



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/231/2018

August 31, 2018

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 2017-2018

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 scanned copy of Annual Report in pdf format, for the Financial Year 2017-2018 which was approved and adopted in the 66th Annual General Meeting of our Corporation which was held on August 30, 2018.

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

Thanking you,

Very truly yours,

V. Murali
Dy. Company Secretary



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
वार्षिक रिपोर्ट 2017-18
Hindustan Petroleum Corporation Limited
Annual Report 2017-18



**Delivering
Happiness**





Delivering Happiness...

In the hustle and bustle of everyday life, one often forgets what the heart truly desires. Surprisingly, the things that bring true happiness are simpler and closer than what we think.

Happiness is the sparkle in the eyes of a child on its first ride as a pillion. It is the exhilaration as one accelerates. It is the taste of love as one comes home and the pride of the father as he rides his child's car. It is the hue in the clouds as dreams take flight.

It is the confidence of a soldier, delight of a farmer and the pride of a citizen as the Nation marches forward.

The moments that bring a smile to one's being;
Being a part of this is what we at HPCL strive to be...

Blossoming from our vision, led by innovation and steered by a sense of responsibility, we at HPCL, Deliver Happiness...

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Board of Directors

Whole Time Directors	Government Nominee Directors	Independent Directors
Shri Mukesh Kumar Surana Chairman & Managing Director	Shri Sandeep Poundrik Ex-Officio Director	Shri Ram Niwas Jain
Shri Pushp Kumar Joshi Director – Human Resources	Ms. Urvashi Sadhwani Ex-Officio Director (Upto: 24.11.2017)	Smt. Asifa Khan
Shri J Ramaswamy Director – Finance	Ms. Sushma Taishete Ex-Officio Director (From: 05.12.2017 to 07.05.2018)	Shri G V Krishna
Shri S Jeyakrishnan Director – Marketing	Shri Subhash Kumar Part Time Director Representative of ONGC (From: 22.05.2018)	Dr. T N Singh
Shri Vinod S Shenoy Director – Refineries		Shri Amar Sinha (From: 21.09.2017)
		Shri Siraj Hussain (From: 21.09.2017)



Chairman's Message 2017-18

Dear Shareholder,

It gives me great pleasure and immense pride to present to you the 66th Annual Report on the performance of your Company for the year 2017-18.

The year 2017-18 saw HPCL scale new heights and record its best ever performance, significantly surpassing the highest ever profit and sales recorded during the previous year. In addition to delivering physical and financial performance that was the best since formation, your Company achieved several best-ever milestones in various spheres of business. Your Company exceeded previous year's financial performance by achieving the highest ever profit after tax of ₹ 6,357 crore on standalone basis and surpassed ₹ 6,000 crore mark for the second consecutive year.

Outstanding performance of 2017-18 was built on the solid physical and financial performances by both refining and marketing divisions. HPCL's refineries at Mumbai and Visakhapatnam achieved the highest ever combined refining throughput of 18.3 Million Metric Tonnes (MMT) with a capacity utilization of 116% and recorded the highest ever combined GRM of US\$ 7.40/bbl. during the year. Your Company continued to deliver a stellar marketing performance with highest ever market sales of 36.9 MMT (including exports) in 2017-18 with a robust growth of 4.7% over previous year. The outstanding performance was acknowledged by way of many recognitions and awards received by HPCL at various national and international forums including 'Oil Marketing Company of the Year' award by Federation of Indian Petroleum Industry (FIPI) for the second consecutive year.

Your Company's strong performance record was acknowledged by financial markets and HPCL was included in NSE's benchmark 'Nifty 50' index during the year. Market capitalization of your Company has recorded a multi-fold growth during last 4 years and touched ₹ 74,415 crore mark on 31st August 2017. The Board of your Company has proposed the payment of a final dividend of ₹ 2.50 per share in addition to an interim dividend of ₹ 14.50 per share paid in February 2018, which would result in a total dividend payout of ₹ 17 per share for the financial year 2017-18.

The performance of HPCL has been achieved against the backdrop of rising crude oil prices and also against the backdrop of increasing competition. Production cuts by OPEC and 10 non-OPEC countries led by Russia coupled with strong oil demand

reduced excess inventories and thereby pushing the prices up in 2017-18. Crude oil prices have consistently been on an upward trajectory, reaching a new three-and-a-half-year peak in April 2018 when Brent exceeded US\$ 74/bbl. mark. Indian crude basket price also went up by about 19% in 2017-18, averaging over US\$ 56 /bbl. vis-à-vis about US\$ 48/bbl. in 2016-17.

India's economic growth was robust during the year due to high consumption growth and government spending. With an estimated GDP growth of 6.7% in 2017-18, Indian economy continues to be one of the fastest growing major economies in the world. The strong performance of the economy is attributable to solid performance of service and industrial sectors and various pro-investment initiatives undertaken by the Government of India. Robust economic growth and increased per capita disposable income continued to drive demand growth for petroleum products in India during 2017-18.

India continues to be the world's third largest oil consumer and a key driver of global oil demand growth. During 2017-18, petroleum product consumption in India increased with an annual growth of 5.3% to reach about 205 MMT. All major products recorded a strong and positive consumption growth during the year except for Kerosene, Naphtha and Fuel Oil (FO) which recorded de-growth. Diesel continues to be mainstay of oil demand and recorded a consumption growth of 6.6% during 2017-18 on the back of strong growth in commercial vehicle sales, increased manufacturing and construction activities, and enhanced usage of public transport. Petrol consumption recorded a double digit growth of 10.1% which was driven by robust growth in sales of passenger vehicles & two wheelers along with improved road connectivity in rural areas. FO witnessed a de-growth of over 5% mainly due to decreased consumption in various industrial sub-sectors and environmental restrictions for usage in Delhi, Uttar Pradesh, Rajasthan and Haryana. LPG consumption increased with a growth of 8% due to implementation of various Government schemes such as Pradhan Mantri Ujjwala Yojana (PMUY), aimed at enhancing LPG penetration across the country. ATF consumption recorded a growth of 8.9% on the back of strong growth in domestic passenger traffic facilitated by various government initiatives for enhancing aviation infrastructure, air travel affordability and connectivity. Bitumen recorded a consumption growth of 1.2% due to increased road network expansion activities in the country. Kerosene registered the highest ever de-growth of 29% mainly because of the government's efforts to enhance clean fuel penetration in country leading to reduced allocation & voluntary surrender of PDS quota by some states/UTs.



Chairman's Message 2017-18

In tandem with the increased oil demand, HPCL's refineries at Mumbai and Visakhapatnam maximized the crude processing and recorded highest ever crude throughput on individual basis with highest ever combined production of Petrol, Diesel & Lube Oil Base Stock during the year. A number of energy efficiency initiatives were implemented at refineries which resulted in lowest ever Specific Energy Consumption (SEC) on combined basis. Both the refineries successfully completed the planned turnaround cycles within the scheduled timelines, enhancing reliability and ensuring product availability. A number of projects including Tail Gas Treating Unit (TGTU) at Mumbai Refinery, Revamp of Solvent Extraction Unit -II Furnace at Mumbai Refinery, Slop Processing at Fluid Catalytic Cracking Unit (FCCU)-II at Visakh Refinery etc. were commissioned during the year leading to enhanced yield, profitability, energy efficiency and reduction in emissions.

During 2017-18, your Company continued to augment the marketing infrastructure with strategic expansion of pipeline network, establishment of new depots/terminals, LPG Plants, Aviation Service Stations along with augmentation of facilities at existing network. To enhance the customer reach, marketing channel network was further strengthened with commissioning of new dealerships / distributorships across India.

Your Company recorded strong growth across all segments of marketing during 2017-18. In motor fuel sales (Petrol & Diesel), your Company registered an impressive growth of 5.8% against the backdrop of increased competition in fuel retailing market. In LPG sales, your Company continued to be the second largest marketer in India with a sales growth of 8.5% and also maintained the market leadership position in non-domestic bulk LPG segment with over 48% market share. Consistent focus on key institutional customers and SME segment helped the Company record over 1 MMT sales volume in three major industrial products of Fuel oil, Consumer Diesel and Bitumen respectively for the third consecutive year. In the highly competitive lubricants business, your Company continued to be India's largest lube marketer for 5th consecutive year with a growth of 1.6% in total lubricant sales. In aviation fuel sales, your Company strengthened its position by registering a growth of 5.4% on the back of aviation fuel infrastructure augmentation and expansion of customer portfolio.

To enhance cost efficiency, safety and environmental responsibility in transportation of petroleum products, your Company is continuously strengthening its pipeline network and excelling in every aspect of pipeline operations. During 2017-18, your Company recorded the highest ever pipeline throughput of 20.4

MMT and also expanded capacity of Ramanmandi Bathinda pipeline from 1.13 MMTPA to 2.1 MMTPA.

Supply network for liquid products was further strengthened with commissioning of new POL depot at Nalagarh (Himachal Pradesh), oil storage facilities at Leh for Indian Army and augmentation of facilities at Jabalpur, Loni, Akola, Manmad, Viskah, Chennai, Sagar, Gwalior & Bahadurgarh locations. LPG infrastructure was augmented with commissioning of one of India's largest LPG plant at Panagarh in West Bengal with bottling capacity of 250 TMTPA along with capacity augmentation of 60 TMTPA each at Unnao and Purnea LPG plants. Aviation fuel infrastructure was expanded with commissioning of New Aviation Service Facilities (ASFs) at Srinagar, Tirupati & Patna airports along with new ASFs at Vijaynagar, Jalgaon & Mundra airports where flight operations were commenced under Regional Connectivity Scheme (RCS) of Government of India.

Your Company is continuously expanding presence in clean energy verticals of Natural Gas & Renewables. During 2017-18, consortium of HPCL and OIL has been authorized by PNGRB for setting up City Gas Distribution networks in Ambala - Kurukshetra districts of Haryana and Kolhapur district of Maharashtra. Renewable power capacity of your Company was further increased with commissioning of a grid interactive captive Solar PV plant of 750 KWp at Bahadurgarh terminal in Haryana.

Your Company is focused to leverage R&D and technological innovations to build global competitive capabilities and has demonstrated a total of fourteen products / technologies through HP Green R&D Centre Bengaluru which will help HPCL to achieve significant cost advantages and efficiency improvements. Your Company's R&D efforts were recognized with grant of 4 US patents during 2017-18.

To enhance operational efficiency and customer value, your Company is extensively leveraging the digital technologies across all facets of business activities. As of March 2018, over 96% of retail outlet network has been enabled with at least 3 digital payment modes. Unique technology driven initiatives viz Aadhar enabled e-KYC for LPG customers, online sales of lubricants, Customer Relationship Management system for key accounts etc. have helped your Company to enhance value proposition and experience for individual and institutional customers. Your Company has also collaborated with Six (6) Technology-based startups under first phase of 'HPCL Startup India' scheme to support projects with significant value potential and create mutual value through effective implementation of these projects.



Chairman's Message 2017-18

Your Company conducts business with commitment to sustainable development and with utmost importance to safety. During 2017-18, a number of sustainable development projects were completed in the area of emission reduction, energy efficiency, water conservation, waste management and renewable energy. The efforts of the Company in this direction were also recognized with SCOPE Meritorious Award for Environmental Excellence and Sustainable Development. Safety continues to be an integral element of our strategy and achievement of over 21 million safe man-hours by Mumbai Refinery as of Mar'18 is a testimony to our commitment to safety.

Your Company has been in the forefront to drive various pro-growth policies and national development programs to enable the country to achieve its growth objectives and realize the aspirations of New India. As of Mar'18, HPCL has provided over 96 lakh LPG connections to people from low income households facilitating a clean cooking environment for them and helping them raise the standard of living. HPCL has also conducted 886 Pradhan Mantri LPG Panchayats across the country sensitizing over 85,000 people about safe and sustainable usage of LPG. Under Swachh Bharat Abhiyaan, HPCL has constructed over 1,700 new school toilets and has provided toilet facilities at ~100% of active Retail Outlet network. During 2017-18, HPCL has delivered happiness in the lives of thousands of people through various CSR schemes with an overall CSR expenditure of ₹ 157 crore

To strengthen the technologically competent workforce and promote research activities in energy sector, Indian Institute of Petroleum & Energy (IPE) was set up in 2016-17 at Visakhapatnam. Your Company is assisting IPE, Visakhapatnam in development of the infrastructure for the institute. During 2017-18, IPE Visakhapatnam was recognized as an Institute of National Importance through IPE act 2017.

With respect to the Memorandum of Understanding (MOU) signed with the Government of India for the year 2016-17, your Company achieved 'Excellent' rating for the 10th consecutive year with a score of 95.00. I am happy to share that this is the best MoU Score amongst all Navratna / Maharatna PSUs under MoP&NG.

During 2017-18, your Company has embarked on implementing the short term strategic plan 'T20' with a structured governance and monitoring system to ensure implementation of the identified strategic initiatives and realization of T20 targets for growth, profitability and customer value. Strategic initiatives of Integrated Margin Management (IMM) and centralization of procurement have also been effectively institutionalized and

have yielded substantial value for the Company. Your Company is also focused on creating a roadmap for leveraging the emerging digital technologies and upgrade processes to be future ready.

All the subsidiaries and joint venture companies continued to perform well in 2017-18 and recorded robust physical and financial growth in their respective business spheres. This helped HPCL to achieve consolidated net profit of over ₹ 7,000 crore for the second consecutive year. Capacity of HMEL refinery at Bathinda was expanded to 11.3 MMTPA during the year and the refinery is operating at enhanced capacity and production slate. To expand overseas footprints in lubricants business, your Company has formed a new wholly owned subsidiary Company 'HPCL Middle East FZCO' in UAE for catering to lube markets in the Middle East and Africa.

The backbone of our outstanding performance is over 10,000 competent employees of the Company committed to achieve excellence in performance. Your Company has undertaken a number of innovative human resource initiatives to nurture this talent pool and will continue to invest in the human capital to develop a future ready workforce and create a differentiated advantage in future business environment.

Global economic growth continues to be strong and at 3.8%, which is the highest GDP growth since 2011. Growth momentum is expected to continue in 2018 with global GDP growth projected to be around 3.9%. Strong economic growth is driven by projected pick-up in growth in emerging and developing economies and resilient growth in advanced economies. This should provide a boost for exports and could be biggest source of upside potential for India's GDP growth in 2018-19. Indian economy is projected to grow at about 7.4% in 2018-19 on back of healthy consumption and pick up in investment activity. With economy growing, oil demand is also expected to grow in line with trend.

To leverage the high demand potential and capitalize on the growth opportunities in hydrocarbon sector, your Company has planned large scale investments for enhancing the refining capacities and build marketing infrastructure. Both the ongoing refinery expansion projects viz Visakh Refinery Modernization Project (VRMP) for enhancing the refinery capacity to 15 MMTPA and Mumbai Refinery Expansion Project (MREP) for enhancing the refining capacity to 9.5 MMTPA are progressing as per schedule. On the marketing front, project activities for expansion of Mundra Delhi Pipeline (MDPL), Visakh Vijayawada Secunderabad Pipeline (VVSPL) Ramanandi Bahadurgarh Pipeline (RBPL) and new extension Pipeline from Palanpur to Vadodara with associated



Chairman's Message 2017-18

terminal facilities, new Vijayawada Dharmapuri Pipeline are on track. In addition, Uran Chakan LPG Pipeline is in advanced stage of completion. A number of new POL Depots, LPG Plants, ASFs and Lube Blending Plants have also been planned.

To cater the growing demand of petrochemicals, HPCL is participating in greenfield refinery and petrochemical complex projects. HPCL and Government of Rajasthan have formed a JV Company by the name HPCL Rajasthan Refinery Ltd (HRRL) to set up a greenfield refinery cum petrochemical complex in Barmer district of Rajasthan. The work commencement ceremony of the 9 MMTPA Rajasthan Refinery was carried out at the hands of Honourable Prime Minister of India on 16th January, 2018.

In the span of last four decades, your Company has enhanced its competitiveness in downstream oil industry by consistently addressing the varying customer needs and extending its product reach across all parts of India. HPCL has been able to set benchmarks through its efficient refining and marketing

operations, streamlined supply logistics, technological excellence and innovative marketing practices. Going forward, your Company is well poised to meet the business challenges and deliver consistent growth and excellence across all spheres of business.

Our employees, customers, business associates and shareholders have always been a source of strength and I thank them for their support. I am also thankful to the Ministry of Petroleum & Natural Gas, for their guidance and support in all our efforts. We look forward to their continued support in future.

We look forward to your continued support in all our endeavors in delivering happiness in the lives of millions of people and continuing towards our journey of shared success.

Thank you

Mukesh Kumar Surana



Senior Management Team (Positions as on 30-06-2018)

Shri U Krishna Murty	Chief Vigilance Officer
Shri S P Gupta	Executive Director - Joint Ventures
Shri S T Sathivageeswaran	Executive Director - Information Systems
Shri G Sriganesh	Executive Director - Corporate R & D
Shri A Pande	Executive Director - Opns, Dist. & Engg.
Shri Rakesh Misri	Executive Director - LPG
Shri Ajit Singh	Executive Director - Direct Sales
Shri H R Wate	Chief Executive Officer - HPCL Shapoorji Energy Pvt. Ltd.*
Shri A V Sarma	Executive Director - Internal Audit
Shri V K Jain	Executive Director - Tax
Shri R Radhakrishnan	Executive Director - Information Systems (Functional)
Shri R Kesavan	Executive Director - Corporate Finance
Shri B Ravindran	Executive Director - Treasury
Shri M V R Krishnaswamy	Executive Director - CPO (Marketing)
Shri M Rambabu	Executive Director - Refinery Coordination
Shri S. Paul	Executive Director - IT & S
Shri GSVSS Sarma	Executive Director - Visakh Refinery
Shri S P Gaikwad	Executive Director - Refinery Projects
Shri J S Prasad	Executive Director - Pipelines
Shri Rajnish Mehta	Executive Director - CS&P and Business Development
Shri S Raja	Executive Director - Visakh Refinery Modernisation Project
Shri L Venugopal	Executive Director - Mumbai Refinery
Shri K Radhakrishnan	Chief Executive Officer - Hindustan Colas Pvt. Ltd.*
Shri G S V Prasad	Executive Director - Retail
Shri Abhishek Datta	Executive Director - Human Resources
Shri S K Suri	Executive Director - Coordination & EA to C & MD
Shri R Sudheendranath	Executive Director - Lubes
Shri Rajneesh Narang	Executive Director - Marketing Finance
Shri S Bhattacharjee	Chief General Manager - Compensation Management
Shri K Daniel Santhosh	Chief General Manager - Internal Audit
Shri D K Pattanaik	Chief General Manager - Gas and Renewables
Shri K Rajeswara Rao	Adviser in EAC to the Hon'ble PM *
Shri G Chiranjeevi	Chief General Manager - Special Projects
Shri S Biswas	Chief General Manager - Information Systems (Operations & Distribution)
Shri K Ananda Rao	Chief General Manager - HSE (Corporate)
Shri Vikram Gulati	Director (Finance) - PP & AC, New Delhi*
Shri A V Narayana Rao	Chief General Manager - Internal Audit
Shri A S V Ramanan	Chief General Manager - Materials
Shri C Rama Krishnan	Chief General Manager - Engineering & Facilities Planning
Shri T R Sundararaman	Chief General Manager - Aviation
Shri Rajiv Chandra	Chief General Manager - Information Systems Strategy
Shri Shyam Mustywalwar	Chief General Manager - LPG (Sales & Marketing)
Shri K Srinivas	Chief General Manager - I & C
Shri V S Agashe	Chief General Manager - Operations, Mumbai Refinery
Shri R Sridhar	Chief General Manager - Commercial, Direct Sales SBU
Shri B Balagangadharam	Chief General Manager - Technical (Process), Visakh Refinery
Shri Shaji Idicula	Chief General Manager - Maintenance, Mumbai Refinery
Shri Iyer H Narayanan	Chief General Manager - Legal
Shri M Selvakumar	MD - Petronet MHB *
Shri Shrikant M Bhosekar	Company Secretary



Shri D N Vijayendrakumar	Chief General Manager - Information Systems (Technical), Development & Data Centre
Shri Nandi Sukumar	Chief General Manager - LPG Operations
Shri Sanjay Kumar	Chief General Manager - Business Development
Shri Jain Amitabh Kumar	Chief General Manager - Marketing R & D
Shri Anuj Kumar Jain	Chief General Manager - Retail, North Central Zone
Dr. Peddy V C Rao	Chief General Manager - R & D
Shri P Veerabhadra Rao	Chief General Manager - Maintenance, Visakh Refinery
Shri Subodh Batra	Chief General Manager - Retail, North Zone
Shri Alok Kumar Gupta	Chief General Manager - Retail, East Zone
Shri V Ratanraj	Chief General Manager - Operations, Visakh Refinery
Shri M S Yadav	Chief General Manager - LPG, North Zone
Shri Swapan Kumar Chowdhury	Chief General Manager - Central Procurement Organization
Shri P Raman	Chief General Manager - S & P, Risk, C and T
Shri Shrikant Ramchandra Hasyagar	Chief General Manager - Tax
Shri H Prem Kumar	Chief General Manager - Finance (Refineries)
Shri Suresh Varma	Chief General Manager - HSE (Marketing)
Shri S Subbarao	Chief General Manager - Corporate Social Responsibility
Ms. G Anuradha	Chief General Manager - Information Systems (Functional)
Shri Praful Chandra Agrawal	Chief General Manager - Petrochemical Marketing
Shri R Elango	Chief General Manager - Employee Relations
Shri Sushanta Dhar	Chief General Manager - Administration & Real Estate
Ms. Uma Deb	Chief General Manager - Corporate Accounts
Shri K Shankar Narayan Murty	Chief General Manager - Tax
Shri Yelisetty Sriramulu	Chief General Manager - Technical (Minor Projects, CES & Inspection) - Visakh Refinery
Shri Anil Kumar Ranjan	Chief General Manager - Projects, Mumbai Refinery
Shri R P Bhan	Chief General Manager - Technical (Minor Projects & Inspection), Mumbai Refinery
Shri A B Chattopadhyay	Chief General Manager - Technical (Process), Mumbai Refinery
Shri D Ravichandran	Chief General Manager - Retail Upgradation
Shri N Ramachandran	Chief General Manager - Finance, Visakh Refinery
Shri P K Bansal	Assistant Director General - UIDAI*
Shri P S Murty	Chief General Manager - Pipeline Projects, Pipelines
Shri C Sridhar Goud	Chief General Manager - Operations & Distribution
Shri S Bharathan	Chief General Manager - Refinery Projects (Process)
Shri R Sankaran	Chief General Manager - Commercial, O & D
Shri S K Ghosh	Chief General Manager - Finance, Mumbai Refinery
Shri S K Wadhwa	Chief General Manager - Information Systems
Shri K Sreenivasa Rao	Chief General Manager - Operations, Pipelines
Shri Baldev Bhatia	Chief General Manager - Quality Assurance
Shri N Baladhandayuthapani	Chief General Manager - Projects, Rajasthan Refinery
Shri Vijay Anand Katne	Chief General Manager - Maintenance (Electrical & Instrumentation), Mumbai Refinery
Ms. Sujata S Londhe	Chief General Manager - Treasury
Shri Jayant Gupta	Chief General Manager - Information Systems (Technical), Infrastructure & Security
Shri Vikas Kumar Yadav	Chief General Manager - Vigilance
Shri C Madhusudan	Chief General Manager - Product Supply & Logistics
Shri Neelesh Khulbe	Chief General Manager - Special Project, HR
Shri Krishnamurthy D N	Chief General Manager - Retail, West Zone
Shri Zakir Husain Ayubi	Chief General Manager - Retail, HQO
Shri Rajesh Mehtani	Chief General Manager - Retail, North West Zone
Shri Gupta Shuvendu	Chief General Manager - Operations
Shri V K Maheshwari	Chief General Manager - Integrated Margin Management
Shri K S Shetty	Chief General Manager - HR (Marketing)

* On deputation



Offices, Auditors & Bankers

Registered Office & Headquarters Office

Petroleum House,
17, Jamshedji Tata Road, Mumbai - 400 020
e-mail: corphqo@hpc.l.co.in
website:www.hindustanpetroleum.com

Marketing Headquarters

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

Marketing / CPO Office

Marathon Futurex, 9th and 10th Floor, 'A' Wing,
N M Joshi Marg, Lower Parel,
Mumbai - 400 013

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

G.M. Kapadia & Co.

Chartered Accountants, Mumbai

M.P. Chitale & Co.

Chartered Accountants, Mumbai

Branch Auditors

A Ramachandra Rao & Co.

Chartered Accountants, Visakhapatnam.

Cost Auditors

A.B.K. Associates

Mumbai

Dhananjay V. Joshi & Associates

Mumbai

Bankers

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

Company Secretary

Shrikant M. Bhosekar



Notice of Annual General Meeting

HINDUSTAN PETROLEUM CORPORATION LIMITED

(A Government of India Enterprise)

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

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

(CIN: L23201MH1952GOI008858)

NOTICE

NOTICE is hereby given that the **66th ANNUAL GENERAL MEETING** of the Members of Hindustan Petroleum Corporation Limited will be held on Thursday, August 30, 2018 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, 2018 and Reports of the Board of Directors and Auditors thereon.
2. To confirm interim Equity dividend declared for Financial Year 2017-2018 and to approve Final Equity Dividend for the Financial Year 2017-2018.
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 S Jeyakrishnan (DIN07234397), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

5. Appointment of Shri Amar Sinha (DIN07915597) as an Independent Director of the Corporation.

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

RESOLVED that pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Amendment) Act, 2017 (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 and 121

of Articles of Association of the Company, Shri Amar Sinha (DIN:07915597) who was appointed as an Additional Director and also as an Independent Director of the Company by the Board of Directors with effect from September 21, 2017 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for Financial Year 2017-2018 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation.

6. Appointment of Shri Siraj Hussain (DIN05346215) as an Independent Director of the Corporation.

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

RESOLVED that pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Amendment) Act, 2017 (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 and 121 of Articles of Association of the Company, Shri Siraj Hussain (DIN: 05346215) who was appointed as an Additional Director and also as an Independent Director of the Company by the Board of Directors with effect from September 21, 2017 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for Financial Year 2017-2018 should have been held, whichever is earlier and who is



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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.

7. **Appointment of Shri Subhash Kumar (DIN07905656), nominated by Government of India as representative of ONGC as Part Time Director.**

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, the Companies (Amendment) Act, 2017 (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 Subhash Kumar (DIN:07905656) who has been nominated by the Government of India as representative of ONGC and was appointed as an Additional Director (Part-Time) of the Company by the Board of Directors with effect from May 22, 2018 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for Financial Year 2017-2018 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Part-Time Director of the Company, liable to retire by rotation.

8. **Payment of Remuneration to Cost Auditors for Financial Year 2018-2019**

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 Goods and Service Tax payable to M/s. ABK & Associates and M/s. Dhananjay V. Joshi & Associates, who were appointed as "Cost Auditors" to conduct the audit of Cost Records maintained by the Company for Financial Year ending March 31, 2019, pertaining to various units as applicable and detailed in the statement annexed to this notice, be and is hereby ratified and approved.

9. **Borrowing of funds upto ₹ 12,000 Crores through issue of Debentures / Bonds / Notes etc.**

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

RESOLVED THAT pursuant to the provisions of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), as well as rules prescribed thereunder, the SEBI (Issue and Listing of Debt Securities), Regulations, 2008 including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, and in accordance with the provisions contained in the Memorandum & Articles of Association of the Company, and subject to the receipt of necessary approvals as may be applicable and such other permissions and sanctions, as may be necessary, the consent of the members of the Company be and is hereby accorded to issue Secured/Unsecured redeemable Non-Convertible Debentures / Bonds / Notes / etc., of such face value in both domestic as well as overseas market, in one or more series / tranches aggregating upto an amount not exceeding ₹12000 Crore (Rupees Twelve Thousand Crore) within the overall borrowing limits approved by the Members, on private placement basis, during a period of one year from the date of approval by members.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board/Committee of the Board or officers authorized by them in this regard be and are hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary pre and the post issue, in respect of issue of Debentures/ Bonds/Notes/etc., including but not limited to number of issue/tranches, face



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value, issue price, issue size, timing, amount, tenor, method of issuance, security/charge creation, coupon / interest rate(s), yield, listing, allotment and other terms and conditions of issue of Debentures/Bonds/Notes/etc. as proper and most beneficial to the Company, including as to when the said Debentures/Bonds/Notes/etc. be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto and to select, appoint and finalize the remuneration of various agencies, including but not limited to Credit Rating Agencies, Trustee, Legal Counsels, Arrangers, Joint Lead Managers, Process Agents and any other agency associated with the issue of secured/unsecured redeemable non-convertible debentures/bonds/notes/etc. as they may, in their absolute discretion, deemed necessary for this purpose, as the case may be.

By the Order of the Board,

Shrikant M. Bhosekar
Company Secretary

Date : July 30, 2018

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
4. Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting are requested to forward a certified copy of Board Resolution authorizing their representative to attend and vote at the Annual General Meeting either to the Company in advance or submit the same at the venue of the General Meeting.
5. **Appointment / Re-appointment of Directors**
At the ensuing Annual General Meeting, Shri Pushp Kumar Joshi and Shri S Jeyakrishnan retire by rotation and being eligible, offer themselves for re-appointment.
6. Details of Directors seeking appointment / reappointment at the 66th Annual General Meeting in pursuance of provisions of the Companies Act, 2013 & Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are given as an Annexure to the Notice.
7. 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 enclosed hereto and forms part of the Notice.
8. **Book Closure for Final Dividend:**
The Company has announced Book Closure from July 02, 2018 to July 06, 2018 (both days inclusive) and accordingly, Final Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year 2017-2018, if approved at the meeting, will be payable to those eligible members whose names appeared:
 - (1) As Beneficial Owners, as on June 30, 2018 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 Dematerialized form, and
 - (2) As Members in the Register of Members of the Company as on June 30, 2018 in respect of shares held in Physical Form, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents (R&TA) on or before June 30, 2018
9. **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.



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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.

SEBI vide Notification dated June 08, 2018 have conveyed amendment to Regulations 7 and 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which shall come into force from December 05, 2018. Accordingly, effective December 5, 2018 except in cases of transmission or transposition, transfer of securities of the Company cannot be processed unless the securities are held in dematerialized form with a depository. The implication of this amendment is, post December 05, 2018 equity shares of the Company which are held in physical form by some share holders can be continued to be held by them in physical form, but cannot be further transferred by the Company or its R&T Agent except in case of transmission & transposition matters.

View above, we request the shareholders holding shares in physical form to kindly dematerialize equity shareholding in HPCL.

10. Nomination:

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

11. Members' holding shares in Multiple Folios:

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

12. Non-Resident Members:

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

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

13. Green Initiative:

In compliance of the provision of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Company has sent Annual Reports in Electronic Mode to the Members who have registered their E-mail IDs either with the Registrar and Transfer Agents or with their respective Depositories. However, an option is available to the Members to continue to receive the physical copies of the documents/ Annual Reports by making a specific request quoting their Folio No./Client ID & DP ID to Company or to R & T Agents.

14. Members to whom hard copy of Annual Reports have been provided are requested to bring their copies of the Annual Report to the Meeting. The copies of Annual Reports shall not be made available at the venue of the Meeting.

15. Admission Slip

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

16. e-Voting: CDSL

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Amendment Rules, 2015 made thereunder, the Members are provided with the facility to cast their vote electronically, through the remote e-Voting



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platform provided by CDSL on all the resolutions set forth in this notice. The e-Voting shall commence on August 24, 2018 at 5.00 p.m. (IST) and shall end on August 29, 2018 at 5.00 p.m. (IST). The e-Voting module shall be disabled by M/s. CDSL for e-Voting thereafter. During this period, all the Members of the Company holding shares either in Physical Form or in dematerialized form as on August 23, 2018 will be eligible to 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 48 hours of conclusion of the Meeting and be also communicated to NSE and BSE where the shares of the company are listed.

e-Voting Procedure

- (i) The Members should log on to the e-Voting website **www.evotingindia.com**
- (ii) Click on Members
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user follow the steps given below:

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

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for "Hindustan Petroleum Corporation Limited" on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



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- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) Shareholder can also cast their votes using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 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.
- (xviii) Note for Non – Individual Members and Custodians
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - 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.
- 17.** 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 August 23, 2018.
- 18.** 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. August 23, 2018, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or to Shri B.B. Shirodkar, Chief 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
- 19.** 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.
- 20.** 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.
- 21.** 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.
- 22.** Shri Upendra Shukla, Practising Company Secretary (PCS), (Membership No. FCS 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.
- 23.** 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



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not cast their votes earlier by availing the remote e-Voting facility.

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

25. 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 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 & National Stock Exchange of India Limited.

26. Change of Address:

(a) Members Holding Shares in Physical Form:

Members holding shares in physical form are requested to advise immediately change in their address, and also inform their valid E-mail ID, if any, quoting their Folio number(s), to M/s. Link Intime India Pvt. Ltd., R & T Agents at their address given below.

(b) Members Holding Shares in Dematerialised Form:

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

27. Bank Mandates:

(a) In terms of Regulation 12 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 SEBI has advised all the concerned to use electronic mode of payment facility approved by the Reserve Bank of India (RBI) for making payment viz. dividends, interest, redemption or repayment amounts to the investors.

Provided that where it is not possible to use electronic mode of payment, payable-at-par warrants or cheques may be issued. In the cases of shareholder/s, where it is not possible to effect electronic payment, SEBI has advised to print bank details on the dividend warrant instruments issued to them. However, in case of Members, whose bank details are not available, the company shall mandatorily print the address of the investors on such payment instruments.

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

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

28. Investors Education and Protection Fund:

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



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Date of Declaration of Dividend	Dividend for the Financial Year	Proposed Month and Year of Transfer to the Fund
22.09.2011	2010-11 (Final)	Oct. 2018
18.09.2012	2011-12 (Final)	Oct. 2019
05.09.2013	2012-13 (Final)	Oct. 2020
05.09.2014	2013-14 (Final)	Oct.2021
10.09.2015	2014-15 (Final)	Oct.2022
01.02.2016	2015-16 (1st Interim)	Mar.2023
11.03.2016	2015-16 (2nd Interim)	Apr.2023
08.09.2016	2015-16 (Final)	Oct. 2023
13.02.2016	2016-17 (1st Interim)	Mar. 2024
23.03.2017	2016-17 (2nd Interim)	Apr. 2024
15.09.2017	2016-17 (Final)	Oct. 2024
09.02.2018	2017-18 (Interim)	Mar. 2025

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

- b) Pursuant to Section 124 (6) of Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 as amended, the shares in respect of which dividend is unclaimed for a period of seven consecutive

years are required to be transferred by the Company to IEPF Authority.

In view of above provisions, members are requested to kindly ensure updation of their bank details and also encash their dividend warrants.

29. Unclaimed Dividends:

In view of the above mentioned regulation, the Members who are yet to encash the earlier dividend(s) warrants 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.

30. Registrar and Transfer Agents:

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

M/s. LINK INTIME INDIA PVT. LTD.

Unit: HINDUSTAN PETROLEUM CORPORATION LTD.

C101, 247 Park, Lal Bahadur Shastri Marg,

Vikhroli West,

Mumbai – 400 083

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

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

Bonds.helpdesk@linkintime.co.in

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



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

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

5. Appointment of Shri Amar Sinha as an Independent Director of the Corporation.

Shri Amar Sinha, was appointed by the Board as an Additional Director with effect from September 21, 2017 consequent to his appointment as Independent 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 and 121 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 Amar Sinha, as an Additional Director, holds office upto the date of this Annual General Meeting.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as they case may be, along with deposit of one lakh rupees. However, as per the proviso to Sec. 160 which is made effective 09.02.2018 the requirements of deposit of amount shall not apply in case of appointment of Independent Director. Since Shri Amar Sinha is an Independent Director of the Company, there is no requirement of submission of requisite deposit.

Accordingly, Corporation has received a notice from a member proposing candidature of Shri Amar Sinha, for the office of Director in terms of Section 160 of the Companies Act, 2013. Shri Amar Sinha 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 relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He does not hold any shares of HPCL.

Shri Amar Sinha is an ex-IFS and has held various senior position in India and abroad.

