHAREHOLDER INFORMATION:

18.1 65th Annual General Meeting

Date and Time : September 15, 2017 at 11.00 A.M.

Venue : Y.B. Chavan Auditorium, Yashwantrao Chavan Pratishthan,
Gen. Jagannathrao Bhosale Marg,
Mumbai – 400 021.

18.2 Financial Calendar

Financial reporting for Quarter ending 30/06/17	– End July / Mid-August 2017
Financial reporting for Quarter ending 30/09/17	– End October / Mid November 2017
Financial reporting for Quarter ending 31/12/17	– End January / Mid February 2018
Financial reporting for Quarter ending 31/03/18	– End May 2018
Annual General Meeting for year ending 31/03/2018	– August / September 2018

18.3 Record Date for Final Equity Dividend : July 12, 2017

18.4 Dividend payment date : September 19, 2017 (tentative)

18.5 Listing on Stock Exchanges as of 31.03.2017 :

The Bombay Stock Exchange Ltd.	The National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers,	Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Dalal Street,	Bandra-Kurla Complex,
Mumbai – 400 001	Bandra East,
	Mumbai – 400 051

18.6 Listing fees : Listing fees for financial year 2017-2018 have been paid to the Stock Exchanges in April 2017

18.7 Stock Codes : : BSE: 500104 NSE: HINDPETRO

ISIN (for trading in Demat form) : INE094A01015

Corporate Governance

18.8 Stock Market Data:

HPCL SHARE PRICE

(in ₹)

Year	BSE		NSE	
	High	Low	High	Low
2016-2017	1328.95	390.00	1328.00	389.50
2015-2016	991.00	556.65	990.95	556.05
2014-2015	669.70	294.00	669.95	294.25
2013-2014	324.80	158.45	325.00	158.00
2012-2013	381.40	275.30	381.65	260.25

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES

AS ON	HPCL SHARE (In Rs.)	BSE SENSEX	NSE NIFTY
31.03.2017	525.45	29620.50	9173.75
31.03.2016	785.55	25341.86	7738.40
31.03.2015	650.10	27957.49	8491.00
31.03.2014	309.75	22386.27	6704.20
31.03.2013	285.10	18835.77	5682.55

HPCL SHARE PRICE MONTHLY DATA: (in ₹ Except volume)

Bombay Stock Exchange					National Stock Exchange				
Month	HPCL High	HPCL Low	HPCL Close	HPCL Volume No.	Month	HPCL High	HPCL Low	HPCL Close	HPCL Volume No.
Apr-16	875.00	776.00	834.40	1663007	Apr-16	873.25	775.55	833.75	14289909
May-16	953.50	800.70	907.05	2585793	May-16	953.95	800.80	906.45	24157232
Jun-16	1004.80	884.05	995.95	2325800	Jun-16	1004.95	883.45	996.25	20645038
Jul-16	1278.00	993.10	1260.40	4029067	Jul-16	1277.60	993.10	1261.70	32024145
Aug-16	1328.95	1141.20	1216.10	4660436	Aug-16	1328.00	1141.00	1218.70	42539582
Sep-16	1270.00	390.00	423.90	6826332	Sep-16	1270.85	389.50	423.95	61132998
Oct-16	471.00	421.95	467.50	5178958	Oct-16	471.45	421.50	467.25	50326268
Nov-16	485.95	403.65	469.95	5278452	Nov-16	486.40	403.95	471.20	135711835
Dec-16	464.50	410.00	441.20	4624361	Dec-16	465.25	410.00	441.30	72394955
Jan-17	549.95	441.85	521.70	3906408	Jan-17	550.50	441.75	521.35	56533326
Feb-17	584.45	519.30	537.80	4844995	Feb-17	583.00	519.25	537.75	65147437
Mar-17	531.00	498.75	525.45	5291957	Mar-17	531.00	498.60	525.65	79875162

Corporate Governance

PER SHARE AND RELATED DATA:

		2016-17	2015-16	2014-15	2013-14	2012-13
Per Share Data	**Unit**					
EPS (Note 1)	₹	61.12	36.68	26.91	17.07	8.91
CEPS (Note 1)	₹	92.26	70.05	50.57	39.77	32.29
Dividend	₹	44.90	43.00	24.50	15.50	8.50
Book Value	₹	200.29	530.66	473.14	443.32	405.35
Share Related Data	**Unit**					
Dividend Payout	%	56.01	39.08	36.53	35.42	37.22
Price to Earning *	Multiple	8.60	21.42	8.05	6.05	10.67
Price to Cash Earning*	Multiple	5.70	11.21	4.29	2.60	2.94
Price to Book Value	Multiple	2.62	1.48	1.37	0.70	0.70
*Based on March 31, closing price (BSE)	₹	525.45	785.55	650.10	309.75	285.10

Note 1: EPS for earlier periods presented have been recalculated in accordance with Ind AS 33
The Figure for the year 2016-17 & 2015-16 are as per Financial Statements prepared under Ind AS.

