हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
(भारत सरकार उपक्रम) रजिस्टर्ड ऑफिस : 17, जमशेदजी टाटा रोड, मुंबई - 400 020.
HINDUSTAN PETROLEUM CORPORATION LIMITED
(A GOVERNMENT OF INDIA ENTERPRISE) REGISTERED OFFICE : 17, JAMSHEDJI TATA ROAD, MUMBAI - 400 020.

17, जमशेदजी टाटा रोड, पोस्ट बॉक्स नं. - 11041, मुंबई - 400 020. दूरभाष - 2286 3900 • फॅक्स - 2287 2992 • ई-मेल : corphqo@hpcl.co.in
17, Jamshedji Tata Road, P. O. Box No - 11041, Mumbai - 400 020. Tel. : 2286 3900 • Fax 2287 2992 • e-mail : corphqo@hpcl.co.in
CIN No.: L23201MH1952GOI008858

Ref.: Co.Secy./VM/247/2016

September 09, 2016

Director – Investor Services & Listing,
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001 **Script Code : 500104**

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex,
Bandra East,
Mumbai – 400 051 **Script Name : HINDPETRO**

Sub.: Annual Report 2015-16

Dear Sirs,

In compliance with Regulation 34 (1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we write to submit through your online platform the scan copy of Annual Report in pdf format, for the Financial Year 2015-16, on its receipt, consideration and adoption, in the 64th Annual General Meeting of our Corporation which was held on September 08, 2016.

We request you to arrange to host the same on the website of Stock Exchanges.

Thanking you,

Very truly yours,

V. Murali

V. Murali
Dy. Company Secretary

हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
वार्षिक रिपोर्ट 2015-16

Hindustan Petroleum Corporation Limited
Annual Report 2015-16

Touching Lives Every Day
In Every Way

Touching Lives... Every Day.. In Every Way

We, at HPCL, touch over a billion lives every day in many ways.

We are in the wheels which take one miles ahead and in the wings which make dreams fly. We are in the warmth of the kitchens and in the din of the industries. We fuel the imagination and nurture the aspirations of millions to create a future full of energy.

Not limited by boundaries, we deliver excellence through a bouquet of energy solutions with a resolute dedication to social commitment, safety, environment and people.

Led by innovation and steered by a sense of responsibility we, at HPCL, are committed to deliver greater value to all our stakeholders and multiply happiness of millions every day in every way.

Contents

Our Directors

Whole Time Directors	Government Directors (Ex-Officio Part-Time)	Independent Directors – (Non Official Part-Time)
Shri Mukesh Kumar Surana Chairman & Managing Director (DIN : 07464675) (From : 01.04.2016)	**Ms. Urvashi Sadhwani** Director (DIN : 03487195) (From: 04.01.2016)	**Shri Ram Niwas Jain** Director (DIN : 00671720) (From : 20.11.2015)
Shri Pushp Kumar Joshi Director – Human Resources (DIN : 05323634)	**Shri Sandeep Poundrik** Director (DIN : 01865958)	**Dr. Gitesh K. Shah** Director (DIN : 02330569) (Upto : 25.02.2016)
Shri B.K. Namdeo Director – Refineries (DIN : 06620620)	**Shri Anant Kumar Singh** Director (DIN : 07302904) From : 30.09.2015 To : 03.01.2016	
Shri Y.K. Gawali Director – Marketing (DIN : 05294482)		
Shri J. Ramaswamy Director – Finance (DIN : 06627920) (From : 01.10.2015)		
Ms. Nishi Vasudeva Chairman & Managing Director (DIN : 03016991) (Upto : 31.03.2016)		
Shri K.V. Rao Director – Finance (DIN : 05340626) (Upto: 30.09.2015)		

Chairman's Message 2015-16

Dear Shareholders,

It gives me great pleasure to present to you the 64th Annual Report for the year 2015-16.

The year 2015-16 saw HPCL scale new heights and record its best ever performance, significantly surpassing the highest ever profit and sales recorded during the previous year. The Profit after tax increased significantly by 41% to reach ₹ 3863 crore, in a turbulent year for the Oil Industry which saw low crude oil prices and consequent stress on the financial health of Oil exporting countries. The average combined Gross Refining Margin (GRM) from Mumbai and Visakh refineries more than doubled from USD 2.84 per barrel in 2014-15 to USD 6.68 per barrel in 2015-16. The combined Gross Refining Margin (GRM) for your refineries is the highest among Public Sector Oil companies. The Refining throughput increased by about 1 million tonne to reach 17.2 million tonnes. Sales including exports increased by 2.26 million tonnes to reach 34.21 million tonnes. In Domestic sales, we have increased our market share by 0.31% among Public Sector Oil companies to reach a market share of 21.25% as of 31st March, 2016.

The year saw oil prices plunge to decade lows witnessing decrease from US $ 55 per barrel in March 2015 to below US $ 30 in January 2016. The lower oil prices eased burden on the country's import bill and has also benefitted the downstream Oil companies. Falling prices in conjunction with aggressive push for direct benefit transfer of LPG subsidy have reduced the subsidy outgo.

Low prices also tend to push up demand either directly or indirectly via substitution. During 2015-16, the consumption of Petroleum products in India witnessed a double digit growth for the first time in last 2 decades and increased by 11% to reach 183 million tonnes. Today, India is the third largest consumer of Oil in the world behind US and China. The steps by Government of India (GoI) to improve infrastructure, impetus to manufacturing through Make-in-India campaign, reforms in mining, innovative schemes for increasing LPG usage and increased public affordability for private car usage and air travel contributed to the increase in domestic demand. The momentum gained by Indian economy which grew at 7.6% during 2015-16, making India one of the fastest growing economy in the world helped in creating a positive economic environment and points to continued increase in the domestic consumption.

Consumption of all petroleum products, except SKO and Lubes, increased in the country during 2015-16. Diesel was the main driver of growth accounting for the 40% of incremental demand, followed by Petrol and LPG. Continuing the growth trend from last year, Diesel consumption recorded a positive growth mainly due to increased usage of public transport and goods carrier vehicles. Petrol consumption increased by an impressive 15% due to swing in the auto industry sales towards petrol engine vehicles and increase in the number of users of two-wheeler vehicles. Industrial fuel consumption which had been stagnating also increased. Consumption of Fuel Oil / LSHS which had been dropping for last seven years, went up by about 12% due to increased usage in Industrial sectors like Power and Steel. Increased pace of highway construction was reflected in Bitumen consumption increase of 15%. LPG consumption grew by 9% due to shift in household fuel use away from Kerosene and increased domestic penetration. ATF consumption grew at 9% due to fall in aviation fuel prices and increased passenger traffic.

To cater to the increased demand, both the refineries at Mumbai and Visakh maximised throughput and achieved the best ever refining throughput of 17.2 Million tonnes during 2015-16 with a capacity utilisation of 116%. Both the Refineries maximised the production of BS IV fuels and recorded the highest ever production of Petrol, Diesel, LPG, Bitumen and Lube Oil Base Stock (LOBS) during the year. The refinery performance was improved by adoption of technology initiatives on commercial scale like Isotherming technology at Mumbai Refinery for revamping the existing Diesel Hydro Desulphurisation (DHDS) unit which resulted in enhanced capacity, improvement in energy efficiency and production of superior quality of Diesel; and Pressure Swing Adsorption (PSA) facility at Visakh refinery to recover hydrogen from Net gases from the Continuous Catalytic Reformer (CCR) unit. Several other initiatives were taken at the refineries to improve product quality, energy efficiency, profitability and reduce carbon footprint.

The Corporate R&D Centre has developed and demonstrated commercially a number of process/product technologies in multifaceted areas including Hydrogen purification from CCR off Gas, Raffinate yield improvement, Effluent treatment, Descaling of furnace tubes, Pressure drop reduction in hydroprocessing reactors etc. A state-of-the-art R&D Centre is also being set up at Bengaluru.

Strategic expansion of pipeline network, judicious expansion and revamp of primary distribution network of Terminals & Depots coupled with strategic commissioning of new dealerships / distributorships in previous years helped us to leverage the opportunity of increased demand and increase our market sales (including exports) to 34.21 million tonnes. In Domestic sales, your company achieved a growth of 9.3% over previous year and increased market share by 0.31% amongst public sector oil companies to reach a volume of 33.9 million tonnes. The volume increase of 2.9 million tonnes in domestic sales over previous year is the highest ever volume increase in a year for your company. In Retail Motor fuel sales, our growth at 7% was significantly higher than major PSU competitors. We recorded double digit growth rate of 14% in Petrol sales and a significant growth of 5% in Diesel sales despite the re-entry of private players after deregulation of diesel prices. Your company maintained its No. 2 position in overall LPG Sales with a growth of 8.6% and continued the market leadership position in Non-Domestic Bulk LPG segment. In Industrial and Consumer sales, your company recorded a remarkable growth of 23% well higher than the Industry growth of 10% by growing in all major product segments of Industrial fuels, viz. 39% growth in diesel sales, 27% growth in Bitumen sales, 30% increase in naphtha sales and 18% increase in Fuel oil sales. In Aviation fuel sales, we consolidated our position by registering a growth of about 21% and achieving a market share gain of 1.13%. We continue to be India's largest Lube marketer for the third consecutive year with 20% growth in total lubricants sales. Your company consolidated the new business line of Natural Gas by recording a sales volume of 36 TMT during the year by SPOT sourcing from domestic suppliers.

To increase energy security, reduce fossil-fuel carbon emissions and resultant pollution your company has been in the forefront in implementing the Ethanol Blending Plan and achieved 3.3% blending which is higher than the Industry average and has started marketing Bio-diesel during the year 2015-16.

Chairman's Message 2015-16

The Marketing infrastructure was strengthened during the year by commissioning and commencing operations of the 443 km long Rewari-Kanpur pipeline. A new state-of-the-art terminal was commissioned at Kanpur in Uttar Pradesh and a new Depot at Bokaro in Jharkhand. These commissioning's will help in further consolidating our market position in north, central and eastern parts of the country. LPG infrastructure was augmented with the commissioning of a new 120 TMTPA LPG Plant at Solapur in Maharashtra and an 8.4 TMTPA LPG mounded storage facility at MLIF, Mangalore. New Aviation Service Facilities (ASF) were commissioned at Chandigarh and at Dharamshala in Himachal Pradesh.

Your Company has maintained its leadership in implementation of PAHAL scheme for LPG customers with over 4 crore of active HP gas customers joining the initiative as of 31st March, 2016. To provide the benefits of LPG to less privileged people, more than 27 lakh LPG consumers have surrendered subsidy under 'GiveItUp' campaign initiated by Government of India which has benefitted over 13 Lakh BPL families as of 31st March 2016. Your company is actively participating in the Pradhan Mantri Ujjwala Yojana (PMUY) to provide free LPG connections to women of BPL households in rural areas thereby providing cleaner cooking environment and avoiding health hazard to women. Your company has also been in the forefront of the Swachh Bharat Abhiyan by undertaking a number of initiatives at various locations across the country during the year. Under Swachh Vidyalaya program, 1245 toilets were constructed in schools. Your company conducts the business with an objective of inclusive growth of all stakeholders and an amount of ₹ 71.76 crore was utilised to touch the lives of people through various CSR initiatives.

To limit the carbon footprint and increase the share of clean energy in the energy mix, your company achieved 44.7 Million kWh of electricity generation through wind farms in Rajasthan and Maharashtra.

Your company secured 'Excellent' rating with a Memorandum of Understanding (MOU) score of 1.12 in terms of the MOU signed with the Government of India for the year 2014-15.

All the operating joint ventures and subsidiaries improved their financial performances during the year which resulted in your company achieving the highest ever consolidated net profit of ₹ 4921 crore during 2015-16. The year saw HPCL-Mittal Energy Ltd (HMEL) achieve its best ever operational and financial performance. HMEL processed 10.71 MMT of crude oil with capacity utilization of 119% and registered a Profit after Tax of ₹ 1,826 crore.

The all-round excellent performance achieved during the year was on the strength of employees of your company who are dedicated, competent and committed to deliver cutting edge performance. We have undertaken a number of human resource management initiatives aimed at developing a vibrant workforce and meet the dynamic needs of customers.

Forecasts for India's GDP growth in 2016-17 predict strengthening of economic activity. A good monsoon is predicted this year which will increase the rural incomes and energy consumption. Implementation of 7th Pay commission recommendations will provide further support to consumption. Various initiatives undertaken by Government of India and the "Startup India" initiative will lend further support to the investment cycle. The short-term outlook for global oil market is uncertain and the crude oil prices will depend on demand supply rebalance scenarios and production outages. Concerns over future economic growth related to the United Kingdom's vote to exit the European Union and the easing of supply disruptions in Canada contributed to further fall in oil prices. The global oil inventory builds coupled with US shale gas production may prevent oil prices from rising too quickly.

As per the projections by IEA, demand for Oil in India will rise to about 330 million tonnes by the year 2030 and 450 million tonnes by 2040 making India the source of highest increase in global oil demand. This growth follows from the fact that about 260 million new passenger vehicles are projected to be added and LPG increasingly will substitute Kerosene and fuelwood as the cooking fuel in households. This calls for both increasing the refining capacity as the country will become a net importer of petroleum products from 2021-22 onwards and building marketing infrastructure to cater to the increased demand.

To participate in the growth, increase market share and also increase efficiency & reduce emissions, we have planned significant investments over the next 5 years. Major projects planned include expansion of Visakh Refinery to 15 MMTPA and Mumbai refinery to 9.5 MMTPA with facilities to produce BS VI compliant fuels. Your company received the Environmental clearance for Visakh Refinery Modernization project (VRMP) from Ministry of Environment & Forests. On the Marketing Infrastructure front, expansion of the existing pipelines of Visakh-Vijayawada-Secunderabad pipeline and Mundra-Delhi pipeline with associated terminal facilities and New POL Depots, LPG Plants and Lube Blending plants have been planned to ensure future growth and meet increased demand. The consortium of HPCL and APGDC is progressing for setting up of City Gas Distribution Network in East Godavari and West Godavari District in Andhra Pradesh for which authorization has been received from PNGRB.

With demand for oil projected to grow in India, HPCL is well positioned to scale greater heights. We have crafted well laid out plans to meet the business challenges, achieve sustained Growth and Profitability, ensure Safety & Probity in our operations and exceed the stakeholder's expectations.

Our customers, business associates and shareholders have always been a source of strength and have placed trust in us. The Ministry of Petroleum & Natural Gas, has guided and supported us in all our efforts. We have also received support from various other departments of Central / State Governments and local authorities for smooth conduct of the business. I thank all of them for their support.

We look forward to your continued support in all our endeavours.

Thank you

Mukesh Kumar Surana

Senior Management Team (Positions as on 21.07.2016)

Shri U. Krishna Murty	Chief Vigilance Officer
Shri A.B. Thosar	ED – HSE (Marketing)
Shri S.P. Gupta	ED – Joint Ventures
Shri R.S. Rao	ED – Finance (Refineries)
Shri S.C. Mehta	ED – Refineries Project Process
Shri S.T. Sathiavageeswaran	ED – Information Systems
Shri G. Sriganesh	ED – Research & Development
Shri A. Pande	ED – Operations, Distribution & Engg.
Shri S. Jeyakrishnan	ED – Retail
Shri Rakesh Misri	ED – Human Resources
Shri Ajit Singh	ED – LPG
Shri H.R. Wate	ED – Gas, Renewables & BD
Shri V.V.R. Narasimham	ED – Mumbai Refinery
Shri A.V. Sarma	ED – Internal Audit
Shri V.K. Jain	ED – Tax
Ms. Sonal Desai	ED – Refinery Finance (effective 01.09.2016)
Shri M. Naveen Kumar	ED – Compensation Management
Shri R. Radhakrishnan	ED – IS (Functional)
Shri B. Ravindran	ED – Treasury & Pricing
Shri R. Kesavan	ED – Corporate Finance
Shri M.V.R. Krishnaswamy	ED – Central Procurement (Marketing)
Shri M. Rambabu	ED – Refinery Coordination
Shri S. Paul	ED – International Trade & Supplies
Shri GSVSS Sarma	ED – Visakh Refinery
Shri S.P. Gaikwad	ED – HSE Corporate & Special Projects (Effective 01.12.2016)
Shri M.D. Pawde	ED – Integrated Margin Management
Shri J.S. Prasad	ED – Pipelines
Shri Rajnish Mehta	ED – Direct Sales
Shri S. Raja	ED – VRMP (effective 01.10.2016)
Shri L. Venugopal	ED – Refinery Projects
Shri G.S.V. Prasad	ED – Retail (effective 01.11.2016)
Shri P.P. Nadkarni	GM – Pipeline Operations
Shri Anil Khurana	MD – Petronet MHB Limited*
Shri V.S. Shenoy	GM – Projects, Visakh Refinery
Shri N.V. Choudary	GM – Corporate R&D
Shri S. Bhattacharjee	GM – Marketing Finance
Shri K. Daniel Santhosh	GM – Commercial, LPG SBU
Shri D.K. Pattanaik	GM – Aviation
Shri K.R. Rao	OSD (R) – PNGRB, Delhi*
Shri G. Chiranjeevi	GM – Special Projects
Shri S. Biswas	GM – LPG, (Sales & Marketing)
Shri K. Ananda Rao	GM – HSE
Shri Vikram Gulati	Chief Executive Officer – Prize Petroleum Company Ltd.*
Shri K. Radhakrishnan	Chief Executive Officer – Hindustan Colas Ltd.*
Shri A.V. Narayana Rao	GM – Corporate Accounts
Shri A. S.V. Ramanan	GM – Materials, Visakh Refinery
Shri C. Rama Krishnan	GM – Engg & Facilities Planning
Shri T.R. Sundararaman	GM – Highway Retailing

Shri Rajiv Chandra	GM – Information Systems (Technical), Infrastructure and Security
Shri Abhishek Datta	Deputy Chief Vigilance Officer
Shri Shyam Mustyalwar	Chief Executive Officer –Mumbai Avn Fuel Farm Pvt. Ltd.*
Shri S.K. Suri	GM – Coordination, DCO
Shri K. Srinivas	GM – Retail, West Zone
Shri R. Sudheendranath	GM – Lubes
Shri Rajneesh Narang	Executive Assistant to C&MD
Shri V.S Agashe	GM – HR, Mumbai Refinery
Shri M.S. Rathor	GM – Maintenance, Mumbai Refinery
Shri R. Sridhar	GM – Finance, Mumbai Refinery
Shri B. Balagangadharam	GM – Technical, Visakh Refinery
Shri Shaji Idicula	GM – Materials, Mumbai Refinery
Shri Iyer Narayanan H	GM – Legal
Shri Selvakumar M	GM – Retail Upgradation
Shri Shrikant M. Bhosekar	Company Secretary
Shri Sen Ashis	GM – Capability Building
Shri D.N. Vijayendrakumar	GM – IS (Technical), Devt. & Data Centre
Shri Nandi Sukumar	GM – LPG Operations
Shri Sanjay Kumar	GM – Retail, North West Zone
Shri Jain Amitabh Kumar	GM – R &D (QC & R&D Marketing)
Shri Anuj Kumar Jain	GM – Retail, North Central Zone
Dr. Peddy V C Rao	GM – Corporate R & D
Shri Veerabhadra Rao P	GM – Maintenance, Visakh Refinery
Shri Subodh Batra	GM – Retail, North Zone
Shri Alok Kumar Gupta	GM – Retail, East Zone
Shri V. Ratanraj	GM – VRMP
Shri Sandeep	DGM – I/C – Retail, South Zone

` * On Deputation

Offices, Auditors & Bankers

Registered Office & Headquarters Office
Petroleum House,
17, Jamshedji Tata Road,
Mumbai - 400 020
e-mail: corphqo@hpcl.co.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
1. Bank of Baroda
2. Bank of India
3. Citibank N.A.
4. Corporation Bank
5. HDFC Bank
6. ICICI Bank
7. Punjab National Bank
8. Standard Chartered Bank
9. State Bank of India
10. 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.co.in

Tel: (022) 22863900 Fax: (022) 22872992

(CIN: L23201MH1952GOI008858)

NOTICE

NOTICE is hereby given that the 64th ANNUAL GENERAL MEETING of the Members of Hindustan Petroleum Corporation Limited will be held on Thursday September 08, 2016 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, 2016 and Reports of the Board of Directors and Auditors thereon.
2. To confirm interim Equity dividends declared for Financial Year 2015-16 and to approve Final Equity Dividend for the Financial Year 2015-16.
3. To appoint a Director in place of Shri Pushp Kumar Joshi (DIN05323634), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Y.K. Gawali (DIN05294482), who retires by rotation and being eligible, offers himself for reappointment.
5. To consider an increase in the Remuneration payable to Statutory Auditors for Financial Year 2015-16 from ₹ 30 lakhs to ₹ 41 lakhs.

SPECIAL BUSINESS:

6. Appointment of Shri J. Ramaswamy (DIN06627920) 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, 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 J. Ramaswamy (DIN:06627920) who was appointed as an Additional Director & also as Director Finance, of the Company by the Board of Directors with effect from 01.10.2015 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, 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.

7. Appointment of Shri Ram Niwas Jain (DIN00671720) as 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, 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 Ram Niwas Jain (DIN:00671720) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 20.11.2015 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, 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.

Notice of Annual General Meeting

8. Appointment of Ms. Urvashi Sadhwani (DIN03487195) 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, 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, Ms. Urvashi Sadhwani (DIN: 03487195) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 04.01.2016 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, 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 a Director of the Company, liable to retire by rotation.

9. Appointment of Shri Mukesh Kumar Surana (DIN07464675) as Chairman & Managing 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, 196 and other applicable provisions, if any, of the Companies Act, 2013, 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 Articles 112 & 133 of Articles of Association of the Company, Shri Mukesh Kumar Surana (DIN07464675) who was appointed by the Board of Directors as an Additional Director and also as Chairman & Managing Director of the Company with effect from 01.04.2016 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, 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 & also Chairman & Managing Director of the Company, not liable to retire by rotation.

10. Payment of Remuneration to Cost Auditors for Financial Year 2016-17

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 Service Tax payable to M/s. R. Nanabhoy & Company and Shri Rohit J. Vora, who were appointed as "Cost Auditors" to conduct the audit of Cost Records maintained by the Company for Financial Year ending March 31, 2017, pertaining to various units as applicable and detailed in the statement annexed to the said notice, be and is hereby ratified and approved.

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 applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the approval of the Company be and is hereby accorded to the Material Related Party Transactions to be entered for Financial Year 2016-17 of a value of Rs, 53,928.88 Crores and that the Board of Directors be and are hereby authorized to perform and execute all such deeds, matters and things including delegate 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. Approval to amend the Articles of Association of the Company for increase in the Number of Directors.

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

Resolved that pursuant to the provisions of Section 14 and 149 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 & in terms of applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company be and is hereby amended by deleting the existing Article 109 and substituting with the following Article as Article 109.

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Number of Directors:

109. Until otherwise determined and subject to the Act and regulation the Number of Directors shall not be more than 20 (Twenty).

13. To increase Authorized Capital of the Company and amend the Capital Clause in the Memorandum of Association & Article of Association of the Company.

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

RESOLVED that pursuant to the provisions of Section 13,14 and 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and in terms of applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force), and provisions of the Articles of Association, the approval of the Company, be and is hereby accorded to increase the authorized share capital of the Company from Rs.350,00,00,000 (Rupees Three Hundred Fifty Crores) divided into 34,92,50,000 (Thirty Four Crores, Ninety Two Lacs, and Fifty Thousand only) Equity Shares of Rs.10 (Rupees Ten Only) each aggregating to Rs.349,25,00,000 (Rupees Three hundred Forty Nine Crore and Twenty Five Lakhs only) and 75,000 (Seventy Five Thousand only) Preference Shares of Rs.100 (Rupee Hundred Only) aggregating Rs.75,00,000 (Seventy Five Lacs) to Rs 2500 Crores (Rupees Two thousand Five Hundred Crore Only) divided into 249,92,50,000 (Two Hundred Forty Nine Crores, Nine Two Lakhs and Fifty thousand only) Equity Shares of Rs.10 (Rupees Ten) aggregating Rs.2499,25,00,000 (Rupees Two Thousand Four Hundred Ninety Nine Crores and Twenty Five lakhs) and 75,000 (Seventy Five Thousand) Preference Shares of Rs.100 (Rupee Hundred Only) aggregating Rs.75,00,000 (Seventy Five Lacs) by creating additional 215,00,00,000 (Two Hundred Fifteen Crores only) Equity Shares of Rs.10/- each and;

a. consequently first paragraph of the Clause No V of the Memorandum of Association of the Company be and is hereby substituted by the following:

   V. The Authorized Share Capital of the Company consists of Rs.2500 Crores (Rupees Two thousand Five Hundred Crores only) divided into 75,000 (Seventy Five Thousand) Preference Shares of Rs.100 (One Hundred) each and 249,92,50,000 (Two hundred Forty Nine Crores Ninety Two Lakhs Fifty Thousand only) Equity Shares of Rs.10 (Ten) each and there shall be attached to the said preference and equity shares respectively the rights, privileges and conditions in that behalf stated in the accompanying Articles of Association.

b. further consequently Article No. 3 (1) of Articles of Association of the Company be and is hereby substituted by the following:

   3.(1)The Authorized Share Capital of the Company consists of Rs.2500 Crores (Rupees Two thousand Five Hundred Crores only) divided into 75,000 (Seventy Five Thousand) Preference Shares of Rs.100 (One Hundred) each and 249,92,50,000 (Two hundred Forty Nine Crores Ninety Two Lakhs Fifty Thousand only) Equity Shares of Rs.10 (Ten) each.

14. To capitalize Reserves of the Company and to issue Bonus Shares.

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

RESOLVED that, in accordance with Section 63 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and subject to the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) and further subject to such permissions, sanctions and approvals as may be required in this regard, approval of the Company be and is hereby accorded for capitalization of Rs.677,25,45,000 (Rupees Six Hundred Seventy Seven Crores Twenty Five Lakhs Fourty Five Thousand Only) standing to the credit of the Security Premium/Free Reserves and for the purpose of issuance of bonus shares of Rs.10/- each, credited as fully paid-up equity shares to the holders of existing equity share(s) of the company, whose names appear in the Register of Members maintained by the Company and the List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on such Record Date as fixed by the Board in the proportion of 2 (Two) Bonus equity share of Rs.10/- each for every 1 (one) existing equity share(s) of Rs.10/- each held by the Members/Beneficial Owners and that the Bonus Shares so distributed shall, for all purpose, rank pari passu with the existing Equity Shares and shall be treated as increase in the paid up share capital of the Company held by each member.

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RESOLVED further that the issue and allotment of the said bonus shares to the extent that they relate to Non-Resident Indians (NRIs), Persons of Indian Origin / Overseas Corporate Bodies and other foreign investors of the company, will be subject to the approval of the Reserve Bank of India and any other regulatory authority, as may be required.

By the Order of the Board,

Date : August 01, 2016
Regd. Office: 17, Jamshedji Tata Road
Churchgate, Mumbai - 400 020

Shrikant M. Bhosekar
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF 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. Book Closure for Final Dividend:

The Company has announced Book Closure from August 01, 2016 to August 06, 2016 (both days inclusive) and accordingly, Final Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year 2015-16, if approved at the meeting, will be payable to those eligible members whose names appear :

(1) As Beneficial Owners, as on July 31, 2016 as per the list to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in Dematerialised form, and

(2) As Members in the Register of Members of the Company as on August 06, 2016 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 R & T Agents on or before July 31, 2016.

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 are entitled to make nomination in respect of Shares held by them in Form No. SH-13. Members holding shares in single name and physical form are advised to make nomination in respect of their holding in the Company by submitting duly

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completed form No SH-13 with the Company and to their respective depository 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. Shareholders' 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. Shareholders holding shares in Dematerialized from are also requested to consolidate their shareholding.

10. Non-Resident Shareholders:

Non Resident Indian Shareholders are requested to inform Registrar and Transfer Agents, immediately of:

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

b. 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 shareholders who have registered their E-mail IDs either with the Registrar and Transfer Agents or with the depositories. However, an option is available to the shareholders 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. Shareholders 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 not be made available at the venue of the Meeting.

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

14. e-Voting: CDSL

(i) 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 Shareholders 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 02, 2016 at 4.00 p.m. (IST) and shall end on September 07, 2016 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 Shareholders of the Company holding shares either in Physical Form or in dematerialized form as on September 01, 2016 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 within three days of conclusion of the Meeting and be also communicated to NSE and BSE where the shares of the company are listed.

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

(iii) Click on Shareholders

(iv) 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.

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

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

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

For **Members holding shares in Demat Form and Physical Form**	
Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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.	PAN
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. 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 (iv).	Date of Birth or Dividend Bank Details

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) 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.

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

(xi) Click on the EVSN for “Hindustan Petroleum Corporation Limited” on which you choose to vote.

(xii) 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.

(xiii) Click on the “RESOLUTIONS FILE LINK” to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “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.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvii) If a demat account holder has forgotten the 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.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- 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
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- 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.
- 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.

(xix) In case you have any queries or issues 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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- 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 01, 2016
- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 01,2016 may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or to Shri B.B. Shirodkar, Sr. Manager Shares, Shares Department, 2nd Floor, Petroleum House, Churchgate, Mumbai -400 020, Telephone No.: (022) 22863208 (email ID: bbshirodkar@hpcl.in)
- 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 User Details/Password" option available on www.evotingindia.com
- 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.
- 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.
- 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.
- Shri Upendra Shukla, Practising Company Secretary, (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.
- 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.
- 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 three days 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.
- 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 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) Shareholders Holding Shares in Physical Form:

Shareholders 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 Serial No. 19.

(b) Shareholders Holding Shares in Dematerialised Form:

Shareholders 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.

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 for making cash 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 shareholders, whose bank details are not available, the company shall mandatorily print the address of the investors on such payment instruments.

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(b) In order to facilitate the shareholders 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". Shareholders 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) Shareholders 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' 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 shareholders 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 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 205A and 205C of the Companies Act, 1956.

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
28.08.2009	2008-09 (Final)	Sept. 2016
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

It may please be noted that no claim can be made by the shareholders for the unclaimed Dividends which have been transferred to the credit of the Investor Education & Protection Fund (IEPF) of the Central Government under the amended provision of Section 205B of the Companies (Amendment) Act, 1999.

18. Unclaimed Dividends:

In view of the above mentioned regulation, the shareholders 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. C-13, Pannalal Silk Mills Compound

L.B.S. Marg, Bhandup (West), Mumbai - 400 078

Telephone No.: 022 – 25963838 Fax No.: 022 - 25946969 E-mail : mumbai@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 Pushp K. Joshi & Shri Y.K. Gawali retire by rotation and being eligible, offers 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:

6. Appointment of Shri J. Ramaswamy as Director of the Corporation.

Shri J. Ramaswamy, was appointed as an Additional Director on the Board effective 01.10.2015 consequent to his appointment as "Director Finance (Whole Time Director)" 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 the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Shri J. Ramaswamy, 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 her candidature as a Director, or the intention of such member to propose him as a candidate for that office, as they case may be, along with deposit of one lakh rupees. The deposit shall be refunded to the person, if the person whose name is proposed gets elected as a Director or gets more than twenty five percent of total valid votes cast either on Show of Hand/Remote evoting/ Ballot/e-Voting or on poll on such resolution.

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

Shri J. Ramaswamy, is also appointed as "Chief Financial Officer" in terms of Section 203 of the Companies Act, 2013.

Shri J. Ramaswamy, prior to his appointment as Director Finance, was Executive Director, Corporate Finance of the Corporation. He hold 50 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. 6 of the Notice.

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

7 Appointment of Shri Ram Niwas Jain as Independent Director of the Corporation.

Shri Ram Niwas Jain, was appointed as an Additional Director on the Board effective 20.11.2015 consequent to his appointment as Part-Time Non-Executive (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 the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Shri Ram Niwas Jain, 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 they case may be, along with deposit of one lakh rupees. The deposit shall be refunded to the person, if the person whose name is proposed gets elected as a Director or gets more than twenty five percent of total valid votes cast either on Show of Hand/Remote evoting/ Ballot/e-Voting or on poll on such resolution.

Accordingly, Corporation has received a notice from a member along with requisite deposit proposing candidature of Shri Ram Niwas Jain, for the office of Director in terms of Section 160 of the Companies Act, 2013. Shri Ram Niwas Jain 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He does not hold any shares of HPCL.

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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 shareholders

8. Appointment of Ms. Urvashi Sadhwani as Director of the Corporation.

Ms. Urvashi Sadhwani, Sr. Advisor, Ministry of Petroleum & Natural Gas (MOP&NG), was appointed as an Additional Director on the Board effective 04.01.2016 consequent to her appointment as "Non-Executive Government Director" 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 the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Ms. Urvashi Sadhwani, 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 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 her hand signifying her candidature as a Director, or, the intention of such member to propose her as a candidate for that office, as they case may be, along with deposit of one lakh rupees. The deposit shall be refunded to the person, if the person whose name is proposed gets elected as a Director or gets more than twenty five percent of total valid votes cast either on Show of Hand/Remote evoting/ Ballot or on poll on such resolution.

Accordingly, Corporation has received a notice from a member along with requisite Deposit proposing candidature of Ms. Urvashi Sadhwani, for the office of Director in terms of Section 160 of the Companies Act, 2013. She does not hold any 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. 8 of the Notice.

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

9. Appointment of Shri Mukesh Kumar Surana as Chairman & Managing Director of the Corporation.

Shri Mukesh Kumar Surana, was appointed as an Additional Director on the Board effective 01.04.2016 consequent to his appointment as Chairman & Managing Director 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 Articles 112 & 133 of Articles of Association of ther 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 the last date on which the Annual General Meeting should have been held, whichever is earlier. Hence, Shri Mukesh Kumar Surana, being Additional Director holds office upto the date of this Annual General Meeting.

In terms of provision contained under Section 160 of the Companies Act, 2013 & 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 as they case may be, the intention of such member to propose him as a candidate for that office, along with deposit of one lakh rupees. The Deposit shall be refunded to the person, if the person whose name is proposed gets elected as a Director or gets more than twenty five percent of total valid votes cast either on Show of Hand/Remote evoting/ Ballot/e-Voting or on poll on such resolution.

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

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.

Shri Mukesh Kumar Surana, prior to his appointment as Chairman & Managing Director, was Chief Executive Officer of M/s. Prize Petroleum Company Limited, a Wholly Owned Subsidiary of our Corporation. He holds 120 shares of HPCL.

Notice of Annual General 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 shareholders

10. Payment of Remuneration to Cost Auditors for Financial Year 2016-17

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, 2017 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	M/s. R. Nanabhoy & Co. Jer Mansion, 1st floor, 70 August Kranti Marg, Mumbai – 400 036.	1,60,000/-*
2.	Mazgaon, Haybunder, Sewree, Silvassa, Budge-Budge, Ramnagar & Chennai Lube Blending Plants and CNG Mother Station at Ahmedabad	CMA Rohit J Vora 1103 Raj Sunflower Royal Complex, Eksar Road, Borivali (West), Mumbai – 400 092.	1,35,000/-*
		Total	2,95,000/- *

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

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 Shareholders 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, 2017.

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 shareholders.

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 regulations 2 (1)(zb) of the SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015. The Corporation propose to enter into certain business transactions with M/s. HPCL Mittal Energy Limited during Financial Year 2016-17. These transactions are estimated at Rs.53,928.88 Crores for F.Y. 2016-17 which are likely to exceed 10% of the Annual Consolidated Turnover of the Company as per the Last Audited Financial Statements of the Corporation.

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

All transactions 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 which was made applicable from December 02, 2015 repealing the earlier Listing Agreement, has provisions relating to "Related Party Transactions" under its regulations 23. The Regulations 23 inter-alia, also defines 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 10% of the Annual Consolidated Turnover of the company as per the Last Audited Financial Statement of the Company and it requires approval of the Shareholders by passing a Resolution and in respect of voting on such resolution(s), the said related party shall abstain from voting.

Members may please note that based on the criteria as mentioned above in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 , transactions entered into by the Corporation with M/s. HPCL Mittal Energy Limited for F.Y. 2016-17 are "Material" and therefore requires approval of the Company by Ordinary Resolution.

Notice of Annual General Meeting

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 Shareholders.

12. Approval to amend the Articles of Association of the Company for increase in the Number of Directors.

Deregulation of Oil and Gas Sector has facilitated entry of private players in Upstream and downstream activities, which has posed strong competition to Oil PSU. Oil is an important part of larger energy market and there is continued shift towards natural gas and renewable forms of energy. Thus there is a strong need to adopt market oriented policies to address twin challenges of competitiveness and sustainability for HPCL.

To meet the growth strategies of the Corporation, apart from capacity expansion of refineries, the Corporation has plans for participating in the end to end natural gas value chain, vertical integration into profitable petrochemical business and establish presence in renewables for ensuring success in the market oriented scenario and achieving long term bottom line growth.

To address the above, the Corporation has identified Business Development as a high potential area for ensuring sustainable growth in the market determined environment and to carry forward the plan, it is proposed to create suitable position of Whole Time Director who will be responsible for formulation of corporate plans, policies and strategies (both short terms and long term), provide impetus to the emerging field of Petrochemicals, Natural Gas, Renewable, Alternate Energy, Exploration and Production, and operation of Joint Venture /Subsidiaries etc. Some more suitable positions especially in the area of Pipeline and R&D may need to be created in future.

In terms of Regulation 17(b)(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 listed companies where Chairman of the Board is an Executive Chairman, at least half of the Board of Directors shall comprise of Independent Directors. Since your Corporation has Executive Chairman designated as "Chairman & Managing Director', Corporation is required to have at least half of the board comprising of the Independent Directors. The Non-Executive Directors representing Government are not considered as Independent Directors.

In view of the above provisions, with the proposed addition of one more Whole Time Director, the composition of HPCL Board would be six Whole Time Directors and two Directors representing Government, with required equal number of Independent Directors, aggregating to sixteen Directors.

In view of the above position and also considering the future need, the Board has recommended amendment to Article 109 of the Articles of Association of the Company for increasing the number of Directors on the board from 15 (Fifteen) to 20 (Twenty). The Section 14 the Companies Act, 2013 requires that any amendment to the clause of Articles of Association of the Company requires passing of Special Resolution by the members in a General Meeting. Provision to Section 149 (1) of the Companies Act, 2013 provides that company can appoint more than 15 directors after passing a Special Resolution.

Accordingly, considering above and also future requirements, the Board recommends the Special Resolution as set out in item 12 of the Notice for the approval of shareholders.

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 12 of the Notice.

13 &
14 To increase Authorized Capital of the Company and amend the Capital Clause in the Memorandum of Association & Article of Association of the Company and

To capitalize Reserves of the Company and to issue Bonus Shares.

Presently, the Authorized Share Capital of your Company is Rs.350,00,00,000- (Rupees Three Hundred Fifty Crores) divided into 34,92,50,00,000 (Thirty Four Crore Ninety Two Lacs and Fifty Thousand Equity Shares of Rs.10 (Rupees Ten Only) each aggregating to Rs.349,25,00,000 (Rupees Three hundred Forty Nine Crore and Twenty Five Lakhs only) and 75,000 (Seventy Five Thousand) Preference Rs.100 (Rupee Hundred Only) aggregating Rs.75,00,000 (Rupees Seventy Five Lacs).

Considering the outstanding reserves of the Corporation, the Board of Directors of the Corporation have recommended Capitalisation of Reserves of Rs.677,25,45,000 standing to the credit of Security Premium/Free Reserves as on 31/03/2016 and issue of Bonus Shares to the eligible shareholders in the ratio of 2 (Two) Bonus Equity Shares of Rs.10/- each for every 1 (one) Equity Share held with the approval of the Members. The proposal for capitalization of said reserves and issue of Bonus Shares is now placed for consideration and approval of the Members.

Notice of Annual General Meeting

The Record Date for determining the eligibility of the Shareholders to receive the said Bonus Shares has been fixed by Board as September 15, 2016. The Board of Directors recommend for the approval of Members the Capitalisation of Reserves and issue of Bonus Shares as proposed.

The Board of Directors also considered increase in the Authorised Share Capital of the Corporation which is presently Rs.350 crore to Rs.2500 Crores by creation of 215,00,00,000 (Two Hundred Fifteen Crores Only) number of Equity Shares of Rs.10/- each. In view of the above, it is necessary to amend Clause (V) of the Memorandum of Association and Clause 3(1) of the Articles of Association to increase the Authorised Share Capital from Rs.350 crore to Rs.2500 crore by placing a Special Resolution for consideration and approval of the Members.

The Board of Directors also recommend the approval of the Members for amendment to the Capital Clause (v) in the Memorandum of Association and Article 3(1) of Articles of Association of the Corporation.

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 and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution at Item No. 13 and 14 except to the extent of their respective shareholdings in the Corporation.

By the Order of the Board,

Date : August 01, 2016

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

Shrikant M. Bhosekar
Company Secretary

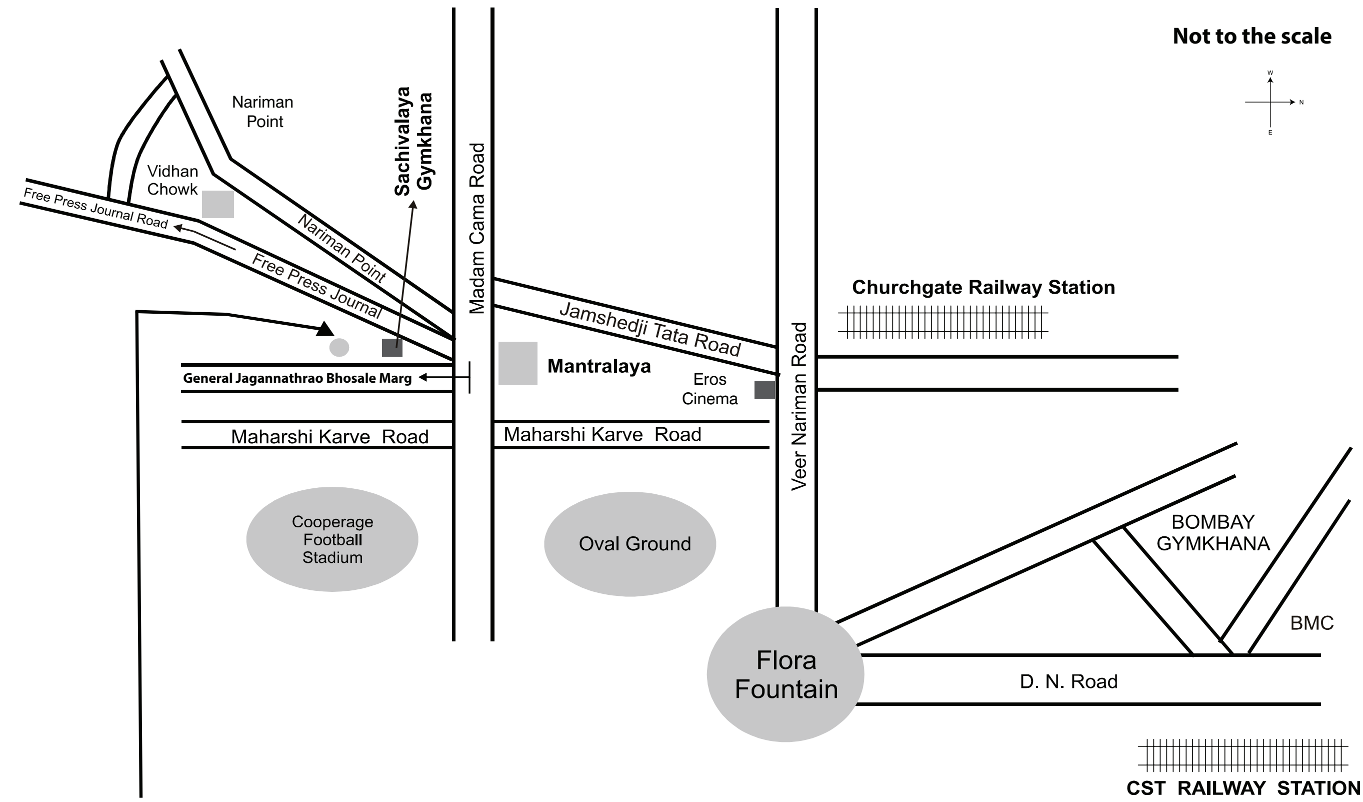
Notice of Annual General Meeting

ANNEXURE TO ITEMS 3,4 6,7, 8 & 9 OF THE NOTICE:

Details of Directors seeking appointment / reappointment at the 64th Annual General Meeting in pursuance of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015.

Name of the Director	Shri Pushp Kumar Joshi	Shri Y.K. Gawali	Shri J. Ramaswamy	Shri Ram Niwas Jain	Ms. Urvashi Sadhwani	Shri Mukesh Kumar Surana
Date of Birth	08.08.1964	10.10.1956	17.02.1959	03.09.1951	29.10.1958	16.04.1962
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment on the Board	01.08.2012	10.10.2014	01.10.2015	20.11.2015	04.01.2016	01.04.2016
Qualification	B.A., LLB, PG (PM&IR) XLRI, Jamshedpur	B.E. (Civil)	FCA	B.E. (Mech).	Post Graduate in Business Economics, M.Phil Indian Economic Service	B.E. (Mech.) Master in Financial Management
List of Directorship in other Companies as on 16.06.2016	1. Prize Petroleum Co.Limited 2. CREDA HPCL Bio Fuel Limited 3. HPCL Biofuels Limited 4. HPCL Rajasthan Refinery Limited 5. HPCL Shapoorji Energy Pvt. Ltd. 6. Hindustan ColasPvt.Ltd.	1. Aavanatika Gas Limited	1. HPCL Rajasthan Refinery Limited 2. HPCL Biofuels Limited 3. HPCL Mittal Pipelines Limited 4. Prize Petroleum Company Limited 5. HPCL Mittal Energy Limited 6. CREDA HPCL Bio Fuel Limited 7. SA LPG Co. Pvt. Limited 8. HPCL Shapoorji Energy Pvt. Ltd.	1. Visa Realty Limited 2. Universal General Sompo Insurance Co. Limited 3. B.P. Engineers Pvt.Ltd.	Nil	1. HPCL Rajasthan Refinery Limited. 2. Prize Petroleum Company Limited 3. HPCL Mittal Energy Limited 4. SA LPG Co. Pvt. Ltd.

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING ON THURSDAY, SEPTEMBER 08, 2016 AT 11.00 A.M.



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

Performance Profile

FINANCIAL	2015-16	2015-16	2014-15	2013-14	2012-13	2011-12
	US $ Million	₹ / Crores				₹ / Crores
Sales / Income from Operations	29,847.07	197,744.28	217,061.11	232,275.82	215,666.45	188,130.95
Gross Profit	1,365.23	9,044.98	6,831.86	6,140.31	4,821.78	5,156.44
Depreciation	402.52	2,666.77	1,971.15	2,188.44	1,934.42	1,712.93
Interest	96.62	640.14	706.59	1,336.36	1,412.80	2,224.27
Tax including Deferred Tax	283.06	1,875.33	1,420.86	881.74	569.85	307.81
Net Profit	583.03	3,862.74	2,733.26	1,733.77	904.71	911.43
Dividend	176.33	1,168.26	829.64	524.87	287.83	287.83
Tax on distributed profits	35.90	237.83	168.89	89.20	48.92	46.70
Retained earnings	370.79	2,456.65	1,734.73	1,119.70	567.96	576.89
INTERNAL RESOURCES GENERATED	**880.01**	**5,830.28**	**3,901.05**	**3,618.23**	**3,015.45**	**2,179.48**
VALUE ADDED	**2,946.74**	**19,522.86**	**14,830.76**	**15,548.31**	**13,158.78**	**11,824.31**
WHAT CORPORATION OWNS						
Gross fixed assets	8,308.91	55,048.60	48,174.91	42,466.76	37,006.21	33,459.00
Less: Depreciation	3,260.68	21,602.83	19,112.10	16,554.52	14,457.51	12,609.35
Net fixed assets	5,048.23	33,445.77	29,062.81	25,912.24	22,548.70	20,849.65
Capital work-in-progress	286.57	1,898.68	3,634.04	4,755.86	5,199.22	4,474.73
Investments						
JVCs & Subsidiary	820.83	5,438.22	5,300.73	5,169.04	4,199.27	3,416.64
Others	838.68	5,556.46	5,945.76	5,690.83	6,427.66	6,953.86
Net current/non current assets	(277.09)	(1,835.80)	(3,482.31)	9,558.67	12,738.92	10,344.16
Deferred tax liability	(726.08)	(4,810.46)	(4,103.60)	(3,908.43)	(3,598.35)	(3,085.28)
Total	**5,991.14**	**39,692.87**	**36,357.43**	**47,178.21**	**47,515.42**	**42,953.76**
WHAT CORPORATION OWES						
Net Worth	2,770.63	18,356.10	16,022.09	15,012.16	13,726.40	13,122.52
Share capital	51.28	339.71	339.71	339.71	339.71	339.71
Share forfeiture	(0.11)	(0.70)	(0.70)	(0.70)	(0.70)	(0.70)
Reserves	2,719.46	18,017.09	15,683.08	14,673.15	13,387.39	12,783.51
Borrowings	3,220.51	21,336.77	20,335.34	32,166.05	33,789.02	29,831.24
Total	**5,991.14**	**39,692.87**	**36,357.43**	**47,178.21**	**47,515.42**	**42,953.76**
PHYSICAL (MMT)						
CRUDE THRUPUT		17.23	16.18	15.51	15.78	16.19
- Mumbai Refinery		8.01	7.41	7.74	7.75	7.51
- Visakh Refinery		9.22	8.77	7.77	8.03	8.68
PIPELINE THRUPUT		17.61	14.91	15.69	14.04	13.62
MARKET SALES		34.21	31.95	30.96	30.32	29.48

Notes:

1. Previous year figures have been regrouped / reclassified wherever necessary.
2. 1 US$ = ₹ 66.2525 (Exchange rate as on 31.03.2016).

Performance Profile

	2015-16	2015-16	2014-15	2013-14	2012-13	2011-12
	US $ Million	₹ / Crores				₹ / Crores
FUND FLOW STATEMENT						
Sources of Funds						
Profit after tax	583.03	3,862.74	2,733.26	1,733.77	904.71	911.43
Depreciation	402.52	2,666.77	1,971.15	2,188.44	1,934.42	1,712.93
Deposits from Dealers/LPG Consumers	172.65	1,143.92	1,081.37	1,029.19	763.44	839.74
Borrowings (net)	(101.56)	(672.89)	(11,282.31)	(1,986.53)	2,970.03	5,085.69
Redemption of Oil bonds	58.61	388.29	(249.92)	(0.00)	708.00	1,127.90
Amortisation of capital grant received from OIDB & amortisation of FCMITDA*	37.68	249.67	35.58	(9.63)	1.85	(0.18)
Provision for deferred tax	106.69	706.86	195.17	310.08	513.07	(110.35)
Adjustment on account of sale/deletion of assets, provision for diminution in investment & others	6.09	40.33	306.87	782.83	584.62	27.50
Total	**1,265.71**	**8,385.69**	**(5,208.83)**	**4,048.15**	**8,380.14**	**9,594.66**
Utilisation of Funds						
Dividend	176.33	1,168.26	829.64	524.87	287.83	287.83
Tax on distributed profits	35.90	237.83	168.89	89.20	48.92	46.70
Capital expenditures	806.22	5,341.42	4,806.29	5,154.62	5,090.31	4,620.63
Increase/(decrease) in net current / non-current assets	226.97	1,503.71	(11,107.37)	(2,276.04)	2,026.34	4,210.24
Investment in JVCs & Subsidiaries and Others (Including advance towards equity & share application money pending allotment)	20.29	134.47	93.73	555.49	926.74	429.26
Total	**1,265.71**	**8,385.69**	**(5,208.83)**	**4,048.15**	**8,380.14**	**9,594.66**
CONTRIBUTION TO EXCHEQUER						
Excise duty	2,916.85	19,324.84	10,820.00	8,569.03	8,386.47	8,948.91
Customs duty	79.35	525.71	242.49	193.03	340.29	1,321.34
Sales tax	4,341.33	28,762.41	27,126.63	25,663.63	21,874.41	19,233.85
Service tax	42.36	280.63	212.04	166.26	127.96	83.52
Income tax	188.15	1,246.54	788.83	356.96	87.95	271.92
Others	316.15	2,094.60	1,562.43	1,474.56	1,356.42	1,440.99
Total	**7,884.19**	**52,234.73**	**40,752.42**	**36,423.47**	**32,173.50**	**31,300.53**
RATIOS						
Gross profit/Sales (%)		4.57%	3.15%	2.64%	2.24%	2.74%
Net profit/Sales (%)		1.95%	1.26%	0.75%	0.42%	0.48%
Earnings per share (₹)		114.07	80.72	51.20	26.72	26.92
Cash earnings per share (₹)		209.53	151.70	119.30	96.86	77.70
Avg. sales/Employee (₹ / Crores)		18.60	19.87	19.92	17.23	15.06
Avg. net profit/Employee (₹ / Crores)		0.37	0.26	0.17	0.07	0.08
Debt equity ratio (long term debt to equity)		0.95 : 1	1.13 : 1	1.05 : 1	0.75 : 1	0.66 : 1
MANPOWER (NOs.)		**10,538**	**10,634**	**10,858**	**11,027**	**11,226**

* Foreign Currency Monetary Item Translation Difference Account (FCMITDA) as per para 46 of AS-11.

Performance Profile

	2015-16	2015-16	2014-15	2013-14	2012-13	2011-12
	US $ Million	₹ / Crores				₹ / Crores
HOW VALUE IS ADDED						
Income						
Sales / income from operations	29,847.07	197,744.28	217,061.11	232,275.82	215,666.45	188,130.95
Add: Increase/(decrease) in inventory	(26.78)	(177.40)	(3,749.44)	574.43	(809.46)	824.29
	29,820.29	**197,566.88**	**213,311.67**	**232,850.25**	**214,856.99**	**188,955.24**
Cost of Raw materials						
Raw material consumption	6,116.57	40,523.83	56,158.44	61,962.49	63,182.62	56,943.23
Purchases for resale	17,500.99	115,948.43	129,278.36	145,137.95	128,163.93	109,370.73
Packages	43.44	287.81	231.40	213.20	183.12	181.66
Stores & spares	34.81	230.64	244.20	167.81	156.39	121.41
Utilities	152.46	1,010.11	848.41	642.24	1,093.55	921.87
	23,848.27	**158,000.82**	**186,760.81**	**208,123.69**	**192,779.61**	**167,538.89**
Duties applicable to products						
Duties	3,025.28	20,043.20	11,720.10	9,178.25	8,918.60	9,592.04
Total value added	**2,946.74**	**19,522.86**	**14,830.76**	**15,548.31**	**13,158.78**	**11,824.31**
HOW VALUE IS DISTRIBUTED						
Operations						
Operating & service costs	1,232.16	8,163.35	5,584.25	7,377.70	5,811.44	5,084.76
Employees' benefits	349.35	2,314.53	2,414.66	2,030.30	2,525.56	1,583.10
Providers of capital						
Interest on borrowings	96.62	640.14	706.59	1,336.36	1,412.80	2,224.27
Dividend	212.23	1,406.09	998.53	614.07	336.75	334.53
Income tax/fringe benefit tax	283.06	1,875.33	1,420.86	881.74	569.85	307.81
Re-deployment in business						
Retained profit	370.80	2,456.65	1,734.73	1,119.70	567.96	576.90
Depreciation	402.52	2,666.77	1,971.15	2,188.44	1,934.42	1,712.93
Total value distributed	**2,946.74**	**19,522.86**	**14,830.76**	**15,548.31**	**13,158.78**	**11,824.31**

Performance Profile

'000 Tonnes

SALES VOLUME *	2015-16	2014-15	2013-14	2012-13	2011-12
Light Distillates					
Liquified petroleum gas	5,112.50	4,707.00	4,251.56	4,073.41	3,957.80
Naphtha	735.25	1,014.04	712.63	674.59	778.77
Motor spirit	5,613.70	4,999.61	4,422.16	4,070.66	3,869.06
Hexane	18.93	15.52	18.22	19.47	23.45
Propylene	42.81	13.93	19.66	48.85	52.30
Sub-total	**11,523.19**	**10,750.10**	**9,424.22**	**8,886.98**	**8,681.38**
Middle Distillates					
Mineral turpentine oil	53.58	41.24	43.00	36.88	37.35
Aviation turbine fuel	609.68	505.53	445.29	567.30	768.24
Superior kerosene oil	1,250.12	1,294.87	1,308.00	1,375.30	1,549.13
High speed diesel	16,857.54	15,834.33	15,973.03	15,459.50	14,216.02
JBO/WO	3.97	3.79	2.07	0.96	1.37
Light diesel oil	182.41	161.19	179.17	175.87	171.00
Sub-total	18,957.28	17,840.95	17,950.55	17,615.80	16,743.11
Lubes & Greases	**532.07**	**442.72**	**482.12**	**470.94**	**426.63**
Heavy Ends					
Furnace oil	1,549.10	1,459.34	1,590.27	1,794.17	2,243.47
Low sulphur heavy stock	61.47	177.52	227.63	187.09	220.16
Bitumen	1,245.25	976.47	1,007.45	1,056.13	930.24
Others	346.45	304.20	282.63	306.92	239.39
Sub-total	3,202.27	2,917.54	3,107.98	3,344.30	3,633.26
Total	**34,214.81**	**31,951.30**	**30,964.87**	**30,318.03**	**29,484.38**
* Including Exports					

MARKETING NETWORK (Nos.)	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Regional offices	106	100	100	101	101
Terminals/Installations/TOPs	37	36	35	34	33
Depots (including exclusive lube depots)	73	91	90	90	90
LPG bottling plants	46	45	46	45	45
ASFs	37	35	35	35	34
Retail outlets	13,802	13,233	12,869	12,173	11,253
SKO/LDO dealers	1,638	1,638	1,638	1,638	1,638
LPG distributors	4,278	3,952	3,506	3,194	2,897
LPG customers (in crores)	5.29	4.77	4.37	3.99	3.62

Performance Profile

'000Tonnes

PRODUCTION VOLUME - MUMBAI REFINERY	2015-16	2014-15	2013-14	2012-13	2011-12
Light distillates					
Liquified petroleum gas	405.48	378.70	379.50	440.60	448.60
Naphtha	353.17	499.46	382.90	408.97	491.20
Motor spirit	1,376.60	1,296.91	1,328.60	1,357.59	1,182.50
Hexane	13.94	8.21	17.00	16.65	26.10
Solvent 1425	6.60	3.12	11.20	5.47	8.20
Sub-total	**2,155.79**	**2,186.41**	**2,119.20**	**2,229.28**	**2,156.60**
Middle distillates					
Mineral turpentine oil	41.80	37.68	41.90	36.19	40.50
Aviation turbine fuel	447.91	408.78	500.90	536.65	587.10
Superior kerosene oil	223.87	190.86	272.50	330.93	285.20
High speed diesel	2,708.12	2,504.49	2,234.40	2,201.83	1,979.20
Light diesel oil	94.62	69.55	84.10	84.10	93.40
Sub-total	**3,516.32**	**3,211.36**	**3,133.80**	**3,189.71**	**2,985.40**
LOBS/TOBS	**422.59**	294.61	385.80	361.99	382.40
Heavy ends					
Furnace oil	619.67	665.01	804.90	847.49	1,018.00
Low sulphur heavy stock		(10.60)	4.20	(1.39)	8.30
Bitumen	610.28	522.40	612.20	631.07	577.40
Others (including input of BH gas)	90.28	95.52	135.60	(33.51)	(83.70)
Sub-total	**1,320.23**	**1,272.33**	**1,556.90**	**1,443.66**	**1,520.00**
Total	7,414.93	6,964.71	7,195.70	7,224.65	7,044.40
Intermediate stock differential	(21.32)	(23.94)	29.60	(54.52)	(116.90)
Fuel & loss	627.80	556.19	534.20	584.66	592.80
Grand total	**8,021.41**	**7,496.95**	**7,759.50**	**7,754.78**	**7,520.30**

Performance Profile

'000Tonnes

PRODUCTION VOLUME - VISAKH REFINERY	2015-16	2014-15	2013-14	2012-13	2011-12
Light Distillates					
Liquified petroleum gas	419.19	428.73	423.33	382.75	360.80
Naphtha	353.51	518.69	331.05	251.38	270.00
Motor spirit	1,655.40	1,545.43	1,347.62	1,258.69	1,357.50
Propylene	43.38	14.40	19.35	48.02	52.70
Sub-total	**2,471.48**	**2,507.25**	**2,121.35**	**1,940.84**	**2,041.00**
Middle Distillates					
Mineral turpentine oil	0.37	0.33	-	-	-
Aviation turbine fuel	97.51	76.73	40.22	65.73	60.00
Superior kerosene oil	550.81	614.42	615.67	582.38	640.20
High speed diesel	3,759.91	3,616.88	3,007.00	3,116.26	3,438.00
JBO	4.38	2.79	2.13	0.75	1.00
Light diesel oil	95.52	88.85	101.63	84.76	83.10
Sub-total	**4,508.50**	**4,400.00**	**3,766.64**	**3,849.88**	**4,222.30**
Heavy Ends					
Furnace oil	955.11	722.82	825.77	1,025.60	1,220.70
Low sulphur heavy stock	(2.36)	197.32	162.22	183.29	139.30
Bitumen	587.47	384.35	340.06	394.65	367.20
Others	25.95	1.51	(39.16)	31.40	26.30
Sub-total	**1,566.18**	**1,306.00**	**1,288.90**	**1,634.94**	**1,753.50**
Total	8,546.17	8,213.26	7,176.89	7,425.65	8,016.80
Intermediate stock differential	(32.88)	(94.97)	7.78	(5.00)	24.50
Fuel & loss	705.93	652.15	587.74	607.81	641.00
Grand total	**9,219.21**	**8,770.43**	**7,772.41**	**8,028.47**	**8,682.30**

Directors' Report

DEAR MEMBERS

On behalf of the Board of Directors, it gives me immense pleasure in presenting to you the sixty-fourth Annual Report on the Performance of the Corporation, together with the Audited Financial Statements for the financial year ended March 31, 2016.