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

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

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

6. Appointment of Shri Siraj Hussain as Independent Director of the Corporation.

Shri Siraj Hussain, was appointed by the Board as an Additional Director with effect from September 21, 2017 consequent to his appointment as an Independent Director by the Government of India, in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 112 and 121 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 Siraj Hussain, 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 him candidature as a Director, or the intention of such member to propose his as a candidate for that office, or as they case may be, along with deposit of one lakh rupees. However, as per the



Notice of Annual General Meeting

proviso to Sec. 160 which is made effective February 09, 2018 the requirements of deposit of amount shall not apply in case of appointment of Independent Director. Since Shri Siraj Hussain is an Independent Director of the Company, there is no requirement of submission of requisite deposit.

Accordingly, Corporation has received a notice from a member proposing candidature of Shri Siraj Hussain, for the office of Director in terms of Section 160 of the Companies Act, 2013. Shri Siraj Hussain 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 relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He does not hold any shares of HPCL.

Shri Siraj Hussain is an ex-IAS and was serving with Central/ State Government in various capacity.

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

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

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

7. Appointment of Shri Subhash Kumar, nominated by Government of India as representative of ONGC as Part Time Director.

The Government of India has nominated Shri Subhash Kumar, Director (Finance), ONGC as representative of ONGC on HPCL Board as Part Time Director. Accordingly Shri Subhash Kumar was appointed by the board as an Additional Director (Part-Time) with effect from May 22, 2018 in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 112 and 121 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 Subhash Kumar,

as an Additional Director, holds office upto the date of this Annual General Meeting.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as 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 Subhash Kumar, for the office of Director in terms of Section 160 of the Companies Act, 2013.

Shri Subhash Kumar is Fellow Member of ICAI and also Associate Member of ICSI. Shri Subhash Kumar is presently Director (Finance) of ONGC. He does not hold any share of HPCL.

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

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

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

8. Payment of Remuneration to Cost Auditors for Financial Year 2018-2019

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, 2019 as per the following details: -



Notice of Annual General Meeting

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

* plus reimbursement of out of pocket expenses at actuals and applicable Goods & 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 Members of the Company.

Accordingly, approval of the members is requested for passing an Ordinary Resolution as set out at item no. 8 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, 2019.

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. 8 of the Notice.

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

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

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

Corporation has been raising money by issue of Non-Convertible Bonds/Debentures/Overseas Bonds from time to time to meet its long term borrowing requirements. Corporation also successfully completed its maiden overseas bond issuance of US\$ 500 Million (₹3,223 Crores) in July 2017 at very competitive rates. In order to augment long term resources for financing, the ongoing Capital Expenditure and also for General Corporate purpose, Non-Convertible Bonds /Debentures issued in Domestic as well as Overseas market would constitute a significant source of long terms borrowings for the Company.

In view of the above and to meet the requirements of Section 42 of the Companies Act, 2013 read with applicable Rules, approval of the Members of the Company by way of Special Resolution is sought for private placement of Unsecured/Secured Redeemable Non-Convertible Bonds / Debentures (“Bonds”) upto ₹12,000 Crore (from domestic as well as overseas market) in aggregate during the period of one year from the date of passing the Special Resolution by the Members, within the overall borrowing limits of the Company, as approved by the Members from time to time.

Further, the Board of Directors of the Company (the “Board”) / Committee of the Board or other Officers as may be approved by the Board, shall be authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of Bonds, including but not limited to number of issues / tranches, face value, issue price, issue size, timing, amount, tenor, method of issuance, security, coupon / interest rate(s), yield, listing, allotment and other terms and conditions of issue of Bonds as they may,



Notice of Annual General Meeting

in their absolute discretion, as may be deemed necessary including utilization of the issue proceeds, appointment and finalization of various agencies associated with the issue.

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

None of the Directors or Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or the otherwise, in passing of the said Resolutions as set out at item No. 9 of the Notice.

The Board recommends the Special Resolution as set out at item No. 9 for the approval of the Members.

By the Order of the Board,

Shrikant M. Bhosekar
Company Secretary

Date : July 30, 2018

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



Notice of Annual General Meeting

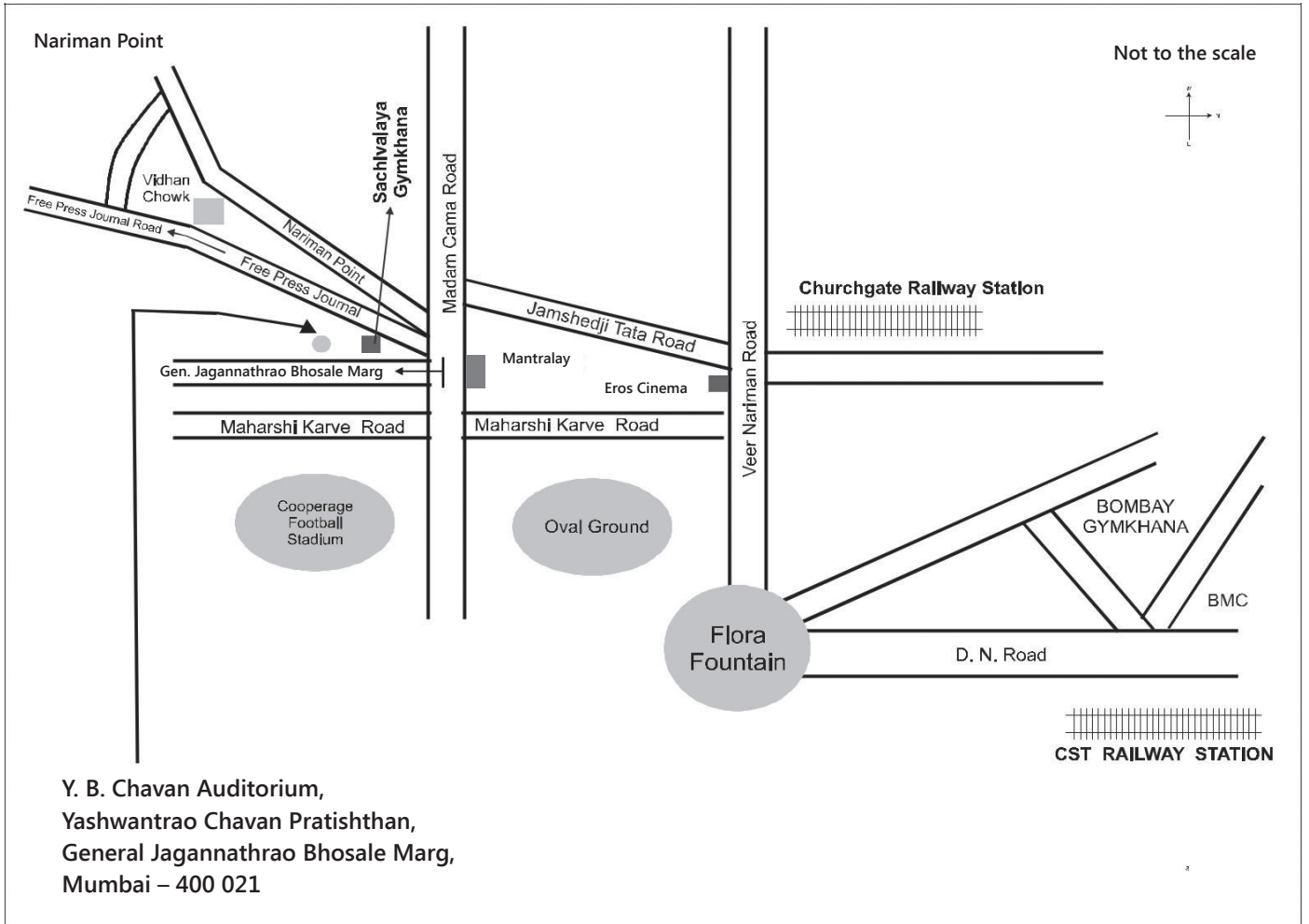
ANNEXURE TO THE NOTICE

Details of Directors seeking appointment / reappointment at the 66th Annual General Meeting in pursuance of provisions of the Companies Act, 2013 & Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Name of the Director	Shri Pushp Kumar Joshi	Shri S Jeyakrishnan	Shri Amar Sinha	Shri Siraj Hussain	Shri Subhash Kumar
Date of Birth	08.08.1964	13.06.1959	17.06.1957	31.01.1956	01.01.1962
Nationality	Indian	Indian	Indian	Indian	Indian
Date of Appointment on the Board	01.08.2012	01.11.2016	21.09.2017	21.09.2017	22.05.2018
Qualification	B.A.LLB, PG (PM& IR) XLRI, Jamshedpur	B.A.	IFS	IAS	M.Com., Fellow ICMAI, ACS
List of Directorship in other companies as on July 30, 2018	<ol style="list-style-type: none"> HPCL Rajasthan Refinery Limited HPCL Biofuels Limited Prize Petroleum Company Limited 	<ol style="list-style-type: none"> Hindustan Colas Private Limited Aavantika Gas Limited 	<ol style="list-style-type: none"> Delhi Gymkhana Club Limited IFFCO - Tokio General Insurance Company Limited 	<ol style="list-style-type: none"> Trinity General Insurance Company Limited National E-Repository Limited 	<ol style="list-style-type: none"> Oil and Natural Gas Corporation Limited ONGC Petro Additions Limited ONGC Tripura Power Company Limited Mangalore Refinery and Petrochemicals Limited Petronet MHB Limited



ROUTE MAP TO THE VENUE OF THE 66TH ANNUAL GENERAL MEETING ON THURSDAY, AUGUST 30, 2018 AT 11.00 A.M.





Performance Profile

FINANCIAL	2017-18	2017-18	2016-17	2015-16	2014-15	2013-14
	US\$ Million	₹ / Crores				
Sales / Income from Operations	37,316.15	2,43,226.66	2,13,488.95	1,97,437.53	2,17,061.11	2,32,275.82
Earnings before Interest, Depreciation and tax	1,921.05	12,521.39	12,091.77	9,083.45	6,831.86	6,140.31
Depreciation	422.33	2,752.75	2,535.28	2,653.21	1,971.15	2,188.44
Interest Expenses	86.95	566.71	535.65	653.60	706.59	1,336.36
Tax including Deferred Tax	436.46	2,844.86	2,812.04	2,050.48	1,420.86	881.74
Net Profit	975.31	6,357.07	6,208.80	3,726.16	2,733.26	1,733.77
Dividend	356.14	2,321.29	3,477.70	1,456.10	829.64	524.87
Tax on distributed profits	72.50	472.56	707.98	296.43	168.89	89.20
Retained earnings	546.67	3,563.22	2,023.12	1,973.63	1,734.73	1,119.70
INTERNAL RESOURCES GENERATED	1,033.37	6,735.53	5,534.65	5,421.69	3,901.05	3,618.22
VALUE ADDED	3,472.30	22,632.43	22,127.55	19,311.59	14,830.76	15,548.31
WHAT CORPORATION OWNS						
Gross PPE's & Intangible Assets	7,010.52	45,694.56	41,164.67	35,735.30	48,174.91	42,466.76
Less: Depreciation	1,184.31	7,719.36	5,032.79	2,627.73	19,112.10	16,554.52
Net PPE's & Intangible Assets	5,826.20	37,975.20	36,131.88	33,107.58	29,062.81	25,912.24
Capital work-in-progress (including capital advances)	635.80	4,144.12	2,030.72	1,875.80	3,634.04	4,755.86
Investments (including current investments)						
JVCs & Subsidiary	821.17	5,352.40	5,052.27	5,018.56	5,300.73	5,169.04
Others	882.59	5,752.70	5,866.32	5,559.99	5,945.76	5,690.83
Net current/non current assets	(263.29)	(1,716.13)	(1,588.49)	(1,505.31)	(3,482.31)	9,558.67
Total	7,902.47	51,508.29	47,492.70	44,056.62	40,461.03	51,086.64
WHAT CORPORATION OWES						
Net Worth						
Share capital	233.95	1,524.91	1,016.97	339.71	339.71	339.71
Share forfeiture	(0.11)	(0.70)	(0.70)	(0.70)	(0.70)	(0.70)
Reserves	3,440.32	22,424.01	19,331.14	17,630.79	15,683.08	14,673.15
Total	3,674.17	23,948.22	20,347.41	17,969.80	16,022.09	15,012.16
Borrowings	3,220.45	20,990.88	21,249.70	21,167.47	20,335.34	32,166.05
Deferred tax liability	1,007.85	6,569.19	5,895.59	4,919.35	4,103.60	3,908.43
Total	6,894.61	51,508.29	47,492.70	44,056.62	40,461.03	51,086.64
PHYSICAL (MMT)						
CRUDE THRUPUT		18.28	17.81	17.23	16.18	15.51
- Mumbai Refinery		8.64	8.51	8.01	7.41	7.74
- Visakh Refinery		9.64	9.30	9.22	8.77	7.77
PIPELINE THRUPUT		20.14	17.91	17.61	14.91	15.69
MARKET SALES		36.87	35.23	34.19	31.95	30.96

Notes:

1. Previous year figures have been regrouped / reclassified wherever necessary.
2. 1 US\$ = ₹ 65.18 (Exchange rate as on 31.03.2018).
3. The Figures for the year 2017-18, 2016-17 & 2015-16 are as per Financial statements prepared under Ind AS.
4. The Corporation has chosen the carrying value of PPE as per previous GAAP as on date of transition to Ind AS i.e. 01.04.2015 as deemed cost.



Performance Profile

FINANCIAL	2017-18	2017-18	2016-17	2015-16	2014-15	2013-14
	US\$ Million	₹ / Crores				
FUND FLOW STATEMENT						
Sources of Funds						
Profit after tax	975.31	6,357.07	6,208.80	3,726.16	2,733.26	1,733.77
Other Comprehensive Income	5.80	37.79	160.12	(191.16)		
Depreciation	422.33	2,752.75	2,535.28	2,653.21	1,971.15	2,188.44
Deposits from Dealers/LPG Consumers	217.87	1,420.10	1,599.06	1,143.92	1,081.37	1,029.19
Borrowings (net)	(146.96)	(957.88)	579.04	(620.51)	(11,282.31)	(1,986.53)
Redemption of Oil bonds	12.93	84.27	104.47	401.20	(249.92)	(0.00)
Amortisation of capital grant received from OADB & amortisation of FCMITDA*	0.06	0.36	354.38	248.82	35.58	(9.63)
Provision for deferred tax	103.34	673.60	976.25	794.85	195.17	310.08
Adjustment on account of sale/deletion of assets, provision for diminution in investment & others	6.35	41.38	(169.64)	284.81	306.87	782.83
Total	1,597.03	10,409.43	12,347.76	8,441.30	(5,208.83)	4,048.15
Utilisation of Funds						
Dividend	356.14	2,321.29	3,477.70	1,456.10	829.64	524.87
Tax on distributed profits	72.50	472.56	707.98	296.43	168.89	89.20
Capital expenditures	1,031.37	6,722.45	5,756.86	5,361.30	4,806.29	5,154.62
Increase/(decrease) in net current / non-current assets"	90.98	593.00	2,363.10	925.99	(11,107.37)	(2,276.04)
Investment in JVCs & Subsidiaries and Others (Including advance towards equity & share application money pending allotment)"	46.05	300.13	42.12	401.49	93.73	555.49
Total	1,597.03	10,409.43	12,347.76	8,441.30	(5,208.83)	4,048.15
CONTRIBUTION TO EXCHEQUER						
Excise duty	3,796.03	24,742.53	26,197.76	19,324.84	10,820.00	8,569.03
Customs duty	338.22	2,204.52	822.62	525.71	242.49	193.03
Sales tax / VAT / GST	5,998.25	39,096.58	34,050.62	28,762.41	27,126.63	25,663.63
Service tax	19.84	129.30	342.18	280.63	212.04	166.26
Income tax	382.13	2,490.74	2,912.75	1,246.54	788.83	356.96
Others	166.90	1,087.85	3,125.94	2,094.60	1,562.43	1,474.56
Total	10,701.37	69,751.51	67,451.87	52,234.73	40,752.42	36,423.47
RATIOS						
EBITDA/Sales (%)		5.15%	5.66%	4.60%	3.15%	2.64%
Net profit/Sales (%)		2.61%	2.91%	1.89%	1.26%	0.75%
Earnings per share (₹)		41.72	40.74	24.45	17.94	11.38
Cash earnings per share (₹)		62.54	61.51	46.70	33.71	26.51
Avg. sales/Employee (₹ / Crores)		23.42	20.36	18.57	19.87	19.92
Avg. net profit/Employee (₹ / Crores)		0.61	0.60	0.35	0.26	0.17
Debt equity ratio (long term debt to equity)"		0.43 : 1	0.51 : 1	0.96 : 1	1.13 : 1	1.05 : 1
MANPOWER (NOs.)		10,352	10,422	10,538	10,634	10,858

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

1. EPS for earlier periods have been recalculated in accordance with Ind AS 33.
2. The Figures for the year 2017-18, 2016-17 & 2015-16 are as per Financial statements prepared under Ind AS.



Performance Profile

FINANCIAL	2017-18	2017-18	2016-17	2015-16	2014-15	2013-14
	US\$ Million	₹ / Crores				
HOW VALUE IS ADDED						
Income						
Sales / Income from operations	37,316.15	2,43,226.66	2,13,488.95	1,97,437.53	2,17,061.11	2,32,275.82
Add: Increase/(decrease) in inventory	(123.43)	(804.54)	4,454.06	(90.86)	(3,749.44)	574.43
	37,192.72	2,42,422.12	2,17,943.01	1,97,346.67	2,13,311.67	2,32,850.25
Cost of Raw materials						
Raw material consumption	7,814.92	50,937.67	44,879.42	40,523.83	56,158.44	61,962.49
Purchases for resale	21,855.74	1,42,455.74	1,22,731.74	1,15,948.43	1,29,278.36	1,45,137.95
Packages	38.15	248.63	258.24	287.81	231.40	213.20
Stores & spares	37.49	244.34	296.22	223.72	244.20	167.81
Utilities	176.56	1,150.79	870.56	1,008.09	848.41	642.24
	29,922.86	1,95,037.17	1,69,036.18	1,57,991.88	1,86,760.81	2,08,123.69
Duties applicable to products						
Duties	3,797.56	24,752.52	26,779.28	20,043.20	11,720.10	9,178.25
Total value added	3,472.30	22,632.43	22,127.55	19,311.59	14,830.76	15,548.31
HOW VALUE IS DISTRIBUTED						
Operations						
Operating & service costs	1,112.69	7,252.52	7,089.70	7,906.82	5,584.25	7,377.70
Employees' benefits	438.56	2,858.52	2,946.08	2,321.32	2,414.66	2,030.30
Providers of capital						
Interest on borrowings	86.95	566.71	535.65	653.60	706.59	1,336.36
Dividend	428.64	2,793.85	4,185.68	1,752.53	998.53	614.07
Income tax/fringe benefit tax	436.46	2,844.86	2,812.04	2,050.48	1,420.86	881.74
Re-deployment in business						
Retained profit	546.67	3,563.22	2,023.12	1,973.63	1,734.73	1,119.70
Depreciation	422.33	2,752.75	2,535.28	2,653.21	1,971.15	2,188.44
Total value distributed	3,472.30	22,632.43	22,127.55	19,311.59	14,830.76	15,548.31

* The Figures for the year 2017-18, 2016-17 & 2015-16 are as per Financial statements prepared under Ind AS.



Performance Profile

'000 Tonnes

SALES VOLUME *	2017-18	2016-17	2015-16#	2014-15	2013-14
Light Distillates					
Liquified Petroleum Gas	6,149.73	5,682.76	5,108.70	4,707.00	4,251.56
Naphtha	639.08	595.75	735.25	1,014.04	712.63
Motor Spirit	6,491.70	6,034.45	5,607.25	4,999.61	4,422.16
Hexane	24.54	20.98	18.93	15.52	18.22
Propylene	55.84	43.81	42.81	13.93	19.66
Sub-total	13,360.88	12,377.75	11,512.94	10,750.10	9,424.22
Middle Distillates					
Mineral Turpentine Oil	71.72	55.20	53.58	41.24	43.00
Aviation Turbine Fuel	728.93	691.44	609.68	505.53	445.29
Superior Kerosene Oil	721.20	1,003.82	1,250.04	1,294.87	1,308.00
High Speed Diesel	17,735.46	16,984.80	16,841.05	15,834.33	15,973.03
JBO/WO	7.61	6.22	3.97	3.79	2.07
Light Diesel Oil	209.58	197.25	182.41	161.19	179.17
Sub-total	19,474.50	18,938.74	18,940.71	17,840.95	17,950.55
Lubes & Greases	596.34	583.04	532.07	442.72	482.12
Heavy Ends					
Furnace Oil	1,801.16	1,695.53	1,549.10	1,459.34	1,590.27
Low Sulphur Heavy Stock	39.12	49.79	61.47	177.52	227.63
Bitumen	1,234.12	1,233.95	1,245.25	976.47	1,007.45
Others	364.81	348.27	346.45	304.20	282.63
Sub-total	3,439.21	3,327.55	3,202.27	2,917.54	3,107.98
Total	36,870.93	35,227.07	34,187.99	31,951.30	30,964.87

* Including Exports

Sales volume for Financial year 2015-16 have been restated in line with Ind AS

MARKETING NETWORK (Nos.)	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Regional offices	128	119	106	100	100
Terminals/Installations/TOPs	41	42	37	36	35
Depots (including exclusive lube depots)	68	62	73	91	90
LPG bottling plants	48	47	46	45	46
ASFs	41	37	37	35	35
Retail outlets	15,062	14,412	13,802	13,233	12,869
SKO/LDO dealers	1,638	1,638	1,638	1,638	1,638
LPG distributors	4,849	4,532	4,278	3,952	3,506
LPG customers (in crores)	6.93	6.17	5.29	4.77	4.37



Performance Profile

'000 Tonnes

PRODUCTION VOLUME - MUMBAI REFINERY	2017-18	2016-17	2015-16	2014-15	2013-14
Light Distillates					
Liquified Petroleum Gas	450.63	438.02	405.48	378.70	379.50
Naphtha	425.61	406.10	353.17	499.46	382.90
Motor Spirit	1,539.11	1,497.50	1,376.60	1,296.91	1,328.60
Hexane	14.53	9.45	13.94	8.21	17.00
Solvent 1425	3.47	4.84	6.60	3.12	11.20
Sub-total	2,433.35	2,355.91	2,155.79	2,186.41	2,119.20
Middle Distillates					
Mineral Turpentine Oil	47.59	39.98	41.80	37.68	41.90
Aviation Turbine Fuel	458.06	418.59	447.91	408.78	500.90
Superior Kerosene Oil	203.35	208.81	223.87	190.86	272.50
High Speed Diesel	2,994.36	3,082.57	2,708.12	2,504.49	2,234.40
Light Diesel Oil	112.74	81.96	94.62	69.55	84.10
Sub-total	3,816.10	3,831.91	3,516.32	3,211.36	3,133.80
LOBS/TOBS	438.64	430.86	422.59	294.61	385.80
Heavy Ends					
Furnace Oil	726.13	580.75	619.67	665.01	804.90
Low Sulphur Heavy Stock	-	-	-	(10.60)	4.20
Bitumen	563.50	595.95	610.28	522.40	612.20
Others (including input of BH gas)	32.48	111.21	90.28	95.52	135.60
Sub-total	1,322.11	1,287.92	1,320.23	1,272.33	1,556.90
Total	8,010.20	7,906.60	7,414.93	6,964.71	7,195.70
Intermediate stock differential	13.94	6.66	(21.32)	(23.94)	29.60
Fuel & loss	620.57	613.69	627.80	556.19	534.20
Grand total	8,644.71	8,526.94	8,021.41	7,496.95	7,759.50



Performance Profile

'000 Tonnes

PRODUCTION VOLUME - VISAKH REFINERY	2017-18	2016-17	2015-16	2014-15	2013-14
Light Distillates					
Liquified Petroleum Gas	381.96	401.62	419.19	428.73	423.33
Naphtha	199.31	223.13	353.51	518.69	331.05
Motor Spirit	1,802.81	1,788.66	1,655.40	1,545.43	1,347.62
Propylene	55.47	43.28	43.38	14.40	19.35
Sub-total	2,439.55	2,456.68	2,471.48	2,507.25	2,121.35
Middle Distillates					
Mineral Turpentine Oil	1.37	2.04	0.37	0.33	-
Aviation Turbine Fuel	126.78	117.51	97.51	76.73	40.22
Superior Kerosene Oil	189.97	315.21	550.81	614.42	615.67
High Speed Diesel	4,306.22	3,876.65	3,759.91	3,616.88	3,007.00
JBO	8.04	7.45	4.38	2.79	2.13
Light Diesel Oil	108.43	106.82	95.52	88.85	101.63
Sub-total	4,740.81	4,425.69	4,508.50	4,400.00	3,766.64
Heavy Ends					
Furnace Oil	1,040.62	1,083.66	955.11	722.82	825.77
Low Sulphur Heavy Stock	9.70	21.70	(2.36)	197.32	162.22
Bitumen	626.97	619.80	587.47	384.35	340.06
Others	33.30	(20.79)	25.95	1.51	(39.16)
Sub-total	1,710.59	1,704.37	1,566.18	1,306.00	1,288.90
Total	8,890.95	8,586.75	8,546.17	8,213.26	7,176.89
Intermediate stock differential	56.21	37.30	(32.88)	(94.97)	7.78
Fuel & loss	687.84	679.83	705.93	652.15	587.74
Grand total	9,635.00	9,303.87	9,219.21	8,770.43	7,772.41



Directors' Report

DEAR MEMBERS

On behalf of the Board of Directors, it gives me immense pleasure in presenting to you the sixty-sixth Annual Report on the Performance of the Corporation, together with the Audited Financial Statements for the financial year ended March 31, 2018.

HIGHLIGHTS

(₹ / Crores)

	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
FINANCIAL PERFORMANCE				
Sales/Income from Operation	2,43,399.40	2,13,904.15	2,43,226.66	2,13,488.95
Profit before Depreciation, Interest and Tax (PBDIT)	13,562.42	14,583.03	12,521.39	12,091.77
Depreciation & Amortization Expenses	(2,834.40)	(2,776.37)	(2,752.75)	(2,535.28)
Finance Cost	(617.88)	(609.24)	(566.71)	(535.65)
Profit before Tax (PBT)	10,110.14	11,197.42	9,201.93	9,020.84
Tax Expenses	(2,891.86)	(2,961.60)	(2,844.86)	(2,812.04)
Profit after Tax (PAT)	7,218.28	8,235.82	6,357.07	6,208.80
Balance brought forward from previous year	17,415.73	13,382.37	16,747.75	14,740.12
Amount available for Appropriation				
Appropriations\ Others:				
Debenture Redemption Reserve (net)	75.78	-	265.13	-
Dividend	2,321.29	(3,477.70)	2,321.29	(3,477.70)
Tax on distributed profits	472.56	(707.98)	472.56	(707.98)
Other Comprehensive Income that will not be reclassified to profit or loss (Net of tax)	57.06	(16.78)	(56.67)	(15.49)
Other Appropriations	-	-	-	-
Balance carried forward	21,973.01	17,415.73	20,632.77	16,747.75
SHAREHOLDERS' VALUE (₹)				
Earnings per Share	47.37	54.05	41.72	40.74
Cash Earnings per Share	69.03	77.37	62.54	61.51
Book Value per Share	167.56	138.28	157.16	133.53

PHYSICAL PERFORMANCE (MMT)	2017-18	2016-17
Market Sales (Including Exports)#	36.89	35.22
Crude Thruput:		
Mumbai Refinery	8.64	8.51
Visakh Refinery	9.68	9.30
Total Crude Thruput	18.28	17.81

#Market Sales (including exports) as per Ind AS is 36.87 MMT for FY 2017-18 and 35.23 MMT for FY 2016-17.



SALES/INCOME FROM OPERATIONS

Your Corporation has achieved Sales/Income from operations of ₹ 2,43,226.66 crores in 2017-18 as compared to ₹ 2,13,488.95 crores in 2016-17 on standalone basis.

PROFIT

Your Corporation has earned Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) of ₹ 12,521.39 crores in 2017-18 as against ₹ 12,091.77 crores in 2016-17 and profit after tax of ₹ 6,357.07 crores in 2017-18 as compared to ₹ 6,208.80 crores in 2016-17 on standalone basis.

DIVIDEND

The Board, in its meeting held on February 09, 2018 declared an interim dividend of ₹ 14.50 per share.

The Board of Directors, after taking into account the Financial Results of the Corporation during the year, have recommended dividend of ₹ 2.50 per share (2016-17 : ₹ 1.10 per share). The total dividend for the year 2017-18 works out to ₹ 17.00 per share as against ₹ 30.00 per share for the year 2016-17.

The amount of proposed dividend totaling to ₹ 459.26 Crores, inclusive of ₹ 78.31 Crores for Corporate Dividend Tax on distributed profits, shall be dispensed from the profit after tax for the year.

BONUS SHARES

The Board of Directors in their meeting dated 26th May, 2017 and pursuant to the approval of Shareholders through Postal Ballot, have issued Bonus shares in the ratio of one equity share of ₹ 10 each for two existing equity shares of ₹ 10 each in the month of July 2017.

INTERNAL RESOURCES GENERATION

The Internal Resources generated during the year were ₹ 6,735.53 Crores as compared to ₹ 5,534.65 Crores in 2016-17 on standalone basis.

CONTRIBUTION TO EXCHEQUER

Your Corporation has contributed a sum of ₹ 69,751.51 Crores to the exchequer during the year by way of duties and taxes, as compared to ₹ 67,451.87 Crores in 2016-17 on standalone basis.

MEMORANDUM OF UNDERSTANDING (MOU) WITH GOVERNMENT OF INDIA

Your Corporation has been signing a Memorandum of Understanding (MOU) with the Ministry of Petroleum & Natural Gas. The performance of the Corporation for the year 2017-18 qualifies for "Excellent" rating basis self-evaluation.

REFINERY PERFORMANCE

FY 2017-18 has carried forward the growth profile for your refineries and shown a remarkable performance for the third consecutive year. This sterling performance has recorded the best ever crude processing with a combined refining throughput of 18.3 MMT surpassing previous year's thruput of 17.8 MMT with a capacity utilization of 115%.

Higher crude processing translated into enhanced production of Petroleum Products with your refineries recording best ever MS, HSD and LOBS production levels. Towards diversification of products Mumbai refinery has also added new grades of Lube product Elasto 710 – R and Elasto Supreme – H (RAE).

For the first time, USA crude "Mars Blend" was purchased by your Corporation and processed at Visakh refinery. Extending the pioneering effort towards usage of Grid power, Mumbai Refinery becomes first amongst PSUs to enter into power purchase agreement for 10 MW Green power from NTPC Vidyut Vyapar Nigam Ltd.

Continuing its focus towards a safe and secure work environment, both refineries have put in place a robust system to bring in safety awareness amongst personnel in their respective assignments on a regular basis. Both refineries have undertaken safety management evaluation by external agencies. In this year, Mumbai refinery has achieved best ever safety record since its inception with 21.54 Million Safe Man Hours.

Refineries have planned capacity enhancement under Mumbai Refinery Expansion Plan (MREP) to 9.5 MMTPA and Visakh Refinery Modernization Plan (VRMP) to 15 MMTPA. Back-end activities like technology and licensor selection, BDEP are completed and orders finalized for Major Process units, utilities and long lead items for both these projects. The project includes Bottoms Upgradation and BS VI fuel production in compliance to GOI guidelines for implementation by 1st April 2020.

The green field refinery cum petrochemical project at Rajasthan has picked stride and "Commencement of work" for Rajasthan Refinery Project was inaugurated by Hon'ble Prime Minister on 16.01.2018. For petrochemical complex PCPIR at Kakinada, pursuant to a MoU between GoAP, GAIL & HPCL, detailed feasibility and financial appraisal study for petrochemical complex at Kakinada was completed.

Your Corporation's R&D Centre (HPGRDC) was conferred as 'R&D Company of the Year' from 'The Energy & Climate Initiatives Society' at 'Global Refining & Petrochemicals Congress'. HPGRDC has worked on number of technologies /products viz. H2 PSA Technology, SprayMax FCC Feed Nozzle, HP-CORMIT, HP DLA, HP DWA, HP-TRAE, HPFurnOKare, HP-ENOCT, HP-DAK and



HP2FCC Catalyst. During 2017-18, 14 Indian and 4 International Patents have been filed by HPGRDC

The particulars with respect to conservation of Energy, Technology Absorption, Foreign Exchange Earnings & 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	8,641	9,635
Capacity utilization	%	115.2	115.7
Distillate yield	%	77.4	74.5
Fuel & Loss	%	7.2	7.14
Specific Energy Consumption	MBTU/BBL/ NRGF	84.38	77.33
Gross Refinery Margin	\$/Bbl	7.40	6.20

MARKETING PERFORMANCE

The year 2017-18 saw your Corporation doing exceedingly well across all business verticals -Retail, LPG, Direct Sales, Aviation, Lubes, Gas and Renewables marketing streams. Your Corporation has reinforced its winning streak, by recording the best ever physical performance during 2017-18, by achieving a sales volume of 36.9 Million Tonnes (including exports), compared to sales of 35.2 Million Tonnes during the previous year 2016-17.

In the Domestic sales segment, your Corporation recorded a growth of 4.4% over previous year volume with market share of 23.66% (excluding Petcoke/ LNG) amongst PSU companies as on 31st March, 2018.

In the Motor-Fuel segment, your Corporation has achieved a sales volume of 23.76 Million Tonnes as against 22.78 Million Tonnes during 2016-17. Your Corporation commissioned 669 new retail outlets, out of which 256 outlets cater to customers in rural area, crossing the magic mark of 15,000 retail outlets and the network totalling to 15,062 outlets. Under Digital India initiative, impressive 96.4% retail outlets were provided with availability of three digital payment modes. Further, your Corporation completed automation at 3,558 retail outlets which is the highest amongst OMCs.

Domestic LPG marketing continued to be a thrust area for your Corporation. An enrolment of 77.20 Lakhs new LPG Gas (Domestic) customers has been completed during the year,

which includes 41.25 Lakhs customers enrolled under Pradhan Mantri Ujjwala Yojana during 2017-18. Your Corporation's domestic LPG customer base now stands at a robust 692.8 Lakhs, wherein the domestic fuel quantity supplied during the financial year 2017-18 stands at 5.28 Million Tonnes. The other government initiative "Give It Up" campaign was also a thrust area for your Corporation, which has helped in a significant way to promote the PMUY programme. Your Corporation was the first Oil Marketing Company to roll out owned LPG rakes under Liberalised Wagon Investment Scheme (LWIS) of the Ministry of Railways. Your Corporation commissioned Panagarh LPG plant with a bottling capacity of 250 TMTPA which is the biggest LPG plant in Asia.

In the Aviation business line, your Corporation achieved a sales volume of 729 TMT with growth of 5.4%. During 2017-18, three new ASFs at Srinagar, Tirupati and Patna were commissioned. Under Regional Connectivity Scheme, 3 new locations were commissioned at Vidyanagar, Jalgaon and Mundra.

Your Corporation continues to cross new milestones in the significantly profitable Lubricants business segment in the Indian market, in which players from the MNC segment, private sector and public sector are very active. Your Corporation achieved a landmark total Lubricants sales of 603 TMT and has retained its No. 1 position for the fifth consecutive year and crossed 600 TMT for the second year in succession. Your Corporation has commenced lube marketing in Myanmar.

In the emerging Natural Gas Business, a consortium of HPCL & OIL has been authorized by PNGRB for setting up of CGD network in Kolhapur and Ambala-Kurukshetra. In the renewable energy front, your Corporation commissioned 750 kW Capacity Solar Captive Plant at Bahadurgarh POL terminal.

Your Corporation continued to focus on enhancing the efficiency and reliability in operations of the Operations, Distribution and Engineering locations, which has helped to register the highest ever throughput of 50 MMT through its POL installations. New depot at Nalagarh was commissioned during the year taking the total of the operating POL installations to 82. Various new initiatives were launched during this year including SMART Terminal concept which would increase efficiency, transparency and safety, leveraging technology to maximize accuracy at supply points by minimizing human error.

Simultaneously, your Corporation has also achieved an all-time high pipeline thruput of 20.4 MMT during the year, which commensurately aided in minimizing the product placement costs. Commissioning of Ramanmandi Bhatinda Pipeline capacity augmentation and direct pumping facility at Bahadurgarh-Trikrikalan pipeline commenced.



In support of Swachh Bharat Abhiyan (SBA) during the year, your Corporation constructed 1,956 number of clean Toilets in Retail Outlets on SH/NH with separate facilities for men/women.