18.9 Registrars and Transfer Agents:

M/s. Link Intime India Pvt.Ltd.
Unit: M/s. Hindustan Petroleum Corporation Limited,
C101, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli West,
Mumbai – 400 083.
Contact No.: (022) 49186000 Fax No.: (022) 49186060
E-mail: mt.helpdesk@linkintime.co.in
Bonds.helpdesk@linkintime.co.in

18.10 Share Transfer System

Activities relating to Share Transfers are carried out by M/s. Link Intime India Pvt.Ltd. who are the Registrars and Transfer Agents of the Company, who have arrangements with the Depositories viz., National Securities Depository Limited and Central Depository Services (India) Limited. The transfers are approved by the Share Transfer Committee. Share transfers are registered and Share Certificates are despatched within stipulated period from the date of receipt if the documents are correct and valid in all respects.

The number of shares transferred during the last two financial years:

2016 17 : 33000 Shares
2015-16 : 22050 Shares

18.11Dematerialisation of shares and liquidity:

The total number of shares dematerialised as on 31.03.2017 is 101,09,92127 representing 99.52% of Issued and Subscribed share capital including shares held by the Government of India. Trading in Equity shares of the Company is permitted only in dematerialised form, w.e.f., February 15, 1999 as per notification issued by the Securities and Exchange Board of India.

18.12 Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

There are no outstanding Warrants to be converted into Equity shares.

Detachable Tradeable Warrants issued along with public issue shares in April 1995 were converted into equity shares during the period February 1997 - April 1997. The said Warrant certificates were not called back by the Company and bear no value.

18.13 Plant Locations:

The Corporation has 02 Refineries located at Mumbai and Visakh. It has 119 Regional offices, 42 Terminals/ Tap off Points, 40 Depots, 47 LPG Bottling Plants, 07 Lube Blending Plants, 14412 Retail outlets, 37 ASFs, 1638 SKO / LDO Dealers and 4532 LPG Distributors located all over the country.

18.14 Address for correspondence

Registrars and Transfer Agents:
M/s. Link Intime India Pvt. Ltd.
Unit: HINDUSTAN PETROLEUM CORPN. LTD.
C101, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli West,
Mumbai – 400 083
Telephone No.: 022 – 49186000
Fax No.: 022 – 49186060
E-mail: rnt.helpdesk@linkintime.co.in
Bonds.helpdesk@linkintime.co.in

Company's Shares Department:
HINDUSTAN PETROLEUM CORPN. LTD.
Shares Department,
2nd Floor, Petroleum House,
17, Jamshedji Tata Road, Mumbai - 400 07
Churchgate, Mumbai - 400 020
Telephone No.: 022 - 22863204 /3201/3233/3239/3208
Fax No.: 022-22874552/22841573
E-mail: hpclinvestors@mail.hpcl.co.in

18.15 Distribution Schedule as on 31.03.2017:

No. of Shares	Physical Holding		Dematerialised Holding		Total Shareholding		Percentage	
	No. of Share-holders	No. of Shares	No. of Share-holders	No. of Shares	No. of Share-holders	No. of Shares	Share-holders	Holding
1-500	5826	2242530	114993	14809975	120819	17052505	1.68	78.08
501-1000	1530	1334275	15684	11987063	17214	13321338	1.31	11.12
1001-5000	557	1062225	13170	26179092	13727	27241317	2.68	8.87
5001-10000	5	35043	1186	8351002	1191	8386045	0.83	0.77
10001 & above	3	215550	1793	949664995	1796	949880545	93.50	1.16
Total	**7921**	**4889623**	**146826**	**1010992127**	**154747**	**1015881750**	**100.00**	**100.00**