HIGHLIGHTS

(₹ / Crores)

	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
FINANCIAL PERFORMANCE				
Sales/Income from Operation	212,664.41	230,168.48	197,744.28	217,061.11
Profit before Depreciation, Interest and Tax (PBDIT)	12,297.19	6,561.24	9,044.98	6,831.86
Depreciation & Amortization Expenses	(3,595.72)	(2,489.40)	(2,666.77)	(1,971.15)
Finance Cost	(1,747.32)	(1,841.15)	(640.14)	(706.59)
Profit before Tax (PBT)	**6,954.15**	**2,230.69**	**5,738.07**	**4,154.12**
Provision for Tax	(2,107.24)	(741.82)	(1,875.33)	(1,420.86)
Profit after Tax (PAT) but before Minority Interest	**4,846.91**	**1,488.87**	**3,862.74**	**2,733.26**
Minority Interest	(74.58)	(9.71)	-	-
Profit after tax & Minority Interest	**4,921.49**	**1,498.58**	**3,862.74**	**2,733.26**
Balance brought forward from previous year	10,019.58	10,225.75	12,367.14	11,269.70
Amount available for Appropriation	**14,941.07**	**11,724.33**	**16,229.88**	**14,002.96**
Appropriations:				
Debenture Redemption Reserve (net)	148.17	(137.77)	148.17	(137.77)
Depreciation as per Schedule II transitional provisions	-	(515.82)	-	(499.52)
Interim Dividend	(626.46)	-	(626.46)	
Proposed Dividend	(541.80)	(829.64)	(541.80)	(829.64)
Tax on distributed profits	(247.46)	(178.54)	(237.83)	(168.89)
Other Appropriations	19.82	(42.98)	-	-
Balance carried forward	**13,693.34**	**10,019.58**	**14,971.96**	**12,367.14**
SHAREHOLDERS' VALUE (₹)				
Earnings per Share	145.34	44.25	114.07	80.72
Cash Earnings per Share	273.40	95.96	209.53	151.70
Book Value per Share	512.84	411.20	542.07	473.14

PHYSICAL PERFORMANCE (MMT)	2015-16	2014-15
Market Sales (Including Exports)	34.21	31.95
Crude Thruput:		
Mumbai Refinery	8.01	7.41
Visakh Refinery	9.22	8.77

SALES/INCOME FROM OPERATIONS

Your Corporation has achieved Sales/Income from operations of ₹ 1,97,744.28 crores in 2015-16 as compared to ₹ 2,17,061.11 crores in 2014-15 on standalone basis.

PROFIT

Your Corporation has earned Gross Profit of ₹ 9,044.98 crores in 2015-16 as against ₹ 6,831.86 crores in 2014-15 and profit after tax of ₹ 3,862.74 crores in 2015-16 as compared to ₹ 2,733.26 crores in 2014-15 on standalone basis.

Directors' Report

DIVIDEND

The Board, in its meeting held on February 01, 2016 declared an interim dividend of ₹ 11.50 per share. Further, the Board in its meeting held on March 11, 2016 declared second Interim Dividend of ₹ 7.00 per share. The total interim dividend declared is ₹ 18.50 Per Share.

The Board of Directors, after taking into account the Financial Results of the Corporation during the year, have recommended a final dividend of ₹ 16.00 per share. The total dividend for the year 2015-16 works out to ₹ 34.50 per share as against ₹ 24.50 per share for the year 2014-15.

The amount of dividend totaling to ₹ 1,406.09 crores, inclusive of ₹ 237.83 crores for Corporate Dividend Tax on distributed profits, shall be dispensed from profit after tax for the year.

INTERNAL RESOURCES GENERATION

The Internal Resources generated during the year were ₹ 5,830.28 crores as compared to ₹ 3,901.05 crores in 2014-15 on standalone basis.

CONTRIBUTION TO EXCHEQUER

Your Corporation has contributed a sum of ₹ 52,234.73 crores to the exchequer during the year by way of duties and taxes, as compared to ₹ 40,752.42 crores in 2014-15 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 of the year 2015-16 qualifies for "Excellent" rating basis self-evaluation.

REFINERY PERFORMANCE

During the year 2015-16, Your refineries have recorded the best ever crude processing with a combined refining throughput of 17.23 MMT (16.18 MMT in 2014-15) and capacity utilization of 116 %. This high performance could be achieved by optimal crude mix, better equipment reliability, timely shutdown adherence and commendable operational discipline.

The Overall MoU Rating for Your refineries for Physical parameters like Crude thruput, Distillate yields, Energy Intensity Index stands at "Excellent" level.

Basic raw material for the refineries is crude oil which constitutes more than 90% of the expenses. Optimum crude mix therefore plays a vital role in refinery profitability. Major challenge before refineries is availability of right crude mix at right price as crude oil market is predominantly seller driven. This demands continuous rebalancing of crude procurement dynamics. Sustained coordination by the corporation resulted in higher allocation of desirable grades from NOC. Quote validity period was reduced in spot tender to bring in more competitiveness. HPCL is the first Indian Oil PSU to procure crude via STS (Ship to Ship Transfer). The aforesaid efforts could enable the corporation register the highest GRM amongst public sector oil marketing companies.

Higher crude processing translated into enhanced production of Petroleum Products with your refineries recording best ever LPG,MS, HSD, LOBS and Bitumen production of 825,3032, 6470, 423 and 1195 TMT respectively.

In a continuous effort to upgrade the product quality, Mumbai refinery has successfully carried out revamp of existing DHDS and implemented the IsoTherming technology, which is first of its kind in the country. With existing DHT and DIU units, Mumbai refinery is equipped for complete conversion of HSD to BS IV specification which is well before the schedule of roadmap for BS IV fuel specification by April 2017. This project has also resulted in enhanced capacity, improvement in energy efficiency along with more stringent product quality of HSD in the future.

As is evident, energy costs contribute to the major chunk of the operating costs to the refineries. Therefore, sustained efforts were made to reduce purchase power costs and in that direction Mumbai refinery has purchased power by open access through group captive mode thereby reducing the cost of purchased power and consequently brought down the overall refinery Opex. Mumbai refinery is the first amongst PSU refineries to implement the scheme sourcing 20 MW power and upon smooth functioning it is planned to increase it further during the coming year.

Hydrogen management is the most essential for manufacture of better quality petroleum products especially in the light of recent demand for superior specifications of MS & HSD. Accordingly, Pressure Swing Adsorption (PSA) facility for hydrogen purification from CCR Net gases was commissioned at Visakh refinery during the period. PSA technology is offered by few licensors and technology adopted by the facility was jointly developed by Corporate R&D and M/s GENS Korea. With the availability of pure Hydrogen from CCR, the load on hydrogen generation units has reduced considerably resulting in improved energy efficiency and reduction in Opex.

Directors' Report

Crude oil is an essential commodity and thus the government has taken steps to envision a strategic cavern storage for emergencies by setting up Indian Strategic Petroleum Reserve Ltd (ISPRL). The strategic crude cavern storage are being set up at three locations Viz. Visakhapatnam, Padur and Mangalore with over 5 MMT storage capacity. The facility at Vishakhapatnam has a storage capacity of 1.33 MMTPA made in two compartments, Cavern A has 1.03 MMT capacity meant for ISPRL and Cavern B of 0.3 MMT capacity allotted for HPCL. Visakh refinery and ISPRL had jointly commissioned both Cavern A and B of Crude cavern facility. The first parcel received was Bonga crude oil in cavern B and subsequently the facility is being utilized for regular refinery operations. This has brought flexibility in optimizing refinery tank farm for storing and processing different crudes at reduced landed costs.

Extending the commitment towards environmental protection, your refineries have always been a forerunner to implement initiatives for reduction of emissions, Visakh refinery has successfully commissioned Tail Gas Treating Unit (TGTU) in the Sulphur recovery Trains at DHDS thus achieving 99.9 % Sulphur recovery. The facility was adopted indigenous Tail Gas Treating (TGT) technology offered by M/s Engineers India Limited (EIL). Mumbai refinery has commissioned Flue gas scrubber unit (FGSU) at Old FCCU for reduction of SOx emissions and Suspended Particulate Matter. These initiatives have reduced the SO_2 emission substantially thus contributing to much lower emissions than the stipulated emission norms.

Your Corporation continues to leverage workplace Health, Safety & Environment as an integral part of its business policies. Refineries believe occupational and personal health of all employees at all manufacturing sites as well as at its offices is vital for excellence in overall performance. Managing health and safety of the people who work for us, both directly and indirectly, continued to be our highest priority with special focus to enhance safety culture, contractor safety management, risk assessment and training. Thus Mumbai refinery has achieved best ever safety record since its inception with 15 Million Safe Man Hours as of 25th March 2016 i.e. 1721 incident free days since 7/10/2011.

Your Corporation has a market share way ahead of refining capacity. With an aim to minimize this gap, both the refineries have planned for capacity enhancement - Mumbai Refinery to 9.5 MMTPA and Visakh Refinery to 15 MMTPA. To keep pace with global standards, a number of high complexity secondary processing units including bottom upgradation and fuel quality improvement facilities have also been planned. Managing space for the project within existing facilities has been a major challenge which is well addressed by intensive site clearance activities through reorientation/removal of old assets. This will facilitate to commence the project field activities immediately after Board approval/ Environmental clearance.

Your Corporation is committed to cleaner auto fuel missive of Government of India in rolling out BS-IV compliant Diesel (HSD) and Petrol (MS) from April 1, 2017. Necessary modifications in Visakh refinery in this aspect would be completed way ahead of stipulated date. Mumbai refinery has already inducted necessary infrastructural changes and is capable of total BS-IV conversion now itself. As regard to compliance with BS-VI standards which is scheduled for rolling out effective April 1, 2020, both the refineries have firmed up action plans through revamp of existing units. Licensors selection for these units have already been completed and process design activities are now in progress.

Your Corporate R&D Centre has shown their exemplary performance by developing and demonstrating commercially a number of process/product technologies in multifaceted areas covering Hydrogen purification from CCR off Gas, Raffinate yield improvement, Catalytic Visbreaking, Effluent treatment, Descaling of furnace tubes, Pressure drop reduction in hydroprocessing reactors and Processing of heavy feed stocks in DHDS & FCC.

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	8,013	9,219
Capacity utilization	%	123.3	111.1
Distillate yield	%	76.0	75.7
Fuel & Loss	%	7.83	7.66
Specific Energy Consumption*	MBTU/BBL/ NRGF	90.46	82.80
Gross Refinery Margin	$/Bbl	8.09	5.46

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

Directors' Report

MARKETING PERFORMANCE

The year 2015-16 saw Your Corporation seamlessly executing its strategic plans in different business lines, initiating several customer centric programs and aggressively pursuing its infrastructure development plans resulting in an impressive all-round performance.

Your Corporation continued its winning streak by recording its best ever physical performance during 2015-16, achieving sales volume (including exports) of 34.2 million tonnes compared to sales of 31.95 million tonnes during 2014-15. In the Domestic sales segment, your corporation recorded a growth of 9.3% over previous year volume and amongst public sector oil companies increased market share by 0.31% to reach a market share of 21.25% as on 31st March, 2016.

The Industry saw major growth in products of Motor Spirit, LPG, Fuel Oil, Bitumen and Lubricants. Your Corporation not only recorded Industry leading growth in these product lines but has also grown significantly in products of Consumer Diesel, Naptha, Aviation Fuel and the New Business line of RLNG, which helped your corporation achieve a growth above Industry.

In the motor fuel segment, your Corporation achieved a sales volume of 22.74 Million Tonnes and increased its market share in MS and HSD (combined) by 0.37%. The focus on strategic network expansion saw commissioning of a total 590 new retail outlets during 2015-16, which include 185 retail outlets to cater to customers in rural areas, thus further extended our reach and touch points with customers in retail segment to a total of 13,802 Retail Outlets.

Your Corporation has particularly focussed on providing citizen friendly services to customers of domestic LPG and also engaged them on different accounts through increased coverage across the country, while pursuing some path breaking initiatives like PAHAL (DBTL), e- Sahaj etc. initiated by Govt. of India. We have further expanded coverage of citizens with environment supportive domestic LPG to meet their fuelling needs at home for cooking etc. through enrolment of 50.82 Lakhs new LPG Gas (Domestic) customers during FY 15-16. Accordingly, we now touch the lives of 524 lakhs of our citizens by meeting their fuelling needs at home through supplies of domestic LPG totalling to 5.07 million tonnes during the financial year ended 31st March, 2016.

More than 27.17 Lakhs consumers of domestic LPG have been inspired to play their part in the cause of nation building and encouraged to give up LPG Subsidy by subscribing to "#GiveItUp" campaign by Govt, of India. Our focussed attention to increase the reach of environment supportive Domestic LPG has resulted in 13.38 Lakhs BPL families receiving the benefits envisaged as part of 'Give back scheme' as of March 31st, 2016.

Your corporation continues to be the leading player in a crucial segment of our business which is not only very competitive but contributes significantly towards our profitability i.e. marketing of lubricants. Your corporation has created a new benchmark of performance in this very important line of business which has a significant bearing on profitability with a record total Lubes sales of 536 TMT during the year, and thus retained its No. 1 position as a marketer of lubricants in our country for a third year in succession.

In the Aviation Business Line, your Corporation achieved a sales volume of 609 TMT and increased its market share by 1.3% amongst PSU companies and is now supplying Jet Fuel to all the ten scheduled domestic airlines of the country.

Your corporation has also explored new business portfolios for a sustainable performance on long term basis and accordingly we have taken very considered approach to bring our focus a new line of business for us i.e. marketing of RLNG and also achieved a reasonable sales of 36.2 TMT through our initial efforts and operations in this segment during 2015-16.

Our focus on efficiency and reliability in operations of our O&D infrastructure has helped us in delivering the highest ever throughput of 47.60 MMT through POL installations. Simultaneously we have also achieved an all-time high pipeline throughput of 17.61 MMT during the year.

Your corporation continues to capture the emerging trends in the market place as well as continuously evolving preferences at customers' end and continues to address them by repositioning itself and incorporation of various strategic initiatives and effective application of technology to engage customers in several innovative ways.

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

TREASURY MANAGEMENT

During the year 2015-16, the Corporation was able to bring down interest from ₹ 707 crores to ₹ 640 crores because of efficient treasury management. The Corporation was able to meet its day-to-day short term requirement of funds through mix of short term instruments like Commercial Papers, Collateralised Borrowing and Lending Obligations and Revolving Line of Credit in USD. The Corporation was able to invest temporary surpluses at optimal rates deriving substantial income from such investments.

During the year, Your Corporation obtained long term issuer rating of "Baa3" with positive outlook from M/s. Moody's Investors Services and the above rating is at par with sovereign rating of India. With this, Your Corporation has two international credit ratings, one from M/s. Fitch Rating and the other from M/s. Moody's Investors Services.

Directors' Report

Leveraging Your Corporation's reputation and image in the international market, Your Corporation was able to re-finance high cost ECB loan of US$ 465 million at significantly lower cost besides extending its maturity. The Corporation also funded its capex with foreign currency loan of US$ 250 million at very fine rates.

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 or 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 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 assessment and minimization procedures, and periodical review to ensure that executive management controls risks by means of a properly defined framework.

VIGILANCE

During the year, based on the theme of Preventive Vigilance as a tool of Good Governance, surprise inspections, CTE-type inspections, interactions with the employees including new recruits and other stakeholders were conducted. Coordination 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 system improvements such as the Retail outlet Property management, Credit Policy Management, implementation of CSR program, process of reverse auction etc. was also carried out during the year.

INDUSTRIAL RELATIONS

The year witnessed harmonious & productive Employee Relations across the Corporation as an outcome of proactive Industrial Relation practices. Our continued thrust on resolving issues through continuous dialogue and maintaining a collaborative approach with Unions, workmen and other stake holders resulted in significant productivity enhancement. Various Settlements were signed with Unions in the areas of Productivity & process improvement, effective Redeployment etc. which amply demonstrates the healthy Industrial Relations climate in the Corporation.

As part of Organization's Capability building initiative and to develop second line of Union Leadership in the Unions in view of the retirement of some union leaders, training programme titled "जीतेंगे हम साथ साथ" (Together We Win) was conducted during the year.

Further, HP Connect Workshops were held during the year for sharing Corporation's Strategy & future growth plans, various Compensation benefit schemes and HR Policies for Union office bearers, Gaurav Award Winners etc. to enable them to become HR Champions at locations. The Corporation launched Gyanjyoti Programme for Computer Literacy of workmen in which all labour category employees have been covered.

Contract Labours were covered under the Prime Minister's Jan Dhan Yojana and wages are being disbursed through e-payment.

Your Corporation was conferred with the "EFI National Awards for Excellence in Employee Relations for the year 2015 "(Pan India Category) at a ceremony held during the EFI National HRM Summit – 2015 on December 9 - 10, 2015 at Mumbai.

Your Corporation was also awarded with "Global HR Excellence Award for Organization with Best Employee Relation Practices" at a ceremony held during the 24th edition of World HRD Congress on February 15, 2016 at Mumbai.

OFFICIAL LANGUAGE IMPLEMENTATION

Office Language Implementation (OLI) has been given the utmost importance in the Corporation. Hindi is used as official Language with the spirit of persuasion and motivation and ensuring the statutory compliances pertaining to Official Language Implementation. Hindi is also used in Information technology with the use of latest techniques.

Directors' Report

Use of Hindi is encouraged among the employees through All India Hindi Mahotsav, Official Language conferences, competitions and workshops. Your Corporation continues to Head the Town Official Language Implementation Committee (TOLIC) in Mumbai for Government Undertakings/Corporations since its formation in 1983.

Your corporation is having prominent position in Oil Sector for Official Language Implementation by winning 27 awards including 'Rajbhasha Shield' from MOP&NG from last two years.

CORPORATE SOCIAL RESPONSIBILITY

Your Corporation constantly strives to be a model of excellence in all its endeavour be it in business prosperity or in environmental and societal stewardship. Social Development through business operations and CSR intervention always remains at the core of leadership decisions. In order to achieve these goals, Your Corporation has taken dynamic CSR activities and touched thousands of lives in the year 2015-16 across the length and breadth of the country. Efforts were made to ensure that benefits of the CSR activities reaches to the less privileged and marginalized sections of society, under the focus areas of Child Care, Education, Health Care, Skill Development, Sports, Environment and Community Development.

The Major Projects of CSR are in sync with National Developmental Policies and Sustainable Development Goals and focuses on education, health care and skill development in a holistic manner. Our Projects Nanhi Kali, Unnati and Akshaya Patra strive to meaningfully contribute to uplift the educational standards of communities. Project Nanhi Kali attempts to educate first generation girl children by providing Social, Academic and material support. Your Corporation, under Project Akshaya Patra supplemented the government effort in providing hot and nutritious meals to school children so that the students maintain good health and motivation to attend schools. IT based computer education was provided to students under Project Unnati which not only boosted their interest for being in schools but also opened wide horizons for them in life. Your Corporation has taken up Project Dhanwantari to provide free door step health care to the marginalized community located in difficult areas through Mobile Medical Vans (MMV). Project Suraksha addressed the burning issue of HIV/AIDS among the vulnerable sections of society, the long distance trucker, through free medical consultation, counselling and outreach services. Through Project Dil without Bill, free heart surgery was undertaken for economically underprivileged giving new lease of life. The Corporation attempted to create an inclusive society taking Project ADAPT which has provided sophisticated and state of the art therapies, special education and skill development to differently abled students. With aim of providing livelihood opportunity to youth, Project Swavalamban was taken during the year which contributed to Skilled India by training drop out youths in various skills and achieving employment for trained youths.

Your Corporation has enthusiastically participated in 'Swachh Bharat Abhiyan'. A large number of stakeholders were engaged with aim to make India clean. Activities were conducted at business locations for generating awareness and sensitize employees and other stakeholders. Shram Daan projects, cleanliness drive, walkathons, competitions, community meeting etc. were organized. Under Swachh Vidyalaya Abhiyan, Your Corporation, completed the construction of 1245 school toilets, majority of which are in states of Andhra Pradesh, Assam, Bihar, Chhattisgarh and Odisha. Your Corporation has also taken up the initiative for the maintenance of these toilets by collaborating with state governments.

A number of initiatives were taken for the development of communities close to our Business Units in a Pan India manner. Activities were taken in all focus areas with special emphasis on activities related to Swachh Bharat Abhiyan. A number of community toilets were constructed during the year, dustbins and waste bins were provided, community drains were constructed etc. National Cleanliness drive was undertaken between September 25th and October 31st all over the country where stake holders from all sections participated. Activities were taken to strengthen the institutions supporting weaker sections of society like orphanages, old age homes. Under Community Development focus area, drinking water and water for livelihood remained at the focus. Schools were provided with drinking water facility and water harvesting activities were taken for the remote rural and tribal areas. CSR Month was celebrated to generate awareness on social issues among stakeholders and to ensure the cooperation of all stakeholders in development of society. Your Corporation innovated CSR practices by developing entrepreneurs from SC/ST communities and provided them end to end training for being an independent entrepreneur. Highest ever scholarships to the students from SC/ST/OBC and PWD were given. As an important initiative, sports were promoted among talented youth at various locations.

Your corporation has used a holistic development model with a goal to empower all sections of society. An utmost concern was given to 10 Principles of UN Global Compact and these were followed in letter and spirit by all level of employees. In future we aim to innovate and expand our reach to the neediest of the person and we shall attempt that those living close to our business units are healthy, happy and educated.

The details of CSR activities of the corporation containing details of CSR Committee Members, brief outline of the CSR policy, overview of the CSR initiatives, prescribed expenditure, amount spent etc., forming part of Director's report are provided in **Annexure III.**

Directors' Report

The Composition of CSR committee is as under:-

Sl. No.	Name	Category
1.	Shri Ram Niwas Jain	Part-Time Non Official Director - Chairman
2.	Shri Pushp Kumar Joshi	Director – HR –Whole Time Director, Member
3.	Shri B. K Namdeo	Director – Refineries- Whole Time Director, Member
4.	Shri Y K Gawali	Director - Marketing – Whole Time Director, Member

The Committee had approved the CSR policy and the Budget. The CSR policy is uploaded on Corporation's website, weblink of which is given herein below:

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

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

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 2015-16, against the set target of 20% Your Corporation has achieved 25.36% (₹ 1646.60 crores) procurement of goods & services from Micro & Small Enterprises and a target of 20% has been set for the year 2016-17.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Corporation has constituted Internal Complaints Committees (ICC). During the year, One (1) complaint was received by the Corporation, enquiry of which is under process. Further, Your Corporation has conducted one workshop and also developed Online Portal for all employees to create awareness. During the year, 512 officers have completed online awareness programme named 'Prevention of Sexual Harassment'.

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, 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 2014-15 was carried out and the Cost Audit Reports were filed with the Ministry of Corporate Affairs before the stipulated date of filing.

DIRECTORS

Your Corporation's Board presently comprises of 8 Directors. The Whole Time Directors are Shri Mukesh Kumar Surana (Chairman & Managing Director), Shri Pushp Kumar Joshi (Director – Human Resources), Shri B.K. Namdeo (Director- Refineries), Shri Y.K. Gawali (Director – Marketing) and Shri J. Ramaswamy (Director – Finance).

Shri J Ramaswamy is also appointed as 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 Director (Independent) is Shri Ram Niwas Jain.

As per the provisions of Section 152 of the Companies Act, Shri Pushp Kumar Joshi & Shri Y.K. Gawali, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Directors' Report

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

Appointment:

- Shri Mukesh Kumar Surana, Chairman & Managing Director of the Corporation was appointed on the Board of Your Corporation, effective 01.04.2016.
- Shri J. Ramaswamy, Director Finance (Whole Time Director) was appointed as Additional Director on the Board of Your Corporation, effective 01.10.2015. He is also appointed as Chief Financial Officer (CFO) of the Corporation.
- Ms. Urvashi Sadhwani, Sr. Advisor, Ministry of Petroleum & Natural Gas and a Government Director was appointed as Additional Director, on the Board of Your Corporation, effective 04.01.2016.
- Shri Ram Niwas Jain, Part-Time Non Official Director, was appointed as Additional Director on the Board of Your Corporation, effective 20.11.2015.
- Shri Anant Kumar Singh, was appointed as Part time Ex-Officio Director, on the Board of Your Corporation effective 30.09.2015.

Cessationship:

- Ms. Nishi Vasudeva, Chairman & Managing Director, has ceased to be Director of the Corporation effective 31.03.2016, on attaining the age of superannuation.
- Shri K.V. Rao, Director Finance, has ceased to be Director of the Corporation effective 30.09.2015 on attaining the age of superannuation.
- Shri Anant Kumar Singh, Part-Time Ex-Officio Director, has ceased to be Director of the Corporation effective 03.01.2016.
- Dr. Gitesh K. Shah, Part-Time Non Official Director (Independent) has ceased to be Director of the Corporation effective 25.02.2016, on completion of tenure.

  The Board places on its record 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 8 (Eight) 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.

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	5,568	544	9.77
B*	-	-	-
C	4,942	333	6.74
D	28	-	-
TOTAL	**10,538**	**877**	**8.32**

*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. As per MCA Notification dated 5th June, 2015, provisions of Section 134 (3) (p) shall not apply, in case the Directors are evaluated by the Ministry, which is administratively in charge of the company.

Directors' Report

DECLARATION BY INDEPENDENT DIRECTORS

All Independent directors have given 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 Government Company, 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 -Chairman
2.	Shri B.K. Namdeo	Whole Time Director, 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 Annual Return is annexed as **Annexure V**.

RELATED PARTY TRANSACTIONS

The details of transactions entered into with the Related Parties during the year 2015-16 are enclosed as **Annexure VI**.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

There are no companies, which have become or ceased to be our Subsidiary, joint venture or associate during the year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the Financial Year 2015-16 there is no Order or Direction of any Court or Tribunal or Regulator which either affects Corporation's status as a going concern or which substantially or significantly affects corporation's business operations:

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

Annexure to Directors' Report for the year 2015-16

DETAIL 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 had been followed along with proper explanation relating to material departures.

ii. The Directors had 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 had 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 had prepared the Annual Accounts on a going concern basis.

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

ACKNOWLEDGEMENTS

The 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 : 27th May, 2016

For and on behalf of the Board of Directors

Sd/-

MUKESH KUMAR SURANA

Chairman & Managing Director

Annexure to Directors' Report for the year 2015-16

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 2015-16 are as follows:

The energy conservation measures undertaken by both the refineries during the year 2015-16 have resulted in a savings of 19,170 SRFT/year (standard refinery fuel tonnage per year).

The major energy conservation measures undertaken during 2015-16 are as follows:

Mumbai Refinery:

1. In an effort to minimize fuel requirement, refinery has taken up the opportunity of T&I for bringing back all the equipment to original efficiency in FRE APS/VPS. Online chemical cleaning of Other furnaces in FR-VPS/ FRE-VPS/LR VPS /SEU-II / SEU-III units was carried out. Periodical online furnace cleaning has helped in bringing back to furnace efficiencies to design conditions. These initiatives have resulted in significant improvement in furnace efficiencies and thus savings in fuel consumption.
2. Release of hydrocarbon to flare system is normal phenomena owing to operating necessity and safety procedures in refining operation. However, New Flare Gas Recovery compressors were installed and commissioned for recovery of flare gas from HC flare header and reuse as refinery fuel gas. This initiative has resulted in better utilization of flare gases and also helped in reduction of emissions to environment.
3. Reduction in potential hydrocarbon loss by using Ultrasonic Leak Detector during periodic safety valves surveys.
4. Steam is one of the most important utility for refinery operation and thus is imperative to minimize any heat losses on steam lines. In an effort to minimize the heat losses, conventional insulation is being replaced by Introduction of Perlite insulation on steam lines on preferentially basis and the same will be extended to entire steam network. Zero steam leak concept was introduced unit wise with focus on steam leak. Under steam trap management, Steam trap validation was done under Phase I of steam trap management program and the progress of the activities are being monitored in Phase II.
5. Survey of excess air in furnaces and air leak survey of air header was carried out periodically and identified air leaks were rectified.

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 2015-16 have resulted in a savings of 11,288 SRFT/year (standard refinery fuel tonnage per year

Visakh Refinery:

1. New Flare Gas Recovery Compressors were installed and 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. Generation of steam can be done through various means and one of the cost effective means is through done recovery of waste heat. Refinery has installed and commissioned New HVGO-LP steam generator in CDU-2 enabling recovery of waste heat.
3. For a more efficient and reliable operation, CDU-II atmos reflux pump drive was changed to motor from low efficient turbine drive.
4. Recovery of heat has always been of importance in refinery operations as it best way for effective utilization. Shell side modifications of crude preheat exchangers in CDU-I was carried out which resulted in preheat improvement by 5°C.
5. Online chemical cleaning of CDU's & DHDS furnaces were carried out, which resulted in reduced stack temperatures and increased heater efficiencies, thereby potential savings in fuel consumption.
6. Dedicated facility for draining of oily water emulsion from ATP crude tanks was installed and commissioned.
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

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 2015-16 have resulted in a savings of 7,882 SRFT/year (standard refinery fuel tonnage per year).

Oil and Gas Conservation Fortnight was observed at both the refineries Viz MR/VR from January 15 to 31, 2016 to create awareness among the public for conservation of petroleum products.

Capital investments on energy conservation equipment:

Capital investment on energy conservation equipment during financial year 2015-16 is ~ ₹ 179 Crore for MR and ~ ₹ 26 Crore for VR.

B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

Mumbai Refinery:

1. IsoTherming® Hydro processing technology provided by M/s DuPont to reduce sulfur in finished products to ultra-low levels at a low capital investment and operating costs was implemented at Mumbai refinery. The existing DHDS unit was revamped with minimal modifications to absorb the technology which is first of its kind in the country. This project has resulted in improvement in energy efficiency to achieve stringent product specifications, improve margins, and ensure a safe and sustainable operating environment.
2. A major part of energy cost comes from electricity needs, refiners have always looked for means to minimize these costs. Open access mechanism for purchase of power has been a boon for major consumers and Mumbai refinery has started power purchase by open access through group captive mode, Your Corporation is the first oil PSU to initiate the scheme.
3. CCR/Isomerization catalysts were replaced with new catalyst which enhanced the product yield and has improved the RON. This has resulted in increased naphtha blending in MS. Increased H_2 production due to improved CCR RON had also resulted in increased H_2 availability for downstream Hydrotreating units.
4. Major modifications were carried out in FRE unit during the shutdown. The column internals on the top section of APS was changed from packing to high capacity and high efficiency SUPERFRAC® trays. This has improved Special Cut Naphtha & Light Virgin Naphtha product qualities..
5. Commissioned Flue gas scrubber in old FCCU to avoid catalyst carry over through regen stack. Repaired refractory in OFCC regenerator, thus avoided air grid plugging thereby increasing service factor of old FCC and increased FCC feed rates.
6. CCR/Isomerization catalysts were replaced with new catalyst which enhanced the product yield and has improved the RON. This has resulted in increased naphtha blending in MS.. Increased H2 production due to improved CCR RON had also resulted in increased H2 availability for downstream Hydrotreating units.
7. Major modifications were carried out in FRE unit during the shutdown. The column internals on the top section of APS was changed from packing to high capacity and high efficiency SUPERFRAC® trays. This has improved Special Cut Naphtha & Light Virgin Naphtha product qualities.
8. Online chemical cleaning has been necessary exercise for furnaces to improve efficiencies from time to time. However, the chemicals used for the activity come at a price specially as the activity is carried out periodically for various furnaces. Your Corporate R&D wing has developed a low-cost, Indigenous Chemical formulation and process to remove the scales of furnace tubes online and improve the furnace efficiency. The plant trials were conducted at Mumbai refinery.
9. Improved amine concentration in GFEC ARU completely eliminated foaming and amine loss issues in NFCC off gas absorber. This had also resulted in reduced SOx emissions from heater stacks due to decreased fuel gas sulfur.
10. For positive and faster isolation during product transfers, Mumbai refinery has Installed Double Block and Bleed Valve (DBBV) on HSD/MS tanks thereby preventing product migration during custody transfers.

Visakh Refinery:

1. Visakh refinery has successfully commissioned Pressure Swing Adsorption (PSA) facility developed in house by your Corporate R&D wing in collaboration with M/s GENS Korea, to recover hydrogen from CCR Net gases. The technology has established its commercial success and was also the first case where the PSA technology from a different technology group other than conventional players in the field was successfully attempted on commercial scale. Pressure Swing Adsorption (PSA) facility was commissioned at Visakh refinery during the year.
2. M/s EIL has developed Tail Gas Treatment Units (TGTU) for sulphur recovery from the discharge gases from desulphurization units. Visakh refinery has successfully absorbed the technology and installed in all the 3 trains of existing DHDS-SRU for enhanced SO_2 recovery (from 99.0% to 99.9 %). This has resulted in further reduction of SOx emission from refinery.

Annexure to Directors' Report for the year 2015-16

3. MS producing units (CCR, NIU) catalyst were replaced with new catalyst that resulted in enhanced yield and improved RON and consequent maximization of MS production.
4. To overcome the pressure drop limitations in DHDS reactor, R&D has developed a dispergent chemical. Commercial trial of dispersant chemical developed by R&D was taken in DHDS to reduce high pressure drop across the reactor this helped in maintaining the feed rates of the unit.
5. The electrical reliability is the key to the refining operation. As a step in that direction the refinery has made provision of grid islanding facilities, implementation of Load Shedding Scheme alongwith parallel operation of 4 GTGs & Grid. The initiative has resulted in remarkable improvement in reliability of refinery assets and reduction in Specific Fuel Consumption (SFC) with resultant decrease in Fuel & Loss.
6. Successfully commissioned CDU-1 Hot Well Off - Gas (HWOG) amine absorber in August 2015 with in-house design & engineering.
7. Your Corporate R&D wing Indigenous Chemical formulation and process to remove the scales of furnace tubes and improve heater efficiency online was carried out in Visakh refinery as well.
8. Trial run for your Corporate R&D developed microbe (HP Bioactiva) started at ETP-I .

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	
Visakh Refinery:			
New type of nozzles in Wash Oil Distributor in Vacuum column (CDU III)	2012	Yes	
New feed nozzles for FCCU-I	2012	Yes	
Flue Gas Desulphurization units for FCCUs	2013	Yes	
BCA for FCCUs	2013	Yes	
Diesel Hydrotreating Unit, DHT - Hydrogen Generation Unit & DHT – Sulphur Recovery Unit	2015	Yes	
PRU Revamp Project	2013	Yes	
Flare Gas Recovery (FGR) Facility	2016	Yes	

iii. Expenditure incurred on Research & Development.

(₹ / Crores)

Particulars	2015-16	2014-15
Capital	136.78	102.17
Revenue	43.54	27.70

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	2015-16	2014-15
Expenditure in Foreign Exchange	29,216.25	43,451.95
Earnings in Foreign Exchange	1,810.68	5,313.98

Annexure to Directors' Report for the year 2015-16

Annexure-II

Environmental Conservation measures:

Control of pollution & other environment initiatives undertaken by refineries during 2015-16

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.

Mumbai Refinery has disposed approx. 1,926 MT of spent catalyst during 2015-16 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 270 MT of spent metal catalyst to a authorised recycler through MSTC e-auction.

B. Air Emission Control and Monitoring

All continuous ambient air monitoring stations have been upgraded. 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.

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.

Low Nox burners are installed for Nox emissions reduction. Ultrasonic Mass flow meters are installed for continuous monitoring of flare.

C. Effluent Water Treatment and Control

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 300m3/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 6,36,381 KL of treated water in the year 2015-2016. Cumulative water recycling since the inception of the "Effluent Treatment Plant" is 28,48,842 KL till Mar, 31 2016 thereby saving equivalent amount of Natural Water resource for community.

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 KLs, 74000 KLs, 120000 KLs, 169000 KLs and 170000 KLs of rainwater during 2011-12, 2012-13, 2013-14, 2014-15 & 2015-16 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) - programme was carried out to identify and control fugitive emissions from equipment leaks.

Annexure to Directors' Report for the year 2015-16

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 392 MT of various hazardous waste materials. Approximately 5,440 m3 of sludge was processed by ETP II.

Indigenously developed 'Oil-zapper' technology of The Energy Research Institute (TERI) has been deployed to treat oil sludge generated in the refinery. Bio-remediation of 480 m3 of oily sludge was carried out, 5,992 m3 of oily sludge processed during the year from ETP-II lagoons for oil recovery.

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 – I/II TGTU, Train-III TGTU completed as well and is ready for commissioning. Reduction in SO_2 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. To improve the performance of bio-system in ETP- I, Trial run for a microbe (HP Bioactiva), developed by R&D for effluent treatment was started.

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.
- ✓ 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 1,50,000 saplings planted in the designated locations of Visakhapatnam as part of Green Visakh Program.

Achievements / Awards / Recognition:

Mumbai Refinery:

- ➢ Mumbai Refinery was awarded "Energy Efficient Unit" by Confederation of Indian Industry (CII) in Sep 2015.
- ➢ Mumbai Refinery also received an Award 'Most Innovative project' from CII for adoption of Diesel Isotherming Technology.

Annexure to Directors' Report for the year 2015-16

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 shared value creation and interdependency of business and stakeholders. In line with this, the revised CSR policy of the corporation pens down the philosophy CSR, defines the ambit of CSR and brings uniformity in various operations and functionalities of the structure and its activities. During 2015-16, the corporation invested ₹ 71.76 crores in the implementation of 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, 2016:-
   - i. Shri Ram Niwas Jain : Director (Chairman, CSR and SD Committee)
   - ii. Shri P K Joshi : Director- Human Resources (Member, CSR & SD Committee)
   - iii. Shri B. K Namdeo : Director – Refineries (Member, CSR & SD Committee)
   - iv. Shri Y K Gawali : Director – Marketing (Member, CSR & SD Committee)
3. Average Net Profit of the company for last 3 financial years (2012-15) = ₹ 2,696.07 Crores
4. Prescribed CSR expenditure (2% of amount) = ₹ 53.92Crores
5. Details of CSR activities/projects undertaken during the year:-
   - a) Total amount to be spent for the financial year = ₹ 71.67 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 (₹ /Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ / Crores)	Cumulative expenditure upto the reporting period (₹ /Crores)	Amount spent: Direct or through implementing agency *
1	Community Development and Environment	Empowerment of Socially and Economically Backward groups	Local Area		4.37	4.37	4.37	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Anantpur, East Godavari, Visakhapatnam	Andhra Pradesh				
			Delhi	Delhi				
			Ahmedabad	Gujarat				
			Ahmednagar, Mumbai, Nagpur, Palghar, Raigad, Sangli	Maharashtra				
			Sundargarh	Odisha				
			Sangrur	Punjab				
			Chennai, Pudukottai, Thiruvallur	Tamil Nadu				
			Nalgonda, Secunderabad, Kadapa	Telangana				
			Barabanki, Bhadohi, Faizabad, Pilibhit, Varanasi	Uttar Pradesh				
			Kolkata, North 24 Pargana, South 24 Pargana	West Bengal				

Annexure to Directors' Report for the year 2015-16

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 (₹ /Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ / Crores)	Cumulative expenditure upto the reporting period (₹ /Crores)	Amount spent: Direct or through implementing agency *
2	Skill Development for Marginalised	Imparting Employment Enhancing Vocation Skills	Local Area		5.18	5.18	5.18	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Vishakhapatnam	Andhra Pradesh				
			Guwahati	Assam				
			East Delhi	Delhi NCR				
			Jammu, Srinagar	Jammu & Kashmir				
			Chaibasa, Gumla	Jharkhand				
			Thiruvanathpuram	Kerala				
			Mumbai	Maharashtra				
			Mandla	Madhya Pradesh				
			Bhubaneshwar, Keonjhar	Odisha				
			Amritsar	Punjab				
			Jaipur	Rajasthan				
			Kadapakkam	Tamil Nadu				
			Lucknow	Uttar Pradesh				
			Purulia	West Bengal				
3	School Infrastructure and Amenities	Promoting Education	Local Area		12.21	12.21	12.21	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Araku, Anantpur, East Godavari, Guntur, Krishna, Kurnool, Rajamundry, Visakhapatnam, Warangal, West Godavari	Andhra Pradesh				
			Lohit, Longding	Arunachal Pradesh				
			Kohima	Assam				
			Rajnandgaon	Chhattisgarh				
			South Goa	Goa				
			Aravalli, Kutch, Mehsana, Sabarkanta	Gujarat				
			Hissar, Jhajjar, Rewari, Rohtak	Haryana				
			Samba	Jammu & Kashmir				
			Bangalore , Belgaum, Dakshin Kannada, Manglore	Karnataka				
			Ernakulam, Kannur, Kozhikode	Kerala				
			Indore,Mandla, Ratlam, Sheopur	Madhya Pradesh				
			Amravati, Chandrapur, Mumbai, Nashik, Palghar, Pune, Raigad, Ratnagiri, Sangli, Sindhudurg, Solapur, Thane	Maharashtra				
			Jagatsinghpur, Keonjhar, Khordha	Odisha				
			Alwar, Jaipur, Jaisalmer, Jodhpur, Pachpadra,	Rajasthan				
			Tanjore	Tamil Nadu				
			Nalgonda, Ranga Reddy	Telangana				
			Ghaziabad, Kanpur Dehat	Uttar Pradesh				
			Burdwan, Kolkata	West Bengal				

Annexure to Directors' Report for the year 2015-16

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 (₹ /Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ / Crores)	Cumulative expenditure upto the reporting period (₹ /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**		3.79	3.79	3.79	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			East Godavari, Krishna, Visakhapatnam	Andhra Pradesh				
			Gandhinagar	Gujarat				
			Jamshedpur	Jharkhand				
			Chandrapur, Jalgaon, Pune, Sindhudurg, Thane	Maharashtra				
			Churachandpur	Manipur				
			Kolasib	Mizoram				
			Deogarh, Sambalpur, Sundargarh	Odisha				
			Nalgonda	Telangana				
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**		11.64	11.64	11.64	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Hyderabad, Krishna, Visakhapatnam,	Andhra Pradesh				
			Patna	Bihar				
			Chandigarh	Chandigarh				
			Mungeli	Chattisgarh				
			North West Delhi	Delhi				
			Kheda, Rajkot	Gujarat				
			Sambha	Jammu and Kashmir				
			Bokaro	Jharkhand				
			Banglore	Karnataka				
			Mumbai, Nashik, Pune, Raigad, Satara	Maharashtra				
			Angul, Balasore, Deogarh, Jagatsinghpur, Keonjhar	Odisha				
			Barmer, Bharatpur, Jaipur	Rajasthan				
			Coimbatore, Krishnagiri	Tamil Nadu				
			Mehboobnagar, Ranga Reddy	Telangana				
			Allahabad, Kanpur Dehat	Uttar Pradesh				
			Burdwan, Kolkata, South 24 Pargana	West Bengal				
6	Promotion of Sports	Promotion of Nationally Recognised and Paralympic Sports	**Local Area**		0.68	0.68	0.68	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Hydrabad, Kurnool	Andhra Pradesh				
			Delhi	Delhi NCR				
			Mumbai	Maharashtra				

Annexure to Directors' Report for the year 2015-16

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 (₹ /Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ / Crores)	Cumulative expenditure upto the reporting period (₹ /Crores)	Amount spent: Direct or through implementing agency *
7	Swachh Bharat Abhiyan	Swachh Bharat Abhiyan	Local Area		15.82	15.82	15.82	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			East Godavari, Krishna, Visakhapatnam	Andhra Pradesh				
			Paschim Champaran, Purbi Champaran, Samastipur	Bihar				
			Raipur, Bemetera, Gariaband, Janjgir Champa, Mungeli	Chhattisgarh				
			West Delhi	Delhi NCR				
			Ahmedabad	Gujarat				
			Solan	Himachal Pradesh				
			Bengaluru, Dharwad	Karnataka				
			Mumbai, Nagpur	Maharashtra				
			Kalahandi, Khorda, Koraput, Nabrangpur	Odisha				
			Bathinda	Punjab				
			Ajmer, Jaisalmer, Jodhpur, Kota, Sikar	Rajasthan				
			Nalgonda, Kadapa	Telangana				
			Varanasi	Uttar Pradesh				
8	Capacity Buliding and Internal Communication	As per CSR Rules	Mumbai	Maharashtra	0.20	0.20	0.20	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
9	LPG Connections to BPL families	Environment Sustainability		Pan India	17.87	17.87	17.87	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
	Total				**71.76**	**71.76**	**71.76**	

* Projects of Long Term Commitments were implemented through the following agencies : ADAPT, Akshaya Patra Foundation, Confederation of Indian Industries, KC Mahindra Education Trust, NIIT, Sri Sathya Sai Heart Hospital, 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 – N.A.

7. In line with the revised Companies Act 2013, Your Corporation has constituted the CSR Committee headed by an Independent Director. This CSR Committee is responsible to formulate and recommend for the approval of the Board, the CSR Policy and the Budgeted Outlay. It is also responsible to monitor CSR Policy and institute the monitoring mechanism.

   During the year 2015-16, Your Corporation has adopted the CSR Policy approved by the Board of Directors and has allocated a budget of ₹ 71.67 Crores. CSR activities were undertaken in the line with the plans drawn through CSR Policy in the identified focus areas. CSR Activities were monitored through a two tier monitoring structure as laid down in the approved CSR policy.

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

Sd/-

Chairman & Managing Director

Sd/-

Chairman - CSR Committee

Annexure to Directors' Report for the year 2015-16

Annexure - IV

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

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

To,

The Members,

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, 2016 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, 2016 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, 1992 (upto 14th May,2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effect from 15th May,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).

Annexure to Directors' Report for the year 2015-16

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-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India (effective from 1st July, 2015) and;

b) Listing Agreement entered into by the Company with the Stock Exchanges in India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. 1st December, 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 49 of the Listing Agreement and Clause 17 of 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. 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 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)

Place: Mumbai | COMPANY SECRETARY

Date :25.05.2016 | FCS: 2727/CP: 1654

Annexure to Directors' Report for the year 2015-16

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
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt.Ltd. C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup West, Mumbai - 400 078 Telephone No. (022) 25963838 Fax No. (022) 25946969 E-mail : mumbai@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	24.65%
2	High Speed Diesel (HSD)	192	51.20%
3	Liquefied Petroleum Gas (LPG)	192	11.93%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:

S.N0.	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 – 110001	U74899DL1998GOI096845	Subsidiary	100.00	2 (87)

Annexure to Directors' Report for the year 2015-16

S.N0.	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, Bihar – 800013.	U24290BR2009GOI014927	Subsidiary	100.00	2 (87)
3	CREDA-HPCL Bio Fuel Limited, HPCL, Raipur Regional retail Office, 2nd Floor, Madina Manzil, Kutchery Chowk, Jail Road, Raipur Chhattisgarh – 492001	U01119CT2008GOI020900	Subsidiary	74.00	2 (87)
4.	HPCL Rajasthan Refinery Limited, Tel Bhawan, Sahkar Marg, Lal Kothi Vistar Jyoti Nagar, Jaipur, Rajasthan – 302005.	U23201RJ2013GOI043865	Subsidiary	74.00	2 (87)
5.	HPCL - Mittal Energy Ltd., Village Phulokhari Talukatalwandi Saboo, Bhatinda, Punjab – 151301	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	U23200MH1995PTC090671	JV	50.00	2 (6)
7.	South Asia LPG Company Pvt.Ltd., Varun Towers, 4th Floor, Varun Par Side, Kasturba Marg, Siripuram, Visakhapatnam, Andhra Pradesh-530003	U1110AP1999PTC032851	JV	50.00	2 (6)
8.	Mangalore Refinery and Petrochemicals Ltd. Mudapada Kuthethur, P.O. Via Katipalla, Karnataka.	L85110KA1988GOI008959	JV	16.95	2 (6)
9.	Petronet India Ltd., BPCL Sewree A/K Installation, Sewree Fort Road, Sewree East, Mumbai – 400015	U45203MH1997PLC108251	JV	16.00	2 (6)
10	Petronet MHB Ltd., 332, 1st Floor, Darus Salamb Building, Queen's Road, Bangalore, Karnataka - 560052	U85110KA1998PLC024020	JV	28.77	2 (6)

Annexure to Directors' Report for the year 2015-16

S.N0.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares	Applicable Section
11	Bhagyanagar Gas Ltd., Parishram Bhawan, Basheerbag, Hyderabad, Telangana – 500004	U40200TG2003PLC041566	JV	49.97	2 (6)
12	Aavantika Gas Ltd., 202 B , 2nd Floor, N R K Business Park, Vijaynnagar Square, A. B. Road Indore Madhya Pradesh-452010	U40107MP2006PLC018684	JV	49.97	2 (6)
13	GSPL India Gasnet Ltd., GSPC Bhawan, B/H Udyog Bhavan, Sector 11, Gandhinagar, Gujarat – 382011	U40200GJ2011SGC067449	JV	11.00	2 (6)
14	GSPL India Transco Ltd., GSPC Bhawan, B/H Udyog Bhavan, Sector 11, Gandhinagar, Gujarat – 382011	U40200GJ2011SGC067450	JV	11.00	2 (6)
15	HPCL Shapoorji Energy Private Ltd., Venue Amadeus, 301-305, 3rd Floor, Jodhpur Cross Road, Satellite, Ahmedabad - 380015	U40101GJ2013PTC077228	JV	50.00	2 (6)
16	Mumbai Aviation Fuel Farm Facility Pvt.Ltd. Opp ITC Maratha, Sahar Police Station Road, CSI Airport, Andheri East Mumbai – 400099 Maharashtra	U63000MY2010PTC200463	JV	25.00	2 (6)

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 01-04-2015]				No. of Shares held at the end of the year [As on 31-03-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) **Indian**									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.or State Govt.	173076750	0	173076750	51.1113	173076750	0	173076750	51.1113	0.0000
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	**173076750**	**-**	**173076750**	**51.1113**	**173076750**	**-**	**173076750**	**51.1113**	**-**
B. Public Shareholding									

Annexure to Directors' Report for the year 2015-16

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2015]				No. of Shares held at the end of the year [As on 31-03-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) Mutual Funds	30927533	200	30927733	9.1333	33584051	200	33584251	9.9178	0.7845
b) Banks/FI	24435176	950	24436126	7.2162	13838878	950	13839828	4.0870	-3.1292
C) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	62587455	2000	62589455	18.4833	65337383	2000	65339383	19.2954	0.8121
h) Foreign Banks	293520	-	293520	0.0867	9077	-	9077	0.0027	-0.0840
i) Unit Trust of India	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	**118243684**	**3150**	**118246834**	**34.9195**	**112769389**	**3150**	**112772539**	**33.3029**	**-1.6166**
2. Non-Institutions									
a) Bodies corporates									
i) Indian	18414987	6576	18421563	5.4401	17503176	5826	17509002	5.1706	-0.2695
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	14905580	1300678	16206258	4.7859	26276671	1229461	27506132	8.1228	3.3370
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	10363650	-	10363650	3.0605	5535441	-	5535441	1.6347	-1.4258
c) Others (specify)									
Non Resident Indians (Repat)	599872	230650	830522	0.2453	417073	220500	637573	0.1883	-0.0570
Non Resident Indians (Non Repat)	256742	5850	262592	0.0775	270882	5850	276732	0.0817	0.0042
Office Bearers	-	237230	237230	0.0701	-	214100	214100	0.0632	-0.0068
Clearing Member	756430	-	756430	0.2234	898853	-	898853	0.2654	0.0421
Overseas Corporate Bodies	100	-	100	0.0000	100	-	100	0.0000	0.0000
Directors / Relatives	2830	-	2830	0.0008	2825	-	2825	0.0008	0.0000
Hindu Undivided Family	145790	1050	146840	0.0434	133592	1050	134642	0.0398	-0.0036
Market Maker	22037	-	22037	0.0065	9178	-	9178	0.0027	-0.0038
Trust	53214	400	53614	0.0158	52983	400	53383	0.0158	-0.0001
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**45521232**	**1782434**	**47303666**	**13.9692**	**51100774**	**1677187**	**52777961**	**15.5859**	**1.6166**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**163764916**	**1785584**	**165550500**	**48.8887**	**163870163**	**1680337**	**165550500**	**48.8887**	**0.0000**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**336841666**	**1785584**	**338627250**	**100.0000**	**336946913**	**1680337**	**338627250**	**100.0000**	**0.0000**

Annexure to Directors' Report for the year 2015-16

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	173076750	51.11	Nil	0.00

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	173076750	51.11
	At the end of the year				
	President of India	173076750	51.11	173076750	51.11

* There is No change in Promoters shareholding during the year.

D) Shareholding Pattern of top ten Shareholders:

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

S. N0.	For Each of the Top 10 Shareholders	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 the year				
1	LIFE INSURANCE CORPORATION OF INDIA	17513992	5.1721	8816223	2.60
2	DSP BLACKROCK TOP 100 EQUITY FUND	7177755	2.1197	3258080	0.9621
3	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	5364075	1.5841	5145024	1.5194
4	GOVERNMENT PENSION FUND GLOBAL	4380577	1.2936	1734894	0.5123
5	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND	4375331	1.2921	4175000	1.2329
6	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND	4359549	1.2874	3996000	1.1801
7	UNION INVESTMENT LUXEMBOURG S.A. A/C QUONIAM FUNDS SELECTION SICAV - EMERGING MARKETS EQUITIES MINRISK	3339027	0.9860	918707	0.2713
8	RADHAKISHAN DAMANI	3134598	0.9257	1977419	0.5840
9	THE NEW INDIA ASSURANCE COMPANY LIMITED	3057641	0.9030	2672641	0.7893
10	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE FRONTLINE EQUITY FUND	2706257	0.7992	4869757	1.4381

Annexure to Directors' Report for the year 2015-16

S. N0.	For Each of the Top 10 Shareholders	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 end of the year				
1	LIFE INSURANCE CORPORATION OF INDIA	17513992	5.1721	8816223	2.60
2	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	5364075	1.5841	5145024	1.5194
3	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE FRONTLINE EQUITY FUND	2706257	0.7992	4869757	1.4381
4	SBI MAGNUM TAXGAIN SCHEME	2357899	0.6963	4440262	1.3113
5	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND	4375331	1.2921	4175000	1.2329
6	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND	4359549	1.2874	3996000	1.1801
7	DSP BLACKROCK TOP 100 EQUITY FUND	7177755	2.1197	3258080	0.9621
8	MOTILAL OSWAL MOST FOCUSED MULTICAP 35 FUND	1860041	0.5493	3086744	0.9115
9	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. S.V.	1988348	0.5872	3084450	0.9109
10	THE NEW INDIA ASSURANCE COMPANY LIMITED	3057641	0.9030	2672641	0.7893

E) Shareholding of Directors and Key Managerial Personnel:

S. N0.	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	NA		NA	
2	B K Namdeo Madhuri B Namdeo	900	0.0003	900	0.0003
3	Balraj Kishor Namdeo	900	0.0003	900	0.0003
4	Pushp Kumar Joshi	600	0.0002	600	0.0002
5	Shrikant Madhukar Bhosekar Vaiju Shrikant Bhosekar	600	0.0002	600	0.0002
6	Rao Venkateshwara Kommalapati	5	0.0000	NA	0.0000
7	Y K Gawali	Nil	0.0000	Nil	0.0000
8	J Ramaswamy	NA	0.0000	50	0.0000
	Total	**3,005**		**3,050**	

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	3977.81	16357.53	-	20335.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	23.13	23.81	-	46.94
Total (i+ii+iii)	**4000.94**	**16381.34**	**-**	**20382.28**

Annexure to Directors' Report for the year 2015-16

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
* Addition	1813.48	10980.71	-	12794.19
* Reduction	579.50	11213.27	-	11792.77
Net Change	1233.98	(232.56)	-	1001.42
Indebtedness at the end of the financial year				
i) Principal Amount	5211.79	16124.98	-	21336.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.45	24.38	-	28.83
Total (i+ii+iii)	5216.24	16149.36	-	21365.60

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL#-

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

S. N0.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Nishi Vasudeva	Pushp Kumar Joshi	B.K. Namedo	Y.K. Gawali	J Ramaswamy*	
1	Gross salary	8853875	4852798	5416332	4038467	1991039	25152511
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7364501	3940071	4326910	3227829	1608248	20467559
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1489374	912727	1089422	810638	382791	46844952
	(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)	644599	639026	642143	564368	148862	2638998
	Total (A)	9498474	5491824	6058475	4602835	2139901	27791509
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Shri J. Ramaswamy, has been appointed as Director Finance, on the Board of HPCL effective 01.10.2015

Annexure to Directors' Report for the year 2015-16

B. Remuneration to other directors

S. N0.	Particulars of Remuneration	Name of Directors					Total Amount
		G.K. Pillai	A.C.Mahajan	G. Raghuram	Gitesh K Shah	Ram Niwas Jain	
1	Independent Directors						
	Fee for attending board committee meetings	-	-	-	120000	60000	180000
	Commission	-	-	-	-	-	-
	Others, please specify (Fees for attending Board Sub Committee Meetings including Independent Directors Meeting)	15000	15000	15000	330000	15000	390000
	Total (1)	15000	15000	15000	450000	75000	570000
-	Other Non-Executive Directors	-	-	-	--	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify						
	Total (2)						
	Total (B)=(1+2)	15000	15000	15000	450000	75000	570000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

S. N0.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	3234766	-	3234766
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2950639	-	2950639
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	284127	-	284127
	(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	-	441709	-	441709
	Total	-	3676475	-	3676475

Remuneration is considered for the Financial Year 2015-16.

Annexure to Directors' Report for the year 2015-16

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 to Directors' Report for the year 2015-16

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. (₹ / crores)	Date of Board Approval	Amount paid as advance.
1.	South Asia LPG Co. Pvt. Ltd. (SALPG)	Joint Venture	Receiving of Service	2015-16	Terminalling Charges paid for storage services provided by SALPG	93.38		Nil
2.	Hindustan Colas Pvt. Ltd. (HINCOL)	Joint Venture	Sale of Goods	2015-16	Sale of Bitumen to HINCOL	268.28		Nil
3.	Hindustan Colas Pvt. Ltd. (HINCOL)	Joint Venture	Purchase of Goods	2015-16	Purchase of CRMB from HINCOL	159.00		Nil
4.	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	Joint Venture	Purchase of Goods	2015-16	Purchase of Petroleum Products from MRPL	13,475.12		Nil
5.	HPCL Mittal Energy Ltd. (HMEL)	Joint Venture	Purchase of Goods	2015-16	Purchase of Petroleum Products from HMEL	23,593.34		Nil
6.	HPCL Mittal Energy Ltd. (HMEL)	Joint Venture	Sale of Goods	2015-16	Sale of Petroleum Products to HMEL	127.78		Nil

For and on behalf of the Board of Directors

Sd/-

Place: New Delhi

Date : 27th May, 2016

Mukesh Kumar Surana

Chairman & Managing Director

Management Discussion & Analysis Report

A. DEVELOPMENTS IN THE ECONOMY AND THE OIL SECTOR

India's GDP growth was marginally higher during the year 2015-16, compared to previous year 2014-15. As per advance estimates, Indian economy grew at 7.6% in 2015-16 as compared to 7.2% in 2014-15. Growth rate for real Gross Value Added (GVA) in 2015-16 was 7.3% as against 7.1% during 2014-15. Compared to the previous year, agriculture and industry growth was better in 2015-16 while services growth was slightly lower. Agriculture GVA, which had declined by 0.2% during 2014-15, increased by 1.1% in 2015-16. Growth in industry GVA is estimated at 7.3% during 2015-16 compared to 5.9% in 2014-15. Higher growth in industry GVA is largely on the back of manufacturing GVA, which grew by 9.5% in 2015-16 as compared to 5.5% growth in 2014-15. Services GVA increased at a slightly lower rate of 9.2% in 2015-16 as compared to 10% increase in 2014-15.