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

Goods and Service Tax (GST) has been successfully rolled out in your Corporation w.e.f. 01st July 2017. This touched a large number of IT systems including ERP. It involved design and development of a number of new processes and applications, enhancement of existing processes to ensure compliance, data migration and generation of output as required by GSTN. All this was implemented with minimum change for end User.

TREASURY MANAGEMENT

During the year, your Corporation has successfully issued a maiden foreign currency bond of USD 500 Million at semi-annual coupon rate of 4.00 percent p.a. for a period of 10 years. The issue was oversubscribed more than 6 times with a final order book size over USD 3 billion from close to 225 investors accounts. Issue also has achieved a price tightening of 32.5 bps over an initial price guidance which is one of largest tightening seen for any Investment Grade issuer out of India in recent years. The issue eventually priced on the tighter end at UST10 + 167.50 bps.

Leveraging your Corporation's reputation and image in the international market, your Corporation was able to re-finance high cost ECB loans to the tune of US\$ 500 million at a significantly lower cost besides extending their maturity.

Your Corporation effectively used a variety of borrowing instruments to optimize its cost of borrowings. The short term borrowing requirements was met through Collateralized Borrowing and Lending Obligations (CBLO), Commercial Papers (CP), MIBOR Linked Loan and Cash Credit facility from consortium banks. Revolving line of credit in USD was also effectively utilized to manage changes in fund requirement.

Temporary surplus of funds was invested at best rates deriving substantial income on such investment. These funds were invested in term deposit with approved public sector and other scheduled banks (other than Cooperative Banks), debt schemes of public sector mutual funds and Treasury Bills.

Your Corporation has commanded best possible international long term issuer rating of "Baa2" with "Stable" outlook from M/s. Moody's Investors Services and "BBB-" rating from Fitch Ratings with "stable" outlook. Both ratings are at par with sovereign rating. In addition to maintaining highest domestic rating for long term and short term facilities from CRISIL and India Rating and

Research Limited, during the year, your Corporation has obtained from ICRA a long-term rating of "AAA" with "stable" outlook and a short-term rating of "A1+" to the bank facilities, Non-Convertible Debentures and Commercial Papers programme of HPCL.

INTERNAL FINANCIAL CONTROLS

Your Corporation has adequate Internal Financial Controls for ensuring the orderly and efficient conduct of its business, including adherence to the Corporation's policies; the safeguarding of its assets; the prevention and detection of frauds and errors; the accuracy and completeness of the accounting records; and the timely preparation of reliable information, which is commensurate with the operation of your 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 was carried out under the guidance of a Steering Committee set-up for this purpose.

RISK MANAGEMENT POLICY

Risk is inherent to all businesses and the key to success is to anticipate, take and manage the right risks. In today's VUCA (Volatile, Uncertain, Complex and Ambiguous) world, the external and internal environment is changing at an ever increasing pace and which, in turn, requires businesses to not only manage the existing risks but anticipate emerging risks and deploy mitigating strategies on a continuous basis. It is imperative for businesses to design a robust enterprise risk management framework to identify all existing and emerging risks, minimize the impact and seize the opportunities created by these continuously evolving changes.

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. There are defined processes for identification, assessment and mitigation of risks on an ongoing basis. Risk assessment is considered as critical input for decision making related to strategy formulation and capital allocation.

Your Corporation has also leveraged technology to integrate and automate the entire process of enterprise risk management. Your Corporation has also engaged the services of an independent expert to assist in continued implementation of effective Risk Management framework and improve the framework further. These self-regulatory ERM processes and procedures form part



of our Risk Management Charter and Policy, 2007.

Risk Management Steering Committee (RMSC) continues to provide its guidance in this regard. 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 identified framework.

VIGILANCE

During the year, as a part of Preventive Vigilance outreach activity, various campaigns were run for administering E-Integrity Pledge. More than 2.70 lakhs E-Integrity pledges were taken by employees and other stakeholders like vendors, dealers, customers etc. thru e-kiosks, LPG consumer IVRS etc

Interactions with employees including new recruits and other stakeholders were held. Surprise inspections were carried out. 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.

During the year, your Corporation's Vigilance Department was conferred with Vigilance Excellence Award in the Outstanding category from the Central Vigilance Commission (CVC).

Review of several operating areas for system improvement was also carried out during the year.

INDUSTRIAL RELATIONS

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

Union representatives play a major role and act as communication channel/change agents for communicating and implementing of various policies and initiatives. Therefore, it is imperative that the various initiatives and policies are shared with the important stakeholder so as to communicate with the non-management employees apart from our regular communication channels. In this regard 8 workshops were held under the program "HP Connect" across all zones/refineries in which 236 employees were covered. Moreover, in order to develop the leadership skills of union leaders a week long program was conducted at

Hyderabad.

Your Corporation took proactive steps to ensure that all our contract workmen were covered under Pradhan Mantri Jan Dhan Yojana and Prime Minister Suraksha Beema Yojana. To promote Digital India and cash less economy, it was ensured that all Contract Labour deployed across the Corporation are paid their wages through NEFT. Further, various programs across the Corporation were organized for Contract workmen to enable them use various modes of cashless payments.

At your Corporation, we believe that safety and wellbeing of all stake holders including Contract Workmen is of paramount importance. Under the (Perna) program launched by the Corporation to imbibe safe work culture and improve well-being of contract workmen, 248 Perna Programme covering 10743 Contract workmen were conducted during year 2017-18.

OFFICIAL LANGUAGE IMPLEMENTATION

The usages of Hindi is ensured in the business of your Corporation by motivating the employees through persuasion, incentive and harmony and Hindi is being promoted by utilizing various facilities available in the field of Information & Technology. To promote the linguistic and cultural talent of the employees, awareness about Hindi is created in the offices through All India Hindi Mahotsav, Hindi Fortnight, Official Language Conferences, Hindi Competitions and Hindi Workshops etc.

During the year 2017-18, your Corporation was awarded with the highest award, Rajbhasha Keerti Pratham Purskar. HPCL also got Rajbhasha Keerti Pratham Purskar for excellent coordination and notable achievements of Town Official Language Implementation Committee (PSUs), Mumbai. Thus, Hon'ble President of India awarded your Corporation with two highest Purskars on the occasion of Hindi Diwas on 14th September 2017 at Vigyan Bhawan, New Delhi.

Your Corporation is coordinating Town Official Language Implementation Committee of Mumbai based PSUs since 1983 and thereby guiding Mumbai based 64 PSUs in the field of Official Language Implementation. Other than the TOLIC Meetings, we have trained the officials of different PSUs through conducting various programmes such as Team Building, Digital India, IT & Hindi and Innovation in HR.

Your Corporation has been awarded with the Official Language Shield by Ministry of Petroleum and Natural Gas, Government of India, for the last three years. Last year HPCL has made a record in entire Oil Industry by receiving 43 O.L. Awards from Government of India. Besides this, in the technical field, the Corporation has taken new initiative and conducted Technical



Hindi Article Competition and Technical Hindi Seminar also for which our efforts were specially appreciated by Ministry of Petroleum and Natural Gas.

CORPORATE SOCIAL RESPONSIBILITY

Your Corporation has always believed in being a catalyst of transformation through its CSR endeavors. Your Corporation is committed to delivering happiness by making meaningful changes in the lives of people through its community engagement and holistic societal development. Being a responsible corporate citizen, the constant effort is to maximize positive impact of our initiatives by integrating and internalizing CSR into the core of business operations.

Your Corporation reached out to larger sections of marginalized societies in FY 2017-18 through innovative, value-driven and well-designed CSR projects that brought together collective effort to positively impact the lives of marginalized and less privileged.

National Development Policies, Sustainable Development Goals and flagship schemes of Government of India have been the primary guiding forces behind all our CSR initiatives in the focus areas of Child Care, Education, Health Care, Skill Development, Sports, Environment and Community Development. Your Corporation has always believed in adopting strategies aimed at 'Bridging the Gaps' by identifying gaps in the existing system and narrowing them rather than creating new parallel systems.

Your Corporation initiated some ambitious projects this year complementing its efforts to create a healthy, educated and empowered nation.

To work towards promoting Sanitation and Hygiene in government schools, an e-WASH program was initiated which aims to inculcate good hygiene practices among school students as well as local communities. "Kashmir Super 30 (Medical)" was set up in collaboration with Indian Army to enthuse a new ray of hope for the underprivileged students of Kashmir and prepare them to compete at the national level to secure admission into medical colleges. Your Corporation spearheaded a first-of-its-kind collaborative project by OMCs to improve facilities at Tulip Garden, Srinagar. Contribution was also made towards Armed Forces Flag Day Fund which is utilized for providing financial assistance to needy Ex-Servicemen, war widows and their dependents. Your Corporation also provided support to enhance the quality of health care services in the field of cancer treatment and diagnosis at Tata Memorial hospital.

Impacting the lives of school-going children by lending support to their educational pursuits has been the aim of our projects Nanhi Kali, Akshayapatra, Unnati and Agastya.

Project ADAPT aims to create a model of inclusivity and equal opportunity and offers special education, state-of-the-art therapies along with skill development opportunities to differently abled children in an enabling environment in order to bring them into mainstream.

Our projects Dil without Bill, Suraksha and Dhanwantari in the focus area of health care aim to provide preventive and curative health care facilities. As a part of Skill India Mission, Project Swavalamban provides skill training to youth and school dropouts from under-privileged areas in various trades like mechanical, electrical, construction, geriatric care etc. with an aim to enhance their employability.

Your Corporation enthusiastically participated in 'Swachh Bharat Abhiyan', the flagship movement of Government of India which aims to achieve the vision of 'Clean India' by 2019.

With a focus on creation of sanitation infrastructure and awareness generation among masses, your corporation undertook various innovative projects in collaboration with various stakeholders for effective implementation. This included improvement of sanitation facilities at 20 prominent locations in Mumbai, construction of school toilets and community toilets and various other initiatives for improvement of sanitation infrastructure and other facilities.

Your Corporation has adopted Golden Temple under the 'Swachh Iconic Places' an initiative focused on select heritage, spiritual and cultural places in the country.

Your Corporation's employees at business locations across the length and breadth of the country actively participated in Swachhta Pakhwada and Swachhta Hi Sewa campaigns and took up various innovative activities under Swachh Bharat Abhiyan in collaboration with Municipal Corporations/ District Administration/ Indian Railways.

With an aim to develop entrepreneurial abilities, third phase of Entrepreneurship Development Project was launched for aspiring youth from SC/ST communities in order to equip them with the required skills for transformation from job-seekers to job-creators. Scholarships were also provided to meritorious students from SC, ST, OBC and PWD communities to energize academic talent.

To strengthen the 'Skill India' initiatives of the Government of India, contribution was made for the promotion of higher education and employability skills towards five Skill Development Institutes at Rae Bareilly, Guwahati, Visakhapatnam, Kochi, and Bhubaneswar and towards the establishment of Indian Institute of Petroleum and Energy.



Your Corporation also contributed ₹ 25.27 crore towards Pradhan Mantri Ujjwala Yojna (PMUY) which aims to safeguard health of women and children by providing them clean cooking fuel so that they don't have to work in smoky unhealthy kitchens or wander about to collect firewood.

Various other local area development initiatives carried out and driven by sheer passion and altruism of our officers enabled us to reach out to the most unreached section of marginalized societies thus bringing more smiles.

Your Corporation's CSR endeavors were recognized in the form of awards bestowed at different platforms. Golden Temple-Amritsar, adopted by your Corporation won the 'Best Iconic Place' award under National Swachh Bharat Awards by the Ministry of Drinking Water and Sanitation. Your Corporation was also conferred with The Golden Peacock Award, PRSI National Awards 2017 – Child Care, PRSI National Awards 2017 –PSU and SKOCH Blue Economy Award for its projects and intervention models which aim to create long term and sustainable impacts.

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

CORPORATE GOVERNANCE

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

PROCUREMENT OF GOODS & SERVICES FROM MSEs

In line with the Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012, for the year 2017-18 against the set target of 20%, your Corporation has achieved 31.21% (₹ 3,011.97 Crores) procurement of goods and services from Micro & Small Enterprises (MSEs).

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

A workshop was conducted for Internal Complaint Committee members across the Corporation in order to help them understand their roles and responsibility. Further, 8 workshops were conducted across several locations to apprise employees of the provisions of the act.

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, your Corporation 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 2016-17 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 13 Directors. The Whole Time Directors are Shri Mukesh Kumar Surana (Chairman & Managing Director), Shri Pushp Kumar Joshi (Director – Human Resources), Shri J Ramaswamy (Director- Finance), Shri S Jeyakrishnan (Director – Marketing) and Shri Vinod S Shenoy (Director – Refineries).

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

The Government Directors are Shri Sandeep Poundrik and Ms. Sushma Taishete. The Part Time Non Official Directors (Independent) are Shri Ram Niwas Jain, Smt. Asifa Khan, Shri G V Krishna, Dr. Trilok Nath Singh, Shri Amar Sinha and Shri Siraj Hussain.

As per the provisions of Section 152 of the Companies Act, Shri Pushp Kumar Joshi and Shri S Jeyakrishnan will retire by rotation at the next Annual General Meeting and being eligible, offer themselves for re-appointment.

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

Appointment:

- Shri Amar Sinha and Shri Siraj Hussain were appointed as Independent Directors on the Board of your Corporation, effective 21.09.2017.



- Ms. Sushma Taishete was appointed as Government Director (Part-Time Ex-Officio) on the Board of your Corporation effective 05.12.2017

Cessationship:

- Smt. Urvashi Sadhwani, Government Director (Part-Time Ex-Officio) has ceased to be Director of your Corporation effective 24.11.2017.

The Board places on record its sincere appreciation for the valuable services rendered by Smt. Urvashi Sadhwani, during her tenure as Director of the Corporation

NUMBER OF MEETINGS OF THE BOARD

During the year 12 (Twelve) Board meetings were convened and held. The details of the Board Meetings are given in Corporate Governance Report.

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

Your Corporation, being a Govt. Company, is exempted to furnish information under Section 197 of Companies Act, 2013 vide Ministry of Corporate Affairs (MCA) Notification dated 05.06.2015.

There was a reference by C&AG during review of accounts with regards shift allowance being part of 50% of Basic Pay. Corporation has represented on this matter to MOP&NG.

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

Group	Total No. of Employees	No. of Women Employees	% of Women Employees
A	6,069	688	11.34
B*	-	-	-
C	3,601	256	7.11
D	682	18	2.64
TOTAL	10,352	962	9.29

*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 out by the Administrative Ministry i.e. Ministry of Petroleum and Natural

Gas (MOP&NG) through the process of Memorandum of Understanding in each Financial Year. Further there is also performance evaluation of Functional Directors by MOP&NG. Compliance of Section 134(3)(p) are exempted for Government Companies as Performance Evaluation of Directors are carried out by MOP&NG as per its own evaluation methodology.

DECLARATION BY INDEPENDENT DIRECTORS

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

POLICY FOR REMUNERATION OF KEY MANAGERIAL PERSON AND OTHER EMPLOYEE

Your Corporation, being a 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 (Independent) - Chairman
2.	Shri G V Krishna	Part-Time Non Official Director (Independent) - Member
3.	Shri J Ramaswamy	Whole Time Director, Member

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed Shri Upendra Shukla, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed



herewith as Annexure IV. There is no qualification, reservation or adverse remark made by the Practising Company Secretary in his Secretarial Audit Report.

EXTRACT OF ANNUAL RETURN

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

RELATED PARTY TRANSACTIONS

The details of transactions entered into with the Related Parties during the year 2017-18 are enclosed as Annexure VI.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

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

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

Subsidiary and Joint Venture company incorporated during 2017-18:

Subsidiary:

HPCL Middle East FZCO

HPCL Middle East FZCO, a 100% Subsidiary of your Corporation was incorporated on 11th February, 2018 as a Free Zone Company under Dubai Airport Free Zone and Establishment Card was issued on 22nd March, 2018 for the Company. The foreign subsidiary was established for trading in Lubricants & Grease, Petrochemicals and Refined Oil Products.

Joint Ventures:

Ratnagiri Refinery and Petrochemicals Ltd. (RRPCL)

RRPCL was incorporated on 22nd September, 2017 with Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) holding equity in the ratio 50%: 25%: 25% respectively.

Not-for-Profit Company:

Ujjwala Plus Foundation, a joint venture of Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) with fund

contribution in the ratio 50%: 25%: 25%, respectively was incorporated on 21st July, 2017 as a not-for-profit Private Company Limited by Guarantee (without Share Capital) under Section 8 of the Companies Act 2013.

Company dissolved during 2017-18:

CREDA-HPCL Biofuel Limited (CHBL)

CHBL, in which HPCL holds 74% of equity shareholding was dissolved with effect from 08th March, 2018.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the Financial Year 2017-18, there is no Order or Direction of any Court or Tribunal or Regulator which either affects your Corporation's status as a going concern or which substantially or significantly affects your Corporation's business operations:

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

DETAILS OF DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable Accounting standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a



true and fair view of the state of affairs of the Company at the end of the Financial Year and the profit and loss of the company for that period.

- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the Annual Accounts on a going concern basis.
- v. The Directors, have laid down internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively.
- vi. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors gratefully acknowledge the valuable guidance and support extended by the Government of India,

Ministry of Petroleum and Natural Gas, other Ministries, Petroleum Planning & Analysis Cell and the State Governments.

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

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

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

For and on behalf of the Board of Directors

sd/-

Mukesh Kumar Surana

Chairman & Managing Director

Date : 22nd May, 2018



Annexure to Directors' Report for the year 2017-18

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 2017-18 are as follows:

The energy conservation measures undertaken by both the refineries during the year 2017-18 have resulted in a savings of ~ 18,608 SRFT/year (standard refinery fuel tonnage per year).

Mumbai Refinery:

- DIU unit was stabilized with steady operation of recycle pump (P-20) and thus improved feed processing and resulted in reduced hydrogen consumption.
- Feed CCR of NFCCU was increased which has resulted in increase in steam generation from waste heat thereby reducing load on conventional Boilers reaping the benefit of lower overall fuel consumption.
- SEU II unit was revamped using split flow technology and the furnace efficiency improved from 77% to 85.6%.
- Improved the flare gas recovery by optimizing the Flare Gas Recovery Compressor suction pressure thereby minimizing the hydrocarbon losses.
- Optimized the steam generation by single boiler operation at maximum load has contributed to energy efficiency.
- As a part of PAT cycle. Mandatory Energy Audit is being carried out by M/s PCRA. Data was collected for the various utilities and the process unit motors for the Mandatory Energy Audit. M/s EIL completed an

exhaustive study of energy improvement which covered all process aspects of Mumbai 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 2017-18 have resulted in a savings of ~ 11,633 SRFT/year (standard refinery fuel tonnage per year).

Visakh Refinery:

- Waste Heat Boiler was commissioned to produce LP steam of 2 MT/hr from flue gases of Old CO boiler in FCCU-II. This measure has resulted in reduction of equivalent fuel consumption.
- Opportunity of shutdown was taken for improvement in heat recovery from furnace flue gases by taking up repairs of Air Pre-heaters (APH) in CDU-I and CDU-III.
- Heat rate improvement in HRSGs - 3 & 4 was achieved by taking up cleaning of tubes during outage for Combustion Inspection.
- Improvement in crude preheat temperature in CDU-I by cleaning all the preheat exchangers during T&I
- As a part of PAT cycle. Mandatory Energy Audit is being carried out by M/s PCRA. Data was collected for the various utilities and the process unit motors for the Mandatory Energy Audit. M/s EIL completed an exhaustive study of energy improvement which covered all process aspects of Vizag 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 2017-18 have resulted in a savings of ~ 6975 SRFT/year (standard refinery fuel tonnage per year).

Both Mumbai and Visakh Refinery observed Sanrakshan Kshamta Mahotsav (SAKSHAM) was celebrated from 16th January – 15th February under the direction of PCRA to generate mass awareness amongst the public for conservation of petroleum products.

Capital investments on energy conservation equipment:

Capital investment on energy conservation equipment during financial year 2017-18 is ~ ₹ 10 Crore for MR and ~ ₹ 3.2 Crore for VR.



B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

Mumbai Refinery:

1. SEU-II Furnace revamped in June 2017. Thruput increase from 38 m3/hr to 46 m3/hr.
2. Data Reconciliation & Yield Accounting (DRYA) rolled out to establish daily mass balance & yield accounting.
3. Successfully switched MR PSND portal to new IT - OT PSND portal resulting in more accurate real time information.
4. LR DCS Logic Manager job completed for improving reliability.
5. With in-house study, sustained ISOM unit design thruput, using ISOM Spent catalyst in Bensat reactor as a temporary measure.
6. Propane wash of both extractors were taken first time after PDA revamp. This is resulting in:
 - i. Steam consumption reduced by 10 tons/hr.
 - ii. Furnace CIT increased by 7 Deg C
 - iii. Reduction in dilution from 850 to 800.
 - iv. DAO consistent viscosity even at lighter VTB with 22 - 24 wt.% yield.

Visakh Refinery:

1. New US crude Mars Blend (API 29.9) was processed for the first time.
2. New crude Akpo Condensate (API 46) was processed for the first time in admixture with regular LS crude Erha.
3. Dedicated Hydrogen header from DHDS to NIU was commissioned towards reducing catalyst deactivation.
4. Ex-situ regeneration of spent FCC-NHT catalyst was carried out for future use.
5. CDU-II LVGO processing in DHT was carried out to maximize HSD production.
6. Field trials of alternative chemicals developed by HPCL R&D in respect of Diesel Lubricity Additive and sea water chemicals were carried out.
7. Fuel gas firing system in DHT-HGU reformer was implemented.
8. Automatic Blow Down (ABD) system for DHT-HGU steam drum was implemented.
9. Closed loop sampling systems were implemented in CDU-I & PRU.
10. Slop reprocessing in FCCU-II and VBU was commissioned.
11. Resins with improved specifications were procured and used in DM Plant - II to maximize DM water production.

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 :			
DHDS-Isotherming Technology	2015	Yes	
Flare Gas Recovery (FGR) Facility	2016	Yes	
Split pass flow technology – SEU III/II furnace	2016/17	Yes	
Visakh Refinery:			
Diesel Hydrotreating Unit, DHT - Hydrogen Generation Unit & DHT – Sulphur Recovery Unit	2015	Yes	
Flare Gas Recovery (FGR) Facility	2016	Yes	
FCCU I reactor stripper internal replacement with MODGRID packing	2017	Yes	
2nd HDS (finishing) reactor in FCC-NHT	2017	Yes	
Debutanizer in DHT	2017	Yes	



iii. Expenditure incurred on Research & Development.

(₹ / Crores)

Particulars	2017-18	2016-17
Capital	132.62	209.75
Revenue	100.16	66.79

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	2017-18	2016-17
Expenditure in Foreign Exchange	38,223.04	32,458.36
Earnings in Foreign Exchange	2,512.74	2,140.26



Annexure to Directors' Report for the year 2017-18

ANNEXURE-II

Environmental Protection measures:

Pollution Control Measures initiated & other environment initiatives undertaken by refineries during 2017-18

MUMBAI REFINERY:

A. Hazardous Waste Management

As per the Hazardous waste and other wastes (Management and Trans boundary Movement) Rules 2016 and Consent to Operate, low oily sludge is treated by adopting bio-remediation using consortium of bacteria specialized for oil degradation with a faster rate and thereby converting the low oily sludge into fertile soil. This is an ongoing process at Mumbai refinery for treatment of low oily sludge after mechanical recovery of oil and before disposal. Total quantity of sludge bio-remediated in the year is around 2000 m³.

Mumbai Refinery has disposed approx. 1860 MT of hazardous waste during 2017-18 to "Common Hazardous Wastes Treatment Storage Disposal & Facility" (CHWTSDF), operated by Mumbai Waste Management Limited (MWML) for secured landfill /incineration. Besides this, 64.6 MT of spent metal catalyst was disposed off to authorized recyclers.

B. Air Emission Control and Monitoring

All continuous ambient air monitoring stations have been upgraded by M/s Chemtrol Industries. Additional analyzers for monitoring of parameters namely Ozone, Benzene, Ammonia and H₂S have been added along with new SO_x and NO_x 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 MoE&F approved laboratory.

C. Effluent Water Treatment and Control

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

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

Natural Resource conservation by recycling 792097 KL of treated water in the year 2017-18. Cumulative water recycling since the inception of the "Effluent Treatment Plant" is 4324613 KL till Mar 31 2018 thereby saving equivalent amount of Natural Water resource for community. Effluent Quality Monitoring System (EQMS) consisting of following parameters pH, O&G and Flow are installed at the final discharge. The EQMS data connectivity is established till CPCB/MPCB.

D. Other Initiatives

- ✓ **Rain Water Harvesting** – Rainwater Management has been in place since 2010-11. Mumbai Refinery has constructed necessary infrastructure and has harvested about 161000 KL of rainwater during 2017-18.
- ✓ **Oil Spill Response Service:**
 - Mumbai Refinery has deployed Oil Spill Response (OSR) services within refinery premises on round the clock basis as proactive standby measure.
 - Besides there is a MoU between Mumbai Refinery & MBPT to tackle Tier-I OSR.
- ✓ **Ground Water Quality Monitoring** – Ground water aquifers are recharged during rainy season employing roof top rain water harvesting and being monitored for quality (IS 10500: 1991) regularly with a network of bore-wells spread across entire geographical area of the refinery.
- ✓ **Leak Detection and & Repair (LDAR):** Leak detection & repair program is in place since 2010 for various equipment like block valves, Heat Exchangers, Compressors etc. to detect any fugitive emissions and corrective action with respect to arresting these leaks are being taken.



- ✓ Mumbai refinery has installed VOC containment system for “Effluent Treatment plant” operations for Fugitive Emission control.
- ✓ Safety Management System Evaluation Report received from M/s DuPont; recommendations are under implementation.

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 358 MT of various hazardous waste materials. Also processed oily sludge of ~ 5248 m³ during the year.

B. Air Emission Control and Monitoring

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

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

Commissioned TGTUs in DHDS - SRU - Train III. Now all SRUs have TGT facilities and the reduction in SO₂ emissions

from 1.5-2.0 Tons/day to 0.2-0.3 Tons/day for each train is achievable with this upgradation.

C. Effluent Water Treatment and Control

Overall compliance to the MINAS (environment standards) has enhanced. Online connectivity of ETP-IV liquid effluent online analyzers was established to APPCB server.

Sewage Treatment Plants (STP) based on Constructed Wet Land Technology were commissioned for Administration Buildings Block-A (25 KLD) & Block-B (15 KLD).

D. Other Initiatives

- ✓ Consent for Operation (CFO) for SPM facility was renewed by APPCB with validity upto 30.06.2022.
- ✓ Front Level Safety Drive (FLSD) field audits carried out periodically.
- ✓ Safety Management System Evaluation Report received from M/s DuPont; recommendations are under implementation.
- ✓ Leak Detection and & Repair (LDAR) - Leak Detection and Repair (LDAR) program is in place for monitoring & controlling the hydrocarbon emission level.



Annexure to Directors' Report for the year 2017-18

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 of CSR, defines the ambit of CSR and brings uniformity in various operations and functionalities of the structure and its activities. During 2017-18, the Corporation spent ₹ 156.87 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, 2018:
 - i. Shri Ram Niwas Jain: Independent Director (Chairman, CSR and SD Committee)
 - ii. Shri G V Krishna: Independent Director (Member, CSR and SD Committee)
 - iii. Shri P. K. Joshi: Director - Human Resources (Member, CSR & SD Committee)
 - iv. Shri S Jeyakrishnan: Director - Marketing (Member, CSR & SD Committee)
 - v. Shri V. S. Shenoy: Director - Refineries (Member, CSR & SD Committee)
3. Average Net Profit of the company for last 3 financial years (2014-17) = ₹ 6,318.78 Crores
4. Prescribed CSR expenditure (2% of amount) = ₹ 126.38 Crores
5. Details of CSR activities/projects undertaken during the year:
 - a) Total amount to be spent for the financial year = ₹ 126.38 Crores
 - b) Amount un-spent, if any = Nil
 - c) Manner in which the amount spent during financial year, is detailed below:

Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise (₹ in Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2)Overheads (₹ in Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency *	
1	Community Development and Environment	Empowerment of Socially and Economically Backward groups	Local Area		7.10	7.10	7.10	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Andhra Pradesh	Visakhapatnam				
			Bihar	Purnia				
			Chandigarh	Chandigarh				
			Delhi	New Delhi				
			Gujarat	Banashkantha				
			Haryana	Faridabad				
			Jharkhand	Ranchi				
			Karnataka	Bengaluru Urban				
			Kerala	Ernakulam, Kasargod, Thiruvananthapuram				
			Madhya Pradesh	Jabalpur				
			Maharashtra	Aurangabad, Mumbai, Nagpur, Osmanabad, Pune, Ratnagiri, Sindhudurg				
			Tamil Nadu	Pudukottai				
			Telangana	Warangal				
			Uttar Pradesh	Firozabad, Lucknow, Sant Ravidas Nagar, Shravasti				
West Bengal	Kolkatta, South 24 Parganas, West Bardhaman							



Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise (₹ in Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2)Overheads (₹ in Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency *	
2	Skill Development for Marginalised	Imparting Employment Enhancing Vocation Skills	Local Area	13.38	13.38	13.38	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc	
			Andhra Pradesh					Ariova, Visakhapatnam
			Assam					Guwahati, Kamrup
			Bihar					Purnia
			Chattisgarh					Jashpur
			Delhi					New Delhi
			Gujarat					Vadodra
			Jammu and Kashmir					Baramulla, Srinagar
			Jharkhand					Dumka, Gumla, Simdega
			Karnataka					Bengaluru Urban
			Kerala					Kochi
			Madhya Pradesh					Chhindwara, Shivpuri
			Maharashtra					Mumbai, Pune
			Odisha					Bhubaneshwar, Sambalpur
			Rajasthan					Barmer
			Tamil Nadu					Kanchipuram
Telangana	Ranga Reddy							
Uttar Pradesh	Rae Bareilly							
Uttarakhand	Dehradun							
West Bengal	Purulia, Cooch-Bihar, South 24 Parganas,							
3	School Infrastructure and Amenities	Promoting Education	Local Area	19.02	19.02	19.02	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc	
			Andhra Pradesh					Visakhapatnam, East Godavari, Krishna, Nellore
			Arunachal Pradesh					Lower Dibang Valley
			Assam					Kokrajhar
			Chandigarh					Chandigarh
			Chattisgarh					Raipur
			Gujarat					Banaskantha, Gandhinagar, Kutch, Naramada, Patan, Sabarkantha, Surat, Tapi, Mehsana
			Haryana					Jhajjar, Palwal, Rohtak
			Jammu and Kashmir					Baramulla, Jammu, Rajouri, Srinagar, Samba
			Karnataka					Tumkur, Mangalore, Mysuru, Dharwad, Hassan, Dakshin Kannada.
			Kerala					Ernakulam, Idukki, Kannur, Kozhikode, Wayanad
			Maharashtra					Jalna, Mumbai, Nagpur, Nashik, Pune, Raigad, Sangli, Satara, Sindhudurg, Solapur
			Madhya Pradesh					Bhopal, Gwalior, Indore, Jabalpur, Katni, Sagar
			Odisha					Deogarh, Bhubaneshwar, Balasore, Bargarh
			Punjab					Bhatinda
			Rajasthan					Ajmer, Alwar, Pali, Barmer, Bharatpur, Jaipur, Jodhpur, Kota, Sawai Madhopur, Sirohi
Tamil Nadu	Chennai, Kanchipuram, Perambalur, Tanjore, Tirunelveli, Coimbatore, Ramanathapuram							
Telangana	Hyderabad, Jagtial, Nalgonda, Peddapalli, Karimnagar							
Uttar Pradesh	Kanpur, Lucknow							



Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise (₹ in Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2)Overheads (₹ in Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency *	
4	Scholarships for economically backward SC/ST/OBC/PWD Students in Local Areas of Operation Locations	Promoting Education	Local Area		7.48	7.48	7.48	Direct
			Andhra Pradesh	East Godavari, Visakhapatnam, Krishna				
			Gujarat	Aravalli, Panchmahal, Sabarkantha, Surat , Tapi				
			Haryana	Rewari				
			Karnataka	Mysuru				
			Madhya Pradesh	Bhopal				
			Maharashtra	Ahmednagar, Chandrapur, Dhule, Gondia, Jalgaon, Kolhapur, Mumbai, Nagpur, Nashik, Pune, Satara, Sindhudurg, Thane, Palghar				
			Rajasthan	Alwar				
			Tamil Nadu	Kanchipuram				
			Uttar Pradesh	Kanpur Dehat, Lucknow, Mathura				
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		15.24	15.24	15.24	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
			Andhra Pradesh	Visakhapatnam, East Godavari, Srikakulam				
			Bihar	Aurangabad, Bhojpur, East Champaran, Madhubani, Purnia, Vaishali, Bhagalpur, Gopalganj, Kaimur, Muzaffarpur, Nalanda, Patna, Siwan				
			Chandigarh	Chandigarh				
			Chattisgarh	Bilaspur, Mungeli, Kanker, Bastar				
			Delhi	New Delhi				
			Gujarat	Ahmedabad, Gandhinagar, Kheda, Kutch, Surat, Amreli, Bharuch, Jamnagar, Junagadh, Kheda, Morbi, Navsari, Rajkot, Vadodara, Valsad, Dwarka				
			Haryana	Faridabad, Hissar, Karnal, Rewari, Gurgaon, Jind				
			Jammu and Kashmir	Samba				
			Jharkhand	Gumla, Hazaribagh, Bokaro, Deoghar, Giridih				
			Karnataka	Bengaluru Urban, Bengaluru Rural, Hassan, Dakshin Kannada				
			Madhya Pradesh	Bhopal, Indore, Jabalpur, Jhabua, Sagar, Agar Malwa, Alirajpur, Dhar, Harda, Khargone, Mandsaur, Neemuch, Ratlam, Satna, Sehore, Ujjain, Shahdole				
			Maharashtra	Mumbai, Nashik, Raigad, Satara, Thane, Chandrapur, Gadchiroli				
			Odisha	Bhubaneswar, Deoghar, Balasore, Bargarh, Angul, Bhadrak, Cuttack, Ganjam, Jagatsinghpur, Jajpur, Jharsuguda, Kalahandi, Kandhamal, Kendrapara, Keonjhar, Khorda, Koraput, Nabrangpur, Mayurbhanj, Nayagarh, Puri, Sambalpur, Sundergarh				
			Punjab	Fazilka, Faridkot				
			Rajasthan	Barmer, Jaipur, Jodhpur, Kota, Nagaur, Pali, Sirohi, Udaipur, Banswara, Bhilwada, Bikaner, Boondi, Chittorgarh, Dungarpur, Jalore, Jaisalmer, Rajasmandh, Jhalawar, Ganganagar				



Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise (₹ in Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2)Overheads (₹ in Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency *
			Tamil Nadu Krishnagiri, Madurai, Thiruvallur				
			Telangana Hyderabad, Jagitial				
			Uttar Pradesh Allahabad, Ballia, Faizabad, Kanpur Dehat, Mathura, Meerut, Shravasti, Chandauli, Ghaziabad, Lalitpur, Jonpur, Varanasi, Ghazipur, Saharanpur, Auraiya, Gonda, Deoria, Azamgarh, Jhansi, Mahoba, Gorakhpur, Kanpur, Bulandshahr, Gautam Buddh Nagar				
			West Bengal Cooch Behar, Kolkata, Purulia, South 24 Paragnas, Bankura, Bardhaman, Birbhum, Hoogly, Howrah, Jalpaigiri, Murshidabad, Nadia, Panagarh, Purba Medinipur, Paschim Medinipur				
6	Promotion of Sports	Promotion of Nationally Recognised and Paralympic Sports	Local Area Maharashtra Mumbai, Solapur	1.06	1.06	1.06	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
7	Swachh Bharat Abhiyan	Swachh Bharat Abhiyan	Local Area Andhra Pradesh Chittoor, East Godavari, Krishna, Nellore, Visakhapatnam, West Godavari, Anantpur Bihar Begusarai, East Champaran, Madhubani, Purnia Chandigarh Chandigarh Delhi New Delhi Goa North Goa Gujarat Ahmedabad, Valsad, Rajkot Haryana Hissar, Karnal, Panchkula, Rewari Jammu and Kashmir Srinagar Jharkhand Ranchi Karnataka Chamrajnagar, Dakshin Kannada, Dharwad, Hassan, Mangalore, Mysuru, Tumkur, Bengaluru Urban Kerala Ernakulam, Kozhikode, Mallapuram Madhya Pradesh Bhopal, Indore, Jabalpur, Jhabua, Rajgarh, Sagar Maharashtra Aurangabad, Bhandara, Jalgaon, Mumbai, Nagpur, Nashik, Pune, Raigad, Solapur, Thane, Wardha Punjab Amritsar, Bhatinda, Ferozpur Rajasthan Ajmer, Barmer, Bikaner, Jaipur, Jodhpur, Kota, Nagaur Tamil Nadu Chennai, Krishnagiri, Madurai, Namakkal, Thiruvallur, Trinulveli Telangana Hyderabad, Nalgona, Suryapet, Yadadri Bhuvangiri Uttar Pradesh Allahabad, Ballia, Kanpur Dehat, Kaushambi, Lucknow, Mathura, Unnao Uttarakhand Dehradun West Bengal Kolkata, South 24 Paragnas	37.57	37.57	37.57	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc



Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken		Amount Outlay (Budget) project or programs wise (₹ in Crores)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2)Overheads (₹ in Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency *
8	Pradhan Mantri Ujjwala Yojana (LPG Connections to BPL families)	Environmental Sustainability	Pan India	Pan India	25.27	25.27	25.27	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc
9	Contribution to Armed Forces Flag Day Fund	Measures for benefit of armed force veterans, war widows and their dependents	Delhi	New Delhi	0.75	0.75	0.75	Direct
10	Corpus Contribution for Indian Institute of Petroleum and Energy	Promoting Education	Andhra Pradesh	Visakhapatnam	30.00	30.00	30.00	Direct
	Total				156.87	156.87	156.87	

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

- In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report – Not Applicable
- 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 2017-18, Your Corporation has adopted the CSR Policy approved by the Board of Directors which allocated a budget of ₹ 156.38 Crores. CSR activities were undertaken in line with the plans drawn through CSR Policy under the focus areas of Child care and Education, Health care, Skill Development, Sports and Environment and Community Development. 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 2017-18

ANNEXURE-IV

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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, 2018 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; 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 and Listing of Debts Securities) Regulations, 2008;
 - d) 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.
 - e) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.
- (vi) The Acts / Guidelines specifically applicable to the Company: (Based on the quarterly legal compliance report placed before the Board, the following laws are specifically applicable to the Company):
 - Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;
 - The Petroleum Act, 1934;



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

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

- a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India;
- b) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (i) The Corporation has complied with requirements of corporate governance as provided under Clause 17 of the SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance with the exception of appointment of Independent Directors to the extent of 50% of the total strength of the Board. 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.
- (ii) The Company has not made formal appointment of Internal Auditor. It is clarified that the Corporation has a separate internal audit department, who carries out internal audit, which is meeting the requirement specified.