18.16 Shareholding Pattern:

Category	As on 31.03.2017			As on 31.03.2016		
	No. of Holders	Shares held	% of total issued shares	No. of Holders	Shares held	% of total issued shares
THE PRESIDENT OF INDIA	1	519230250	51.11	1	173076750	51.11
FINANCIAL INSTITUTIONS	27	32881096	3.24	33	13717310	4.05
FII/OCBs	323	171463476	16.88	280	65348560	19.30
BANKS	14	903473	0.09	10	122518	0.04
MUTUAL FUNDS	161	63521351	6.25	185	33584251	9.92
NRIs	4017	3438539	0.34	2735	914305	0.27
EMPLOYEES (Physical)	476	590550	0.06	507	214100	0.06
OTHERS	149728	223853015	22.04	97561	51649456	15.25
TOTAL	**154747**	**1015881750**	**100.00**	**101312**	**338627250**	**100.00**

Corporate Governance

19.0 DISCLOSURES:

19.1 During the year 2016-17, there were no material transactions with Directors or their relatives having potential conflict with the interests of the Company at large. Being a Government Company, all the Directors of HPCL are appointed by the Government of India. There are no relationship inter se between these Directors.

19.2 As required under the Listing Agreement, the Corporation has formulated a Policy on Materiality of Related Party Transaction and the same is hosted on the website of the company and can be accessed with the following link http://www.hindustanpetroleum.com/Policies. All the related party transactions entered during the financial year 2016-17 were approved after finalization of the related party transaction policy of industry basis, by the Audit Committee/Board.

19.3 There have been no instances of non-compliance by the Company or penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any Statutory Authority, on any matter relating to capital markets during the last 3 years.

19.4 The Corporation has a Whistle-Blower Policy in place and no personnel have been denied access to the Audit Committee. This policy is hosted on the website of the company www.hindustanpetroleum.com

19.5 The Corporation is complying with the various mandatory and non-mandatory Corporate Governance requirements envisaged under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and the DPE guidelines on Corporate Governance. With regard to appointment of required number of Independent Directors, the Corporation has taken up the same with its Administrative Ministry i.e. Ministry of Petroleum & Natural Gas, New Delhi.

19.6 Web link for accessing policy for determining material subsidiaries.

http://www.hindustanpetroleum.com/Policies

19.7 Web link for accessing policy on dealing with related party transactions.
http://www.hindustanpetroleum.com/Policies

19.8 The Corporation has framed a "The Code of Internal Procedure and Conduct for Prohibition of Insider Trading in dealing with Securities of HPCL" and the same is hosted on the website of our Corporation. The link for accessing this code is **http://www.hindustanpetroleum.com/Policies**

19.9 CEO / CFO Certification

Chairman & Managing Director and Director (Finance) of the Corporation have given "CEO/CFO Certification" to the Board.

20.0 The Corporation has complied with the applicable conditions of Corporate Governance requirements as specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulations (2) of Regulation 46 except to the extent of appointment of requirements of number of Independent Directors on the Board. Being a Government Company, all the Directors on the Board are appointed by the Government of India. The link for accessing the details as prescribed under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:
http://www.hindustanpetroleum.com/stock_exchange

21.0 The discretionary requirements as specified in Part E of Schedule II have been adopted to the extent practicable.

DECLARATION OF THE CHAIRMAN & MANAGING DIRECTOR

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the same are uploaded on the website of the company – http://www.hindustanpetroleum.com.

Further certified that the Members of the Board of Directors and Senior Management Personnel have affirmed and having complied with code as applicable to them during the year ended March 31, 2017

Mukesh Kumar Surana

Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Hindustan Petroleum Corporation Limited

We have examined the compliance of the conditions of Corporate Governance by Hindustan Petroleum Corporation Limited ('the Company') for the year ended on March 31, 2017, as stipulated in :

- Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C,D and E of Schedule V to the SEBI Listing Regulations
- And the Guidelines on Corporate Governance for Central Public Social Enterprises (Guidelines), as issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respects, complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations for the year ended March 31, 2017 as well as the Guidelines issued by the DPE subject to :

a) The number of Independent Directors on the Board of the company is less than the required number prescribed under the Regulation and clause 3.1.4 of the DPE Guidelines.

b) The composition of the Nomination and Remuneration Committee was not in accordance with Clause 19(1)(a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period 1st April, 2016 to 20th March, 2017.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For CVK & Associates
Chartered Accountants
Firm Registration Number : 101745W

A. K. Pradhan
Partner
Membership No. 032156

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration Number : 104767W

Rajen Ashar
Partner
Membership No. 048243

Place : New Delhi
Date : August 4, 2017

NOTES

Hindustan Petroleum Corporation Limited
(A Government of India Enterprise)

Petroleum House, 17, Jamshedji Tata Road,
Churchgate, Mumbai- 400020

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