During 2015-16, Wholesale Price Inflation as measured by WPI index declined to 176.7 which is about 2.5% lower as compared to 2014-15. Consumer price inflation, as measured by new consumer price index (CPI), remained steady, averaging 5.4% in 2015-16 compared to 5.9% in 2014-15. Consumer price inflation has been driven in large part by food inflation, specifically pulses and vegetable prices. Fuel inflation has been contained by fall in international crude oil price. Brent crude price fell from about USD 60 per barrel in April 2015 to about USD 30 per barrel in January 2016 before rising to about USD 38 per barrel in March 2016. International petroleum product prices have also fallen, resulting in a reduced subsidy burden. Under-recovery , which was about Rs 65,000 crore during 2014-15 , reduced to more than half during 2015-16 to reach Rs. 27,000 crore , on account of the decline in crude oil prices and the implementation of Direct Benefit Transfer of LPG (DBTL).

Low oil prices also reduced value of oil imports despite increase in quantity. Oil imports in value terms declined by about 40% while non-oil imports fell by about 4% in value terms. Total merchandise imports declined by about 15% in 2015-16. India's merchandise exports declined by about 16% during 2015-16 compared to previous year as global trade has slowed down considerably in response to weak growth in advanced economies and stress in a number of emerging economies. With both exports and imports declining, overall merchandise trade balance narrowed to USD 118 billion in 2015-16 compared to about USD 138 billion in 2014-15. The current account deficit (CAD) was also lower at 1.1 per cent of GDP in 2015-16 as compared to a CAD of 1.3 per cent of GDP during 2014-15. FDI inflows increased while portfolio investments were volatile during the year. Net FDI inflows during 2015-16 increased by about 15% as compared to 2014-15. Portfolio investment, however, recorded a net outflow as turbulence in global financial markets triggered flight to safety. Indian Rupee depreciated during 2015-16 in both nominal and real terms.

During 2015-16, Petroleum product consumption in India increased with an annual growth of 11% to reach 183 MMT and witnessed a double digit growth for the first time in last 2 decades. Consumption of all petroleum products saw an increase during the year, the exception being Kerosene (SKO) and Lubes. Considering the 7.6% growth in GDP vis-à-vis the double digit growth of petroleum product consumption, low oil prices have been a key factor in pushing up petroleum product demand either directly or indirectly via substitution. During 2015-16, Petcoke and Naphtha consumption increased by more than 20% while Petrol consumption went up by 15%. FO/LSHS consumption, which had witnessed de-growth for last seven successive years, went up by about 12% during 2015-16. LPG and HSD consumption increased by about 9% and 8% respectively during the year. In absolute terms, increase in HSD consumption was highest at about 5.2 MMT followed by Petcoke with about 3.8 MMT increase. Petrol consumption went up by about 2.8 MMT, Naphtha by about 2.3 MMT and LPG by about 1.5 MMT during the year.

B. PERFORMANCE PROFILE

The Corporation has secured 'Excellent' rating in terms of the Memorandum of Understanding (MOU) signed with the Government of India for the year 2014-15 with an MOU score of 1.12.

For the year 2015-16, HPCL has achieved its highest ever profit after tax of Rs. 3,863 crore resulting in a significant increase in the earning per share to Rs. 114.07. The market capitalization of the corporation increased by Rs. 4,587 crore during the year. The Board of Directors has declared Interim Dividends of Rs. 11.50 and Rs. 7.00 per Share on 1st February 2016 and 11th March 2016 respectively. Further, the Board of Directors have recommended a final dividend of Rs. 16.00 per share for the year 2015-16. Accordingly, highest ever dividend totaling to Rs. 34.50 per share has been proposed / declared during the year 2015-16.

HPCL continued its distinction of getting "Nil Comments" from C&AG on its Annual Accounts.

HPCL has been assigned with strong credit ratings by various credit rating agencies as under:

Instrument	Rating Agency	Rating	Outlook	Remarks
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 awarded by CRISIL
Long Term Debt	India Ratings	Ind AAA	Stable	Highest rating awarded by India Ratings

Management Discussion & Analysis Report

The assigned ratings will support HPCL in borrowing from domestic and international markets at competitive rates and help while dealing with suppliers and lenders.

The key performance parameters for the year 2015-16 are discussed below:

GROSS SALES

The Gross Sales of the Corporation (inclusive of excise duty) for the year ended 31st March, 2016 was Rs. 1,97,744 crore as compared to Rs. 2,17,061 crore in the previous year. The total sale of products (including exports) for the year 2015-16 was 34.21 Million Metric Tonnes (MMT) as against 31.95 MMT during 2014-15.

PROFIT BEFORE TAX

The Corporation has earned a Profit before Tax of Rs. 5,738 crore in 2015-16 as compared to Rs. 4,154 crore in 2014-15.

PROVISION FOR TAXATION

An amount of Rs. 1,875 crore has been provided towards income tax for 2015-16 as against Rs. 1,421 crore provided during 2014-15.

PROFIT AFTER TAX

The Corporation has earned a Profit after Tax of Rs. 3,863 crore during the current financial year as compared to Rs. 2,733 crore in 2014-15.

DEPRECIATION AND AMORTISATION

Depreciation for the year 2015-16 was Rs. 2,667 crore as against Rs. 1,971 crore for the year 2014-15. The depreciation expense for the year ended 31st March 2016 is higher due to the adoption of componentization approach in line with the requirements of Schedule II of Companies Act, 2013 and additional capitalisation.

BORROWINGS

The Borrowings of the Corporation were Rs. 21,337 crore as on 31st March, 2016 as compared to Rs. 20,335 crore as on 31st March, 2015. Foreign currency loans continued to form substantial portion of borrowings. Leveraging the credit worthiness of the corporation in the international market, fresh ECB of US$ 250 million was borrowed at very fine pricing and high cost ECB of US$ 465 million was refinanced at substantially lower cost. The long term debt to equity ratio stands at 0.95:1 as on 31st March, 2016 as against 1.13:1 as on 31st March, 2015.

CAPITAL ASSETS

Net Fixed Assets (including Capital Work in Progress) increased from Rs. 32,537 crore as on 31st March, 2015 to Rs. 35,323 crore as on 31st March, 2016.

INVESTMENTS

Investments as on 31st March, 2016 were Rs. 10,995 crore as compared to Rs. 11,246 crore as on 31st March, 2015.

GROSS REFINING MARGINS (GRMs)

Gross Refining Margin of Mumbai Refinery averaged at US$ 8.09 /bbl during the year as against US$ 4.88 /bbl for the year 2014-15.

Gross Refining Margin of Visakh Refinery averaged at US$ 5.46 /bbl during the year as against US$ 1.12 /bbl for the year 2014-15.

EARNING PER SHARE

Earnings per share for the current year increased to Rs. 114.07 as compared to Rs. 80.72 in 2014-15.

DIVIDEND

Total Dividend of Rs. 34.50 per share has been proposed / declared for the year 2015-16. The dividend would result in total pay-out of Rs. 1,406 crore, including Dividend Distribution Tax.

C. STRATEGY

To leverage opportunities, sustain growth trajectory and prepare for future challenges, HPCL has undertaken an elaborate transformational process to develop Vision for 2030 christened 'UDAAN 2030' which entails definition of strategic objectives for all business lines till 2030. UDAAN 2030 objectives translates into 6 strategic bets across Refining, Marketing, Petro Chemicals, Natural Gas, Exploration and Production and Renewables.

Management Discussion & Analysis Report

STRATEGY MANAGEMENT & IMPLEMENTATION OFFICE (SMIO)

The Central Strategy Management & Implementation Office (SMIO) set up during 2014-15 has been institutionalised by driving focus on implementing strategic initiatives that are beyond "Business-as-usual" with clear ownership of each of the identified initiative with a specific owner. The Strategic objectives identified under UDAAN 2030 have been translated into portfolio of initiatives with detailed implementation plans and converted in the form of implementation charters. A web based application has been developed & deployed to provide "single truth' of the initiative status, monitor the implementation of charters across all Business units and facilitate update, review and decision making. The implementation is being monitored through a well-defined process and 3 tier review architecture. Embedded resources within each of the BUs and Functions have been nominated as Strategy Leads for facilitating and driving the strategy in the respective BUs. Capability development workshops for the Strategy Leads have been conducted for enabling them to drive strategy and strategic initiatives within the respective BU / Function by having a defined governing mechanism at BU / Function level to develop action plan, lead the implementation, track the progress and create new initiatives for meeting the strategic objectives of the BU / function. The role of Strategy Leads and implementation team has been formalised through rigorous Key Performance Indicators (KPIs) in the performance management system. To achieve competitive advantage and sustainable performance in the continuously changing environment, periodic external and internal analysis are being conducted to review sufficiency of initiatives and improve effectiveness of Strategy execution.

D. REFINERIES

BRIEF ON CRUDE OIL AND REFINING MARGINS:

Due to lower oil prices the financial health of the oil exporting countries remained under stress and major exporting countries kept on churning more crude out of the basin to make up for the fiscal deficit. In 2015 total oil production was estimated to be 91.67 million barrels per day (mbpd) as compared to 88.88 mbpd in 2014 registering a growth of over 2.84 mbpd or 3.2% over last year. This growth in production was led by Middle East (majorly oil dependent economy) which produced 1.54 mbpd, (5.4%) higher as compared to last year. However, global oil demand in 2015 grew by 2.0% (1.90 mbpd). This led to build up of around 43 million barrels (mb) of total distillates inventory across all major trading hubs.

Crude Oil

Brent averaged about US$ 62/bbl in Q1, up from US$ 54/bbl in the previous quarter. Geopolitical events viz. unrest in Libya leading to output cut by more than 100 kbd to 365 kbd, unabated production of Saudi to retain its market share, high exports from Iraq which exceeded 3.5 mbpd in Q1 marked the events in Q1.

Brent average was down to about US$ 50/bbl in Q2. Prices moved lower in Q2 as global oil supply continued to outweigh demand amid high OPEC production. Moreover, Iran's landmark nuclear deal with western powers on 14th July 2015 weighed further on the already bearish sentiment. Crude prices were also pressured by concerns over the health of the global economy and perceived economic slowdown in China due to the devaluation of the yuan followed by interest rate cuts. While there were more bullish talks of falling US shale oil production at the end of Q2, the market remained fundamentally oversupplied.

Oil prices tumbled through Q3 of FY 2015-16, with Brent shedding US$ 6.5/bbl Q-o-Q to reach an average of US$ 44/bbl. Prices were around US$ 47/bbl at the start of Q3, but sentiment drove it above US$ 50/bbl early October, on hopes that a meeting between Russia and OPEC would result in a coordinated production cut. When this failed to materialize, prices corrected to US$ 40/bbl levels in November, pressured by data showing a persistent crude oversupply globally. In December meeting also, OPEC once again left output targets unchanged leaving crude prices to fall below US$ 40/bbl levels due to persistent bearish fundamentals and rising inventories globally.

Brent prices began the New Year on a low note, at US$ 30.70/bbl in January amidst a mild Northern Hemisphere winter and massive sell-offs in China's stock markets. Brent crude oil price crashed to its lowest level since 2003 on 18th January 2016 to US$ 27.67/bbl and ended the quarter with an average of US$ 34/bbl in Q4. Indian Basket also plunged to US$ 28.08/bbl in the month of January to its lowest monthly level since 2003. Cold snaps around late January sent prices rebounding, paving the way for a slight recovery in February. In March, crude prices rallied on improved sentiment, with Brent exceeding US$ 40/bbl briefly on talks of a production freeze. Various supply outages also rendered support, though fundamentals remained bearish and Brent fell to less than US$ 39/bbl by the end of the month.

Refining Margins

Implied Singapore refining margins moved down marginally in Q1 of FY 2015-16, as compared to last quarter, but remained fairly robust due to the support of fuel oil and gasoline cracks—which stayed at exceptional levels throughout the quarter. Gasoline cracks remained very robust and exceeded US$ 20/bbl at various times. This outweighed the effect of lackluster middle distillates cracks, which were under pressure from ample supplies across regions even as the summer season approached leading to Singapore refining margin closing at an average of US$ 8.02/bbl.

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Singapore refining margins moved down in Q2 as compared to last quarter as weaker fuel oil and middle distillate cracks outweighed the exceptional levels that gasoline cracks reached. Gasoil cracks were down by nearly US$ 3/bbl, in part due to reduced demand and more inventories globally. Singapore refining margins shed around US$ 1.70/bbl to reach US$ 6.29 /bbl.

Singapore refining margins moved up in Q3 across the board, supported by strong light distillates cracks with improved fuel oil cracks due to slump in crude oil prices. The significant gains in light distillates cracks i.e. in naphtha and gasoline, pushed up Singapore margins by around US$ 2.00/bbl Q-o-Q to US$ 8.01/bbl.

Despite weaker crude benchmarks, Singapore refining margins moved lower Q-o-Q and closed Q4 at an average of US$ 7.75/ bbl, as the rally on light distillate cracks came to an end. Fuel oil cracks, however, moved in the opposite direction.

HPCL posted GRM of US$ 8.56/bbl for Q1 of 2015-16 due to strong gasoline and naphtha cracks. For April-September 2015, the GRM came down to US$ 5.45/bbl due to overall weaker cracks in Q2. In Q3 HPCL GRM improved to US$ 6.35 /bbl due to improvement in light and middle distillates cracks. In Q4 the margins further improved to US$ 6.68/bbl due to huge fall in crude prices despite weakness in gasoil cracks and we closed the financial year with an average GRM of US$ 6.68 /bbl.

CRUDE OIL IMPORTS

HPCL uplifted 4.59 MMT of indigenous low sulfur crude oil (Mumbai High & KG D6 Condensate) in 2015-16.

HPCL imported 12.97 MMT of crude oil in 2015-16 as compared to 11.30 MMT in 2014-15. The import requirement of 12.97 MMT was met through term imports and spot purchases. Total high sulfur crude oil procurement of 10.28 MMT was done through term contracts from the Gulf region. Main suppliers included Saudi Arabia, United Arab Emirates and Iraq. Total imported low sulfur crude oil procurement amounted to 2.69 MMT, which was sourced through term and spot purchases.

FOB cost of imported crude oil amounted to USD 4229 million (Rs. 27,511 crores) in 2015-16 as compared to USD 6917million (Rs. 42,231 crore) in 2014-15.The average cost of crude oil imported in 2015-16 stood at USD 44.11 per barrel as compared to USD 82.75 per barrel in 2014-15. The average exchange rate was INR 65.06/ USD as compared to INR 61.05/ $ in 2014-15.

For 2016, HPCL has for the first time got allocation from Nigerian National Petroleum Corporation (NNPC) for supply of 1.6 MMT of Nigerian Grade crude oils thereby minimizing the cost of procurement of crude oil.

During the year 12.97 MMT crude oil was imported from Arabian Gulf, West Africa and Far East. All the term crude was transported by Shipping Corporation of India under Contact of Affreightment (COA) with HPCL. For spot purchases of crude, vessels were chartered directly by HPCL. During the year HPCL chartered 48 vessels on voyage and time charter for LPG, LOBS, Crude, MS, HSD, Fuel Oil and Bulk Bitumen at competitive freight / charter hire through global enquiries. SCI also carried out coastal movement of 1.06 MMT indigenous crude for HPCL.

During 2015-16, crude shipping freight markets have remained higher than the previous year as per Baltic Dirty Tanker Index (BDTI) mainly due to increased demand, lower crude prices & use of vessels for floating storage.

To reduce overall crude procurement cost, HPCL continued chartering of Very Large Crude Carriers (VLCCs) for Low sulfur spot crude cargoes. Commissioning of ISPRL with additional storage capacity has enabled HPCL to further optimize crude procurement and maximize freight benefits.

PHYSICAL PERFORMANCE

Petroleum business is being reshaped by sweeping forces of change through a powerful downward price adjustment since 2nd half of 2014 which sustained throughout 2015 till end of January 2016 and lowered crude oil prices to nearly 80% from its 2014 peak. A rebound in price has surfaced since Feb 2016 but at a moderate pace. Such volatility and variability in price impacts revenues as international price dynamics has a direct bearing on ex-refinery product prices. This necessitates minimization of cash to cash cycle with a thrust on economic inventory management. Both HPCL refineries were able to prove their excellence in this challenging scenario by meticulous planning of crude mix, robust secondary processing, effective hydrogen/steam management, loss control and improved reliability coupled with operational discipline.

Crude oil constitutes more than 90% of refinery expenses. Refinery profitability thereby largely depends on optimum crude mix. Major challenge before refineries is availability of right crude mix at right price as crude oil market is predominantly seller driven. This demands continuous rebalancing of crude procurement dynamics. Sustained coordination by the corporation resulted in higher allocation of desirable grades from NOC. Quote validity period was reduced in spot tender to bring in more competitiveness. HPCL is the first Indian Oil PSU to procure crude via STS (Ship to Ship Transfer).

HPCL has recorded the highest ever refining throughput in 2015-16 by registering 17.2 MMT with a capacity utilization of 116 % and the best ever LPG, MS, HSD, LOBS and Bitumen production. On individual refinery front, Mumbai refinery achieved highest ever crude thruput (8MMT) as well as highest ever production of major products MS, HSD, LOBS and Bitumen, while Visakh refinery could ramp up its throughput to 9.2 MMT with simultaneous best ever production in MS, ATF, HSD and Bitumen. While

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setting new milestones in unit throughputs and production, the corporation has registered the highest GRM amongst public sector oil marketing companies. Refinery profitability was also at their highest ever.

These achievements were result of sustained efforts at both the refineries in various fronts. MS production got a boost with replacement of CCR and ISOM catalyst. Pressure drop in DHDS reactor was mitigated by using chemicals developed in-house. Load shedding with parallel operation of GTGs and Grid has given a boost to reliability factor and reduction in specific fuel consumption. Special focus was given on inventory management in view of volatility and variability of product prices.

Indian Strategic Petroleum Reserves Limited (ISPRL), a Special Purpose Vehicle (SPV) created by Government of India as wholly owned subsidiary of Oil Industry Development Board (OIDB) with an aim towards energy security, has set up Underground Rock Caverns (URC) at Visakhapatnam, Mangalore and Padur. The one at Viskahapatnam has crude storage capacity of 1.33 MMT of which 0.30 MMT is assigned to HPCL. HPCL along with ISPRL has successfully commissioned the facility which has added enhanced flexibility in procurement of crude oil along with reduction of freight.

The refineries took several measures to bring down energy consumption. Special thrust was given to hydrogen management, hydrocarbon leak detection surveys, continuous monitoring of excess air in furnaces and steam leaks. A waste heat steam generator was added in CDU-II at VR. Change of pump drive from turbine to motor and preheat train modifications are other areas that improved energy efficiency. Online chemical cleaning of furnaces, with chemicals developed in-house, has given a relief to fuel consumption.

From the perspective of technology upgradation, Mumbai refinery has maintained its distinction by successfully adopting Isotherming technology of M/s DuPont in existing DHDS Unit, first of its kind in India that has resulted in enhanced capacity, energy efficiency and superior product quality of HSD.

An in-house effort by HPCL's Corporate R&D resulted in development of PSA (Pressure Swing Adsorption) technology in collaboration with M/s GENS Korea which has been commercialized successfully in Visakh refinery to recover hydrogen from Net gas of CCR (Continuous Catalytic Reformer). Availability of pure hydrogen from CCR has reduced operating cost significantly as hydrogen is the costliest utility consumed in a refinery. On-line chemical cleaning of furnaces are now being done with chemicals developed in-house by HPCL R&D.

While setting new milestones in throughput and productions, HPCL continued to maintain time-bound overhauling of existing units by successful completion of incident-free turnarounds of FRE, MS block units at Mumbai refinery and CDU II, FCC I at Visakh refinery. Replacement of Catalyst with improved formulation recommended by the process licensor has helped in achieving better RON in MS unit. It is worthwhile to mention that the refinery has started using computed radiography technology to inspect insulated lines without removal of insulation pockets. Enhanced monitoring and critical assessment of Root Cause Failure Analysis with sustained efforts has significantly improved overall reliability.

HPCL is the first PSU to source power through Open Access system which allows consumers to choose power supply agency. The initiative has a positive impact in reduction of Opex. Currently 20 MW is being sourced using this route and further potential is being assessed.

Government of India mandates BS-IV norms for auto fuels (MS&HSD) pan India effective 01.04.2017. Both HPCL refineries have geared up to meet the deadline. Necessary modifications in Visakh refinery in this aspect would be completed well before the stipulated date. Mumbai refinery has already inducted necessary infrastructural changes and is BS-IV compliant. Both the refineries have also firmed up plans to meet BS-VI standards which is scheduled for rolling out from April 1, 2020.

A number of projects have been lined up at both the refineries to continue with their ambition towards technological excellence at par with global standards while complying with BS-VI standards. Mumbai Refinery is going ahead with Mumbai Refinery Expansion Project (MREP) in which crude capacity shall be enhanced to 9.5 MMTPA. Visakh Refinery too has taken up Visakh Refinery Modernization Project (VRMP), wherein refinery capacity will be expanded from 8.33 to 15 MMTPA. The project includes, high complexity secondary processing units such as Residue Upgradation Facility (RUF) and Full conversion Hydrocracking Unit (FCHCU).

In continual efforts for improving the refinery operations, both Mumbai and Visakh refineries took part in performance bench marking study by M/s Solomon Associates (SA) along with other refineries. In order to address the gaps, brought out by the study, some major initiatives like capacity expansion along with residue upgradation and heat integrations are being taken up as a long term measures. Similarly several short term measures for improvement have been identified and are being implemented. Energy Intensity Index, a measure of energy efficiency of refineries has improved to 108 and 109 for Mumbai and Visakh refineries surpassing previous year's performance with the later recording the best ever performance.

Our efforts and commitment towards enhancement of health & safety of our employees and contractors is a continuous process. The corporation continues to leverage workplace Health, Safety & Environment (HSE) including Sustainable Development (SD)

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as an integral part of its business policies. Mumbai refinery has crossed milestone of 15 Million Safe Man Hours, the best ever safety record with 1731 incident free days since October 7, 2011 as of 31st March 2016.

On pollution control front, Visakh refinery commissioned Tail Gas Treating Unit (TGTU) in Sulphur recovery Trains at DHDS. By this facility, SO2 emission is further reduced. Mumbai refinery commissioned Flue gas scrubber unit (FGSU) at Old FCCU for reduction of SOx emissions and Suspended Particulate Matter (SPM). Besides, both the refineries implemented Flare Gas Recovery (FGR) facilities to recover hydrocarbon gases from flare for reuse as refinery fuel. The result is less flaring and thereby less heat radiation to surrounding areas. Installation of Flue Gas Desulphurization (FGD) facilities for treating FCC off gases has enabled both the refineries to process more high sulphur crude. Additionally, refineries have been focusing on conservation of water resource by reuse/recycle operations and through Rain water harvesting. Mumbai refinery has conserved over 6 lakh KL water during 2015-16. This huge quantity of water is recycled for Refinery's own use thereby reducing the intake of water and in turn conserve the same for community usage.

In line with government initiative of cleaner India under Swachh Bharat Abhiyan, both the refineries organized various activities viz. walkathon, tree plantation, housekeeping to bring in awareness in the neighborhood areas. Scrap disposal in refineries picked pace with clearing of unwanted documents.

INTEGRATED MARGIN MANAGEMENT

A Single empowered group called Integrated Margin Management (IMM) was created during the year 2014-15 with the objective of maximizing Net Corporate Realization (NCR) across crude to customer value chain. In the first full year of Operation during the year 2015-16, Integrated Margin Management focused on enhancing Crude Processing, maximizing Production of Petrol, Bitumen and Lube Oil Base Stock, improving Pipeline throughput, Inventory Management of crude oil and products, Optimisation of logistic cost, improving Reliability in refinery operation etc. The corporation has achieved highest ever crude processing, pipeline throughput, petrol, Diesel, Bitumen and Lube production. Besides, IMM Group also tracked implementation of various ideas which contributed to margin improvement.

IMM approach has helped in improving the cross functional decision making across the organization. It has brought tight control on inventory and logistic cost. All business units remain aligned to common objective of IMM for maximizing net corporate realization.

E. MARKETING

HPCL achieved remarkable performance and accomplished new milestones in marketing sales during 2015-16 by realising total sales volume (including exports) of 34.21 Million Metric Tonnes (MMT) compared to total sales volume of 31.95 MMT during 2014-15. In Domestic sales, HPCL recorded a sales of 33.9 MMT with growth of 9.3% over previous year and increased market share by 0.31% amongst public sector oil companies to reach a market share of 21.25% as on 31st March, 2016. The volume increase of 2.9 MMT in domestic sales over previous year is the highest volume increase per year for the company. The individual performances of the Marketing Division SBUs are detailed in the sections below:

RETAIL

Retail SBU constitutes to about 67% of the total market sales of the corporation and hence plays a key role in the overall marketing performance of the corporation. The start of the year 2015-16 had the prospect of being an extremely challenging year as this was the first year after deregulation of HSD prices and consequent re-entry of private players. Continued focus on Key areas of Strategic Network expansion and Process improvements yielded rich dividends for the Retail SBU. The year 2015-16 saw HPCL achieve an outstanding performance recording sales of 22.8 MMT with a volume growth of 1.35 MMT over the previous year and achieving a market share gain of 0.37% in total motor fuels in the PSU category.

During 2015-16, 590 new retail outlets were commissioned taking the total number of retail outlets to 13802. Building on the success of the revival of sales operations at 167 closed retail outlets last year, this year 172 closed outlets were revived. A record number of 1600 retail outlets were modernised with an outlay of about Rs. 600 crore. Electrical safety audit was completed at 3124 retail outlets and Retail Automation system was provided at additional 422 retail outlets taking the total number of automated outlets to 2731. Automation is being further leveraged for new features like "sms alert" to customers.

Club HP brand of retail outlets offer a bouquet of value added products and services to customers on the platform of "Outstanding Customer & Vehicle Care". As of 31st March 2016 there are 1979 Club HP outlets out of which 1934 outlets were duly certified through 3rd party audits. In the year 2015-16, about 15000 Dealer men were trained on business imperatives and behavioural changes for delivering the Club HP promise. Mass media and outdoor campaigns were utilized to communicate the Brand promise of Club HP – "Achcha Lagta Hai". The year saw 101 Club HP outlets upgraded to CLUB HP STAR - Premium Branded Retail outlets which offer Quick service with Quality & Quantity and Customer service assurance through implementation of Standard Operating Practices(SOP) as hygiene factors; taking the total number of Club HP Star outlets to 209. As of 31st March

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2016, the total number of outlets selling branded petrol "Power" were 1379 which registered sales of 119 TKL in "Power" during the year. Check and Fill campaigns are regularly conducted to invite customers to check the quality and quantity before filling their vehicles.

HPCL has built a profitable Non-Fuel business with a wide range of facilities at the retail outlets for the customers including ATMs, take away food counters, "C" Stores, vehicle accessories etc. through tie-ups with leading banks, Food Brands & OEMs. 168 new ATMs were commissioned in the year 2015-16 taking the total number to about 1700. An ARB income of Rs. 72 crore was realised in the year.

DriveTrack Plus, flagship product under HPCL Loyalty Program, is now accepted at over 7200 retail outlets and has built up a large customer base of more than one lakh. It offers a combination of control, convenience, security and attractive rewards to fleet owners and drivers. The card based payment device is designed for efficient management of fleet, through greater control over fuel consumption and operating costs. In addition, a `Driver Card' was launched for the benefit of drivers of commercial vehicles, offering rewards, payment convenience and insurance. `HP Re-Fuel Card' was launched for Retail segment customers. To cater to the credit requirements of fleet customers, 'Credit Pouch' facility was introduced through a tie-up with HDFC Bank.

During 2015-16, Retail SBU continued focus on various strategic initiatives to gain competitive advantage in the fuel retailing business. Diagnostics for improvement in sales through the Outlet Diagnostics and Monitoring Tool (ODMT) was completed at 1990 outlets and actions are being taken to address the identified gaps taking the total number of ODMT enabled outlets to 5653. Implementation of Standard Operating Practices (SOP) was completed at 656 retail outlets taking the total number of SOP compliant outlets to 6368. Vapour Recovery Systems (VRS) were installed at all outlets selling more than 300 KL Motor Spirit (Petrol) per month in Delhi as per directive of the Government. To save on energy costs at retail outlets, Solar Photo Voltaic systems were installed at additional 575 retail outlets and 495 outlets were provided with LED lights. To provide working capital finance at attractive rates to dealers, e-DFS (Dealer Finance Scheme) was introduced to dealers through a tie-up with State Bank of India, which saw more than 1500 retail outlet dealers avail the facility.

Under "Swachh Bharat Abhiyaan", 324 new toilets were constructed during the year at retail outlets where the facility was not previously available. 100% of the toilets at retail outlets were inspected during the year.

LPG

HP GAS, the HPCL brand for LPG, lights the kitchen in millions of Indian homes. During 2015-16, HPCL has achieved highest ever LPG sales volume of 5.07 MMT with about 9% growth and consolidated Leadership position in the highly competitive ND Bulk LPG segment with over 48% market share.

During 2015-16, HP GAS continued to expand its distribution network by commissioning 153 regular and 176 RGGLV distributorships and released 50.66 lakh new LPG connections. The customer base of over 52.09 million domestic LPG consumers are catered through a network of 4278 LPG distributors as of 31st March 2016.

HPCL maintained leadership all throughout the DBTL drive initiated by government of India and achieved 91% CTC across the country in DBTL implementation. Under DBTL, recognised as the largest subsidy online transfer scheme in the world, a subsidy amount of Rs. 7,873 crore was transferred to LPG consumers in 2015-16. Under #GiveItUp campaign by Govt. of India, 27.17 lakhs HP GAS customers have voluntarily surrendered LPG Subsidy as of 31st March 2016.

During 2015-16, highest ever production of 4.705 million tonnes of LPG through 46 LPG Bottling Plants was achieved with a production rate of 1564 cylinders/hour. Further, 12 LPG Plants have been certified with ISRS 8th Edition Certification.

LPG bottling and storage capacities have been augmented by commissioning a number of projects. A new LPG Plant at Solapur, Maharashtra with bottling capacity of 120 TMPTA was commissioned. Other commissioning's include Mounded storage facility (6 x 1400 MT) at MLIF Mangalore and Marine unloading facilities for VLGC at Jetty-13 at NMPT, Mangalore. Environmental clearance was received for new LPG bottling plant at Panagarh and new mounded storage facilities at Mysore & Goa.

Product portfolio was expanded by commencing sales of Propane as the second product during 2015-16. To cater to the needs of niche market segments, new products were developed and launched like 'HP Gas Razor Pro' for industries in metal cutting applications; 'HP Gas Powerlift' for industries having forklift applications and 'HP Gas Sumo' for industrial LPG Consumers with sizable requirements.

To enhance the customer experience, various IT based customer centric initiatives were launched during the year. LPG-SBU Introduced Ezy Gas Card to track the refill delivery to genuine customers by making delivery on the basis of Delivery Authentication Code which is operational in 25 cities as of 31st March 2016. On-line payment facility for LPG Refill was provided to customers through their registered web login. An online enrolment and payment facility was rolled out under the name "Sahaj", through which customers may avail new connection online (eSV) and payment can also be made online. To curb pilferage of LPG cylinders, HPCL rolled out Tamper evident seals in LPG cylinders on All India basis. A dedicated LPG Emergency Helpline was

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launched jointly by OMCs for lodging a leakage complaint through toll free number '1906'.

LPG SBU worked closely with state administration and converted more than 7,800 villages into "Smokeless Villages".

Live Fire Training was conducted for employees, security staff and contract labour during the year. As part of capability building measures 501 operating persons were given Live Fire Training. Project Sachet – A Behaviour Based Safety Program has been rolled out at all the plants for making improvements in the overall safety in the plant premises.

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 lube sales through network of Lube Distributors catering to bazaar market and Lube carrying and Forwarding Agents (CFAs) catering to 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 approx. 2800 TMT, including Transformer and White Oils.

Excellent sales were recorded during the year in the Lubes Business Line, resulting from market driven business strategy adopted for both Consumer Lubes and Retail Lubes segments. HPCL retained the No. 1 Lubricant marketer position in the country for the third consecutive year with total Lube Sales of 589 TMT (including base oil sales). Value added lubes recorded excellent growth of 13.1 % over previous year with all channels viz. Distributor network, CFA network and Retail dealer network achieving highest ever sales volumes. Sales through Lube Distributor network grew by 26.2 %; through CFA channel by 8.2 %; and marginal growth was recorded in sales through Retail Outlets.

HPCL continued to be the largest producer of Base Oils in the country with capability of producing Group I and Group II / III Base Oils. The strength of Base Oil production facility has given a great advantage in terms of flexibility in manufacturing of wide range of lubricant products.

A key focus area during 2015-16 was the Original Equipment Manufacturer (OEM) sector like earthmoving equipment, two wheelers, passenger's vehicle, Co-branded Lubricants etc. The cornerstone for OEM business development was the close interactions between the R&D teams at HPCL and the OEMs thereby paving the way for more partnerships in the future.

To increase the penetration in the bazaar market, HPCL "Project Reach" aimed at substantially increasing Bazaar penetration and increase reach to the last mile was rolled out. The initiative resulted in commissioning of new Lube Distributors (LDs) thereby increasing network strength of LDs by 30 %. To further strengthen presence in the bazaar market, an enhanced version of retailer loyalty programme was launched during 2015-16 for Retailers and mechanics who play a critical role in influencing the buyer's decision for lubricants purchase.

To meet the ever-evolving market requirements and cater to the Gen-next users, HPCL expanded its lubricant product range during 2015-16 with new product launches like HP Milcy Turbo Ultra (with latest API CJ4 specifications) for futuristic diesel engines, HP NeoSynth 5W30 for modern passenger cars and HP Racer 4 Synth 10W30 for high performance motorcycles.

The R&D division of the SBU continued its meticulous activities during the year, with development of new products for both Govt. as well as private sector customers. Close interaction with customers for new products development and approval enabled 21 important approvals from customers like Indian Railways, Defence, Gabriel, SAIL, Bajaj Auto etc. Quality Assurance remained a key focus area with the Quality Control (QC) division of Lubes SBU ensuring continuous vigil on input materials and finished product quality by monitoring at every stage. Some of the major developments include commissioning of new QC Labs at Kanpur, Kandla & Vasco terminals and for Defence at ASC, Bengaluru.

DIRECT SALES - INDUSTRIAL & CONSUMER (I&C)

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. achieved 4.87 million tonnes Volume with sales growth of 23% and market share gain of 1.1% resulting in HPCL becoming second largest player in the market.

Industry growth leadership position was achieved in MS and HSD. HSD sales registered a growth of 40% followed by MS at 13 %. With Increase in volumes, HPCL also improved its market presence for major grades with improved Market Share in HSD, FO and Bitumen. Major breakthrough was obtained in HSD business of State Transport Undertaking (STU), with HPCL successfully making inroads into some of the major STUs across the country thus increasing market presence in a substantive manner. With

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introduction of Winter Grade Diesel, developed specifically for requirements of Indian Army, HPCL further strengthened its commitment towards serving Indian Army and is positioned to be an important and reliable supplier of fuels to the Armed forces.

Infrastructure development was a key area during 2015-16 with focus on development of facilities at few strategic locations aimed at improving market share of business and creating asset strength. HPCL became the first oil company to commission Automated Online Blending Facility of Bio-Diesel for Indian Railways (WR) at RCD Vatva, Ahmedabad.

AVIATION

Aviation SBU provides fuelling services to the aviation industry through its vast 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 2015-16, HPCL has achieved Sales volume of 610 TMT in Aviation fuels with growth of 20.6 % against PSU industry growth of 5.8% resulting in a Market share gain of 1.3%.

HPCL is supplying Jet Fuel to all the ten scheduled domestic airlines of the country and has become the preferred Jet Fuel supplier to the international carriers. During 2015-16, valued airlines like Etihad Airways, Emirates, Air China, China Airlines, and Thomas Cook etc. were added to the existing customer portfolio. Supply infrastructure was augmented by commissioning two new ASF's at Mohali and Dharamshala and setting up fixed facility at Indore.

Strategic initiatives undertaken during the year like outsourcing of operations at Chennai, Trivandrum and Mangalore ASF, new business agreements / renewals with new / existing airlines, strategic commercial partners etc. have contributed to the business growth and enhanced profitability. An "Aviation Hub" was started as a single point solution for NSOP Customers which enabled the SBU to register a sale of more than 50% of the total Non-Schedule segment sales on the co-branded card. Customer base was spread by addition of new corporates under the General Aviation segment.

NATURAL GAS

Natural gas is poised to be significant contributor in the Indian energy mix and HPCL has taken significant steps to strengthen the Natural gas business. In 2015-16, RLNG sales of 36 TMT was achieved by SPOT sourcing from domestic suppliers. For captive use at Mumbai Refinery, 33 TMT of Term RLNG and 8 TMT of SPOT RLNG was sourced. For future term contract sourcing requirements, discussions have been initiated with Global LNG suppliers.

The gas allocation policy to CNG and PNG (Household) has improved the viability of City Gas Distribution Companies. Government of India (GoI) is focused on improving availability of gas through CGD projects in various parts of country. HPCL as a CGD entity is carrying out CNG operations in Ahmedabad by operating 1 Mother Station and 21 Daughter Booster Stations. CNG sales of 10.9 TMT was achieved during 2015-16 with a growth of 14.7% over previous year sales.

The consortium of HPCL and APGDC is progressing for setting up of City Gas Distribution Network in East Godavari and West Godavari District in Andhra Pradesh for which authorization has been received from PNGRB. HPCL is actively pursuing for improved participation in upcoming CGD opportunities.

OPERATIONS & DISTRIBUTION

The backbone for petroleum marketing is robust supply chain management which is handled by the Operations and Distribution (O&D) vertical in the company. O&D is a key enabler to the Marketing SBUs / function, providing unstinted support and innovative solutions to stay ahead of competition. A record market throughput of 47.6 million tonnes was achieved in the year 2015-16 which played a key role in increasing market share. Timely and adequate delivery through 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. MOP&NG also recognized outstanding track record on safety by conferring 4 out of 5 POL Safety OISD awards including "Best POL Safety Performance". Implementation of MB Lal Committee recommendations remained another focus area, which enhanced the systemic and process strength of the company.

Detailed planning was carried out for meeting future market demand along with time bound infrastructure development. During 2015-16 a state-of-art POL terminal at Kanpur with 227 TKL storage capacity was commissioned. In addition, a new POL depot at Bokaro in Jharkhand was commissioned with a storage capacity of 29 TKL. The new capacity additions along with infrastructure strengthening at existing locations are expected to reduce secondary distribution cost substantially.

Leveraging Technology has been a significant force multiplier lever for achieving Operational Excellence. Various Innovative technology based approaches to curb pilferage and malpractices viz. Electro Mechanical locking, Vehicle Tracking System (VTS) etc. were redesigned during 2015-16 in line with the changing market needs. VTS was installed on 8700 (93% of total) Tank Trucks and rolled out successfully at all locations with 91% uptime. Electro Mechanical Locking system was piloted at Vashi & Manmad locations for the first time in the Oil Industry and has been registered for Patent rights. To monitor the performance of

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Operating locations across India, a performance benchmark Dashboard was developed which captures real time performance of all the vital parameters and cost reduction initiatives were undertaken which helped in reducing the operating expenditure.

Sustained focus on implementation of Ethanol Blending Plan saw achievement of 3.3 % blending as against industry average of 2.7%. The emphasis was on environment protection, sustainability measures and steps for reduction in greenhouse gas (GHG) emissions at locations. A comprehensive energy & power quality audit was completed for 3 major terminals during the year for enhancing efficient usage of energy. 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.

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 key area. Details of Project Utkrisht and Daksh have been detailed under the Human Resources section.

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 MBLC recommendations and HSE.

PIPELINES & PROJECTS

Over a period of time, HPCL has developed strategic Cross Country Pipeline network and is currently operating 3015 Km of Pipelines with total capacity of 33.09 MMTPA excluding JVC Pipelines. HPCL has achieved remarkable successes on pipelines operation front with a record combined throughput of 17.61 million tonnes during the year 2015-16.

The 443 KM long Rewari Kanpur Pipeline was commissioned during the year, a month ahead of PNGRB approved schedule date of November 2015. The pipeline along with green field Kanpur terminal is expected to bring in huge logistics savings and aid market share growth in North Central India. The ongoing LPG Pipeline Project from Mangalore-Hassan-Bangalore with a spur line to Mysore of total length of 356 KM has achieved a physical progress of 94.5% as of 31st March 2016 and is in advanced stage of completion.

As a part of sustainability initiatives, Green Administration building was constructed in Kanpur terminal. The terminal also has a 10 KW solar power system to cater to admin load, Vapour Recovery System to control fugitive emissions, Effluent treatment plant of 150 KL/Hr capacity and Rain water harvesting system. Solar Power systems with a capacity of 7.2 KW each has been installed across 3 Sectionalizing Valve stations of 443 Km long Rewari Kanpur Pipeline.

F. RESEARCH & DEVELOPMENT

Hindustan Petroleum Green Research & Development Center (HPGRDC) Project at Bengaluru was completed and Labs have been made fully functional during the year. HPGRDC has been set-up with state-of-the-art infrastructure facilities comprising energy efficient green buildings following eco-friendly design norms with built up area of about 3 lakh square feet in a sprawling campus of 120 acres. Phase I of the project has been executed with an investment of Rs.395 crore. Further phase wise expansion is planned. The Project has been built for compliance for certification under Energy efficiency rating of 5 Star under GRIHA and Platinum rating under IGBC.

HPGRDC has been setup to provide advanced technical support to the Refineries and Marketing SBUs for operational improvement, absorb new technologies, develop innovative & path breaking technologies, license technologies and become a knowledge hub.

HPGRDC is carrying out research activities for development of process technologies to enhance corporation's capabilities for future technology up gradations and introduction of new products. Several products and processes have been developed/ demonstrated at commercial scale. During 2015-16, 28 Indian and 10 International Patents have been filed.

Key Technologies commercialized are HP Hi Gas for absorption/separation process, H2 PSA for hydrogen purification, Catalytic Vis Breaking for better yields and HP Cosol Process Novel solvent system has been developed for Lube extraction to enhance distillate recovery and selectivity. Key products viz. HP FurnoKare for online furnace cleaning, HP Bio Activa for effluent treatment, and HPDUCER a dispergent chemical to reduce pressure drop in hydroprocessing units were commercialized.

Key research projects in progress are in the areas of development of technology, catalysts & performance enhancement of products which include FCC Feed Nozzle, HP2FCC technology, Slurry Hydrocracking technology, Cellulosic Bio Ethanol, Light Naphtha Aromatization, HP Bioremedia, DHDS Catalyst development and Dual Functional FCC Catalyst additive.

G. QUALITY ASSURANCE

In line with the directives of MOP&NG, HPCL has a dedicated Quality Assurance Cell (QA Cell), having officers posted at all the seven zones. QA Cell carries out surprise inspections covering Retail Outlets, SKO agencies, LPG Distributors, Depots/

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Terminals in compliance with the revised Marketing Discipline Guidelines (MDG) & HQO directives. The QA cell acts as an important nodal agency for ensuring supply of quality & quantity of products from all supply sources, storage points, distributors and outlets to customers. QA Cell has been delivering best in industry performance during the last 5 years. During 2015-16, QA Cell performance has again been the best among the Industry both in terms of absolute number of inspections carried out and also by each of the quality assurance parameters. QA Cell has carried out inspections of 3211 Retail Outlets, 175 SKO Agencies, 443 LPG Distributors, 14 O&D locations, 17 Direct Sales customers & 2 LPG Plants in 2015-16. Establishment of such robust system 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.

H. HEALTH, SAFETY & ENVIRONMENT

HPCL conducts its business with strong focus on Health, Safety & Environment (HSE) aspects of the operations and a robust Sustainability Development (SD) Model and Framework. Safe operations and 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 is focused on adopting new technologies, up-gradation of infrastructure, improvements in systems and procedures & fostering a HSE culture across the organization. A dedicated team has been put in place to monitor the HSE performance across the Organization.

Health

Ensuring occupational and personal health of all employees at work locations has always been viewed as an important factor in overall performance of HPCL. The state-of-the-art Occupational Health Centres (OHC) at refineries provide emergency medical services to the working personnel. The OHCs also offer preventive and curative health services to employees. Designated Physicians are available at marketing terminals and LPG Plants and other smaller locations have tie ups with local hospitals. To improve and maintain employees Health, Employee Wellness programs are conducted by corporation. Health education and awareness sessions and diagnostic camps were carried out at all major locations during the year. All HPCL employees undergo regular Periodic Medical Examinations and the results are analysed to provide targeted interventions at the individual and group levels.

Safety

HPCL is committed to provide a safe workplace to its employees and contractors and safety to the communities where it operates. The aim is to work towards zero incidents. HSE Management systems have been put in place across all locations of HPCL to strengthen HSE governance and compliance through surveillance audits and benchmarking.

During 2015-16, Mumbai refinery achieved the record of highest ever, 15.0 Million Employee Safe Man-hours and continued to upgrade the safety systems and processes. Visakh Refinery embarked on the initiative of Front Level Safety Drive (FLSD) aimed at sensitizing all the front level staff. Both the refineries have implemented Process Safety Management systems.

Safety at Retails outlets has seen improvement as a result of infrastructural improvements, implementation of Standards Operating procedure (SOP) and various safety training programs. Major locations of HPCL are certified with International Safety Rating System (ISRS).

Recognizing that personnel competency is a key area to ensure safe and efficient operations, various training programs were conducted 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.

Continuous upgradation of facilities, compliance to statutory requirements, improvement in systems and procedures, robust training framework have fostered a strong safety culture across the organization.

Environment

HPCL is committed to ensure environmentally sustainable and responsible operations to achieve highest standards of environmental excellence. The installations are certified with Environmental Management System based on ISO-14001. Effluent Treatment Plants, air emission control and waste disposal systems have been installed at major locations in line with the industry's best practices. Periodic monitoring of air, water quality in line with the existing rules and regulations is carried out at all locations. Refineries' continuous emission monitoring data system is connected to state pollution boards. Energy saving devices are being used at locations and nonconventional energy sources like solar panels have been installed as a part of green initiatives. These concerted efforts have led to improvement in various Sustainability parameters and better environmental compliance. HPCL follows a comprehensive methodology, to evaluate the Environmental Impact Assessment (EIA) for each new and expansion project. Towards water conservation, Refineries and Marketing SBUs have implemented 'Rain Water Harvesting' systems and recycling of waste water.

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Sustainability Development:

During 2015-16, the 4th Sustainability report as per Global Reporting Initiative Sustainability reporting guidelines G4 "In Accordance – Core", duly assured on AA1000 assurance standard (2008) was published. Sustainable Development projects of Solar Panel Installations, Green Landscape development, Rain water Harvesting, Conversion of conventional lighting systems to LEDs and Installation of Energy Monitoring Systems were undertaken at various locations during the year. Integrated Green belts were developed and drip irrigation facilities were installed at various locations. Phytoremediation Project for waste water recycling with a total capacity of 27.5 Kilo litre Daily (KLD) was completed at 3 locations during the year. Organic Waste Converters were also commissioned at 2 locations for speedy conversion of organic waste to manure.

To increase awareness and build competency in the area of environment and sustainable development, various workshops and training programs with internal and external stakeholders were conducted during the year. A total of 1,412 stakeholders including 608 internal stakeholders and 804 external stakeholders were consulted through a structured stakeholder engagement process during 2015-16.

During 2015-16, rating assessment based on Sustainability parameters were conducted at two locations, viz., Visakh Vijayawada Secunderabad Pipeline (VVSPL) and Visakh White oil Terminal. The assessment was done by GreenCo under the aegis of Confederation of Indian Industries (CII). VVSPL and Visakh White Oil Terminals have been awarded "Platinum" and "Gold" Rating respectively for their conscious effort towards environmental excellence by CII-Greenco. The employee's residential colony in Mumbai was awarded PLATINUM RATING under Green Residential Society Rating System by Indian Green Building Council (IGBC). Going forward, the comapny shall remain proactively engaged in business sustainability by building a climate change resilience strategy, thoroughly complemented with initiatives at ground level.

I. EXPLORATION & PRODUCTION

HPCL has mandated Prize Petroleum Company Ltd (PPCL) to participate in exploration and production of hydrocarbons. During 2011-12, PPCL became wholly owned subsidiary and upstream arm of HPCL. Further details on PPCL have been elaborated under the section "Joint Ventures & Subsidiaries".

J. RENEWABLE ENERGY

Wind Energy:

HPCL currently operates wind farms of 50.5 MW capacity, installed in the states of Rajasthan and Maharashtra. Electricity generated through these farms during 2015-16 was 447 lakh kWh. Augmentation project for additional 50.4 MW wind power capacity is under implementation.

Solar Energy:

HPCL commissioned its First Grid Connected Captive Solar PV Power Plant of 258 kWp Capacity under REC Mechanism at Ennore Terminal in Tamil Nadu with a total Cost of about Rs 279 Lakhs. The estimated Annual Generation from the plant would be around 4.13 Lakhs KWh which would be used for captive purpose by Ennore Terminal near Chennai. The company is also undertaking a 5 MW Grid Connected Solar PV Power Plant project at Ghatkesar POL Terminal in Andhra Pradesh.

K. INFORMATION SYSTEMS

All the business processes are fully supported by robust Information systems designed to enable safe, secure and efficient operations. Most of the business transactions are carried out through Enterprise Resource Planning (ERP) system. In addition, a large number of portals and workflow applications work in tandem with the ERP system. Business Intelligence system provides decision support for tactical and strategy level decisions.

To enhance the competencies of employees for managing Information systems, a comprehensive training plan has been put in place and over 2000 man-days of training was provided to the end users during 2015-16 covering the functional and operational areas.

Information Systems Center

The Information Systems Center (ISC) at HITEC City, Hyderabad is spread over 1.3 acres with state-of-art facilities and hosts 200+ servers that run various IT systems, Network & Operations Control Center, Security Operations Center, Development Center & Training center. 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.

New Initiatives

A multitude of IT enabled solutions have been developed & institutionalized to help managers do their job effectively. Real time interfaces from ERP to the IT enabled systems of various business partners have been implemented. Some of these initiatives

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have transformed the processes for consumers and made it a lot easier to do business with the Corporation, in line with the "Digital India" initiative of GOI.

DBTL and related applications for LPG

HPCL led the industry in developing the applications to facilitate smooth roll out of the DBTL (PAHAL) initiative under strict timelines. A number of IT based applications were developed and implemented by HPCL which were later adopted by the rest of the Oil Marketing Companies (OMCs). These applications include:

- Development of an alternate option for Adhaar Number / Bank Account details seeding in which the consumers could submit the LPG IDs with the bank and the same would be sent electronically to the OMCs and thus avoiding the need for the consumers to visit LPG distributors for seeding their bank account numbers at the LPG distributors.
- Development of the algorithm for auto name matching in OMC customer database with the name in bank records significantly reducing the manual efforts required in the field.
- Development of the SMS query application for enabling LPG consumers to get various queries answered regarding DBTL status, payments, LPG ID etc. through SMS inquiry without any manual intervention.
- A solution was developed and implemented in short time for sending PAHAL related messages in all regional languages of the country.
- An interface was developed with the banks and National Payments Corporation of India (NPCI) to meet the deadline of the launch of PAHAL scheme.
- A large number of reports, dashboards and e-mail alerts were developed to facilitate various stakeholders to monitor the implementation of PAHAL closely.

MyLPG portal

MyLPG portal was implemented in coordination with OMCs. The implementation of the MyLPG website in 12 regional languages was led by HPCL on behalf of the OMCs. Documentation of requirements, identification of challenges and feasible solutions, doing a Proof of Concept (POC) and getting the industry consensus on the solution and its implementation was achieved within a very tight time schedule.

e-SV generation

The process for e-SV generation and e-collection has been developed and tested with the SBI e-Gateway solution. This solution has been developed in a generic manner so that the same can be plugged into any application, which would require collection of money from external stakeholders. The payers have the option of paying through their net banking, credit/debit cards or account-to-account transfers.

e-procurement

An in house e-procurement system has been institutionalized and is being used across the Corporation by the purchasing authorities in all SBUs and Functions. The system has also been enhanced to handle tenders for chartering of vessels. A Reverse auction module has been put in place for tenders generated in e-procurement platform. The use of the e-procurement system ensures substantial savings in cost of procurement. It also ensures data security with complete audit trail as well as conformance to CVC guidelines, complete integration with ERP system and results into improved cycle time from Purchase Requisition (PR) to Purchase Order (PO).

Business Intelligence

Specific thrust has been given to Business Intelligence (BI) application to drive data literacy and support decision making processes through over 1000 critical users in middle and Senior Level Management groups. Strategic level teams viz., Integrated Margin Management, Central Procurement Office, Treasury, Projects, Marketing Research Analysis & Planning as well as SBUs, HQO & Zonal teams are deriving immense value from the readily available analytics on key performance metrics in BI, which include volumes, revenues, cost, recoveries, quality parameters, tax payments, etc.

Special dashboards have been developed for Management providing critical business insights. The analytics provide past trends as well as future projections covering lag as well as lead indicators. At tactical level, business managers are able to build superior understanding of business such as cost and expenditure monitoring, inventory trends, revenue collections, vendor payments etc. based on analytics to drive effective operational decisions. Delivery of information is by various means such as dashboards, reports that can be drilled down, slice and dice analytics as well as reports by e-mail to the users. BI has significantly begun to usher in a culture of data supported fact-based decision making in HPCL.

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HSE applications

In the area of HSE, comprehensive applications such as HSE Index application, Legal compliance (Clause 49) portal, Online near-miss system, Integrated work permit system, Management of Change systems etc have been developed to track important HSE indices.

CSR Portal

CSR Portal, a One-Stop solution with end-to-end integration of all CSR processes has been put in place.

Pricing toolkit

Pricing toolkit for auto LPG was introduced during the year with a feature of auto-sms to the dealers.

Integrated disbursement management system

HPCL is using centralized disbursement system through workflow for recording receipts, by building a library of the purchase orders and integrating image-processing software to the ERP system. The system has been able to significantly reduce the payment cycle times improving vendor satisfaction and provides visibility of all documents related to the payments including the vendor documents in the ERP system itself. The system has been expanded to include over 60 locations.

Mobility

A number of applications have been developed by HPCL on mobile platform to exploit the power of mobility. A mobile application 'Sales Sahayak' has been developed and made available to the field sales officers to track sales on a real-time basis. Mobile application to automate the process of collection of daily performance data has been developed for the refineries. In HR, m-HR was launched offering services such as Missed call Service, ICE (In Case of Emergency), Compensation & Benefits (C&B) information for the benefit of all employees.

Communication Infrastructure

HPCL has implemented 802.1 X IEEE standard access controls, which has enabled the Corporation with a capability to permit or deny network connectivity.

Security of information systems continues to be a key focus area for HPCL and a number of steps have been taken by the corporation to address this critical area. Security Operations Center has been set up for continuous monitoring of information systems for any security related incident. Identity management system has been implemented for authentication and authorization of employees. To enforce segregation of duties, implementation of GRC (Governance, Risk & Compliance) solution for ERP systems has been started. A state-of-art end management system has been implemented for ensuring that all PCs & laptops are patched with latest security patches. IS Center at Hyderabad has received ISO global 27001:2013 certification in 2015-16 for Information Security Management Systems (ISMS), which is an acknowledgement of excellence in Information Security Standards.

L. HUMAN RESOURCES

The constantly evolving business scenarios necessitates recalibration of HR priorities and approaches to realise the organisational vision.

Human Resources at HPCL (HP-HR) has embarked upon creating a robust HR ecosystem by establishing strong linkages between its people, systems & processes by adopting novel high impact HR Initiatives in areas like Leadership Development, Culture Building (HP FIRST), robust Performance Management (HP PACE), Productivity Enhancement, Skill Development and Employee Engagement.

Values form the bedrock of the business growth at HPCL and the company aspires to be recognized for its business results and remembered for its values. In this direction, HPCL has adopted HP FIRST, an organizational philosophy which emphasizes on taking long term and sustainable decisions by keeping interests of the organisation foremost and ahead of personal aspirations in all the professional interactions. The culture of HP FIRST transcends in all actions of HPites, making it a way of life at HPCL.

LEADERSHIP DEVELOPMENT

Project Akshaypath, the in-house leadership development initiative, in its fourth year had 99 participants as mentors and 273 participants as mentees. This program involves deployment of scientifically designed processes with Mentoring and Executive Coaching as key elements. The interventions of Akshaypath are closely aligned to the Vision, Mission and Strategy of the Corporation.

As part of this leadership development initiative, various interactions have been conducted through renowned thought leaders from reputed business schools like Harvard Law School, Kenan Flagler Business School, USA, IMD, Lausanne etc.

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CAPABILITY BUILDING

Capability Building Department continually endeavours to identify the required level of relevant competencies based on the organization strategy through systematic and scientific process and designs and implements strategic solutions to bridge the gap. During 2015-16, Capability Building Department imparted 33446 man-days training to Management employees through various training and development interventions which translated to 6.19 man-days per officer. To enhance the reach of learning platforms, Webex guest lectures have been conducted for officers across the length and breadth of the country. HP-HR collaborated with EBSCO, to provide wide range of online reading and research material to employees in the form of e-books, e-articles, industry reports and subscribed magazines.

In an endeavour to realise, hone and harness the competence of employees, a new Behavioural Competency Framework (BCF) has been developed christened HP PATH. The framework has a continuum of behavioural competency proficiency across grades characterized by frequency and intensity to be displayed to achieve high performance.

Certified Petroleum Manager Program

CPM PROGRAM is a capability building program conducted in collaboration with UPES, Dehradun aimed at unleashing the potential of young officers by equipping them with right mix of technical, functional, managerial and behavioral competencies. During 2015-16, the second batch completed the one year course and enrollment for third batch has been completed.

Further the officers who complete the above program are provided with an opportunity to undertake MBA in Oil and Gas through UPES, Dehradun. This program aims at grooming young officers as the future leaders of the corporation by honing their technical and behavioral competencies. During 2015-16, the first batch of officers completed this course.

Project Uthaan

This is a week-long development program conducted for employees getting promoted from Labor to Clerical cadre. The content structure of the program enables and provided the participants with necessary knowledge and skills for smooth transition into their new and enriched work profile. During 2015-16, 9 programs covering 178 employees have been conducted for employees who were promoted during last few years.

Project Sankalp (Operation and Distribution)

Project Sankalp has been conceptualized with the spirit of “Behavior as an enabler for Safety”. It is aimed at creating sensitivity towards Safety and developing safety related technical and behavioral competency framework for non-management employees in Operations & Distribution Locations. Building on the success in last few years, advanced training was conducted followed by a comprehensive assessment of competencies, which helped in increasing the Safety Quotient substantially.

Project Shapath (LPG)

“Project Shapath – Our Safety Promise”, is an initiative for enhancing safety based competencies of the Non-Management workmen at the LPG Plants. During 2015-16, Safety Assessment was conducted at LPG Plants, post which 897 employees representing 100% of workmen were covered through advanced training across all LPG plants.

Gyan Jyoti

With aim of making workmen across the country competent in computer usage by providing them training on basic computer skills, an initiative christened GYAN JYOTI has been launched. Phase I of the program covering basic computer knowledge and skills and Phase II covering usage of various internet and intranet applications, apps on smart phones as well as usage of e-mail IDs has been carried out for locations across the country ensuring 100% coverage. Encouraged by the positive response, a number of mobile based applications (m-HR) empowering employees across demographics have been designed and implemented.

Shreshtha

“Project Shrestha” aims at giving personalized attention to managerial developmental needs of LPG Plant Managers and equipping them with skills to improve their engagement levels and creating a culture of safety at their locations, thus, making a positive and sustainable impact on plant performance.

During 2015-16, workplace climate survey was conducted for LPG Plant Managers which met with response rate of 84%. Based on the survey findings, customized managerial and leadership development contents established on principles of self-discovery, building effective teams and workplace safety have been delivered to all the LPG Plant Managers in three different contact programs of 4 days each.

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Daksh

Project Daksh is aimed at developing techno-behavioral skills customized to the specific needs of Operations and Distribution Location Heads, Depot and Terminal Heads. During 2015-16, workplace climate survey covering the parameters like Communication, Involvement, Personal appreciation of risks, safety rules has been conducted for all O&D locations, covering the first phase of need analysis. Concerted interventions are now being designed to enhance engagement and skills.

Leadership development program for Union leaders

As part of Organization's Capability building interventions and to develop second line of internal Union leadership. During 2015-16, 2 training programs titled "जीतेंगे हम साथ साथ" (Together We Win) Covering 57 Union Representatives were conducted. The one week comprehensive training programme covered various aspects of role of trade unions in Emerging economic scenario, Leadership, Organisation Building and Managing Change.

HP CONNECT workshop

"HP Connect Workshop" has been designed for Union Office Bearers with an objective of equipping them with the requisite knowledge about the organizational long-term strategies, future business projects, productivity improvement initiatives, competency building initiatives for unionised staff and various strategically important initiatives. The Office Bearers, acting as change agents, collaborate with HP-HR in dissemination of the knowledge to all workmen across locations. During the year, 7 workshops covering large number of employees including Office bearers of All India HP SC/ST Employees Welfare Association & All India HP OBC Employees Welfare Association have been conducted.

INNOVATION

To explore and propagate the concept of technological creativity that will help processing, service and manufacturing industries in their pursuit for accelerated growth, a symposium on technological innovation & entrepreneurship was organized. The innovations and the best practices adopted by many industries like Force Motors, John Deere, Taxi for Sure, Century Enka, Thermax, etc., and HPCL were shared and show-cased at the 2 day event through deliberations, paper presentations, panel discussions, key note and plenary sessions.