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 exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous.

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

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

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

Sd/-

(U. C. SHUKLA)

Company Secretary
FCS: 2727/CP: 1654

Place: Mumbai
Date: 22nd May 2018



Annexure to Directors' Report for the year 2017-18

ANNEXURE-V

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L23201MH1952GOI008858
2.	Registration Date	05-07-1952
3.	Name of the Company	Hindustan Petroleum Corporation Limited
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	Petroleum House, 17, Jamshedji Tata Road, Churchgate, Mumbai – 400 020 Telephone No.: (022) 22863900 Fax No.: (022) 22872992 e-mail ID: corphqo@hpl.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. Unit: Hindustan Petroleum Corporation Limited, C 101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai – 400 083 Telephone No.: (022) 49186000 Fax No.: (022) 49186060 e-mail ID : mt.helpdesk@linkintime.co.in; Bonds.helpdesk@linkintime.co.in

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Motor Spirit (MS)	192	25.10 %
2	High Speed Diesel (HSD)	192	52.69 %
3	Liquefied Petroleum Gas (LPG)	192	10.15 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:

S. No.	Name and Address of the Company	CIN/GIN	Holding / Subsidiary/ Associate	% of Shares	Applicable Section
1	Oil and Natural Gas Corporation Limited Plot No. 5A – 5B, Nelson Mandela Road, Vasant Kunj, New Delhi – 110 070. Delhi	L74899DL1993GOI054155	Holding	51.11	2(46)



S. No.	Name and Address of the Company	CIN/GIN	Holding / Subsidiary/ Associate	% of Shares	Applicable Section
2	Prize Petroleum Co. Ltd. Jeevan Bharati Building, 11th Floor, Tower 1, 124, Connaught Place, Indira Chowk, New Delhi – 110 001 Delhi	U74899DL1998GOI096845	Subsidiary	100	2 (87)
3	HPCL Biofuels Ltd. House No.271, Road No.3E, Holding No. 437 & 438, Ward No. 22, New Patliputra Colony, Patna – 800 013 Bihar	U24290BR2009GOI014927	Subsidiary	100	2 (87)
4	HPCL Rajasthan Refinery Limited, Tel Bhawan, Sahkar Marg, Lal Kothi Vistar Jyoti Nagar, Jaipur - 302 005 Rajasthan	U23201RJ2013GOI043865	Subsidiary	74	2 (87)
5	HPCL Middle East FZCO 1 W 101, PO Box No. 54618, Dubai Airport Free Zone, Talwar, Dubai	Not Applicable	Subsidiary	100	2 (87)
6	HPCL Mittal Energy Ltd., Village Phulokhari Taluka Talwandi Saboo, Bhatinda - 151 301 Punjab	U23201PB2000PLC024126	Associate	48.99	2 (6)
7	Hindustan Colas Private Ltd., HINCOL House, B-601, 6th Floor, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai – 400 013. Maharashtra.	U23200MH1995PTC090671	Associate	50	2 (6)
8	South Asia LPG Company Pvt.Ltd., Varun Towers, 4th Floor, Varun Par Side, Kasturba Marg, Siripuram, Visakhapatnam – 530 003 Andhra Pradesh	U1110AP1999PTC032851	Associate	50	2 (6)
9	Mangalore Refinery and Petrochemicals Ltd. Mudapadav Kuthethur, P.O. Via Katipalla, Mangalore – 575 030 Karnataka.	L85110KA1988GOI008959	Joint Venture	16.96	2 (6)
10.	Petronet India Ltd., BPCL Sewree A/K Installation, Sewree Fort Road, Sewree East, Mumbai – 400 015 Maharashtra	U45203MH1997PLC108251	Joint Venture	16.00	2 (6)



S. No.	Name and Address of the Company	CIN/GIN	Holding / Subsidiary/ Associate	% of Shares	Applicable Section
11.	Petronet MHB Ltd., 332, 1st Floor, Darus Salam Building, Queen's Road, Bangalore – 560 052 Karnataka	U85110KA1998PLC024020	Associate	32.72	2 (6)
12.	Bhagyanagar Gas Ltd., Parishram Bhawan, Basheerbag, Hyderabad – 500 004 Telangana	U40200TG2003PLC041566	Associate	49.97	2 (6)
13.	Aavantika Gas Ltd., 202-B, 2nd Floor, NRK Business Park, Vijay Nagar Square, A.B. Road, Indore – 452 008 Madhya Pradesh	U40107MP2006PLC018684	Associate	49.98	2 (6)
14.	GSPL India Gasnet Ltd., GSPC Bhawan, B/H Udyog Bhavan, Sector 11, Gandhinagar – 382 011 Gujarat	U40200GJ2011SGC067449	Joint Venture	11	2 (6)
15.	GSPL India Transco Ltd., GSPC Bhawan, B/H Udyog Bhavan, Sector 11, Gandhinagar – 382 011 Gujarat	U40200GJ2011SGC067450	Joint Venture	11	2 (6)
16.	HPCL Shapoorji Energy Private Ltd., Venus Amadeus, 301-305, 3rd Floor, Jodhpur Cross Road, Satellite, Ahmedabad – 380 015 Gujrat.	U40101GJ2013PTC077228	Associate	50	2 (6)
17.	Mumbai Aviation Fuel Farm Facility Pvt.Ltd. Opp. ITC Maratha, Sahar Police Station, CSI Airport, Sahar, Andheri East, Mumbai – 400 099 Maharashtra	U63000MY2010PTC200463	Associate	25	2 (6)
18.	Godavari Gas Private Limited 69-4-4/1, Srinivasa Nagar, Pithapuram Road, H/O. Dr. Dilip, Opp. Boat Club, Kakinada – 533 003 Andhra Pradesh	U40300AP2016PTC104159	Associate	26	2 (6)
19.	Ratnagiri Refinery and Petrochemicals Limited, 2nd Floor, Commerce Centrrre, 78, Tardeo Road, Tardeo, Mumbai – 400 034 Maharashtra	U23200MH2017PLC300014	Associate	25	2(6)



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

A) Category-wise Share Holding

Sr No	Category of shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group										
[1] Indian										
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Government(s)	519230250	0	519230250	51.11	0	0	0	0.00	-51.11
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(1)	519230250	0	519230250	51.11	0	0	0	0.00	-51.11
[2] Foreign										
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	519230250	0	519230250	51.11	0	0	0	0.00	-51.11
(B) Public Shareholding										
[1] Institutions										
(a)	Mutual Funds / UTI	63520751	600	63521351	6.25	147054760	5175	147059935	9.65	3.39
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	485530	0	485530	0.03	0.03
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	171456726	6000	171462726	16.87	356468985	800	356469785	23.39	6.51
(f)	Financial Institutions / Banks	33783219	1350	33784569	3.32	49941440	3950	49945390	3.27	-0.04
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign Bank	450	0	450	0.00	675	0	675	0.00	0.00
	Sub Total (B)(1)	268761146	7950	268769096	26.45	553951390	9925	553961315	36.35	9.89
[2] Central Government/ State Government(s)/ President of India										
	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3] Non-Institutions										
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	57450428	3446595	60897023	5.99	66902700	4745815	71648515	4.70	-1.29
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	126260204	183150	126443354	12.44	34331315	294889	34626204	2.27	-10.17



Sr No	Category of shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Trusts	371279	1200	372479	0.03	1585749	0	1585749	0.10	0.06
	Market Maker	19208	0	19208	0.00	0	0	0	0.00	-0.00
	Hindu Undivided Family	395366	3150	398516	0.03	4036457	0	4036457	0.26	0.22
	Non Resident Indians (Non Repat)	1114687	16450	1131137	0.11	1422091	0	1422091	0.09	-0.01
	Non Resident Indians (Repat)	1684152	623250	2307402	0.22	2863596	902178	3765774	0.24	0.02
	Independent Director	0	0	0	0.00	0	0	0	0.00	0.00
	Office Bearers	0	590550	590550	0.05	0	806445	806445	0.05	-0.00
	Director / Relatives	4335	0	4335	0.00	6540	0	6540	0.00	0.00
	Overseas Bodies Corporates	300	0	300	0.00	450	0	450	0.00	0.00
	Clearing Member	3792136	0	3792136	0.37	1895764	0	1895764	0.12	-0.24
	Bodies Corporate	31908636	17328	31925964	3.14	849917909	25166	849943075	55.77	52.63
	IEPF	0	0	0	0.00	122306	0	122306	0.00	0.00
	Foreign Nationals	0	0	0	0.00	1940	0	1940	0.00	0.00
	Sub Total (B)(3)	223000731	4881673	227882404	22.43	963086817	6774493	969861310	63.64	41.21
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	491761877	4889623	496651500	48.88	1517038207	6784418	1523822625	100.00	51.11
	Total (A)+(B)	1010992127	4889623	1015881750	100.00	1517038207	6784418	1523822625	100.00	0.00
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0		
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0		
	Total (A)+(B)+(C)	1010992127	4889623	1015881750	100.00	1517038207	6784418	1523822625	100.00	

B) Shareholding of Promoter-

Sr 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 held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	President of India	519230250	51.11	0.00	0	0.00	0.00	-51.11
	Total	519230250	51.11	0.00	0	0.00	0.00	-51.11

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

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	President of India	519230250	51.11			519230250	51.11
	Bonus Allotment			28 Jul 2017	259615125	778845375	51.11
	Off Market – Sale of shares by GOI			31 Jan 2018	-778845375	0	0.00
	At the end of the Year					0	0.00



D) Shareholding Pattern of top ten Shareholders:

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

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	Oil And Natural Gas Corporation Limited	0	0.0000			0	0.0000
	Off Market – Purchase of shares from GOI			31 Jan 2018	778845375	778845375	51.1113
	At The End Of The Year					778845375	51.1113
2	Life Insurance Corporation Of India	22027465	2.1683			22027465	2.1683
	Bonus Allotment			28 Jul 2017	11013731	33041196	2.1683
	Market Purchase			10 Nov 2017	3500	33044696	2.1685
	Market Purchase			15 Dec 2017	3500	33048196	2.1688
	Market Purchase			05 Jan 2018	4500	33052696	2.1691
	At The End Of The Year					33052696	2.1691
3	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Frontline Equity Fund	12142608	1.1953			12142608	1.1953
	Market Purchase			07 Apr 2017	16800	12159408	1.1969
	Market Purchase			14 Apr 2017	490800	12650208	1.2452
	Market Purchase			21 Apr 2017	13000	12663208	1.2465
	Market Purchase			28 Apr 2017	343700	13006908	1.2804
	Market Sell			05 May 2017	-4200	13002708	1.2799
	Market Sell			12 May 2017	-794100	12208608	1.2018
	Market Sell			19 May 2017	-189021	12019587	1.1832
	Market Purchase			26 May 2017	97800	12117387	1.1928
	Market Sell			02 Jun 2017	-46400	12070987	1.1882
	Market Purchase			09 Jun 2017	107100	12178087	1.1988
	Market Purchase			16 Jun 2017	755350	12933437	1.2731
	Market Purchase			23 Jun 2017	509400	13442837	1.3233
	Market Purchase			30 Jun 2017	465000	13907837	1.3690
	Market Purchase			07 Jul 2017	357150	14264987	1.4042
	Market Purchase			14 Jul 2017	101375	14366362	1.4142
	Market Purchase			21 Jul 2017	872000	15238362	1.5000
	Bonus Allotment			28 Jul 2017	7589666	22828028	1.4981
	Market Purchase			04 Aug 2017	1229225	24057253	1.5787
	Market Purchase			11 Aug 2017	1087800	25145053	1.6501
	Market Sell			18 Aug 2017	-143000	25002053	1.6407
	Market Purchase			25 Aug 2017	86625	25088678	1.6464
	Market Purchase			01 Sep 2017	7875	25096553	1.6469
	Market Purchase			08 Sep 2017	244525	25341078	1.6630
	Market Sell			15 Sep 2017	-3125	25337953	1.6628
	Market Purchase			22 Sep 2017	309450	25647403	1.6831
	Market Purchase			29 Sep 2017	81900	25729303	1.6885
	Market Purchase			06 Oct 2017	1467039	27196342	1.7847
	Market Sell			13 Oct 2017	-172632	27023710	1.7734
	Market Purchase			20 Oct 2017	91350	27115060	1.7794



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Market Purchase			27 Oct 2017	224950	27340010	1.7942
	Market Purchase			03 Nov 2017	357500	27697510	1.8176
	Market Purchase			10 Nov 2017	26600	27724110	1.8194
	Market Sell			17 Nov 2017	-124226	27599884	1.8112
	Market Sell			24 Nov 2017	-110275	27489609	1.8040
	Market Sell			01 Dec 2017	-373275	27116334	1.7795
	Market Purchase			08 Dec 2017	799225	27915559	1.8319
	Market Purchase			15 Dec 2017	31150	27946709	1.8340
	Market Sell			22 Dec 2017	-150000	27796709	1.8241
	Market Sell			29 Dec 2017	-329175	27467534	1.8025
	Market Purchase			05 Jan 2018	500000	27967534	1.8354
	Market Sell			12 Jan 2018	-72000	27895534	1.8306
	Market Sell			19 Jan 2018	-628700	27266834	1.7894
	Market Sell			26 Jan 2018	-2946243	24320591	1.5960
	Market Sell			02 Feb 2018	-190825	24129766	1.5835
	Market Purchase			09 Feb 2018	1027150	25156916	1.6509
	Market Purchase			16 Feb 2018	1720683	26877599	1.7638
	Market Sell			23 Feb 2018	-439800	26437799	1.7350
	Market Sell			02 Mar 2018	-277246	26160553	1.7168
	Market Purchase			09 Mar 2018	491743	26652296	1.7490
	Market Purchase			16 Mar 2018	406000	27058296	1.7757
	Market Purchase			23 Mar 2018	53042	27111338	1.7792
	Market Sell			31 Mar 2018	-3159	27108179	1.7790
	At The End Of The Year					27108179	1.7790
4	SBI Blue Chip Fund	7576020	0.7458			7576020	0.7458
	Market Purchase			07 Apr 2017	110134	7686154	0.7566
	Market Purchase			14 Apr 2017	2	7686156	0.7566
	Market Purchase			21 Apr 2017	2	7686158	0.7566
	Market Purchase			28 Apr 2017	211107	7897265	0.7774
	Market Purchase			05 May 2017	298	7897563	0.7774
	Market Sell			12 May 2017	-90645	7806918	0.7685
	Market Sell			19 May 2017	-9030	7797888	0.7676
	Market Purchase			26 May 2017	407571	8205459	0.8077
	Market Purchase			02 Jun 2017	25281	8230740	0.8102
	Market Purchase			09 Jun 2017	317	8231057	0.8102
	Market Sell			23 Jun 2017	-133004	8098053	0.7971
	Market Sell			07 Jul 2017	-104986	7993067	0.7868
	Market Purchase			21 Jul 2017	410800	8403867	0.8272
	Bonus Allotment			28 Jul 2017	4081708	12485575	0.8194
	Market Purchase			04 Aug 2017	1001000	13486575	0.8850
	Market Purchase			18 Aug 2017	527024	14013599	0.9196
	Market Purchase			25 Aug 2017	255467	14269066	0.9364
	Market Purchase			01 Sep 2017	138215	14407281	0.9455
	Market Purchase			08 Sep 2017	3000	14410281	0.9457
	Market Purchase			15 Sep 2017	739000	15149281	0.9942
	Market Purchase			22 Sep 2017	49999	15199280	0.9974



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Market Purchase			29 Sep 2017	252976	15452256	1.0140
	Market Purchase			06 Oct 2017	5379975	20832231	1.3671
	Market Sell			13 Oct 2017	-341323	20490908	1.3447
	Market Purchase			20 Oct 2017	48200	20539108	1.3479
	Market Purchase			27 Oct 2017	46791	20585899	1.3509
	Market Purchase			03 Nov 2017	18193	20604092	1.3521
	Market Sell			10 Nov 2017	-124749	20479343	1.3439
	Market Purchase			17 Nov 2017	14558	20493901	1.3449
	Market Purchase			24 Nov 2017	90492	20584393	1.3508
	Market Sell			01 Dec 2017	-187836	20396557	1.3385
	Market Purchase			08 Dec 2017	260189	20656746	1.3556
	Market Purchase			15 Dec 2017	74410	20731156	1.3605
	Market Purchase			22 Dec 2017	54666	20785822	1.3641
	Market Purchase			29 Dec 2017	97879	20883701	1.3705
	Market Purchase			05 Jan 2018	69559	20953260	1.3750
	Market Sell			12 Jan 2018	-53568	20899692	1.3715
	Market Sell			19 Jan 2018	-40464	20859228	1.3689
	Market Sell			26 Jan 2018	-100388	20758840	1.3623
	Market Sell			02 Feb 2018	-45197	20713643	1.3593
	Market Purchase			09 Feb 2018	7803	20721446	1.3598
	Market Purchase			16 Feb 2018	200926	20922372	1.3730
	Market Sell			23 Feb 2018	-8371	20914001	1.3725
	Market Purchase			02 Mar 2018	127414	21041415	1.3808
	Market Purchase			09 Mar 2018	178181	21219596	1.3925
	Market Sell			16 Mar 2018	-2076	21217520	1.3924
	Market Sell			23 Mar 2018	-809341	20408179	1.3393
	Market Purchase			31 Mar 2018	186906	20595085	1.3515
	At The End Of The Year					20595085	1.3515
5	National Westminster Bank Plc As Trustee Of The Jupiter India Fund	9042651	0.8901			9042651	0.8901
	Market Purchase			21 Apr 2017	452000	9494651	0.9346
	Market Purchase			05 May 2017	705349	10200000	1.0041
	Market Purchase			02 Jun 2017	1144415	11344415	1.1167
	Bonus Allotment			28 Jul 2017	5672207	17016622	1.1167
	Market Purchase			04 Aug 2017	1050000	18066622	1.1856
	Market Purchase			11 Aug 2017	633378	18700000	1.2272
	Market Purchase			09 Feb 2018	167886	18867886	1.2382
	At The End Of The Year					18867886	1.2382
6	Stichting Depository Apg Emerging Markets Equity Pool	14687310	1.4458			14687310	1.4458
	Market Purchase			14 Apr 2017	246802	14934112	1.4701
	Market Purchase			21 Apr 2017	548499	15482611	1.5241
	Market Purchase			28 Apr 2017	99730	15582341	1.5339
	Market Sell			12 May 2017	-52606	15529735	1.5287



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Market Purchase			19 May 2017	364316	15894051	1.5646
	Market Purchase			26 May 2017	122336	16016387	1.5766
	Market Sell			02 Jun 2017	-116204	15900183	1.5652
	Market Sell			09 Jun 2017	-384484	15515699	1.5273
	Market Purchase			16 Jun 2017	10457	15526156	1.5283
	Market Sell			23 Jun 2017	-317559	15208597	1.4971
	Market Sell			30 Jun 2017	-321037	14887560	1.4655
	Market Sell			07 Jul 2017	-163444	14724116	1.4494
	Market Sell			14 Jul 2017	-618899	14105217	1.3885
	Market Sell			21 Jul 2017	-316684	13788533	1.3573
	Bonus Allotment			28 Jul 2017	6347963	20136496	1.3214
	Market Purchase			04 Aug 2017	74685	20211181	1.3263
	Market Sell			11 Aug 2017	-698331	19512850	1.2805
	Market Sell			18 Aug 2017	-912732	18600118	1.2206
	Market Purchase			01 Sep 2017	63052	18663170	1.2248
	Market Sell			08 Sep 2017	-174348	18488822	1.2133
	Market Sell			22 Sep 2017	-25734	18463088	1.2116
	Market Sell			06 Oct 2017	-58203	18404885	1.2078
	Market Sell			13 Oct 2017	-210739	18194146	1.1940
	Market Sell			20 Oct 2017	-30570	18163576	1.1920
	Market Sell			27 Oct 2017	-108814	18054762	1.1848
	Market Sell			03 Nov 2017	-551739	17503023	1.1486
	Market Sell			17 Nov 2017	-56132	17446891	1.1449
	Market Sell			24 Nov 2017	-218919	17227972	1.1306
	Market Sell			01 Dec 2017	-173397	17054575	1.1192
	Market Sell			08 Dec 2017	-483422	16571153	1.0875
	Market Sell			22 Dec 2017	-202514	16368639	1.0742
	Market Purchase			02 Feb 2018	475338	16843977	1.1054
	Market Purchase			09 Feb 2018	170000	17013977	1.1165
	Market Purchase			16 Feb 2018	168251	17182228	1.1276
	Market Purchase			23 Feb 2018	207105	17389333	1.1412
	Market Purchase			09 Mar 2018	350863	17740196	1.1642
	Market Purchase			23 Mar 2018	81371	17821567	1.1695
	At The End Of The Year					17821567	1.1695
7	Motilal Oswal Most Focused Multicap 35 Fund	6263601	0.6166			6263601	0.6166
	Market Purchase			21 Apr 2017	91703	6355304	0.6256
	Market Sell			05 May 2017	-100000	6255304	0.6158
	Market Sell			26 May 2017	-188750	6066554	0.5972
	Market Purchase			02 Jun 2017	626059	6692613	0.6588
	Market Purchase			09 Jun 2017	90668	6783281	0.6677
	Market Purchase			16 Jun 2017	100000	6883281	0.6776
	Market Purchase			23 Jun 2017	103800	6987081	0.6878
	Market Purchase			14 Jul 2017	460000	7447081	0.7331
	Market Purchase			21 Jul 2017	300000	7747081	0.7626



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Bonus Allotment			28 Jul 2017	3473540	11220621	0.7363
	Market Purchase			04 Aug 2017	1500000	12720621	0.8348
	Market Purchase			11 Aug 2017	930210	13650831	0.8958
	Market Purchase			18 Aug 2017	346433	13997264	0.9186
	Market Purchase			25 Aug 2017	356867	14354131	0.9420
	Market Purchase			01 Sep 2017	139607	14493738	0.9511
	Market Purchase			08 Sep 2017	419187	14912925	0.9787
	Market Purchase			15 Sep 2017	214435	15127360	0.9927
	Market Purchase			06 Oct 2017	223190	15350550	1.0074
	Market Purchase			13 Oct 2017	153248	15503798	1.0174
	Market Purchase			27 Oct 2017	318000	15821798	1.0383
	Market Sell			03 Nov 2017	-93	15821705	1.0383
	Market Purchase			08 Dec 2017	190000	16011705	1.0508
	Market Purchase			22 Dec 2017	9035	16020740	1.0514
	Market Purchase			12 Jan 2018	118048	16138788	1.0591
	Market Purchase			19 Jan 2018	33581	16172369	1.0613
	Market Purchase			09 Feb 2018	171707	16344076	1.0726
	Market Purchase			16 Feb 2018	407722	16751798	1.0993
	Market Purchase			23 Feb 2018	85889	16837687	1.1050
	Market Purchase			16 Mar 2018	68665	16906352	1.1095
	At The End Of The Year					16906352	1.1095
8	DSP Blackrock Equity Opportunities Fund	8889477	0.8751			8889477	0.8751
	Market Sell			07 Apr 2017	-63918	8825559	0.8688
	Market Purchase			14 Apr 2017	17475	8843034	0.8705
	Market Purchase			21 Apr 2017	52948	8895982	0.8757
	Market Purchase			28 Apr 2017	84000	8979982	0.8840
	Market Purchase			05 May 2017	320666	9300648	0.9155
	Market Sell			12 May 2017	-99700	9200948	0.9057
	Market Sell			19 May 2017	-185794	9015154	0.8874
	Market Sell			26 May 2017	-710145	8305009	0.8175
	Market Purchase			02 Jun 2017	78527	8383536	0.8252
	Market Sell			09 Jun 2017	-88778	8294758	0.8165
	Market Sell			16 Jun 2017	-5955	8288803	0.8159
	Market Purchase			23 Jun 2017	21055	8309858	0.8180
	Market Purchase			30 Jun 2017	92971	8402829	0.8271
	Market Purchase			07 Jul 2017	152606	8555435	0.8422
	Market Sell			21 Jul 2017	-360581	8194854	0.8067
	Bonus Allotment			28 Jul 2017	4255664	12450518	0.8171
	Market Purchase			04 Aug 2017	58630	12509148	0.8209
	Market Purchase			11 Aug 2017	406897	12916045	0.8476
	Market Purchase			25 Aug 2017	12235	12928280	0.8484
	Market Purchase			01 Sep 2017	36876	12965156	0.8508
	Market Purchase			08 Sep 2017	120030	13085186	0.8587
	Market Purchase			15 Sep 2017	164461	13249647	0.8695



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Market Sell			22 Sep 2017	-6432	13243215	0.8691
	Market Purchase			29 Sep 2017	119263	13362478	0.8769
	Market Purchase			06 Oct 2017	575699	13938177	0.9147
	Market Sell			20 Oct 2017	-7238	13930939	0.9142
	Market Purchase			27 Oct 2017	64451	13995390	0.9184
	Market Sell			03 Nov 2017	-143936	13851454	0.9090
	Market Purchase			10 Nov 2017	174536	14025990	0.9204
	Market Sell			17 Nov 2017	-29314	13996676	0.9185
	Market Purchase			24 Nov 2017	135964	14132640	0.9274
	Market Purchase			01 Dec 2017	480767	14613407	0.9590
	Market Purchase			08 Dec 2017	1251298	15864705	1.0411
	Market Purchase			15 Dec 2017	402355	16267060	1.0675
	Market Purchase			22 Dec 2017	301546	16568606	1.0873
	Market Purchase			29 Dec 2017	470771	17039377	1.1182
	Market Sell			05 Jan 2018	-337880	16701497	1.0960
	Market Sell			12 Jan 2018	-54950	16646547	1.0924
	Market Purchase			19 Jan 2018	524832	17171379	1.1269
	Market Sell			26 Jan 2018	-43354	17128025	1.1240
	Market Sell			02 Feb 2018	-298965	16829060	1.1044
	Market Purchase			09 Feb 2018	281994	17111054	1.1229
	Market Sell			16 Feb 2018	-487	17110567	1.1229
	Market Sell			23 Feb 2018	-265795	16844772	1.1054
	Market Sell			02 Mar 2018	-105289	16739483	1.0985
	Market Purchase			16 Mar 2018	3860	16743343	1.0988
	Market Sell			23 Mar 2018	-261362	16481981	1.0816
	Market Sell			31 Mar 2018	-499960	15982021	1.0488
	At The End Of The Year					15982021	1.0488
9	Government Of Singapore	10923071	1.0752			10923071	1.0752
	Market Sell			07 Apr 2017	-505873	10417198	1.0254
	Market Purchase			14 Apr 2017	37335	10454533	1.0291
	Market Purchase			21 Apr 2017	143234	10597767	1.0432
	Market Sell			28 Apr 2017	-1888	10595879	1.0430
	Market Sell			05 May 2017	-101362	10494517	1.0330
	Market Purchase			12 May 2017	44225	10538742	1.0374
	Market Sell			26 May 2017	-419059	10119683	0.9961
	Market Sell			02 Jun 2017	-123679	9996004	0.9840
	Market Purchase			09 Jun 2017	19594	10015598	0.9859
	Market Purchase			16 Jun 2017	2684	10018282	0.9862
	Market Sell			23 Jun 2017	-4559	10013723	0.9857
	Market Purchase			07 Jul 2017	49641	10063364	0.9906
	Market Purchase			14 Jul 2017	34587	10097951	0.9940
	Bonus Allotment			28 Jul 2017	5048975	15146926	0.9940
	Market Sell			04 Aug 2017	-37150	15109776	0.9916
	Market Sell			18 Aug 2017	-6155	15103621	0.9912
	Market Purchase			01 Sep 2017	678928	15782549	1.0357
	Market Sell			08 Sep 2017	-331480	15451069	1.0140



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Market Sell			15 Sep 2017	-37309	15413760	1.0115
	Market Purchase			06 Oct 2017	44589	15458349	1.0144
	Market Purchase			20 Oct 2017	4093	15462442	1.0147
	Market Purchase			03 Nov 2017	73573	15536015	1.0195
	Market Sell			10 Nov 2017	-45996	15490019	1.0165
	Market Sell			17 Nov 2017	-4763	15485256	1.0162
	Market Sell			01 Dec 2017	-268868	15216388	0.9986
	Market Sell			08 Dec 2017	-197107	15019281	0.9856
	Market Purchase			05 Jan 2018	213447	15232728	0.9996
	Market Purchase			12 Jan 2018	79407	15312135	1.0049
	Market Purchase			19 Jan 2018	174601	15486736	1.0163
	Market Purchase			26 Jan 2018	114663	15601399	1.0238
	Market Purchase			02 Feb 2018	45612	15647011	1.0268
	Market Sell			09 Feb 2018	-19144	15627867	1.0256
	Market Sell			16 Feb 2018	-19982	15607885	1.0243
	Market Sell			23 Feb 2018	-31990	15575895	1.0222
	Market Sell			02 Mar 2018	-212626	15363269	1.0082
	Market Sell			09 Mar 2018	-157581	15205688	0.9979
	Market Purchase			16 Mar 2018	54465	15260153	1.0014
	Market Purchase			31 Mar 2018	67805	15327958	1.0059
	At The End Of The Year					15327958	1.0059
10	HDFC Trustee Company Limited A/C Hdfc Balanced Fund	6318400	0.6220			6318400	0.6220
	Market Purchase			07 Apr 2017	289800	6608200	0.6505
	Market Purchase			14 Apr 2017	180600	6788800	0.6683
	Market Purchase			21 Apr 2017	102900	6891700	0.6784
	Market Purchase			28 Apr 2017	275100	7166800	0.7055
	Market Purchase			05 May 2017	383250	7550050	0.7432
	Market Purchase			12 May 2017	58800	7608850	0.7490
	Market Purchase			19 May 2017	10500	7619350	0.7500
	Market Purchase			26 May 2017	574150	8193500	0.8065
	Market Purchase			02 Jun 2017	611600	8805100	0.8667
	Market Sell			16 Jun 2017	-21000	8784100	0.8647
	Market Purchase			23 Jun 2017	1164750	9948850	0.9793
	Market Sell			30 Jun 2017	-1010100	8938750	0.8799
	Market Sell			07 Jul 2017	-48300	8890450	0.8751
	Market Sell			14 Jul 2017	-123425	8767025	0.8630
	Bonus Allotment			28 Jul 2017	4439450	13206475	0.8667
	Market Sell			04 Aug 2017	-333900	12872575	0.8448
	Market Sell			11 Aug 2017	-846493	12026082	0.7892
	Market Sell			18 Aug 2017	-152750	11873332	0.7792
	Market Purchase			25 Aug 2017	1575	11874907	0.7793
	Market Purchase			08 Sep 2017	149625	12024532	0.7891
	Market Purchase			15 Sep 2017	51975	12076507	0.7925
	Market Sell			22 Sep 2017	-593200	11483307	0.7536



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Market Sell			29 Sep 2017	-176375	11306932	0.7420
	Market Sell			06 Oct 2017	-175796	11131136	0.7305
	Market Purchase			13 Oct 2017	107	11131243	0.7305
	Market Sell			20 Oct 2017	-223507	10907736	0.7158
	Market Purchase			27 Oct 2017	132	10907868	0.7158
	Market Purchase			03 Nov 2017	20003	10927871	0.7171
	Market Purchase			10 Nov 2017	202647	11130518	0.7304
	Market Purchase			17 Nov 2017	128786	11259304	0.7389
	Market Purchase			24 Nov 2017	74257	11333561	0.7438
	Market Sell			01 Dec 2017	-3057	11330504	0.7436
	Market Purchase			08 Dec 2017	29553	11360057	0.7455
	Market Purchase			15 Dec 2017	560854	11920911	0.7823
	Market Purchase			22 Dec 2017	1000000	12920911	0.8479
	Market Sell			29 Dec 2017	-325547	12595364	0.8266
	Market Purchase			05 Jan 2018	299865	12895229	0.8462
	Market Purchase			12 Jan 2018	1087	12896316	0.8463
	Market Purchase			19 Jan 2018	415	12896731	0.8463
	Market Sell			26 Jan 2018	-500012	12396719	0.8135
	Market Purchase			02 Feb 2018	378662	12775381	0.8384
	Market Purchase			09 Feb 2018	57	12775438	0.8384
	Market Sell			16 Feb 2018	-1099	12774339	0.8383
	Market Purchase			23 Feb 2018	120632	12894971	0.8462
	Market Purchase			02 Mar 2018	1098	12896069	0.8463
	Market Purchase			09 Mar 2018	829	12896898	0.8464
	Market Purchase			16 Mar 2018	1813	12898711	0.8465
	Market Purchase			23 Mar 2018	779	12899490	0.8465
	Market Purchase			31 Mar 2018	113904	13013394	0.8540
	At The End Of The Year					13013394	0.8540
11	ICICI Prudential Balanced Advantage Fund	4511089	0.4441			4511089	0.4441
	Market Purchase			07 Apr 2017	113947	4625036	0.4553
	Market Purchase			14 Apr 2017	282776	4907812	0.4831
	Market Purchase			21 Apr 2017	898110	5805922	0.5715
	Market Purchase			28 Apr 2017	706073	6511995	0.6410
	Market Purchase			05 May 2017	967318	7479313	0.7362
	Market Purchase			12 May 2017	127856	7607169	0.7488
	Market Purchase			19 May 2017	501975	8109144	0.7982
	Market Purchase			26 May 2017	1167747	9276891	0.9132
	Market Sell			02 Jun 2017	-834172	8442719	0.8311
	Market Sell			09 Jun 2017	-368131	8074588	0.7948
	Market Sell			16 Jun 2017	-1435296	6639292	0.6535
	Market Sell			23 Jun 2017	-954317	5684975	0.5596
	Market Purchase			30 Jun 2017	71760	5756735	0.5667
	Market Sell			07 Jul 2017	-132753	5623982	0.5536
	Market Sell			14 Jul 2017	-1281362	4342620	0.4275