TALENT SOURCING AND ACQUISITION

To meet the strategic priorities identified as part of Vision 2030, a need was felt to identify, recruit and develop high potential incumbents in the Corporation. Accordingly Group Task was included as one of the selection tools to assess the behavioural competencies of entry level candidates.

To achieve operational excellence, extensive enhancements were carried out in pre and post recruitment online applications to improve controls and bring about increased transparency in talent sourcing.

'Samavesh' (Induction Program)

Samavesh is a flagship program conducted for the new Officer Trainees/Officers to introduce them to Corporation's strategic objectives, develop an understanding about each SBU, its business and ensure a smooth transition from academic to corporate culture. To integrate new hires with the organization's culture, values and the spirit of HP FIRST, interventions were introduced in the form of Audio Visuals featuring motivational clips and experience sharing by SBU heads and officers from previous batches representing different SBUs.

PERFORMANCE MANAGEMENT

Existing Performance Management process was revisited and it was envisaged to make the goal setting process more robust keeping in view the Strategic Objectives of each Business unit (BU). Towards bringing about objectivity in the appraisal process, "Relative Assessment" was introduced to enable fine grained distinctions regarding performances of various officers.

HP-HR is focused on creating High Performance work culture by aligning all employees towards the common organizational objective through a structured process and people intervention christened PACE.

HP PACE helped to translate the Corporation/ SBU's strategy into operational terms by standardizing the goal setting process and made the evaluation process very transparent and objective. The process also helps to get deeper insights on individual/ team/ SBU performance through robust analytics.

REWARD & RECOGNITION

Outstanding Achievement Awards scheme is implemented every year with the objective of rewarding and recognizing officers who have achieved exceptional results and have displayed extraordinary commitment during a particular year in pursuance of Corporation's business interests. The scheme recognized officers under several themes including innovation and safety. In addition, runner ups in the scheme are recognized under a certification program called 'You Have Done Well'. A special

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recognition scheme 'Spot the Brilliance' has been instituted to recognize those officers who take concerted efforts to appreciate others thereby fostering a culture of appreciation.

The most salient feature of Outstanding Achievement Awards is the participation of the peers in the assessment process for identifying winners. Their involvement enhances the objectivity of the assessment, improve inclusiveness, and build credibility of the reward and recognition scheme thereby making it meaningful to the employees.

During 2015-16, 567 officers have been nominated and 55 officers were recognized with Outstanding Achievement Award. Under the 'You have done Well' category 41 officers were recognized and under the 'Spot the Brilliance' Scheme 11 officers were felicitated.

IMPROVEMENT IN INDUSTRIAL HARMONY

Productive Industrial Relations has been identified as a key focus area for progress and success of the Corporation. Smooth & unhindered operation enables optimum utilization of resources, improvement in workplace efficiency & productivity and helps in sustainable growth. HP-HR acknowledges the importance of Union Leadership who have consistently demonstrated maturity in collaborating for fostering rapid growth of the Organization by enabling deployment of new technology initiatives, productivity improvement initiatives, redeployment and fostering an environment of industrial peace for achieving organizational objectives.

HPCL has ensured focus on maintaining cordial relations with the union representing the non–management staff through continuous engagement and open communication. HPCL considers them "Partners in Progress" and as such they are involved in important decision making processes and initiatives

Harmonious and cordial environment at workplace has led to trusting relationship between Management and unions. The unions proactively understands the business requirements, enlists the support from all unionized employees and support Management. In line with this spirit a total of 28 settlements entailing redeployment of manpower, pursuant to closure of operations, operation / maintenance through other sources, commissioning of new shifts etc. have been signed in a very cordial environment.

HPCL Trust for Promoting Industrial Harmony has instituted prestigious Shri Raja Kulkarni Samman to recognize outstanding contribution of Union Leaders in the arena of Industrial Relations. During 2015-16, three employees were recognized for their outstanding contribution towards promoting industrial harmony.

HPCL has taken the initiative for payment of wages of Contract Labourers engaged by the Contractors through the e–payment mode. Special camps were conducted at various Locations for opening of Bank Accounts and enrolment of the contract labourers under the Pradhan Mantri Jan Dhan Yojna (PMJDY) for facilitating e-payment.

Towards ensuring all the contract workmen have Permanent ESIC – Pehchan Card, Mumbai Refinery organized exclusive "Pehchan Card Camp" in coordination with ESIC. A team of officials from ESIC camped at Mumbai Refinery to assist the contract workmen for making the Pehchan Cards. Around 1600 contract workmen availed the benefit of the Camp.

EMPLOYEE ENGAGEMENT INITIATIVES

To enhance employee engagement and strengthen bond with the extended HP families, HP-HR initiated a number of interventions in order that the families take pride in being associated with HPCL. Engagement interventions across demographics have been implemented for ensuring holistic inclusion.

Yuvantage

Yuvantage, a Youth Engagement Initiative was conceived with an objective of developing young officers into multi-faceted personalities. During 2015-16, Yuvantage 2.0 has been initiated with a range of initiatives, for engaging young brains and showcasing their talents in various fields.

PRODUCTIVITY ENHANCEMENT INITIATIVES

Project Utkarsh (LPG)

Project UTKARSH is a longitudinal and integrated initiative, aiming at bringing about significant productivity improvements through involvement of frontline workmen and Managers in collaborative manner. Since its implementation in 2009, the average production rate per hour has increased by more than 35%. Similar improvements have been recorded in other parameters like increase in number of LPG plants crossing productivity threshold.

Project Utkrist (Operation and Distribution)

Project Utkrisht is aimed at improving the overall efficiency of Operations and Distribution locations by implementing collaborative approach of Total Quality Management, Total Productivity Management, Six Sigma and participative management. This project has resulted in improvement in number of productivity parameters, like, increase in Bay filling rate by 63% from base line and decrease in Tank Truck turnaround time from 104 minutes base line figure to 48 minutes.

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Project Uttam (Direct Sales)

Project Uttam aims at improving processes and people involvement to enhance productivity. Dedicated efforts has resulted in enhancements in number of parameters, like, blending throughput which has increased for grease and process substantially from 2013 to 2015. Considerable improvements have been observed in other parameters like drum filling and small filling.

CUSTOMER CENTRIC INITIATIVES – COLLABORATION WITH SBUS

JI HAAN, Samarth & Samvad (LPG SBU)

"Ji Haan Samarth" program is designed to and aims to equip LPG Deliverymen with the requisite skills, knowledge and attitude to perform job and to succeed in their various roles. "Samvad" program aims to sensitize the customer service cell staff of LPG Distributors on various types of customers and equip them with skills to handle grievances in an effective manner. The ultimate objective of both programs is to give HP GAS customers a unique and differentiated customer experience. 3035 LPG Delivery Men in 84 Jihaan Samarth programs and 1590 Customer Service Cell staff in 38 Samvad programs were trained in 2015-16.

Sada Aap Ke Liye (RETAIL SBU)

SAKL aims at imparting knowledge on Standard Operating Practices and engaging "forecourt Sales Men" as a key SOP implementers at the retail outlets. During 2015-16, a total of 7232 FSMs were trained.

Snehak Shivir (Direct Sales SBU)

Snehak Shivir aims at enhancing techno behavioral skills to the staff engaged by the Lube Distributors. 346 participants were covered in 19 programs of Snehak Shivir in 2015-16.

OTHER INITIATIVES:

Swachh Bharat Abhiyan

HPCL participated enthusiastically in Swachh Bharat Abhiyan with the aim to maintain cleanliness at all places and making India clean. Under Swachh Vidyalaya Abhiyan, 1168 school toilets have been constructed in the year 2015-16 in states of Andhra Pradesh, Assam, Bihar, Chhattisgarh and Odisha majorly. HPCL has also constructed community toilets at Mumbai and Varanasi under Swachh Bharat Abhiyan. Efforts have been taken to maintain the toilets in a sustainable manner. Employees across business locations have participated on a regular basis in various activities promoting objectives of Swachh Bharat Abhiyan. Walkathons, awareness campaigns, competitions, and school based activities involving students and teachers, street plays etc. have been organized at offices and communities by employees in collaboration with NGOs, Local Governments and specialized agencies. A waste to fuel plant is planned at Ajmer.

SC/ST Welfare & Liaison

During 2015-16, welfare initiatives designed for the SC/ST/OBC communities have been undertaken by HPCL which included interventions on knowledge dissemination through distribution of books on Indian Constitution, speeches of Dr. B R Ambedkar etc., supporting economically backward students including disabled students through grant of scholarships, holding of health camps, distribution of water and food etc.

With the view to enhance occupational mobility for SC/ST youth and shifting to modern and high yielding economic activity, Entrepreneurship Development Project (EDP) for SC/ST was undertaken. As a pilot project, a small group of 35 youth were trained to create foundation and establish a business line. Under this project, few startup companies were registered on September 2015. Further, towards the objective, guidelines were approved for awarding Trial Contracts / Orders on Competitive basis against Limited Tender to the trained SC/ST Self-Entrepreneurs.

OVERVIEW OF SPORTS ACTIVITIES AT HPCL

HPCL is promoting sports at different levels in the Corporation and participates in various Petroleum Sector Sports Promotion Board (PSPB) tournaments. The company organizes tournaments for employees, conducts cricket coaching camp, and has many awards and incentives for employees and their children showing excellence in sports at various tournaments at national and international levels.

As a part of CSR activity, HPCL takes young promising players on need-base on Contract and Scholarship basis and encourages them to accomplish their goal in their respective games. HPCL has taken such players in different games such as Athletics, Badminton, Chess, Cricket and Table Tennis. Many of our Contract/Scholarship sports persons are performing exceeding well at national and international levels.

During the year 2015-16, Team HPCL participated in various PSPB tournaments in Athletics, Badminton, Bridge, Carrom, Chess, Cricket (Men & Veterans), Football, Golf, Table Tennis and Tennis & All-India Public Sector Sports Promotion Board (AIPSSPB) tournament in Cricket & Carrom. Besides participating in these tournaments, HPCL also hosted Chess and Table Tennis PSPB Tournaments and AIPSSPB Carrom tournament.

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M. RIGHT TO INFORMATION (RTI)

HPCL is a Public Authority under the RTI Act 2005. In compliance with the requirements of the Right to Information Act 2005, HPCL has put in place a web based RTI workflow system and a comprehensive mechanism for handling RTI applications. Officers across the country, representing different departments have been appointed as Central Public Information Officers (CPIOs) and First Appellate Authorities (FAAs) to handle the RTI requests received from Indian Citizens. The requirements of the RTI Act 2005 are duly complied with, including the portion related to proactive disclosures.

N. CORPORATE SOCIAL RESPONSIBILITY

HPCL believes that business and society are interdependent and must coexist. At HPCL, Corporate Social Responsibility (CSR) is about a responsible business approach that creates shared values by taking into consideration the social and environmental concerns of business operations. The Corporate Vision and Mission are the guiding principles and are fundamental to HPCL leadership's decisions and actions. The commitment and involvement of stakeholders of the organization have resulted into effective mechanism of service delivery on CSR front.

Intervention models that have the potential to sustain its outcomes and create a long-term impact, not only on the beneficiaries, but also on the root social factors, are given utmost support and encouragement. HPCL undertakes CSR projects that create empowered individuals and communities through sustainable social and economic development. The efforts are directed to create prosperous, healthy and educated communities. With the aim to make a lasting impact, HPCL partners with reputed organizations that are committed to social development in their respective fields. HPCL aims to realize its social commitments by enabling collaboration between individuals and organizations, providing access to essential services that help to promote economic empowerment and improve the delivery and quality of childcare, healthcare and education to underserved communities.

Initiatives of the organization are broadly classified in six Focus Areas of Child-Care, Education, Health Care, Skill Development, Sports and Environment & Community Development. Under the above thematic focus areas, HPCL as a responsible citizen, has been contributing towards the betterment of the society.

CHILD CARE

HPCL firmly believes that society should never ignore the needs and rights of the children and hence has been engaged in interventions for children living under difficult circumstances, children with special needs and those groups of children of the society who are vulnerable and need specific support.

Children with Special Needs (Adapt)

To see the ability beyond the disability and ensure equal opportunities and dignity to differently abled requires effort, awareness and mobilization beyond addressing only medical needs. It is in this spirit that HPCL through this program supported the Inclusive Education, therapeutic needs and vocational training of differently abled children. In the year 2015-16, HPCL provided support to 300 children.

EDUCATION

HPCL's initiatives in the field of education have been manifold with a larger impact on various sections of society through projects Nanhi Kali, Akshaya Patra and Unnati. The approach of HPCL has been to address the root causes that impends the process and aims to make education accessible to all. In the field of education, HPCL, primarily focuses on girls and under privileged students in society. The projects cater to basic needs of students, like, academic kits, mid-day meals, hygiene kits, etc. The uniqueness of these projects is that, through implementing partners, the scope of the project spans to the children from marginalized sections of urban, semi-urban and rural populace.

Nanhi Kali

Encouraging girl child education and promoting gender equality among communities is one of the challenges of our society. HPCL's intervention to this growing issue includes providing material support to first generation girl child learners from communities which are educationally and economically backward. The major important aspect of the project is to provide academic and social support to girl child to continue education and to meet challenges of modern educational setup. The social barriers of education for girls are eradicated through constant engagement at family and village level and a support network for girl child is created which enables her to start and 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. HPCL has supported 11000 Girls in the year 2015-16.

Management Discussion & Analysis Report

Akshaya Patra

HPCL CSR is bridging the gap by providing hygienic and nutritious food to students from rural areas of the country through specialized agencies. This program has addressed a vital requirement of young children from rural areas belonging to economically marginalized section who are studying in government schools. The program has resulted in higher enrolments and negligible drop-outs from government schools. In 2015-16 HPCL supported 12000 students under this project.

Unnati

In today's scenario where e-literacy has become as important as literacy itself, HPCL has partnered with specialized agencies to provide computer awareness and basic education to first generation computer learners in semi-urban and rural areas. The project is also committed in supporting the Digital India Campaign of Government of India. Beyond just providing classroom-teaching, the sustainability of the project is also ensured by following the "Training the Trainer" Model wherein the school teachers are also trained. This program has widened the horizons of education as well as future employability for these underprivileged children. During 2015-16, HPCL has been able to provide computer training to 5000 students from different states of the country.

HEALTH CARE

Proper and adequate Healthcare facilities are still inaccessible to many sections of the society due to several reasons. Through some of our initiatives we have tried to address these issues involving diverse intervention strategies, aimed to provide basic healthcare facilities to the less privileged groups of the community.

Dil Without Bill

Under the project Dil without Bill, free-of-cost heart surgeries are performed for patients from poor socio–economic backgrounds, giving preference mainly to children. Awareness and follow-up camps are also conducted at various cities and towns throughout the year that helps this project to reach out to the needy patients. During 2015-16, HPCL has supported cost free treatment of 800 patients from various parts of country.

Suraksha

Long Distance Truckers (LDT) are among the most vulnerable group for infectious and deadly HIV/AIDS disease. Therefore HPCL's intervention through the Khushi Clinics set up at various retail outlets on the highways has proved to be a rational intervention for this vulnerable group. The Khushi Clinics apart from providing basic medical facilities for the trucker's crew at the highways, also provide AIDS awareness, STI treatment, social marketing of condoms, counselling, etc. to ensure holistic health and well-being of the truckers. During 2015-16 HPCL has operated 7 Khushi clinics that are aimed to provide health care services to truckers and crew on Highways.

Sushrut Hospital

Sushrut Hospital is a Multi-speciality hospital governed by Chembur Hospital Project Trust (CHPT), Mumbai and is being supported by HPCL since a number of years. Sushrut Hospital and Research Centre endeavors to provide medical treatment that is safe, ethical and affordable for all. It offers comprehensive medical and surgical care by renowned doctors and experienced staff using state-of-the-art technology.

Dhanwantari

Project Dhanwantari is designed to meet basic medical needs of people in rural areas and offer consultation / referral from professional doctors. HPCL CSR provided 16 Mobile Medical Vans in the remotest and most backward villages as well as in urban slums of Odisha, Bihar, Maharashtra, Andhra Pradesh, Jammu and Kashmir, Delhi, Uttar Pradesh, Jharkhand, West Bengal and Rajasthan. Through this partnership, HPCL has ensured medical facilities at the doorsteps of villagers.

SKILL DEVELOPMENT

Ensuring the employability and availability of employment opportunities for youth is of prime importance, not only for individuals but also for the growth of the entire nation. HPCL, through its various partners, has also been exploring diverse options to build the capability and employability of the underprivileged youth.

Swavalamban

HPCL created a forward-backward integration model for skill development by identifying the needs of industries and training youth in requisite skills to ensure maximum employment for skills provided. In line with market driven demand for skills, various courses like electrical, welding, hospitality, driving, tailoring, beautician course, etc. are identified and accordingly skills are imparted to underprivileged youth through Swavalamban project. The project also provides soft skills required to youth to sustain employment and earn a livelihood for themselves and their family. Through the project, HPCL reached out to 3750 youth with its centers in different locations across the country.

Management Discussion & Analysis Report

EMPLOYEE ENGAGEMENT IN CSR PROJECTS

Employees are a crucial part of CSR projects and drive the initiatives passionately. They have contributed in implementation of the project as Project Leaders and Assistant Project Leaders and took the onus of the project to make it more effective on ground through regular evaluation and monitoring the implementation process. Field Officers have undertaken several CSR activities and their consistent efforts resulted in largely addressing the issues faced by communities living close to the business locations. HPCL organized 'CSR Month' to encourage participation of employees from all India locations in various CSR related activities that have contributed to the welfare of various socially and economically weaker social groups.

DEVELOPMENT OF SC/ST COMMUNITIES

The CSR activities at locations around HPCL installations have contributed enormously to community development and sustainable growth of underprivileged communities. 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 activities with special focus on all round development of SC, ST and OBC communities. These projects and field activities undertaken by HPCL aim to provide basic amenities in the areas with high concentration of people from SC, ST and OBC communities. Highest ever scholarship was distributed among meritorious students of these communities during 2015-16.

O. OFFICIAL LANGUAGE IMPLEMENTATION

The Corporation gives significant importance towards implementation of Official Language. Technology is leveraged to enhance usage of Official Language. Many of the automated e-mails are sent in-bilingual language.

Through Hindi Mahotsav, Official Language Conferences, competitions and Hindi workshops, HPCL creates awareness among its employees for progressive use of Hindi. HPCL has headed Mumbai Town Official Language Implementation Committee (PSU) since 1983 and got awarded by Official Language Department Government of India and also received appreciation from Secretary-Official Language, Ministry of Home Affairs. HPCL has bagged 26 awards in Official Language Implementation, including Petroleum and Natural Gas Official Language Shield for last two consecutive years, thus, maintaining a leading position in the entire Oil and Gas Industry for which special appreciation has also been received by Ministry of Petroleum & Natural Gas.

P. AWARDS RECEIVED

1. "Reader's Digest Trusted Brand 2015 Gold award" in Petrol Station category for 10th consecutive year
2. "Petrofed Oil & Gas Pipeline Transportation - Company of the year" Award 2014 for fourth consecutive year
3. "Consumer Superbrands India 2015" award to HP GAS for second consecutive time
4. "Energy Efficient Unit award" for Mumbai refinery at National Awards for Excellence in Energy Management 2015 by Confederation of Indian Industry (CII)
5. "Global HR Excellence Award" for Organization with Best Employee Relation Practices by World HRD Congress
6. "National Award for Excellence in Cost Management – 2014" under the category of 'Public Manufacturing : Organisation (Large)' by The Institute of Cost Accountants of India (ICAI)
7. "Near Miss Incident Reporting - POL Marketing Organization Award" & "Best POL Marketing Organization Award (Runner up)" by OISD
8. OISD Award to Mundra Delhi Pipeline (MDPL) for "Best Overall Performance in Safety for the Year 2013-2014" for 5th consecutive year
9. "Golden Peacock Award 2016" in Innovative Product/ Service category for Packtrack portal rolled out by Direct Sales SBU
10. "Pratham Puraskar" from Ministry of Petroleum & Natural Gas (MOP&NG) for best Implementation of Official Language during 2014-15
11. "Forecourt Retailer of the Year" award for the 8th time at Star Retailer Awards 2015
12. "100 Most Valuable Brands" trophy to HP GAS for the third consecutive year
13. "Excellence in Practice" award for Project Utkarsh by Association for Talent Development , USA
14. "Supply Chain & Logistics Excellence 2015" award from CII
15. FICCI Award for "Sustainability and Excellence in Safety" for HSE Innovations viz. near Miss Reporting, HSE Index, MOC, SIL etc.

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16. "Master Brand Award for Club HP" , "Marketing Excellence Award in Retail Sector" & "Best Loyalty Programme award for Drive Track Plus" at Global Marketing Excellence Awards 2015 by World Marketing Congress
17. "Bunker Operator of the Year" award by Cochin Port Trust
18. "Leadership Excellence Award 2016" for Ji Haan Samarth and Samvad programs, by HR.Com under Best 3rd Party Channel Partner/ Customer Training Program category at Nashville, USA.
19. Commendation Certificate to Visakh Vijayawada Secunderabad Pipeline (VVSPL) at "Rajiv Gandhi National Quality Awards" under large scale service sector.
20. "Award for Excellence in Corrosion Management" at FICCI Chemicals and Petrochemicals Awards 2015
21. "Best Technology Initiative/ Implementation award" for MyHPCL mobile app and "Retailer of the Year (Forecourt Retailing) Award" at Business Excellence Awards 2015 by Asia Retail Congress
22. "Excellence in Overall Performance" award by M/s Bosch and "Certificate of Appreciation for Commendable Performance" by M/s John Deere
23. "Excellence in Training & Development" award by Asia Pacific HRM Congress
24. "Sustainability award for Excellence in Safety" to Mumbai Pune Solapur Pipeline (MPSPL) and Visakh Vijayawada Secunderabad Pipeline (VVSPL) and award to VVSPL for "Commendable work for changing public perception in Petrochemicals Sector" at FICCI Chemicals and Petrochemicals Awards 2015
25. "Quality Excellence Award for Customer Loyalty Program" & "Quality Excellence Award for Best Retail Company" at Stars of Industries Awards 2016
26. Employers' Federation of India (EFI) National Awards for "Excellence in Employee Relations for the year 2015 " in Pan India category
27. Asia's Best Employer Brand Awards 2015 in 4 categories - (1) "HR Leadership award"(2) "Organization with Innovative HR practices" (3) "Asia's Training & Development Excellence Award for Project AKHSAY" & (4) "Best development program in Public sector for Workers for Project UTKARSH"
28. "Best HR Initiative" award for Yuvantage program in Bronze Category at the Stevie's International Business Awards at Canada.
29. "Greentech Platinum award 2015" in Safety Excellence
30. Cherlapally LPG bottling Plant achieved the distinction of becoming the First LPG plant in India to get the "GreenCo Silver Rating" from CII
31. "Excellent Rating" by National Safety Council of India (NSCI) to MDPL. MDPL has become the first in country to achieve the highest "Five Green Triangle Rating" by NSCI.
32. "Greentech Safety Award" to MPSPL, VVSPL and MDPL in GOLD Category.
33. "Greentech CSR Award 2015" to VVSPL in Gold Category.
34. "Greentech Environment Award 2015" to MPSPL in Silver Category for Petroleum Storage & Transportation.
35. MDPL Group of Pipelines (Mundra Delhi Pipeline, Ramanmandi Bahadurgarh Pipeline, Ramanmandi Bathinda Pipeline and Awa Salawas pipeline) awarded winner of "NSCI Safety Awards 2015" under bronze category for the second consecutive year
36. Cerificate of Appreciation for VVSPL at "NSCI Safety Awards 2015"
37. MDPL awarded winner under merit category by British Safety Council at "International Safety Awards 2016" for the third consecutive year
38. "Golden Peacock Occupational Health & Safety Award" for Mazgaon lube plant
39. Visakh LPG terminal and Paharpur LPG Plant awarded winner of 14th Annual Greentech Safety " Gold " and "Silver" awards respectively by M/s Greentech Foundation for outstanding achievement in safety management
40. "Unnatha Suraksha Puraskara" for MLIF, Mangalore and Mysore LPG Plants at Safety Awards 2015 in LPG Plant Category from National Safety Council (Karnataka Chapter).
41. OGCF Award to State Level Coordinator (SLC) of Telangana and Andhra Pradesh with "Best Overall Performance Award among the big states" (Category-I) and SLC - Delhi with "Best Overall Performance Award among small states" (Category-II)

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42. "National Safety Council Award" to Usar LPG Plant for 'Lowest Average Accident Frequency Rate' and 'Longest Accident Free Period' under the category of Storage, Handling and Distribution of Petroleum Products by National Safety Council (Maharashtra Chapter).
43. "Greentech Safety Award 2015" and "National Award for Manufacturing Competitiveness 2014 -15" for both Mazgaon & Silvassa lube plants
44. "Certificate of Merit" to Vashi White Oil & Black Oil Terminals for third consecutive year by National Safety Council (Maharashtra Chapter)

Q. 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.

R. INTEGRITY PACT

The Corporation has complied with "Integrity Pact" (IP) to enhance ethics / transparency in the process of awarding contracts. An MOU has been signed with "Transparency International" on July 13th 2007. HPCL has implemented the Integrity Pact with effect from September 1st, 2007. The Integrity Pact has now become an integral part of procurement process for all tenders above Rs. 1 crore.

S. 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.

As a 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 minimization procedures and periodical review to ensure that executive management controls risks by means of a properly defined framework.

T. GLOBAL COMPACT

HPCL is also a member of the Global Compact Society of India which is the India Unit of the UN Global Compact, the largest voluntary corporate initiative in the world. If 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.

U. OUTLOOK

As per the latest World Economic outlook 2016 of IMF, Global growth is projected at 3.3 percent in 2016, marginally lower than in 2015, with a gradual pic-up in advanced economies and a slowdown in emerging market and developing economies. In 2017, growth is expected to strengthen to 3.8 percent.

In emerging market economies, the continued growth slowdown reflects several factors, including lower commodity prices and tighter external financial conditions, structural bottlenecks and rebalancing in China.

India's growth outlook has improved since May 2014, helped by lower uncertainty and improved business confidence. These developments have been accompanied by revival in investment and industrial activity. GDP growth appears to have accelerated after the new initiatives announced by the Govt. of India.

The crude oil prices hovered in USD 60 per Barrel during year end and showing signs of weakening as there is not much of hindrance in supply accompanied by a weaker demand for oil. Domestically the expectation of pick up in Diesel demand is yet to materialise immediately and the expectation is that it may happen during the course of the coming year. Not much volatility is seen in the Exchange rate of the Rupee. With continued lower oil prices accompanied by deregulated Petrol and Diesel markets, the prospects for the downstream companies are expected to be positive.

V. JOINT VENTURE COMPANIES AND SUBSIDIARIES

The Joint Venture companies and subsidiaries of HPCL have performed well during the year 2015-16. The details of performance of subsidiary and joint venture companies are given hereunder:

Management Discussion & Analysis Report

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 2016, 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.

The financial year 2015-16 was a year of scaling new milestones of success in HMEL's growth journey wherein it reported its best ever physical and financial performance. During 2015-16 HMEL processed 10.71 MMT of crude oil achieving a capacity utilization of 119%. HMEL has reported consolidated total revenue of Rs. 29,789 crore and Profit after tax of Rs. 1,826 crore.

A low Cost Expansion Project was initiated during 2015-16 which will create new capacities to deliver higher production and greater profitability. The expansion will increase the name plate refining capacity from 9 MMTPA to 11.3 MMTPA, thereby enhancing refinery throughput by about 25%.

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 Gas and Power India (a wholly owned subsidiary of Total, France). HPCL holds 50% equity stake in SALPG with Total Gas and Power India as equal partners.

SALPG commissioned an underground LPG Cavern Storage of 60 TMTPA capacity and associated receiving & despatch facilities at Visakhapatnam in December 2007.

During 2015-16, SALPG Cavern received 1.342 MMT of LPG as compared to 1.073 MMT during previous year, registering a growth of 25%. SALPG has achieved a total revenue of Rs. 198.45 crore and recorded a net profit of Rs. 95.28 crore.

SALPG has been continuously paying dividend for the last 6 years. For the year 2015-16, SALPG Board has recommended a dividend of Rs. 5.50 per share.

Prize Petroleum Company Ltd (PPCL)

Prize Petroleum Company Ltd (PPCL) is a wholly owned subsidiary and 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 signed Service Contract with ONGC for development of Hirapur Marginal Field in Cambay Basin with 50% holding in the consortium and is also the operator for the Marginal Field. PPCL has also entered into a Production Sharing Contract (PSC) in Sanganpur Block as a Joint Operator with 50% Participating Interest.

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

During 2015-16, PPCL achieved total production of 38,517 barrels of crude oil from the two domestic oil fields. PPIPL has registered a significant increase in production by achieving its share of production of 4,60,068 BoE (Barrels of Oil Equivalent) from Yolla Producing Field (T/L1) as compared to 1,22,164 BoE last year.

During 2015-16, in spite of fall in international oil and gas prices, PPCL has achieved an increase in revenue to Rs. 82.71 crore on consolidated basis as compared to Rs. 33.45 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. The Company is involved in the Business of manufacturing and marketing Bitumen derivatives. HINCOL is the Market Leader in Bitumen Emulsion business in India and also undertakes Road maintenance activities like Micro-surfacing and Slurry sealing.

HINCOL owns and operates 8 strategically located, ISO 9001/14001 & OHSAS 18001 certified Plants. The company acquired its 9th Plant from M/s Shell India Markets Private Limited at Uluberia in the State of West Bengal in March'16. It rolled out Key Account Management (KAM) process last year aimed at enhancing service delivery to top-tier Road Construction Companies besides a number of measures to reduce cost and enhance productivity & safety. It carried out successful trials using environment-friendly, all-weather `Cold Mix' applications for construction of Rural Roads in Himachal Pradesh, Chhattisgarh, Orissa, Maharashtra and Kerala in association with local Engineers from PWD/ Pradhan Mantri Gram Sadak Yojana (PMGSY). It developed a new product `Trackless Tack Emulsion' that allows faster paving besides improving pavement strength.

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HINCOL recorded a sales volume of 206 TMT during 2015-16 registering a growth of 13% over historical. It achieved a total revenue of Rs 677.9 crore. The PAT of the Company stood at Rs 76 crore during the year with an increase of 55% over the previous year.

HINCOL has been paying dividend for the past 16 consecutive years. It declared a total dividend of 409% for 2015-16. Highest ever Sales volumes, EBITA, PAT, ROE and Book Value were achieved during 2015-16. The JV continues to remains a `Zero-debt' entity.

During 2015-16, HINCOL completed its 20 years of existence. During last 2 decades, the JV has grown from its infancy to a position of strength. Today, brand HINCOL is synonymous with Bitumen Emulsions in the highly competitive and fragmented Indian Market, well respected for its Product quality & Services. The Company has chartered a course of consolidation in its existing core Business besides exploring new opportunities in the Roads & Infrastructure Sector for sustaining future growth.

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 manufacturing of ethanol for blending in petrol. HBL presently has two integrated sugar – ethanol cogeneration plants at Sugauli and Lauriya in East Champaran and West Champaran Districts respectively in the state of Bihar.

During 2015-16, HBL has recorded total revenue of Rs 161.64 crore and cane crushing of 480 TMT with highest ever average sugar recovery of 9.22%. On production front, HBL achieved sugar production of 44,236 MT, ethanol production of 8,534 KL and power production of 48.628 Million Units.

CREDA-HPCL Biofuel Ltd (CHBL)

CREDA-HPCL Biofuel Ltd (CHBL) is a subsidiary company of HPCL. 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. CHBL was formed to venture into alternate fuels through the process of undertaking cultivation of Jatropha plant (an energy crop used for production of bio-diesel) on land leased from the Government of Chhattisgarh.

During 2015-16, in view of non-viability of operations, all business activities of CHBL including cultivation and maintenance of Jatropha plantations have been suspended.

Petronet MHB Ltd (PMHBL)

PMHBL is a joint venture company wherein HPCL has an equity stake of 28.8% along with ONGC (28.8%) and PIL (7.9%) with balance 34.5% of equity being held by leading banks. PMHBL owns and operates a multiproduct pipeline to transport MRPL's products to the various parts of Karnataka.

During 2015-16, PMHBL has achieved highest ever throughput of 3.318 MMT as compared to 3.141 MMT during previous year. PMHBL has reported highest ever total revenue of Rs163.46 crore as compared to Rs. 145.25 crore in the previous year and recorded a net profit of Rs. 62.15 crore as compared to Rs 34.09 crore in 2014-15. All carried forward past losses have been wiped out.

Bhagyanagar Gas Ltd (BGL)

BGL is a joint venture company incorporated to implement CGD projects in the states of Andhra Pradesh and Telangana. HPCL has 49.97% equity stake in BGL with GAIL as equal partner. As on 31st March 2016, BGL operates 33 CNG stations in the cities of Hyderabad, Vijayawada and Kakinada and 1 Auto LPG station at Tirupati.

During 2015-16, BGL has achieved sales of 27,450 MT of CNG, 332 MT of PNG and 143.20 MT of Auto LPG. BGL has also reported a total revenue of Rs 109.91 crore and recorded a net profit of Rs. 5.40 crore.

Aavantika Gas Ltd (AGL)

AGL is a joint venture company incorporated to implement CGD projects in the state of Madhya Pradesh. HPCL has 49.97% equity stake in AGL with GAIL as equal partner. As of March 31, 2016 , AGL operates 20 CNG Stations - 4 Mother Stations, 9 Daughter Stations & 7 Online Stations in the cities of Indore, Ujjain, Gwalior and Pithampur.

During 2015-16, AGL has achieved sales volume of 17,220 MT of CNG and 6,358 MT of PNG. AGL has also reported a net revenue of Rs 115.17 crore and net profit of Rs 17.15 crore.

GSPL India Gasnet Ltd (GIGL)

GSPL India Gasnet Ltd (GIGL) is a Joint Venture of Gujarat State Petronet Ltd (GSPL), Indian Oil Corporation Ltd (IOCL), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Limited (HPCL). HPCL has 11% equity participation in the company and balance being held by GSPL (52%), IOCL (26%) & BPCL (11%).

Management Discussion & Analysis Report

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 Joint Venture of Gujarat State Petronet Ltd (GSPL), Indian Oil Corporation Ltd (IOCL), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Limited (HPCL). HPCL has 11% equity participation in the company and balance being 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 HPCL and M/s S P Ports Pvt Ltd [a wholly owned subsidiary of Shapoorji Pallonji Infrastructure Capital Company Ltd]. HPCL has a 50% equity stake in HSEPL with SP Ports Pvt Ltd as equal partner. As on 31st March, 2016, HSEPL's Authorised Share Capital is Rs. 50 crore and Paid up Share Capital is Rs. 23 crore.

HSEPL was formed to build and operate 5 MMTPA LNG regasification terminal at Chhara Port in Gir Somnath District of Gujarat. The project is estimated to cost Rs. 5,400 Crores to be funded by debt and equity in the ratio of 70:30. The key LNG terminal facilities includes Marine Facilities for LNG carrier berthing, 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 received Terms of Reference (TOR) for Environmental Impact & Risk Assessment (EIRA) study from Ministry of Environment & Forest (MoEF). National Environmental Engineering & Research Institute has completed EIRA study.

HSEPL has achieved financial closure of the Chhara LNG terminal project. Front End Engineering & Design (FEED) & other technical studies have been completed.

Mumbai Aviation Fuel Farm Facility 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 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. As of March 31, 2016, the overall progress of the integrated fuel farm project is about 36%.

The year 2015-16 was the first full year of operation for MAFFFL. A volume of 15.53 Lakh KL was handled. MAFFFL has registered a total Revenue of Rs. 115.07 crore and net profit of Rs. 17.94 crore.

HPCL Rajasthan Refinery Ltd (HRRL)

HPCL Rajasthan Refinery Ltd (HRRL) is a subsidiary company of HPCL. HPCL has 74% equity participation in HRRL and the balance 26% is held by Government of Rajasthan.

HRRL was incorporated for setting up a 9 MMTPA capacity Greenfield refinery and a petrochemical complex in the State of Rajasthan. At present the project is under review by a committee comprising officials from HPCL and Government of Rajasthan.

W. Mangalore Refinery and Petrochemicals Ltd (MRPL)

HPCL holds an equity of 16.95% in Mangalore Refinery and Petrochemicals Ltd (MRPL). MRPL operates a refinery of 15 MMTPA capacity at Mangalore, in the state of Karnataka. During 2015-16, MRPL has achieved total consolidated revenue of Rs 40,619 crore and recorded net profit of Rs. 710 crore.

X. 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.

Independent Auditors' Report

TO THE MEMBERS OF HINDUSTAN PETROLEUM CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of HINDUSTAN PETROLEUM CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information in which, is incorporated financial statements of Visakh Refinery, audited by the branch auditor, whose report has been considered in preparing this report.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

a) We refer to note no. 58 which indicates that the Company has less than the minimum number of Independent Directors required in terms of the provisions contained in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. Pending such appointment, these financial statements have been reviewed and recommended to the Board of Directors by the Audit Committee consisting of only one Independent Director; and

b) We refer to note no. 41 in connection with 21 Un-incorporated Joint Ventures (UJVs) involved in exploration activities, of which majority of UJVs are under relinquishment. The attached financial statements include Company's proportionate share in Assets and Liabilities, Income and Expenditure amounting to ₹ 19.98 crores and ₹ 123.41 crores, ₹ 0.47 crores and ₹ 20.22 crores respectively, as at March 31, 2016. In respect of these UJVs, the audited accounts are not available with the Company. The financial information has been incorporated based on un-audited 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
   (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, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 55 to the standalone 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; and
      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Sd/-
Atul Shah
Partner
Membership No.: 039569

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi
Dated : 27th May 2016

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 fixed assets.

(b) The fixed assets 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 fixed assets, other than self-constructed properties, are held in the name of the Company, except for the following:

(₹ In Crores)

Particulars	No. of Cases	Gross Block as at March 31, 2016	Net Block as at March 31, 2016	Remarks
Freehold Land	59	5.12	5.12	Title Deeds not available for verification
Leasehold Land	4	0.30	0.13	Title Deeds not available for verification
Leasehold Land	4	195.18	145.76	Legal formalities of registration of lease deeds pending
Jointly owned land – Lease hold	1	7.21	5.31	Legal formalities of conclusion and registration of joint ownership agreement pending
Total	**68**	**207.81**	**156.32**	
Buildings	11	4.95	3.15	Title Deeds not available for verification

(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 except old cases under dispute aggregating to ₹ 0.02 crores where the Company has complied with necessary directions During the year, the said amount has been transferred to Investor Education and Protection Fund. 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 at March 31, 2016 for a period of more than 6 months from the date they became payable.

(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**	12.16	1998 to 2011
	Appellate Authority*	2.15	1996 to 2015
	Supreme Court	40.78	2005 to 2007
	Total	**55.09**	

Independent Auditors' Report

Statute	Forum pending	Amount in Crores	Period to which amount relates
Central Excise	Tribunal**	325.50	1994 to 2015
	Adjudicating Authority ***	23.50	2004 to 2009
	Revision Authority	1.08	1999 to 2012
	High Court	3.95	1992 to 2008
	Appellate Authority*	12.04	1996 to 2015
	Total	**366.07**	
Sales tax/ Entry tax	Board of Revenue	3.07	2003 to 2013
	Appellate Authority*	3,085.13	1996 to 2015
	Adjudicating Authority ***	6.65	1985 to 2008
	Supreme Court	64.25	2002 to 2004, 2006 to 2008
	High Court	933.94	1979 to 2014
	Objection Hearing Authority	18.04	2008 to 2012
	Appellate & Revisional Board	0.57	2009 to 2010
	Tribunal**	5,315.95	1985 to 2011
	Total	**9,427.60**	
Service Tax	Appellate Authority*	0.80	1996 to 2015
	Tribunal**	67.45	2002 to 2013
	High Court	3.75	1981 to 2010
	Total	**72.00**	
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,

(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 financial statements as required by the applicable 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/-
Atul Shah
Partner
Membership No.: 039569

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W
Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi
Dated: 27th May, 2016

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 68 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>59</td><td>294.91</td><td>Title Deeds not available for verification</td></tr>
<tr><td>Leasehold Land</td><td>4</td><td>35.86</td><td>Title Deeds not available for verification</td></tr>
<tr><td>Leasehold Land</td><td>4</td><td>306.00</td><td>Legal formalities of registration of lease deeds pending</td></tr>
<tr><td>Jointly owned land – lease hold</td><td>1</td><td>37.00</td><td>Legal formalities of conclusion and registration of joint ownership agreement pending</td></tr>
<tr><td>Total</td><td>68</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 written off ₹ 9.62 crores. This includes ₹ 6.75 crores in respect of recoveries on account of Additional Sales tax on CST sales which is not recoverable as per the determination order passed by the Office of the Commissioner of Commercial taxes, West Bengal.</td></tr>
<tr><td>3</td><td>Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities.</td><td>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.</td></tr>
</table>

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Sd/-
Atul Shah
Partner
Membership No.: 039569

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi
Dated: 27th May, 2016

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, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and

Independent Auditors' Report

such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 sent to us and have been properly dealt with by us in preparing this report.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Sd/-
Atul Shah
Partner
Membership No.: 039569

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi

Dated: 27th May, 2016

Balance Sheet as at 31st March, 2016

₹ / Crores

	Notes	31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	339.01	339.01
(b) Reserves and Surplus	4	18,017.09	15,683.08
		18,356.10	**16,022.09**
(2) Non-Current liabilities			
(a) Long - Term Borrowings	5	10,633.48	14,855.83
(b) Deferred Tax Liabilities (Net)	6	4,810.46	4,103.60
(c) Other Long Term Liabilities	7A	9,450.58	8,286.61
(d) Long - Term Provisions	7B	431.27	581.47
		25,325.79	**27,827.51**
(3) Current Liabilities			
(a) Short - Term Borrowings	8	3,888.54	2,199.81
(b) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises	9	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	9	6,587.07	8,935.65
(c) Other Current Liabilities	10A	14,587.91	10,168.06
(d) Short - Term Provisions	10B	1,725.52	2,397.52
		26,789.04	**23,701.04**
TOTAL		**70,470.93**	**67,550.64**
II. ASSETS			
1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	33,211.12	28,852.05
(ii) Intangible Assets	12	234.65	210.76
(iii) Capital Work - in - Progress	13	1,876.94	3,474.42
(b) Non - Current Investments	14	6,000.06	5,867.52
(c) Long - Term Loans and Advances	15	1,573.40	1,429.86
(d) Other Non - Current Assets	16	86.03	116.55
		42,982.20	**39,951.16**
(2) Current Assets			
(a) Current Investments	17	4,994.62	5,378.97
(b) Inventories	18	12,709.12	12,972.26
(c) Trade Receivables	19	4,192.66	3,603.05
(d) Cash and Bank Balances	20	19.69	17.07
(e) Short - Term Loans and Advances	21	5,295.52	5,306.52
(f) Other Current Assets	22	277.12	321.61
		27,488.73	**27,599.48**
TOTAL		**70,470.93**	**67,550.64**
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

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/-
Atul Shah
Partner
Membership No. 039569

Place : New Delhi
Date : May 27, 2016

Statement of Profit and Loss for the Year Ended 31st March, 2016

₹ / Crores

	Notes	2015 - 16	2014 - 15
Revenue from Operations			
a. Gross Sale of Products	23A	197,744.28	217,061.11
Less : Excise Duty		18,463.21	10,680.74
b. Net Sale of Products		**179,281.07**	**206,380.37**
c. Other Operating Revenues	23B	290.12	245.81
d. Other Income	23C	1,138.05	1,706.15
Total Revenue (b+c+d)		**180,709.24**	**208,332.33**
Expenses:			
Cost of Materials Consumed		40,523.83	56,158.44
Purchases of Stock-in-Trade		115,948.43	129,278.36
Packages Consumed		287.81	231.40
Excise Duty on Inventory Differential		1,579.99	1,039.36
Transportation Expenses		5,367.18	4,998.75
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	24	177.40	3,749.44
Employee Benefits Expense	25	2,314.53	2,414.66
Exploration Expenses		20.84	27.13
Finance Costs	26	640.14	706.59
Depreciation and Amortization Expense	11 & 12	2,659.44	1,978.76
Other Expenses	27	5,446.04	3,599.79
Total Expenses		**174,965.63**	**204,182.68**
Profit Before Prior Period, Exceptional and Extraordinary Items and Tax		**5,743.61**	**4,149.65**
Prior Period Expenses / (Incomes)	28	5.54	(4.47)
Profit Before Tax		**5,738.07**	**4,154.12**
Tax Expense: (refer note # 38)			
Current tax		1,429.93	1,015.56
Deferred tax		565.78	432.77
Provision for Tax for Earlier years written back (net)		(120.38)	(27.47)
Total Tax Expenses		**1,875.33**	**1,420.86**
Profit / (Loss) after Tax for the Period		**3,862.74**	**2,733.26**
Earnings per equity share: (Basic and Diluted)		114.07	80.72
(2015 - 16 : EPS = Net Profit ₹ 3,862.74 Crores / Weighted Avg. no of shares - 33.863 Crores)			
(2014 - 15 : EPS = Net Profit ₹ 2,733.26 Crores / Weighted Avg. no of shares - 33.863 Crores)			
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 27, 2016

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/-
Atul Shah
Partner
Membership No. 039569

Cash Flow Statement For The Year Ended 31st March, 2016

₹ / Crores

		2015 - 16	2014 - 15
A.	**Cash Flow From Operating Activities**		
	Net Profit/(Loss) before Tax & Extraordinary Items	**5,738.07**	4,154.12
	Adjustments for :		
	Depreciation / Amortisation	**2,666.77**	1,971.15
	Loss/(Profit) on Sale/write off of Fixed Assets/ CWIP	**19.45**	(67.30)
	Amortisation of Foreign Currency Monetary Item Translation Difference	**251.61**	36.13
	Amortisation of Capital Grant	**(1.94)**	(0.55)
	Spares Written off	**0.41**	1.06
	Provision for Diminution in Value of Non - Current Investments	**282.10**	-
	Provision for Diminution in Value of Current Investments	**-**	(605.04)
	(Profit)/Loss on Sale of Current Investment	**35.86**	34.08
	Finance Costs	**640.14**	706.58
	Exchange Rate Difference on Loans (unrealised)	**279.33**	376.70
	Provision for Doubtful Debts & Receivables	**27.02**	13.30
	Bad Debts written off	**9.62**	-
	Interest Income	**(379.66)**	(409.86)
	Share of Profit from PII	**(0.77)**	(0.59)
	Dividend Received	**(87.45)**	(55.09)
	Operating Profit before Changes in Assets and Liabilities {Sub Total - (i)}	**9,480.56**	**6,154.69**
	(Increase) / Decrease in Assets and Liabilities :		
	Trade Receivables	**(623.46)**	1,849.01
	Loans and Advances and Other Assets	**(166.43)**	5,110.20
	Inventories	**262.74**	5,794.99
	Liabilites and Other Payables	**(930.46)**	(305.65)
	Sub Total - (ii)	**(1,457.61)**	**12,448.55**
	Cash Generated from Operations (i) + (ii)	**8,022.95**	**18,603.24**
	Less : Direct Taxes / FBT refund / (paid) - Net	**1,214.22**	762.15
	Net Cash from Operating Activities (A)	**6,808.73**	**17,841.09**
B.	**Cash Flow From Investing Activities**		
	Purchase of Fixed Assets (incl. Capital Work in Progress / excluding interest capitalised)	**(4,704.59)**	(4,176.23)
	Sale of Fixed Assets	**15.97**	109.81
	Purchase of Investments (Including share application money pending allotment/Advance towards Equity)	**(296.53)**	(14.75)
	Investment in Subsidiary	**(125.00)**	-
	Sale Proceeds of Oil bonds	**352.42**	321.04
	Loan given to Subsidiary	**(84.00)**	-
	Capital refunded from PII	**4.95**	-
	Interest received	**384.09**	413.71
	Dividend Received	**87.45**	55.09
	Net Cash Flow generated from / (used in) Investing Activities (B)	**(4,365.24)**	**(3,291.33)**

Cash Flow Statement For The Year Ended 31st March, 2016

₹ / Crores

	2015 - 16	2014 - 15
C. Cash Flow From Financing Activities		
Long term Loans raised	4,988.29	4,478.58
Long term Loans repaid	(6,637.80)	(2,741.43)
Short term Loans raised / (repaid)	1,615.65	(14,927.14)
Capital Grant Received	13.28	-
Finance Cost paid	(674.84)	(764.69)
Dividend paid (including Interim dividend and dividend distribution tax)	(1,749.18)	(613.58)
Net Cash Flow generated from / (used in) Financing Activities (C)	**(2,444.60)**	**(14,568.26)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**(1.11)**	**(18.50)**
Opening Balance of Cash and Cash Equivalents		
Cash and Cash Equivalents		
Cash on hand	7.81	12.58
Cheques Awaiting Deposit	1.07	0.15
With Scheduled Banks:		
- On Current Accounts	0.27	14.92
- On Non-operative Current Accounts	0.01	0.01
	9.16	**27.66**
Closing Balance of Cash and Cash Equivalents		
Cash and Cash Equivalents		
Cash on hand	7.67	7.81
Cheques Awaiting Deposit	0.12	1.07
With Scheduled Banks:		
- On Current Accounts	0.25	0.27
- On Non-operative Current Accounts	0.01	0.01
	8.05	**9.16**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(1.11)**	**(18.50)**

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 27, 2016

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/-
Atul Shah
Partner
Membership No. 039569

Notes to the Financial Statements as at 31st March, 2016

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 Corporation is engaged in the business of refining of crude oil and marketing of petroleum products. It has refineries at Mumbai and Vishakhapatnam, LPG bottling plants and Lube blending plants. The Corporation's marketing infrastructure includes vast network of Installations, Depots, Retail Outlets, Aviation Service Stations and LPG distributors.

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statements are prepared under historical cost convention in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), Accounting Standards notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. In accordance with first proviso to Section 129 (1) of the Act and Schedule III to the Act, the terms contained in the enclosed financial statements are in accordance with the Accounting Standards.

1.2 Use of Estimates

Necessary estimates and assumptions that affect the amounts reported in the financial statements and notes thereto are made during the reporting period and difference between the actual and the estimates are recognised in the period in which the results materialise.

2.1 TANGIBLE ASSETS

a. Tangible assets are stated at cost net of accumulated depreciation / amortization
b. Land acquired on lease for 99 years or more is treated as freehold land.
c. Technical know-how /licence fee relating to plants/ facilities are capitalized as part of cost of the underlying asset.

2.2 INTANGIBLE ASSETS

a. Cost of Right of Way for laying pipelines is capitalised as Intangible Asset and is amortised over a period of 99 years.
b. Technical know-how /licence fee relating to production process and process design are recognized as Intangible Assets.
c. Cost of Software directly identified with hardware is capitalised along with the cost of hardware. Application software is capitalised as Intangible Asset.

2.3 CONSTRUCTION PERIOD EXPENSES ON PROJECTS

a. Related expenditure (including temporary facilities and crop compensation expenses) incurred during construction period in respect of plan projects and major non-plan projects are capitalised.
b. Financing cost incurred during the construction period on loans specifically borrowed and utilised for projects is capitalised. Financing cost includes exchange rate variation to the extent regarded as an adjustment to interest cost.
c. Financing cost, if any, incurred on general borrowings used for projects during the construction period is capitalised at the weighted average cost.

2.4 DEPRECIATION / AMORTIZATION

a. Depreciation on fixed assets 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 fixed assets and has adopted the useful lives and residual value as prescribed in Schedule II except for, plant and machinery relating to Retail Outlets (other than Storage tanks and related equipment), Cavern Structure and LPG cylinders & regulators. The useful life of plant and machinery relating to Retail Outlets (other than Storage tanks and related equipment) and LPG Cylinders & Regulators is considered as 15 years and for Cavern Structure as 60 years based on internal technical assessment.
b. In line with the provisions of Schedule II of the Companies Act 2013, 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 has been assessed based on the historical experience and internal technical inputs.
c. All assets costing up to ₹ 5000/-, other than LPG cylinders and pressure regulators, are fully depreciated in the year of capitalisation.
d. Premium on leasehold land is amortised over the period of lease.
e. Machinery Spares, which can be used only in connection with an item of fixed asset and the use of which is expected to be irregular, are depreciated over a period not exceeding the useful life of the principal item of fixed asset.
f. Intangible Assets other than application software and cost of right of way are amortized on a straight line basis over a period of ten years or life of the underlying plant/facility, whichever is earlier.
g. Application software are normally amortised over a period of four years, or over its useful life, whichever is earlier.

Notes to the Financial Statements as at 31st March, 2016

2.5 IMPAIRMENT OF ASSETS

At each balance sheet date, an assessment is made of whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of assets of cash generating units (CGU) exceeds their recoverable amount.

2.6 FOREIGN CURRENCY TRANSACTIONS

a. Foreign Currency transactions during the year are recorded at the exchange rates prevailing on the date of transactions.

b. All foreign currency assets, liabilities and forward contracts are restated at the rates prevailing at the year end.

c. All exchange differences are dealt with in the Statement of Profit and Loss including those covered by forward contracts, where the premium / discount arising from such contracts are recognised over the period of contracts, except foreign exchange differences on long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of loan.

d. The realised gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year, are recognised in the Statement of Profit and Loss along with the underlying transaction. However, in respect of contracts, the pricing period of which extends beyond the Balance Sheet date, suitable provision is made for likely loss, if any.

2.7 INVESTMENTS

a. Long-Term Investments are valued at cost and provision for diminution in value thereof is made, wherever such diminution is other than temporary.

b. Current Investments are valued at the lower of cost and fair value.

2.8 INVENTORIES

a. Crude oil is valued at cost on First In First Out (FIFO) basis or at net realisable value, whichever is lower.

b. Raw materials for lubricants and finished 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. Empty packages are valued at weighted average cost.

f. Stores and spares are valued at weighted average cost. Stores and Spares in transit are valued at cost.

g. Value of surplus, obsolete and slow moving stores and spares, if any, is reduced to net realisable value. Surplus items, when transferred from completed projects are valued at cost / estimated value, pending periodic assessment / ascertainment of condition.

2.9 DUTIES ON BONDED STOCKS

Excise / Customs duty is provided on stocks stored in Bonded Warehouses (excluding goods exempted from duty / exports or where liability to pay duty is transferred to consignee).

2.10 GRANTS

a. In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants, which is recognised in the Statement of Profit & Loss over the period and in the proportion in which depreciation is charged.

b. Grants received against revenue items are recognised as income.

2.11 EXPLORATION & PRODUCTION EXPENDITURE

"Successful Efforts Method" of accounting is followed for Oil & Gas exploration and production activities as stated below:

a. Cost of surveys, studies, carrying and retaining undeveloped properties are expensed out in the year of incurrence.

b. 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.

c. Accumulated costs on exploratory wells in progress are expensed out in the year in which they are determined to be dry.

d. The proportionate share in the assets, liabilities, income and expenditure of joint operations are accounted as per the participating interest in such joint operations.

2.12 EMPLOYEE BENEFITS

Liability towards long term defined employee benefits - leave encashment, gratuity, pension, post – retirement medical benefits, long service awards, ex-gratia, death benefits and resettlement allowance are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. Liability so determined is funded in the case of leave encashment and gratuity, and provided for in other cases.

Notes to the Financial Statements as at 31st March, 2016

The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's 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 Company and charged to Statement of Profit and Loss.

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss of the year in which the related services are rendered.

2.13 REVENUE RECOGNITION

a. Sales are recorded based on significant risks and rewards of ownership being transferred in favour of the customer.

b. Sales are net of discount, include applicable excise duty, surcharge and other elements as are allowed to be recovered as part of the price but excludes VAT/sales tax.

c. Claims, including subsidy on LPG, HSD and SKO, from Government of India are booked on in principle acceptance thereof on the basis of available instructions / clarifications.

d. Dividend income is recognised when the Company's right to receive the dividend is established.

e. Income from sale of scrap is accounted for on realisation.

f. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate

2.14 TAXES ON INCOME

a. Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

b. Deferred tax liability/asset on account of timing difference between taxable and accounting income is recognised using tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date. In the event of unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized, if there is virtual certainty that sufficient future taxable income will be available to realize such assets.

c. 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.

2.15 CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND PROVISIONS

a. Contingent Liabilities are disclosed in respect of:

   a. A possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or

   b. A present obligation where it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or a reliable estimate of the amount of obligation cannot be made.

b. Contingent Liabilities are considered only for items exceeding ₹ 5 lakhs in each case. Contingent Liabilities in respect of show cause notices are considered only when converted into demands. Capital Commitments are considered only for items exceeding ₹ 1 lakh in each case.

c. A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

2.16 ACCOUNTING/CLASSIFICATION OF EXPENDITURE AND INCOME

a. Insurance claims are accounted on acceptance basis.

b. All other claims/entitlements are accounted on the merits of each case/realisation.

c. Raw materials consumed are net of discount towards sharing of under-recoveries.

d. Income and expenditure of previous years, individually amounting to ₹ 5 lakhs and below are not considered as prior period items.

2.17 EARNINGS PER SHARE

a. 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.

b. 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 adjustedfor the effect of all dilutive potential equity shares.

Notes to the Financial Statements as at 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
3. SHARE CAPITAL		
A. Authorised:		
75,000 (31.03.2015 : 75,000) Cumulative Redeemable Preference Shares of ₹ 100/- each	0.75	0.75
34,92,50,000 (31.03.2015 : 34,92,50,000) Equity Shares of ₹ 10/- each	349.25	349.25
	350.00	**350.00**
B. Issued, Subscribed & Paid up :		
33,93,30,000 (31.03.2015 : 33,93,30,000) Equity Shares of ₹ 10/- each	339.33	339.33
Less: 7,02,750 (31.03.2015 : 7,02,750) Shares Forfeited	0.70	0.70
33,86,27,250 (31.03.2015 : 33,86,27,250) Equity Shares of ₹ 10/- each fully paid up	**338.63**	**338.63**
Add: Shares Forfeited (money received)	0.39	0.39
	339.01	**339.01**

(a) Reconciliation of number of Equity Shares

	31.03.2016	31.03.2015
Opening Balance	33,86,27,250	33,86,27,250
Shares Issued \ Shares bought back	-	-
Closing Balance	**33,86,27,250**	**33,86,27,250**

(b) Details of shares held by each shareholder holding more than 5% shares in the Company

Name of shareholder	31.03.2016		31.03.2015	
	% Holding	No. of Shares	% Holding	No. of Shares
President of India	51.11	17,30,76,750	51.11	17,30,76,750
Life Insurance Corporation of India	2.60	88,16,223	5.18	1,75,31,442

(c) Right and Restrictions on Equity 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% cummulative 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.

₹ / Crores

	31.03.2016	31.03.2015
4. RESERVES AND SURPLUS		
Share Premium Account		
As per last Balance Sheet	1,153.77	1,153.77
Debenture Redemption Reserve		
As per last Balance Sheet	413.31	275.54
Add: Transfer from Surplus in the Statement of Profit and Loss	-	137.77
Less: Transfer to Surplus in the Statement of Profit and Loss	148.17	-
	265.14	**413.31**

Notes to the Financial Statements as at 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
Capital Grant		
As per last Balance Sheet	2.94	3.50
Add : Additions during the year	13.28	-
Less: Amortised during the year	1.94	0.56
	14.28	**2.94**
Foreign Currency Monetary Item Translation Difference Account		
As per last Balance Sheet	(63.16)	161.56
Add : Additions during the year	(385.59)	(260.86)
Less : Amortised during the year	(251.61)	(36.14)
	(197.14)	**(63.16)**
General Reserve		
As per last Balance Sheet	1,809.08	1,809.08
Add : Transfer from The Statement of Profit and Loss	-	-
	1,809.08	**1,809.08**
Surplus		
As per last Balance Sheet	12,367.14	11,269.70
Less : Depreciation on Assets where revised useful life as per Schedule II of The Companies Act, 2013 has completed (2014 - 2015 : Net of Deferred Tax of ₹ 264.36 crores)	-	499.52
Add: Profit for the year	3,862.74	2,733.26
Add: Transfer from Debenture Redemption Reserve	148.17	-
Less : Profit appropriated to Debenture Redemption Reserve	-	137.77
Less : Profit appropriated to Interim Dividend (Dividend Per Share : ₹ 18.50)	626.46	-
Less : Profit appropriated to Proposed Dividend (Dividend Per Share: ₹ 16.00 Per Share (2014 - 15 : ₹ 24.50 per share))	541.80	829.64
Less : Profit appropriated to Tax on Distributed Profits	237.83	168.89
	14,971.96	**12,367.14**
	18,017.09	**15,683.08**
5. LONG-TERM BORROWINGS		
Secured Loans		
8.77% Non-Convertible Debentures (refer note 5.1)	975.00	975.00
8.75% Non-Convertible Debentures (refer note 5.1)	-	545.00
Term Loans from Oil Industry Development Board (refer note 5.2)	348.25	258.00
	1,323.25	**1,778.00**
Less : Current Maturities of Long Term Borrowings (Refer note 10A)	64.50	579.50
	1,258.75	**1,198.50**
Unsecured Loans		
Term Loans from Oil Industry Development Board (refer note 5.3)	125.00	325.00
Syndicated Loans from Foreign Banks (repayable in foreign currency) (refer note 5.4)	9,374.73	9,782.03
Syndicated Working Capital Loans from Foreign Banks (repayable in foreign currency) (refer note 5.4)	6,625.25	6,250.50
	16,124.98	**16,357.53**
Less : Current Maturities of Long Term Borrowings (Refer note 10A)	6,750.25	2,700.20
	9,374.73	**13,657.33**
	10,633.48	**14,855.83**

Notes to the Financial Statements as at 31st March, 2016

5.1 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.

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.

During the year ended March, 2016 an amount of Nil (31.03.2015 : ₹ 545.00 crores) of 8.75% Non-Convertible Debentures is repayable within one year and shown in note # 10 A. These Debentures Matured on 9th November, 2015.

5.2 Secured Term Loans from Oil Industry Development Board

Repayable during	As on 31st Mar 2016		As on 31st Mar 2015	
	Repayable Amount (₹ / Crores)	Range of Interest Rate	Repayable Amount (₹ / Crores)	Range of Interest Rate
2015-16*	-	-	34.50	7.20%-9.27%
2016-17*	64.50	8.07 %-9.27 %	64.50	8.07%-9.27%
2017-18	95.69	7.86 %-9.27 %	64.50	8.78%-9.27%
2018-19	95.69	7.86 %-9.27 %	64.50	8.78%-9.27%
2019-20	61.19	7.86 %-9.11 %	30.00	8.78%-9.11%
2020-21	31.19	7.86 %-8.09 %	-	-
Total	**348.25**		**258.00**	

* : Security has been created with first charge on the facilities of Awa Salawas Pipeline, Mangalore Hasan Mysore LPG Pipeline, Uran - Chakan / Shikarpur LPG Pipeline & Rewari Project Pipeline. ₹ 64.50 Crores (31.03.2015 : ₹ 34.50 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 10 A.

5.3 Unsecured Term Loans from Oil Industry Development Board

Repayable during	As on 31st Mar 2016		As on 31st Mar 2015	
	Repayable Amount (₹ / Crores)	Range of Interest Rate	Repayable Amount (₹ / Crores)	Range of Interest Rate
2015-16*	-	-	200.00	7.20%-9.27%
2016-17*	125.00	8.07 %-9.27 %	125.00	8.07%-9.27%
Total	**125.00**		**325.00**	

* : ₹ 125 Crores (31.03.15 : ₹ 200.00 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 10 A.

5.4 Syndicated Loans from Foreign Banks (repayable in foreign currency)

The Company has availed Long Term Foreign Currency Syndicated Loans from banks at 3 months floating LIBOR plus spread (spread range : 65 to 170 basis point p.a.). These loans are taken for the period of 3 - 5 years. ₹ 6,625.25 Crores (31.03.15 : ₹ 2,500.20 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 10 A.

Notes to the Financial Statements as at 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
6. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Assets		
Provision for Employee Benefits	211.82	272.62
Provision for diminution in value of current investments	166.78	172.57
Others	201.87	174.38
Total (A)	**580.47**	**619.57**
Deferred Tax Liabilities		
Depreciation	5,294.68	4,707.53
Others	96.25	15.64
Total (B)	**5,390.93**	**4,723.17**
Total Deferred Tax Liability (Net) (B) - (A)	**4,810.46**	**4,103.60**
7A. OTHER LONG TERM LIABILITIES		
Deposits from Dealers /Consumers/Suppliers (refer note 7A.1)	9,397.77	8,253.85
Other Deposits	3.10	3.12
Retention Money	49.71	29.64
	9,450.58	**8,286.61**
7A1 : Includes amount towards Rajiv Gandhi Gramin LPG Vitrak Yojana of ₹ 219.64 Crores (31.03.15 : ₹ 34.07 Crores)		
7B. LONG-TERM PROVISIONS		
Provision for Long Term Employee Benefits (refer note 57)	431.27	581.47
	431.27	**581.47**
8. SHORT-TERM BORROWINGS		
Loans repayable on demand from Banks		
Secured Loans		
Collateral Borrowing and Lending Obligation (CBLO) (Secured by Pledge of 6.90 % Oil Marketing Companies' GOI Special Bonds, 2026)	1,490.00	1,090.00
Cash Credit (Secured by hypothecation of Inventories in favour of Banks on pari passu basis)	2,398.54	1,109.81
	3,888.54	**2,199.81**
9. TRADE PAYABLES		
Micro, Small and Medium Enterprises	-	-
Trade Payables	6,587.07	8,935.65
	6,587.07	**8,935.65**

Notes to the Financial Statements as at 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
10A.OTHER CURRENT LIABILITIES:		
Current Maturities of Long Term Borrowings (refer note 10A.1)	6,814.75	3,279.70
Outstanding dues of Micro, Small and Medium Enterprises (refer note 10A.2)	18.55	15.19
Other Deposits	148.82	155.05
Interest accrued but not due on loans	28.83	47.73
Unpaid Dividend (refer note 10A.3)	6.36	3.02
Unpaid matured Fixed Deposits	-	0.02
Preference Share Capital redeemed remaining unclaimed / unencashed	0.01	0.01
Other Liabilities (refer note 10A.4)	7,570.59	6,667.34
	14,587.91	**10,168.06**

10A.1 : This includes loans repayable within one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 6,625.25 Crores (31.03.15: ₹ 2,500.20 Crores), 8.75% Non - Convertible Debenture Nil (31.03.15: ₹ 545.00 Crores), and Loan from Oil Industry and Development Board ₹ 189.50 Crores (31.03.15: ₹ 234.50 Crores).

10A.2 : 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. (Refer note # 39).

10A.3 : No amount is due as at the end of the year for credit to Investors' Education and Protection Fund.

10A.4 : Includes Statutory Liabilities of ₹ 2,979.39 Crores (31.03.15: ₹ 2,635.81 Crores), Liabilities relating to retention money payable to Suppliers within one year, Supplies / Project related payables, etc. ₹ 4,299.59 Crores (31.03.15: ₹ 3,748.77 Crores).

₹ / Crores

	31.03.2016	31.03.2015
10B.SHORT-TERM PROVISIONS		
Employee Benefits (refer note 57)	711.41	1,037.72
Provision for Tax (Net of Advance Tax)	362.01	361.27
Proposed Dividend	541.80	829.64
Tax on Distributed Profits	110.30	168.89
	1,725.52	**2,397.52**

11. TANGIBLE ASSETS

(₹ / Crores)

Sr. No.	Description	Gross Block (at cost)				Depreciation / Amortisation					Net Block	
		As at 1st Apr, 2015	Additions / Reclassifica-tions	Deductions / Reclassifica-tions	As at 31st March , 2016	As at 1st Apr, 2015	For the Year	Depreciation Impact as per Schedule II	Deductions / Reclassifica-tions	As at 31st March , 2016	As at 31st March , 2016	As at 31st March , 2015
1	Land -Freehold	785.92	20.52	17.18	789.26	-	-	-	-	-	789.26	785.92
2	Leasehold Property - Land	408.48	29.64	2.68	435.44	93.80	16.03	-	-	109.83	325.61	314.68
3	Buildings	4,217.85	730.61	19.91	4,928.55	573.22	122.82	-	(0.74)	696.78	4,231.77	3,644.63
4	Plant & Equipment	37,833.12	6,079.16	2,514.85	41,397.43	15,887.03	1,771.14	-	193.75	17,464.42	23,933.01	21,946.09
5	Furniture & Fixtures	187.14	31.00	3.14	215.00	94.63	18.09	-	(5.26)	117.98	97.02	92.51
6	Transport Equipment	169.88	11.88	13.58	168.18	119.81	12.69	-	13.42	119.08	49.10	50.07
7	Office Equipment	933.57	2,218.93	37.27	3,115.23	917.38	351.65	-	(26.72)	1,295.75	1,819.48	16.19
8	Roads and Culverts	2,732.72	272.37	14.42	2,990.67	932.24	336.05	-	4.00	1,264.29	1,726.38	1,800.48
9	Railway Siding & Rolling Stock	491.65	59.22	0.18	550.69	290.17	21.12	-	0.09	311.20	239.49	201.48
	Grand Total	**47,760.33**	**9,453.33**	**2,623.21**	**54,590.45**	**18,908.28**	**2,649.59**	**-**	**178.54**	**21,379.33**	**33,211.12**	**28,852.05**
	Previous Year 2014-15	42,172.14	5,808.11	219.92	47,760.33	16,374.95	1,946.89	763.88	177.44	18,908.28	28,852.05	25,797.19

Notes to the Financial Statements as at 31st March, 2016

Notes:

1. Includes assets costing ₹ 0.007 crores (2014-2015 : ₹ 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 ₹ 477.90 Crores (2014-2015: ₹ 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 (2014-2015 : ₹ 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 amortised at the rate of depreciation specified in Schedule II of the 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.

₹ / Crores

Description	Original Cost (31/03/2016)	Original Cost (31/03/2015)
Roads & culverts	0.13	0.13
Buildings	1.62	1.62
Plant & Equipment	2.65	2.79
Total	**4.40**	**4.54**

(b) Includes assets held under PAHAL (DBTL) scheme against which financial assistance is provided by MOP&NG.

₹ / Crores

Description	Original Cost (31/03/2016)	Original Cost (31/03/2015)
Roads & culverts	3.31	NIL
Buildings	5.85	NIL
Plant & Equipment	0.01	NIL
Total	**9.17**	**NIL**

5. Includes Assets retired from active use and held for disposal - Gross Block: ₹ 177.22 Crores / Net Block: ₹ 37.08 Crores (2014-2015: Gross Block: ₹ 34.69 Crores / Net Block: ₹ 2.98 Crores). These Assets are valued at their Net Book Value or Net Realisable Value whichever is lower: ₹ 12.01 Crores (2014-2015: ₹ 2.56 Crores).
6. Leasehold Land includes ₹ 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.

12. INTANGIBLE ASSETS

(₹ / Crores)

Sr. No.	Description	Gross Block (at cost)				Depreciation / Amortisation					Net Block	
		As at 1st Apr, 2015	Additions / Reclassifica-tions	Deductions / Reclassifica-tions	As at 31st March , 2016	As at 1st Apr, 2015	For the Year	Depreciation Impact as per Schedule II	Deductions / Reclassifica-tions	As at 31st March , 2016	As at 31st March , 2016	As at 31st March , 2015
1	Right of Way	150.32	11.07	-	161.39	3.21	1.30	-	-	4.51	156.88	147.11
2	Technical / Process Licenses	90.55	27.03	9.68	107.90	48.13	6.92	-	-	55.05	52.85	42.42
3	Software	173.72	15.13	0.01	188.84	152.49	11.44	-	0.01	163.92	24.92	21.23
	Grand Total	**414.59**	**53.23**	**9.69**	**458.13**	**203.83**	**19.66**	**-**	**0.01**	**223.48**	**234.65**	**210.76**
	Previous Year 2014-15	294.62	119.98	0.01	414.59	179.57	24.27	-	0.01	203.83	210.76	115.05

Notes to the Financial Statements as at 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
13. CAPITAL WORK-IN-PROGRESS		
Unallocated Capital Expenditure and Materials at Site	1,623.17	2,694.85
Capital Stores lying with Contractors	9.00	304.92
Capital goods in transit	4.63	1.22
	1,636.80	**3,000.99**
Construction period expenses pending apportionment (Net of recovery) :		

	31.03.2016	31.03.2015
Opening balance	**473.43**	**704.66**
Add: Expenditure during the year		
Establishment charges including Salaries & Wages	81.29	107.05
Interest	113.34	266.12
Loss / (Gain) on foreign currency transactions and translations	161.94	104.73
Others	0.34	9.60
	830.34	**1,192.16**
Less: Allocated to assets capitalised during the year / charged off	590.20	718.73

	31.03.2016	31.03.2015
Closing balance pending allocation	**240.14**	**473.43**
	1876.94	**3474.42**

	31.03.2016	31.03.2015
14. NON-CURRENT INVESTMENTS		
Trade Investments		
Quoted		
Investments in Equity		
Investments in Joint Venture		
Mangalore Refinery and Petrochemicals Ltd. 29,71,53,518 (31.03.2015 : 29,71,53,518) Equity Shares of ₹ 10 each fully paid up	471.68	471.68
Investments in Others		
Oil India Ltd. 1,33,75,275 (31.03.2015 : 1,33,75,275) Equity Shares of ₹ 10 each fully paid up	561.76	561.76
Scooters India Ltd. 10,000 (31.03.2015 : 10,000) Equity Shares of ₹ 10 each fully paid up	0.01	0.01
Unquoted		
Investment in Equity		
Investments in Subsidiaries		
CREDA HPCL Biofuel Ltd. 1,60,99,803 (31.03.2015 : 1,60,99,803) Equity Shares of ₹ 10 each fully paid up [at cost less provision for other than temporary dimunition in value ₹ 16.10 Crores (31.03.2015 : Nil)]	-	16.10
HPCL - Biofuels Ltd. 20,55,20,000 (31.03.2015 : 20,55,20,000) Equity Shares of ₹ 10 each fully paid up [at cost less provision for other than temporary dimunition in value ₹ 161.00 Crores (31.03.2015 : Nil)]	44.52	205.52
Prize Petroleum Co. Ltd 24,49,99,600 (31.03.2015 : 11,99,99,600) Equity Shares of ₹ 10 each fully paid up [at cost less provision for other than temporary dimunition in value ₹ 105.00 Crores (31.03.2015 : Nil)]	140.00	120.00
HPCL Rajasthan Refinery Ltd (refer note 14.1) 37,000 (31.03.2015 : 37,000) Equity Shares of ₹ 10 each fully paid-up	74.00	74.00

Notes to the Financial Statements as at 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
Investments in Joint Venture		
HPCL-Mittal Energy Ltd.	3,939.56	3,690.74
3,93,95,55,200 (31.03.2015 : 3,69,07,35,200) Equity Shares of ₹10 each fully paid up		
Hindustan Colas Pvt. Ltd.	4.73	4.73
47,25,000 (31.03.2015 : 47,25,000) Equity Shares of ₹ 10 each fully paid-up		
Petronet India Ltd.	-	-
1,59,99,999 (31.03.2015 : 1,59,99,999) Equity Shares of ₹ 10 each fully paid up [at cost less provision for other than temporary dimunition in value ₹ 16.00 Crores (31.03.2015 : 16.00 Crores)]		
Petronet MHB Ltd.	157.84	157.84
15,78,41,000 (31.03.2015 : 15,78,41,000) Equity Shares of ₹ 10 each fully paid up		
South Asia LPG Co. Pvt. Ltd.	50.00	50.00
5,00,00,000 (31.03.2015 : 5,00,00,000) Equity Shares of ₹ 10 each fully paid up		
Bhagyanagar Gas Ltd.	22.50	22.50
2,24,99,997 (31.03.2015 : 2,24,99,997) Equity Shares of ₹ 10 each fully paid up		
Aavantika Gas Ltd	22.50	22.50
2,24,99,998 (31.03.2015 : 2,24,99,998) Equity Shares of ₹ 10 each fully paid up		
GSPL India Transco Ltd	18.15	15.40
1,81,50,000 (31.03.2015 : 1,54,00,000) Equity Shares of ₹ 10 each fully paid up		
GSPL India Gasnet Ltd	23.32	20.57
2,33,22,128 (31.03.2015 : 2,05,72,128) Equity Shares of ₹ 10 each fully paid up		
HPCL Shapoorji Energy Pvt. Ltd.	11.50	5.00
1,15,00,000 (31.03.2015 : 50,00,000) Equity Shares of ₹ 10 each fully paid up		
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	38.27	4.50
3,82,71,250 (31.03.2015 : 45,02,500) Equity Shares of ₹ 10 each fully paid up		
Investment in Preference Shares		
Investments in Subsidiary		
5% HPCL - Biofuels Ltd. Non-Cumulative Pref Shares	419.65	419.65
41,96,51,511 Preference Shares of ₹ 10 each fully paid up		
Investment in Other Non - Current Investments		
Petroleum India International (Association of Persons) Contribution towards Seed Capital (refer note 14.2)	0.05	5.00
Total Trade Investments - A	**6,000.04**	**5,867.50**

14.1 : Includes amount of ₹ 73.96 Crores (31.03.2015 : ₹ 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.

14.2 : 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%.

	31.03.2016	31.03.2015
Other Investments		
Unquoted		
Investment in Government Securities		
Government Securities of the face value of ₹ 0.02 Crores		
- Deposited with Others	0.02	0.02
- On hand - ₹ 0.25 lakhs	0.00	0.00
Government Securities of the face value of ₹ 0.24 lakhs		
- Deposited with Others - ₹ 0.10 lakhs	-	-
- On hand - ₹ 0.14 lakhs (refer note 14.3)	0.00	0.00
Less: Provision for diminution on Investments	(0.00)	(0.00)

Notes to the Financial Statements as at 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
Investment in Debentures or bonds		
East India Clinic Ltd.		
- 1/2% Debenture of face value of ₹ 14,600 each - ₹ 0.15 lakhs	0.00	0.00
- 5% Debenture of face value of ₹ 6,500 each - ₹ 0.07 lakhs	0.00	0.00
Investment in Equity		
Shushrusha Citizen Co-operative Hospital Limited	0.00	0.00
100 (31.03.2015 : 100) Equity Shares of ₹ 100/- each fully paid		
Total Other Investments - B	**0.02**	**0.02**
Total Non - Current Investments (A + B)	**6,000.06**	**5,867.52**

14.3 : Includes ₹ 0.14 lakhs (31.03.2015 : ₹ 0.14 lakhs) not in the possession of the Company

₹ / Crores

Disclosure towards Cost / Market Value		31.03.2016		31.03.2015	
		Market Value	Cost	Market Value	Cost
a	Aggregate amount of Quoted Investments	2,411.69	1,033.45	2,602.18	1,033.45
b	Aggregate amount of Unquoted Investments		5,264.71		4,850.07
c	Aggregate amount of provision for diminution		298.10		16.00
			6,000.06		**5,867.52**

₹ / Crores

	31.03.2016	31.03.2015
15. LONG-TERM LOANS AND ADVANCES		
Secured, considered good :		
Employee Loans and Advances	222.18	224.27
Interest Accrued thereon	195.09	186.35
Unsecured, considered good :		
Capital Advances	21.74	159.62
MAT Credit Entitelments	429.57	344.33
Balances with Excise, Customs, Port Trust etc.	2.07	1.97
Other Deposits	115.91	84.44
Prepaid Expenses	16.20	6.14
Advance tax (net of provisions)	185.22	192.00
Share application money pending allotment (to Related Parties)	-	2.00
Advances given to others	12.00	12.00
Other Receivables (refer note 15.1)	214.42	216.74
Loans to Related Party (refer note 46)	159.00	-
	1,573.40	**1,429.86**

15.1 : Includes Working Capital Loans to customers ₹ 32.34 Crores (31.03.2015 : ₹ 37.03 Crores).

Notes to the Financial Statements as at 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
16. OTHER NON - CURRENT ASSETS		
Unamortized Expenses (including ancillary cost, refer note # 37)	86.03	116.55
	86.03	**116.55**
17. CURRENT INVESTMENTS		
TRADE INVESTMENTS (Quoted)		
6.90% Oil Marketing Companies' GOI Special Bonds, 27,71,36,000 (31.03.2015 : 31,76,36,000) ₹ 100 each face value (refer note 17.1)	2,560.38	2,949.25
8.00% Oil Marketing Companies' GOI Special Bonds, 24,41,000 (31.03.2015 : 24,41,000) ₹ 100 each face value	24.41	24.41
8.20% Oil Marketing Companies' GOI Special Bonds, 1,23,49,000 (31.03.2015 : 1,23,49,000) ₹ 100 each face value	123.49	123.49
6.35% Oil Marketing Companies' GOI Special Bonds, 25,32,33,000 (31.03.2015 : 25,32,33,000) ₹ 100 each face value	2,277.39	2,276.81
	4,985.67	**5,373.96**
TRADE INVESTMENTS (Unquoted)		
Sai Wardha Power Ltd	3.89	-
38,91,734 Equity Shares of ₹ 10 each fully paid up		
OTHER INVESTMENTS		
Gold Coins in Hand	5.06	5.01
	4,994.62	**5,378.97**

₹ / Crores

Disclosure towards Cost / Market Value	31.03.2016		31.03.2015	
	Market Value	Cost	Market Value	Cost
Aggregate of Quoted Investments	4,985.67	5,451.59	5,373.96	5,856.59
Aggregate of Unquoted Investments		8.95		5.01
Aggregate provision made for diminution in value of current Investments		465.92		482.63
		4,994.62		**5,378.97**

17.1 : Bonds of face value of ₹ 2,750 Crores pledged with Clearing Corporation of India Limited against CBLO Loan.

Notes to the Financial Statements as at 31st March, 2016

₹ / Crores

		31.03.2016	31.03.2015
18. INVENTORIES			
(As per Inventory taken, valued and certified by the Management)			
Raw Materials (Including in transit ₹ 1,229.77 Crores, 31.03.2015 : ₹ 1,083.53 Crores)		2,365.36	2,320.39
Work - in - Progress		224.32	449.58
Finished Goods		5,036.28	5,458.94
Stock - in - Trade (Including in transit ₹ 202.81 Crores, 31.03.2015 : ₹ 145.03 Crores)		4,644.42	4,173.90
Stores and Spares (Including in transit ₹ 5.24 Crores, 31.03.2015 : ₹ 15.32 Crores)		425.32	552.11
Packages		13.42	17.34
		12,709.12	**12,972.26**
19. TRADE RECEIVABLES			
Over six months (from the due date) :			
Unsecured Considered good		242.89	101.35
Considered Doubtful		155.54	147.45
Less: Provision for Doubtful Debts		155.54	147.45
		242.89	**101.35**
Others :			
Unsecured Considered good		3,949.77	3,501.70
		3,949.77	**3,501.70**
		4,192.66	**3,603.05**
20. CASH AND BANK BALANCES			
Cash and Cash Equivalents			
Cash on Hand		7.67	7.81
Cheques Awaiting Deposit		0.12	1.07
Balances With Scheduled Banks:			
- On Current Accounts		0.25	0.27
- On Non-operative Current Accounts		0.01	0.01
Fixed Deposit Accounts with Scheduled Bank		5.28	4.89
Earmarked for Unpaid dividend		6.36	3.02
Current Account with Municipal Co-operative Bank Ltd.		-	0.00
Earmarked for DBTL Claim (refer note 20.1)	415.11		
Less : DBTL Buffer Liability	415.11	-	-
		19.69	**17.07**

20.1 : 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 Govt. of India.

Notes to the Financial Statements as at 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
21. SHORT-TERM LOANS AND ADVANCES		
Secured, considered good :		
Employee Loans and Advances	42.24	41.98
Interest Accrued thereon	4.48	6.64
Unsecured, considered good :		
Advances recoverable in cash or in kind or for value to be received	35.19	56.68
Balances with Excise, Customs, Port Trust etc.	445.38	449.56
Other Deposits	0.34	0.28
Prepaid Expenses	64.03	28.49
Amounts recoverable under Subsidy Schemes	2,019.08	737.03
Loans to Related Parties (Refer Note # 46)	-	75.00
Other Receivables (refer note 21.1)	2,684.78	3,910.86
Total A	**5,295.52**	**5,306.52**
Unsecured, considered doubtful :		
Accounts Receivable & Deposits	5.94	3.97
Less : Provision for Doubtful Receivables	5.94	3.97
Total B	-	-
Total (A+B)	**5,295.52**	**5,306.52**

21.1 : Includes : ₹ 759.81 Crores (31.03.2015 : ₹ 697.84 Crores) deposits made with LIC for liability towards Leave Encashment, ₹ 1,663.17 crores (31.03.2015 : ₹ 2,835.27 Crores) recoverable from Government of India towards Direct Benefit Transfer for LPG consumers (DBTL).

	31.03.2016	31.03.2015
22. OTHER CURRENT ASSETS		
Interest Accrued on Investments	74.55	78.97
Unamortized Expenses (refer note # 37)	76.32	89.39
Delayed Payment Charges Receivable from Customers	209.91	219.97
Less : Provision for doubtful receivables	83.66	66.72
	277.12	**321.61**

Notes to the Financial Statements for the year ending 31st March, 2016

₹ / Crores

	2015-16	2014-15
23A. GROSS SALES OF PRODUCTS		
Sale of Products (refer note 23.1)	195,971.25	211,318.38
Recovery under Subsidy Schemes	1,773.03	5,742.73
	197,744.28	**217,061.11**

23.1 : Net of Discount of ₹ 1,805.78 Crores, (2014-15 : ₹ 1,499.46 Crores) and includes amount towards Additional SSC of ₹ 430.14 Crores (2014-15 : ₹ 405.93 Crores)

	2015-16	2014-15
23B. OTHER OPERATING REVENUES		
Rent Recoveries	113.84	103.69
Net Recovery for LPG Filling Charges	3.08	4.38
Miscellaneous Income	173.20	137.74
	290.12	**245.81**
23C. OTHER INCOME		
Interest On :		
Deposits	0.80	0.65
Staff Loans	21.96	22.40
Customers' Accounts	117.71	145.09
Current Investments	379.66	409.86
Others	136.14	162.79
	656.27	**740.79**
Dividend income (refer note 23C.1)	87.45	55.09
(Provision) / Reversal for Diminution in value of Current Investments	16.71	605.04
Share of Profit from Petroleum India International (AOP)	0.77	0.60
Miscellaneous Income	376.85	304.63
	1,138.05	**1,706.15**

23C. 1 : Includes Dividend from Long - Term Investments ₹ 74.44 Crores (2014 - 15: ₹ 54.40 Crores).

	2015-16	2014-15
24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE : (INCREASE) / DECREASE		
Closing Stock:		
Work - in - Progress	224.32	449.58
Finished Goods	5,036.28	5,458.94
Stock - in - Trade (In respect of goods acquired for trading)	4,644.42	4,173.90
	9,905.02	**10,082.42**
Less: Opening Stock:		
Work - in - Progress	449.58	1,491.69
Finished Goods	5,458.94	7,381.12
Stock - in - Trade (In respect of goods acquired for trading)	4,173.90	4,959.05
	10,082.42	**13,831.86**
	177.40	**3,749.44**
25. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus, etc.	1,636.82	1,732.66
Contribution to Provident Fund	121.14	115.28
Pension, Gratuity and Other Employee Benefits	184.63	333.95
Employee Welfare Expenses	371.94	232.77
	2,314.53	**2,414.66**

Notes to the Financial Statements for the year ending 31st March, 2016

₹ / Crores

	2015-16	2014-15
26. FINANCE COSTS		
Interest Expense (refer note 26.1)	483.52	403.97
Other Borrowing Costs	98.29	101.83
Applicable Net (Gain)/Loss on Foreign Currency Transactions and Translation	58.33	200.79
	640.14	**706.59**
26.1 : Includes interest u/s 234 B/ 234C of Income Tax Act, 1961 for an amount ₹ 31.86 Crores (2014 - 15 : ₹ 16.24 Crores)		
27. OTHER EXPENSES		
Consumption of Stores, Spares and Chemicals	230.64	244.20
Power and Fuel	2,290.48	3,169.59
Less : Fuel of own production consumed	2,060.36	3,000.67
	230.12	168.92
Repairs and Maintenance - Buildings	54.85	42.43
Repairs and Maintenance - Plant and Machinery	779.60	764.23
Repairs and Maintenance - Other Assets	289.36	236.06
Insurance	55.23	46.08
Rates and Taxes	185.06	155.21
Irrecoverable Taxes and Other Levies	339.07	247.52
Equipment Hire Charges	7.87	6.41
Rent	535.26	310.28
Travelling and Conveyance	184.67	179.39
Printing and Stationery	16.78	15.92
Electricity and Water	779.99	679.49
Corporate Social Responsibility (CSR) Expenses	71.76	34.07
Stores and Spares written off	0.41	1.06
Loss on Sale of Current Investments	35.86	34.08
Provision for Diminution in value of Non - Current Investments	282.10	-
Provision for Doubtful Receivables (After adjusting provision no longer required)	1.98	-
Provision for Doubtful Debts (After adjusting provision no longer required written back ₹ 0.30 crores, 2014-15 : ₹ 2.67 crores)	25.04	13.30
Bad Debts written off	9.62	0.00
Loss on Sale/ write off of Fixed Assets/ CWIP (Net)	19.45	(67.30)
Security Charges	139.09	125.30
Advertisement and Publicity	148.23	109.91
Payment to auditors	0.77	0.50
Sundry Expenses and Charges (Not otherwise classified)	687.58	521.23
Consultancy and Technical Services	50.40	46.57
Exchange Rate Variations (Net)	285.25	(315.07)
	5,446.04	**3,599.79**
Note		
Payment to auditors		
Audit fees	0.47	0.25
Other services	0.21	0.24
Reimbursement of expenses	0.09	0.01
	0.77	**0.50**
28. PRIOR PERIOD EXPENSES / (INCOMES)		
Consultancy & Technical Services	(1.63)	-
Sale of Products	(0.16)	-
Depreciation	7.33	(7.61)
Insurance	-	3.14
	5.54	**(4.47)**

Notes to the Financial Statements for the year ending 31st March, 2016

29. During the current financial year 2015-16, ONGC offered discount on prices of crude purchased from them. Accordingly, the Corporation has accounted the discount as under:

(a) ₹ Nil (2014-15: ₹ 1,035.37 crores) discount received on purchase of PDS SKO and Domestic LPG from ONGC and GAIL has been adjusted against Purchases of Stock-in-Trade.

(b) ₹ 190.33 crores (2014-15: ₹ 9,826.84 crores) discount received on Crude Oil purchased from ONGC has been adjusted against purchase cost of Crude Oil.

30. During the current financial year 2015-16, Subsidy on PDS Kerosene and Domestic Subsidized LPG from Central and State Governments amounting to ₹ 11.77 crores (2014 - 15: ₹ 684.79 crores) has been accounted.

31. Approval of Government of India for Budgetary Support amounting to ₹ 1,761.26 crores (2014-15: ₹ 5,057.94 crores) has been received and the same has been accounted under 'Recovery under Subsidy Schemes'.

32. (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.

33. The Corporation has on the Balance sheet date, outstanding forward contract amounting to USD 50.27 Million, of which NIL (2014-15 : USD NIL) is to hedge the foreign currency exposure towards loans and USD 50.27 Million i.e. an equivalent of ₹ 333.05 crores (2014-15 : USD NIL) to hedge its foreign currency exposure towards import payable. As at Balance Sheet date, Corporation has interest rate swap contracts for a value of USD 260 Million i.e. an equivalent of ₹ 1,722.57 crores (2014-15: USD 200 Million i.e. an equivalent of ₹ 1,250.10 crores) to cover its floating interest rate exposure to fixed interest rate.

Following are the unhedged foreign currency on account of exposures :

Exposure Type	31-03-2016		31-03-2015	
	USD Million	₹ in Crores	USD Million	₹ in Crores
Imports	377.27	2,499.53	460.16	2,876.22
ECB (Long Term)	2,415.00	15,999.98	2,565.00	16,032.53
Export Debtors	10.66	70.60	23.32	145.77

34. In accordance with the option as per AS – 11 (notified under the Company's Accounting Standards Rules, 2006) exercised in the year 2008 – 09, 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 life of the assets. The Corporation has continued to exercise the option during the year 2015-16 as per Ministry of Corporate Affairs' Notification.

35. In accordance with the option exercised by the Company as referred in note # 34, an exchange loss of ₹ 197.14 crores (2014 - 15: Loss of ₹ 63.16 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, 2016.

36. During the F. Y. 2015-16, corporation do not have any RBI Swap transaction. During the F.Y. 2014-15, the net gain of ₹ 360.71 crore have been recognized and accounted for in the books on RBI swap transactions, out of which ₹ 192.38 crore was realized on account of RBI swap transactions settled during the financial year 2014-15 and ₹ 168.33 Crore on account of reversal of mark to market losses provision provided as on 31.03.2014 on forward contracts taken to hedge the un-matured RBI swap transactions outstanding as on 31.03.2014.

37. Ancillary costs incurred towards raising of Syndicated Loans from Foreign Banks (repayable in foreign currency) is being amortized over the tenure of the loan. Total amount of such ancillary costs remaining unamortized as on the balance sheet date is ₹ 162.35 Crores (2014-15: ₹ 205.94 crores).

38. (a) Current Tax includes MAT Credit utilisation of ₹ 133.61 Crore (2014-15: ₹ 243.15 Crore).

(b) The recognition of MAT Credit Entitlements of ₹ 429.57 Crore as at March 31, 2016 (₹ 344.33 Crore as at March 31, 2015) 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 ₹ 120.38 Crore (2014-15: ₹ 27.47 Crore) represents reversal of excess provision towards current tax of ₹ 249.75 Crore (2014-15: ₹ 24.71 Crore), additional provision towards deferred Tax of ₹141.08 Crore (2014-15: ₹ 26.76 Crore) and recognition of MAT credit Entitlements of ₹ 11.71 Crore (2014-15: ₹ 29.53 Crore)

Notes to the Financial Statements for the year ending 31st March, 2016

39. 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	2015-16	2014-15
1.	Amounts payable to "suppliers" under MSMED Act, as on 31/03/16 :-		
	- Principal	18.55	15.19
	- Interest	-	-
2.	Amounts paid to "suppliers" under MSMED Act, beyond appointed day during F.Y. 2015 – 16 (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	-	-

40. 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 State-Controlled Enterprises as per AS – 18.

i. Subsidiaries

1. CREDA-HPCL Biofuels Ltd.
2. HPCL Biofuels Ltd.
3. Prize Petroleum Company Ltd.
4. HPCL Rajasthan Refinery Ltd.

ii. Jointly controlled entities

1. Mangalore Refinery and Petrochemicals Ltd.
2. Aavantika Gas Ltd.
3. Bhagyanagar Gas Ltd.
4. Petronet MHB Ltd.
5. GSPL India Gasnet Ltd.
6. GSPL India Transco Ltd.
7. Mumbai Aviation Fuel Farm facility Pvt. Ltd.

Notes to the Financial Statements for the year ending 31st March, 2016

3. **Key Management Personnel**
   i. Smt. Nishi Vasudeva, Chairman and Managing Director (Till 31.03.2016).
      Shri Mukesh Kumar Surana, Chairman and Managing Director (w.e.f. 01.04.2016)
   ii. Shri K. V. Rao, Director – Finance (Till 30.09.2015).
   iii. Shri J. Ramaswamy, Director - Finance (w.e.f. 01.10.2015)
   iv. Shri B. K. Namdeo, Director – Refineries
   v. Shri Y.K. Gawali, Director - Marketing
   vi. Shri Pushp Kumar Joshi, Director - Human Resources
   vii. Shri Shrikant Madhukar Bhosekar, Company Secretary

B. Details of transactions with related parties

1. **Transaction with Jointly controlled entities**

(₹ /Crores)

No.	Nature of Transactions	2015-16	2014-15
(i)	**Sale of goods**		
	HPCL-Mittal Energy Ltd.	127.77	24.27
	Hindustan Colas Pvt. Ltd.	268.28	414.61
	South Asia LPG Company Pvt. Ltd.	0.18	0.43
		396.23	**439.31**
(ii)	**Purchase of goods**		
	HPCL-Mittal Energy Ltd.	23,593.34	24,047.51
	Hindustan Colas Pvt. Ltd.	159.00	220.88
		23,752.34	**24,268.39**
(iii)	**Dividend income received**		
	Hindustan Colas Pvt. Ltd.	22.87	15.36
	South Asia LPG Company Pvt. Ltd.	27.50	25.00
		50.37	**40.36**
(iv)	**Services given (Manpower Supply Service)**		
	HPCL-Mittal Energy Ltd.	0.39	0.37
	Hindustan Colas Pvt. Ltd.	2.04	1.75
	South Asia LPG Company Pvt. Ltd.	1.28	1.44
		3.71	**3.56**
(v)	**Lease rental received**		
	HPCL-Mittal Energy Ltd.	1.20	0.90
	Hindustan Colas Pvt. Ltd.	0.24	0.23
	South Asia LPG Company Pvt. Ltd.	1.68	0.81
		3.12	**1.94**
(vi)	**Others - provided**		
	HPCL-Mittal Energy Ltd.	24.07	22.52
	Hindustan Colas Pvt. Ltd.	2.39	2.15
	South Asia LPG Company Pvt. Ltd.	0.39	-
		26.85	**24.67**
(vii)	**Others - (availed)**		
	HPCL-Mittal Energy Ltd.	13.51	7.12
	Hindustan Colas Pvt. Ltd.	4.74	7.62
	South Asia LPG Company Pvt. Ltd.	93.61	81.14
		111.86	**95.88**

Notes to the Financial Statements for the year ending 31st March, 2016

(₹ /Crores)

No.	Nature of Transactions	2015-16	2014-15
(viii)	**Investment in equity shares / Converted to Equity Shares**		
	HPCL-Mittal Energy Ltd.	248.82	-
	HPCL Shapoorji Energy Pvt. Ltd.	6.50	-
		255.32	**-**
(ix)	**Advance against equity given / Share Application Money Pending Allotment given**		
	HPCL Shapoorji Energy Pvt. Ltd.	-	2.00
		-	**2.00**
		31.03.2016	**31.03.2015**
(x)	**Receivables as on**		
	HPCL-Mittal Energy Ltd.	0.36	12.39
	Hindustan Colas Pvt. Ltd.	5.04	32.97
	South Asia LPG Company Pvt. Ltd.	0.11	0.96
		5.51	**46.32**
(xi)	**Payables as on**		
	HPCL-Mittal Energy Ltd.	1,220.35	1,448.47
	Hindustan Colas Pvt. Ltd.	16.84	21.37
	South Asia LPG Company Pvt. Ltd.	11.53	8.89
		1,248.72	**1,478.73**

2. Remuneration paid to Key Management Personnel

(₹ /Crores)

No.	Description	2015-16	2014-15
(i)	Smt. Nishi Vasudeva	0.95	0.72
(ii)	Shri K. V. Rao	0.59	0.60
(iii)	Shri J Ramaswamy	0.21	-
(iv)	Shri B. K. Namdeo	0.61	0.68
(v)	Shri Y.K. Gawali	0.46	0.35
(vi)	Shri Pushp Kumar Joshi	0.55	0.51
(vii)	Shri Shrikant Madhukar Bhosekar	0.37	0.40
		3.74	**3.26**

Remuneration to KMP has been considered from / to the date from which they became KMP.

3. Amount due from Key Management Personnel

(₹ /Crores)

No.	Description	31.03.2016	31.03.2015
(i)	Smt. Nishi Vasudeva	-	0.02
(ii)	Shri K. V. Rao	-	0.00
(iii)	Shri J Ramaswamy	0.02	-
(iv)	Shri Pushp Kumar Joshi	0.06	0.07
(v)	Shri Shrikant Madhukar Bhosekar	0.05	0.05
		0.13	**0.14**

Notes to the Financial Statements for the year ending 31st March, 2016

41. 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 %	
	31/03/2016	31/03/2015
In India		
Under NELP IV		
KK- DWN-2002/2	20	20
KK- DWN-2002/3	20	20
CB- ONN-2002/3	15	15
Under NELP V		
AA-ONN-2003/3	15	15
Under NELP VI		
CY-DWN-2004/1	10	10
CY-DWN-2004/2	10	10
CY-DWN-2004/3	10	10
CY-DWN-2004/4	10	10
CY-PR-DWN-2004/1	10	10
CY-PR-DWN-2004/2	10	10
KG-DWN-2004/1	10	10
KG-DWN-2004/2	10	10
KG-DWN-2004/3	10	10
KG-DWN-2004/5	10	10
KG-DWN-2004/6	10	10
MB-OSN-2004/1	20	20
MB-OSN-2004/2	20	20
RJ-ONN-2004/1	22.22	22.22
RJ-ONN-2004/3	15	15
Under NELP IX		
MB-OSN-2010/2	30	30
Cluster - 7	60	60

a) The Blocks KK-DWN-2002/2, CY-DWN-2004/1,2,3,4, CY-PR-DWN-2004/1&2, KG-DWN-2004/1,2,3,5,6, MB-OSN-2004/1, MB-OSN-2004/2 & RJ-ONN-2004/1 & 3 are in the process of 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, 2016.

b) The Blocks AAONN-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, 2016.

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) The exploration block MB-OSN-2010/2 has been awarded under NELP IX Bidding Round, Production Sharing Contract (PSC) of the same has been signed on 30/08/2012. 3D seismic data acquisition, Processing & interpretation have been completed. Discussion on well location and further course of action is in progress.

e) In respect of Cluster – 7, the matter is under arbitration. Please refer Note # 55.1.

Notes to the Financial Statements for the year ending 31st March, 2016

42. In compliance of AS-27 'Financial Reporting of Interest in Joint Ventures', the required information is as under:

a) Jointly Controlled Entities

	Country of Incorporation	Percentage of ownership interest as on 31st March, 2016	Percentage of ownership interest as on 31st March, 2015
HPCL-Mittal Energy Ltd.	India	48.99	48.94
Hindustan Colas Private Ltd.	India	50.00	50.00
South Asia LPG Company Pvt. Ltd.	India	50.00	50.00
Mangalore Refinery and Petrochemicals Ltd.	India	16.96	16.96
Petronet India Ltd.	India	16.00	16.00
Petronet MHB Ltd.	India	28.77	28.77
Bhagyanagar Gas Ltd.*	India	24.99	24.99
Aavantika Gas Ltd.	India	49.97	49.97
GSPL India Transco Ltd	India	11.00	11.00
GSPL India Gasnet Ltd	India	11.00	11.00
HPCL Shapoorji Energy Private Ltd.	India	50.00	50.00
Mumbai Aviation Fuel Farm Facility Pvt Ltd.	India	25.00	25.00

* As of 31st March 2014, paid up equity capital of BGL was ₹ 5 lacs, in which HPCL and GAIL were holding 25% each. Balance 50% 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. 2014-15).

b) In respect of jointly controlled entities, the Corporation's share of assets, liabilities, income, expenses, contingent liabilities and capital commitments as furnished below on the basis of audited / unaudited financial statements received from these joint venture companies:

₹ / Crores

	2015-16	2014-15
(I) Share of Assets & Liabilities :		
i. LIABILITIES		
(1) Share application money pending allotment	-	2.00
(2) Non-current liabilities	10,605.60	13,158.69
(3) Deferred tax liabilities (Net)	(1,123.83)	(1,297.12)
(4) Current liabilities	8,437.60	8,176.76
ii. ASSETS		
(1) Non-current assets	15,985.62	15,925.48
(2) Current assets	6,170.17	7,033.24
(II) Share of Income & Expenses :		
(a) Income	22,090.05	25,144.16
(b) Expenses	21,029.99	26,216.35
(III) Share of Contingent Liabilities & Capital Commitments :		
(a) Contingent Liabilities	496.31	554.52
(b) Capital Commitments	408.72	419.99

c) Corporation's Share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Operations :

₹ / Crores

	2015 – 16	2014 – 15
Jointly Controlled Operations		
Contingent Liabilities	**288.73**	231.19
Capital Commitment	**100.62**	94.93

Notes to the Financial Statements for the year ending 31st March, 2016

43. Operating Leases - Assets taken on lease primarily consist of leased land taken for the purpose of setting up retail outlets, depot operations and properties for use by the Corporation. These lease arrangements are normally renewed on expiry of the term. Amount of lease rental expenses recognized in the Statement of Profit & Loss is given under Note 27 - 'Other expenses'.

44. 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.

45. During the year 2015-16, an amount of ₹ 73.40 Crores (2014-15: ₹ 29.45 Crores) has been charged to revenue towards Enabling Assets on which the Corporation does not have a control.

46. Disclosure as required by Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(₹ in Crores)

	Particulars	Balance as on		Maximum amount outstanding during the year	
		31/03/2016	**31/03/2015**	**2015 – 16**	**2014 – 15**
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**	**-**
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**
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	-	-	-	-

47. The net worth of HPCL Biofuel Limited, a 100% subsidiary, is partially eroded. The management has considered ₹ 161 Crores as a diminution other than temporary in the value of Investment as per AS – 13 and accordingly, made a provision during F.Y. 2015-16.

48. During the year Corporation has made 100% provision amounting to ₹ 16.10 crores for diminution in value of investment in CREDA HPCL Biofuels Ltd. as all the business activities of the company have been suspended and Financial Statement of the company has not been prepared on a going concern basis.

49. During the year, M/s PPIPL, a subsidiary of M/s Prize Petroleum Company Limited (PPCL), has decided to provide for an impairment charge of ₹ 117.27 Crores taking cognizance of low crude and other product prices estimates in near future. Accordingly, a provision for diminution other than temporary in value of PPCL's investment in PPIPL amounting to ₹ 51.47 Crores has been made in the books of M/s PPCL, a 100% subsidiary of the Corporation. In line with above, a provision for diminution, other than temporary in value of HPCL's investment in M/s PPCL amounting to ₹ 105 Crores has been made in the books of HPCL taking into account accumulated losses and diminution in PPCL's Investment in PPIPL as per AS-13.

50. 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. As per company's understanding, since the subject matter covered in DPE OM dated 5th August 2005 was on the same lines as covered in DPE OM dated 22nd July 1997 except increase in financial limits, the said clarification would apply *mutatis mutandis* to both the OMs of DPE. Thus, the ceiling of 30% of Net worth of PSE on Investments in all Joint Ventures / Subsidiaries as prescribed in DPE OM dated 5th August 2005 is calculated exclusive of the Investments made through the Directives of the Government.

Notes to the Financial Statements for the year ending 31st March, 2016

51. The Corporation has complied with the requirement of para 4 (a) of Notes to Schedule II to the Companies Act, 2013 relating to componentization from 2015-16. Due to the above compliance, the depreciation expense for the period ended March 31, 2016 is increased by ₹ 260.88 crores. As provided in para 7 (b) of Schedule II to the Companies Act, 2013, the Corporation has charged ₹ 219.49 crores to Profit & Loss.

52. The Company has considered the ISBL (Inside boundary Limited) 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.

53. During the year 2015 – 16, Corporation has spent ₹ 71.76 Crores (2014-15 : ₹ 34.07 Crores) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 71.67 Crores (2014-15 : ₹ 34.03 Crores).

Head wise break up of CSR expenses are given below:

(₹ in Crores)

S.No.	Head of Expenses	2015-16	2014-15
1	Promoting Education	16.00	19.69
2	Promoting Preventive Health Care	11.64	9.00
3	Empowerment of Socially and Economically Backward groups	4.37	1.44
4	Promotion of Nationally recognized and Para-Olympic Sports	0.68	0.85
5	Imparting Employment by Enhancing Vocation Skills	5.38	3.09
6	Swachh Bharat Abhiyaan	15.82	-
7	Environment Sustainability	17.87	-
	Total	**71.76**	**34.07**

Amount spent during the year 2015-16 on:-

(₹ in Crores)

Details	In Cash	Yet to be paid in Cash	Total
(i) Construction / Acquisition of an assets	0.00	0.00	0.00
(ii) On purpose other than (i) above	71.76	0.00	71.76

Amount spent during the year 2014-15 on:-

Details	In Cash	Yet to be paid in Cash	Total
(i) Construction / Acquisition of an assets	0.00	0.00	0.00
(ii) On purpose other than (i) above	34.07	0.00	34.07

54. There are no reportable segments other than downstream petroleum, as per AS - 17 on Segment Reporting.

55. Contingent Liabilities and Commitments

(₹ in Crores)

	2015-16	2014-15
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
ii. Sales Tax/Octroi	2,156.45	2,483.43
iii. Excise/Customs	260.87	324.84
iv. Land Rentals & Licence Fees	88.94	181.83
v. Others	74.02	111.28
	2,656.02	**3,177.11**

Notes to the Financial Statements for the year ending 31st March, 2016

(₹ in Crores)

	2015-16	2014-15
B. Contingent Liabilities not provided for in respect of appeals filed against the Corporation		
i. Sales Tax/Octroi	6.16	-
ii. Employee Benefits/Demands (to the extent quantifiable)	214.07	362.71
iii. Claims against the Corporation not acknowledged as Debts(refer note 55.1)	382.52	400.62
iv. Others	304.81	300.38
	907.57	**1,063.71**
C. Guarantees given	**401.66**	**158.28**

55.1 : A claim of ₹ 241.92 crores (36.51 Million USD @ Exchange rate of 1 US$ = ₹ 66.2525), 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 ₹ 889.71 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. Quantification aspect is being looked into by Arbitral Tribunal. This amount is not included above.

	2015-16	2014-15
II. Commitments		
A. Estimated amount of contracts remaining to be executed on Capital Account not provided for	**3,347.55**	**2,173.01**
B. Other Commitments (for Investments in Joint Ventures)	**27.74**	**-**

55.2 : 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.

55.3 : 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.

(₹ in Crores)

	2015-16	2014-15
56. Other Notes		
A. C.I.F. value of imports during the year(excludes canalised imports):		
- Raw materials	28,326.26	46,138.58
- Stores, Spares and Chemicals	218.02	297.17
- Capital Goods, Components and Spares	82.37	32.60
B. (i) Expenditure in foreign currency on account of Engineering, Technical and other services, demurrage charges, royalties, interest and other matters	864.31	648.30
(ii) Foreign Currency payments for crude	28,351.94	42,803.65

Notes to the Financial Statements for the year ending 31st March, 2016

(₹ in Crores)

	2015-16	2014-15
C. Earnings in foreign exchange :		
Export of goods calculated on FOB basis and Others.		
Includes ₹ 120.10 crores (2014-15 : ₹ 137.79 crores) received in Indian currency out of repatriable funds of foreign customers	1,810.68	5,313.98
D. Value of Raw Materials, Spare Parts and Components consumed		
(i) Raw Materials		
- Imported (in %)	68.07	79.76
- Imported (in Value)	28,758.86	46,213.02
- Indigenous (in %)	31.93	20.24
- Indigenous (in Value)	13,492.38	11,725.40
(ii) Spare Parts & Components:		
- Imported (in %)	25.97	24.79
- Imported (in Value)	86.89	75.61
- Indigenous (in %)	74.03	75.21
- Indigenous (in Value)	247.62	229.45
E. Expenditure incurred on Research and Development		
- Capital	136.78	102.17
- Revenue	43.54	27.70
F. Interest on Project borrowings capitalized	117.80	231.04
G. Exchange Differences / Forward Premiums		
(i) Exchange Differences adjusted in the carrying amount of Assets during the accounting period.	541.35	326.49
(ii) Premium in respect of Forward Exchange contracts to be recognised in Statement of Profit and Loss for one or more subsequent accounting periods	0.04	-

57. Employee Benefits

(A) Provident Fund

The Company has Provident Fund maintained by PF Trust. During the year, Company has conducted Actuarial Valuation of PF Trust. As per Actuarial Valuation, PF Trust does not have any deficit as on 31st March 2016. Accordingly, other related disclosures in respect of Provident Fund have not been made.

During the year, the company has recognised ₹ 120.46 crore (2014-15 : ₹ 114.68 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss.

(B) Superannuation Fund

The company has Superannuatin 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 ₹ 178.34 crore (2014-15 : ₹ 144.84 crore) as Employer's contribution to Superannuation Fund in the statement of Profit and Loss.

Notes to the Financial Statements for the year ending 31st March, 2016

(C) Defined Benefit Plans - As per actuarial valuation

(₹ in crores)

	Particulars	Leave Encashment	Gratuity	Pension	Post Retirement Medical Benefit	Long Service Awards	Ex - Gratia	Death Benefits	Resettlement Allowance
		Funded	Funded	Non - Funded	Funded	Non - Funded	Non - Funded	Non - Funded	Non - Funded
	Refer foot-notes :	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
1	**Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2016.**								
	Defined Benefit Obligation at the beginning of the year	598.46	501.31	57.84	504.15	-	33.71	22.13	2.49
		577.36	*463.64*	*66.73*	*416.84*	*66.95*	*37.57*	*21.69*	*2.24*
	Interest Cost	50.73	38.19	4.21	42.45	-	2.44	1.58	0.20
		57.49	*41.63*	*5.83*	*41.11*	-	*3.24*	*1.81*	*0.24*
	Current Service Cost	43.65	3.04	-	45.84	-	-	-	0.46
		36.83	*2.77*	-	*34.32*	-	-	-	*0.42*
	Past Service Cost (Vested Benefits)	-	-	-	-	93.39	-	-	-
		-	-	-	-	-	-	-	-
	Benefit Paid	-	(41.75)	(7.71)	(32.13)	(8.26)	(5.94)	(4.48)	(0.95)
		-	*(43.22)*	*(8.79)*	*(23.84)*	-	*(5.98)*	*(4.76)*	*(0.22)*
	Acturial (gain)/loss on Obligation	(109.67)	(5.73)	10.50	2.30	-	1.93	(2.65)	11.37
		(73.22)	*36.49*	*(5.93)*	*35.72*	-	*(1.12)*	*3.39*	*(0.19)*
	Defined Benefit Obligation at the end of the year	**583.17**	**495.06**	**64.84**	**562.61**	**85.13**	**32.14**	**16.58**	**13.57**
		598.46	*501.31*	*57.84*	*504.15*	-	*33.71*	*22.13*	*2.49*
2	**Change in Fair Value of Assets during the year ended March 31, 2016.**								
	Fair Value of Plan Asset at the beginning of the year	697.85	510.96	N/A	-	N/A	N/A	N/A	N/A
		637.19	*507.72*	*N/A*	-	*N/A*	*N/A*	*N/A*	*N/A*
	Expected return on Plan Assets	60.71	42.65	N/A	-	N/A	N/A	N/A	N/A
		55.44	*42.29*	*N/A*	-	*N/A*	*N/A*	*N/A*	*N/A*
	Acturial gain/(loss) on Plan Assets	1.26	0.71	N/A	11.82	N/A	N/A	N/A	N/A
		5.22	*4.16*	*N/A*	-	*N/A*	*N/A*	*N/A*	*N/A*
	Contribution by employer	-	0.18	N/A	432.13	N/A	N/A	N/A	N/A
		-	*0.01*	*N/A*	*23.84*	*N/A*	*N/A*	*N/A*	*N/A*
	Benefit Paid	-	(41.75)	N/A	(32.13)	N/A	N/A	N/A	N/A
		-	*(43.22)*	*N/A*	*(23.84)*	*N/A*	*N/A*	*N/A*	*N/A*
	Fair Value of Plan Asset at the end of the year	**759.82**	**512.75**	N/A	**411.82**	N/A	N/A	**N/A**	**N/A**
		697.85	*510.96*	*N/A*	-	*N/A*	*N/A*	*N/A*	*N/A*
3	**Net asset/(liability) recognized in balance sheet as at March 31, 2016.**								
	Defined Benefit Obligation at the end of the year	583.17	495.06	64.84	562.61	85.13	32.14	16.58	13.57
		598.46	*501.31*	*57.84*	*504.15*	-	*33.71*	*22.13*	*2.49*
	Fair Value of Plan Asset at the end of the year	759.82	512.75	-	411.82	-	-	-	-
		697.85	*510.96*	-	-	-	-	-	-
	Amount recognised in the Balance Sheet	**176.65**	**17.69**	**(64.84)**	**(150.79)**	**(85.13)**	**(32.14)**	**(16.58)**	**(13.57)**
		99.39	*9.65*	*(57.84)*	*(504.15)*	-	*(33.71)*	*(22.13)*	*(2.49)*
4	**Components of employer expenses**								
	Current Service Cost	43.65	3.04	-	45.84	-	-	-	0.46
		36.83	*2.77*	-	*34.32*	-	-	-	*0.42*
	Interest Cost	50.73	38.19	4.21	42.45	-	2.44	1.58	0.20
		57.49	*41.63*	*5.83*	*41.11*	-	*3.24*	*1.81*	*0.24*
	Past Service Cost (Vested Benefits)	-	-	-	-	93.39	-	-	-
		-	-	-	-	-	-	-	-
	Expected Return on Plan Asset	(60.71)	(42.65)	-	-	-	-	-	-
		(55.44)	*(42.29)*	-	-	-	-	-	-
	Acturial (gain)/loss	(110.93)	(6.44)	10.50	(9.52)	-	1.93	(2.65)	11.37
		(78.44)	*32.33*	*(5.93)*	*35.72*	-	*(1.12)*	*3.39*	*(0.19)*
	Total expenses recognized durng the year	**(77.26)**	**(7.86)**	**14.71**	**78.77**	**93.39**	**4.37**	**(1.07)**	**12.03**
		(39.56)	*34.44*	*(0.10)*	*111.15*	-	*2.12*	*5.20*	*0.47*

Notes to the Financial Statements for the year ending 31st March, 2016

(₹ in crores)

	Particulars	Leave Encashment	Gratuity	Pension	Post Retirement Medical Benefit	Long Service Awards	Ex - Gratia	Death Benefits	Resettlement Allowance
		Funded	Funded	Non - Funded	Funded	Non - Funded	Non - Funded	Non - Funded	Non - Funded
	Refer foot-notes :	1	2	3	4	5	6	7	8
5	**Actuarial Assumptions**								
	Discount Rate	*7.99%*	*7.99%*	*7.79%*	*8.06%*	*7.99%*	*7.79%*	*7.79%*	*7.99%*
	Expected return on plan assets	7.99%	7.99%	-	8.06%	-	-	-	-
	Salary escalation	7.00%	7.00%	-	-	-	-	-	-
	Inflation	-	-	-	5.00%	-	-	-	-
	Mortality rate	IALM (2006-08) Mortality Table							
6	**The major categories of plan assets as a percentage to total plan assets**								
	Central & State Govt. Securities	51.25%	51.25%	N/A	-	N/A	N/A	N/A	N/A
	Bonds / Debentures	29.92%	29.92%	N/A	98.94%	N/A	N/A	N/A	N/A
	Equity Shares	5.50%	5.50%	N/A	-	N/A	N/A	N/A	N/A
	Others	13.33%	13.33%	N/A	1.06%	N/A	N/A	N/A	N/A
7	**Effect of one percentage point change in assumed medical inflation rate for Post Retirement Medical Benefit**	**One percentage point increase in medical inflation rate**			**One percentage point decrease in medical inflation rate**				
	Revised DBO as at March 31, 2016	643.32			497.57				
	Revised service cost for 2015-16	44.67			48.47				
	Revised interest cost for 2015-16	47.76			37.14				

Foot Notes :

1 Leave Encashment : All employees are entitled to avail earned leave and sick leave during the service period and the same can be encashed on superannuation, resignation, termination or by nominee on death. Further, the accumulated earned leave can also be encashed during the service period. The contribution for increase in actuarial liability as of March 31, 2016 over March 31, 2015 towards leave encashment is funded to LIC. As per the practice followed, the payment made to employees during the year to the extent of ₹ 174.39 crores is not claimed from LIC, hence, benefit paid during the year is shown as "NIL" in the above table. Total expenses recognised in Profit & Loss Account of this benefit is ₹ (77.26) crores (i.e. provision of ₹ 15.29 crores towards decrease in liability and interest earned from LIC is ₹ 61.97 crores).

2 Gratuity : All employees are entitled to receive gratuity as per the provisions of Payment of Gratuity Act, 1972.

3 Pension : The employees covered by the Pension Plan of the Corporation are entitled to receive monthly pension for life.

4 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.

5 Long Service Awards : The Board in its 587th meeting held on Feb 12,2016 has approved the modified scheme for Long Service Awards to its employees in the form of momento/emblem/cash on completion of specified length of service and superannuation.

6 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.

7 Death Benefits : The families of deceased employees are paid at a specified percentage of last drawn salary till the notional date of retirement age under the provisions of Superannuation Benefit Fund Scheme.

8 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.

9 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.

Notes to the Financial Statements for the year ending 31st March, 2016

10 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.

11 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.

12 Gratuity Amount for the Current & Previous Year are as follows ₹ in Crores

	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12
Defined Benefit Obligation	495.06	501.31	463.64	489.55	447.73
Plan Assets	512.75	510.96	507.72	468.62	454.47
Surplus/Deficit	17.69	9.65	44.08	(20.93)	6.74
Expected Contribution for next Financial Year	-	-	-	20.93	-
Acturial gain/(loss) on Plan Assets	0.71	4.16	2.31	6.94	6.01
Acturial (gain)/loss on Obligation	(5.73)	36.49	(35.46)	23.74	(13.80)

13 Figures in italics represent last year figures

58 During the year, due to completion of tenure of one of the Independent Directors, the number of Independent Directors in the Board is reduced to one, which is less than the minimum number of Independent Directors required in terms of the provisions of the Listing Agreement and the Companies Act, 2013. The Company has approached the administrative ministry for appointment of requisite number of Directors for compliance of the provisions of the Listing Agreement and the Companies Act, 2013 and the same is awaited. Pending such appointment, the financial results have been reviewed and recommended to the Board by the reconstituted Audit Committee consisting of one Independent Director.

59 Previous year's 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 2016

The preparation of financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March 2016 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 auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is/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 27 May 2016.