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Market Purchase			21 Jul 2017	585232	4927852	0.4851
	Bonus Allotment			28 Jul 2017	3138756	8066608	0.5294
	Market Sell			04 Aug 2017	-1852986	6213622	0.4078
	Market Sell			11 Aug 2017	-548508	5665114	0.3718
	Market Sell			18 Aug 2017	-406680	5258434	0.3451
	Market Sell			25 Aug 2017	-906922	4351512	0.2856
	Market Sell			01 Sep 2017	-580177	3771335	0.2475
	Market Sell			08 Sep 2017	-169299	3602036	0.2364
	Market Sell			15 Sep 2017	-602923	2999113	0.1968
	Market Purchase			22 Sep 2017	130565	3129678	0.2054
	Market Purchase			29 Sep 2017	3552	3133230	0.2056
	Market Sell			06 Oct 2017	-127039	3006191	0.1973
	Market Purchase			13 Oct 2017	1041	3007232	0.1973
	Market Purchase			20 Oct 2017	792	3008024	0.1974
	Market Sell			27 Oct 2017	-96077	2911947	0.1911
	Market Sell			03 Nov 2017	-1376	2910571	0.1910
	Market Purchase			10 Nov 2017	729307	3639878	0.2389
	Market Purchase			17 Nov 2017	1648729	5288607	0.3471
	Market Purchase			24 Nov 2017	333178	5621785	0.3689
	Market Purchase			01 Dec 2017	84949	5706734	0.3745
	Market Purchase			08 Dec 2017	713719	6420453	0.4213
	Market Sell			15 Dec 2017	-122223	6298230	0.4133
	Market Sell			22 Dec 2017	-829668	5468562	0.3589
	Market Sell			29 Dec 2017	-188899	5279663	0.3465
	Market Purchase			05 Jan 2018	40363	5320026	0.3491
	Market Purchase			12 Jan 2018	1259673	6579699	0.4318
	Market Purchase			19 Jan 2018	1453488	8033187	0.5272
	Market Sell			26 Jan 2018	-85047	7948140	0.5216
	Market Purchase			02 Feb 2018	6037607	13985747	0.9178
	Market Purchase			09 Feb 2018	8553	13994300	0.9184
	Market Purchase			16 Feb 2018	3030	13997330	0.9186
	Market Sell			23 Feb 2018	-145017	13852313	0.9091
	Market Sell			02 Mar 2018	-2109	13850204	0.9089
	Market Purchase			09 Mar 2018	2582	13852786	0.9091
	Market Sell			16 Mar 2018	-1654434	12198352	0.8005
	Market Purchase			23 Mar 2018	1743	12200095	0.8006
	Market Purchase			31 Mar 2018	1626	12201721	0.8007
	At The End Of The Year					12201721	0.8007
12	HDFC Standard Life Insurance Company Limited			7570150	0.7452	7570150	0.7452
	Market Sell			07 Apr 2017	-82786	7487364	0.7370
	Market Sell			14 Apr 2017	-9490	7477874	0.7361
	Market Sell			21 Apr 2017	-555395	6922479	0.6814
	Market Sell			28 Apr 2017	-423102	6499377	0.6398
	Market Sell			05 May 2017	-130000	6369377	0.6270



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Market Purchase			12 May 2017	1000	6370377	0.6271
	Market Sell			19 May 2017	-1950	6368427	0.6269
	Market Purchase			26 May 2017	79804	6448231	0.6347
	Market Sell			02 Jun 2017	-30190	6418041	0.6318
	Market Sell			09 Jun 2017	-16269	6401772	0.6302
	Market Sell			30 Jun 2017	-10882	6390890	0.6291
	Market Sell			07 Jul 2017	-100000	6290890	0.6193
	Market Sell			14 Jul 2017	-1137	6289753	0.6191
	Market Sell			21 Jul 2017	-45907	6243846	0.6146
	Bonus Allotment			28 Jul 2017	3148510	9392356	0.6164
	Market Purchase			04 Aug 2017	100146	9492502	0.6229
	Market Sell			11 Aug 2017	-173311	9319191	0.6116
	Market Purchase			25 Aug 2017	13050	9332241	0.6124
	Market Sell			01 Sep 2017	-46776	9285465	0.6094
	Market Purchase			08 Sep 2017	40601	9326066	0.6120
	Market Sell			15 Sep 2017	-28900	9297166	0.6101
	Market Sell			22 Sep 2017	-43646	9253520	0.6073
	Market Purchase			29 Sep 2017	114849	9368369	0.6148
	Market Purchase			06 Oct 2017	8483	9376852	0.6154
	Market Purchase			13 Oct 2017	994355	10371207	0.6806
	Market Sell			20 Oct 2017	-90313	10280894	0.6747
	Market Sell			27 Oct 2017	-493936	9786958	0.6423
	Market Sell			03 Nov 2017	-4963	9781995	0.6419
	Market Sell			10 Nov 2017	-102000	9679995	0.6352
	Market Purchase			17 Nov 2017	2323	9682318	0.6354
	Market Purchase			24 Nov 2017	13075	9695393	0.6363
	Market Sell			01 Dec 2017	-100117	9595276	0.6297
	Market Purchase			08 Dec 2017	75293	9670569	0.6346
	Market Purchase			15 Dec 2017	10716	9681285	0.6353
	Market Sell			22 Dec 2017	-747	9680538	0.6353
	Market Sell			29 Dec 2017	-52721	9627817	0.6318
	Market Purchase			05 Jan 2018	33145	9660962	0.6340
	Market Purchase			12 Jan 2018	68954	9729916	0.6385
	Market Sell			19 Jan 2018	-16552	9713364	0.6374
	Market Purchase			26 Jan 2018	149560	9862924	0.6472
	Market Purchase			02 Feb 2018	115095	9978019	0.6548
	Market Sell			09 Feb 2018	-71789	9906230	0.6501
	Market Sell			16 Feb 2018	-22651	9883579	0.6486
	Market Sell			23 Feb 2018	-18423	9865156	0.6474
	Market Sell			02 Mar 2018	-9958	9855198	0.6467
	Market Purchase			09 Mar 2018	48752	9903950	0.6499
	Market Sell			16 Mar 2018	-29984	9873966	0.6480
	Market Purchase			23 Mar 2018	36902	9910868	0.6504
	Market Purchase			31 Mar 2018	51050	9961918	0.6537
	At The End Of The Year					9961918	0.6537



E) Shareholding of Directors and Key Managerial Personnel:

S. No.	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	360	0.00	540	0.00
2	Pushp Kumar Joshi	1,800	0.00	2,700	0.00
3	J. Ramaswamy	150	0.00	225	0.00
4	S Jeyakrishnan	750	0.00	1,125	0.00
5	Shrikant Madhukar Bhosekar	1,275	0.00	1,950	0.00
	Total	4,335	0.00	6,540	0.00

V) INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In ₹ Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,489.99	16,759.72	-	21,249.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.45	16.41	-	20.86
Total (i+ii+iii)	4,494.44	16,776.12	-	21,270.57
Change in Indebtedness during the financial year				
* Addition	3,931.52	23,845.10	-	27,776.62
* Reduction	4,301.93	23,731.69	-	28,033.62
Net Change	(370.41)	113.41	-	(257.00)
Indebtedness at the end of the financial year				
i) Principal Amount	4,119.59	16,873.13	-	20,992.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	41.95	-	41.95
Total (i+ii+iii)	4,119.59	16,915.08	-	21,034.67



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of the Directors including Chairman & Managing Director					Total Amount
		Mukesh Kumar Surana	Pushp Kumar Joshi	J. Ramaswamy	S Jeyakrishnan	Vinod S Shenoy	
1	Gross salary	69.88	64.93	62.13	54.65	49.10	300.70
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.37	56.04	53.74	46.46	48.67	265.29
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.51	8.89	8.39	8.19	0.43	35.41
	(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 Perquisite Tax, Company Contribution to PF, Superannuation Rebate upto ₹1 lac)	9.02	8.75	8.57	7.60	5.99	39.93
	Total (A)	78.90	73.68	70.70	62.25	55.09	340.63
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to other directors

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Ram Niwas Jain	Asifa Khan	G V Krishna	Trilok Nath Singh	Amar Sinha*	
1	Independent Directors						
	Fee for attending board committee meetings	4.80	4.80	3.60	4.00	2.80	22.10
	Commission	-	-	-	-	-	-
	Others, please specify (Fees for attending Board Sub Committee Meetings)	7.80	3.00	4.80	3.90	0.30	20.10
	Total (1)	12.60	7.80	8.40	7.90	3.10	42.20
2	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	12.60	7.80	8.40	7.90	3.10	42.20
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Appointed as Independent Directors with effect from 21.09.2017



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

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary	-	57.39	-	57.39
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	56.21	-	56.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1.18	-	1.18
	(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	-	6.06	-	6.06
	Total	-	63.45	-	63.45

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 2017-18

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.	Oil & Natural Gas Corporation Ltd. (ONGC)*	Holding Company	Purchase of Goods	2017-18	Purchase of Crude Oil and other Petroleum Products from ONGC	3,346.61		Nil
2.	Petronet MHB Ltd. (PMHBL)	Joint Venture	Receiving of Service	2017-18	Freight Charges paid for pipeline services provided by PMHBL	51.68		Nil
3.	South Asia LPG Co. Pvt. Ltd. (SALPG)	Joint Venture	Receiving of Service	2017-18	Terminaling Charges paid for storage services provided by SALPG	119.97		Nil
4.	Hindustan Colas Pvt Ltd. (HINCOL)	Joint Venture	Sale of Goods	2017-18	Sale of Bitumen to HINCOL	324.37		Nil
5.	HPCL Mittal Energy Ltd. (HMEL)	Joint Venture	Purchase of Goods	2017-18	Purchase of Petroleum Products from HMEL	24,443.09		Nil
6.	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	Associate	Purchase of Goods	2017-18	Purchase of Petroleum Products from MRPL	14,033.88		Nil
7.	ONGC Mangalore Petrochemicals Ltd. (OMPL)*	Fellow Subsidiary	Sales of Petroleum Products	2017-18	Sale of Petroleum Products to OMPL	138.32		Nil

(*On January 31, 2018, Oil and Natural Gas Corporation Ltd, (ONGC) acquired 51.11% stake in paid up equity capital of Hindustan Petroleum Corporation Ltd (HPCL) from Govt. of India. OMPL is subsidiary of ONGC. Transactions reported are from 31st Jan 2018 to 31st March 2018)

For and on behalf of the Board of Directors

Sd/-
Mukesh Kumar Surana
 Chairman & Managing Director

Date : 22nd May, 2018

Place: New Delhi



Management Discussion & Analysis Report 2017-18

A. DEVELOPMENTS IN THE INDIAN ECONOMY AND PETROLEUM SECTOR

India remains one of the fastest growing economies in the world. Growth remained steadfast in 2017-18 with GDP growth of 6.7% as per provisional estimates released by Central Statistics Office (CSO). Growth in services sector, which constitutes 54% of the economy, was 7.9% while agriculture and industry grew at 3.4% and 5.5% respectively. Momentum picked up over the year in 2017-18 with GDP registering a growth of 7.7% in the fourth quarter of 2017-18 on the back of rapid growth in agriculture (4.5%), manufacturing (9.1%) and construction (11.5%) sectors. Consumption, both private and government, continues to be mainstay of growth. Investment appears to be picking up. Gross Fixed Capital Formation (GFCF) grew at 14.4% in the fourth quarter compared with 9%, 6%, 1% in the third, second and first quarter of 2017-18 respectively. Also, the Index of Industrial Production (IIP) for capital goods turned positive from August 2017. Inflation remained moderate during the year with Consumer Price Index (CPI) declining to a five-year low of 3.6% in 2017-18.

During 2017-18, petroleum product consumption in the country increased by more than 10 Million Metric Tonnes (MMT) to reach about 205 MMT and registered a growth of 5.3%. The growth in petroleum product consumption was driven by increased consumption in transportation and residential sectors. Increase in per capita income and consequent rise in vehicle ownership along with increased LPG penetration translated into higher consumption for transportation and cooking fuels which accounted for almost 90% of incremental consumption over the previous year. With a robust growth of 6.6% over 2016-17, Diesel accounted for almost half of the incremental consumption of petroleum products. Petrol consumption increased with a double digit growth rate of 10.1% over previous year. Strong sales growth of passenger cars and utility vehicles during 2017-18 was key demand driver for Petrol and Diesel. Growth in LPG consumption was 8% over 2016-17 and was spurred by implementation of various schemes initiated by Government of India to increase LPG penetration in the country. Aviation Turbine Fuel (ATF) consumption grew by 8.9% over previous year on the back of high growth in domestic passenger traffic which was propelled by various initiatives undertaken by the Government of India for improving aviation infrastructure and air connectivity. Petroleum coke consumption, which had seen over 20% growth in last few years, increased at a

lower rate of about 9.3% due to restricted consumption on account of environmental regulations. Kerosene recorded its largest decline in consumption with a de-growth of 28.8% over 2016-17 mainly due to increased substitution by LPG and voluntary surrender of Kerosene quota by some states. Fuel oil consumption declined with a degrowth of over 5% mainly due to decreased consumption in steel and general trade sectors and regulatory restriction on consumption in some states. Bitumen consumption increased by 1.2% over 2016-17 mainly due to increase in road network expansion activities.

B. PERFORMANCE PROFILE

For the year 2017-18, HPCL has achieved its highest ever Profit After Tax (PAT) of ₹ 6,357 crore resulting in earnings per share of ₹ 41.72.

The Board, in the meeting held on 9th February, 2018 has declared an interim dividend of ₹ 14.50 per share for 2017-18. Further, the Board of Directors have proposed a final dividend of ₹ 2.50 per share for 2017-18 which combined with the interim dividend totalled to a dividend of ₹ 17 per share for the year 2017-18.

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

Instrument	Rating Agency	Rating	Outlook	Remark
International Long Term Rating / USD Bond rating	Moody's	Baa2	Stable	At par with India's sovereign rating
International Long Term Rating / USD Bond rating	Fitch	BBB-	Stable	At par with India's sovereign rating
Long Term Debt	CRISIL	AAA	Stable	Highest rating grade by CRISIL
Long Term Debt	India Ratings	Ind AAA	Stable	Highest rating grade by India Ratings
Long Term Debt	ICRA	AAA	Stable	Highest rating grade by ICRA

GROSS SALES

The Gross Sales of the Corporation (inclusive of excise duty) for the year ended 31st March, 2018 was ₹ 2,43,227 crore as compared to ₹ 2,13,489 crore in the previous year. The total sale of products (including exports) for the year 2017-18



was 36.87 MMT as against 35.22 MMT during 2016-17.

PROFIT BEFORE TAX

The Corporation has earned a Profit before Tax of ₹ 9,202 crore in 2017-18 as compared to ₹ 9,021 crore in 2016-17.

PROVISION FOR TAXATION

An amount of ₹ 2,845 crore has been provided towards income tax for 2017-18 as against ₹ 2,812 crore provided during 2016-17.

PROFIT AFTER TAX

The Corporation has earned a Profit After Tax of ₹ 6,357 crore during the 2017-18 as compared to ₹ 6,209 crore in 2016-17.

DEPRECIATION AND AMORTISATION

Depreciation for the year 2017-18 was ₹ 2,753 crore as against ₹ 2,535 crore for the year 2016-17.

BORROWINGS

The Borrowings of the Corporation were ₹ 20,991 crore as on 31st March, 2018 as compared to ₹ 21,250 crore as on 31st March, 2017. Borrowings during the year were mainly met through short term foreign currency loans, collateralized borrowing and lending obligations, commercial paper and other short term rupee loans. Foreign currency loans continued to form substantial portion of borrowings. The long term debt to equity ratio stands at 0.4:1 as on 31st March, 2018 as against 0.51:1 as on 31st March, 2017 and on overall borrowing basis (long term and short term) the debt to equity ratio stands at 0.88:1 as on 31st March, 2018 as against 1.04:1 as on 31st March, 2017.

Corporation also successfully completed its maiden overseas bond issuance of US\$ 500 million (₹ 3,223 crore) in July 2017 at very competitive rates.

CAPITAL ASSETS

Net fixed assets (including capital work in progress) increased to ₹ 41,961 crore as on 31st March, 2018 from ₹ 37,946 crore as on 31st March, 2017.

INVESTMENTS

Investments as on 31st March, 2018 were ₹ 11,105 crore as compared to ₹ 10,919 crore as on 31st March, 2017.

GROSS REFINING MARGINS (GRMs)

The Gross Refining Margin for HPCL averaged at US\$ 7.40/bbl. during 2017-18 as against US\$ 6.20/bbl. for the year 2016-17.

Gross Refining Margin of Mumbai Refinery averaged at US\$ 8.35/bbl. during the year as against US\$ 6.95/bbl. for the year 2016-17.

Gross Refining Margin of Visakh Refinery averaged at US\$ 6.55/bbl. during the year as against US\$ 5.51/bbl. for the year 2016-17.

EARNINGS PER SHARE (EPS)

Earnings per share for the year 2017-18 increased to ₹ 41.72 as compared to ₹ 40.74 in 2016-17. (EPS for previous years has been revised basis the number of equity shares as on 31.03.2018)

DIVIDEND

Total dividend of ₹ 17.00 per share has been proposed/declared for the year 2017-18. The dividend would result in total payout of ₹ 3,119 crore, including Dividend Distribution Tax of ₹ 528 crore.

BONUS SHARES

During 2017-18, pursuant to the approval of the shareholders through the process of postal ballot during July 2017, the Corporation has issued bonus shares in the ratio of one equity share of ₹ 10/- for two existing equity shares of ₹ 10/- each in July 2017.

TRANSFER OF SHARES IN HPCL BY GOI TO ONGC

Government of India transferred whole of its 51.11% of the total paid up equity share capital of HPCL to Oil and Natural Gas Corporation Limited (ONGC) on 31.01.2018. Post-acquisition, HPCL continues to be central public sector enterprise (CPSE) and a government company within the meaning of Section 2 (45) of the Companies Act, 2013.

C. STRATEGY

To stay ahead of performance curve and navigate through uncertainties and challenges of future business environment, HPCL has developed its 5-year strategy roadmap christened 'T20' along with a detailed implementation plan up to the year 2020-21. T20 strategy is being executed with well-defined milestones and ownership for strategic initiatives, robust review mechanisms at various levels and periodic interventions and course corrections. T20 strategic plan is now the guiding document for all annual planning and budgeting processes with KPIs of all business units and enabler functions linked to the annual targets outlined in T20 strategy. T20 targets finalised at business unit level have been cascaded down to individual KPIs of employees for effective implementation.



During 2017-18, HPCL embarked on implementing the T20 action plan with a structured governance and monitoring framework to realize the envisaged growth, profitability and customer value. To enhance the effectiveness of implementation, a centralized web-based platform 'T20 Hub' has been created and institutionalized for periodic review of the progress of initiatives.

HPCL is proactively working to capture opportunities in the changing energy landscape and to diversify into new business lines which will help in de-risking the existing business portfolio. Petrochemicals, Natural Gas & Renewables are identified as potential thrust areas.

To strengthen the core businesses of Refining and Marketing and enhance presence in Natural Gas, Petrochemicals and Renewables, several large scale projects have been undertaken by the Company. Further, to prepare for marketing of own produced Petrochemical products and to explore opportunities of marketing/trading of other Petrochemical products, HPCL is developing a robust 'Route to Market' process for establishing market presence in Petrochemicals.

To enhance overseas presence specially in lubricant products, HPCL is actively looking at South Asia, Middle east and African countries. HPCL is setting up a wholly owned subsidiary company by name 'HPCL Middle East FZCO' in Dubai free trade zone to cater to GCC and African markets and also is in the process of appointing distributors for lubricant marketing in overseas markets.

To help sustain the growth over the long term, HPCL is consistently scaling up the R&D capabilities. The emphasis is on developing new technologies / products and provide innovative support to the refineries and marketing division for operational improvement, trouble shooting and absorption of new technologies.

To be competitive in the market, HPCL is focussed on implementing a cost leadership strategy for increasing efficiency and value creation by effectively linking the primary and secondary activities along the value chain and maximise the net corporate realisation.

To keep pace with the transition in the technology and customer preferences, the company is focussing on value creation by leveraging the emerging digital technologies such as intelligent automation and robotics, artificial intelligence, machine learning, advanced analytics, etc. along with upgradation of existing IT systems and processes.

D. REFINERIES

BRIEF ON CRUDE OIL AND REFINING MARGINS

Post 2014, the persistent imbalance in the international oil market led to decline in crude oil prices with an unprecedented reduction of 80% during the period from June 2014 to January 2016. This resulted into financial distress for many oil producing countries.

In January 2017, twenty four (24) participating OPEC and non-OPEC countries began the implementation of the production cut agreement with planned output reduction of about 1.8 million barrels per day (mbpd). The collaborative efforts of OPEC and non-OPEC countries helped the global oil market to rebalance. OECD commercial oil stocks almost touched five-year average of 300 million barrels (mb) towards the end of 2017-18 as per estimates by EIA and OPEC. Meanwhile, non-OPEC production increased by around 0.7 mbpd, mainly due to rapid addition of rigs by Shale producers during 2017. However, global oil demand which increased by about 1.6 mbpd in 2017 supported the rise in crude oil prices. This was evident by improvement in world economy. As per IMF, world real GDP growth was 3.8% in 2017 against 3.2% in 2016. The rise in global oil demand was driven by Asian demand. Global refining margins were healthy in 2017 due to robust demand growth for refined products. US Hurricanes (Harvey & Irma) and upgraded specifications in many countries supported additional oil demand and thus contributed to improve the refining margins.

CRUDE OIL

Average Brent prices declined to US\$ 49.83/bbl. in Q1 of 2017-18 from US\$ 53.78/bbl. in the previous quarter (Jan-March 2017). Crude prices declined as Market expected continuation of production cuts by OPEC countries much beyond the agreed nine-month extension during OPEC meeting in May 2017, as global inventory overhang was around 300-400 mb. However, the same did not happen leading to decline in crude price. Also global oil supply increased substantially by 1 mbpd over previous year, partly due to return of Libya and Nigerian production earlier than expected along with higher production by non-OPEC countries. Non-OECD crude stocks increased by more than 1 mbpd in May 2017 mainly due to large purchases by Chinese refiners for strategic oil reserves.

Brent prices regained the ground and averaged at about US\$ 52.08/bbl. in Q2 of 2017-18. During Q2, Brent prices almost reached around US\$ 60/bbl. due to uncertainty of supplies from Libya, Venezuela, Iran and Northern Iraq,



signs of slower than expected growth in US Shale production coupled with strong increment in global oil demand. OECD commercial stocks came down by around 150 mb which resulted into global stocks falling below 3,000 mb for the first time in two years.

Brent prices maintained the upward momentum and averaged at US\$ 61.39/bbl. in Q3 of 2017-18. This was due to sustained high global demand, duly supported by US and Eurozone apart from non-OECD countries. On supply side, global oil supply growth slowed down by 0.3 mbpd in Q3 against 0.9 mbpd increase in Q2. OECD commercial stocks declined for the fifth consecutive month in December 2017 and the global stocks reached at around 2,850 mb.

Brent prices further accelerated and closed at an average of US\$ 66.76/bbl. in Q4 of 2017-18. Global oil demand increased by 0.3 mbpd over previous quarter, whereas global supplies declined by 0.2 mbpd. The compliance level of the OPEC/non-OPEC production cut deal increased to 135% in January 2018. Consequently, OECD commercial stocks were just 30 mb above the 5-year average.

Indian Crude Basket

Indian crude oil basket prices decreased month-on-month during Q1 of 2017-18 and closed at an average of US\$ 49.87/bbl. as compared to US\$ 53.47/bbl. during previous quarter (Jan-March 2017), due to the weakness in international crude oil price markers. During Q2 of 2017-18, the Indian crude oil basket prices increased to US\$ 51/bbl. which is almost half of Brent crude oil price increase, as Dubai crude oil prices remained laggard. International crude oil prices regained momentum in Q3 of 2017-18 and Indian crude oil basket prices closed at US\$ 59.90/bbl. The international crude oil prices touched the peak on monthly average basis in January 2018 with Brent averaging at US\$ 66.76/bbl. in Q4 of 2017-18 which led to Indian crude oil price basket closing at the highest level in the last quarter of the year 2017-18 at US\$ 64.79/bbl.

REFINING MARGINS

During Q1 of 2017-18, Singapore refining margins managed to close at the same level as the previous quarter at US\$ 6.42/bbl. due to support from falling crude oil prices as cracks, except Fuel oil, remained under pressure. Light distillate cracks were marred by high inventory across the region as refiners tried to run the refineries in maximum Gasoline mode, in anticipation of strong Gasoline cracks. Gasoline Dubai cracks came down by about US\$ 0.78/bbl. to reach US\$ 11.53/bbl. Naphtha cracks also declined by

US\$ 2.4/bbl. as compared to previous quarter and became negative in Q1. Middle distillate cracks, particularly Gasoil closed at an average of US\$ 11.38/bbl. in Q1 against US\$ 11.83/bbl. in previous quarter. Fuel oil cracks improved substantially by about US\$ 1/bbl. mainly due to continued reduction in production of Fuel oil by refiners and closed at an average of US\$ (-3.05/bbl.).

Singapore refining margins improved substantially by US\$ 1.84/bbl. during Q2 of 2017-18 and closed at an average of US\$ 8.26/bbl. supported by improvement in cracks across the barrel. Gasoline Dubai cracks reached the highest level of more than last 12 months at an average of US\$ 13.29/bbl., due to decline in global Gasoline inventories which were supported by outage of 2.9 mbpd of US refinery capacity due to hurricanes (Harvey & Irma). Robust demand in Asia due to strong petrochemical margins along with higher prices of LPG strengthened Naphtha cracks which closed at an average of US\$ (-0.18/bbl.). Fuel oil cracks remained supported due to continued tightness in the market and closed at an average of US\$ (-2.00/bbl.).

Singapore refining margins decreased by about US\$ 1.02/bbl. during Q3 of 2017-18 and closed at an average of US\$ 7.24/bbl. The decrease in refinery margins was mainly due to the high refinery runs in Asia, amid restart of operations by US refineries after hurricanes effect. Naphtha cracks were strong due to lesser arbitrage volume from western countries along with lesser exports from Middle East. Naphtha cracks closed at an average of US\$ 3.02/bbl. during Q3. Gasoline cracks decreased by US\$ 1.36/bbl. and closed at an average of US\$ 11.93/bbl. due to increase in production from higher runs and higher Chinese export quota. Middle distillate cracks dropped counter-seasonally due to high supply in the region. Gasoil cracks closed at an average of US\$ 13.04/bbl. during Q3.

Singapore refining margins declined slightly during Q4 (Jan-March 2018) and closed at an average of US\$ 6.96/bbl. Gasoil cracks gained substantially and reached an average of US\$ 15.54/bbl. during Q4. This was due to higher demand growth in Asia, in line with strong industrial performance and increased demand in US due to colder winters. Gasoline cracks decreased to US\$ 11.15/bbl. during Q4 due to increase in Singapore on-shore light distillate stocks which went above 5-year historical average level.

CRUDE OIL IMPORTS

HPCL uplifted 4.54 MMT of indigenous low sulphur crude oil (Mumbai High & KG D6 condensate) and imported 13.83 MMT of crude oil in 2017-18 as compared to import of



13.82 MMT in 2016-17. The import was met through term imports and spot purchases. High sulphur crude oil of 11 MMT was procured mainly through term contracts from the Gulf region. Low sulphur crude oil imports of 2.83 MMT were sourced through term and spot purchases. FOB cost of imported crude oil amounted to US\$ 5,748 million (₹ 37,115 crore) in 2017-18 as compared to US\$ 4,876 million (₹ 32,715 crore) in 2016-17. The average cost of crude oil imported in 2017-18 stood at US\$ 56.17/bbl. as compared to US\$ 47.75/bbl. in 2016-17. The average exchange rate during 2017-18 was INR 64.56/ US\$ as compared to INR 67.10/ US\$ in 2016-17.

REFINING PERFORMANCE

During 2017-18, HPCL refineries at Mumbai and Visakh continued the performance excellence and exceeded various milestones achieved in previous years.

During 2017-18, both HPCL refineries delivered their best ever crude throughput performance. Mumbai Refinery achieved the highest ever crude throughput of 8,641 TMT surpassing the previous high of 8,510 TMT. Visakh Refinery achieved the highest ever crude throughput of 9,635 TMT exceeding the previous high of 9,409 TMT. The robust performance by both refineries enabled HPCL to register the best ever combined crude throughput of 18.3 MMT during 2017-18 surpassing the previous best of 17.8 MMT achieved in 2016-17.

Higher crude throughput by both refineries helped HPCL to record highest ever production of Diesel, Petrol & Lube Oil Base Stock (LOBS) during 2017-18.

HPCL refineries continue to lay strong thrust on energy efficiency & conservation and are participating in Phase II of PAT (Perform, Achieve & Trade) scheme initiated by Bureau of Energy Efficiency (BEE) for a three-year cycle ending in 2018-19. During last 3 years, HPCL refineries have significantly reduced the Specific Energy Consumption and have undertaken a number of energy efficiency initiatives including enhanced import of power from the grid. HPCL's Mumbai Refinery has started sourcing about 70% power from the grid which is the best performance amongst all PSU refineries in terms of power import. Visakh Refinery has also undertaken a project for connecting the refinery power system to the Transmission Corporation of Andhra Pradesh (APTRANSCO) grid at 220 KV level.

Reliability improvement continues to be a focus area for both HPCL refineries. For consistent improvement in reliability, HPCL refineries adhere to a well-defined turnaround cycle calendar for planned maintenance of operating units. During

2017-18, HPCL completed the turnaround of CDU-I unit at Visakh Refinery and also implemented the best practice of risk based inspection in some of the critical units at Mumbai Refinery and Visakh Refinery.

To continuously improve the operational performance, HPCL refineries undertake the benchmarking exercises on a periodic basis. Both refineries participated in benchmarking study conducted by M/s Solomon Associates, USA for 2016 cycle for the third successive biannual period. The report of the study has been prepared and is under review and implementation. In addition, HPCL refineries have participated in a specific study conducted by M/s EIL for all PSU refineries for energy consumption improvement. The study recommendations are under review for implementation. During 2017-18, a number of process improvement schemes were implemented at both refineries including SEU – II Furnace revamp at Mumbai Refinery and commissioning of the slop processing scheme at Visakh Refinery.

In line with Government of India's guidelines for production of BS-VI grade transportation fuels from 2020 onwards, HPCL has chalked out time bound plans for compliance of BS-VI norms and is implementing capacity augmentation and bottom upgradation projects at Mumbai Refinery and Visakh Refinery. With implementation of these projects, capacities of Mumbai and Visakh Refinery will be augmented to 9.5 MMTPA and 15 MMTPA respectively along with enablement for BS-VI grade fuel production. Along with Visakh Refinery expansion project, Residue Upgradation Facility (RUF) is considered to enable zero Fuel oil production and improve distillate production thereby improving the refinery margins. The environmental clearance and site clearance have been obtained for both the projects and major pre-project activities including Basic Design Engineering Package (BDEP) finalization, technology and licensor selection, appointment of Project Management Consultant (PMC), awarding of contracts for turnkey units etc. have been completed.

Both HPCL refineries are committed to carbon footprint reduction & environmental preservation. Mumbai Refinery has become the first PSU refinery to source 10 MW of the power requirement from wind power farms.

Health, Safety and Environment are integral part of all business activities at refineries. Continuing the excellent safety performance, Mumbai Refinery has achieved a safety benchmark by recording 21.54 million safe man-hours as on 31st March, 2018. Mumbai Refinery also commissioned the Tail Gas Treating Unit (TGTU) during 2017-18 which will help in reducing the Sulphur emissions.



To enhance the product sufficiency and cater to the growing demand of petroleum products in country, HPCL is participating in various greenfield refinery and petrochemical projects. HPCL and Government of Rajasthan have formed a JV company, HPCL Rajasthan Refinery Limited (HRRL) to set up a greenfield refinery cum petrochemical complex of 9 MMTPA capacity in Barmer district of Rajasthan. The work commencement ceremony of the 9 MMTPA Rajasthan Refinery was carried out at the hands of Honourable Prime Minister of India on 16th January, 2018.

HPCL is also participating in a JV company, Ratnagiri Refinery and Petrochemicals Limited (RRPCL) to set up a 60 MMTPA refinery cum petrochemical complex in Ratnagiri district of Maharashtra. In addition, HPCL and GAIL India Ltd. have entered into MoU with Government of Andhra Pradesh (GoAP) to jointly set up a greenfield standalone petrochemical complex in Kakinada, Andhra Pradesh with 1 MMTPA Ethylene production capacity.

E. INTEGRATED MARGIN MANAGEMENT

The Integrated Margin Management (IMM) group which was formed during 2014-15, continued to drive various initiatives for enhancing Net Corporate Realization (NCR) of HPCL with focus areas of crude throughput maximization in the refineries, enhancing value added production (Petrol, Diesel, LPG and Lubes) in refineries, improving capacity utilization of pipeline network and leveraging margin improvement opportunities in crude oil and product sourcing.

The IMM group is also driving various margin improvement ideas generated across the Corporation through a structured Initiative Management Office (IMO) which regularly tracks the execution of these ideas and reports the progress to management. The Oil Price Risk Management (OPRM) helped in stabilizing margins.

F. MARKETING

During 2017-18, HPCL has performed exceedingly well across all business verticals of marketing viz Retail, LPG, I&C, Lubes, Aviation, Natural Gas & Renewables. HPCL continued the growth momentum of previous years and recorded the best ever sales performance with total sales volume (including exports) of 36.9 MMT during 2017-18 compared to sales volume of 35.2 MMT achieved during the year 2016-17.

In domestic sales, HPCL recorded a growth of 4.4% over previous year with market share of about 21% amongst the public sector Oil Marketing Companies (OMCs) as on 31st March, 2018

The performance of the marketing function's Strategic Business Units (SBUs) are detailed in section below:

RETAIL

During 2017-18, Retail SBU continued to deliver excellent performance and recorded market share gain in Total Motor Fuels (Petrol & Diesel) in the PSU category. The strategic initiatives implemented by the SBU during the last few years backed by unstinting efforts from the field officers helped to deliver a superlative retail performance during the year despite various challenges in downstream market.

During 2017-18, Retail SBU clocked total sales volume of 23.7 MMT with a growth of 4.3 % over historical. The SBU recorded annual incremental sales of 1.2 MMT in Total Motor Fuels segment against the backdrop of intense competition by private players in fuel retailing.

During 2017-18, HPCL commissioned 669 new retail outlets and exceeded the mark of 15,000 retail outlets by taking the total outlet number to 15,062 as on 31st March, 2018. Besides network expansion, improving the volumes of the existing network also has been a key focus area for Retail SBU. About 1,000 outlets were modernized during the year with an investment outlay of over ₹ 350 crore.

Automation remained a key focus area for Retail SBU during 2017-18. An all-time high number of 3,558 outlets were automated, taking the network of automated outlets to 7,900 as of March 2018. 100% of retail outlet network was automated across 18 cities. Another key achievement was implementation of NANO (No Automation No Operation) initiative at 7,341 outlets during the year, taking the coverage of NANO to over 85% of outlet network having sales of more than 100 Kilolitres per Month (KLPM).

In its continuing quest to upgrade the network and enhance customer experience, Retail SBU had embarked on an aggressive plan to phase out all Dispensing Units (DUs) manufactured prior to 2009. Taking the initiative forward, a record 12,641 DUs procured prior to 2009 were replaced with state of the art tamperproof DUs during 2017-18.

The SBU also continued to lay thrust on digital enablement of the network and achieved installation of Drive Track (DT) Plus terminals across the entire network by June 2017. Due to integration of multiple mobile wallets at DT Plus platform, HPCL was able to offer the facility of wallet payments also to its customers across 100% of the outlet network. Through installation of Bank POS terminals at 97.7% of the outlet network and with innovative software optimizations, HPCL



made 3 different modes of digital payments available at over 96.4% of outlet network which resulted in significant improvement in Total Motor Fuels sales through digital modes to 25.2% in March 2018 from 16.1% in the beginning of the year.

To ensure customer delight through improved service delivery, HPCL has chosen the platform of 'Outstanding Customer & Vehicle Care' under the brand of Club HP which offers a bouquet of value added products and services. During 2017-18, more than 650 outlets were added to the network of branded Club HP / Club HP Star outlets taking the total to over 2,700 as of March 2018.

During 2017-18, over 23,000 Forecourt Sales Men (FSM) were imparted training through various training programs focusing on current business imperatives and behavioural changes for delivering the Club HP promise. Mass media along with outdoor campaigns were effectively utilized to communicate the brand promise under the banner 'Club HP - Achcha Lagta Hai'. Continuing the thrust on brand building, the number of outlets retailing the branded fuel 'poWer', were increased to about 3,000 and total branded fuel sales of 550 TKL was achieved during the year.

The SBU scaled up availability of super premium version of Petrol for high end cars under the brand 'poWer 99', by launching it in seven (7) cities - Visakhapatnam, Delhi, Mumbai, Pune, Secunderabad, Noida and Faridabad.

HPCL has built a profitable non-Fuel Business (Allied Retail Business - ARB) with a wide range of facilities for the customers including ATMs, take away food counters, 'C' Stores, vehicle accessories etc. through tie-ups with leading banks, food brands & OEMs. In 2017-18, all these tie ups helped HPCL to realize an impressive ARB income.

In line with the commitment to ensure a cleaner and greener environment, solar panels were installed at 464 retail outlets during the year. HPCL also launched an electric vehicle charging station at a retail outlet in Nagpur. To adapt to green energy solutions, HPCL initiated process of replacing existing conventional Metal Halide Lamps with LEDs at retail outlet network and LED installation was completed at 4,510 retail outlets during the year.

To promote 'Swachh Bharat Abhiyan', 1,956 toilet blocks having separate facilities for ladies and gents were constructed at outlets on state & national highways. Going beyond providing just simple facilities, these blocks were branded as 'Sugam' and were also made 'Divyang' enabled.

LPG

'HP Gas', the LPG brand of HPCL is one of the most preferred brands among domestic and non-domestic LPG customers and serves about 69 million consumers through a network of 4,849 LPG distributors. During 2017-18, LPG SBU achieved highest ever sales of 6.1 MMT, registering a growth of 8.5 % over previous year. HP Gas has enrolled 7.7 million new customers and commissioned 324 LPG distributorships during the year. HPCL also continued the leadership position in highly competitive non-domestic bulk LPG segment with 48% market share during the year. HPCL maximized bottling from own LPG bottling plants and recorded highest ever bottling of 5.48 MMT during 2017-18.

During 2016-17, Government of India launched Pradhan Mantri Ujjwala Yojana (PMUY) with an objective of providing 50 million LPG connections to women from BPL households over a period of three years by OMCs. This target has further been revised to 80 million LPG connections by the year 2020. During 2017-18, more than 4.2 million new LPG connections were provided by HPCL under PMUY, taking the total number of PMUY beneficiaries enrolled with HPCL to 9.6 million as of March 2018. HPCL also sensitized over 85,000 people about safe and sustainable usage of LPG by conducting 886 Pradhan Mantri LPG Panchayats across the country during 2017-18. In addition, about 67,000 safety clinics were also organized during the year to educate over 1.9 million customers about safe usage of LPG.

To cater to growing LPG demand, HPCL commissioned its largest LPG bottling plant at Panagarh in West Bengal with bottling capacity of 250 TMPTA. In addition, bottling capacity augmentation projects of 60 TMTA each at Unnao (Uttar Pradesh) and Purnea (Bihar) LPG plants were also completed during the year.

HPCL also became the first OMC to roll out owned LPG rake under Liberalized Wagon Investment Scheme (LWIS) of Ministry of Railways for transportation of LPG from source to bottling plant. HPCL signed an operating agreement with Haldia LPG import terminal for utilizing capacity for next 20 years which has improved availability of LPG in Eastern part of the country where growth potential is high. Both these initiatives are also intended to add significantly to savings on logistics cost.

HPCL leverages technology and innovation extensively to increase operational efficiency and reduce operating costs in LPG operations. To improve productivity at LPG bottling plants, automated vision readers were installed at 12 LPG plants which eliminates manual intervention by



facilitating auto reading of tare weight and due date for pressure testing of LPG cylinders. In addition, installation of online valve changing machine was completed at all LPG bottling plants which eliminated conventional method of LPG evacuation from the cylinder before changing the LPG cylinder valve, thereby increasing operational safety and reducing manpower cost.

In keeping with the Corporation's policy of highest safety standards, Live Fire Training was conducted for employees, security staff & contract labour and 216 persons were given Live Fire Training during the year. Shapath safety video modules have been prepared and rolled out for giving trainings to workers in line with OISD 154 requirement. For objective assessment of Behaviour Based Safety (BBS) implementation at LPG bottling plants, an online BBS index module has been prepared and rolled out across all the plants.

HPCL is the first PSU OMC to start sale of LPG in new generation composite cylinders under the brand name 'ओJAS'. These cylinders are light weight with aesthetically improved design and provide enhanced customer safety. HPCL also introduced new pin leak and O-ring leak detectors, for on-site detection of leakage of cylinders by the delivery boys & mechanics. About 6,000 leak detectors were procured by HP Gas distributors during the year 2017-18.

HPCL actively pursues initiatives to improve customer service and promote customer loyalty. EZY GAS, the smart delivery system pioneered by HPCL, which was introduced last year is now improved with several new features. The system has been integrated with offline and online modes of digital payment and has facility for refill booking and many other customer centric features. During the year, EZY GAS was rolled out across the country. HPCL is the first OMC to provide LPG customers with the facility of BHIM app based payment and Aadhaar Enabled Payment System (AEPS). Over 4,500 distributorships are enabled for accepting payment through digital mode.

For registration of new customers, aadhaar enabled e-KYC using biometric fingerprints and OTP was introduced during the year 2017-18 as an alternative to offline KYC registration. Over 1.6 lakh LPG connections were released after e-KYC registration in 2017-18. A mobile app for carrying out the mandatory inspection at domestic LPG customer premises has been enabled at all distributorships. For the convenience of LPG distributors, a mobile application 'HP Gas Saathi' was rolled out during the year 2017-18 to provide information pertaining to the distributorship operation.

As part of sustainable development initiatives, LED lights were installed at 10 LPG bottling plants viz Hoshiarpur, Chakan, Bahadurgarh, Purnea, Unnao, Cherlapally, Jamshedpur, Patna, Raipur & Jodhpur.

DIRECT SALES

Direct Sales business unit has two divisions viz. Lubes and Industrial & Consumer (I&C). Lubes business line caters to lubricant and grease 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 CFAs (Carrying and Forwarding Agents) catering to Micro, Small & Medium Enterprise (MSME) segments. I&C business line caters to demand of bulk fuels, Bitumen & specialties for industrial customers in both private and government sectors. I&C business line is also involved in exports of bulk fuels and finished petroleum products.

DIRECT SALES- LUBES

India is the third largest lubricant market after US & China and continues to be one of the fastest growing lubricant markets globally. India accounts for about 6% of the global lubricant demand. The Indian lubricant market size is estimated to be 2,400 TMT per annum as per latest market reports and is expected to grow at a CAGR of 2.5 % during next 5 years.

The Lubes business line recorded excellent growth during the year 2017-18, resulting from a robust business strategy adopted for both segments viz. Automotive and Industrial lubricants. During the year 2017-18, HPCL has recorded total Lube Sales of over 600 TMT, thereby retaining the No. 1 Lube marketer position in the country for the fifth consecutive year. HPCL also recorded highest ever value added lubes volume with a growth of 3.7% over previous year, thus becoming the largest player in value added lubes segment too. All the channels viz. distributor network, CFA network and retail dealer network performed at par with industry during the year.

Lubes business line continued to focus on OEM segment and consolidated business at major OEMs including JCB India, Royal Enfield and Bajaj Auto along with renewed partnerships with reputed OEMs. A cornerstone for OEM business development was the close interactions between R&D teams of HPCL and the OEMs, enabling MNC OEMs acknowledging HPCL's strengths and capabilities and thereby opening the way for more partnerships in the coming years.



During 2017-18, HPCL successfully executed retailer loyalty scheme aimed to create a larger customer base within Bazaar market and enhance brand awareness for HP Lubricants in the market. To strengthen connection to the key stakeholders in lube market i.e. retailer and mechanics, HPCL launched its market activation campaign named 'BANDHAN' during the year. Various activities were conducted at important markets involving a number of retailers and mechanics and educating them on HPCL's lubricant products and benefits.

The R&D wing of the SBU continued its meticulous activities during the year with development of new products for both government as well as private sector customers. Consistent thrust on new product development through close interaction with customers enabled HPCL to obtain numerous important approvals from various customers. Quality Assurance continues to remain a focal point for lubricant business line and continuous vigil was ensured on quality of input materials and finished product by regular monitoring at every stage.

With a view to realize the vision of becoming a global lubricant player, HPCL has been exploring the opportunities for lubricants business in the growing markets of Asia, Middle East & Africa. A detailed market entry strategy has been worked out and a concrete business plan is being developed for these countries. During 2017-18, HPCL made its footprint in UAE with incorporation of 100% owned subsidiary company, 'HPCL Middle East FZCO' at DAFZA (Dubai Airport Free Zone Area) in UAE. HPCL has also appointed a distributor in Myanmar in 2017 and have commenced sales. HPCL's sales efforts in Myanmar were bolstered by product launches in important markets of Yangon and Mandalay and are being supported through various promotional and marketing activities in the region. Corporation has plans to significantly increase the lube sales volume in Myanmar.

DIRECT SALES - INDUSTRIAL & CONSUMER (I&C)

HPCL is a major player in the I&C business line, which handles institutional sales of fuels, Bitumen, Naphtha and other bulk products to customers in various sectors such as Mining, Construction, Power plants, Shipping, Railways etc. For the second consecutive year in succession, I&C business line crossed 5 MMT sales mark during 2017-18 with a growth of 0.9% over previous year. The strategy to maximise volumes in three (3) major products helped HPCL to cross 1 MMT sales in Fuel oil, Diesel and Bitumen for the third year in succession. During 2017-18, Diesel sales volume in the direct consumer segment was 1.37 MMT, recording a growth

of 1.1 % over historical. State Transport Undertakings (STUs) accounted for 20% of the direct Diesel sales.

HPCL's focus on large Bitumen customers, promotion of VG-40 grade Bitumen, partnerships with major infrastructure players and new Bitumen drumming facilities at Mumbai and Visakhapatnam enabled the I&C business line to record impressive Bitumen sales of 1.2 MMT during 2017-18.

Bunkering has been the major thrust area for HPCL which helped Corporation to attain leadership position amongst PSUs in this key segment. HPCL has undertaken projects to improve the availability of bunker fuels at more number of ports by creating future ready bunkering infrastructure. HPCL has been making progress in development of bunkering facilities at Jawahar Dweep island after entering into MoU with Mumbai Port Trust.

To strengthen the relationship with key accounts, HPCL has undertaken various initiatives to provide differentiated services such as priority loading, online test certificate and assignment of Key Account Managers. HPCL has also taken steps to strengthen its relationships with customers through procurement of Customer Relationship Management (CRM) tool for better customer response and handling of customer grievances.

During 2017-18, HPCL sustained leadership in Hexane sales by becoming a major supplier to solvent extraction plants and gained volumes from Pharmaceutical and Petrochemical industries. During the year, HPCL recorded a significant growth of 30% in sales of Mineral Turpentine Oil (MTO), which is used in Paint Industry.

HPCL caters to the energy needs of Indian Army with a product basket which includes SKO and Winter Grade Diesel. During 2017-18, HPCL commissioned 5 new Kerb Side Pumps (KSPs) for Indian Army, taking total KSPs to 93 with total tankage of 4,841 KL to ensure smooth supply of POL products to Army in toughest terrains of country. HPCL has also commissioned 8,600 KL of scattered tankage for Indian Army at Leh during the year. HPCL also completed the Advance Winter Stocking of POL products for Indian Army in Kashmir Valley and Leh within stipulated time.

AVIATION

Aviation SBU provides fuelling services to customers in the aviation industry through a large network of Aviation Service Facilities (ASFs) covering all the major airports in India. 'HP Aviation' fuelling service meets the stringent international regulations for handling Aviation Turbine Fuel (ATF). During 2017-18, HPCL has achieved ATF sales volume of 729



TMT, registering a growth of 5.4% over historical. Strategic initiatives undertaken during the year including new business agreements / renewals with new / existing airlines, leveraging relationship with commercial partners etc. have contributed to the growth in aviation fuel segment.

HPCL is supplying ATF to major domestic airlines of the country and has entered into business contract with Indigo at various new airports. During 2017-18, international airlines and carriers like Azur Air, Thai Airways, Kenya Airways, Scoot Tiger Air, Silk Air, Nepal Airlines, SriLankan Airlines and Biman Bangladesh were added to the existing customer portfolio.

During 2017-18, aviation fuel infrastructure was augmented by setting up new fixed facilities at Tirupati, Srinagar & Patna airports. In addition, 3 new ASFs were commissioned during 2017-18 at Jalgaon, Vidyanagar and Mundra airports where flight operations were commenced under Regional Connectivity Scheme of Government of India.

NATURAL GAS

Government of India aims to increase the share of Natural Gas in Indian energy mix from current 6.2% to 15% and has initiated various policy measures to increase consumption of Natural Gas in India.

HPCL has also undertaken several initiatives to tap the growth potential in Natural Gas business and strengthen its presence in downstream gas market in India. HPCL is setting up a 5 MMTPA LNG regasification terminal at Chhara port (Gir Somnath district) in Gujarat through joint venture company HPCL Shapoorji Energy Private Limited (HSEPL) at an estimated cost of ₹ 4,300 crore. HPCL is also participating in three (3) cross country gas pipeline projects i.e. Mehsana-Bathinda pipeline, Bathinda-Jammu-Srinagar pipeline and Mallavaram-Bhilwara-Bhopal-Vijaipur pipeline through two joint venture Companies viz. GSPL India Gasnet Limited (GIGL) and GSPL India Transco Limited (GITL) respectively.

HPCL is also participating in City Gas Distribution (CGD) networks through joint venture Companies viz. Bhagyanagar Gas Limited (BGL), Aavantika Gas Limited (AGL) and Godavari Gas Private Limited (GGPL). These CGD networks are being operated in Hyderabad, Vijayawada & Kakinada through BGL, in Indore, Ujjain & Gwalior through AGL and in East Godavari & West Godavari districts through GGPL. In the 8th round of CGD bidding in 2017-18, consortium of HPCL and OIL India Ltd. has emerged successful for setting up CGD networks in Ambala & Kurukshetra and Kolhapur district. HPCL will continue to participate in future rounds of CGD bidding to expand the CGD infrastructure.

HPCL is operating a CNG network at Ahmedabad through one mother station and 21 daughter stations. HPCL is also registered with Empowered Pool Management Committee (EPMC) - Fertilizer for supplying RLNG to Fertilizer plants in India and has initiated discussions with International LNG suppliers for potential LNG sourcing arrangement.

OPERATIONS, DISTRIBUTION & ENGINEERING (OD&E)

The backbone for petroleum product marketing is robust supply chain management which is handled by the Operations, Distribution & Engineering (OD&E) vertical of HPCL. OD&E is a key enabler to the marketing SBUs and provides unstinted support and innovative supply chain solutions to stay ahead of competition. A throughput of 50.32 MMT was achieved by OD&E in the year 2017-18 which played a key role in meeting the business requirement of SBUs.

Timely and efficient delivery through optimization of resources remained a focus area for OD&E during the year, resulting in enhanced customer satisfaction levels for both Retail and Direct Sales SBUs. Robust processes & standard operating procedures at POL installations ensured uninterrupted product supplies & improved service levels.

During 2017-18, HPCL revamped and augmented the facilities at various locations including 8 bay Tank Truck (TT) filling gantry with allied facilities at Loni & Nalagarh and 6 Bay ATF TT loading facilities (fully compliant to MBLC requirements) along with allied facilities at Bahadurgarh terminal. In addition, revamp of Jabalpur depot was completed with state of the art safety features. The depot was made fully compliant to latest OISD standards and enabled with fully automated loading operation.

During 2017-18, HPCL implemented a number of cost leadership initiatives in operation and distribution of petroleum products which resulted in substantial savings for the Corporation. Major initiatives undertaken during 2017-18 include simultaneous tanker discharge at Ennore and Visakh terminals and realignment of retail outlets to optimize the logistics cost. Supply chain optimization will continue to be a focus area for HPCL and will be further complemented through robust scheduling tool and technological advancements. Implementation of various transformative process and productivity initiatives has resulted into considerable reduction in operating cost for the Corporation.

Sustained focus on implementation of Ethanol Blending in Petrol led to finalization of Purchase Order (PO) of 46 crore litre Ethanol for 2017-18 which resulted in higher



allocation compared to previous year. HPCL continues to lay thrust on environmental protection and has undertaken various sustainability measures at POL locations. In this direction, retailing of BS VI standard transportation fuels was implemented in National Capital Territory (NCT) region from April 2018 onwards. All necessary arrangements to source and place the required volume of products at Bahadurgarh and Delhi terminals were made during 2017-18.

To enhance energy efficiency in operations, a comprehensive energy & power quality audit was completed at all locations. Energy efficient lighting system was installed at 40 locations and solar plants (Rooftop and ground mounted) of total capacity 2,700 KW were installed at 32 POL locations during the year. 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 to reduce water consumption significantly.

SMART terminal initiative has been conceptualized to enable the handling of product in Terminals with complete automation. Some of the key features in this initiative are automatic generation of filling advice note, modified indent management system, auto indenting system, auto delivery confirmation system, bio-metric validation of TT crew, rail e-indenting system etc.

Capability building and skill development of employees across various levels continue to be a key thrust area for OD&E SBU. During 2017-18, officers and workmen were trained on Live Fire simulation, handling of equipment in Terminals & Depots as per MBLC recommendations and also in HSE activities. During the year, OD&E SBU also started the first ever in-house training program under new capability building initiative 'PRAKARSH' for 28 officers (A-D grade) on 'Lean Six Sigma Green Belt'.

PIPELINES

HPCL has laid special emphasis in acquiring high level of competency in managing the pipeline network effectively to optimize cost and maximize revenue. HPCL is currently operating pipeline network of 3,370 Km with mainline capacity of 24.93 MMTPA & branch line capacity of 11.07 MMTPA. Corporation recorded the highest ever pipeline throughput of 20.4 MMT in 2017-18.

Pipeline capacity expansion remains a major focus area for HPCL and a number of expansion projects are underway with a planned capital expenditure of ₹ 5,916 crore. Major ongoing pipeline infrastructure projects of HPCL include - (i) Capacity Expansion of Mundra Delhi Pipeline (MDPL) &

extension line from Palanpur to Vadodara including greenfield terminal at Vadodara, (ii) Visakh Vijayawada Secunderabad Pipeline (VVSPL) Capacity Expansion including offshore tanker terminal (OSTT) / Sunken Ship (SS) Jetty Sub-Sea Pipeline at Visakh, (iii) Ramanmandi Bahadurgarh Pipeline (RBPL) Capacity Expansion and (iv) Uran Chakan Shikrapur LPG Pipeline (UCSPL).

In addition, project proposal for Extension of Visakh-Vijayawada-Secunderabad Pipeline (VVSPL) from Vijayawada to Dharmapuri and construction of marketing terminal at Dharmapuri was approved in 2017-18. The project is anticipated to be completed by March 2021. Pre-project activities are in progress for Hassan Cherlapally LPG pipeline and pipelines proposed on joint investment basis with other OMCs.

G. CENTRAL PROCUREMENT

Central Procurement Organisation (CPO) was setup to manage all the procurement activities of the Corporation. Centralised and category based procurement by CPIO has ensured efficiency and transparency in procurement activities and also meet the policy compliances. CPO handled procurement for SBUs, Corporate and Zones with a total procurement value of ₹ 18,769 crore and efficiently managed smooth transition to GST regime by setting up & institutionalising various innovative processes.

CPO has driven standardisation and consolidation in procurement through implementation of various initiatives including uniform item codification, vendor registration & rationalisation and structured cost estimation. The focus on compliance to Micro and Small Enterprises (MSE) procurement policy helped in achieving the procurement from MSE vendors to reach 31.21 % surpassing the mandated target of 20%.

H. RESEARCH AND DEVELOPMENT. RESEARCH AND DEVELOPMENT

HPCL has set up the 'HP Green R&D Centre' (HPGRDC) at Bengaluru with an objective to develop innovative & path breaking technologies and products in the energy sector. During 2017-18, HPGRDC developed and successfully demonstrated the following five processes/products:

HP-TRAE

HPGRDC developed a process scheme, HP-TRAE, for blending of lube extracts to produce Rubber Process Oils (RPO) with low Polycyclic Aromatic Hydrocarbons (PAH). This scheme together with HPCoSol process, resulted in raffinate



yield improvement of about 1.5-2.0% while reducing PAH in TRAE to less than 3%. Field trials at Solvent Extraction Unit of Mumbai Refinery were conducted and the process was demonstrated during the year.

HP DLA

This novel lubricity additive was developed to significantly improve the lubricity properties of ultra-low Sulphur Diesel and was demonstrated at both refineries. HP DLA showed better performance at lower dosages compared to commercial additives for meeting BS IV / BS VI specifications.

HP-CORMIT

HP-CORMIT is an indigenously developed corrosion inhibitor which was implemented in Mangalore-Hassan-Mysore-Solur LPG pipeline and exhibited reduction in the corrosion rate to 0.5 mils per year (mpy) against the benchmark of <1 mpy.

HP- IPCA

A novel and cost effective additive, HP-IPCA was developed for blending with LPG for metal cutting gas applications and reducing the dependability on imported additive. HPCL's metal cutting gas product 'HP-RAZOR' with HP-IPCA additive was demonstrated at a steel plant and showed better performance compared to commercial products with respect to cost and cutting time.

HP DWA

HP DWA is an in-house developed additive and an import substitute for dewaxing aid applications. This additive was evaluated in lube blending plants at lab scale and showed better performance as compared to available commercial additives. HP DWA has been scaled up for commercial trials at Mumbai Refinery.

During 2017-18, HPGRDC has filed fourteen (14) patents taking the total number of patents filed to seventy-eight (78) as of March 2018. Four (4) US patents were granted to HPGRDC during the year. The centre has initiated a process safety management program called HSSE (Health Safety Security Environment) during 2017-18 in partnership with M/s DuPont.

I. HPCL STARTUP SCHEME

HPCL has allocated a StartUp fund of ₹ 25 Crore to support innovation and upcoming entrepreneurs by funding projects from new / early stage Start-ups in the areas associated with business of the corporation leading to commercialization / business development. HP Open Innovation Challenge

advertisement received enthusiastic response and 6 Start-ups were selected for funding from the first round of applications.

J. QUALITY ASSURANCE

In line with the directive of MoP&NG, HPCL has a dedicated Quality Assurance (QA) cell with officers posted at all the zones and its functioning is independent of refining & marketing functions with direct reporting to human resources function. Quality Assurance (QA) Cell carries out surprise inspections covering retail outlets, Kerosene (PDS) distributorships, LPG distributors, depots/terminals and LPG bottling plants in compliance with the revised Marketing Discipline Guidelines (MDG) & HQO directives. The QA cell acts as an important nodal agency for ensuring supply of right quality & correct quantity of products from all supply sources, storage points, distributors and outlets to customers.

During 2017-18, Quality Assurance (QA) cell carried out inspections at 3,326 retail outlets, 97 Kerosene (PDS) distributorships, 505 LPG distributors and 9 LPG bottling plants. Establishment of robust QA systems has enabled HPCL set high customer service benchmarks for supply locations & channel partners and helped to provide high quality products to customers.

K. HEALTH, SAFETY & ENVIRONMENT

HPCL is committed to ensure best Health, Safety & Environment (HSE) and sustainability practices across all spheres of business activities to achieve highest standards in the area of HSE and sustainability. Corporation has policies in place for Health, Safety, Environment and Sustainable development. HPCL has been making continuous improvements in the systems & procedures with focus on adoption of new technologies & upgradation of existing infrastructure to further enhance the HSE performance.

Occupational health and well-being of all employees is a key priority for HPCL. HPCL undertakes various initiatives on regular basis to ensure preventive and curative health services for employees. During 2017-18, awareness sessions on health were arranged for employees & their families and diagnostic camps covering other stakeholders were organized at all major locations. All HPCL employees undergo regular Periodic Medical Examinations and the results are analysed to provide targeted interventions from qualified doctors. HPCL has also placed designated physicians at major marketing locations and smaller locations have tie ups with local hospitals for ensuring best accessibility of health services.



HPCL emphasizes to provide safety not only to its employees but also for all the stakeholders who come in contact with its products or services. HPCL has a policy of zero tolerance towards unsafe business practices. Stringent HSE management systems have been put in place across all locations to strengthen HSE governance and compliance through surveillance audits and benchmarking. Both the refineries have implemented Process Safety Management Systems and all the major locations are certified with International Safety Rating System (ISRS).

HPCL is maintaining highest standards of vigilance and preparedness to respond to emergencies. Continuous upgradation of facilities, compliance to statutory requirements, improvement in systems and procedures, robust training framework etc. have fostered a strong safety culture across the organization. In addition, HP SOW (Safety-On-Wheels) training program has been rolled out for TT crew covering technical and behavioural aspects of driving to eliminate the road accidents. HSE training program, 'Suraksha' covering the areas of health, safety, environment and sustainability were conducted throughout the year 2017-18.

HPCL is striving to be a model of environmental excellence by adopting operating systems, practices and procedures oriented to environmental preservation. Optimisation of natural resources in manufacturing processes have been a strong focus area for HPCL across all facets of business activities. Major installations of HPCL are certified with best Environmental Management Systems. To enhance energy efficiency and water conservation across all locations, various initiatives including energy audit, water audit, LED installation, installation of water and energy efficient fixtures etc. were implemented during the year.

HPCL is also participating in a sectoral study on 'Climate Change Risks and Preparedness for Oil and Gas Sector in India' conducted by The Energy and Resources Institute (TERI). HPCL is leveraging renewable energy sources to reduce the carbon footprints across the value chain and is continuously expanding the wind and solar power generation capacities. Effluent Treatment Plants, air emission control and hazardous waste disposal systems have been installed at various HPCL locations in line with the best practices in industry and are being monitored periodically. HPCL is also putting strong emphasis on awareness and capability building of workforce towards various aspects of sustainability.

L. EXPLORATION & PRODUCTION

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

M. RENEWABLE ENERGY

HPCL has undertaken a number of initiatives in the area of renewable energy with specific thrust on wind and solar power generation.

Wind Energy

HPCL currently operates wind power farms of 100.9 MW capacity in the states of Rajasthan and Maharashtra. During 2017-18, total electricity generation through the wind farms was 169 Million kWh.

Solar Energy

During 2017-18, HPCL commissioned its largest grid connected captive solar PV plant at Bahadurgarh Terminal, Haryana with a capacity of 750 KWp. The plant was commissioned in October 2017 and is expected to generate 12 lakh kWh electricity per year.

In addition, HPCL has also plans to expand captive solar power capacities at supply network. A 350 KWp solar plant at Jodhpur depot and a 1 MWp plant at Visakh Terminal are under execution and are expected to be completed in 2018-19.

N. INFORMATION SYSTEMS

Robust information systems have been put in place to support all business processes of HPCL. Business information has been effectively managed by Enterprise Resource Planning (ERP) system and a large number of other applications including workflow applications and portals to address specific requirements. Business Intelligence system has enhanced data literacy across the Corporation by providing decision support for tactical and strategic decisions.

GST IMPLEMENTATION

GST implementation has been a major project for HPCL during 2017-18 and involved enhancements in IT systems including ERP and development of new business processes in view of GST & non-GST product mix. HPCL successfully implemented the GST at locations across the country with effect from 1st July, 2017.



IMPLEMENTATION OF PMUY & DIGITAL INDIA INITIATIVES

e-KYC for new LPG connections under PMUY as well as over the counter connections was enabled first time in the industry by HPCL. HPCL is the only OMC that has implemented Aadhaar enabled e-KYC in LPG registration process.

Provision of acceptance of online payment was created along with UPI integration in the portal and mobile app for LPG refills and new LPG connections.

EZY Gas application for LPG customers was integrated with Centralized Distributor & Consumer Management System (CDCMS) and rest of the portals. Additional payment modes including Aadhaar pay and BHIM/UPI were enabled in EZY Gas application.

PMUY applications were enhanced in record time for reporting the details of safety clinics, customer contacts and LPG Panchayats. The application facilitates reporting by sales officers as well as distributors.

Daily pricing system was implemented, which provides daily computation of retail prices of motor fuels. Communication process through portal, mobile app, SMS, e-mail was institutionalised.

Transportation tenders through e-procurement including reverse auction, IT-OT integration in the refinery, enhanced business intelligence features, various workflow applications and introduction of mobile based applications were implemented across various SBUs and functions.

BUSINESS INTELLIGENCE

Business Intelligence (BI) application has matured significantly during 2017-18 in terms of content, user adoption and technology improvement. Geo-spatial features and improved visualization including heat maps and narration feature has been introduced for enhanced understanding of users. The facility for performance review through a single window has been made available through the BI system.

MOBILITY

During the year, specific focus was accorded to leverage mobility as a means to deliver application capabilities to users on the move. 'Sales Sahayak' mobile application for field Sales Officers & Regional Managers across SBUs. The application has been enabled with voice activation feature called 'HP Talk'. Mobile applications have been made available to various stakeholders including direct customers,

bunker customers, retail outlet dealers and transport contractors to provide information on real time basis.

IT-OT INTEGRATION

The refinery operations data of HPCL from platform like DCS (Distributed Control System) has been seamlessly integrated with ERP data to derive the business value using desired analytics. This IT-OT integration has enhanced accuracy and enriched the flow of data across the business value chain to optimize production processes and to generate superior analytics for improved performance monitoring of refineries.

WORKFLOW APPLICATIONS

A number of applications were developed for the business units which enabled seamless information flow across departments, locations and officers, leading to improved productivity. Details of major work flow applications implemented during the year 2017-18 include application for online dealership selection, legal compliances, mock drills and safety reporting system, E-ADR (Airport Delivery Receipt) system for electronic billing of ATF at the delivery point, inspection of private LPG bottling plants, capturing and monitoring of indents in lubes planning, Quality Control (QC) audit of ASFs and locations, application for placement of indents to Ethanol suppliers, automation of calculation of transportation rates linked to Diesel price, indenting & monitoring application for tank wagon indents etc.

DATA CENTRE

HPCL's infrastructure of servers and storage at data centres has been upgraded and updated to meet the growing demands of the business units. Provisioning of the required server and storage for meeting new application requirements were completed in a timely manner and in a full disaster recovery mode. For effective monitoring of performance of various applications, a new tool has been implemented. This helps in close monitoring of sensitive applications like e-procurement and helps in addressing user complaints regarding the system performance.

The ISO certification of the Information Security Management Systems (ISMS) of both data centres at Hyderabad and Mumbai has been renewed for a period of three years. This signifies the reassurance and readiness of HPCL's IT infrastructure to meet the requirements of cyber security.

COMPLIANCE AND SECURITY

The Security Operations Centre (SOC) monitors all systems for any security related incident and addresses the



challenges of cyber security. The SOC uses the state of the art solution to keep a close watch on entire data traffic in the corporate network in conjunction with the other security devices & appliances for ensuring the protection of HPCL's IT infrastructure from cyber threats. Close monitoring of IT systems has ensured that HPCL has not been impacted from any major reported cyber incidents.

O. VIGILANCE

Vigilance mechanism in HPCL is based on the guidelines from Central Vigilance Commission (CVC) on vigilance management in public sector enterprises and instructions issued from time to time by the Department of Personnel and Training (DoPT) as well as the administrative ministry i.e. Ministry of Petroleum & Natural Gas (MoP&NG).

Vigilance complaints are handled as per the complaint handling policies stipulated in Vigilance Manual 2005 of CVC. Under preventive vigilance, various activities are being undertaken by HPCL which include surprise and regular inspections, study of systems & procedures, regular interaction with employees, stake holders and public at large, scrutiny of audit reports and irregularity reports, maintenance of 'List of Doubtful Integrity', identification of sensitive posts and ensuring job rotation, coordination with CBI for preparation of 'Agreed List' etc. The department also undertakes various activities for creating increased awareness like conducting interactive sessions in schools/colleges, promoting ethical values and sharing case studies with employees through in-house vigilance publication 'Jaganar', observing vigilance awareness week etc.

P. HUMAN RESOURCES

HPCL is focused on delivering multi-faceted Human Resource (HR) services by establishing strong linkages between employees, processes and organizational vision & values. Human resource function at HPCL has identified the needs of the organization and adopted processes to develop a strong leadership pipeline and competent, committed & future ready workforce.

LEADERSHIP DEVELOPMENT

Project Periscope

To enable HPCL achieve the strategic objectives of T20 strategy, project Periscope was introduced for the senior officials of HPCL during 2017-18 and 35 officials underwent the program in first batch. The interventions of project Periscope are closely aligned to the vision, mission and strategy of the Corporation.

Advanced Management Program for Senior Management

To develop the perspectives and skills necessary for managing organization effectively in a rapidly changing business environment, 47 officers in salary grade 'G' & 'H' were nominated to attend Advanced Management Programs conducted by Administrative Staff College of India (ASCI) - Hyderabad, Management Development Institute (MDI)-Gurgaon, Indian Institute of Public Administration (IIPA) - New Delhi, SCOPE-New Delhi and LEAD centre - Gurgaon. A leadership development program 'APEX' was also conducted for 12 officers in salary grade 'G' & 'H'.

CAPABILITY BUILDING

HPCL endeavours to create value for the business functions through progressive learnings and building capabilities of employees. The key focus areas of the capability building department at HPCL include enhancement of competencies, strengthening the leadership pipeline, cultural interventions to enhance collaboration and leveraging technology for learning & development.

To enhance the competencies of workforce and make them future ready, HPCL has partnered with various reputed business schools like IIM Calcutta, IIM Lucknow, IIM Indore and IIM Tiruchirappalli for programs aligned to the business requirement. A one-year part time program was designed and implemented in collaboration with NITIE, Mumbai to enhance the project management competencies of employees. In collaboration with IIT Bombay, a full time M.Tech program in Chemical Engineering is being continued for refinery officers for enhancement of technical competencies. HPCL has also collaborated with Institute of Chartered Accountants of India (ICAI) for management program in business finance and employees were encouraged to pursue learning through these programs.

During 2017-18, 31,437 man-days training was imparted to management employees which translated to around 5.18 man-days per officer.

Capability building initiatives also included - a specialized year-long Certified Petroleum Manager (CPM) Program in collaboration with Indian School of Petroleum Energy (ISPE), Dehradun, MBA (Oil & Gas) by University of Petroleum and Energy Studies (UPES), Dehradun, Junior Management Development Programme (JMDP) and various other technical / behaviour based training programs for different levels of officers at HP Management Development Institute (HP MDI), Nigdi.



HPCL's Mumbai Refinery has developed a detailed competency mapping based Functional Training Calendar 2018 to enable enhanced competency building for employees.

A learning management platform named 'HP Academy' which has technical and functional overview courses from all SBUs and E-Vidya which is a customized and interactive e-learning platform to enhance learning, for officers in LPG SBU was also launched. HPCL has collaborated with EBSCO, an aggregator of full-text content and online databases to provide wide range of online reading material.

In addition programs like 'Shapath' aimed at creating a safety culture by enhancing the technical & behavioural competencies of the non-management employees at LPG bottling plants, 'Samvardhan' aimed at equipping employees in clerical roles with right skill set and mindset by developing behavioural & technical competencies pertinent to their present and future job roles, 'Project Uthaan', an initiative undertaken for the employees who have been promoted from labour cadre to clerical cadre and 'Gyan Jyoti', a comprehensive training program which aims at empowering the labour category employees by providing them requisite IT skills through phase wise training programs were undertaken.

Programs like 'Sada Aap Ke Liye' for Fore Court Sales Men (FSMs) at Retail outlets, 'Prerna' for contract workmen, 'Ji Haan Samarth' for LPG delivery men and 'Samvad' for LPG showroom /customer service sell staff were also conducted to skill the workmen engaged by channel partners and provide improved customer experience as they are the first point of contact with the customers.

TALENT SOURCING AND ACQUISITION

Talent sourcing division of HPCL plays a crucial role in attracting prospective talent pool seeking employment opportunities with the Corporation by way of creating a positive employee value proposition and a strong brand image of HPCL as a preferred employer. An annual workforce plan has been drawn considering the growth plan and business strategy of the Corporation and appropriate initiatives were undertaken to get requisite talent on board.