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 2016. 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 : 25 July 2016

Independent Auditors' Report

TO THE MEMBERS OF HINDUSTAN PETROLEUM CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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") and its jointly controlled entities, (as defined in the Companies (Accounting Standards) Rules, 2006) comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies / governing bodies included in the Group 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 and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 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 financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 and its jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Independent Auditors' Report

Emphasis of Matter

a) We refer to note no. 48 which indicates that the Holding Company has less than the minimum number of Independent Directors required in terms of the provisions contained in the listing agreement and the Companies Act, 2013. Pending such appointment, these financial statements have been reviewed and recommended to the Board of Directors by the Audit Committee consisting of only one Independent Director;

b) We refer to note no. 41 in connection with 23 Un-incorporated Joint Ventures (UJVs) involved in exploration activities, of which majority of UJVs are under relinquishment. The attached consolidated financial statements include Groups proportionate share in Assets and Liabilities, Income and Expenditure amounting to ₹ 25.60 crores and ₹ 123.51 crores, ₹ 0.52 crores and ₹ 20.30 crores respectively, as at March 31, 2016. In respect of these UJVs, the audited accounts are not available with the Group. The financial information has been incorporated based on un-audited financial statements / data received from the respective operators; and

c) We draw attention to note no. 1.3 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 did not audit the financial statements of 4 subsidiaries (and its step-down subsidiaries and jointly controlled entities), and 13 jointly controlled entities (including 1 jointly controlled entity through indirect holding) (and its step-down subsidiaries and jointly controlled entities), whose financial statements reflect total assets of ₹ 23,632 crores as at March 31, 2016, total revenues of ₹ 22,334 crores and net cash flows amounting to ₹ 561 crores for the year ended on that date, as considered in the preparation of the consolidated financial statements. These 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 statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of section 143(3) and 143(11) of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

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.

1. As required by section 143(3) of the Act, 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 financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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, and the Consolidated Cash Flow Statement 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 financial statements.

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

   (e) As per notification 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 and jointly controlled companies incorporated in India other than Government companies, none of the directors of the subsidiary and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 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 Company 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities– Refer note 52(I) to the consolidated 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; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, and jointly controlled companies incorporated in India.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Sd/-
Atul Shah
Partner
Membership No.: 039569

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi
Dated: 27th May 2016

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') and its Joint ventures as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls 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 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, 2016, 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 4 subsidiaries, and 13 Jointly Controlled Entities (including 1 jointly controlled entity through indirect holding), which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Sd/-
Atul Shah
Partner
Membership No.: 039569

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

Sd/-
A.K. Pradhan
Partner
Membership No.: 032156

Place: New Delhi
Dated: 27th May 2016

Consolidated Balance Sheet as at 31st March, 2016

₹ / Crores

	Notes	31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	339.01	339.01
(b) Reserves and Surplus	4	16,987.65	13,585.40
(c) Minority Interest		39.73	114.33
		17,366.39	**14,038.74**
(2) Non-Current liabilities			
(a) Long - Term Borrowings	5	21,746.80	28,535.92
(b) Deferred Tax Liabilities (Net)	6	3,686.63	2,804.45
(c) Other Long Term Liabilities	7A	9,716.84	8,544.53
(d) Long - Term Provisions	7B	515.51	646.05
		35,665.78	**40,530.95**
(3) Current Liabilities			
(a) Short - Term Borrowings	8	5,949.79	4,603.10
(b) Trade Payables			
(A) total Outstanding dues of Micro and small enterprises	9	0.18	0.35
(B) total Outstanding dues of creditor other than Micro and small enterprise	9	10,600.16	12,639.14
(c) Other Current Liabilities	10A	16,263.29	11,442.79
(d) Short - Term Provisions	10B	1,841.52	2,489.63
		34,654.94	**31,175.01**
TOTAL		**87,687.11**	**85,744.70**
II. ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	49,355.13	44,638.47
(ii) Intangible Assets	12	272.21	668.08
(iii) Capital Work - in - Progress	13	2,273.15	3,863.35
(iv) Intangible Under Development	13A	61.67	86.48
(b) Goodwill on Consolidation		120.35	118.56
(c) Non-Current Investments	14	573.17	578.12
(d) Long-Term Loans and Advances	15	1,729.72	1,634.02
(e) Other Non-Current Assets	16	186.04	200.57
		54,571.44	**51,787.65**
(2) Current Assets			
(a) Current Investments	17	4,997.26	5,534.70
(b) Inventories	18	14,983.86	16,044.75
(c) Trade Receivables	19	4,533.73	4,070.73
(d) Cash and Bank Balances	20	2,799.35	2,235.83
(e) Short-Term Loans and Advances	21	5,473.28	5,372.75
(f) Other Current Assets	22	328.19	698.29
		33,115.67	**33,957.05**
TOTAL		**87,687.11**	**85,744.70**
Significant Accounting Policies	1 & 2		

Significant Accounting Policies and Notes Forming Part of Accounts are an integral part of the Consolidated 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 27, 2016

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/-
Atul Shah
Partner
Membership No. 039569

Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

₹ / Crores

	Notes	2015-16	2014-15
Revenue from Operations			
a. Gross Sale of Products	23A	212,664.41	230,168.48
Less : Excise Duty		25,983.55	13,831.16
b. Net Sale of Products		**186,680.86**	**216,337.32**
c. Sale of services		79.57	57.84
d. Other Operating Revenues	23B	318.36	252.92
e. Other Income	23C	1,657.60	1,860.79
Total Revenue (b+c+d+e)		**188,736.39**	**218,508.87**
Expenses:			
Cost of Materials Consumed		57,641.04	78,982.20
Purchases of Stock-in-Trade		101,962.08	114,969.85
Packages Consumed		311.68	255.58
Excise Duty on Inventory Differential		1,657.17	1,076.55
Transportation Expenses		5,390.93	4,996.86
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	24	609.11	5,078.44
Employee Benefits Expense	25	2,518.75	2,593.11
Exploration Expenses		33.77	28.30
Finance Costs	26	1,747.25	1,841.15
Depreciation and Amortization Expense	11 & 12	3,588.26	2,496.68
Other Expenses	27	6,314.29	3,963.87
Total Expenses		**181,774.33**	**216,282.59**
Profit Before Prior Period, Exceptional and Extraordinary Items and Tax		**6,962.06**	**2,226.28**
Prior Period Expenses / (Incomes)	28	7.91	(4.21)
Profit Before Exceptional and Extraordinary Items and Tax		**6,954.15**	**2,230.49**
Exceptional Expenses / (Incomes)		-	(4.09)
Profit Before Extraordinary Items and Tax		**6,954.15**	**2,234.58**
Extraordinary Expenses / (Incomes)		-	3.89
Profit Before Tax		**6,954.15**	**2,230.69**
Tax Expense: (refer note # 38)			
Current tax		1,544.13	1,057.36
MAT Credit Entitlements		(45.32)	(7.78)
Deferred tax		741.10	(738.34)
Provision for Tax for Earlier years written back (net)		(132.67)	430.58
Total Tax Expenses		**2,107.24**	**741.82**
Profit / (Loss) after Tax but before Share of Results of Minority Interest		**4,846.91**	**1,488.87**
Share of Minority in Profit / (Loss)		(74.58)	(9.71)
Profit / (Loss) after Tax for the Group		**4,921.49**	**1,498.58**
Earnings per equity share: (Basic and Diluted) excluding extraordinary items		145.34	44.37
(2015-16 : EPS = Net Profit ₹ 4,921.49 Crores / Weighted Avg. no of shares - 33.863 Crores)			
(2014-15 : EPS = Net Profit ₹ 1,502.47 Crores / Weighted Avg. no of shares - 33.863 Crores)			
Earnings per equity share: (Basic and Diluted)		145.34	44.25
(2015-16 : EPS = Net Profit ₹ 4,921.49 Crores / Weighted Avg. no of shares - 33.863 Crores)			
(2014-15 : EPS = Net Profit ₹ 1,498.58 Crores / Weighted Avg. no of shares - 33.863 Crores)			

(Total revenue includes ₹ 8,074.66 Crores (2014-15 : ₹ 10,806.43 Crores) towards share of jointly controlled entities)

(Total expense includes ₹ 20,681.35 Crores (2014-15 : ₹ 26,656.53 Crores) towards share of jointly controlled entities)

Significant Accounting Policies 1 & 2

Significant Accounting Policies and Notes Forming Part of Accounts are an integral part of the Consolidated 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	FOR CVK & ASSOCIATES **Chartered Accountants** FRN - 101745W	FOR G.M. KAPADIA & CO. **Chartered Accountants** FRN - 104767W
Sd/- SHRIKANT M. BHOSEKAR **Company Secretary**	Sd/- A K PRADHAN **Partner** Membership No. 032156	Sd/- Atul Shah **Partner** Membership No. 039569

Place : New Delhi
Date : May 27, 2016

Consolidated Cash Flow Statement for the year ended 31st March, 2016

₹ / Crores

		2015-16	2014-15
A.	**Cash Flow From Operating Activities**		
	Net Profit/(Loss) before Tax & Extraordinary Items	**6,954.14**	**2,230.69**
	Adjustments for :		
	Depreciation / amortisation	3,595.71	2,489.40
	Profit/ (Loss) on sale/write off of fixed assets/ CWIP (including prior period)	24.55	50.55
	Amortisation of foreign currency monetary item translation difference account	251.61	36.13
	Utilised of securities premium towards amortisation of premium on redemption on debentures and discount on issue of debentures	-	(25.45)
	Amortisation of capital grant	(1.94)	(0.55)
	Spares written off	0.41	1.06
	Provision for Diminution in Value of Current Investments	(16.71)	(605.04)
	(Profit)/Loss on Sale of Current Investment	35.86	29.24
	Finance Costs	1,747.32	1,841.15
	Exchange Rate Difference (unrealised)	437.93	472.93
	Gain on settlement of deferred sales tax loan	(271.06)	(256.91)
	Provision for Doubtful Debts & Receivables	37.04	22.48
	Bad Debts written off	9.97	-
	Interest Income	(516.50)	(574.92)
	Share of Profit from PII	(0.77)	(0.59)
	Dividend Received	(57.92)	(38.77)
	Operating Profit before Changes in Assets and Liabilities {Sub Total - (i)}	**12,229.64**	**5,671.40**
	(Increase) / Decrease in Assets and Liabilities :		
	Trade Receivables	(510.00)	2,208.96
	Loans and Advances and Other Assets	770.04	3,679.59
	Inventories	1,060.49	8,849.66
	Liabilities and Other Payables	(473.98)	(185.16)
	Sub Total - (ii)	846.55	14,553.05
	Cash Generated from Operations (i) + (ii)	13,076.19	20,224.45
	Less : Direct Taxes / FBT refund / (paid) - Net	(1,313.78)	(810.77)
	Cash flow before Operating Activities before extraordinary items	11,762.41	19,413.68
	Less : Extraordinary items - (gains) / losses	-	3.89
	Net Cash from Operating Activities (A)	**11,762.41**	**19,409.79**
B.	**Cash Flow From Investing Activities**		
	Purchase of fixed assets (including CWIP / excluding interest capitalised)	(6,203.16)	(6,437.96)
	Sale of fixed assets	18.53	125.50
	Receipt of Capital Grant	13.28	
	Purchase of investment (including share application money pending allotment/ advance towards equity)	(53.09)	(46.93)
	Proceeds from Sale of Investments	529.33	165.07
	Interest received	590.93	488.34
	Dividend received	57.92	38.77
	Net Cash Flow generated from / (used in) investing activities (B)	**(5,046.26)**	**(5,667.21)**

Consolidated Cash Flow Statement for the year ended 31st March, 2016

₹ / Crores

		2015-16	2014-15
C.	**Cash Flow From Financing Activities**		
	Share application money received / (paid)	-	(1.24)
	Advance towards equity received	-	-
	Long term Loans raised/(repaid)	(3,383.30)	4,310.64
	Short term Loans raised / (repaid)	1,346.71	(16,561.15)
	Finance Cost paid	(1,751.19)	(1,830.70)
	Dividend paid (including dividend distribution tax)	(1,759.86)	(616.52)
	Net Cash Flow generated from / (used in) Financing Activities (C)	**(5,547.64)**	**(14,698.97)**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**1,168.51**	**(956.39)**
	Opening Balance of Cash and Cash Equivalents		
	Cash / cheques on hand	8.98	13.16
	Balances with scheduled banks		
	On current accounts	126.93	69.92
	Others	772.56	1,781.78
		908.47	**1,864.86**
	Closing Balance of Cash and Cash Equivalents		
	Cash / cheques on hand	7.87	8.98
	Balances with scheduled banks		
	On current accounts	171.25	126.93
	Others	1,897.86	772.56
		2,076.98	**908.47**
Net Increase / (Decrease) in Cash and Cash Equivalents		**1,168.51**	**(956.39)**

Note: Previous year's figures have been regrouped / reclassified wherever necessary.

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

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/-
Atul Shah
Partner
Membership No. 039569

Place : New Delhi
Date : May 27, 2016

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

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 Corporation is engaged in the business of refining of crude oil and marketing of petroleum products. It has refineries at Mumbai and Vishakhapatnam, LPG bottling plants and Lube blending plants. The Corporation's marketing infrastructure includes vast network of Installations, Depots, Retail Outlets, Aviation Service Stations and LPG distributors.

1. BASIS OF PREPARATION

1.1 The Consolidated Financial Statements (CFS) relates to parent company, Hindustan Petroleum Corporation Limited (HPCL), its subsidiary companies and its interest in Joint Ventures, in the form of jointly controlled entities (collectively referred to as the "Group").

The financial statements are prepared under historical cost convention in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), Accounting Standards notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. All income and expenditure having material bearing are recognised on accrual basis.

Use of Estimates

Necessary estimates and assumptions that affect the amounts reported in the financial statements and notes thereto are made during the reporting period and difference between the actual and the estimates are recognised in the period in which the results materialise.

In particular these CFS are prepared in accordance with Accounting Standard on "Consolidated Financial Statements" (AS-21), and "Financial Reporting of Interests in Joint Ventures" (AS-27) notified under Companies (Accounting Standards) Rules, 2014.

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 share of Minority Interest in the Subsidiaries has been disclosed separately in CFS.

The financial statements of Joint Ventures have 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 balance intra group transactions and unrealized profits or losses.

Figures pertaining to the Subsidiary Companies/Joint Ventures have been reclassified, wherever necessary, to conform to the parent company, HPCL's Financial Statements.

For certain items, HPCL, its subsidiaries and Joint ventures have followed different accounting policies. However impact of the same is not material.

1.3 Companies included in Consolidation

The CFS comprise the Audited Financial Statements (except as mentioned otherwise) of HPCL, its Subsidiaries and its interest in Joint Ventures for the year ended 31st March 2016, which are as under;

Name of the Company	Country of Incorporation	HPCL's Ownership Interest 31.03.2016	31.03.2015
(i) Subsidiaries			
CREDA - HPCL Biofuels Ltd. (CHBL)	India	**74.00%**	74.00%
HPCL Biofuels Ltd. (HBL)	India	**100.00%**	100.00%
Prize Petroleum Company Ltd. (PPCL)***	India	**100.00%**	100.00%
HPCL Rajasthan Refinery Ltd. (HRRL)	India	**74.00%**	74.00%

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

Name of the Company	Country of Incorporation	HPCL's Ownership Interest	
		31.03.2016	31.03.2015
(ii) Joint Ventures			
HPCL - Mittal Energy Ltd. (HMEL)***	India	**48.99%**	48.94%
Hindustan Colas Pvt. Ltd. (HINCOL)	India	**50.00%**	50.00%
South Asia LPG Co. Pvt. Ltd. (SALPG)	India	**50.00%**	50.00%
Mangalore Refinery and Petrochemicals Ltd. (MRPL)***	India	**16.96%**	16.96%
Bhagyanagar Gas Ltd. (BGL)	India	**24.99%**	24.99%
Petronet India Ltd. (PIL)**	India	**16.00%**	16.00%
Petronet MHB Ltd. (PMHBL)#	India	**30.03%**	28.77%
Aavantika Gas Ltd. (AGL)	India	**49.97%**	25.00%
GSPL India Gasnet Ltd. (GIGL)	India	**11.00%**	11.00%
GSPL India Transco Ltd. (GITL)	India	**11.00%**	11.00%
HPCL Shapoorji Energy Pvt Ltd. (HSEL)	India	**50.00%**	50.00%
Mumbai Aviation Fuel Farm Facility Pvt. Ltd. (MAFFFL)	India	**25.00%**	25.00%

** In case of Petronet India Ltd. Standalone Financial Statements have been considered for the purpose of consolidation. In Addition, Indirect holding of 4.16% in Petronet CCK Ltd. held through Petronet India Ltd. is considered for the purpose of consolidation.

*** Consolidated Financial Statements are considered.

HPCL's Holding in Petronet MHB Ltd. has been considered at 30.03% after considering the indirect holding of 1.26% through Petronet India Ltd.

HPCL – Mittal Energy Limited has a 100% subsidiary namely HPCL – Mittal Pipelines Limited.

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.

As of 31st March 2014, paid up equity capital of BGL was ₹ 5 lacs, in which HPCL and GAIL were holding 25% each. Balance 50% 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. 2014-15).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 TANGIBLE ASSETS

a. Tangible assets are stated at cost net of accumulated depreciation / amortization

b. Land acquired on lease for 99 years or more is treated as freehold land.

c. Technical know-how /licence fee relating to plants/ facilities are capitalized as part of cost of the underlying asset.

2.2 INTANGIBLE ASSETS

a. Cost of Right of Way for laying pipelines is capitalised as Intangible Asset and is amortised over a period of 99 years.

b. Technical know-how /licence fee relating to production process and process design are recognized as Intangible Assets.

c. Cost of Software directly identified with hardware is capitalised along with the cost of hardware. Application software is capitalised as Intangible Asset.

2.3 CONSTRUCTION PERIOD EXPENSES ON PROJECTS

a. Related expenditure (including temporary facilities and crop compensation expenses) incurred during construction period in respect of plan projects and major non-plan projects are capitalised.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

b. Financing cost incurred during the construction period on loans specifically borrowed and utilised for projects is capitalised. Financing cost includes exchange rate variation to the extent regarded as an adjustment to interest cost.

c. Financing cost, if any, incurred on general borrowings used for projects during the construction period is capitalised at the weighted average cost.

2.4 DEPRECIATION / AMORTIZATION

a. Depreciation on fixed assets 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 fixed assets and has adopted the useful lives and residual value as prescribed in Schedule II except for, plant and machinery relating to Retail Outlets (other than Storage tanks and related equipment), Cavern Structure and LPG cylinders & regulators. The useful life of plant and machinery relating to Retail Outlets (other than Storage tanks and related equipment) are considered as 15 years and for Cavern Structure as 60 years based on its internal technical assessment.

b. In line with the provisions of Schedule II of the Companies Act 2013, 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 has been assessed based on the historical experience and internal technical inputs.

c. All assets costing up to ₹ 5000/-, other than LPG cylinders and pressure regulators, are fully depreciated in the year of capitalisation.

d. Premium on leasehold land is amortised over the period of lease.

e. Machinery Spares, which can be used only in connection with an item of fixed asset and the use of which is expected to be irregular, are depreciated over a period not exceeding the useful life of the principal item of fixed asset.

f. Intangible Assets other than application software and cost of right of way are amortized on a straight line basis over a period of ten years or life of the underlying plant/facility, whichever is earlier.

g. Application software are normally amortised over a period of four years, or over its useful life, whichever is earlier.

h. In addition to the Depreciation policy of Parent company, major Accounting policies of Group Companies in respect of Depreciation/ Amortisation are as under:

HMEL

(i) Depreciation on fixed assets is calculated using the straight-line method (SLM) as per the useful life of the assets stated below. The same have been determined by the management based on technical estimates.

Particulars	Useful Life (Years)
Building *	30
Building (culverts)	30
Building (roads)	5
Plant and equipment (refinery assets)	25
Plant and equipment (captive power plant)	40
Plant and equipment (crude oil pipeline)	30
Plant and equipment (pumps)	25
Plant and equipment (hoses) **	8
Plant and equipment (lab equipment)	10
Plant and equipment (others)	15
Railway Sidings	15
Furniture & Fixtures	10
Vehicles	8
Office Equipment	5
Computer & peripherals – end user devices	3
Computer & peripherals – server	6

* Buildings include both factory and non-factory buildings. The useful lives of the non-factory buildings as mentioned in Schedule II of Companies Act, 2013 is higher than what has been assessed by the management.

** The useful lives of hoses as mentioned in Schedule II of Companies Act 2013 is higher than what has been assessed by the management.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(ii) Leasehold land (other than land on perpetual lease) is amortized over the lease period of 28 years and 4 months starting from 31st May, 2002.

(iii) Assets constructed on leasehold properties are depreciated over the remaining period of the lease (refer (ii) above) or the useful life mentioned in (i) above, whichever is lower.

(iv) Leasehold improvements are depreciated over the primary period of 9 years or over the useful lives mentioned in (i) above whichever is lower.

(v) Fixed-bed catalyst (included in Plant and Machinery - refinery assets) are depreciated on SLM basis over their useful life. Determined based on individual chemical reports (ranging from 1 to 8 years) or the useful life mentioned above whichever is lower.

(vi) Intangible assets representing computer software are amortized using the straight-line method over the estimated useful life of five years or the tenure of the respective software licence, whichever is lower.

GIGL & GITL

(i) Depreciation on tangible fixed assets is provided on written down value method (WDV) as per useful life prescribed in Schedule II to the Companies Act, 2013 except on Mobile instruments, which are depreciated over useful life of two years on WDV basis based on technical assessment.

(ii) In case of Intangible Assets, software is amortised at 40% on written down value method. Right of use (RoU) is perpetual in nature, However as required by Accounting Standard – 26 expenditure on Land Compensation for acquiring Right of Use (RoU) is amortised over 99 years on straight line method starting from the date of commissioning of the respective pipeline. Moreover, expenditure on Right of Way is amortised over 30 years on straight line method starting from the date of commissioning of respective pipeline.

MAFFFL

(i) The Company has earlier adopted the useful life of the Oil Companies assets taken over by the company different from what is specified in Part - C of Schedule II of the Companies Act, 2013 on the basis of the technical advice obtained. Based on management's latest estimate, Integrated Fuel Farm Facility is expected to be commissioned from 1st January 2019 and existing facilities of Oil Companies are expected to be dismantled by 31st March 2019. In view of the same, actual useful lives of these facilities (except Vehicles) are restricted to such period which is different from the useful lives specified in Part C of Schedule II of the Companies Act, 2013 and depreciation on these facilities has been provided accordingly.

(ii) Useful lives of assets acquired from Mumbai International Airport Pvt. Ltd. (MIAL) in the last year were considered as specified in Part - C of Schedule II of the Companies Act, 2013. During the year under reference, useful lives of all these assets acquired, both in the past and in the year under reference, from MIAL are restricted to the contractual period expiring as per the License Agreement i.e. 2nd May 2036 which is different from the useful lives specified in Part C of Schedule II of the Companies Act, 2013 and depreciation on these assets has been provided accordingly.

(iii) The Building (DP Shed) constructed by the Company at Sahar is expected to be dismantled along with IOCL - Sahar Facility, as stated in (i) above. In view of the same, Actual useful life of this asset is restricted to such period which is different from the useful life specified in Part C of Schedule II of the Companies Act, 2013 and depreciation on this asset has been provided accordingly.

HINCOL

(i) Depreciation is provided pro-rata to the period of use, on Straight Line Method, over the period of estimated useful lives of the assets or those stipulated in Schedule II to the Companies Act 2013, whichever is lower. The useful lives which are different from Schedule II are as follows :

Particulars	Useful Life (Years)
Buildings	
-Residential Buildings (RCC Frame Structure)	30
-Factory Buildings	25
-Drains	10
-Buildings (other than RCC frame structure)	25
-Culverts	10

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

Particulars	Useful Life (Years)
-Land Development	25
Plant & Machinery	
-Colas Plant	10
-Storage Tanks (Emulsion/ Acid Tanks)	12
-Storage Tanks (Other Tanks)	15
-Pipelines (Emulsion/ Acid pipelines)	12
-Pipelines (other pipelines)	15
-Fire Fighting Equipment/Forklift/High Shear Mill	10
-Road Making Equipment	8
-Others	15
Motor Vehicles	
-Cars	4
-Trucks	5
Computers & Data Processing Units	
- Servers & Networks	3
Intangible Assets	
- Software	4

(ii) Leasehold land is amortized over the period of lease. In case of lease of land / premises from an unrelated party, if the period of lease is less than the useful life of the leasehold assets constructed or leasehold improvements, the depreciation is provided for such assets over the useful life of assets or period of lease, whichever is shorter.

SALPG

Underground cavern facilities are amortised over the primary period of the lease of 34 years and 3 months.

PMHBL

In respect of certain assets, the useful life assessed internally by the Company's Management differs from that specified in Schedule II of the Companies Act, 2013. In all such cases, appropriate documentation of the evaluation with justifications for the same has been maintained. Useful life as per evaluation is as under:

Particulars	Useful Life (Years)
Road	5
Buildings	30
Pipeline	30
Plant & Machinery	15
Electrical Installations	10
SCADA Systems	10
Telecom Systems	15
Online Sulphur Analyser System	10
Office Equipments	5
Computers/Data Processing Equipment	3
Computer Servers	6
F Furniture & Fixtures	10
Right of Way	99
Software	6

2.5 IMPAIRMENT OF ASSETS

At each balance sheet date, an assessment is made of whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of assets of cash generating units (CGU) exceeds their recoverable amount.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

2.6 FOREIGN CURRENCY TRANSACTIONS

a. Foreign Currency transactions during the year are recorded at the exchange rates prevailing on the date of transactions.

b. All foreign currency assets, liabilities and forward contracts are restated at the rates prevailing at the year end.

c. All exchange differences are dealt with in the Statement of Profit and Loss including those covered by forward contracts, where the premium / discount arising from such contracts are recognised over the period of contracts, except foreign exchange differences on long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of loan.

d. The realised gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year, are recognised in the Statement of Profit and Loss along with the underlying transaction. However, in respect of contracts, the pricing period of which extends beyond the Balance Sheet date, suitable provision is made for likely loss, if any.

e. Derivative instruments

In accordance with the Institute of Chartered Accountants of India (ICAI) announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

f. The financial statements of subsidiary of non-integral foreign operations are translated into Indian rupees as follows:

i. The all assets and liabilities, both monetary and non-monetary, are translated using the closing rate,

ii. Items of income and expenditures are translated at the average rate prevailing during the period.

iii. The resulting net exchange difference is credited or debited to a foreign currency translation reserve.

2.7 INVESTMENTS

a. Long-Term Investments are valued at cost and provision for diminution in value thereof is made, wherever such diminution is other than temporary.

b. Current Investments are valued at the lower of cost and fair value.

2.8 INVENTORIES

a. Crude oil is valued at cost on First In First Out (FIFO) basis or at net realisable value, whichever is lower.

b. Raw materials for lubricants and finished 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. Empty packages are valued at weighted average cost.

f. Stores and spares are valued at weighted average cost. Stores and Spares in transit are valued at cost.

g. Value of surplus, obsolete and slow moving stores and spares, if any, is reduced to net realisable value. Surplus items, when transferred from completed projects are valued at cost / estimated value, pending periodic assessment / ascertainment of condition.

2.9 DUTIES ON BONDED STOCKS

Excise / Customs duty is provided on stocks stored in Bonded Warehouses (excluding goods exempted from duty / exports or where liability to pay duty is transferred to consignee).

2.10 GRANTS

a. In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants, which is recognised in the Statement of Profit & Loss over the period and in the proportion in which depreciation is charged.

b. Grants received against revenue items are recognised as income.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

2.11 EXPLORATION & PRODUCTION EXPENDITURE

"Successful Efforts Method" of accounting is followed for Oil & Gas exploration and production activities as stated below:

a. Cost of surveys, studies, carrying and retaining undeveloped properties are expensed out in the year of incurrence.

b. 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.

c. Accumulated costs on exploratory wells in progress are expensed out in the year in which they are determined to be dry.

d. The proportionate share in the assets, liabilities, income and expenditure of joint operations are accounted as per the participating interest in such joint operations.

2.12 EMPLOYEE BENEFITS

Liability towards long term defined employee benefits - leave encashment, gratuity, pension, post – retirement medical benefits, long service awards, ex-gratia, death benefits and resettlement allowance are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. Liability so determined is funded in the case of leave encashment and gratuity, and provided for in other cases.

The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's 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 Company and charged to Statement of Profit and Loss.

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss of the year in which the related services are rendered.

In some Group Companies, Retirement benefits are in the form of defined contribution scheme. Contributions paid/payable under defined contributions plans are recognised in the Statement of Profit & Loss each year.

2.13 REVENUE RECOGNITION

a. Sales are recorded based on significant risks and rewards of ownership being transferred in favour of the customer.

b. Sales are net of discount, include applicable excise duty, surcharge and other elements as are allowed to be recovered as part of the price but excludes VAT/sales tax.

c. Claims, including subsidy on LPG, HSD and SKO, from Government of India are booked on in principle acceptance thereof on the basis of available instructions / clarifications.

d. Dividend income is recognised when the Company's right to receive the dividend is established.

e. Income from sale of scrap is accounted for on realisation.

f. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

2.14 TAXES ON INCOME

a. Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

b. Deferred tax liability/asset on account of timing difference between taxable and accounting income is recognised using tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date. In the event of unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized, if there is virtual certainty that sufficient future taxable income will be available to realize such assets.

c. 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.

2.15 CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND PROVISIONS

a. Contingent Liabilities are disclosed in respect of:

   i. A possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or

   ii. A present obligation where it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or a reliable estimate of the amount of obligation cannot be made.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

b. Contingent Liabilities are considered only for items exceeding ₹ 5 lakhs in each case. Contingent Liabilities in respect of show cause notices are considered only when converted into demands. Capital Commitments are considered only for items exceeding ₹ 1 lakh in each case.

c. A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

2.16 ACCOUNTING/CLASSIFICATION OF EXPENDITURE AND INCOME

a. Insurance claims are accounted on acceptance basis.

b. All other claims/entitlements are accounted on the merits of each case/realisation.

c. Raw materials consumed are net of discount towards sharing of under-recoveries.

d. Income and expenditure of previous years, individually amounting to ₹ 5 lakhs and below are not considered as prior period items.

2.17 EARNINGS PER SHARE

a. 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.

b. 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
3. SHARE CAPITAL		
A. Authorised:		
75,000 (31.03.2015 : 75,000) Cumulative Redeemable Preference Shares of ₹ 100/- each	0.75	0.75
34,92,50,000 (31.03.2015: 34,92,50,000) Equity Shares of ₹ 10/- each	349.25	349.25
	350.00	**350.00**
B. Issued, Subscribed & Paid up :		
33,93,30,000 (31.03.2015 : 33,93,30,000) Equity Shares of ₹ 10/- each	339.33	339.33
Less: 7,02,750 (31.03.2015: 7,02,750) Shares Forfeited	0.70	0.70
33,86,27,250 (31.03.2015 : 33,86,27,250) Equity Shares of ₹ 10/- each fully paid up	**338.63**	**338.63**
Add: Shares Forfeited (money received)	0.39	0.39
	339.01	**339.01**

(a) Reconciliation of number of Equity Shares

	31.03.2016	31.03.2015
Opening Balance	33,86,27,250	33,86,27,250
Shares Issued \ Shares bought back	-	-
Closing Balance	**33,86,27,250**	**33,86,27,250**

(b) Details of shares held by each shareholder holding more than 5% shares in the Company

Name of shareholder	31.03.2016		31.03.2015	
	% Holding	No. of Shares	% Holding	No. of Shares
President of India	51.11	17,30,76,750	51.11	17,30,76,750
Life Insurance Corporation of India	2.60	88,16,223	5.18	1,75,31,442

(c) Right and Restrictions on Equity 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% cummulative 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.

₹ / Crores

	31.03.2016	31.03.2015
4. RESERVES AND SURPLUS		
Capital Reserve :		
As per last Balance Sheet	0.08	0.08
	0.08	**0.08**
(Includes ₹ 0.08 Crores (31.03.2015 : ₹ 0.08 Crores) towards share of jointly controlled entities)		
Capital Redemption Reserve :		
As per last Balance Sheet	1.56	1.56
	1.56	**1.56**
(Includes ₹ 1.56 Crores (31.03.2015 : ₹ 1.56 Crores) towards share of jointly controlled entities)		

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
Share Premium Account :		
As per last Balance Sheet	1,038.04	1,052.21
Difference between audited and unaudited financial statements for previous years	-	11.28
Less: Utilisation during the year*	-	25.45
	1,038.04	**1,038.04**
(Includes ₹ 115.72 Crores (31.03.2015 : ₹ 115.72 Crores) towards share of jointly controlled entities)		
* Premium on redemption/ discount on issue of debentures,net of tax impact, which is not eligible for capitalization, is first adjusted against the securities premium account to the extent it is available and the balance is charged to the statement of profit and loss.		
Debenture Redemption Reserve :		
As per last Balance Sheet	413.32	275.55
Add: Transfer from Surplus in the Statement of Profit and Loss	-	137.77
Less: Transfer to Surplus in the Statement of Profit and Loss	148.17	-
	265.15	**413.32**
(Includes ₹ Nil Crores (31.03.2015 : ₹ Nil Crores) towards share of jointly controlled entities)		
Hedging Reserve :		
As per last Balance Sheet	(0.01)	0.26
Add: Additions during the year	0.01	(0.27)
	-	**(0.01)**
(Includes ₹ Nil Crores (31.03.2015 : ₹ (0.01) Crores) towards share of jointly controlled entities)		
Capital Grant :		
As per last Balance Sheet	2.95	3.50
Add: Received during the year	13.28	-
Less: Amortised during the year	1.94	0.55
	14.29	**2.95**
(Includes ₹ Nil Crores (31.03.2015 : ₹ Nil Crores) towards share of jointly controlled entities)		
Foreign Currency Monetary Item Translation Difference Account :		
As per last Balance Sheet	(63.29)	161.52
Add: Additions during the year	(386.30)	(260.94)
Less: Amortised during the year	(251.61)	(36.13)
	(197.98)	**(63.29)**
(Includes ₹ Nil Crores (31.03.2015 : ₹ Nil Crores) towards share of jointly controlled entities)		
Market development reserve :		
As per last Balance Sheet	1.40	1.40
	1.40	**1.40**
(Includes ₹ 1.40 Crores (31.03.2015 : ₹ 1.40 Crores) towards share of jointly controlled entities)		
Revaluation reserve :		
As per last Balance Sheet	312.58	-
Add: Additions during the year	-	312.58
	312.58	**312.58**
(Includes ₹ 312.58 Crores (31.03.2015 : ₹ 312.58 Crores) towards share of jointly controlled entities)		

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
General Reserve :		
As per last Balance Sheet	1,859.19	1,937.88
Difference between audited and unaudited financial statements for previous years	-	(78.69)
	1,859.19	**1,859.19**
(Includes ₹ 50.10 Crores (31.03.2015 : ₹ 50.10 Crores) towards share of jointly controlled entities)		
Surplus :		
As per last Balance Sheet	10,019.58	10,225.75
Less : Depreciation on Assets where revised useful life as per Schedule II of the Companies Act, 2013 has completed (Net of Deferred Tax of ₹ 272.80 crores)	-	515.82
Difference between audited and unaudited financial statements for previous years	8.76	(58.34)
Add : Profit for the year	4,921.49	1,498.58
Add : Transfer from Debenture Redemption Reserve	148.17	-
Less : Profit appropriated to Debenture Redemption Reserve	-	137.77
Less : Profit appropriated to Interim Dividend (Dividend per Share ₹ 18.50)	626.46	-
Less : Profit appropriated to Proposed Dividend (Dividend Per Share ₹ 16.00 per share (2014 - 15 : ₹ 24.50 per share)	541.80	829.64
Less : Profit appropriated to Tax on Distributed Profits	247.46	178.54
Add : Reversal of Provision for dimunition in value of Investment on Consolidation*	11.06	-
Add : Other Adjustment for dividend	-	15.36
	13,693.34	**10,019.58**
	16,987.65	**13,585.40**

* On Acccount of first time consolidation of Petronet India Ltd., excess of provision over the absorption of Losses is transferred to Reserves.

	31.03.2016	31.03.2015
5. LONG-TERM BORROWINGS		
Secured Loans		
Debentures / Bonds :		
8.77% Non-Convertible Debentures (a)(i)	975.00	975.00
8.75% Non-Convertible Debentures (a)(ii)	-	545.00
4.00% Non-Convertible Debentures (Series-I) (a)(iii)	97.99	97.88
4.00% Non-Convertible Debentures (a)(iv)	499.72	499.18
4.00% Non-Convertible Debentures (Series-II) (a)(iii)	318.94	623.98
8.40% Non-Convertible Debentures (a)(v)	84.78	-
Term loans		
From banks :		
Foreign Currency Loan (b)	7,965.34	4,929.14
Other Banks (c)	606.44	4,660.26
Term Loan from Oil Industry Development Board (d)	437.27	258.00
Rupee Loan from Others (e)	16.48	-
	11,001.96	**12,588.43**
Less : Current Maturities of Long Term Borrowings (Refer note 10A)	615.19	672.95
	10,386.77	**11,915.48**

(Includes ₹ 8,817.61 Crores (31.03.2015 : ₹ 10,408.17 Crores) towards share of jointly controlled entities)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
Unsecured Loans		
Debentures / Bonds :		
0% Non Convertible Debentures (f)	240.79	219.40
Term loans		
From banks :		
Syndicated Loans from Foreign Banks (repayable in foreign currency) (g)	10,474.86	10,790.47
Syndicated Working Capital Loans from Foreign Banks (repayable in foreign currency) (g)	6,625.26	6,250.50
Rupee loan from banks (h)	244.96	1,125.60
From others :		
Term Loan from Oil Industry Development Board (i)	125.00	460.64
Rupee loan from Others (j)	182.18	159.18
Deferred payment liabilities (k)	35.08	49.74
Other Loans and advances (l)	552.24	668.51
	18,480.37	**19,724.04**
Less : Current Maturities of Long Term Borrowings (Refer note 10A)	7,120.34	3,103.60
	11,360.03	**16,620.44**
(Includes ₹ 1438.32 Crores (31.03.2015 : ₹ 2425.57 Crores) towards share of jointly controlled entities)		
	21,746.80	**28,535.92**

In respect of Secured Loans :

(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.

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.

During the year ended March, 2016 an amount of Nil (March, 2015 : ₹ 545.00 crores) of 8.75% Non-Convertible Debentures is repayable within one year and shown in note # 10 A. These Debentures Matured on 9th November, 2015.

With respect to debentures issued by HPCL-Mittal Pipelines Limited (HMPL)

iii. Secured redeemable Non-Convertible Debentures (NCDs) Series I and Series II were issued at par on 4th October, 2012 and 21st August, 2012 respectively. These are secured by a first pari passu charge on fixed asset to the extent of 1.25 times the issue size. Series I debentures are redeemable at a premium of ₹ 0.11 Crores per debenture on 5th October 2022 being the 10th year from the date of allotment. Series II debentures consists of 3 detachable and separately transferrable principal parts (STRPP) A,B and C. STRPP A, B, C are redeemable at a premium of ₹ 0.04 crores, ₹ 0.05 crores, ₹ 0.05 crores per STRPP/debenture respectively on 21st August, 2020, 21 August 2021, 21 August 2022 being the 8th, 9th and 10th year respectively from the date of allotment. During the current year, HMPL has redeemed the debentures aggregating to ₹ 305.71 crores before the due date of maturities.

With respect to debentures issued by HPCL-Mittal Energy Limited (HMEL)

iv. Redeemable 4 % Non Convertible Debentures (NCDs) were issued at par on 3rd September, 2012. These are secured by a first pari passu charge on fixed asset of HMEL to the extent of 1.25 times of the issue size. The series consists of three detachable and Separately Transferable Principal Parts (STRPP) A, B and C. STRPP A, B and C debentures are redeemable at a premium of ₹ 0.04 crores, ₹ 0.05 crores and ₹ 0.06 crores per debenture respectively on 3rd September 2020, 3rd September 2021 and 3rd September 2022 respectively being the 8th, 9th and 10th year respectively from the date of allotment.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

With respect to debentures issued by Mangalore Refinery & Petrochemicals Ltd. (OMPL)

v. OMPL, a Subsidiary of MRPL, has issued ₹ 84.78 crores non-cumulative, secured, redeemable, taxable, listed, rated Non-Convertible Debentures (NCDs) during February, 2016 with a coupon rate of 8.40% p.a., and interest payable annually. The NCDs are secured by first ranking pari passu charge on the land totaling an extent of 441.438 acres situated in Permude & Kalavar Villages in Mangalore, SEZ, Mangalore Taluka & Registration sub-District, Dakshina Kannada Dist. and other Fixed Assets including Buildings, Roads and Plant and Machinery of OMPL

(b) Foreign Currency Term Loan

With respect to Loan taken by HPCL-Mittal Energy Ltd. (HMEL)

i. Foreign currency loan from banks equivalent to ₹ 325.07 crores (Previous year ₹ 306.20 crores) is secured by a sub servient charge over all movable and immovable properties of the HMEL, both present and future. The said loan is backed by a letter of comfort from both Hindustan Petroleum Corporation Limited and Mittal Energy Investments Pte. Limited, the joint venture partners in the Company. The outstanding loan is repayable vide a single bullet payment on 22nd June, 2016 and carries an interest rate of 6 month LIBOR plus 365 bps (presently 4.47% p.a.).

ii. Foreign currency loan from banks equivalent to ₹ 5,755 crores (Previous year ₹ 2500.87 crores) is secured by a mortgage through a first charge, ranking pari-passu amongst the lenders, over all immovable and movable properties and assets of the HMEL, both present and future, save and except current assets on which these lenders have a second pari-passu charge; however they hold a first charge/ assignment on the Debt Service Reserve Account and all other accounts formed under the Trust and Retention Account Agreement. Previous year loan of ₹ 301.55 crores have been prepaid during the year. The outstanding loan is repayable as under:

- ₹ 2,296.57 crores is repayable in 43 variable quarterly installments starting from 30th September, 2017 and carries interest rate of 6 month LIBOR plus a spread ranging from 290 bps to 325 bps. The current interest rate is ranging from 3.81% p.a to 4.16% p.a.
- ₹ 1,688.82 crores is repayable in 36 variable quarterly installments starting from 31st March, 2018 and carries interest rate of 6 month LIBOR plus a spread of 300 bps. The current interest rate ranges from 3.89 % p.a. to 3.91% p.a.
- ₹ 528.09 crores is repayable in one bullet installment on 31st December, 2019 and carries interest rate of 6 month LIBOR plus a spread of 383 bps.The current interest rate is 4.66% p.a.
- ₹ 34.64 crores is repayable in 9 equal half yearly installments (next installment is due on 19th September 2016) and carries a fixed interest rate of 4.35% p.a.
- ₹ 373.71 crores is repayable in 36 variable quarterly installments beginning 31st March 2017 and carries an interest rate of 3 month LIBOR plus a spread ranging from 451bps to 482bps. The current interest rate ranges from 5.13% p.a to 5.45% p.a.
- ₹ 690.99 crores is repayable in 3 variable instalments from 31st March 2019 to 31 December 2020 and carries an interest rate of 6 month LIBOR plus a spread ranging from 335bps to 368 bps. The current interest rate ranges from 4.20 %p.a to 4.53 %p.a.
- ₹ 142.18 crores is repayable in one bullet installment on 31st December 2020 and carries an interest rate of 6 month LIBOR plus a spread of 260bps. The current interest rate is 3.48% p.a

With respect to Loan taken by HPCL-Mittal Pipelines Limited (HMPL)

iii. Foreign currency loan from banks are secured by a mortgage and first charge, ranking pari-passu amongst the lenders, over all movable and immovable properties and assets of HMPL, both present and future, save and except current assets (except deposits and accounts under the Trust and Retention Account Agreement) on which working capital lenders (if any) would have a first charge, and these lenders have a second charge. The loan carries an interest rate of 6 months LIBOR plus a spread ranging from 320 bps to 375 bps. The current interest rate ranges from 4.03% to 4.58 % p.a.The loan is repayable in bullet installment of ₹ 568.70 Crores and ₹ 284.35 Crores on 22nd April, 2021 and 31st March, 2021 respectively.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

With respect to Loan taken by Mangalore Refinery and Petrochemicals Ltd.

iv. The interest rate for ECB are based on 6 month LIBOR plus spread. Effective Interest rates are 3.4337%, 4.2109%, 3.0760%, 2.6960% , 3.3605%,3.6544%, 3.6754% and 3.6775% on ₹ 112.34 Crores, ₹ 143.24 Crores, ₹ 337.03 Crores, ₹ 56.17 Crores, ₹ 56.17 Crores, ₹ 240.74 Crores, ₹ 62.59 Crores and ₹ 23.95 Crores respectively.

Terms of Repayment	Amount ₹ / Crores
During 2016-17	98
During 2017-18	227
During 2018-19	512
During 2019-20	70
During 2020-21	62
During 2021-22	53
During 2022-23	8
During 2023-24	2

v. MRPL has ECB loan, outstanding of ₹ 704.96 Crores which is secured by first pari passu Charge over immovable fixed assets and first ranking pari passu charge over movable fixed assets both present and future and the Subsidiary, OMPL has ECB outstanding of ₹ 327.28 Crores which are secured by the first charge on land and all other fixed assets of the MRPL and second charge by way of hypothecation on all movable Fixed Assets and current assets of MRPL

(c) Secured Term Loans from Banks:

With respect to Loan taken by HPCL Biofuels Ltd. (HBL)

i. Term loan of ₹ 308.8 Crores is taken from State Bank of India, who have granted a two year moratorium on repayment and a further 12 year repayment period. The loan is repayable in 48 structured instalments starting from end of Q2 of FY 2016-17 carrying interest @ base rate + 1.70% fixed spread. The Balance of Term loan as on 31.03.2016 was ₹ 308.8 Crores (as on 31.03.2015, ₹ 308.8 Crores) out of which three Installments totalling ₹ 11.58 Crores (31.03.2015 NIL) are due within one year and shown under 'Current Maturity of Long term Debt". Term Loan as well as the soft loans are secured by equitable mortgage of Land, Building & Fixed Assets of HBL.

With respect to Loan taken by Mumbai Aviation Fuel Farm Facility Private Limited. (MAFFFPL)

ii. Term Loan (RTL-1) from HDFC bank is secured by first pari passu charge by way of hypothecation of receivables, cash flows, revenue under Escrow mechanism after deduction of statutory dues and license fees payments to Mumbai International Airport Private Limited. The Term Loan is repayable in Forty two quarterly installments starting from September, 2015. Four equal quarterly installments are due within twelve months and shown under "Current Maturities of Long term debt" in Note # 10 A.

With respect to Loan taken by HPCL-Mittal Energy Limited (HMEL)

iii. Secured Indian rupee loan of ₹ 146.98 Crores from the bank is secured by a mortgage through a residual charge over current assets of the HMEL. The loan is repayable in one bullet installment on 21st April 2017. The rupee term loan carries an interest rate equivalent to the base rate of the bank. The current rate of interest on this loan is 9.63% p.a. Previous year loans have been refinanced / prepaid during the year.

With respect to Loan taken by South Asia LPG Co. Pvt. Ltd.

iv. Loans from banks are secured by First mortgage and charge on all movable and immovable properties of SALPG, both present and future, tangible and intangible including all revenues and receivables and rights, interests and title in project agreements, all bank accounts and government approvals, Assignment by way of security in favour of all lenders, all rights, titles and interests into and under all assets of the project and all project documents, contracts, insurance policies permits/ approvals, extension of English Mortgage on SALPG's property situated at plot no. 4 admeasuring about 100 sq.mts forming part of land Gut no.207 situated at village Kusgaon, Lonawala, Pune District, Maharashtra.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

The repayments to be made on quarterly instalment basis. The bank-wise details are given below (excluding current maturities):

(₹/ Crores)

Name of the bank	Quarterly instalment	Number of instalments outstanding as at March 31, 2016	Balance Outstanding As at 31.03.2016	Balance Outstanding As at 31.03.2015
Federal Bank	27.03	1	24.83	132.93
State Bank of India	107.16	1	108.25	536.89
State Bank of Mysore	27.03	1	26.47	134.57
State Bank of India (formerly State Bank of Saurashtra)	32.44	1	32.34	162.08
Punjab National Bank	47.30	1	46.79	235.99
Indian Bank	27.03	1	25.49	133.59
Bank of Maharashtra	47.30	1	44.75	233.95
			308.91	**1,569.99**

Interest is calculated on monthly rests on the outstanding principal amount of the Rupee Loans at the end of every month. Interest is applicable from six months after the Commercial Operations Date (COD i.e 30th June, 2007) upto further period of five years at 8.75% p.a. At the end of 5 years and 6 months after COD, rate of interest applicable for all lenders will be reset till final maturity to a rate equal to "180 days' Average 5 years Government Securities" Rate plus 2.75% (Current rate of interest is 10.89% p.a).

With respect to Loan taken by Aavantika Gas Ltd. (AGL)

v. Following Term Loans were taken from Bank of Baroda :

Terms of Repayment		Amount ₹ / Crores
Term Loan - I	(2009-11)	1.84
Term Loan - II	(2011-12)	6.30
Term Loan - III	(2012-13)	5.76
Term Loan - IV	(2013-14)	7.36
Term Loan - V	(2014-15)	11.88
Term Loan - VI	(2015-16)	22.53

Each Term Loan is of 9 year with 2 year moratarium Repayable in 28 Equal Quarterly installment. These are secured by First Charge over Fixed assets and Second Charge over Current assets of AGL.

With respect to Loan taken by Bhagyanagar Gas Ltd. (BGL)

vi. BGL has availed Term Loans and non-fund based limits from consortium of bankers (Canara bank & Corporation Bank), by way of hypothecation on all the plant and machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles, intangible assets including but not limited to the goodwill, uncalled capital and all other movable assets, both present and future, in relation to BGL. The loan is repayable in 24 equal quarterly installments after a moratorium of 36 months from the Initial Drawdown Date. Rate of Interest (per annum) payable is 11.20%, 11.00%, 10.90% and 10.65% for different time period during the F.Y 2015-16

With respect to Loan taken by Mangalore Refinery and Petrochemicals Ltd. (MRPL)

vii. OMPL (Subsidiary of MRPL) has Corporate loan of ₹ 20.35 Crores (current balance ₹ 8.99 Crores) from SBI, rate of interest is 9.90 % is secured by way of second charge on the entire fixed assets of the OMPL both present and future and first charge on entire inventory, WIP, receivables, book debts and other current assets both present and future.The rate of interest is SBI Base Rate + 0.60% payable on the monthly basis. Also Subsidiary OMPL had RTL of ₹ 331.66 Crores with various bankers was entirely repaid in December, 2015. The rate of interest for RTL was SBI Base Rate + 1.25% payable on the monthly basis.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(d) Term Loan from Oil Industry Development Board

With respect to Loan taken by Hindustan Petroleum Corporation Ltd.

Repayable during	As on 31st Mar 2016		As on 31st Mar 2015	
	Repayable Amount (₹ / Crores)	Range of Interest Rate	Repayable Amount (₹ / Crores)	Range of Interest Rate
2015-16*	-	-	34.50	7.20%-9.27%
2016-17*	64.50	8.07 %-9.27 %	64.50	8.07%-9.27%
2017-18	95.69	7.86 %-9.27 %	64.50	8.78%-9.27%
2018-19	95.69	7.86 %-9.27 %	64.50	8.78%-9.27%
2019-20	61.19	7.86 %-9.11 %	30.00	8.78%-9.11%
2020-21	31.19	7.86 %-8.09 %	-	-
Total	**348.25**		**258.00**	

*Security has been created with first charge on the facilities of Awa Salawas Pipeline, Mangalore Hasan Mysore LPG Pipeline, Uran - Chakan / Shikarpur LPG Pipeline & Rewari Project Pipeline. ₹ 64.50 Crores (2014 - 15 : ₹ 34.50 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 10 A.

With respect to Loan taken by Mangalore Refinery and Petrochemicals Ltd. (MRPL)

The interest rate for OIDB term loan are 8.89 %,9.04%, 8.73%, 8.98%, 8.94%, 9.27%, 9.06% and 9.15% on ₹ 15.47 Crores, ₹ 1.48 Crores, ₹ 10.60 Crores, ₹ 23.31 Crores, ₹ 1.12 Crores, ₹ 28.36 Crores, ₹ 5.08 Crores and ₹ 3.59 Crores respectively. During the year, the loan is reclassified as secured as against unsecured in previous year. The Loan is secured by first pari passu Charge over immovable fixed assets and first ranking pari passu charge over movable fixed assets of MRPL, both present and future.

(e) Rupee Loans from Others (HBL)

Soft loan announced by Government of Bihar to the extent of ₹ 16.48 Crores was also availed through SBI at the Rate of Interest i.e. Base Rate + 2.70% Fixed Spread with interest subvention to the extent of 10%.The loan carries a moratorium of one year and then repayable in five annual instalments.Term Loan as well as the soft loans from GOI and GOB are secured by equitable mortgage of Land, Building & Fixed Assets of HBL. Four Installments totalling to ₹ 3.30 Crores are due in 2016-17, hence shown under 'Current Maturities of Long term Debts' under Note # 10 A.

In respect of Unsecured Loans:

(f) Unsecured Redeemble 0% Non Convertible Debentures:

Redeemable 0% Non Convertible Debentures were issued at a discount of ₹ 0.01 Crores per debenture on 11th June, 2013. The same is backed by a letter of comfort from Hindustan Petroleum Corporation Limited and Mittal Energy Investments Pte Ltd. and is redeemable after 3 years from the date of issue.

(g) Syndicated Loans/ working capital Loans from Foreign Banks (repayable in foreign currency)

With respect to Loan taken by Hindustan Petroleum Corporation Ltd.

i. The Company has availed Long Term Foreign Currency Syndicated Loans from banks at 3 months floating LIBOR plus spread (spread range : 65 to 170 basis point p.a.). These loans are taken for the period of 3 - 5 years. ₹ 6,625.25 Crores (2014 - 15 : ₹ 2,500.20 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 10 A.

With respect to Loan taken by HPCL-Mittal Energy Ltd. (HMEL)

ii. Unsecured foreign currency loan equivalent to ₹ 260.40 Crores (Previous year : ₹ 245.31 Crores) is backed by a letter of comfort from both Hindustan Petroleum Corporation Limited and Mittal Energy Investments Pte. Limited, the joint venture partners in the Company. The same is repayable in single bullet installment in March, 2018. The loan carries an interest rate of 3 month LIBOR plus 375 bps.The current rate is 4.36% p.a.

Unsecured foreign currency loan equivalent to ₹ 292.78 Crores (Previous year : NIL) and is repayable in one bullet installment in September, 2017 . The loan carries an interest rate of 6 month LIBOR plus 350 bps. The current rate is 4.41% p.a.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

With respect to Loan taken by Prize petroleum Corporation Ltd.

iii. The secured bank loan bear interest at 3.65% + 6-months LIBOR per annum (2014: 3.65% + 6 months LIBOR), which is ranging from 3.98% to 4.10% (2015: 3.89% to 3.95%) p.a. for the financial year ended 31st March 2016. The bank loans are repayable in 14 half yearly installments commencing from 31st December, 2016. The bank Loans are secured by Letter of comfort from its ultimate holding company.

(h) Rupee loan from banks

With respect to Loan taken by HPCL-Mittal Energy Ltd.

Unsecured Indian rupee loan from bank of ₹ 244.96 Crores is to be repaid in a bullet installment in September, 2017. The loan carries an interest of 9.70% p.a. Previous year loans have been prepaid during the current year.

(i) Term Loan from Oil Industry Development Board

With respect to Loan taken by Hindustan Petroleum Corporation Ltd.

Repayable during	As on 31st Mar 2016		As on 31st Mar 2015	
	Repayable Amount (₹ / Crores)	Range of Interest Rate	Repayable Amount (₹ / Crores)	Range of Interest Rate
2015-16*	-	-	200.00	7.20%-9.27%
2016-17*	125.00	8.07 %-9.27 %	125.00	8.07%-9.27%
Total	**125.00**		**325.00**	

* ₹ 125 Crores (31.03.2015 : ₹ 200.00 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 10 A.

With respect to Loan taken by Mangalore Refinery and Petrochemicals Ltd.

Refer Note # (d) above

(j) Rupee loan from Others

With respect to Loan taken by HPCL-Mittal Energy Ltd.

Loan from Punjab Government is interest free and is repayable in 10 equal half yearly installments commencing after 66 months from the date of disbursal. Repayment of ₹ 4.90 Crores will commence from March, 2019, ₹ 120.52 Crores from September, 2020 and balance from September, 2021.

(k) Deferred payment liabilities

With respect to loans taken by HPCL-Mittal Pipelines Ltd.

The deferred liability for port charges is repayable, free of interest, in six half yearly equal installments.The repayment commenced from 1st October, 2014.

With respect to Loan taken by Mangalore Refinery and Petrochemicals Ltd.

Deferred Payment liability representing Sales Tax deferment is with Nil Interest rate .

(l) Other Loans and advances

With respect to Loan taken by Mangalore Refinery and Petrochemicals Ltd.

The interest rate on Term loan from ONGC is 10.60 % (SBAR minus 3.85%). Total amount is ₹ 552.25 Crores, out of which ₹ 116.26 is repayable within one year and shown under 'current maturities of Long term Debts' under Note # 10 A

Terms of Repayment	Amount ₹ / Crores
During 2016-17	116.26
During 2017-18	116.26
During 2018-19	116.26
During 2019-20	116.26
During 2020-21	87.21

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

		31.03.2016	31.03.2015
6.	**DEFERRED TAX LIABILITIES (NET)**		
	Deferred Tax Assets :		
	Provision for Employee Benefits	212.28	273.04
	Provision for dimunition in value of current investments	166.78	172.57
	Others	2,942.70	1,485.93
	Total (A)	**3,321.76**	**1,931.54**
	Deferred Tax Liabilities :		
	Depreciation	6,906.41	3,691.79
	Others	101.98	1,044.20
	Total (B)	**7,008.39**	**4,735.99**
	Total Deferred Tax Liability (Net) (B) - (A)	**3,686.63**	**2,804.45**
	(Includes ₹ (1,123.83) Crores (31.03.2015 : ₹ (1,297.12) Crores) towards share of jointly controlled entities)		
7A.	**OTHER LONG TERM LIABILITIES**		
	Trade payables	2.29	2.23
	Others :		
	Deposits from Dealers /Consumers/Suppliers *	9,402.98	8,257.67
	Other Deposits	3.12	3.14
	Other liabilities (including retention money)	308.45	281.49
		9,716.84	**8,544.53**
	(Includes ₹ 266.26 Crores (31.03.2015 : ₹ 257.92 Crores) towards share of jointly controlled entities)		
	* Includes amount towards Rajiv Gandhi Gramin LPG Vitrak Yojana of ₹ 219.64 Crores (31.03.2015 : ₹ 34.07 Crores)		
7B.	**LONG-TERM PROVISIONS**		
	Provision for Long Term Employee Benefits	441.14	589.97
	Other Provisions	74.37	56.08
		515.51	**646.05**
	(Includes ₹ 83.40 Crores (31.03.2015 : ₹ 63.90 Crores) towards share of jointly controlled entities)		

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
8. SHORT-TERM BORROWINGS		
Loans repayable on demand from Banks		
Secured Loans :		
Collateral Borrowing and Lending Obligation (CBLO) (Secured by Pledge of 6.90 % Oil Marketing Companies' GOI Special Bonds, 2026)	1,490.00	1,090.00
Short term loans from banks (repayable in foreign currency) (a)	999.05	1,811.62
Working capital loans from banks (b)	263.57	300.16
Cash Credit (Secured by hypothecation of Inventories in favour of Banks on pari passu basis) (c)	2,502.21	1,175.73
	5,254.83	**4,377.51**
(Includes ₹ 1,262.62 Crores (31.03.2015 : ₹ 2,113.52 Crores) towards share of jointly controlled entities)		
Unsecured Loans :		
Short Term Loans from Banks (repayable in foreign currency)	22.79	28.39
Commercial Papers	322.15	-
Rupee loans from banks	326.28	178.45
Others Loans and advances	23.74	18.75
	694.96	**225.59**
(Includes ₹ 672.18 Crores (31.03.2015 : ₹ 225.58 Crores) towards share of jointly controlled entities)		
	5,949.79	**4,603.10**

(a) Short term loans from banks

With respect to loans taken by HPCL-Mittal Energy Limited

Secured foreign currency loans from banks is secured by a first charge, ranking pari - passu amongst the lenders, on all current assets of the HMEL, save and except deposits and accounts under the Trust and Retention Account, and have a second charge ranking pari- passu on all movable and immovable fixed assets of HMEL, both present and future. The loan carries an interest rate which is determined and fixed on date of availing of the loan which is presently between 0.64% p.a. to 0.99% p.a. These loans are repayable within 31 to 329 days from the date of drawdown.