To apprise the prospective candidates about job prospects & career growth at HPCL, branding initiatives at various college campuses were conducted during the year. The career page on corporate website was revamped to provide enhanced information & user experience to the potential

candidates. In addition, social media platforms were also leveraged to reach wider audience.

Samavesh

The flagship program 'Samavesh' for new recruits was redesigned in line with the feedback and expectations of new officers joining the Corporation. As part of Samavesh, multiple networking, employer branding, social media contests and other activities were conducted to engage the newly appointed employees. In addition, 'HP Avalokan Board Game' was introduced to provide complete overview of HPCL in a simple, effective and engaging way.

PERFORMANCE MANAGEMENT

Me@HPCL

'Me@HPCL' is a visioning tool incorporated in online performance management system to systematically capture and align individual's aspirations and strength towards organizational objectives. The insights gathered through Me@HPCL have been leveraged for meeting career aspirations of employees as well as in capability building of leadership pipeline. The employee centric approach of Me@HPCL has been extended to gain deeper insights about the needs of the people regarding their careers and designing required developmental interventions.

Grievance Redressal Mechanism

A Grievance Redressal Mechanism has been institutionalised wherein all aggrieved officers were given personal hearing and grievances were redressed including revision in performance rating based on recommendations by Management Employees Relation Committee (MERC). All appeals to appellate authority were also reviewed in detail and redressed including revision in performance rating.

Reward & Recognition

The reward & recognition schemes of HPCL are aimed at motivating all employees towards higher performance. For senior and middle management executives, 'HP ICON Awards' have been instituted since 2010 which aim to identify and recognize officers who place the interests of their teams before individual contributions. For officers in the junior management category, 'HP Outstanding Achievers Awards' have been instituted to recognize outstanding contributions. During 2017-18, 53 officers were felicitated at 12th edition of Outstanding Achievers Awards. To reward and recognize the extraordinary performance and commitment by non-management employees, 'HP Gaurav' awards have been instituted.



IMPROVEMENT IN INDUSTRIAL HARMONY

HPCL takes pride in having cordial & productive relations with unions for more than two decades. The effective grievance management system, fairness & emphasis on transparency has resulted in alignment of unions & employees to Corporation's vision. During 2017-18, 'HPCL Trust for Promoting Industrial Harmony' has awarded 'Shri Raja Kulkarni Samman' to two senior union leaders in appreciation for their outstanding contribution in the area of industrial relations.

Harmonious industrial climate was ensured throughout the year to meet the needs of the business. 18 settlements with different unions on productivity, redeployment, commencement of new shifts etc. were signed during the year. In addition, machine care program was piloted for LPG SBU which is aimed at preventive maintenance through involvement of shop floor workmen.

To develop the leadership skills of union leaders, a week long program **जीतेगे हम साथ साथ** (Together We Win) was conducted at Hyderabad in February 2018 which had participation of 32 union leaders of refinery and marketing divisions.

During the year, 8 workshops were held under the program 'HP Connect' in which 236 non-management employees were covered from refinery and marketing divisions.

EMPLOYEE ENGAGEMENT INITIATIVES

Enhancing employee engagement continues to be a focus area for HPCL and Corporation ensures the holistic inclusion of workforce across the demographics. During 2017-18, a number of employee engagement initiatives were undertaken for creating an enabling, participative, nurturing and winning work culture and to reach out to the families of the employees to build a stronger bond with the HP family so that the families take pride in being associated with HPCL.

Employee Assistance Program (EAP) 'Paramarsh', was continued to provide counselling services to employees, their spouses, and dependent children. Paramarsh is a 24x7x365 counselling service through various contact modes and is available in ten (10) languages.

Yuvantage is a youth engagement initiative of HPCL aimed at holistic development of the young officers by enhancing their managerial, behavioural and technical competencies. Till date, more than 2,000 young employees of HPCL have been part of Yuvantage program.

A new employee engagement initiative, Reboot@35+ was launched for officers in the age group of 35-50 years,

with an aim to operationalize the vision of engaging self, immediate family members and fostering and building common interest networks across the Corporation. The initiatives under the ambit of Reboot @35+ focus on self-development in personal, professional and social domains with mindfulness as its core theme.

PRODUCTIVITY ENHANCEMENT INITIATIVES

Project Utkarsh is a longitudinal and integrated initiative of LPG SBU, aimed at bringing about significant productivity improvements by fostering collaboration, building ownership and imparting knowledge and skills. Since its implementation in 2009, the average production rate of LPG plants has increased by more than 37%.

Project Utkrisht is aimed at improving the overall efficiency of Operations and Distribution locations. This project has resulted in improvement in number of productivity parameters like increase in bay filling rate by 106% from baseline (2012) and decrease in tank truck turnaround time to 43 minutes from baseline (2012) figure of 104 minutes.

WOMEN EMPOWERMENT

In a historic initiative, HPCL's Mumbai Refinery introduced round the clock shift working in operations for female officers during the year and has become the first location in petroleum industry in Maharashtra to place female officers in unit jobs in shifts.

Specific programs were organized during the year for female officers under 'SHE' (Support, Help, Empowerment) meet, wherein more than 70 female employees participated in team building events.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE (POSH)

A workshop was conducted for members of Internal Complaints Committee (ICC) across the Corporation to help them in understanding of their roles and responsibilities. In addition, 9 awareness workshops were conducted on the provisions of the POSH act for employees of refinery and marketing divisions.

SC/ST WELFARE PROGRAMMES

Welfare initiatives designed for SC/ST/OBC communities were undertaken which included interventions on knowledge dissemination through distribution of books on Indian Constitution, speeches of Dr. B R Ambedkar, supporting economically backward students including disabled students through grant of scholarship, holding health camps, distribution of water and food etc.



SPORTS ACTIVITIES AT HPCL

HPCL has always played a significant role in promotion of sports. It participates in various tournaments organised under the aegis of Petroleum Sports Promotion Board (PSPB) and All India Public Sector Sports Promotion Board (AIPSSPB). During 2017-18, HPCL organised Annual Sports Meet, Indoor Games and Cricket tournaments for its employees on all India basis. In addition, HPCL also conducts Cricket & Table Tennis coaching camps every year for the children of its Mumbai-based employees.

During the year 2017-18, various initiatives were undertaken to make internal tournaments gender neutral & socially inclusive by introducing new events in women & veteran categories. In addition, new events for persons with disabilities were introduced for all employees on all India basis. These initiatives resulted in increased participation of women & young employees in sports activities. HPCL hosted PSPB tournaments in Carrom & Veterans Cricket. During 2017-18, HPCL also participated in PSPB tournaments in Athletics, Badminton, Basketball, Bridge, Carrom, Chess, Cricket (men & veterans), Football, Golf, Table Tennis, Tennis and Volleyball. HPCL also hosted the AIPSSPB Badminton tournament during the year.

Q. RIGHT TO INFORMATION (RTI)

HPCL is a Public Authority under the RTI Act 2005 and complies with all the requirements of RTI Act 2005. HPCL receives and handles RTI requests through the RTI online portal at www.rtionline.gov.in which is a unified RTI portal of the Government of India. Officers across the country, representing different departments have been designated 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.

R. CORPORATE SOCIAL RESPONSIBILITY

During 2017-18, HPCL has allocated and spent more than 2% of average net profit of preceding three years as CSR budget and undertaken various activities in six focus areas of CSR viz. Child Care, Education, Health Care, Skill Development, Sports and Environment & Community.

New collaboration with Central /State Governments, Municipal Corporations, Non-profit organisations, Indian Army etc. helped to reach out to larger marginalized section of society. Various government initiatives like Swachh Bharat Abhiyan, Swachh Iconic Places, Pradhan Mantri Ujjwala

Yojna, Skill India etc are being implemented to provide better health care, education & livelihood for enriching the quality of life of people. HPCL through its long term CSR interventions have undertaken the following activities during 2017-18:

ADAPT

Project ADAPT is aimed at holistic development of special children in an inclusive environment. Through this project, HPCL supported education, therapies and vocational training of 300 special children during 2017-18.

Akshaya Patra

To enhance the literacy rate by reducing dropouts and ensure better nutritional standards among children from weaker sections, HPCL supported mid-day meals for 15,000 students in Visakhapatnam and Vijayawada through project Akshaya Patra. The program has resulted into improved attendance in schools and better health for students from economically poor sections.

Agastya

Project Agastya has been undertaken by HPCL to ignite and inculcate the scientific spirit in young minds. Under this project, HPCL provides hands-on and practical science education among the new generation learners from less advantaged communities. During 2017-18, HPCL provided hands-on science knowledge to 12,915 students from 25 schools.

Nanhi Kali

HPCL has taken sustainable and organized efforts to bring gender equality in country by providing quality education along with various socio-cultural exposures to girl children, many of whom are first generation learners. Through Nanhi Kali initiative, HPCL has been able to reduce the number of girl dropouts, prevent child marriages and promote higher education for girls. During 2017-18, HPCL has supported 13,000 girls under this project.

Unnati

Project Unnati has been implemented by HPCL to digitally empower the weaker sections of society and enhance the career opportunities for first generation computer learners in semi-urban and rural areas. Under project Unnati, HPCL has provided training to 8,000 students from different states of the country during 2017-18.

Dhanwantari

Project Dhanwantari strives to meet basic medical needs of people residing in remote rural areas and urban slums by



taking medical facilities to their doorsteps through Mobile Medical Vans (MMVs). The MMVs offer free consultation and medicines from qualified doctors. During 2017-18, HPCL operated 18 MMVs in the remote and backward villages and urban communities of 10 states/Union Territories.

Dil without Bill

Project Dil without Bill supports free of cost heart surgeries for patients from poor socio-economic background with preference to children. Awareness and follow-up camps are also conducted in various cities and towns that helps in identifying the needy patients. During 2017-18, HPCL has supported treatment of 400 patients from various parts of country.

Suraksha

The objective of project Suraksha is prevention and control of HIV/AIDS and Sexually Transmitted Infections (STIs) amongst trucking community through seven (7) 'Khushi Clinics'. Advanced counselling, AIDS awareness, STI treatment and basic health facilities were provided to truck drivers and cleaners to ensure holistic health and well-being of the truckers.

Swavalamban

Skill training to unemployed youth from diverse and poor socio-economic background were provided under project Swavalamban for enhancing their employability. Through a forward-backward integration model, collaboration with industry was established to ensure placements for those looking for a job. Under project Swavalamban, HPCL trained 3,000 youths during 2017-18 through its centres at different locations across the country.

SWACHH BHARAT ABHIYAN

With a focus on creation of sanitation infrastructure and awareness generation among masses, HPCL undertook innovative Swachh Bharat initiatives in collaboration with various stakeholders. A few such initiatives are construction of about 361 school toilets out of which 224 were constructed for girl children, construction of 194 community toilets across multiple states, renovation and upgradation of 127 community toilets at 18 prominent locations in Mumbai, waste management initiatives in Visakhapatnam. HPCL also initiated renovation/ upgradation of school toilets and Water, Sanitation and Hygiene (WaSH) program in 300 school in 4 states and partnered with district administration of Jalgaon (Maharashtra) for construction of 188 toilets in schools.

HPCL has adopted Golden Temple under the 'Swachh Iconic Places', a clean-up initiative focused on select heritage,

spiritual and cultural places in the country. During 2017-18, Golden Temple was awarded 'Best Iconic Place' award by the Government of India.

Employees and other stakeholders enthusiastically participated in more than 2,000 Swachh Bharat activities during the year including 'Swachhta Pakhwada' and 'Swachhta Hi Sewa' campaign to make Swachhata a Jan Andolan.

ENTREPRENEURSHIP DEVELOPMENT PROGRAM

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

EDP is a one-month residential program that consists of selecting the right candidates using tests and interviews, bringing attitudinal change and providing them with knowledge and entrepreneurship skills for setting up and running a business and thereby enabling transformation from job-seekers to job-creators. In addition, handholding and mentoring is also an integral part of the program.

After the success of EDP Phase I, HPCL has run two batches in 2017 including one batch exclusively for women. Thirty five (35) SC/ST women entrepreneurs were developed under EDP phase II. EDP has facilitated registration of total 105 companies under MSME across various sectors.

SKILL DEVELOPMENT

In line with the 'Skill India' initiative of Government of India, contribution was made towards five (5) Skill Development Institutes (SDIs) at Raebareli, Guwahati, Visakhapatnam, Kochi and Bhubaneswar and towards the establishment of Indian Institute of Petroleum and Energy (IIPPE). HPCL was the anchor industry for IIPPE and Skill development institute at Visakhapatnam.

OTHER SOCIAL DEVELOPMENTAL ACTIVITIES

Over 12,000 needy and meritorious students from SC, ST, OBC, and PWD categories were provided scholarships to support their education. Based on the latent and stated need of the communities, an array of local area development initiatives was driven by the passionate employees towards welfare of less privileged people including children, women, elderly and people from other weaker sections of society.



HPCL in collaboration with Indian Army launched maiden project 'Kashmir Super 30 (Medical)' to provide best in class mentoring to talented students from Kashmir to compete for various medical entrance examinations in India. In addition, HPCL entered into partnership with Government of Jammu & Kashmir for developing the iconic 'Tulip Garden'. HPCL also contributed to Armed Forces Flag Day Fund (AFFDF) for providing care, support, rehabilitation and financial help to the disabled, non-pensioners, old and infirm ESM (ex-servicemen), their families, war widows and orphaned children. HPCL will continue to strive for welfare and development of society with greater zeal and enthusiasm through its CSR programs.

S. OFFICIAL LANGUAGE IMPLEMENTATION

HPCL ensures the usage of Hindi by motivating the employees through persuasion, incentives and harmony and leverages various IT platforms to promote Hindi. The recognition of linguistic and cultural talent of the employees and enhanced awareness about Hindi at workplaces is facilitated by encouraging participation in All India Hindi Mahotsav, Hindi fortnight, Official Language conferences, Hindi competitions and Hindi workshops. During 2017-18, HPCL has undertaken various new initiatives for promoting Hindi including technical Hindi article competition and technical Hindi seminar. HPCL is coordinator for Town Official Language Implementation Committee (TOLIC) of Mumbai based PSUs since 1983 and is guiding Mumbai based 64 PSUs in the field of official language implementation.

During 2017-18, HPCL was recognised with total 43 awards in the area of official language implementation. This includes 'Rajbhasha Kirti Pratham Puraskar', the highest Official Language Award and TOLIC (Mumbai) award. Both the awards were given by Honourable President of India. HPCL has also received the Official Language Shield from Ministry of Petroleum & Natural Gas during 2017-18.

T. AWARDS RECEIVED

During the year 2017-18, HPCL was conferred with a number of awards and recognitions at various international and national forums. The following is the list of awards received by HPCL during 2017-18:

1. "Responsibly Growing Corporate of the Year 2016" award by Federation of Petroleum Industry (FIPI) for the leadership in achieving business excellence with responsibility in oil & gas sector in India
2. "Oil and Gas Marketing Company of the Year" award for the second consecutive year by FIPI for leadership in oil

marketing business in India

3. Recognized amongst the 'Top 100 Global Energy Leaders' for 2017 by Thomson Reuters
4. "Fastest Growing Organization - Navratna" award at the Hindustan Ratna PSU Awards 2017 by Hindustan Media Ventures Limited
5. "Forecourt Retailer of the Year" award for the 10th time at Star Retailer Awards 2017
6. "Asia's Most Admired Brands 2018" and "Asia's Most Valuable Business Brands 2018" award to HP Gas at Asian Brand and Leadership Conclave 2018 by World Consulting & Research Corporation in association with ibrand 360
7. "Marketing Campaign of the Year" Award & "Emerging Brand Award" to Retail SBU at ABP News Brand Excellence Awards
8. "Excellence in Overall Performance" award to HP Lubricants for the 2nd consecutive year by M/s Bosch India
9. "SCOPE Meritorious Award 2014-15" for 'Best Women Empowered Company' & 'Environmental Excellence and Sustainable Development'
10. Innovation Award to HPCL Green R&D centre, Bengaluru by Ministry of Petroleum & Natural Gas (MoP&NG) for 'Best Indigenously Developed Technology'
11. "Vigilance Excellence Award 2017" in the Outstanding Category for CPSEs, PSBs, Ministries and Departments by Central Vigilance Commission (CVC)
12. Award for "Best Company in terms of Cognitive Technologies Implementation" by Computer Society of India
13. "R&D Company of the Year" award by The Energy & Climate Initiatives Society for development and demonstration of innovative products and processes
14. "Best Engagement & Loyalty Scheme of the Year" Award for Drive Track Plus loyalty program of Retail SBU
15. "INDIASTAR" 2017 Award to HP Lubricants for HP Racer Synth premium four stroke bike engine oil for excellence in packaging for 'Shipper Cum Display Pack'
16. "FICCI Chemical and Petrochemical Award" 2016 to VVSPL for 'Most Environment-Friendly Company in Petrochemicals Sector' and to MDPL for 'Excellence in Corrosion Management in Petrochemicals Sector'



17. "Oil Industry Safety Award 2017" to South Zone - LPG under "Marketing-LPG Category" and Mundra-Delhi Pipeline under "Cross Country Pipelines- Product category" by Oil Industry Safety Directorate (OISD)
18. "Special Recognition Award" for advancing the practices of Human Resource Management by the Society of Human Resource Management (SHRM)
19. "Global Sustainability Awards 2017" in Gold Category for excellence in sustainability and safety by M/s Energy and Environment Foundation at 8th World Renewable Energy Technology Congress
20. "Golden Peacock Award 2017" for Corporate Social Responsibility by Institute of Directors (IoD)
21. "Golden Peacock Award for Sustainability" 2017 by Institute of Directors (IOD) for excellent performance on economic, environmental and social aspects
22. "Emerging Brand Award" to HPCL's Drive Track Plus loyalty program at National Awards for Marketing Excellence 2017
23. "Best Digital Customer Experience Initiative" and "Best Loyalty Program in B2B Sector" awards to Retail SBU during Customer Loyalty Summit 2018
24. "Digital Enterprise Service 2017" Award in 'Good for Organization' category at Digital India Summit 2017 by Times Network
25. "Best Enterprise Award" (Navratna Category) at the forum for Women in Public Sector (WIPS) under the aegis of SCOPE
26. "Retail Marketing Campaign of the Year" (Offline) award to 'HP Hai Jahan Bharosa Hai Wahan' campaign at ET Now's Global Awards
27. "National Project Management Excellence 2016" Award to Mangalore-Hassan-Mysore-Solur LPG Pipeline Project (MHMSPL) by Project Management Associates (PMA)
28. "SCOPE Awards for Excellence in Corporate Communication 2017" - (i) 1st prize in the category of Best External Corporate Communication Campaign Programme for "Roads That Honk" campaign (ii) 2nd prize in the category of Best Internal Corporate Communication Program for 'HP Senior League' (iii) 2nd prize in the category of Best House Journal (English) for 'HP News' (iv) 2nd Prize in the category of Best House Journal (Hindi) for 'HP Samachar' (v) 3rd prize in the category of Annual Report (vi) 3rd prize in the category of Best Corporate Film
29. "CIPS Supply Management Awards Asia 2017" under the category of 'Best Process Improvement Initiative' at Procure-con Asia Conference 2017
30. 'Certificate of Merit' in Challenge Category at "Sustainability 4.0 Awards 2017" (MENASA edition) by Frost & Sullivan and TERI
31. "Platinum Award" to Mundra Delhi Pipeline in Petroleum Storage & Transportation Sector by Greentech Foundation
32. "Green Supply Chain Company of the year 2017" award at Express Logistics and Supply Chain Leadership Awards 2017
33. Greenco 'Platinum' rating to Visakh LPG terminal (First LPG terminal in industry to obtain CII Greenco Platinum rating) by Confederation of Indian Industry(CII) - Godrej Green Business Centre (GBC)
34. "IT Innovation and Excellence 2017" award in "Best Government Organization Implementing Information Security" category by Computer Society of India (CSI)
35. "PRSI National Awards 2017"- (i) Best Innovation in PR & Communication Campaign for 'Roads That Honk' campaign, (ii) Best House Journal (Hindi) for 'HP Samachar', (iii) Best House Journal (English) for 'HP News', (iv) Best Annual Report, (v) Best PSU implementing CSR and (vi) Best CSR Project in Childcare, by Public Relation Society of India (PRSI)
36. "Eminent Awards 2017" - (i) Gold Award to MPSPL, (ii) Gold Award to Jabalpur IRD, (iii) Gold Award to Loni LPG plant & (iv) Silver Award to Anantapur LPG plant by Ek Kaam Desh Ke Naam NGO
37. 'Platinum Award' for Green Building Standards to Yediyur LPG plant by Indian Green Building Council (IGBC)
38. "Vigilance Excellence Award" for Best Case Study at the XIV anniversary celebration of Vigilance Study Circle, Hyderabad chapter
39. First prize to Yuvantage initiative at FICCI Award 2017 in case study contest on the theme 'How Millennials have reshaped your workforce'
40. "Bhamashah Award" to Jodhpur Retail Regional Office by Government of Rajasthan



41. "Skill Achievers Silver Trophy" to Skill Development Institute (SDI), Visakhapatnam under the category 'Best Institute – Innovation on Skill Development' by ASSOCHAM
42. Award for 'Best HR Practices' to Capability Building group and HP MDI by Times Ascent Group
43. National Excellence Award under the category "Significant Contribution done by Industry in Education Sector" to Jodhpur Retail Regional Office by ASSOCHAM
44. 'IGBC GOLD rating' under the category of 'Existing Building' to marketing headquarters - Hindustan Bhawan
45. Multiple "Garden Awards" to HP Nagar East colony from Brihanmumbai Municipal Corporation (BMC) and Friends of the Trees
46. HPCL featured in 'CNBC TV 18 Workplace Excellence Series' on 27th-28th January, 2018 as a special episode and became the first oil PSU to feature in this series

U. 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.

V. INTEGRITY PACT

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

W. RISK MANAGEMENT

HPCL has adopted a well-defined process for managing the business risks on continuous basis and for conducting the business in a risk conscious manner. Processes have been put in place for identification, assessment and mitigation of risks continuously. These self-regulatory processes form an integral part of core business values and provide critical

inputs for decision making related to strategy formulation and capital allocation.

HPCL has also leveraged technology to integrate and manage the entire process of enterprise risk management. Independent expert has been engaged to improve the effectiveness of framework and assist in its continued implementation.

As part of effective implementation of the risk management framework, Risk Management Steering Committee (RMSC) continues to provide direction and guidance. The Corporation has a mechanism to inform Board members about the risk assessment & mitigation procedures and periodic reviews are held to ensure that risks are controlled through a properly defined framework.

X. INTERNAL CONTROL PROCESSES

The Corporation has an independent Internal Audit department headed by an Executive Director (below board level position). The Internal Audit department consists of professionally qualified officers from finance and technical functions, supplementing the internal control processes through an extensive audit program. The internal audits are carried out across all the spheres of business operations of HPCL to review the implementation of business processes and control. Internal audits are carried out as per the annual audit program approved by the Audit Committee of the Board and significant audit observations are periodically reviewed by Audit Committee of the Board.

Y. GLOBAL COMPACT

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

Z. JOINT VENTURE COMPANIES AND SUBSIDIARIES

HPCL conducts business through subsidiaries and joint venture companies in various areas across the energy value chain including refining, petrochemicals, bituminous emulsions, pipelines, City Gas Distribution (CGD), LPG cavern, LNG terminals and biofuels. The joint venture and subsidiary companies of HPCL have performed well during the year 2017-18 as given under:



HPCL-Mittal Energy Ltd. (HMEL)

HPCL-Mittal Energy Ltd. (HMEL) is a joint venture between HPCL and Mittal Energy Investments Pte Ltd., Singapore with equity holding of 48.99% each.

HMEL operates a refinery of 11.3 MMTA capacity at Bathinda, Punjab. The refinery produces wide range of petroleum products including LPG, Naphtha, Petrol, Diesel, ATF, Bitumen, Petroleum coke, Polypropylene and Sulphur.

Capacity expansion of HMEL Refinery from 9 MMTA to 11.3 MMTA was completed during 2017-18 and the project for producing BS-VI grade fuels is under implementation.

During 2017-18, HMEL processed 8.83 MMT of crude oil and recorded a total revenue of ₹ 40,701 crore with profit after tax of ₹ 1,629 crore. HMEL has also kick-started the proposed investment of about ₹ 21,700 crore towards setting up a 1.2 MMTA integrated petrochemical block within the existing refinery complex.

HMEL has always fostered a culture of camaraderie, transparency and performance amongst its employees and has been certified during 2017-18 as a 'Great Place to Work'. For the first time, HMEL achieved 10 million safe man-hours with steady commitment towards an incident & injury free workplace.

South Asia LPG Company Pvt. Ltd. (SALPG)

South Asia LPG Company Pvt. Ltd. (SALPG) is a joint venture between HPCL and Total Holding India with equity holding of 50% each.

SALPG owns and operates an underground LPG storage cavern of 60 TMT capacity and associated receiving & despatch facilities at Visakhapatnam. This cavern is the only underground LPG cavern storage facility in the country.

During 2017-18, SALPG cavern received 1.686 MMT of LPG as compared to 1.627 MMT in previous year, registering a growth of 3.63%. SALPG has achieved a total revenue of ₹ 228.38 crore and recorded profit after tax of ₹ 118.21 crore during 2017-18.

SALPG accords topmost priority to safety, health, and environment across all facets of the business. Company has established an HSE management system in line with the international standards. Since the commencement of operation in January 2008, SALPG has clocked 2.99 million safe man-hours till 31st March, 2018.

SALPG is accorded ISO 9001-2008 certification for Quality Management System, ISO 14001-2004 certification for

Environmental Management System and OHSAS 18001-2007 certification for Occupational Health and Safety Management System.

SALPG has been continuously paying dividend for the last 8 years. For the year 2017-18, SALPG Board has recommended highest ever dividend of 90%.

Prize Petroleum Company Ltd. (PPCL)

Prize Petroleum Company Ltd. (PPCL) is a wholly owned subsidiary of HPCL. PPCL is the upstream arm of HPCL and is in the business of Exploration and Production (E&P) of hydrocarbons as well as providing services for management of E&P blocks. During 2017-18, PPCL achieved total production of 33,752 barrels of crude oil from domestic oil field at Hirapur (Gujarat).

PPCL has a wholly owned subsidiary namely Prize Petroleum International Pte Ltd. (PPIPL), incorporated in Singapore. PPIPL has 11.25% and 9.75% participating interests in two E&P blocks, T/L1 and T/18P respectively in Australia. PPIPL has achieved its share of production of 459,269 BOE (Barrels of Oil Equivalent) from Yolla producing field (T/L1).

During 2017-18, PPCL has achieved total revenue of ₹ 106.27 crore on consolidated basis as compared to ₹ 86.49 crore achieved during previous year.

Hindustan Colas Private Ltd. (HINCOL)

Hindustan Colas Private Ltd. (HINCOL) is a joint venture between HPCL and M/s Colas S.A. of France with equity shareholding of 50% each.

HINCOL is engaged in the manufacturing and marketing of Bitumen emulsions and modified Bitumen. HINCOL also undertakes pavement maintenance activities like micro-surfacing, slurry sealing and fog sealing and is the market leader in sales of Bitumen emulsions in India.

HINCOL owns and operates nine (9) strategically located, ISO 9001/14001 & OHSAS 18001 certified plants. Construction of its 10th plant at Guwahati and resitement of the existing plant at Visakhapatnam are in progress. The JV has chartered a course of consolidation in its existing core business besides exploring new business opportunities in terminalling, waterproofing solutions, etc. HINCOL's maiden Bitumen storage facility at Haldia is under construction and is a step in this direction.

The Company continues to be a preferred supplier for major infrastructure projects in India owing to its commitment towards quality. During 2017-18, HINCOL supplied Bitumen



emulsions to numerous road projects in India registering a sales growth of 5% over historical. It also supplied Polymer Modified Bitumen for construction of runways at Chandigarh and Kannur international airports and Air Force stations at Pune, Tambaram, Awantipur, Sirsa and Kalburgi.

During 2017-18, HINCOL recorded a total sale volume of 209 TMT registering a revenue of ₹ 708.86 crore and net profit of ₹ 100.16 crore.

HINCOL has been paying dividend for the past 18 years and has declared the highest ever dividend of 700% for 2017-18.

HPCL Rajasthan Refinery Ltd. (HRRL)

HPCL Rajasthan Refinery Ltd. (HRRL) is a joint venture of HPCL and Government of Rajasthan with 74% equity participation by HPCL and balance 26% by Government of Rajasthan. HRRL is setting up a 9 MMTPA capacity greenfield refinery cum petrochemical complex in the state of Rajasthan.

HPCL and the Government of Rajasthan entered into a revised Memorandum of Understanding on 18th April, 2017 for the construction of the said Refinery with revised parameters. The revised Joint Venture Agreement was signed on 17th August, 2017. The work commencement ceremony of the 9 MMTPA Rajasthan Refinery was carried out at the hands of Honourable Prime Minister of India on 16th January, 2018.

The pre-project activities for the project are in advanced stage. The cost of project is estimated to be ₹ 43,129 crore.

Mangalore Refinery and Petrochemicals Ltd. (MRPL)

Mangalore Refinery and Petrochemicals Ltd. (MRPL) is a joint venture of HPCL and ONGC wherein ONGC holds 71.63% of equity, HPCL holds 16.96% of equity and balance equity is held by public.

MRPL is a Schedule 'A' Miniratna Central Public Sector Enterprise (CPSE) and a listed entity, which operates a refinery of 15 MMTPA capacity at Mangalore, Karnataka.

During 2017-18, MRPL has achieved highest ever throughput of 16.31 MMT as compared to 16.27 MMT achieved during 2016-17 and recorded consolidated total revenue of ₹ 63,962 crore with profit after tax of ₹ 1,774 crore.

MRPL has successfully commissioned a solar power project of 6.063 MWp capacity which is the largest solar power project in a refinery site in the country.

Ratnagiri Refinery and Petroleum Ltd. (RRPCL)

Ratnagiri Refinery and Petrochemicals Ltd. (RRPCL) is a joint

venture company promoted by IOCL, BPCL and HPCL with equity participation in the ratio of 50:25:25.

RRPCL has planned to set up a 60 MMTPA integrated refinery cum petrochemicals complex in Ratnagiri district in the state of Maharashtra. The Company has initiated the process of acquiring land through Government of Maharashtra. Pre-project activities like pre-feasibility study, market study etc. have been initiated for the project.

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 enable HPCL's foray into manufacturing of Ethanol for blending in Petrol. HBL presently has two integrated Sugar-Ethanol-Cogeneration plants at Sugauli and Lauriya in the state of Bihar.

During 2017-18, HBL has recorded total revenue of ₹ 136.50 crore and cane crushing of 699 TMT with average sugar recovery of 9.04 %. HBL also achieved sugar production of 63,870 MT, Ethanol production of 7,025 KL and power production of 79,085 MWh during 2017-18.

Petronet MHB Ltd. (PMHBL)

Petronet MHB Ltd. (PMHBL) is a joint venture of HPCL and ONGC with equity shareholding of 32.72% each and balance 34.56% of equity is being held by banks. PMHBL owns and operates a multiproduct petroleum pipeline to transport MRPL Refinery's products to various parts of Karnataka.

During 2017-18, PMHBL has achieved highest ever throughput of 3.5 MMT as compared to 3.43 MMT during previous year. PMHBL has registered highest ever total revenue of ₹ 171.13 crore as compared to ₹ 170.20 crore in the previous year and recorded the highest ever net profit of ₹ 83.46 crore as compared to ₹ 80.95 crore achieved in 2016-17. PMHBL has paid its maiden interim dividend of 9% to the shareholders for the year 2017-18.

To expand the pipeline network further, PMHBL has submitted the Expression of Interest to PNGRB for laying a petroleum product pipeline from Hassan to Chitradurga (from existing Hassan Pumping station) in Karnataka state.

PMHBL's Integrated Management System (IMS) is certified with ISO-9001 for quality management, ISO-14001 for environmental management, OHSAS-18001 for occupational health and safety management and ISO-50001 for energy management. The company has also deployed various updated technology solutions for its operations as per International standards.



Bhagyanagar Gas Ltd. (BGL)

Bhagyanagar Gas Ltd. (BGL) is a joint venture of HPCL and GAIL with equal equity holding of 49.97% each.

As on 31st March, 2018, BGL has a City Gas Distribution network comprising of 595 Km MDPE pipeline and 115.21 Km steel pipeline and is serving 21,678 domestic customers. BGL also operates 51 CNG stations (3 mother stations, 42 daughter stations & 6 online stations) in the cities of Hyderabad, Vijayawada, and Kakinada in the states of Andhra Pradesh and Telangana.

During 2017-18, BGL has achieved sales volume of 29,419 MT of CNG and 124.10 lakh Standard Cubic Meter (SCM) of PNG, registering a growth 248% in PNG sales. BGL has recorded the highest ever revenue of ₹ 158.96 crore with net profit of ₹ 9.16 crore during 2017-18.

Aavantika Gas Ltd. (AGL)

Aavantika Gas Ltd. (AGL) is a joint venture of HPCL and GAIL with equal equity holding of 49.98% each.

As on 31st March, 2018, AGL has a City Gas Distribution network comprising of 1,615 Km MDPE pipeline and 100 Km steel pipeline and is serving 25,921 domestic customers. AGL also operates 26 CNG stations (4 mother stations, 10 daughter stations & 12 online stations) in the cities of Indore, Ujjain, Pithampur and Gwalior in the state of Madhya Pradesh.

During 2017-18, AGL has achieved sales volume of 21,868 MT of CNG and 116.53 lakh SCM of PNG, registering a growth of 14% and 22% respectively over the previous year. AGL has recorded the highest ever revenue of ₹ 149.2 crore with best ever net profit of ₹ 24.28 crore during 2017-18.

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 HPCL. HPCL has 11% equity participation in the company and balance being held by GSPL (52%), IOCL (26%) & BPCL (11%).

GIGL has been authorised to lay two cross country gas pipelines viz 1,640 Km long Mehsana to Bathinda Pipeline and 740 Km long Bathinda to Srinagar Pipeline.

The company has awarded EPC contracts for the initial sections of projects viz. Barmer-Pali pipeline, Palanpur-Pali pipeline and Jalandhar-Amritsar pipeline. Project implementation activities like laying of pipelines, civil construction works etc. for all these three sections are in full swing.

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 HPCL. HPCL has 11% equity participation in the company and balance being held by GSPL (52%), IOCL (26%), & BPCL (11%).

GITL has been authorised to lay 1,881 Km long natural gas pipeline from Mallavaram to Bhilwara.

The company has awarded the EPC contract for the project of interconnecting the initial section of Reliance Gas Transmission Limited pipeline to Ramagundam Fertilizers & Chemicals Limited plant.

Godavari Gas Pvt. Ltd. (GGPL)

Godavari Gas Pvt. Ltd. (GGPL) is a joint venture between Andhra Pradesh Gas Distribution Corporation Limited (APGDC) and HPCL with equity stake in the ratio of 74:26.

GGPL has been formed to develop and operate city gas distribution network in East Godavari and West Godavari Districts of Andhra Pradesh. The project is estimated to cost around ₹ 475 crore in the first five years.

As of 31st March, 2018, GGPL operates 1 CNG mother station in Kovvur, West Godavari district and 4 daughter booster stations at OMC retail outlets. During 2017-18, GGPL has recorded a turnover of ₹ 1.95 crore against sale of 430.99 MT of CNG.

HPCL Shapoorji Energy Pvt. Ltd. (HSEPL)

HPCL Shapoorji Energy Pvt. Ltd. (HSEPL) is a joint venture between HPCL and SP Ports Pvt. Ltd. with equity shareholding of 50% each.

HSEPL has been formed to build and operate a 5 MMTPA LNG regasification terminal at Chhara Port in district Gir Somnath, Gujarat. The project is estimated to cost around ₹ 4,300 crore, to be funded by a mix of debt and equity. The key LNG terminal facilities include marine facilities for LNG carrier berthing & unloading, storage tanks, regasification facility based on Shell & Tube Vaporizer (STV) and utilities such as boil-off system and emergency generator.

Process of award of EPC contract for the project through international competitive bidding is in progress and Letter of Acceptance (LoA) has been issued for storage tanks and regasification facilities. Petroleum Explosive Safety Organization (PESO) has granted approval for construction of facilities. The Environmental Clearance (EC) from Ministry of Environment, Forest and Climate Change (MoEF&CC) is awaited for the project.