(b) Working capital loans from banks

With respect to loans taken by HPCL-Mittal Energy Limited

i. Secured rupee loans from banks is secured by a first charge, ranking pari - passu amongst the lenders, on all current assets of the HMEL, save and except deposits and accounts under the Trust and Retention Account, and have a second charge ranking pari- passu on all movable and immovable fixed assets of the HMEL, both present and future. The loan carries an interest rate which is determined and fixed on date of availing of the loan which is presently at 9.65% p.a. These loans are repayable on demand.

ii. Indian rupee bill discounting loans from banks are secured by first charge, ranking pari -passu amongst the lenders, on all current assets of HMEL, save and except deposits and accounts under the trust and retention account, and have a second charge ranking pari-passu on all moveable and immovable fixed assets of HMEL, both present and future. These loans carry an interest rate of 9.30% p.a.

With respect to Loan taken by Mangalore Refinery and Petrochemicals Ltd.

iii. Secured by way of hypothecation of MRPL's immovable and movable Fixed Assets both present and future.

(c) Cash Credit

With respect to HPCL - Biofuels Ltd.,

It is against Hypothecation of Debtors & Inventory and Rate of Interest is Base Rate + 1.25% Fixed Spread.

With respect to Aavantika Gas Ltd.

First Charge over current assets (including book debts) and Second Charge over Fixed assets of AGL.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
9. TRADE PAYABLES		
Micro, Small and Medium Enterprises	0.18	0.35
Other Trade Payables	10,600.16	12,639.14
	10,600.34	**12,639.49**
(Includes ₹ 4692.72 Crores (31.03.2015 : ₹ 4432.78 Crores) towards share of jointly controlled entities)		
10A. OTHER CURRENT LIABILITIES		
Current Maturity of Long Term Debts*	7,735.54	3,776.55
Interest Accrued but not Due on Loans	116.29	127.84
Interest Accrued and Due on Loans	7.68	-
Unpaid Matured Fixed Deposits	-	0.02
Other Deposits	164.00	167.24
Accrued Charges / Credits	66.80	84.44
Preference Share Capital Redeemed Remaining Unclaimed / Unencashed	0.01	0.01
Unclaimed Dividend	8.08	5.13
Outstanding Dues of Micro, Small and Medium Enterprises	18.71	15.47
Other Liabilities	8,146.18	7,266.09
	16,263.29	**11,442.79**
(Includes ₹ 1619.75 Crores (31.03.2015 : ₹ 1202.62 Crores) towards share of jointly controlled entities)		
* This includes loans repayable withing one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 6,625.25 Crores (31.03.15: ₹ 2726.03 Crores), Non - Convertible Debenture ₹ 240.79 Crores (31.03.15: ₹ 545.00 Crores), Term Loans ₹ 856.45 Crores (31.03.15: ₹ 490.84 Crores) and Deferred payment Liabilities ₹ 13.05 Crores (31.03.15 ₹ 14.08 Crores)		
10B. SHORT-TERM PROVISIONS		
Other Employee Benefits	717.57	1,041.70
Provision for Tax	365.98	362.67
Proposed Dividend	541.80	829.64
Tax on Distributed Profits	119.29	178.54
Other provisions	96.88	77.08
	1,841.52	**2,489.63**
(Includes ₹ 115.94 Crores (31.03.2015 : ₹ 91.94 Crores) towards share of jointly controlled entities)		

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

11. TANGIBLE ASSETS

₹ / Crores

Sr. No.	Description	Gross Block (at cost)					Depreciation / Amortisation						Net Block	
		As at 1st Apr, 2015	Additions / Reclassifications	Deductions / Reclassifications	Other Adjustment	As at 31st Mar, 2016	As at 1st Apr, 2015	Depreciation Impact Schedule II	For the Year	Deductions	Other Adjustment	As at 31st Mar, 2016	As at 31st Mar, 2016	As at 31st Mar, 2015
1.	Land -Freehold	1,176.80	21.62	17.18	-	1,181.24	-	-	-	-	-	-	1,181.24	1.176.80
2.	Leasehold Property - Land	569.96	30.04	3.16	-	596.84	114.68	-	19.34	0.16	-	133.86	462.98	455.28
3.	Buildings	4,855.85	793.33	20.13	-	5,629.05	688.61	-	169.81	(0.47)	-	858.89	4,770.16	4,167.24
4.	Plant & Equipment	55,092.56	6,751.34	2,549.02	-	59,294.88	18,495.86	-	2,472.09	211.37	-	20,756.58	38.538.30	36,596.70
5.	Furniture & Fixtures	205.49	32.56	3.38	-	234.67	102.32	-	19.90	(5.13)	-	127.35	107.32	103.17
6.	Transport Equipment	189.77	12.39	13.84	-	188.32	125.56	-	15.04	13.59	-	127.01	61.31	64.21
7.	Office Equipment	990.51	2,227.21	37.86	-	3,179.86	948.41	-	360.07	(26.06)	-	1,334.54	1,845.32	42.10
8.	Roads and Culverts	2,741.39	272.49	14.53	-	2,999.35	935.35	-	337.31	4.00	-	1,268.66	1,730.69	1,806.04
9.	Railway Siding & Rolling Stock	504.65	59.58	0.18	-	564.05	291.77	-	21.98	0.09	-	313.66	250.39	212.88
10.	Wells Cost	15.21	569.29	-	-	584.50	1.16	-	166.54	(9.38)	-	177.08	407.42	14.05
	Grand Total	**66,342.19**	**10,769.85**	**2,659.28**	**-**	**74,452.76**	**21,703.72**	**-**	**3,582.08**	**188.17**	**-**	**25,097.63**	**49,355.13**	**44,638.47**
	(Include share of Jointly controlled entities)	17,806.46	737.50	35.51	-	18,508.46	2,668.79	-	738.00	18.74	-	3,388.06	15,120.40	15,137.67
	Previous Year FY 14-15	**57,388.13**	**9,192.69**	**277.79**	**39.16**	**66,342.19**	**18,635.35**	**788.55**	**2,438.72**	**167.73**	**8.83**	**21,703.72**	**44,638.47**	**38,752.78**

Notes:

1. Includes assets costing ₹ 0.007 crores (2014-2015 : ₹ 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 ₹ 477.90 Crores (2014-2015: ₹ 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 (2014-2015 : ₹ 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 amortised at the rate of depreciation specified in Schedule II of the 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	Original Cost (31/03/2016)	Original Cost (31/03/2015)
Roads & culverts	0.13	0.13
Buildings	1.62	1.62
Plant & Equipment	2.65	2.79
Total	**4.40**	**4.54**

(b) Includes assets held under PAHAL (DBTL) scheme against which financial assistance is being provided by provided by MOPNG

Description	Original Cost (31/03/2016)	Original Cost (31/03/2015)
Roads & culverts	3.31	NIL
Buildings	5.85	NIL
Plant & Equipment	0.01	NIL
Total	**9.17**	**NIL**

5. Includes Assets retired from active use and held for disposal - Gross Block: ₹ 177.22 Crores / Net Block: ₹ 37.08 Crores (2014-2015: Gross Block: ₹ 34.69 Crores / Net Block: ₹ 2.98 Crores). These Assets are valued at their Net Book Value or Net Realisable Value whichever is lower: ₹ 12.01 Crores (2014-2015: ₹ 2.56 Crores).
6. Leasehold Land includes ₹ 25.25 Crores (2014-15: ₹ 22.35 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.
7. The freehold land at Bhatinda was revalued based on direct comparable value of similar transactions, approved by an independent external valuer on 22nd December, 2014. The historical cost of freehold land was 64 crores. This has resulted in an increase in the book value of fixed assets by ₹ 313 Crores, with a consequential credit to revaluation reserve account.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

12. INTANGIBLE ASSETS

₹ / Crores

Sr. No.	Description	Gross Block (at cost)					Depreciation / Amortisation						Net Block	
		As at 1st Apr, 2015	Additions / Reclassifications	Deductions / Reclassifications	Other Adjustment	As at 31st Mar, 2016	As at 1st Apr, 2015	Depreciation Impact Schedule II	For the Year	Deductions	Other Adjustment	As at 31st Mar, 2016	As at 31st Mar, 2016	As at 31st Mar, 2015
1.	Right of Way	156.51	13.22	-	-	169.73	4.67	-	1.48	-		6.15	163.58	151.84
2.	Technical / Process Licenses	90.56	28.34	9.70	-	109.20	48.13	-	8.19	-		56.32	52.88	42.43
3.	Software	268.81	14.75	0.01	-	283.55	200.31	-	27.50	-		227.81	55.74	68.50
4.	Share of Intangible Assets in JVs :													
	ONGC Marginal Fields (PI - 50%)	0.01	-	0.01	-	-	0.01	-	-	0.01		-	-	-
	Project Sanganpur (PI - 50%)	1.40	-	1.40	-	-	0.02	-	-	0.03		-0.01	0.01	1.38
5.	Yolla Field Acquisition Cost (Licence T/L1)	413.28	-	413.28	-	-	9.35	-	-	9.35		-	-	403.93
	Grand Total	930.57	56.31	424.40	-	562.48	262.49	-	37.17	9.39		290.27	272.21	668.08
	(Include share of Jointly controlled entities)	99.49	3.07	-	-	102.56	47.74	-	17.43		-	65.18	37.38	51.76
	Previous Year FY 14-15	408.04	538.86	1.13	(15.20)	930.57	211.96	0.07	50.88	(0.60)	(1.02)	262.49	668.08	196.08

₹ / Crores

	31.03.2016	31.03.2015
13. CAPITAL WORK-IN-PROGRESS		
Unallocated Capital Expenditure and Materials at Site	1,992.17	3,053.49
Capital Stores lying with Contractors	9.00	305.20
Capital goods in transit	4.63	1.22
	2,005.80	3,359.91
Construction period expenses pending apportionment (Net of recovery) :		

	31.03.2016	31.03.2015
Opening Balance	503.44	853.31
Add: Expenditure during the year		
Establishment charges including Salaries & Wages	92.65	133.68
Interest	118.88	267.08
Loss on foreign currency transactions and translations	167.59	105.05
Others	1.01	10.34
	883.57	1,369.46
Less: Allocated to assets capitalised during the year / charged	616.22	866.02

	31.03.2016	31.03.2015
	267.35	503.44
	2,273.15	**3,863.35**

(Includes ₹ 368.52 Crores (31.03.2015 : ₹ 353.76 Crores) towards share of jointly controlled entities)

	31.03.2016	31.03.2015
13A. INTANGIBLE UNDER DEVELOPMENT *		
ONGC onshore marginal fields	1.36	1.36
Discovered Field (Permit T/18P)	18.88	17.39
Yolla Field (License: T/L 1)	41.43	67.73
	61.67	**86.48**

* Pertains to wholly owned subsidiary Prize Petroleum Company Limited (PPCL).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
14. NON-CURRENT INVESTMENTS		
Trade Investments		
Quoted		
Investments in Equity		
Oil India Ltd.		
1,33,75,275 (31.03.2015 : 1,33,75,275) Equity Shares of ₹ 10 each fully paid up	561.76	561.76
Scooters India Ltd.		
10,000 (31.03.2015 : 10,000) Equity Shares of ₹ 10 each fully paid up	0.01	0.01
Unquoted		
Investments in Equity		
Investment in Joint Venture		
Petronet India Ltd.		
1,59,99,999 (31.03.2015 :1,59,99,999) Equity Shares of ₹ 10 each fully paid up	-	16.00
Less : Provision for Diminution	-	16.00
Bhagyanagar Gas Ltd.**		
1,12,46,449 (31.03.15 : 1,12,46,449) Equity Shares of ₹ 10 each fully paid up	11.25	11.25
Investment in Others		
Mangalore SEZ Ltd. (480,000 Equity Shares of ₹ 10 each fully paid)	0.08	0.08
Investment in Other Non - Current Investments		
Petroleum India International (Association of Persons) Contribution towards Seed Capital ***	0.05	5.00
Total Trade Investments - A	**573.15**	**578.10**

** Refer Note # 1.3 of Notes to the Consolidated Financial Statements.

*** 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%.

	31.03.2016	31.03.2015
Other Investments		
Unquoted		
Investment in Government securities		
Government Securities of the face value of ₹ 0.02 Crores		
- Deposited with Others	0.02	0.02
- On hand - ₹ 0.25 lakhs	0.00	0.00
Government Securities of the face value of ₹ 0.24 lakhs		
- Deposited with Others - ₹ 0.10 lakhs	-	-
- On hand - ₹ 0.14 lakhs *	0.00	0.00
Less: Provision for diminution on Investments	0.00	0.00
Investment in Debentures or bonds		
East India Clinic Ltd.		
- 1/2% Debenture of face value of - ₹ 0.15 lakhs	0.00	0.00
- 5% Debenture of face value of - ₹ 0.07 lakhs	0.00	0.00

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
Investment in Other non - current investments		
Shushrusha Citizen Co-operative Hospital Limited		
100 (31.03.2015 : 100) Equity Shares of ₹ 100/- each fully paid	0.00	0.00
Total Other Investments - B	0.02	0.02
(A + B)	**573.17**	**578.12**
(Includes ₹ 0.08 Crores (31.03.2015 : ₹ 0.08 Crores) towards share of jointly controlled entities)		
*Includes ₹ 0.14 lakhs (31.03.2015 : ₹ 0.14 lakhs) not in the possession of the Company		

₹ / Crores

	Disclosure towards Cost / Market Value	31.03.2016		31.03.2015	
		Market Value	**Cost**	**Market Value**	**Cost**
a	Aggregate amount of Quoted Investments	419.27	561.77	606.79	561.77
b	Aggregate amount of Unquoted Investments		11.40		32.35
c	Agrregrate amount of Dimunition		-		(16.00)
			573. 17		**578.12**

₹ / Crores

	31.03.2016	31.03.2015
15. LONG-TERM LOANS AND ADVANCES		
Secured, considered good :		
Employee Loans and Advances	222.28	224.36
Interest Accrued thereon	195.09	186.35
Capital Advances	4.00	17.87
Unsecured, considered good :		
Capital Advances	81.44	200.23
MAT Credit Entitelments	494.03	355.77
Balances with Excise, Customs, Port Trust etc.	27.19	25.01
Advances recoverable in cash or in kind or for value to be received	12.57	8.65
Other Deposits	144.16	112.50
Prepaid Expenses	28.00	18.89
Advance tax (net of provisions)	237.29	250.46
Loans to Related Parties	56.25	-
Advances given to others	12.00	12.00
Other Receivables	215.42	221.93
	1,729.72	**1,634.02**
Unsecured, considered doubtful :		
Other Receivables and Deposits	0.13	0.06
Less: Provision for doubtful receivables and deposits	0.13	0.06
	-	-
	1,729.72	**1,634.02**

(Includes ₹ 228.79 Crores (31.03.2015 : ₹ 176.44 Crores) towards share of jointly controlled entities)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
16. OTHER NON - CURRENT ASSETS		
Unamortized Expenses	120.57	153.93
Others	65.47	46.64
	186.04	**200.57**
(Includes ₹ 95.20 Crores (31.03.2015 : ₹ 84.01 Crores) towards share of jointly controlled entities)		
17. CURRENT INVESTMENTS		
TRADE INVESTMENTS (Quoted)		
6.90% Oil Marketing Companies' GOI Special Bonds 27,71,36,000 (31.03.2015 : 31,76,36,000) ₹ 100 each face value *	2,560.38	2,949.25
8.00% Oil Marketing Companies' GOI Special Bonds, 24,41,000 (31.03.2015: 24,41,000) ₹ 100 each face value	24.41	24.41
8.20% Oil Marketing Companies' GOI Special Bonds, 1,23,49,000 (31.03.2015 : 1,23,49,000) ₹ 100 each face value.	123.49	123.49
6.35% Oil Marketing Companies' GOI Special Bonds, 25,32,33,000 (31.03.2015 : 25,32,33,000) ₹ 100 each face value	2,277.39	2,276.81
SBI Premier Liquid Fund	-	2.05
Mutual Funds	2.64	153.67
TRADE INVESTMENTS (Unquoted)		
Sai Wardha Power Ltd 38,91,734 Equity Shares of ₹ 10 each fully paid up	3.89	-
OTHER INVESTMENTS		
Gold Coins in Hand	5.06	5.02
	4,997.26	**5,534.70**

(Includes ₹ 2.64 Crores (31.03.2015 : ₹ 155.72 Crores) towards share of jointly controlled entities)

₹ / Crores

Disclosure towards Cost / Market Value	31.03.2016		31.03.2015	
	Market Value	Cost	Market Value	Cost
Aggregate of Quoted Investments	4,988.31	5,453.85	5,529.68	6,012.31
Aggregate of Unquoted Investments		8.95		5.02
Aggregate provision made for diminution in value of current Investments	465.54		482.64	

* Bonds of face value of ₹ 2,750 Crores pledged with Clearing Corporation of India Limited against CBLO Loan.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

		31.03.2016	31.03.2015
18. INVENTORIES			
(As per Inventory taken, valued and certified by the Management)			
Raw Materials [including in transit ₹ 1332.19 Crores (31.03.2015: ₹ 1328.48 Crores)]		3,418.43	3,762.71
Work - in - Progress		490.21	926.43
Finished Goods		5,642.37	6,246.27
Stock-in-Trade [including in transit ₹ 202.81 Crores (31.03.2015: ₹ 145.03 Crores)]		4,612.93	4,173.90
Stores and Spares [including in transit ₹ 7.79 Crores (31.03.2015: ₹ 19.10 Crores)]		805.32	917.02
Packages		14.60	18.42
		14,983.86	**16,044.75**
(Includes ₹ 2,219.55 Crores (31.03.2015 : ₹ 2,953.44 Crores) towards share of jointly controlled entities)			
19. TRADE RECEIVABLES			
Over six months (from the due date) :			
Secured considered good		0.31	-
Unsecured Considered good		268.25	125.33
Considered Doubtful		189.32	168.56
Less: Provision for Doubtful Debts		189.32	168.56
		268.56	**125.33**
Others :			
Secured considered good		13.67	9.34
Unsecured Considered good		4,251.50	3,936.06
Considered doubtful		2.60	3.01
Less: Provision for Doubtful Debts		2.60	3.01
		4,265.17	**3,945.40**
		4,533.73	**4,070.73**
(Includes ₹ 325.32 Crores (31.03.2015 : ₹ 487.42 Crores) towards share of jointly controlled entities)			
20. CASH AND BANK BALANCES			
Cash and Cash Equivalents :			
Cash on Hand		7.75	7.91
Cheques Awaiting Deposit		0.12	1.07
With Scheduled Banks:			
- On Current Accounts		171.25	126.93
- On Non-operative Current Accounts		0.01	0.01
- On Fixed Deposit Accounts		1,897.85	772.55
Earmarked for Unclaimed dividend		6.36	5.13
Current Account with Municipal Co-operative Bank Ltd.		-	0.00
Fixed Deposit Accounts		572.03	728.88
Earmarked for DBTL Claim *	415.11		
Less : DBTL Buffer Liability	415.11	-	-
Earmarked balances with banks		143.98	593.35
		2,799.35	**2,235.83**

(Includes ₹ 2,649.18 Crores (31.03.2015 : ₹ 2,083.25 Crores) towards share of jointly controlled entities)

*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 Govt. of India.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	31.03.2016	31.03.2015
21. SHORT-TERM LOANS AND ADVANCES		
Secured, considered good :		
Employee Loans and Advances	42.25	41.98
Interest Accrued thereon	4.48	6.64
Unsecured, considered good :		
Advances recoverable in cash or in kind or for value to be received	118.42	88.10
Balances with Excise, Customs, Port Trust etc.	528.73	600.16
Other Deposits	0.73	0.54
MAT Credit	1.73	-
Prepaid Expenses	102.08	73.20
Amounts recoverable under Subsidy Schemes	2,028.43	744.96
Advance tax (net of provisions)	3.64	3.74
Loans to Related Parties	-	56.80
Other Receivables *	2,642.79	3,756.63
Total A	**5,473.28**	**5,372.75**
Unsecured, considered doubtful :		
Accounts Receivable & Deposits	4.18	4.04
Less : Provision for Doubtful Receivables & Deposits	4.18	4.04
Total B	-	-
Total (A+B)	**5,473.28**	**5,372.75**

(Includes ₹ 202.96 Crores (31.03.2015 : ₹ 159.43 Crores) towards share of jointly controlled entities)

* Includes : ₹ 759.81 Crores (31.03.2015 : ₹ 697.84 Crores) deposits made with LIC for liability towards Leave Encashment, ₹ 1,663.17 crores (31.03.2015 : ₹ 2,835.27 Crores) recoverable from Government of India towards Direct Benefit Transfer for LPG consumers (DBTL).

	31.03.2016	31.03.2015
22. OTHER CURRENT ASSETS		
Interest Accrued on Investments and term deposits	111.86	186.29
Unamortized Expenses	84.99	101.75
Delayed Payment Charges Receivable from Customers	209.91	219.97
Less : Provision for doubtful receivables	83.66	66.72
Others	5.09	257.00
	328.19	**698.29**

(Includes ₹ 49.32 Crores (31.03.2015 : ₹ 373.65 Crores) towards share of jointly controlled entities)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

		2015-16	2014-15
23A.	**GROSS SALES OF PRODUCTS**		
	Sale of Products*	210,891.38	224,425.70
	Recovery under Subsidy Schemes	1,773.03	5,742.78
		212,664.41	**230,168.48**
	(Includes ₹ 14,901.55 Crores (2014-15 : ₹ 13,176.23 Crores) towards share of jointly controlled entities)		
	*includes amount towards Additional SSC of ₹ 430.14 Crores (2014-15 : ₹ 405.93 Crores)		
23B.	**OTHER OPERATING REVENUES**		
	Rent Recoveries	112.46	103.19
	Net Recovery for LPG Filling Charges	3.08	4.38
	Miscellaneous Income	202.82	145.35
		318.36	**252.92**
	(Includes ₹ 29.15 Crores (2014-15 : ₹ 6.97 Crores) towards share of jointly controlled entities)		
23C.	**OTHER INCOME**		
	Interest On :		
	Deposits	145.68	148.54
	Staff Loans	22.32	22.40
	Customers' Accounts	118.12	145.50
	Current Investments	379.66	409.86
	Others	136.84	165.06
		802.62	**891.36**
	Dividend income	57.92	38.77
	Exchange rate variation (Net)	0.01	0.21
	Profit on sale of fixed assets (Net)	-	49.84
	Share of Profit from Petroleum India International (AOP)	0.77	0.59
	Compensation for property damage and business interruption	-	247.44
	Gain on commodity derivative contracts (net)	114.96	68.46
	Gain on currency derivative contracts (net)	3.70	-
	Provision / (Reversal) for Diminution in value of Current Investments	16.71	-
	Gain on sale of current investments (net)	3.31	-
	Gain on settlement of deferred sales tax loan	271.06	256.91
	Miscellaneous Income	386.54	307.21
		1,657.60	**1,860.79**
	(Includes ₹ 577.52 Crores (2014-15 : ₹ 759.84 Crores) towards share of jointly controlled entities)		

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	2015-16	2014-15
24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE : (INCREASE) / DECREASE		
Closing Stock:		
Work - in - Progress	546.94	917.65
Finished Goods	5,633.00	6,223.00
Stock - in - Trade (In respect of goods acquired for trading)	4,556.19	4,173.90
	10,736.13	**11,314.55**
Less: Opening Stock:		
Work - in - Progress	926.85	2,474.97
Finished Goods	6,244.49	8,959.28
Stock - in - Trade (In respect of goods acquired for trading)	4,173.90	4,958.74
	11,345.24	**16,392.99**
	609.11	**5,078.44**
(Includes ₹ 458.32 Crores (2014-15 : ₹ 1,333.29 Crores) towards share of jointly controlled entities)		
25. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus, etc.	1,810.03	1,876.76
Contribution to Provident Fund	133.17	126.08
Pension, Gratuity and Other Employee Benefits	192.83	343.98
Employee Welfare Expenses	382.72	246.29
	2,518.75	**2,593.11**
(Includes ₹ 186.13 Crores (2014-15 : ₹ 158.48 Crores) towards share of jointly controlled entities)		
26. FINANCE COSTS		
Interest Expense	1,266.35	1,199.89
Other Borrowing Costs	295.00	237.79
Applicable Net (Gain)/Loss on Foreign Currency Transactions and Translation	185.90	403.47
	1,747.25	**1,841.15**
(Includes ₹ 1,039.36 Crores (2014-15 : ₹ 1,077.11 Crores) towards share of jointly controlled entities)		

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

₹ / Crores

	2015-16	2014-15
27. OTHER EXPENSES		
Consumption of Stores, Spares and Chemicals	392.00	413.23
Power and Fuel	2,875.83	3,997.87
Less : Fuel of own production consumed	2,482.07	3,752.58
	393.76	245.29
Repairs and Maintenance - Buildings	56.59	44.16
Repairs and Maintenance - Plant and Machinery	872.88	855.49
Repairs and Maintenance - Other Assets	313.57	255.07
Insurance	111.91	91.84
Rates and Taxes	224.68	190.86
Irrecoverable Taxes and Other Levies	339.07	247.52
Equipment Hire Charges	8.20	6.75
Rent	551.79	327.47
Travelling and Conveyance	197.29	192.48
Printing and Stationery	17.00	16.15
Electricity and Water	781.70	680.82
Corporate Social Responsibility (CSR) Expenses	74.51	35.53
Stores and Spares written off	0.41	1.06
Loss on Sale of Current Investments	35.86	29.24
Provision / (Reversal) for Diminution in value of Current Investments	-	(605.04)
Provision for Doubtful Receivables (After adjusting provision no longer required)	5.58	5.54
Provision for Doubtful Debts (After adjusting provision no longer required)	31.45	16.94
Bad debts written off	9.97	-
Loss on Sale/ write off of Fixed Assets/ CWIP (Net)	24.56	0.01
Security Charges	141.12	127.59
Audit Fee	1.75	1.22
Advertisement and Publicity	150.49	112.48
Sundry Expenses and Charges (Not otherwise classified)	919.53	731.60
Consultancy and Technical Services	57.45	64.87
Exchange Rate Variations (Net)	601.17	(124.30)
	6,314.29	**3,963.87**
(Includes ₹ 1,095.02 Crores (2014-15 : ₹ 849.73 Crores) towards share of jointly controlled entities)		
Note:-		
Payment to auditors		
Audit fees	1.15	0.86
Other services	0.44	0.34
Reimbursement of expenses	0.16	0.02
	1.75	**1.22**
28. PRIOR PERIOD EXPENSES / (INCOMES)		
Expenditure on Enabling Assets	(1.63)	-
Insurance	(0.02)	3.14
Transhipment Expense	0.79	-
Interest on Delayed Payment charges	(0.16)	-
Depreciation	7.46	(7.28)
Finance Costs	0.07	-
Others	1.40	(0.07)
	7.91	**(4.21)**
(Includes ₹ 1.60 Crores (2014-15 : ₹ 0.20 Crores) towards share of jointly controlled entities)		

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

29. During the current financial year 2015-16, ONGC and GAIL offered discount on prices of crude, PDS SKO and Domestic LPG purchased from them. Accordingly, the Corporation has accounted the discount as under:

(a) ₹ Nil (2014-15: ₹ 1,035.37 crores) discount received on purchase of PDS SKO and Domestic LPG from ONGC and GAIL has been adjusted against Purchases of Stock-in-Trade.

(b) ₹ 190.33 crores (2014-15: ₹ 9,826.84 crores) discount received on Crude Oil purchased from ONGC has been adjusted against purchase cost of Crude Oil.

30. During the current financial year 2015-16, Subsidy on PDS Kerosene and Domestic Subsidized LPG from Central and State Governments amounting to ₹ 11.77 crores (2014 - 15: ₹ 684.79 crores) has been accounted.

31. Approval of Government of India for Budgetary Support amounting to ₹ 1,761.26 crores (2014-15: ₹ 5,057.94 crores) has been received and the same has been accounted under 'Recovery under Subsidy Schemes'.

32. (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.

33. (a) In Respect of HPCL:

HPCL has on the Balance sheet date, outstanding forward contract amounting to USD 50.27 Million, of which NIL (2014-15 : USD NIL) is to hedge the foreign currency exposure towards loans and USD 50.27 Million i.e. an equivalent of ₹ 333.05 crores (2014-15 : USD NIL) to hedge its foreign currency exposure towards import payable. As at Balance Sheet date, Corporation has interest rate swap contracts for a value of USD 260 Million i.e. an equivalent of ₹ 1,722.57 crores (2014-15: USD 200 Million i.e. an equivalent of ₹ 1,250.10 crores) to cover its floating interest rate exposure to fixed interest rate.

Following are the unhedged foreign currency on account of exposures :

	31-03-2016		31-03-2015	
Exposure Type	**USD Million**	**₹ in Crores**	**USD Million**	**₹ in Crores**
Imports	377.27	2,499.53	460.16	2,876.22
ECB (Long Term)	2,415.00	15,999.98	2,565.00	16,032.53
Export Debtors	10.66	70.60	23.32	145.77

(b) In Respect of HINCOL:

Unhedged Foreign Currency exposures as on 31st March, 2016 are EURO 1,26,885 (2014-15 EURO 1,45,465) equivalent to ₹ 0.95 Crores and USD are 1,997 equivalent to ₹ 0.01 crores.

(c) In Respect of PMHBL:

Unhedged Foreign Currency exposures as on 31st March, 2016 is USD 13,810.

(d) In Respect of HMEL:

i. Currency risk derivatives – Forward contracts have been taken to hedge foreign currency exposure. The aggregate amount of forward contracts outstanding as at balance sheet date comprises of:

Particulars	Currency	31st March, 2016	31st March, 2015
JPY buy/USD sell	USD	5 Million	NIL
USD buy / INR sell	USD	NIL	55 Million

ii. JPY buy/USD sell option have been taken to hedge foreign currency exposure. The total amount of Options outstanding as on 31st March, 2016 is NIL (2014-15 USD 6 Million).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

iii. Unhedged foreign currency exposure - Particulars of Unhedged foreign currency exposure as at the balance sheet date:

₹ / Crores

Particulars	31st March, 2016	31st March, 2015
Short term foreign currency loan from banks	999	1,465
Long term Loan from banks*	7,486	4,379
Trade payables, other liabilities and provisions	995	1,195
Trade receivables	1	3

* Includes loans taken in JPY equivalent to ₹ 35 crores (2014-15 ₹ 37 crores), which has been hedged into USD.

iv. Other derivative contracts Hedged:

- The discount percentage on purchases of crude oil is hedged. Quantity of outstanding crude oil hedged on 31st March, 2016 is 7,10,355 bbl (2014-15 6,85,160 bbl).
- Time spreads to remove pricing exposure mismatches is hedged. Quantity of outstanding crude oil hedged as on 31st March, 2016 is 16,90,155 bbl (2014-15 97,880 bbl).
- Margins on sale of refined products are hedged. Quantity of crude oil hedged on 31st March, 2016 is 97,980 bbl. (2014-15 48,940 bbl).

v. Interest rate swaps have been taken to hedge exposure against variable interest outflow on loans. The amount of outstanding contracts as at 31st March, 2016 aggregated to USD 257 Million (2014-15 USD 113 Million).

(e) In Respect of BGL:

Unhedged foreign currency exposure at the year-end:

Particulars	Currency	31st March, 2016	31st March, 2015
Un-hedged foreign currency exposure- Payable to suppliers	USD	99,483	99,483

34. In accordance with the option as per AS – 11 (notified under the Company's Accounting Standards Rules, 2006) exercised in the year 2008 – 09, 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 life of the assets. The Corporation has continued to exercise the option during the year 2015-16 as per Ministry of Corporate Affairs' Notification.

35. In accordance with the option exercised by the Company as referred in note # 34, an exchange loss of ₹ 197.14 crores (2014 - 15: Loss of ₹ 63.16 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, 2016.

36. During the F. Y. 2015-16, HPCL does not have any RBI Swap transaction. During the F.Y. 2014-15, the net gain of ₹ 360.71 crores have been recognized and accounted for in the books on RBI swap transactions, out of which ₹192.38 crores was realized on account of RBI swap transactions settled during the financial year 2014-15 and ₹ 168.33 Crores on account of reversal of mark to market losses provision provided as on 31.03.2014 on forward contracts taken to hedge the un-matured RBI swap transactions outstanding as on 31.03.2014

37. In respect of HPCL, Ancillary costs incurred towards raising of Syndicated Loans from Foreign Banks (repayable in foreign currency) is being amortized over the tenure of the loan. Total amount of such ancillary costs remaining unamortized as on the balance sheet date is ₹ 162.35 Crores (2014-15: ₹ 205.94 crores).

38. (a) The recognition of MAT Credit Entitlements of ₹ 494.03 Crores as at March 31, 2016 (₹ 355.77 Crores as at March 31, 2015) 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.

(b) Provision for tax for earlier years written back (net) of ₹ 132.67 crores (2014-15: Provided ₹ 430.58 Crores).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

39. 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	2015-16	2014-15
1.	Amounts payable to "suppliers" under MSMED Act, including trade payables and other payables, as on		
	31/03/16 :-		
	- Principal	18.89	15.93
	- Interest	-	-
2.	Amounts paid to "suppliers" under MSMED Act, beyond appointed day during F.Y. 2015 – 16 (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	-	-

40. Related Party Disclosures:-

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. Key Management Personnel

i. Smt. Nishi Vasudeva, Chairman and Managing Director (Till 31.03.2016).

Shri Mukesh Kumar Surana, Chairman and Managing Director (w.e.f. 01.04.2016)

ii. Shri K. V. Rao, Director – Finance (Till 30.09.2015).

iii. Shri J. Ramaswamy, Director - Finance (w.e.f. 01.10.2015)

iv. Shri B. K. Namdeo, Director – Refineries

v. Shri Y.K. Gawali, Director - Marketing

vi. Shri Pushp Kumar Joshi, Director - Human Resources

vii. Shri Shrikant Madhukar Bhosekar, Company Secretary

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

B. Details of transactions with related parties

1. Transaction with Jointly controlled entities (₹/ Crores)

No.	Nature of Transactions	2015-16	2014-15
(i)	**Sale of goods**		
	HPCL-Mittal Energy Ltd.	65.24	12.39
	Hindustan Colas Pvt. Ltd.	134.14	207.30
	South Asia LPG Company Pvt. Ltd.	0.09	0.32
		199.47	**220.01**
(ii)	**Purchase of goods**		
	HPCL-Mittal Energy Ltd.	12,046.93	12,278.83
	Hindustan Colas Pvt. Ltd.	79.50	110.44
		12,126.43	**12,389.27**
(iii)	**Dividend income received**		
	Hindustan Colas Pvt. Ltd.	11.43	7.68
	South Asia LPG Company Pvt. Ltd.	13.75	12.50
		25.18	**20.18**
(iv)	**Services given (Manpower Supply Service)**		
	HPCL-Mittal Energy Ltd.	0.20	0.19
	Hindustan Colas Pvt. Ltd.	1.02	0.88
	South Asia LPG Company Pvt. Ltd.	0.64	0.72
		1.86	**1.79**
(v)	**Lease rental received**		
	HPCL-Mittal Energy Ltd.	0.61	0.46
	Hindustan Colas Pvt. Ltd.	0.12	0.12
	South Asia LPG Company Pvt. Ltd.	0.84	0.40
		1.57	**0.98**
(vi)	**Others - provided**		
	HPCL-Mittal Energy Ltd.	24.07	22.52
	Hindustan Colas Pvt. Ltd.	2.39	2.15
	South Asia LPG Company Pvt. Ltd.	0.39	-
		26.85	**24.67**
(vii)	**Others - (availed)**		
	HPCL-Mittal Energy Ltd.	13.51	7.12
	Hindustan Colas Pvt. Ltd.	4.74	7.62
	South Asia LPG Company Pvt. Ltd.	93.61	81.14
		111.86	**95.88**
(viii)	**Advance against equity given / Share Application Money Pending Allotment given**		
	HPCL Shapoorji Energy Pvt. Ltd.	-	1.00
		-	**1.00**
		31.03.2016	**31.03.2015**
(ix)	**Receivables as on**		
	HPCL-Mittal Energy Ltd.	0.18	6.33
	Hindustan Colas Pvt. Ltd.	2.52	16.48
	South Asia LPG Company Pvt. Ltd.	0.06	0.48
		2.76	**23.29**
(x)	**Payables as on**		
	HPCL-Mittal Energy Ltd.	623.12	739.60
	Hindustan Colas Pvt. Ltd.	8.42	10.69
	South Asia LPG Company Pvt. Ltd.	5.77	4.44
		637.31	**754.73**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

2. Remuneration paid to Key Management Personnel

₹ / Crores

No.	Description	2015-16	2014-15
(i)	Smt. Nishi Vasudeva	0.95	0.72
(ii)	Shri K. V. Rao	0.59	0.60
(iii)	Shri J Ramaswamy	0.21	-
(iv)	Shri B. K. Namdeo	0.61	0.68
(v)	Shri Y.K. Gawali	0.46	0.35
(vi)	Shri Pushp Kumar Joshi	0.55	0.51
(vii)	Shri Shrikant Madhukar Bhosekar	0.37	0.40
		3.74	**3.26**

Remuneration to KMP has been considered from / to the date from which they became KMP.

3. Amount due from Key Management Personnel

₹ / Crores

No.	Description	31.03.2016	31.03.2015
(i)	Smt. Nishi Vasudeva	-	0.02
(ii)	Shri K. V. Rao	-	0.00
(iii)	Shri J Ramaswamy	0.02	-
(iv)	Shri Pushp Kumar Joshi	0.06	0.07
(v)	Shri Shrikant Madhukar Bhosekar	0.05	0.05
		0.13	**0.14**

41. In compliance of Accounting Standard 27 on "Financial reporting of Interests in Joint Ventures", a brief description of Production Sharing Contracts (PSCs) and Service Contracts (SCs) :-

Group has entered into production sharing oil & gas exploration contracts in India and overseas in consortium with other body corporate. These consortia are:

Name of the Block	Participating Interest in %	
	31/03/2016	31/03/2015
<u>In Respect of HPCL</u>		
In India		
Under NELP IV		
KK- DWN-2002/2	20	20
KK- DWN-2002/3	20	20
CB- ONN-2002/3	15	15
Under NELP V		
AA-ONN-2003/3	15	15
Under NELP VI		
CY-DWN-2004/1	10	10
CY-DWN-2004/2	10	10
CY-DWN-2004/3	10	10
CY-DWN-2004/4	10	10
CY-PR-DWN-2004/1	10	10
CY-PR-DWN-2004/2	10	10
KG-DWN-2004/1	10	10
KG-DWN-2004/2	10	10
KG-DWN-2004/3	10	10
KG-DWN-2004/5	10	10
KG-DWN-2004/6	10	10

Name of the Block	Participating Interest in %	
	31/03/2016	31/03/2015
MB-OSN-2004/1	20	20
MB-OSN-2004/2	20	20
RJ-ONN-2004/1	22.22	22.22
RJ-ONN-2004/3	15	15
Under NELP IX		
MB-OSN-2010/2	30	30
Cluster – 7	60	60
In Respect of PPCL		
SR-ONN-2004/1	10	10
AA ONN 2010/1	20	20
Sanganpur Field	50	50
Yolla Field (Australia) Licence T/L -1	11.25	11.25
Cluster 7	10	10

a) **In respect of HPCL:**

i. The Blocks KK-DWN-2002/2, CY-DWN-2004/1,2,3,4, CY-PR-DWN-2004/1&2, KG-DWN-2004/1,2,3,5,6, MB-OSN-2004/1, MB-OSN-2004/2 & RJ-ONN-2004/1 & 3 are in the process of 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, 2016.

ii. The Blocks AAONN-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, 2016.

iii. 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.

iv. The exploration block MB-OSN-2010/2 has been awarded under NELP IX Bidding Round, Production Sharing Contract (PSC) of the same has been signed on 30/08/2012. 3D seismic data acquisition, Processing & interpretation have been completed. Discussion on well location and further course of action is in progress.

v. In respect of Cluster – 7, the matter is under arbitration. Please refer Note # 52.10.

HPCL's share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Operations:

₹ / Crores

	2015 – 16	2014 – 15
Jointly Controlled Operations		
Contingent Liabilities	288.73	231.19
Capital Commitment	100.62	94.93

b) **In respect of PPCL:**

i. **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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

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 at 31st March 2016 and the Income and expenditure for the year in respect of above joint venture is as follows:

₹ / Crores

Sr.	Particulars	2015-16	2014-15
A	Gross Tangible Assets	9.99	9.98
B	Pre-Producing Properties (CWIP)	1.36	1.36
C	Other Net Non-Current Assets	(0.01)	(0.00)
D	Net Current Assets (*)	1.25	1.03
E	Income	1.05	0.98
F	Expenditure	1.25	1.22

(*) Includes advances to joint venture amounting to ₹ 0.78 Crores (Previous year ₹ 0.60 Crores).

ii. 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 Crores have been included in Sanganpur field Assets. The Company has accounted its proportionate share in the Sanganpur field based on available un-Audited accounts as at 31st March, 2016 as made available by the Operator.

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 at 31st March 2016 and the Income, expenditure for the year in respect of above joint venture is as follows:

₹ / Crores

Sr.	Particulars	2015-16	2014-15
A	Gross Tangible Assets	5.63	5.63
B	Other Net Non-Current Assets	(0.01)	(0.00)
C	Net Current Assets (*)	(0.10)	(0.08)
D	Income	0.05	0.13
E	Expenditure	0.08	0.22

(*) Includes payable to joint venture amounting to ₹ 0.04 Crores (2014-15 ₹ 0.08 Crores)

iii. ONGC Offshore Marginal Fields (Cluster-7):

PPCL 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.

iv. 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 at 31st March, 2016 in respect of above joint venture is as follows:

₹ / Crores

Sr.	Particulars	2015-16	2014-15
A	Gross Tangible Assets	-	-
B	Pre-producing Properties (CWIP)	-	-
C	Other Net Non-Current Assets	-	-
D	Net Current Assets (*)	2.46	1.34
E	Expenditure (**)	0.16	0.81

(*) Includes advances to joint venture amounting to ₹ 2.07 Crores (Previous year ₹ 0.95 Crores).

(**) Includes ₹ Nil (Previous year ₹ 0.13 Crores) written off towards dry wells cost. Also includes Inventory written off amounting to ₹ Nil in the F.Y. 2015-16 (Previous year ₹ 0.31 Crores).

42. Operating Leases - Assets taken on lease primarily consist of leased land taken for the purpose of setting up retail outlets, depot operations and properties for use by the Corporation. These lease arrangements are normally renewed on expiry of the term. Amount of lease rental expenses recognized in the Statement of Profit & Loss is given under Note 27 - 'Other expenses'.

43. 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.

44. During the year 2015-16, an amount of ₹ 73.40 Crores (2014-15: ₹ 29.45 Crores) has been charged to revenue towards Enabling Assets on which the Corporation does not have a control.

45. As per the provisions of the Deed of Assurance (DoA) dated 12 August 2005, signed by the HMEL with the Government of Punjab (GoP), HMEL is allowed a deferment of Central Sales Tax (CST) up to 300% of fixed capital investment for 15 years from the date of production, and the same is required to be repaid, free of interest, from 16th year onwards in 30 half yearly installments. Further, Punjab VAT Act, 2005 vide notification no. S.O. 21/P.O.5/2005/S, 92/2005 dated 6th April, 2005, prescribed certain conditions for availing deferment and exemption which inter-alia provides that any unit availing benefit of deferment, can opt for payment of deferred CST liability on a net present value basis, before the date of filing of return. HMEL had discussed with GoP for settlement of its CST liabilities in line with the above option and the management of the Company has settled the CST liability of ₹ 1,101 Crores (previous year ₹ 773 Crores) as at 31st March, 2016, for a Net Present Value (NPV) of ₹ 177 Crores (previous year ₹ 121 Crores), by discounting the gross CST liability using an appropriate interest rate. The company obtained necessary legal advice with respect to the enforceability of said adjustment and also the basis for computation of net present value of CST. Consequentially, a gain of ₹ 271 Crores (previous year ₹ 257 Crores) has been accounted for in the books of accounts in the current year. During the current year based on certain judicial pronouncements and legal advice, the Company, has treated said benefit of ₹ 922 Crores (including ₹ 652 Crores for earlier years) as not being liable to income tax and has provided for tax charge accordingly.

Further, as per the provisions of the DoA, HMEL is also entitled to an Interest Free Loan (IFL) of ₹ 612 Crores which was to be disbursed in equal monthly installments over a 5 year period starting from the date of commencement of operations viz 3rd December 2011, a date which has been recognized and approved by the Empowered Committee of GoP. The said loan is required to be repaid in 10 equal half yearly installments after expiry of 66 months from the date of disbursement. Accordingly as of 31st March, 2016 an amount of ₹ 531 Crores (Previous year ₹ 408 Crores) was due to HMEL towards IFL against which an amount of ₹ 5 Crores only was disbursed. As per the terms of the DoA, in the event of non-payment of monthly loan installments, HMEL is eligible to unilaterally adjust the loan amount in subsequent month from its sales tax or such other payment due to GoP. HMEL has exercised the said option on 31st March 2015 and has adjusted the amount of IFL against the NPV of CST payable of ₹ 177 Crores , as mentioned above, and has a resultant IFL of ₹ 182 Crores (previous year ₹ 126 Crores), including ₹ 5 Crores received earlier in cash, payable to GoP.

46. SALPG has recognized revenue upto March 31, 2014, from LPG Storage and warehouse services at ₹ 1,540 pmt and by-pass services at ₹ 200 pmt based on negotiations, with the three oil marketing companies M/s. Hindustan Petroleum Corporation Limited ('HPCL'), M/s. Indian Oil Corporation Limited ('IOCL') and M/s. Bharat Petroleum Corporation Limited ('BPCL'). Whilst,

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

the marketing companies have in principle agreed for the rates at which the invoices may be raised, only HPCL has been making the payments against the amount invoiced and the other two companies i.e. IOCL and BPCL are making part payments, pending receipt of approvals from the Ministry of Petroleum and Natural Gas, Government of India, since January 2008. The amounts retained by IOCL and BPCL aggregates to ₹ 27.78 Crores. The management is confident of receiving the entire dues, since there is no dispute with respect to the same and the amounts would be released by the two companies on receipt of requisite approvals from the Ministry. However, on a prudent basis, to cover any possible shortfall, provision against receivable for an amount of ₹ 5.56 Crores (Previous year ₹ 5.56 Crores) has been considered.

47. In respect of HRRL, the land allotted by Government of Rajasthan (GoR), was not accounted pending execution of lease agreement. There is no change in the status in the current year. Consequently, lease rent has not been recognised.

48. Subsequent to the date of the Balance Sheet, due to completion of tenure of some of the Independent Directors, the number of Independent Directors in the Board is reduced to one, which is less than the minimum number of Independent Directors required in terms of the provisions of the Listing Agreement and the Companies Act, 2013. The Company has approached the administrative ministry for appointment of requisite number of Directors for compliance of the provisions of the Listing Agreement and the Companies Act, 2013 and the same is awaited. Pending such appointment, the financial results have been reviewed and recommended to the Board by the reconstituted Audit Committee consisting of one Independent Director.

49. In line with the Notification dated August 29, 2014 issued by Ministry of Corporate Affairs (MCA), the Group has complied with the requirements of paragraph 4(a) of Notes to Schedule II to the Companies Act, 2013, relating to componentization, from Financial Year 2015-16. Due to the above compliance, the depreciation expense for the year ended March 31, 2016 is increased by ₹ 273.23 crores. As provided in para 7 (b) of Schedule II to the Companies Act, 2013, the Group has charged ₹ 227.96 crores to the statement of Profit & Loss.

50. During the year 2015 – 16, Group has spent ₹ 74.51 Crores (2014-15: ₹ 35.49 Crores) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 74.42 crores (2014-15 : ₹ 35.45 Crores).

Head wise break up of CSR expenses are given below:

₹ / Crores

S. No.	Head of Expenses	2015-16	2014-15
1	Promoting Education	16.54	19.69
2	Promoting Preventive Health Care	12.06	9.00
3	Empowerment of Socially and Economically Backward groups	4.44	1.44
4	Promotion of Naturally recognised and para- olympic sports	0.68	0.85
5	Imparting Employment by enhancing vocational skills	5.89	3.09
6	Protection of National Heritage	0.05	-
7	Rural Development	0.45	-
8	Environment Sustainability	17.87	-
9	Swatch Bharat Abhiyan	15.81	-
10	Others Elligible Activities	0.72	1.42
	Total	**74.51**	**35.49**

Amount spent during the year 2015-16 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	74.49	0.02	74.51

Amount spent during the year 2014-15 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	35.45	0.04	35.49

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

51. SEGMENT REPORTING

Information regarding Primary Segment Reporting as per AS-17 for the year ended 31st March, 2016.

₹ / Crores

Particulars	2015-16				2014-15			
	Downstream Petroleum	Exploration & Production	Others	Total	Downstream Petroleum	Exploration & Production	Others	Total
Revenue								
External Revenue	187,724.65	70.86	-	187,795.51	217,497.85	22.46	-	217,520.31
Inter-segment Revenue	-	7.92	(7.56)	0.36	-	7.84	(7.51)	0.33
Total Revenue	**187,724.65**	**78.78**	**(7.56)**	**187,795.87**	**217,497.85**	**30.30**	**(7.51)**	**217,520.64**
Result								
Segment results	8,077.45	(201.50)	-	7,875.95	2,566.25	2.96	-	2,569.21
Less: Unallocated expenses (net of unallocated income)	-	-	-	-	-	-	-	-
Operating profit	**8,077.45**	**(201.50)**	**-**	**7,875.95**	**2,566.25**	**2.96**	**-**	**2,569.21**
Less:								
Borrowing Cost				1,747.25				1,841.15
Provision for dimunition in investments				-				(605.04)
Loss on Sale of Investments				35.86				29.24
Add:								
Interest/Dividend (Incl Share of profit from PII)				861.31				930.72
Profit on Sale of Investments				-				-
Profit before Tax				**6,954.15**				**2,234.58**
Less: Taxes (including Deferred tax / FBT)				(2,107.24)				(741.83)
Profit after Tax				**4,846.91**				**1,492.75**
Less : Extraordinary Expenses / (Incomes)				-				3.88
Less : Share of minority in profit / (loss)				(74.58)				(9.71)
Profit / (loss) for the period for the group				**4,921.49**				**1,498.58**
Other Information								
Segment assets	80,100.50	638.60	-	80,739.10	77,729.57	685.61		78,415.18
Unallocated corporate assets				6,827.66				7,210.96
Total assets				**87,566.76**				**85,626.14**
Segment liabilities	25,688.31	195.85	0.08	25,884.24	32,602.03	973.77	(0.25)	33,575.55
Unallocated corporate liabilities				4,721.79				403.91
Minority interest				39.73				114.33
Total liabilities				**30,645.76**				**34,093.79**
Capital expenditure	6,063.93	139.24	-	6,203.17	6,403.97	34.44	-	6,438.41
Depreciation (including prior period)	3,430.20	165.52	-	3,595.72	2,489.40		-	2,489.40
Non cash expenses excluding depreciation				97.86				(552.25)

Notes:

1. The Group is engaged in the following business segments:
   a) Downstream i.e. Refining, Marketing and Transportation of Petroleum Products.
   b) Exploration and Production of Hydrocarbons.

   Segments have been identified taking into account the nature of activities and the nature of risks and returns.
2. Segment Revenue comprises the following:
   a) Turnover (Net of Excise Duties).
   b) Subsidy from Government of India.
   c) Net Claim/(surrender to) PPAC/GOI.
   d) Other income (excluding interest income, dividend income and investment income).
3. There are no geographical segments.
4. Others represents Inter Segment transactions

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

52. Contingent Liabilities and Commitments

₹ / Crores

	2015-16	2014-15
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	188.57	176.58
ii. Sales Tax/Octroi	2,174.29	2,483.98
iii. Excise/Customs	280.40	353.26
iv. Land Rentals & Licence Fees	88.94	181.83
v. Others	74.86	111.77
	2,807.06	**3,307.42**
B. Contingent Liabilities not provided for in respect of appeals filed against the Corporation		
i. Income Tax	15.29	12.79
ii. Sales Tax/Octroi	14.07	3.48
iii. Excise/Customs	83.97	84.62
iv. Employee Benefits/Demands (to the extent quantifiable)	214.07	362.71
v. Claims against the Corporation not acknowledged as Debts(refer note 52.1)	517.64	803.78
vi. Others	444.00	439.79
	1,289.04	**1,707.17**
C. Guarantees given	**436.40**	**228.07**
(Includes ₹ 496.31 Crores (2014-15 : ₹ 554.52 Crores) towards share of jointly controlled entities)		
(Includes ₹ 288.73 crores (2014-15 : ₹ 231.19 crores) towards share of jointly controlled operations)		

52.1 : A claim of ₹ 282.24 crores (42.60 Million USD @ Exchange rate of 1 US = $ 66.2525), 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 ₹ 1,038.17 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. Quantification aspect is being looked into by Arbitral Tribunal. This amount is not included above.

	2015-16	2014-15
II. Commitments		
A. Estimated amount of contracts remaining to be executed on Capital Account not provided for	3,750.36	2593.02
B. Other Commitments (for Investments in Joint Ventures)	31.93	25.52
(Includes ₹ 408.72 Crores (2014-15 : ₹ 419.99 Crores) towards share of jointly controlled entities)		
(Includes ₹ 100.62 crores (2014-15 : ₹ 94.93 crores) towards share of jointly controlled operations)		

52.2: BGL is required to complete minimum residential connections for piped gas under the terms of contract awarded by PNGRB. Failing to complete the minimum number of connections would make BGL liable for penal consequences, against which BGL has submitted bank guarantees to PNGRB and other authorities. BGL has received notices for delays in minimum installations. The charges for not completing minimum number of connections cannot be measured at this stage and also BGL has represented the matter to the concerned authorities as the delay is on account of various factors most of them being beyond the control of BGL.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

53. Employee Benefits:

Liability towards long term defined employee benefits is determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. In respect of Provident Fund, the contribution for the period is recognized as expense and charged to Statement of Profit & Loss. Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

(a). Change in defined benefit obligations during the year ended 31st March, 2016

₹ / Crores

Particulars	Leave Encashment		Gratuity		Pension	Post Retirement Medical Benefits	Long Service Awards	Ex - Gratia	Death Benefits	Resettlement Allowance	Other Retirement Benefits
	Funded	Unfunded	Funded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded
	LE-F	LE-UF	G-F	G-UF	P-UF	PRMB-UF	LSA-UF	Ex-UF	DB-UF	RA-UF	ORA-UF
Defined benefit obligation at the beginning of the year	598.46	0.78	517.45	0.97	57.84	505.02	66.95	33.71	22.13	2.49	0.16
	577.36	*0.59*	*477.66*	*0.77*	*66.73*	*417.60*	*66.95*	*37.57*	*21.69*	*2.24*	*0.14*
Interest cost	50.73	0.06	39.59	0.08	4.21	42.52	-	2.44	1.58	0.20	0.01
	57.49	*0.05*	*42.86*	*0.07*	*5.83*	*41.18*	-	*3.24*	*1.81*	*0.24*	*0.01*
Current service cost	43.65	0.19	5.70	0.20	-	45.90	-	-	-	0.46	0.02
	36.83	*0.12*	*5.12*	*0.15*	-	*34.37*	-	-	-	*0.42*	*0.02*
Other Cost	-	0.06	0.02	-	-	-	-	-	-	-	-
	-	-	*0.00*	-	-	-	-	-	-	-	-
Past service cost (vested benefits)	-	-	-	-	-	-	93.39	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Benefit paid	-	(0.12)	(42.56)	(0.24)	(7.71)	(32.17)	(8.26)	(5.94)	(4.48)	(0.95)	(0.03)
	-	*(0.08)*	*(44.27)*	*(0.11)*	*(8.79)*	*(23.87)*	-	*(5.98)*	*(4.76)*	*(0.22)*	*(0.03)*
Actuarial (gain)/loss on obligation	(109.67)	(0.13)	(5.67)	0.01	10.50	2.30	-	1.93	(2.65)	11.37	0.01
	(73.22)	*0.09*	*36.07*	*0.08*	*(5.93)*	*35.74*	-	*(1.12)*	*3.39*	*(0.19)*	*0.01*
Defined benefit obligation at the end of the year	583.17	0.85	514.53	1.01	64.84	563.58	152.08	32.14	16.58	13.57	0.17
	598.46	*0.78*	*517.45*	*0.97*	*57.84*	*505.02*	*66.95*	*33.71*	*22.13*	*2.49*	*0.16*

(b). Change in fair value of assets during the year ended 31st March, 2016

₹ / Crores

Particulars	Leave Encashment		Gratuity		Pension	Post Retirement Medical Benefits	Long Service Awards	Ex - Gratia	Death Benefits	Resettlement Allowance	Other Retirement Benefits
	Funded	Unfunded	Funded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded
	LE-F	LE-UF	G-F	G-UF	P-UF	PRMB-UF	LSA-UF	Ex-UF	DB-UF	RA-UF	ORA-UF
Fair value of plan asset at the beginning of the year	697.85	-	525.03	-	-	-	-	-	-	-	-
	637.19	-	*520.27*	-	-	-	-	-	-	-	-
Expected return on plan assets	60.71	-	43.84	-	-	-	-	-	-	-	-
	55.44	-	*43.42*	-	-	-	-	-	-	-	-
Actuarial gain / (loss) on plan assets	1.26	-	0.74	-	-	11.82	-	-	-	-	-
	5.22	-	*4.23*	-	-	-	-	-	-	-	-
Contribution by employer	-	-	1.83	-	-	432.13	-	-	-	-	-
	-	-	*1.37*	-	-	*23.84*	-	-	-	-	-
Benefit paid	-	-	(42.56)	-	-	(32.13)	-	-	-	-	-
	-	-	*(44.26)*	-	-	*(23.84)*	-	-	-	-	-
Fair value of plan asset at the end of the year	759.82	-	528.88	-	-	411.82	-	-	-	-	-
	697.85	-	*525.03*	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(c) Net asset/(liability) recognized in balance sheet as at 31st March, 2016

₹ / Crores

Particulars	Leave Encashment		Gratuity		Pension	Post Retirement Medical Benefits	Long Service Awards	Ex - Gratia	Death Benefits	Resettlement Allowance	Other Retirement Benefits
	Funded	Unfunded	Funded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded
	LE-F	LE-UF	G-F	G-UF	P-UF	PRMB-UF	LSA-UF	Ex-UF	DB-UF	RA-UF	ORA-UF
Defined benefit obligation at the end of the year	583.17	0.85	514.53	1.01	64.84	563.58	152.08	32.14	16.58	13.57	0.17
	598.46	*0.78*	*517.45*	*0.97*	*57.84*	*505.02*	*66.95*	*33.71*	*22.13*	*2.49*	*0.16*
Fair value of plan asset at the end of the year	759.82	-	528.88	-	-	411.82	-	-	-	-	-
	697.85	-	*525.03*	-	-	-	-	-	-	-	-
Amount recognised in the balance sheet	176.65	(0.85)	14.35	(1.01)	(64.84)	(151.76)	(152.08)	(32.14)	(16.58)	(13.57)	(0.17)
	99.39	*(0.78)*	*7.58*	*(0.97)*	*(57.84)*	*(505.02)*	*(66.95)*	*(33.71)*	*(22.13)*	*(2.49)*	*(0.16)*

(d) Components of employer expenses

₹ / Crores

Particulars	Leave Encashment		Gratuity		Pension	Post Retirement Medical Benefits	Long Service Awards	Ex - Gratia	Death Benefits	Resettlement Allowance	Other Retirement Benefits
	Funded	Unfunded	Funded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded
	LE-F	LE-UF	G-F	G-UF	P-UF	PRMB-UF	LSA-UF	Ex-UF	DB-UF	RA-UF	ORA-UF
Current service cost	43.65	0.19	5.70	0.20	-	45.90	-	-	-	0.46	0.02
	36.83	*0.12*	*5.12*	*0.15*	-	*34.37*	-	-	-	*0.42*	*0.02*
Interest cost	50.73	0.06	39.59	0.08	4.21	42.52	-	2.44	1.58	0.20	0.01
	57.49	*0.05*	*42.86*	*0.07*	*5.83*	*41.18*	-	*3.24*	*1.81*	*0.24*	*0.01*
Past service cost (vested benefits)	-	-	-	-	-	-	93.39	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Expected return on plan asset	(60.71)	-	(43.84)	-	-	-	-	-	-	-	-
	(55.44)	-	*(43.42)*	-	-	-	-	-	-	-	-
Actuarial (gain) / loss	(110.93)	(0.13)	(6.41)	0.01	10.50	(9.52)	-	1.93	(2.65)	11.37	0.01
	(78.44)	*0.09*	*31.84*	*0.08*	*(5.93)*	*35.74*	-	*(1.12)*	*3.39*	*(0.19)*	*0.01*
Total expenses for the year	(77.26)	0.12	(4.96)	0.28	14.71	78.91	93.39	4.37	(1.07)	12.03	0.04
	(39.56)	*0.27*	*36.39*	*0.30*	*(0.10)*	*111.29*	-	*2.12*	*5.20*	*0.47*	*0.04*

(e) Actuarial Assumptions

in %

Particulars	Leave Encashment		Gratuity		Pension	Post Retirement Medical Benefits	Long Service Awards	Ex - Gratia	Death Benefits	Resettlement Allowance	Other Retirement Benefits
	Funded	Unfunded	Funded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded
	LE-F	LE-UF	G-F	G-UF	P-UF	PRMB-UF	LSA-UF	Ex-UF	DB-UF	RA-UF	ORA-UF
Discount Rate	7.99	7.46-8.10	7.90-7.99	7.46-8.10	7.79	8.06-8.85	7.99	7.79	7.79	7.99	N/A
Expected return on plan assets	7.99	9.00	9.00	N/A	N/A	8.06	N/A	N/A	N/A	N/A	N/A
Salary escalation	7.00	5.00-10.00	6.50-10.00	5.00-10.00	N/A	5.00	N/A	N/A	N/A	N/A	N/A
Inflation						5.00					
Mortality rate	IALM (2006-08) Mortality Table										

Previous year figures are given in italics.

54. Previous year's figures are reclassified / regrouped wherever necessary.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

Schedule III - Additional Disclosure on Consolidated Financial Statements as on 31st March,2016 is as under :-

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As a % of Consolidated Net Assets	Amount (₹ in Crores)	As a % of Consolidated profit or loss	Amount (₹ in Crores)
Hindustan petroleum Corporation Limited	74.53%	12,942.35	81.14%	3,993.47
Subsidiaries				
Prize Petroleum Company Ltd.	0.06%	10.88	(3.15)%	(155.24)
HPCL Biofuels Ltd.	1.00%	174.46	(1.01)%	(49.77)
CREDA - HPCL Biofuels Ltd.	0.02%	3.77	(0.15)%	(7.15)
HPCL Rajasthan Refinery Ltd.	(0.01)%	(1.97)	0.00%	(0.01)
Minority Interests in all subsidiaries	0.23%	39.73	1.52%	74.58
Joint Ventures (as per pro- portionate consolidation)				-
Hindustan Colas Pvt. Ltd.	0.49%	85.77	0.77%	38.00
South Asia LPG Co. Pvt. Ltd.	0.59%	101.84	0.97%	47.64
HPCL Shapoorji Energy Pvt. Ltd.	0.06%	11.17	(0.01)%	(0.27)
HPCL - Mittal Energy Ltd.	15.35%	2,666.29	18.18%	894.69
Petronet MHB Ltd.	1.00%	174.19	0.38%	18.66
Petronet CCK Limited	0.05%	8.43	0.05%	2.47
Petronet India Ltd.	0.07%	11.84	0.04%	2.20
Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	0.23%	39.63	0.09%	4.48
Aavantika Gas Ltd.	0.20%	35.28	0.17%	8.57
Bhagyanagar Gas Ltd.	0.11%	18.58	0.03%	1.35
Mangalore Refinery and Petrochemicals Ltd.	5.77%	1,001.63	0.97%	47.58
GSPL India Gasnet Ltd.	0.14%	23.84	0.00%	0.13
GSPL India Transco Ltd.	0.11%	18.69	0.00%	0.10
Total		**17,366.39**		**4,921.49**

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 27, 2016

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/-
Atul Shah
Partner
Membership No. 039569

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.
1	Sl. No.	1	2.	3.	4.
2.	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 (₹)
3.	Share capital	6,251,715,110	2,450,000,000	217,564,910	500,000
4.	Reserves & surplus	(4,507,118,412)	(2,341,200,946)	(179,849,688)	(20,173,744)
5.	Total assets	8,117,928,228	6,304,676,576	57,934,173	277,381,922
6.	Total Liabilities	6,373,331,530	6,195,877,522	20,218,950	297,055,666
7.	Investments	-	-	-	-
8.	Turnover	1,682,404,419	787,811,071	-	-
9.	Profit before taxation	(497,723,354)	(1,538,630,517)	(71,473,479)	(84,863)
10.	Provision for taxation	-	13,742,000	-	-
11.	Profit after taxation	(497,723,354)	(1,552,372,517)	(71,473,479)	(84,863)
12.	Proposed Dividend	-	-	-	
13.	% 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. 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

Date : 27th May, 2016
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 "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.	Petronet CCK Ltd.**
1.	Latest audited Balance Sheet Date	31/03/2016	31/03/2016	31/03/2016	31/03/2016	31/03/2016	31/03/2016	31/03/2016
2.	Shares of Joint Ventures held by the company on the year end							
	No.	4,725,000	3,939,555,200	50,000,000	157,841,000	22,499,997	15,999,999	
	Amount of Investment in Joint Venture	47,250,000	39,395,552,000	500,000,000	1,578,410,000	224,999,970	159,999,990	
	Extend of Holding %	50.00%	48.99%	50.00%	30.03%	24.99%	16.00%	4.16%
3.	Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
4.	Reason why the joint venture is not consolidated	-	-	-	-	-	-	-
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	1,715,462,377	54,422,400,428	2,036,713,512	5,800,488,868	743,495,673	740,197,097	2,026,231,000
6.	Profit / Loss for the year 2015-16							
	i. Considered in Consolidation	759,976,146	18,261,819,431	952,805,855	621,507,911	53,962,577	137,232,082	594,084,000
	i. Not Considered in Consolidation	-	-	-	-	-		

Figures based on Consolidated Financial Statements of the Company

* Petronet MHB Ltd's Proportionate share includes 1.26% indirectly held through Petronet India Ltd.

** Petronet CCK Ltd's Proportionate share is indirectly held by HPCL through Petronet India Ltd.

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

Date : 27th May, 2016
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	31/03/2016	31/03/2016	31/03/2016	31/03/2016	31/03/2016	31/03/2016
2. Shares of Joint Ventures held by the company on the year end						
No.	22,499,998	297,153,518	11,500,000	38,271,250	23,322,128	18,150,000
Amount of Investment in Joint Venture	224,999,980	4,716,799,957	115,000,000	382,712,500	233,221,280	181,500,000
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 is not consolidated	-	-	-	-	-	-
5. Networth attributable to Shareholding as per latest audited Balance Sheet	705,941,817	59,075,509,041	223,332,306	1,585,109,277	2,167,105,767	1,698,752,441
6. Profit / Loss for the year 2015-16						
i. Considered in Consolidation	171,528,075	7,095,590,791	(5,417,150)	179,391,370	11,627,767	8,729,714
i. Not Considered in Consolidation	-	-	-	-	-	-

Figures based on Consolidated Financial Statements of the Company

1. Names of joint ventures 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 which have been liquidated or sold during the year.

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

Date : 27th May, 2016
Place : New Delhi

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 2016

The preparation of consolidated financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March 2016 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 auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is/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 27 May 2016.

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 2016. 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/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 : 25 July 2016

Annexure I

Audit Conducted:

(A) Subsidiaries:

1. CREDA-HPCL Biofuels Ltd. (CHBL)
2. HPCL Biofuels Ltd. (HBL)
3. Prize Petroleum Company Ltd. (PPCL)
4. HPCL Rajasthan Refinery Ltd. (HRRL)

(B) Joint Ventures

1. Mangalore Refinery and Petrochemicals Ltd. (MRPL)
2. Bhagyanagar Gas Ltd. (BGL)
3. Petronet India Ltd. (PIL)
4. Petronet MHB Ltd. (PMHBL)
5. Aavantika Gas Ltd. (ABL)
6. GSPL India Gasnet Ltd. (GIGL)
7. GSPL India Transco Ltd. (GITL)
8. Mumbai Avaiation Fuel Farm Facility Pvt. Ltd. (MAFFFL)

Annexure II

Audit not conducted:

(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)

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				Total
	21-30	31-40	41-50	Above 50	
No. of Employees	1,983	1,402	2,227	4,926	10,538
Management	1,836	1,092	1,023	1,617	5,568
Non- Management	147	310	1,204	3,309	4,970
Average Age	27	35	47	55	

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 2016 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 @ 7.99%.

₹ / Crores

VALUE OF HUMAN RESOURCES	2015-16	2014-15
Management Employees	17,875	17,542
Non-management Employees	7,367	8,146
	25,242	**25,688**
Human Assets vis-à-vis Total Assets		
Value of Human Assets	25,242	25,688
Net Assets	33,040	29,793
Investments	10,995	11,241
	69,277	**66,722**
Employee Cost	2,315	2,415
Net Profit Before Tax (PBT)	5,738	4,150
Ratios (in %)		
Employee Cost to Human Resource	9.17	9.40
Human Resource to Total Resource	36.44	38.50
PBT to Human Resource	22.73	16.15

Joint Venture Companies

Sr. No.	Name of the Joint Venture Company	Date of Incorporation	Shareholding as on 31st March 2016		Nature of Operations
1.	HPCL-Mittal Energy Ltd.	13.12.2000	HPCL	48.99%	Refining of crude oil and manufacturing of petroleum products.
			Mittal Investments S.A.R.L.	48.99%	
			Indian Financial Institutions	2.02%	
2.	Hindustan Colas Pvt Ltd.	17.07.1995	HPCL	50.00%	Manufacture and marketing of Bitumen Emulsions & Modified Bitumen.
			COLASIE	50.00%	
3.	South Asia LPG Company Pvt Ltd.	16.11.1999	HPCL	50.00%	Storage of LPG in underground cavern and associated receiving and dispatch facilities at Visakhapatnam.
			TOTAL	50.00%	
4.	Mangalore Refinery & Petrochemicals Ltd.	07.03.1988	ONGC	71.62%	Refining of crude oil and manufacturing of petroleum products.
			HPCL	16.95%	
			Others	11.43%	
5.	Petronet India Ltd.	26.05.1997	HPCL	16.00%	To act as nodal agency for developing identified and prioritized petroleum product pipelines in the country.
			Financial / Strategic Investors	50.00%	
			Other OMCs	34.00%	
6.	Petronet MHB Ltd.	31.07.1998	HPCL	28.77%	Operation and maintenance of petroleum product pipeline between Mangalore-Hassan-Bangalore.
			Petronet India Ltd.	7.89%	
			ONGC	28.77%	
			Financial / Strategic Investors	34.57%	
7.	Bhagyanagar Gas Ltd.	22.08.2003	HPCL	49.97%	Distribution and marketing of CNG and Auto LPG in the state of Andhra Pradesh/ Telangana.
			GAIL	49.97%	
			Others	0.06%	
8.	Aavantika Gas Ltd.	07.06.2006	HPCL	49.97%	Distribution and marketing of CNG in the state of Madhya Pradesh.
			GAIL	49.97%	
			Financial Institutions	0.06%	
9.	GSPL India Gasnet Ltd.	13.10.2011	GSPL	52.00%	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).
			HPCL	11.00%	
			IOCL	26.00%	
			BPCL	11.00%	
10.	GSPL India Transco Ltd.	13.10.2011	GSPL	52.00%	To design, construct, develop, operate and maintain cross country Natural Gas Pipelines from Mallavarm (Andhra Pradesh) to Bhilwara (Rajasthan).
			HPCL	11.00%	
			IOCL	26.00%	
			BPCL	11.00%	
11.	HPCL Shapoorji Energy Pvt Ltd.	15.10.2013	HPCL	50.00%	To set up and operate an LNG Re-gasification Terminal at the greenfield port at Chhara (Gujarat)
			SP Ports Private Limited	50.00%	
12.	Mumbai Aviation Fuel Farm Facility Pvt Ltd.	26.02.2010	HPCL	25.00%	To design, develop, construct and operate the aviation fuel facility at Chhatrapati Shivaji International Airport, Mumbai
			IOCL	25.00%	
			BPCL	25.00%	
			Mumbai International Airport Private Limited	25.00%	

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 matter to the stakeholders
- Clearly defined management's Performance and accountability measurement standards.
- To enhance accuracy and transparency in business operations, performance, risk and financial position.

In compliance with Regulations 34 (3) & 53 (f) read with Schedule V of SEBI (Listing Obligations & 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. BOARD OF DIRECTORS:

2.1 Composition of Board of Directors as on 31.03.2016

Whole Time Directors (including C&MD & also Woman Director) Ms. Nishi Vasudeva Shri Pushp Kumar Joshi Shri B.K. Namdeo Shri Y.K. Gawali Shri J. Ramaswamy	5
Non-Executive Government Directors (Ex-Officio) Ms. Urvashi Sadhwani Shri Sandeep Poundrik	2
Non-Executive Independent Director (Non-Official) Shri Ram Niwas Jain	1

Shri Mukesh Kumar Surana, has been appointed as Chairman & Managing Director of the Corporation effective April 01, 2016.

Ms. Nishi Vasudeva, Chairman & Managing Director has ceased to be Director of HPCL effective March 31, 2016 on attaining the age of superannuation.

Shri J. Ramaswamy was appointed as Additional Director and as Whole Time Director on the Board of HPCL effective 01.10.2015. He was also appointed as "Chief Financial Officer" of the Corporation.

Shri K.V. Rao, a Whole Time Director has ceased to be Director of HPCL effective 30.09.2015 on attaining the age of superannuation.

Shri Anant Kumar Singh, Additional Secretary & Financial Advisor, was appointed as Non-Executive Government Director on the Board of HPCL effective 30.09.2015.

Ms. Urvashi Sadhwani was appointed as Additional Director & Non Executive Government Director on the Board of HPCL effective 04.01.2016 in place of Shri Anant Kumar Singh, who has ceased to be Non-Executive Government Director effective 03.01.2016.

Shri S.C. Khuntia, Non-Executive Government Director, has ceased to be Director of HPCL effective 15.06.2016, on ceasing to be an official of Administrative Ministry i.e. Ministry of Petroleum and Natural Gas

Shri Ram Niwas Jain, has been appointed as Additional Director & Non-Executive Independent Director on the Board of HPCL effective 20.11.2015.

Dr. Gitesh K. Shah, Non-Executive Independent Director has ceased to be Director of HPCL effective 25.02.2016 on completion of tenure of 03 years.

S/Shri G.K. Pillai, A.C. Mahajan & Dr. G. Raghuram, Non-Executive Independent Directors, have ceased to be Directors of HPCL on completion of tenure of 3 years effective 08.04.2015.

Corporate Governance

2.2 Board Meetings:

Eight Board Meetings were held during the Financial Year on the following dates:

28.05.2015	11.08.2015	29.09.2015
09.11.2015	01.02.2016	12.02.2016
11.03.2016	29.03.2016	

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. Masters in Financial Management	-	-	N.A.	**Public Limited Cos**. 1. HPCL Rajasthan Refinery Limite 2. Prize Petroleum Company Limited 3. HPCL Mitttal Energy Limited **Private Limited Cos.** 1. SA LPG Co.Pvt.Limited	Nil
Shri Pushp Kumar Joshl (DIN05323634)	B.A., LLB, PG (PM&IR) XLRI, Jamshedpur	08	08	Yes	**Public Limited Cos.** 1. Prize Petroleum Co. Limited 2. CREDA HPCL Biofuel Limited 3. HPCL Biofuels Limited 4. HPCL Rajasthan Refinery Limited **Private Limited Cos.** 1. HPCL Shapoorji Energy Pvt.Ltd 2. Hindustan Colas Pvt.Ltd.	**Chairman, Audit Committee:** 1. Prize Petroleum Co. Limited 2. HPCL Biofuels Limited
Shri B.K. Namdeo (DIN06620620)	B.E.. (Mech), M.Tech, IIT, Mumbai	08	08	Yes	**Public Limited Cos.** 1. Mangalore Refinery and Petrochemicals Limited. 2. Prize Petroleum Co. Limited. 3. HPCL Mittal Energy Limited. 4. CREDA HPCL Biofuel 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)	08	08	Yes	**Public Limited Cos.** 1. Aavantika Gas Limited.	Nil
Shri J. Ramaswamy ** (DIN06627920)	FCA	05	05	N.A.	**Public Limited Cos.** 1. HPCL Rajasthan Refinery Limited 2. HPCL Biofuels Limited. 3. HPCL Mittal Pipelines Limited 4. Prize Petroleum Co.Limited. 5. HPCL Mittal Energy Limited 6. CREDA HPCL Biofuels Limited. **Private Limited Cos**. 1. SA LPG Co.Pvt.Ltd. 2. 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

Corporate Governance

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
Ms. Nishi Vasudeva * (DIN03016991)	B.A. PGDBM (IIM Kolkata)	08	08	Yes	**Public Limited Cos**. 1. HPCL Rajasthan Refinery Limited 2. Prize Petroleum Company Limited 3. HPCL Mittal Energy Limited 4. HPCL Mittal Pipelines Limited **Private Limited Cos.** 1. Hindustan Colas Pvt.Ltd. 2. HPCL Shapoorji Energy Pvt.Ltd. 3. SA LPG Co.Pvt.Ltd	**Member, Audit Committee-** 1. Hindustan Colas Pvt.Ltd.
Shri K.V. Rao *** (DIN05340626)	FCA	03	03	Yes	**Public Limited Cos**. 1. HPCL Biofuels Limited 2. HPCL Mittal Pipelines Limited 3. HPCL Mittal Energy Limited 4. Prize Petroleum Co. Limited 5. CREDA HPCL Biofuel Limited 6. HPCL Rajasthan Refinery Limited 7. HPCL Shapoorji Energy Limited **Private Limited Cos.** 1. SA LPG Co.Pvt.Ltd. 2. Hindustan Colas Pvt. Ltd.	**Chairman, Audit Committee** 1. SA LPG Co.Pvt.Limited. 2. HPCL Shapoorji Energy Pvt.Limited 3. Hindustan Colas Pvt.Ltd. **Member, Audit Committee** 1. Hindustan Petroleum Corporation Limited 2. CREDA HPCL Biofuel Limited 3. HPCL Biofuels Limited. 4. HPCL Mittal Energy Limited 5. Prize Petroleum Co.Limited 6. HPCL Mittal Pipelines Limited **Member, Stakeholders Relationship Committee** 1. Hindustan Petroleum Corporation Limited
NON-EXECUTIVE GOVERNMENT DIRECTORS						
(a) PART – TIME EX-OFFICIO						
Ms. Urvashi Sadhwani ***** (DIN03487195)	Post Graduate in Business Economics, M.Phil, Indian Economic Service	04	04	N.A.	-	Nil
Shri Sandeep Poundrik (DIN01865958)	B.E. (Electrical), IAS	08	07	No.	**Public Limited Cos**. 1. Engineers India Limited 2. Indian Strategic Petroleum Reserves Limited.	Nil
Dr. S.C. Khuntia **** (DIN05344972)	IAS, Post Graduate in Physics, Computer Science, Economics, Sociology & Ph.D in Economics	01	01	N.A.	**Public Limited Cos.** 1. Indian Oil Corporation Limited 2. Indian Strategic Petroleum Reserves Limited 3. Oil and Natural Gas Corporation Limited	Nil

Corporate Governance

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
Shri Anant Kumar Singh **** (DIN07302904)	Bachelor & Master's Degree in Physics. M.Phil in Physics, M.A. (Economics) LLB IAS	01	00	N.A.	**Public Limited Cos.** 1. Indian Strategic Petroleum Reserves Limited 2. GAIL (India) Limited 3. Bharat Petroleum Corporation Limited	Nil
(b) NON EXECUTIVE INDEPENDENT DIRECTOR(S) (NON OFFICIAL)						
Shri Ram Niwas Jain ****** (DIN00671720)	B.E. (Mech)	04	03	N.A.	**Public Limited Cos.** 1. Visa Realty Limited 2. Universal General Sompo Insurance Co. Limited **Private 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 General Sompo Insurance Co.Limited. **Chairman, Stakeholders Relationship Committee** 1. Hindustan Petroleum Corporation Limited.
Dr. Gitesh K. Shah ****** (DIN02330569)	D.Sc. (Organic Chemistry), USA, Ph.D. (Organic Chemistry), Gujarat University, M.Sc. (Organic Chemistry), Gujarat University.	06	06	Yes	**Private Limited Cos.** 1. Harita Projects Pvt.Ltd.	**Chairman Audit Committee**: 1. Hindustan Petroleum Corporation Limited. **Chairman, Stakeholders' Relationship Committee** 1. Hindustan Petroleum Corporation Limited
Shri G.K. Pillai ******* (DIN02340756)	IAS, M. Sc	N.A.	N.A.	N.A.	**Public Limited Cos.** 1. Zuari Agro Chemicals Limited 2. Adani Ports & Special Economic Zones Limited 3. Data Security Council of India 4. Berger Paints India Limited 5. Tata International Limited **Private Limited Cos.** 1. IvyCap Ventures Advisors Pvt.Ltd.	
Shri A.C. Mahajan ******* (DIN00041661)	M. Sc. (Hons)	N.A.	N.A.	N.A.	**Public Limited Cos.** 1. IDBI MF Trustee Co.Ltd. 2. Lanco Babandh Power Limited 3. Religare Enterprises Limited **Private Limited Cos.** 1. Himavat Power Pvt.Ltd.	**Chairman, Audit Committee** 1. Hindustan Petroleum Corporation Limited **Chairman, Stakeholders Relationship Committee** 1. Hindustan Petroleum Corporation Limited **Member, Audit Committee** 1. IDBI MF Trustee Co.Limited 2. LANCO Babanth Power Limited

Corporate Governance

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
Dr. G. Raghuram ******* (DIN 01099026)	B. Tech, PGDM, Ph.D	N.A.	N.A.	N.A.	**Public Limited Cos.** 1. Arshiya Limited 2. Take Solutions Limited 3. Adani Ports & Special Economic Zone Limited 4. Alock Ashdown (Gujarat) Limited **Private Limited Companies & Others** 1. Vidya Vardhini Education Foundation 2. Indian Register of Shipping 3. NABARD Consultancy Services Pvt. Limited	**Member Audit Committee** 1. Adani Ports & Special Economic Zone Limited 2. NABARD Consultancy Services Pvt. Ltd. 3. Hindustan Petroleum Corporation Limited **Member, Stakeholders' Relationship Committee** 1. Adani Ports & Special Economic Zone Limited 2. Hindustan Petroleum Corporation Limited

* Shri Mukesh Kumar Surana, was appointed as an Additional Director & also as Chairman & Managing Director of the Corporation effective 01.04.2016 in place of Ms. Nishi Vasudeva who has ceased to be Chairman & Managing Director of the Corporation effective 31.03.2016 on attaining age of superannuation.

** Shri J. Ramawamy, was appointed as Additional Director & a Whole Time Director on the Board of HPCL effective 01.10.2015. He was also appointed as "Chief Financial Officer" of the Corporation effective 01.10.2015.

*** Shri K.V. Rao, Director Finance & a Whole Time Director has ceased to be Director of HPCL effective 30.09.2015 on attaining the age of superannuation.

**** Dr. S.C. Khuntia, Non-Executive Government Director, has ceased to be Director of HPCL effective 15.06.2015 on ceasing to be an official of Administrative Ministry i.e. Ministry of Petroleum and Natural Gas.

**** Shri Anant Kumar Singh, Additional Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas was appointed as Non-Executive Government Director on the Board of HPCL effective 30.09.2015.

***** Ms. Urvashi Sadhwani, Sr. Advisor, Ministry of Petroleum & Natural Gas, has been appointed as Additional Director (Non-Executive Government Director) on the Board of HPCL effective 04.01.2016 in place of Shri Anant Kumar Singh, Additional Secretary & Financial Advisor, Ministry of Petroleum and Natural Gas who has ceased to be Director of HPCL effective 03.01.2016.

****** Shri Ram Niwas Jain, has been appointed as Additional Director (Part-Time Non-Official Director) on the Board of HPCL effective 20.11.2015.

******* Dr. Gitesh K. Shah, Part-Time Non Official Director, has ceased to be Director of HPCL effective 25.02.2016 on completion of tenure of 03 years.

******** S/Shri G.K. Pillai, A.C. Mahajan & Dr. G. Raghuram, Part-Time Non Official Directors have ceased to be Directors of HPCL on completion of tenure of 3 years effective 08.04.2015.

Corporate Governance

2.4 Shareholding of Non-Executive Directors:

None of the Non-Executive Directors are holding any shares and 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%20Directors.pdf

2.6 PROFILES OF DIRECTORS:

Shri Mukesh Kumar Surana (DIN 07464675) – (From 01.04.2016)

Mr. Mukesh Kumar Surana, has taken charge as Chairman & Managing Director - Hindustan Petroleum Corporation Limited 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 33 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 : (DIN05323634)

Shri Pushp Kumar Joshi took charge as Director – HR 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 pioneering & driving numerous other HR initiatives.

Shri B.K. Namdeo: (DIN06620620)

Mr. B.K. Namdeo took charge as Director – Refineries, HPCL effective July 01, 2013.

Prior to his, 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 has 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.

Intelligent refinery production strategy to ensure profitability, vision from operational excellence and capacity expansion of refineries at Mumbai and Vizag with bottom up gradation facilities meeting EV and EVI fuel specifications are the task ahead.

Corporate Governance

Shri Y.K. Gawali: (DIN05294482)

Mr. Y K Gawali took charge as Director - Marketing of Hindustan Petroleum Corporation Ltd. effective October 10, 2014. Prior to this, he was the Executive Director - LPG of HPCL. He is on the board of M/s. Aavantika Gas Limited and was also on the Boards of GIGL and GITL.

A graduate in Civil Engineering, Mr. Y K Gawali has over 32 years of experience in Operations, Engineering & Projects, Logistics, Terminals, and LPG.

During his tenure as ED - LPG, he has been responsible for improving Marketing performance, customer focus and satisfaction and enhancing the brand image of HP Gas. He had been instrumental in implementing the key initiatives of capping of subsidized cylinders, Direct Transfer of cash subsidy and weeding out multiple LPG connections in the market.

In his earlier assignment as Executive Director - O&D he was responsible for strengthening and augmenting the Distribution infrastructure for HPCL, including pipelines, Terminals/depots besides optimizing the supply chain management, across the complete value chain.

Mr. Y K Gawali represents 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.

Shri J. Ramaswamy : (DIN 06627920) – (From 01.10.2015)

Mr. J Ramaswamy took charge as Director – Finance effective 1st October 2015. Prior to his taking over as Director – Finance, Mr. Ramaswamy was Executive Director – Corporate Finance of HPCL for over 2 years.

A 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, Debentures and various other types of financial instruments at a very competitive interest rate as compared with the Industry.

He has various academic distinctions to his credit, and is a key technical speaker in in-house capability building seminars and workshops

Ms. Nishi Vasudeva: (DIN 03016991) – (Upto 31.03.2016)

Smt. Nishi Vasudeva was the Chairman and Managing Director of Hindustan Petroleum Corporation Ltd from March 01, 2014. Prior to this, she was Director (Marketing) of HPCL. She holds Post Graduate Diploma in Business Management from Indian Institute of Management, Kolkata. She commenced her career in the Petroleum Industry with Engineers India Limited. She has a wide exposure to the Petroleum Industry spanning over 34 years in various streams like Marketing, Corporate, Strategy & Planning, and Information System etc. Prior to take over as Director (Marketing) HPCL, Smt. Nishi Vasudeva was the Executive Director-Marketing Co-ordination.

Shri K.V. Rao: (DIN05340626) – (Upto 30.09.2015)

Mr. K V Rao was the Director (Finance) of the Corporation from June 01, 2013. Prior to his taking over as Director (Finance), Mr. K V Rao was Executive Director- Corporate Finance of HPCL for 5 years.

A member of the Institute of Chartered Accountants of India (ICAI), Mr. Rao brings with him rich experience of over 3 decades in handling various challenging assignments in HPCL in the fields of Corporate Finance, Treasury Management, Internal Audit and Marketing & Refinery Finance.

Mr. Rao has expertise in various areas in Financial Management, and is credited with effective treasury management in raising External Commercial Borrowing, Debentures, and various other types of financial instruments at very competitive interest rates as compared with the Industry.

He has various academic distinctions to his credit, which includes being a rank holder in CA and B.Com examination. He has also been actively participating in various seminars and workshops, both at national and international levels.

Corporate Governance

Ms. Urvashi Sadhwani (DIN03487195) – (From 04.01.2016)

Ms. Urvashi Sadhwani, was appointed as Additional Director and as 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 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 at the former Planning Commission.

Shri Sandeep Poundrik : (DIN01865958) (From 16.10.2014)

Shri Sandeep Poundrik was appointed as Additional Director & as Part-Time Ex-Officio Director on the HPCL Board effective 16.10.2014.

Shri Sandeep Poundrik, a graduate (Electrical Engineering) and IAS Bihar Cadre 1983 and is currently Joint Secretary (Refineries) in Ministry of Petroleum and Natural Gas (MOP& NG)

Dr Subhash Chandra Khuntia: (DIN053449772) (Upto 15.06.2015)

Dr Subhash Chandra Khuntia was appointed as a Part-Time Ex-Officio Director on the HPCL Board effective 03.08.2012.

Dr. Subhash Chandra Khuntia (IAS Karnataka cadre 1981) is a post-Graduate in Physics, Computer Science, Economics, Sociology and Doctorate in Economics. Before joining Petroleum Ministry as Additional Secretary & Financial Advisor, he was Principal to the Govt. of Karnataka.

Dr. Khuntia has handled various key assignments including District administration, Land revenue management, Rural development, Urban Development and Finance in the Karnataka State Government as well as in the Ministries of Agriculture, Finance and Human Resource Development in the Central Government

Shri Anant Kumar Singh: (DIN07302904) (Upto 03.01.2016)

Shri Anant Kumar Singh, Additional Secretary & Financial Advisor, was appointed as Non-Executive Government Director, on the Board of HPCL effective September 30, 2015. He is an IAS Officer of 1984 Batch of Uttar Pradesh Cadre. Before joining the service, he did his Bachelor and Master's Degree in Physics from IIT Kharagpur and M. Phil in Physics from Delhi University. He continued to pursue his academic interest even after joining this service and did M.A. in Economics from Ram Manohar Lohia University, Farizabad and LLB from Lucknow University, Lucknow.

He has served as Sub-Divisional Magistrate in three Sub-Divisions, as Chief Development Officer in one district and as District Magistrate in four districts. He has also served in Departments of Rural Development, Agriculture, Irrigation, Food and Civil Supplies, Revenue, Medical and Health, Animal Husbandry, Fisheries and Dairy Development in various capacities as Joint Secretary/Special Secretary/Secretary/Principal Secretary to the Government of Uttar Pradesh. He also worked as the Commissioner, Cane Development and Sugar Industries; Project Director of a World Bank aided UP Water restructuring project, Milk Commissioner and Managing Director, UP Pradeshik Co-Operative Dairy Federation. He has the distinction of serving three Chief Ministers in their first tenure, as Joint Secretary and Secretary. He also served as the Joint Secretary, Ministry of Human Resource Development, Government of India during 2007-2013 and Additional Secretary, Ministry of Home Affairs, Government of India from December 2014 to August 2015.

Shri Ram Niwas Jain (DIN 00671720) (From 20.11.2015)

Shri.Ram Niwas Jain was appointed as "Non-Executive Independent Director " to the HPCL Board effective November 20, 2015.

He has passed BE (MECH) from Motilal Nehru Regional Engineering College, Allahabad in 1973. 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 has been Independent Director on the Board of two nationalized banks, Allahabad Bank and UCO Bank. He is also Independent Director in Universal Sompo General Insurance Co.Ltd. He is president of Entrepreneurs' Association of Scooters India Ancillary Units, Amausi, Lucknow. He is doing a lot of social work in the field of Leprosy, welfare and rehabilitation of Tribal children.

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Dr. Gitesh K. Shah: (DIN02330569) (Till 25.02.2016)

Dr. Gitesh K. Shah a Scientist turned Management Expert was Non-Executive Independent Director on the Board of HPCL for a period of three years, from February 26, 2013.

Ahmedabad based Dr. Gitesh K. Shah, former Chairman of the Gujarat Alkalies & Chemicals Limited did his M.Sc. Ph.D., D.Sc in Organic Chemistry. The world known London based Royal Society of Chemistry honoured Dr. Shah with Chartered Scientist, Chartered Chemist and Fellow of the Royal Society of Chemistry (C.Sci., C.Chem., F.R.S.C.). He is also member of the prestigious Dr. Vikram Sarabhai Award Committee. Dr. Gitesh K. Shah noted Technocrat-Cum-Management Expert has rich experience of 20 years in the field of Petrochemical, Chem-informatics, Bio-informatics and Nano-Technology. He has to his credit 18 research papers in renowned international journals in the field of Chemistry and Nano-Technology. He is Chairman of Harita Projects Private Limited, company engaged in Infrastructure Projects and Nano-Molecules.

Shri G.K. Pillai: (DIN02340756) (Upto 08.04.2015)

Shri G K Pillai a retired IAS officer. He joined Indian Administrative Service in the year 1972 and belongs to Kerala Cadre. Shri Pillai has done his M.Sc., at IIT, Chennai.

He started his career as a Sub-Collector, Quilon and worked in diverse fields of Revenue Administration and was District Collector, Quilon. He was also Deputy Secretary, Labour, Special Officer for Cashew Industry, Special Secretary, Industries. Later he become Secretary, Health and Family Welfare during 1993-96. He also served as Principal Secretary to the Chief Minister of Kerala during the period 2001-04.

In the Government of India he held the positions of Under Secretary/Deputy Secretary in Ministry of Defence and also served as Director/Joint Secretary in the Department of Surface Transport. Later he served in the Ministry of Home Affairs as Joint Secretary (North East) from 1996 to 2001. In 2004 he joined Ministry of Commerce and Industry as Additional Secretary, Department of Commerce, Special Secretary, and Commerce and then elevated to the rank of Secretary, Department of Commerce in the year 2006. He served as Secretary, Department of Commerce from 2006 to June 2009. During this period he actively participated in negotiations for comprehensive economic co-operation agreements with Singapore, ASEAN, Japan, South Korea. He played key role in the enactment of the SEZ Act 2005 and was Chairman of the Board of approvals for SEZ during 2005 to 2009.

He has represented State and Central Government delegations to USA, EU, Argentina, Japan, Canada etc., He was appointed as Union Home Secretary in June 2009 and retired from Government service in June 2011.

Shri G K Pillai besides Director in HPCL is also Chairman of the Board of Ivy Cap Ventures Advisors Pvt Ltd, a venture capital company sponsored by the IIT Alumni Association

Shri A.C. Mahajan: (DIN00041661) (Upto 08.04.2015)

Mr. Avinash Chander Mahajan, a career Banker, has done M.Sc., (Honours School in Chemistry) in 1972, and thereafter joined Bank of India as an Officer in 1972 and after spending 38 years in the Banking Sector in different positions in various Public Sector Banks in India and abroad, he superannuated in August 2010.

He held various top position in Bank of India viz., as in charge of “Integrated Treasury” of the Bank; and then as General Manager In-Charge of Credit Department ; as General Manager Risk Management Department as well as Chief Executive, Japan branches. He had also worked in Kenya for five years as in charge of Nairobi (Kenya) branch.

He was appointed as an Executive Director of Bank of Baroda in 2005 before joining Allahabad Bank and later on Canara Bank as Chairman and Managing Director. He had also held various positions in IBA Committees besides being Deputy Chairman of IBA and Member of the Managing Committee of IBA.

Presently besides being on the Board of various companies including Hindustan Petroleum Corporation Limited, Shri Mahajan is a Chairman of Governing Council of Banking Codes and Standards Board of India (BCSBI), an independent watch dog of banking industry which is tasked with duty of ensuring that Banks provide to the customers services in transparent manner.

Dr. G. Raghuram: (DIN01099026) (Upto 08.04.2015)

Dr. Raghuram has done his graduation from the Indian Institute of Technology (IIT), Madras, MBA from IIM, Ahmedabad and PhD from Northwestern University, USA.

Dr. Raghuram is a professor in the Indian Institute of Management (IIM), Ahmedabad. His specialization is in infrastructure and transportation systems, and supply chain and logistics management. His research, consultancy, case studies and publications focus includes railways, ports and shipping, air and road sector, service organizations and issues in logistics and supply chain management. He has taught at Northwestern University and Tulane University, USA. He has been a visiting faculty at various universities in USA, Canada, Yugoslavia, Tanzania, UAE, Singapore and several institutions in India. He has

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co-authored four books and published over 70 papers. He was the President of Operational Research Society of India (1999-2000). He is a Fellow of the Operational Research Society of India (ORSI) and Chartered Institute of Logistics and Transport (CILT), UK.

He also holds Directorships in Alcock Ashdown (Gujarat) Ltd., Arshiya International Ltd., DARCL Logistics Limited, India Infrastructure Finance Company (IIFC) Ltd., Adani Ports and Special Economic Zone Ltd. and Take Solutions Ltd., He is also holding Directorships in VidyaVardhini Education Foundation.

He is currently a member of the Steering Committee on Transport Sector for the formulation of the Twelfth Five Year Plan (2012-17) and Member of the Expert Group for Modernization of Indian Railways. He is also the Chairman of various committees connected with Ministries related to Transportation and the Planning Commission.

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 given to 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.

3. Audit Committee:

The Audit Committee comprises of Whole Time and Non-Executive Independent Directors as follows. The Composition of Audit Committee as on 31.03.2016 was as follows:-

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain *	Chairman	Non-Executive Independent Director
2.	Shri B.K. Namdeo	Member	Whole Time Director
3.	Shri J. Ramaswamy **	Member	Whole Time Director

* Shri Ram Niwas Jain, has been appointed as Member of the Audit Committee effective 01.02.2016

** Shri J. Ramaswamy, was appointed as Director Finance, effective 01.10.2015. He was also inducted as Member of Audit Committee effective 01.10.2015.

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 CPSE.

The Committee, at the Meeting held on May 27, 2016 reviewed the Accounts for the Financial Year 2015-16, before the Accounts were adopted by the Board.

Dates of Audit Committee Meetings held during 2015-16:

28.05.2015	17.07.2015	11.08.2015	15.09.2015
29.09.2015	19.10.2015	09.11.2015	23.01.2016
12.02.2016			

Attendance at the Audit Committee Meetings during 2015-16:-

Name of the Members	No. of Meetings held	No. of Meetings attended	% of attendance
Dr. Gitesh K Shah *	09	09	100%
Shri B.K. Namdeo	09	08	89%
Shri J. Ramaswamy	04	04	100%
Shri Ram Niwas Jain	01	01	100%
Shri K.V. Rao **	05	04	80%
Shri A.C. Mahajan ***	N.A.	N.A	-
Dr. G. Raghuram ***	N.A.	N.A.	-

* Dr. Gitesh K. Shah, has ceased to be Director of HPCL & consequently Chairman of Audit Committee effective 25.02.2016 on completion of tenure of 03 years.

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** Shri K.V. Rao, Member of the Audit Committee, has ceased to be Director of HPCL effective 30.09.2015 on attaining the age of superannuation.

*** Shri A.C. Mahajan & Dr. G. Raghuram have ceased to be Directors of HPCL effective 08.04.2015 on completion of tenure of 03 years

4. 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 31.03.2016 was as follows:-

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain *	Member	Non-Executive Independent Director

* Shri Ram Niwas Jain has been appointed as Member of Nomination and Remuneration Committee, effective February 01, 2016.

Dates of Nomination and Remuneration Committee Meeting held during 2015—16.

10.09.2015

Attendance at the Nomination and Remuneration Committee Meeting during 2015-16:-

Name of the Members	No. of Meetings held	No. of Meetings attended	% of attendance
Dr. Gitesh K. Shah *	01	01	100%
Shri G.K. Pillai **	N.A.	N.A.	-
Dr. G. Raghuram **	N.A.	N.A.	-

* Dr. Gitesh K. Shah, has ceased to be Director of HPCL effective 25.02.2016, on completion of tenure and consequently Chairman of the Nomination and Committee.

** Shri G.K. Pillai & Dr. G. Raghuram have ceased to be Directors of HPCL effective 08.04.2015 on completion of tenure of 03 years.

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 Department of the Central Government or Ministry, which is administratively in charge of the Company.

5. 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 is determined by the Government of India. Moreover, they are entitled to provident fund and superannuation contributions as per the rules of the Company.

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- The gross value of the fixed component of the remuneration paid to the Whole-Time Functional Directors, during the financial year 2015-16 is given below:

(In ₹)

S. No.	Particulars of Remuneration	Name of Chairman & Managing Director / Whole Time Directors					
		Nishi Vasudeva	Pushp Kumar Joshi	B.K. Namdeo	Y.K. Gawali	J. Ramaswamy *	K.V. Rao**
1	Gross salary	8853875	4852798	5416332	4038467	1991039	5543758
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7364501	3940071	4326910	3227829	1608248	4714924
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1489374	912727	1089422	810638	382791	828834
	(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)	644599	639026	642143	564368	148862	356574
	Total (A)	9498474	5491824	6058475	4602835	2139901	5900332
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Shri J. Ramaswamy has been appointed as Director (Finance) of the Corporation effective 01.10.2015 and hence, remuneration was considered for part of the year.

** Shri K.V. Rao has ceased to be Director (Finance) of the Corporation effective 30.09.2015

SITTING FEES FOR THE YEAR 2015-2016:

The details of Sitting Fees paid to Non-Executive Independent Directors for the year 2015-16 for attending the Board / Sub- Committee Meetings are given below:

Details of Meeting	Shri G.K. Pillai	Shri A. C. Mahajan	Dr. G. Raghuram	Dr Gitesh K. Shah	Shri Ram Niwas Jain
Board	0	0	0	120000	60000
Audit Committee	0	0	0	135000	15000
HR / Remuneration Committee	0	0	0	15000	0
Stakeholders' Relationship Committee	0	0	0	60000	0
Investment Committee	0	0	0	60000	0
CSR & SD Committee	15000	15000	15000	60000	0
Total Sitting Fees Paid	15000	15000	15000	450000	75000

6. Stakeholders' Relationship Committee:

The Board has constituted a "Stakeholders' Relationship Committee" comprising of Non-Executive Independent & Whole Time Directors to specifically look into the redressal of grievances of shareholders, debenture holders, and other security holders. The Composition of Stakeholders Relationship Committee as on 31.03.2016 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain *	Chairman	Non-Executive Independent Director
2.	Shri J. Ramaswamy **	Member	Whole Time Director

* Shri Ram Niwas Jain, was appointed as Member and also Chairman of the Stakeholders Relationship Committee effective 27.05.2016.

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** Shri J. Ramaswamy, was appointed as Additional Director on the Board of HPCL effective 01.10.2015 and also he was inducted as member of the Stakeholders Relationship Committee.

The Committee reviews the status of Investors' Grievances and Services and other important matters of investors' interest. Dates of Stakeholders Relationship Committee Meetings held during 2015-16:-

09.11.2015	23.01.2016	12.02.2016	19.02.2016

Attendance at the Stakeholders' Relationship Committee Meetings:

Name of the Members	No. of Meetings held	No. of Meetings attended	% of attendance
Dr. Gitesh K. Shah *	04	04	100%
Shri J. Ramaswamy	04	04	100%
Shri K.V. Rao**	00	00	N.A.
Shri A.C. Mahajan ***	N.A	N.A.	-
Dr. G. Raghuram ***	N.A.	N.A.	-

* Dr. Gitesh K. Shah, has ceased to be Director of HPCL effective 25.02.2016 on completion of tenure and consequently Chairman of the Stakeholders Relationship Committees.

** Shri K.V. Rao, Member of the Audit Committee has ceased to be Director of HPCL effective 30.09.2015 on attaining the age of superannuation References & Investors Complaints Received and Replied During 2015-16

*** Shri A.C. Mahajan & Dr. G. Raghuram have ceased to be Directors of HPCL effective 08.04.2015 on completion of tenure of 03 years.

References & Investors Complaints Received and Replied During 2015-16

Sr. No.	Nature of Correspondence	For Year Ended March 2016
1	Share Transfers & related issues / Demat / Warrant Conversion	51
2	Transmission of shares / Nomination of Shares	66
3	Issue of Duplicate Share Certificates / Bonus / Rectification of shares	533
4	Dividend related issues / ECS / Bank Mandates	593
5	Request for Change of Address	71
6	Call Money Payment Correspondence / Reminders / Forfeiture Shares	1
7	References through Statutory / Regulatory bodies like ROC / SEBI / NSE / BSE / NSDL / CDSL	10
8	Others	116
TOTAL		1441

Investor references, not amounting to complaints received during the year were appropriately dealt within the schedule time.

Statutory complaints received from the Regulatory/Statutory Bodies were resolved and no complaint pending as on 31/03/2016

References are requests received from the shareholders' are 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.

7. Investment Committee:

The Board has constituted an "Investment Committee" to review and recommend proposals involving major investments into projects by the Company. The Composition of Investment Committee as on 31.03.2016 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri J. Ramaswamy *	Member	Whole Time Director

* Shri J. Ramaswamy, has been appointed as Director (Finance) and also as Member of Investment Committee effective October 01, 2015.

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Dates of Investment Committee Meetings held during 2015-16:-

15.05.2015	28.05.2015	15.09.2015	08.01.2016

Attendance at the Investment Committee Meetings:

Name of the Members	No. of Meetings held	No. of Meetings attended	% of attendance
Dr. Gitesh K. Shah *	04	04	100%
Shri K.V. Rao **	03	03	100%
Shri J. Ramaswamy	01	01	100%
Shri G.K. Pillai ***	N.A.	N.A.	-

* Dr. Gitesh K. Shah, has ceased to be Director of HPCL effective 25.02.2016 on completion of tenure and consequently Chairman of the Investment Committees.

** Shri K.V. Rao, Member of the Audit Committee has ceased to be Director of HPCL effective 30.09.2015 on attaining the age of superannuation

*** Shri G.K. Pillai has ceased to be Director of HPCL effective 08.04.2015 on completion of tenure of 03 years.

8. CSR & Sustainability Development Committee:

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. The Composition of Investment Committee as on 31.03.2016 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain *	Member	Non-Executive Independent Director
2.	Director – HR **	Member	Whole Time Director
3.	Director – Refineries **	Member	Whole Time Director
4.	Director – Marketing **	Member	Whole Time Director

* Shri Ram Niwas Jain was appointed as Member of the CSR & Sustainability Development Committee effective February 01, 2016.

** Director – HR, Director – Refineries & Director – Marketing were appointed as Members of the CSR & Sustainability Development Committee effective February 01, 2016.

Dates of CSR & Sustainability Development Committee Meetings held during 2015-16:-

06.04.2015	17.07.2015	09.11.2015	01.02.2016

Attendance at the CSR & Sustainability Development Committee Meetings:

Name of the Members	No. of Meetings held	No. of Meetings attended	% of attendance
Dr. Gitesh K. Shah *	04	04	100%
Shri G.K. Pillai **	01	01	100%
Shri A.C. Mahajan **	01	01	100%
Dr. G. Raghuram **	01	01	100%

* Dr. Gitesh K. Shah, has ceased to be Director of HPCL effective 25.02.2016 on completion of tenure and consequently Chairman of the CSR & Sustainability Development Committee.

** S/Shri G.K. Pillai, A.C. Mahajan & Dr. D. Raghuram have ceased to be Non-Executive Independent Directors of HPCL from 08.04.2015 on completion of their tenure.

9. 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 and this code has been suitably amended to include the duties of Independent Directors as envisaged in Regulation 17 (5a & b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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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, 2016.

10 RIGHT TO INFORMATION ACT 2005:

The Right to Information Act, 2005(RTI) became effective 12th October, 2005, has been complied with by HPCL. HPCL has hosted detailed information in its WEB portal "www.hindustanpetroleum.com", and updated 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.

11. INTEGRITY PACT:

The Corporation has introduced "Integrity Pact" (IP) to enhance ethics / transparency in the process of awarding contracts. A 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).

12 SHARES DEPARTMENT ACTIVITIES:

The Shares Department of HPCL is first shares department among oil companies accredited with 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 stating 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, Statutory Compliances, Shareholders grievances etc.

HPCL has around 101,312 shareholders as on 31.03.2016. 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.

13. GENERAL BODY MEETINGS:

13.1 Location and time, of the last three Annual General Meetings held:

Year	Location	Date	Time
2014-15	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosale Marg, Mumbai – 400 021.	10.09.2015	11.00 a.m.
2013-14	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosale Marg, Mumbai – 400 021.	05.09.2014	11.00 a.m.
2012-13	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosale Marg, Mumbai – 400 021.	05.09.2013	11.00 a.m.

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13.2 Whether any special resolutions passed in the previous 3 AGMs? No

13.3 Whether any Special Resolutions passed last year through Postal Ballot – No.

13.4 Person who conducted the Postal Ballot Exercise: Not Applicable

13.5 Whether any special resolution is proposed to be conducted through Postal Ballot

For the year 2016-17, Special Resolution through Postal Ballot if any, will be passed on need basis as and when required.

13.6 Procedure for Postal Ballot:

As prescribed under Section 110 of the Companies read with Rule 22 of Companies (Management and Administration) Rules, 2014. The results of the postal Ballot if conducted, can be accessed at the following link: http://www.hindustanpetroleum.com/IRDepositorySystem

14. 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 / audited financial results of the Company are announced within the time limits prescribed by the listing agreement. The results are published in leading business/regional newspapers like Economic Times, Times of India, Financial Express, Indian Express, Loksatta, 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 where relevant information for shareholders is available. It 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 2015-16 is circulated to shareholders and other members entitled thereto. The Management Discussion & Analysis Report is part of the Annual Report.

v) **"Investor Education & Protection Fund" (IEPF)**

As per Clause (1) of Section 205A of the Companies Act, 1956 read with Clause (5), 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 2007-08 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.

On due date, unpaid dividend for 2007-08 was ₹ 10,09,005/- (0.09% of the total dividend) and the same has been transferred to IEPF Account, in accordance with the Statutory Compliance, vide Challan No. C 67404616 dtd. 21/10/2015.

vi) **Form 5 INV – Statement of Unclaimed Dividend uploaded to MCA Website**

In pursuance of Investor Education and Protection Fund Rules, 2012 uploading of information, regarding unpaid and unclaimed amounts lying with the companies are required to upload in Form 5INV 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 10-09-2015, the information on unpaid / unclaimed dividends from 2008-09 to 2013-14 were successfully uploaded on MCA website on 01/12/2015. Data is also uploaded on the website of the Corporation on 05/01/2016. Shareholders can seek payment of their unclaimed dividends by referring the HPCL's website.

vii) **Know Your Client (KYC) Forms**

In order to update the database of the physical shareholders, such as banks details, E-Mail IDs, PAN, Change of address, Nominations, KYC Forms were sent to all the physical shareholders. We have received a good response from the shareholders. Fresh details received from the shareholders were updated in our system.

Corporate Governance

viii) **E-Communications**

Audited Financial Results for the year 2015-16 were sent to shareholders thru Emails after the Board Meeting, held on May 27, 2016 intimating shareholders about the Financial Results of the Corporation and recommendation of dividend for the year 2015-16 by the Board.

In the above communication, the shareholders were also advised to update their bank details to receive dividend through e-payment as per directives of SEBI.

Unaudited Financial Results for the year 2015-16 for 1st quarter were sent to shareholders through their registered emails after the Board meeting held on August 11, 2015.

Emails were sent to the shareholders intimating about their credit of Dividend 2014-15 electronically.

ix) **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 2014-15 were sent.

x) **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 Companies Act, 2013 and the rules made thereunder, HPCL has been sending through 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 registered 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.

xi) **General Shareholders Information:**

General Shareholder Information has been incorporated below and form a part of Annual Report.

15. GENERAL SHAREHOLDER INFORMATION:

15.1 64th Annual General Meeting

Date and Time : September 08, 2016 at 11.00 A.M.

Venue : Y.B. Chavan Auditorium, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosale Marg, Mumbai – 400 021.

15.2 Financial Calendar

Financial reporting for Quarter ending 30/06/16	–	End August / September 2016
Financial reporting for Quarter ending 30/09/16	–	End October / Mid November 2016
Financial reporting for Quarter ending 31/12/16	–	End January / Mid February 2017
Financial reporting for Quarter ending 31/03/16	–	End May 2017
Annual General Meeting for year ending 31/03/2017	–	August / September 2017

15.3 Dates of Book Closure : August 01, 2016 to August 06, 2016 (both days inclusive)

15.4 Dividend payment date : September 12, 2016 (tentative)

15.5 Listing on Stock Exchanges as of 31.03.2016 :

BSE	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

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15.6 Listing fees : Listing fees for financial year 2016-17 have been paid to the Stock Exchanges in April 2016

15.7 Stock Codes : BSE : 500104 NSE : HINDPETRO
ISIN (for trading in Demat form) : INE094A01015

15.8 **Stock Market Data :**

HPCL SHARE PRICE

(In ₹)

Year	BSE		NSE	
	High	Low	High	Low
2015-16	991.00	556.65	990.95	556.05
2014-15	669.70	294.00	669.95	294.25
2013-14	324.80	158.45	325.00	158.00
2012-13	381.40	275.30	381.65	260.25
2011-12	419.50	238.75	480.35	238.05

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES

AS ON	HPCL SHARE (In ₹)	BSE SENSEX	NSE NIFTY
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
31.03.2012	303.20	17404.20	5295.55

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-15	686.00	585.00	624.85	2961216	Apr-15	684.40	585.00	625.15	26500053
May-15	679.10	556.65	675.10	2598217	May-15	678.95	556.05	674.85	25049624
Jun-15	745.90	660.00	728.55	3308655	Jun-15	745.80	659.60	729.15	28007450
Jul-15	945.75	729.05	924.05	6051667	Jul-15	946.40	728.05	921.65	41970331
Aug-15	991.00	753.05	843.70	5663255	Aug-15	990.95	752.50	843.50	45491425
Sep-15	840.00	746.55	774.60	2724654	Sep-15	841.85	746.00	773.95	25396745
Oct-15	830.00	752.10	766.45	3620203	Oct-15	829.00	755.10	768.45	24584025
Nov-15	847.90	727.00	839.90	2077375	Nov-15	848.75	727.00	840.10	20027421
Dec-15	856.80	797.15	835.95	1712079	Dec-15	856.80	797.50	836.20	19329375
Jan-16	909.90	777.50	815.80	1764901	Jan-16	910.00	777.50	815.95	23008178
Feb-16	818.00	636.00	688.15	2542325	Feb-16	818.35	635.15	687.95	31036218
Mar-16	805.90	687.00	785.55	1906307	Mar-16	805.80	683.00	787.75	24899080

Corporate Governance

PER SHARE AND RELATED DATA:

		2015-16	2014-15	2013-14	2012-13	2011-12
Per Share Data	Unit					
EPS	₹	114.07	80.72	51.20	26.72	26.92
CEPS	₹	209.53	151.70	119.30	96.86	77.70
Dividend	₹	34.50	24.50	15.50	8.50	8.50
Book Value	₹	542.07	473.14	443.32	405.35	387.52
Share Related Data	Unit					
Dividend Payout	%	36.40	36.53	35.42	37.22	36.70
Price to Earning *	Multiple	6.89	8.05	6.05	10.67	11.27
Price to Cash Earning*	Multiple	3.75	4.29	2.60	2.94	3.90
Price to Book Value	Multiple	1.45	1.37	0.70	0.70	0.78
*Based on March 31, closing price (BSE)	₹	785.55	650.10	309.75	285.10	303.20

15.9 Registrars and Transfer Agents :

M/s. Link Intime India Pvt.Ltd.

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),

Mumbai - 400 078

Telephone No. (022) 25963838

Fax No. (022) 25966969

E-mail: mumbai@linkintime.co.in

15.10 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 respect.

The number of shares transferred during the last two financial years:

2015-16 : 22050 Shares

2014-15 : 19300 Shares

15.11 Dematerialisation of shares and liquidity:

The total number of shares dematerialised as on 31.03.2016 is 33,69,46,913 representing 99.50% 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.

15.12 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 alongwith 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.

15.13 Plant Locations:

The Corporation has 2 Refineries located at Mumbai and Visakh. It has 106 Regional offices, 37 Terminals/ Tap off Points, 73 Depots, 46 LPG Bottling Plants, 07 Lube Blending Plants, 13802 Retail outlets, 37 ASFs, 1638 SKO / LDO Dealers and 4278 LPG Distributors located all over the country.

Corporate Governance

15.14 Address for correspondence

Registrars and Transfer Agents:
M/s. Link Intime India Pvt. Ltd.
Unit: HINDUSTAN PETROLEUM CORPN. LTD.
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078
Telephone No.: 022 – 25963838.
Fax No.: 022 – 25946969
E-mail:mumbai@linkintime.co.in

Company's Shares Department:
HINDUSTAN PETROLEUM CORPN. LTD.
Shares Department,
2nd Floor, Petroleum House,
17, Jamshedji Tata Road,
Churchgate, Mumbai - 400 020
Telephone No.: 022 - 22863204 /3201/3233/3239/3208
Fax No.: 022-22874552/22841573
E-mail: hpclinvestors@hpcl.co.in

15.15 Distribution Schedule as on 31.03.2016 :

No. of Shares	Physical Holding		Dematerialised Holding		Total Shareholding		Percentage	
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	Shareholders	Holding
1-500	7905	1384581	84901	8801789	92806	10186370	91.60	3.01
501-1000	330	240775	4358	3225457	4688	3466232	4.63	1.02
1001-5000	30	48681	2802	5568440	2832	5617121	2.80	1.66
5001-10000	1	6300	323	2360777	324	2367077	0.32	0.70
10001 & above	0	0	662	316990450	662	316990450	0.65	93.61
Total	**8266**	**1680337**	**93046**	**336946913**	**101312**	**338627250**	**100.00**	**100.000**

15.16 Shareholding Pattern :

Category	As on 31.03.2016			As on 31.03.2015		
	No. of Holders	Shares held	% of total issued shares	No. of Holders	Shares held	% of total issued shares
THE PRESIDENT OF INDIA	1	173076750	51.11	1	173076750	51.11
FINANCIAL INSTITUTIONS	33	13717310	4.05	28	24262641	7.16
FII/OCBs	280	65348560	19.30	230	62883075	18.57
BANKS	10	122518	0.04	11	173485	0.05
MUTUAL FUNDS	185	33584251	9.92	151	30927733	9.14
NRIs	2735	914305	0.27	2965	1093114	0.32
EMPLOYEES (Physical)	507	214100	0.06	555	237230	0.07
OTHERS	97561	51649456	15.25	88535	45973222	13.58
TOTAL	**101312**	**338627250**	**100.00**	92476	338627250	100.00

16. DISCLOSURES:

16.1. During the year 2015-16, 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.

16.2 As required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 2015-16 were approved after finalisation of the related party transaction policy on industry basis, by the Audit Committee/Board.

Corporate Governance

16.3 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.

16.4 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

16.5 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 already taken up the same with its Administrative Ministry i.e. Ministry of Petroleum & Natural Gas, New Delhi.

16.6 Risk Management Committee

HPCL has constituted a "Risk Management Committee" which reviews the Risk Assessment and minimization procedure.

16.7 Weblink for accessing policy for determining material subsidiaries.

http://www.hindustanpetroleum.com/Policies

16.8 Weblink for accesing policy on dealing with related party transactions.

http://www.hindustanpetroleum.com/Policies

16.9 The Corporation has framed a "The Code of Internal procedures & 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

16.10 CEO / CFO Certification

Chairman and Director (Finance) of the Company have given "CEO/CFO Certification" to the Board.

17. The Corporation has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 except to the extent of appointment of required number of Independent Directors on the Board.

18. The discretionary requirements as specified in Part E of Schedule II have been adopted to the extent practicable.

19. The Corporation has complied with applicable conditions related to Corporate Governance requirements specified in Regulation 17 to 27 to the extent practicable and clauses (b) to (i) of sub-regulations (2) of regulation 46 except appointment of required number of Independent Directors in the Composition of Board of Directors and consequently in the composition of some of the sub-committees of 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

http://www.hindustanpetroleum.com/stock_exchange

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, 2016.

Mukesh Kumar Surana

Chairman & Managing Director

Corporate Governance

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, 2016, as stipulated in:

- Clause 49 (excluding clause 49(VII)(E) of the Listing Agreements of the Company with the Stock Exchanges in India.) for the period April 1, 2015 to November 30, 2015;
- Clause 49(VII)(E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015;
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016; and
- Regulations 17 to 27 (excluding regulation 23(4)) 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 period December 1, 2015 to March 31, 2016. (together referred to as Regulations)
- and the Guidelines on Corporate Governance for Central Public Sector 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 statements 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 the abovementioned Listing Agreements and 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 respective periods of applicability as specified under the above paragraph, as well as the Guidelines issued by DPE subject to:

a) The number of Independent Directors on the Board of the Company is less than number prescribed under the Regulations, Listing Agreements and clause 3.1.4 of the DPE Guidelines and accordingly:-

   i) 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 December 1, 2015 to March 31, 2016.

   ii) The composition of the Audit Committee which reviewed and recommended the financial statements including consolidated financial statements for the year ended March 31, 2016 was not in accordance with the Regulations as referred in Note 58 of the respective financial statements.

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
Firm Registration No. 101745W
A. K. Pradhan
Partner
Membership No. 032156

For G. M. Kapadia & Co
Chartered Accountants
Firm Registration No. : 104767W
Rajen Ashar
Partner
Membership No.048243

Place: Mumbai
Dated:August 02, 2016

Bringing Smiles...
Touching Lives...

हिन्दुस्तान पेट्रोलियम

Hindustan Petroleum Corporation Limited
(A Government of India Enterprise)

Petroleum House, 17, Jamshedji Tata Road,
Churchgate, Mumbai- 400020