Mumbai Aviation Fuel Farm Facility Pvt. Ltd. (MAFFFL)

Mumbai Aviation Fuel Farm Facility Pvt. Ltd. (MAFFFL) is a joint venture of Mumbai International Airport Private Limited (MIAL), Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and HPCL with equity holding of 25% each.

The business of the company is to operate & maintain the 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 open access basis. The revenue to MAFFFL shall be by way of the fuel infrastructure charges, payable by the suppliers for utilising the facility.

During 2017-18, MAFFFL achieved throughput of 18.03 lakh KL as compared to 16.55 lakh KL in previous year, registering a growth of 8.94%. MAFFFL has recorded total revenue of ₹ 139.38 crore during 2017-18 as compared to ₹ 127.60 crore in the previous year and also recorded the highest ever profit after tax of ₹ 47.22 crore as compared to ₹ 26.58 crore in previous year with a profit growth of 78%. MAFFFL has paid its maiden interim dividend of 10% to the shareholders for the year 2017-18.

During 2017-18, the cumulative overall progress of the integrated fuel farm project is about 68%.

HPCL Middle East FZCO

HPCL Middle East FZCO, a 100% Subsidiary of HPCL was incorporated on 11th February, 2018 as a free zone company under Dubai Airport Free Zone and Establishment Card was issued on 22nd March, 2018 for the company.

HPCL Middle East FZCO was established for trading of lubricants & greases, petrochemicals and refined petroleum products. The subsidiary will serve the select markets of Middle East and Africa.

AA. OUTLOOK

The global economic growth continues to be strong at a growth rate of 3.8% during 2017, which was highest since

2011. Growth was broad based with higher than expected growth in the Euro-zone, Japan, US and China and propelled by modest improvement in commodity exporters after three years of weak growth. Global trade also recorded a strong growth of 4.9% in 2017 after two years of weakness. Growth momentum of global economy is expected to continue in 2018 with world GDP growth projected to be around 3.9%. This is expected to provide a boost for exports and could be biggest source of upside potential for India's GDP growth in 2018-19.

In the domestic front, forecasts by Reserve Bank of India (RBI) and International Monetary Fund (IMF) indicate an improvement in growth prospects of the Indian economy with a GDP growth rate of about 7.4% projected for 2018-19. GST promises to deliver positive outcomes in economy as India becomes a single large competitive market. Also the structural reforms of recapitalising the public sector banks and resolution of distressed assets under the new Indian Bankruptcy Code are promising. Thrust on rural and infrastructure sectors in the Union Budget could boost rural demand and attract private investment. Improvement in non-food credit offtake also augur well for investment recovery. Challenges are from actions towards protectionist tendencies & trade strife by countries and geopolitical tensions across the globe. With economy growing in line with trend, on the back of various policy initiatives, growth in demand for petroleum products in India is expected to follow trend.

BB. CAUTIONARY STATEMENT

Matters covered in the Management Discussion and Analysis report describing the Corporation's objective, projections, estimates and 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 Corporation's operations include economic conditions affecting demand / supply and price conditions in the domestic market in which the Corporation predominantly operates, changes in regulations and other incidental factors.



Business Responsibility Report

SEBI has mandated the requirement of submission of Business Responsibility Report ('BRR') for top 500 listed entities under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR"). In compliance of the same, Hindustan Petroleum Corporation Limited (HPCL) is delighted to present its 2nd Business Responsibility Report (BRR) as a part of Annual report 2017-18.

Businesses have become a critical component of the social system; they are accountable not merely for profit to their shareholders but also to the larger society which is also its stakeholder. At HPCL, we see business responsibility as a process through which companies take responsibility for their operations and embolden positive impacts in the ecosystem in which they operate while creating business value to their customers.

Thus, embracing of responsible business practices is as important as delivering financial and operational growth. This becomes even more pertinent to us being a Public Sector Undertaking and a listed entity wherein public funds are involved. We strongly believe it is our obligation to make exhaustive and continuous disclosures as Business Responsibility Report.

Further, Securities and Exchange Board of India (SEBI) notified Listing obligations and disclosure requirements (amendment) regulation 2015 in Gazette of India dated 22nd December, 2015. Vide this notification, it is mandatory to release the BRR for the top 500 listed entities based on market capitalization of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) as on March 31, of every financial year. As HPCL stands 60th in ranking of market capitalization as on 31st March, 2018 at NSE and BSE, we are presenting herewith BRR for the financial year 2017-18.

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L23201MH1952GOI008858
- Name of the Company:** Hindustan Petroleum Corporation Limited (HPCL)
- Registered Address:** Petroleum House, 17, Jamshedji Tata Road, Mumbai - 400020
- Website:** <http://www.hindustanpetroleum.com>

- E-mail id:** corphqo@hpcl.co.in
- Financial Year Reported:** 2017 -18
- Sector(s) that the Company is engaged in (industrial activity code-wise)**

As per National Industrial Classification, Ministry of Statistics & Programme Implementation, the Company is engaged in activities described below:

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



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

- High Speed Diesel (HSD)
- Liquefied Petroleum Gas (LPG)
- Motor Spirit (MS)

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

- Number of International Locations: NIL
- Number of National Locations: We have 2 major refineries at Mumbai and Visakhapatnam. We have a strong country-wide network of infrastructure as below:

Sr no	Description	Units	Value
1	Retail Outlets	Nos	15062
2	LPG Distributorships	Nos	4849
3	SKO/ LDO Dealerships	Nos	1638
4	Auto LPG Dispensing Stations (ALDS)	Nos	218
5	CNG Outlets	Nos	239
6	Aviation Fuel Stations	Nos	41
7	Terminals & TOPs	Nos	41
8	Inland Relay Depots	Nos	41
9	LPG Bottling Plants	Nos	48
10	Lube Blending Plants	Nos	6
11	Exclusive Lube Depots (COLD/COD)	Nos	27
12	Lube Distributors	Nos	266
13	Clearing and Forwarding Agents (CFA)	Nos	116
14	LPG Import Facility Locations	Nos	2
15	Lube Oil/ATF Pipelines Capacity	MMTPA	2.1
16	Designed Multi Product Pipeline Capacity		
16.a	Main Lines (POL)	MMTPA	22.99
16.b	Branch Lines (POL)	MMTPA	11.07
16.c	Main Line (LPG)	MMTPA	1.94

c. **Markets served by the Company – local/state/national/international:**

We serve national as well as international markets. We do international trade (Lubricants & other petroleum products) with Nepal, Bhutan, Myanmar, Sri Lanka, Singapore, Middle East and African markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid Up Capital (INR)** 1523.82 Crore (Fully Paid Up Capital)
- Total Turnover (INR)** 2,44,085.12 Crore
- Total Profit after Taxes (INR)** 6357.07 Crore
- Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)** 156.86 Crore i.e. (2.48%) of average net profit of the company for last three FY (2014- 2017)
- List of activities in which the expenditure in 4 above has been incurred.**
 - Child Care
 - Education
 - Health Care
 - Skill Development
 - Sports
 - Environment and Community Development

SECTION C: OTHER DETAILS

1. **Does the company have any Subsidiary Company/ Companies?**

Yes, HPCL has subsidiary companies and the details are as follows;

- Prize Petroleum Co. Ltd. : HPCL's equity holding - 100%
- HPCL Biofuels Ltd. : HPCL's equity holding - 100%
- HPCL Rajasthan Refinery Ltd. : HPCL's equity holding - 74%
- HPCL Middle East FZCO : HPCL's equity holding - 100%
- CREDA HPCL Biofuel Limited** : HPCL's equity holding - 74% (**- Company was dissolved w.e.f. March 8th, 2018 and consequently company name was struck off from the records of Register of Companies.)

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

The subsidiary companies are aligned to Corporate Social Responsibility (CSR) philosophy and agenda of the parent company. They are also working in similar focus areas such as education and health care.

3. **Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)**



HPCL engages periodically with more than 60% of its suppliers, distributors, dealers, transporters etc. for raising awareness on sustainability issues. Being a responsible company, we ensure that all the statutory requirements such as labour laws, minimum wages, no forced or compulsory labour etc. are met by the business entities associated with us. Our Dealers/Distributors and Transporters participate in various activities of the company such as training to retail outlet staff, Oil & Gas conservation fortnight, training to transport crew, health camps for transporters, safety trainings and fitness camps for tank trucks, driver simulation trainings, safety clinics and campaigns etc. to name a few.

SECTION D – BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for Business Responsibility (BR)

a) Details of the Director/Director responsible for implementation of the BR policy/policies

The Corporation has a “CSR & Sustainability Development Committee” for periodic review, discussion and guidance on various CSR, sustainability development initiatives and measures and implementation of BR policies. The composition of CSR & Sustainability Development Committee as on March 31, 2018 is as follows:

DIN Number	Name	Position in the Committee	Designation
00671720	Ram Niwas Jain	Chairman	Part-Time Non-official Director
01640784	G. V. Krishna	Member	Part-Time Non-official Director
05323634	Pushp Kumar Joshi	Member	Director – Human Resources
07234397	S Jeyakrishnan	Member	Director – Marketing
07632981	Vinod S Shenoy	Member	Director – Refineries

b) Details of the BR head

Particulars	Details
DIN Number (if applicable)	Not Applicable
Name	K Ananda Rao
Designation	CGM-Corporate HSE
Telephone number	022-25544253
e-mail id	anandaraok@hpcl.in

2. Principle wise (as per NVGs) BR policy/Policies (Reply in Y/N)

The 9 principles of the National Voluntary Guidelines are as follows;

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of Conduct; Whistle Blower Policy P2: HSE Policy; Sustainable Development Policy P3: Signatory to United Nations Global Compact (UNGC); Whistle Blower Policy; Internal Human Resource Policies P4: CSR Policy; Sustainable Development Policy P5: Signatory to UNGC; CDA Rules; Internal Human Resource Policies P6: HSE Policy; Sustainable Development Policy; Climate Change Policy Statement P7: Sustainable Development Policy P8: CSR Policy P9: Citizen Charter; Quality Policy; Sustainable Development Policy								



No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2*	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	All the policies have been formulated in accordance with the relevant statutory laws, guidelines issued by Government of India, Regulatory bodies and industry best practices.									
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	The Policies are approved by Board / Competent Authorities as per Delegation of Power.									
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	<p>Code of Conduct: https://www.hindustanpetroleum.com/codeofconduct</p> <p>Whistle Blower Policy: https://www.hindustanpetroleum.com/documents/pdf/Whistle_Blower_policy.pdf</p> <p>HSE Policy https://www.hindustanpetroleum.com/CSRPolycs</p> <p>Sustainable development Policy: https://www.hindustanpetroleum.com/CSRPolycs</p> <p>UNGC: https://www.hindustanpetroleum.com/CSRGCCCommitment</p> <p>CSR Policy: http://www.hindustanpetroleum.com/documents/pdf/csr/CSR-POLICY.pdf</p>									

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		<p>Climate Change Policy Statement: http://www.hindustanpetroleum.com/documents/pdf/HPCL_Climate_Change_policy.pdf</p> <p>Citizen's Charter: http://www.hindustanpetroleum.com/citizens-clients-charter</p> <p>Quality Policy: http://www.hindustanpetroleum.com/lubricantsquality</p>								
7*	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10* *	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1* : Each of our policies are being periodically reviewed. Necessary changes in the policy are being done with the changes in Government directives or any new legislation coming into effect based on best practices adopted. These changes are being done while reviewing and evaluating the existing policy internally matching requirements and taken the approval by concerned authority. Sufficient awareness has been created amongst all stake holders thru Website.

Note 2 :** For Point No 10: We have an internal multi-disciplinary steering committee which evaluates the working



of the policies. The policies are formulated within the ambit of the statutory guidelines and business requirement, which are amended from time to time as per business / environmental / Government requirements.

b) **If answer against any principle, is 'No', please explain why:** (Tick up to 2 options):

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task				N.A.					
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

3. **Governance related to BR**

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

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. Annual Review was conducted by the committee for 2016-17.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

HPCL publishes Sustainability Report annually in line with Global Reporting Initiative (GRI) guidelines. Also from 2016-17, we are publishing the BRR as part of the Annual Report.

Hyperlink for viewing HPCL Sustainability Reports:
<http://www.hindustanpetroleum.com/CSRPolicies>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?**

Yes, The policy relating to ethics, bribery and corruption cover only the company i.e. HPCL. The Joint venture companies have their own policies. The suppliers/contractors are governed as per the terms & conditions of the contract.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the year 2017-18, a total number of 3936 public grievances were attended. These included:

133 Grievances carried forward during 2016-17 and 3803 grievances received during 2017-18. Out of these, the number of grievances redressed during 2017-18 were 3823 Nos. Thus, the balance 113 grievances were under investigation as on 31st March, 2018. The average disposal time of grievances was 16 days as against 30 days' disposal time limit.

Company has also received 31 complaints from shareholders in 2017-18 and all of them were successfully resolved as on 31st March 2018.

During the year 2017-18, total of 160 complaints were received by Vigilance Department, out of which 146 complaints were resolved including carried forward complaints.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- a) BS IV MS and HSD
- b) Biodiesel blended HSD
- c) Ethanol blended MS

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**



- i. **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**
- ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

HPCL has been working towards production of cleaner fuels in terms of sulphur content as well and thus taken tremendous efforts towards production of BS IV fuels. Lower the sulphur content, cleaner is the fuel. We actively participated in the implementation of BS IV fuel across the supply chain and ensured compliance with the Government of India timelines w.e.f. 1st April 2017. The Sulphur content has been reduced from 350 ppm to 50 ppm in HSD & from 150 ppm to 50 ppm in MS.

Energy savings of 11633 SRFT and 6975 SRFT was achieved in our Mumbai and Visakh Refineries respectively during 2017-18 by implementing energy conservation measures.

The specific energy consumption of our refineries is as follows:

Refinery	Specific Energy consumption MMBTU/ Barrel/NRGF(MBN) 2017-18	Specific Energy consumption MMBTU/ Barrel/NRGF (MBN) 2016-17
Mumbai	84.38	85.7
Visakh	77.33	78.1

In the year 2017-18, HPCL has procured approx. 217 TKL of Ethanol and 11 TKL of Biodiesel for blending in MS and HSD respectively. The sales volume of ethanol Blended MS was 19,91,525 KL and Biodiesel Blended Diesel Sale was 2,54,000 KL.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

HPCL has term contracts with NOCs and MNCs for its crude oil sourcing. HPCL also have Contracts for additional crude quantities on Optional basis to take care of additional crude oil requirement.

Further, efforts are made on continuous basis to enhance the crude basket. HPCL also imparts training to transport crew on defensive driving practices, safety training, fuel conservation techniques and first aid, driving simulators etc.

HPCL also imparts training to transport crew on defensive driving practices, safety training, fuel conservation techniques and first aid, driving simulators etc.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company is engaged with various local and small vendors for procurement activities.

We abide to be in compliance with Public Procurement Policy and extended the benefits like exemption of Earnest Money Deposit (EMD), allowing to supply a portion quoting within +15% on matching lowest (L1) rates and up to 20% of requirement etc.

The details of procurement of goods and services through Micro, Small and Medium Enterprises (MSME) in reporting year is tabulated below;

Procurement of goods & services from Micro, Small & Medium Enterprises (MSME) in 2017-18.	Target (%)	Achieved (%)	Value of procurement ₹ Crores
	20	31.21	3012

The corporation also organizes various vendor meets with focus on MSME and SC/ST MSMEs.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes, the Company has a mechanism to recycle waste. HPCL has installed Effluent treatment plant (ETP) at both its refineries.

Some of the examples of waste recycling and processing are mentioned below;

- a) Flare Gas Recovery systems in refineries for minimizing flared gases and utilizing them internally towards fuel gas requirement.
- b) Continuous and dedicated efforts are ensured for the desired functioning of ETPs in our refineries and marketing locations and treated water is being reused.
- c) We have sewage treatment plants and phyto remediation units for recycling liquid sewage waste at different locations.
- d) Wet waste is being converted to manure using organic waste converters at select locations.



Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees.

The company has "10352" Permanent employees as on 31st March, 2018.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Contract labour is engaged through contractors for non-core activities at HPCL Locations. The number of contract labour working in different locations/units of HPCL under various contractors is 24029 as on 31st March, 2018.

3. Please indicate the Number of permanent women employees

The total of permanent women employees is "962" as on 31st March, 2018.

4. Please indicate the Number of permanent employees with disabilities

The total of permanent employees with disabilities is "166" as on 31st March, 2018.

5. Do you have an employee association that is recognized by management?

Yes, The Company has 13 recognized unions for representing non-management employees. The Company also has Employee Welfare Associations representing SC/ST Employees and OBC Employees.

6. What percentage of your permanent employees is members of this recognized employee association?

97.97% of employees (non-management) are members of recognized unions and associations.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
a.	Child labour/forced labour/involuntary labour	Nil	Nil
b.	Sexual harassment	2	Nil
c.	Discriminatory Employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

All are employees are covered in various training programs including safety and skill up-gradation under behavioral and technical training programs. Mandatory training programs are also a part of KPI of our officers.

Contract employees are provided basic safety trainings and use of personal protective equipment before engagement in the working locations.

Man-days of training given to various employees in 2017-18 are as follows:

Training Mandays : 40554 which includes permanent Management and Non-Management

- a) Permanent Women Employees : 2,390
- b) Employees with Disability : 32

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders?

Yes, HPCL has mapped both its internal and external stakeholders and continuously engages with them in order to have synergetic relationship. The identified stakeholders in no order of preference are Shareholders, Customers, Statutory/Regulatory Bodies, Government, Employees, Dealers, Distributors, Financial Institutions, Transporters, Suppliers, Contractors, Contract Workmen etc.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, HPCL as a responsible corporate cares for the community. We have adopted a holistic approach for the socio-economic development of the disadvantaged, vulnerable and marginalized stakeholders. Our CSR policy has provision that the CSR projects/activities/programs shall be undertaken in:

Backward Region Grant Fund (BRGF) Districts and also for the welfare of SC/ST communities and other weaker sections of the society.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.



HPCL has undertaken special initiatives primarily focused on provision of basic amenities including health and education infrastructure in remote rural areas; providing scholarship to meritorious school/college students from SC, ST, OBC and PWD communities, entrepreneurship development program for women from SC community. The focused efforts of the corporation towards social development through creation of community infrastructure and social interventions has led to empowerment and socio-economic welfare of the host communities and society at large.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes. The policy relating to human rights covers only the company i.e. HPCL. Our Joint ventures have their independent policies and procedures towards protecting human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The stakeholder complaints are being monitored through Centralized Public Grievance Redress and Monitoring System (CPGRAMS). During the year 2017-18, a total number of 3936 public grievances were attended. These included 133 Grievances carried forward during 2016-17 and 3803 grievances received during 2017-18. Out of these, the number of grievances redressed during 2017-18 were 3823 Nos. Thus, the balance 113 grievances were under investigation as on 31st March, 2018. The average disposal time of grievances was 16 days as against 30 days' disposal time limit.

Company has also received 31 complaints from shareholders in 2017-18 and all of them were successfully resolved as on 31st March 2018.

During the year 2017-18, total of 160 complaints were received by Vigilance Department, out of which 146 complaints were resolved including carried forward complaints.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Yes, HPCL has an "Environment Policy" in place which covers only the company and all the joint ventures have their independent policies.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, HPCL is a socially responsible Corporate Citizen caring for the environment and striving to reduce its carbon footprint by incorporating the 'green' perspective in all its key organizational processes, while pursuing its own growth aspirations towards Customer delight.

http://www.hindustanpetroleum.com/documents/pdf/HPCL_Climate_Change_policy.pdf

<http://www.hindustanpetroleum.com/csrinitiative>

<http://www.hindustanpetroleum.com/refinerynewprojects>

3. Does the company identify and assess potential environmental risks? Y/N

Yes, our Corporation has a well-defined process for managing its risks on an ongoing basis. We have Enterprise Risk management system in place to do so. HPCL is a member of a comprehensive study on 'Climate Change Risks and Preparedness for Oil and Gas Sector in India'. This study would enable us to decrypt the impact of climate change on the infrastructure of our facilities and operations and methods that we can adopt to mitigate the consequences.

4. Does the company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company does not have any projects registered under CDM in the reporting financial year.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

Yes, HPCL is committed to conducting business with a strong focus on preserving the environment, sustainable development, safe work place and enrichment of the quality of life of employees, customers and the community. Established systems and procedures are constantly revised across our operations for continual improvement to achieve the higher standards of safety, occupational health and environment protection.



Some of our initiatives at the location level are given below;

- a) Bureau of Energy Efficiency (BEE) has extended PAT (Perform, Achieve and Trade) cycle II program to petroleum sector which is being coordinated by CHT for Indian refineries. Both HPCL refineries along with other PSU's are actively participating into this process. As a part of this process Mandatory Energy Audit (MEA) towards compliance under PAT Cycle-II carried out by PCRA and Form-2 submitted to BEE.
- b) Various energy conservation measures are implemented at refineries. ISO 50001, Energy Management System, stage - I Certification audit completed at Mumbai refinery.
- c) Blending of Biofuels with Fossil Fuels - During 2017-18, HPCL has received 217 TKL of Ethanol and achieved overall 2.11% EBP (i.e. Ethanol Blended Petrol %) in states notified by Govt. of India for EBP (i.e. in entire country other than J&K, N/E and Islands). HPCL has also received 11 TKL of Biodiesel and blended the same with Diesel. Apart from Biofuels procurement & blending, HPCL has revived two Sugar Mills in the State of Bihar and Ethanol produced from these Sugar Mills is received at HPCL's terminals for blending with Petrol.
- d) Replacing conventional lighting with LED lights across our locations towards energy conservation.
- e) Installation of Solar PVs at operating locations. We are also encouraging our dealers to install Solar PVs at outlets. They have installed Solar PVs at 464 outlets with a cumulative capacity of 2.35 MWp.
- f) Installation of Wind power project in Maharashtra and Rajasthan of total capacity 101 MW.
- g) Power Purchase Agreement (PPA) signed by Mumbai Refinery with NTPC Vidyut Vyapar Nigam for supply of 10 MW Renewable (Wind) Energy from September-17.
- h) Installed Vapour Recovery System (VRS) at various retail outlets.
- i) Installed rain water harvesting systems at various locations

<http://hindustanpetroleum.com/alternateenergy>

<http://www.hindustanpetroleum.com/refinerysafetyandenvironment>

<http://www.hindustanpetroleum.com/refinerynewprojects>

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emission/Waste generated during the course of operations are within the permissible limits given by CPCB/SPCB norms.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

One no. (Cause Title: Charudatt Koli & Anr Vs Sealord Containers & Others)

HPCL has complied with the directions of MPCB pursuant to the aforesaid NGT Orders. Matter is pending for further hearing and has been transferred to NGT, New Delhi.

Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, HPCL is member of various trade, chamber and associations, few of them are listed below;

- a) Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- b) Confederation of Indian Industry (CII)
- c) Federation of Indian Chambers of Commerce & Industry (FICCI)
- d) Indo American society
- e) Standing Conference of Public Enterprises (SCOPE)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

HPCL takes part in the consultative committee meetings that frame policies as and when asked by Government or regulatory departments. In-addition, HPCL puts forth its



opinion to Ministry of Petroleum & Natural Gas and other bodies such as Oil India Safety Directorate (OISD), Petroleum and Natural Gas Regulatory Board (PNGRB), Center for High Technology (CHT) etc. towards advancement of public good and nation building.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

HPCL has a CSR policy with identified focus areas as mentioned below:

- a) Child Care
- b) Education
- c) Health Care
- d) Skill Development
- e) Sports
- f) Environment & Community Development

HPCL gives special emphasis to activities on sanitation and cleanliness to make Swachhata a way of life. All the CSR activities are aimed at promoting inclusivity and leading to equitable development.

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The CSR Programs/projects/activities are implemented either directly by HPCL or through NGO's and Government agencies etc.

3. Have you done any impact assessment of your initiative?

Yes, key CSR projects undertaken by HPCL are subject to third party impact assessment at the end of every financial year. Apart from third party impact assessment there is an internal two-tier monitoring mechanism under which CSR Committee and CSR Council monitors the activity on quarterly basis.

4. What is your company's direct contribution to community development? Projects – Amount in INR and the details of the projects undertaken.

HPCL is involved in various CSR activities and the list of expenditure is reported as below:

S. No	CSR Project or Activity identified	Sector in which project is covered	Amount in ₹ Crores
1	Community Development and Environment	Empowerment of Socially and Economically Backward groups	7.10
2	Interventions in Health, including provision of medical equipment and reach-in approach through health camps and medical vans	Promoting Preventive Health Care	15.24
3	Measures for benefit of armed force veterans, war widows and their dependents	Armed Forces	0.75
4	Pradhan Mantri Ujjwala Yojana (LPG Connections to BPL families)	Environmental Sustainability	25.27
5	Promotion of Sports	Promotion of Nationally Recognized and Paralympic Sports	1.06
6	Scholarships for economically backward SC/ST/OBC/PWD Students in Local Areas of Operation Locations	Promoting Education	7.48
7	School Infrastructure and Amenities	Promoting Education	19.02
8	Skill Development for Marginalized	Imparting Employment Enhancing Vocation Skills	13.37
9	Corpus Contribution for Indian Institute of Petroleum and Energy	Promoting Education	30.00
10	Swachh Bharat Abhiyan	Swachh Bharat Abhiyan	37.57
Total			156.86

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Active participation of communities is of principal importance while formulation and implementation of various HPCL CSR activities/projects. CSR projects at HPCL are designed and carried out by field level offices with the help of nearby communities. Prior to the implementation of the project,



need assessment for various CSR activities are carried out involving community members. This helps the company to understand the requirement of the community and design a tailor-made activity for their betterment. We also conduct third party impact assessment for major projects.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

In this reporting period, the Company has received total 239872 complaints, out of which 239323 (99.78%) have been resolved and remaining 549 (0.22%) cases shall be addressed within the timelines.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The company follows National and International particulars laws to display its products labels with all the required information of the products.

All our products are in line with BIS specifications, internationally accepted standards and customer specific standards.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

The Company has not received any complaints on unfair trade practices and Irresponsible advertising. The following cases/appeals are pending:

Complaints	No. of cases filed in the last five years	No. of cases pending as on end of Financial Year 2017-18
Unfair Trade Practice	0	0
Irresponsible Advertising	0	0
Anti-competitive behavior	7	6

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes. Everything at HPCL begins with understanding the customers’ expectations. We consistently provide products and services, which meet or exceed our customer expectations and satisfy customers by anticipating their requirements.

LPG:

HPCL Field Officers and senior officers have conducted consumer survey to address the concerns regarding awareness, customer service & safety of the first time LPG users hailing from lower socio-economic strata at the premises of Pradhan Mantri Ujjwala Yojana (PMUY) LPG consumers. The sample size consisted of more than 10,000 customers spread across vast geography of 342 districts in 18 states.

LUBRICANTS:

Undertook Lubes Brand Positioning Survey in three cities; Mumbai, Pune and Ahmedabad covering around 200 channel partners and consumers. HP Lubes are perceived to have extremely good quality with affordable pricing; customers consider HP brand to be “Value for Money”.

**ABBREVIATIONS:**

ALDS	Auto LPG Dispensing Station
ASSOCHAM	Associated Chambers of Commerce and Industry of India
ATF	Aviation Turbine Fuel
BEE	Bureau of Energy Efficiency
BIS	Bureau of Indian Standards
BPL	Below Poverty Line
BR	Business Responsibility
BRGF	Backward Region Grant Fund
BRR	Business Responsibility Report
BSE	Bombay Stock Exchange
BS IV	Bharat Stage IV
CCI	Competition Commission of India
CDA	Conduct, Discipline and Appeal
CDM	Clean Development Mechanism
CHT	Center for High Technology
CII	Confederation of Indian Industry
CNG	Compressed Natural Gas
COD	Contractor Operated Depot
COLD	Contractor Operated Lube Depot
CPCB	Central Pollution Control Board
CPGRAMS	Centralized Public Grievance Redress and Monitoring System
CREDA	Chhattisgarh State Renewable Energy Development Agency
CSR	Corporate Social Responsibility
EBP	Ethanol Blended Petrol
EMD	Earnest Money Deposit
ETP	Effluent Treatment Plant
FICCI	Federation of Indian Chambers of Commerce & Industry
FZCO	Free Zone Company
GRI	Global Reporting Initiative
HSD	High Speed Diesel
ISO	International Organization for Standardization
KPI	Key Performance Indicator

LDO	Light Diesel Oil
LED	Light Emitting Diode
LPG	Liquefied Petroleum Gas
MBN	MMBTU/Barrel/NRGF
MEA	Mandatory Energy Audit
MMTPA	Million Metric Ton per Annum
MNC	Multi National Company
MS	Motor Spirit
MSME	Micro, Small and Medium Enterprises
MW	Mega Watt
MWp	Mega Watt Peak
n.e.c	Not Elsewhere Classified
NGO	Non-Governmental Organisation
NGT	National Green Tribunal
NOC	National Oil Company
NSE	National Stock Exchange
NTPC	National Thermal Power Corporation
NVG	National Voluntary Guidelines
OISD	Oil Industry Safety Directorate
PAT	Perform, Achieve and Trade
PCRA	Petroleum Conservation Research Association
PMUY	Pradhan Mantri Ujjwala Yojana
PNGRB	Petroleum and Natural Gas Regulatory Board
POL	Petroleum, Oil and Lubricants
PPA	Power Purchase Agreement
PSU	Public Sector Undertaking
PV	Photo Voltaic
PWD	Persons with Disabilities
SCOPE	Standing Conference of Public Enterprises
SEBI	Securities and Exchange Board of India
SKO	Superior Kerosene Oil
SPCB	State Pollution Control Board
SRFT	Standard Refinery Fuel Tonnage
TOP	Tap Off Point
UNGC	United Nations Global Compact
VRS	Vapour Recovery System



Independent Auditors' Report

TO THE MEMBERS OF HINDUSTAN PETROLEUM CORPORATION LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of HINDUSTAN PETROLEUM CORPORATION LIMITED ('the Company'), which comprise the Balance Sheet as on March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity 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 Ind AS financial statements of the branch office viz. Visakh Refinery, audited by the branch auditor, whose report dated May 18, 2018 has been considered in preparing this report.

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as on March 31, 2018, and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Other Matter

We refer to note no. 49 in connection with 21 Un-incorporated Jointly Controlled Entities ('UJCEs') involved in exploration activities, of which majority of UJCEs are under relinquishment. The standalone Ind AS financial statements include Company's proportionate share in Assets and Liabilities as on March 31, 2018 and Income and Expenditure for the year ended on March 31, 2018 amounting to ₹ 22.62 crores and ₹ 16.90 crores, ₹ 10.15 crores and ₹ 7.63 crores respectively. In respect of these UJCEs, the audited accounts are not available with the Company. The financial information has been incorporated based on data received from the respective operators.



Independent Auditors' Report

The standalone Ind AS financial statements of the Company for the year ended March 31, 2017 were audited by the joint auditors of the Company, one of which is the predecessor audit firm, and have expressed an unmodified opinion dated May 26, 2017 on such financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by the section 143(5) of the Act, we give in the Annexure II a statement on the directions / sub-directions issued by the Comptroller and Auditor-General of India.
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The reports on the accounts of the branch office of the Company viz. Visakh Refinery audited under section 143(8) of the Act by the branch auditor have been sent to us and have been properly dealt with by us in preparing this report;
 - d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - e) In our opinion, the attached standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended;
 - 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 of the Company are disqualified in terms of provisions contained in the said section;
 - g) With respect to the adequacy of the Internal Financial Controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure III; and
 - h) With respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 55 to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; 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 **M. P. Chitale & Co.**
Chartered Accountants
Firm Registration No.: 101851W

Sd/-
Anagha Thatte
Partner
Membership No.: 105525

Place : New Delhi
Dated : May 22, 2018



Independent Auditors' Report

ANNEXURE I - referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment (fixed assets).
- (b) The Property Plant and Equipment of the Company, other than LPG cylinders and pressure regulators with customers are physically verified by the Management in a phased program of three to five years cycle. In our opinion, the programme is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and as per the information given by the management, the discrepancies observed were not material and have been appropriately accounted in the books of account.
- (c) According to the information and explanations given to us and based on verification of records on random basis, we report that the title deeds of immovable properties held as Property Plant and Equipment, other than self-constructed properties, are held in the name of the Company, except for the following:

(₹ In Crores)

Particulars	No. of Cases	Gross Block as on March 31, 2018	Net Block as on March 31, 2018	Remarks
Freehold Land	3	0.02	0.02	Title deeds / other evidence not available for verification
Leasehold Land	1	0.01	–	Lease deed / other evidence not available for verification

For the purpose of reporting under this clause, where ever title deeds of immovable properties were not available, we have relied on substantive evidences such as property tax payment receipts, noting in municipal records conveying title to the Company over the property.

- (ii) During the year, the inventories have been physically verified at reasonable intervals by the management. The discrepancies noticed on physical verification, as compared to the book records, were not material having regards to size and nature of operations and have been properly dealt with in the books of account.
- (iii) As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 188 of the Act in respect of contracts or arrangements entered into between the Government companies. The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, the question of reporting under sub-clauses (a), (b) & (c) of the clause 3(iii) of the Order does not arise.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under section 186 of the Act.
- (v) The Company has not accepted any deposits from the public, within the meaning of sections 73 to 76 of the Act and the rules framed there under. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.
- (vi) We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the 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



Independent Auditors' Report

including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods & Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and any other statutory dues, wherever applicable.

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on March 31, 2018 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	Period to which amount relates	Amount (₹ in Crores)
Customs	Appellate Authority*	2007-2013	2.15
	Tribunal**	1998-2013	9.64
	Total		11.79
Central Excise	Appellate Authority*	1994-2017	17.74
	Tribunal**	1994-2017	353.56
	Adjudicating Authority***	2004-2014	26.39
	Revision Authority	1999-2012	1.10
	High Court	1994-2014	4.76
Total		403.55	
Sales Tax/Entry Tax	Board of Revenue	1999-2014	5.05
	Appellate Authority*	1976-2016	1,685.32
	Tribunal**	1976-2015	2,592.87
	Adjudicating Authority***	1976-2015	1,679.52
	High Court	1979-2015	956.96
	Objection Hearing Authority	2008-2012	17.89
	Supreme Court	2002-2004	6.68
Total		6,944.29	
Service Tax	Appellate Authority*	2005-2015	1.59
	Tribunal**	2002-2015	75.91
	High Court	1981 - 2013	3.75
Total		81.25	
Income tax	Tribunal**	2006-2011	0.17
	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.



Independent Auditors' Report

- (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 Company, 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 Company or on the Company 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 by the Company 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 standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him covered under the provisions of section 192 of the Act.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
Atul Shah
Partner
Membership No.: 039569

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Registration No.: 101851W

Sd/-
Anagha Thatte
Partner
Membership No.: 105525

Place : New Delhi
Dated : May 22, 2018



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 explanations given to us, we give below a report on the directions issued by the Comptroller and Auditor General of India in terms of the section 143(5) of the Act.

Sr. No.	Areas to be examined	Observation/finding																
1	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.	Based on the verification of the records of the Company on random basis and as reported in para 1(c) of the Annexure I of this report, the Company does not have the original clear title deeds in respect of 4 freehold land/lease hold land. The details of area of such land as compiled by the management are as under: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Particulars</th> <th>No. of cases</th> <th>Acres</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Freehold Land</td> <td>3</td> <td>0.75</td> <td>Title deeds not available for verification</td> </tr> <tr> <td>Leasehold Land</td> <td>1</td> <td>0.31</td> <td>Lease deeds not available for verification</td> </tr> <tr> <td>Total</td> <td>4</td> <td></td> <td></td> </tr> </tbody> </table>	Particulars	No. of cases	Acres	Remarks	Freehold Land	3	0.75	Title deeds not available for verification	Leasehold Land	1	0.31	Lease deeds not available for verification	Total	4		
Particulars	No. of cases	Acres	Remarks															
Freehold Land	3	0.75	Title deeds not available for verification															
Leasehold Land	1	0.31	Lease deeds not available for verification															
Total	4																	
2	Whether there are any cases of waiver / write off of debts / loans / interest etc., if yes, the reasons there for and the amount involved	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 from Customers is waived on merit of each case by approving authority. During the year, the Company has written off ₹ 65.96 crores being the provisions made in earlier years on account of legacy and migrated balances, customers' balances, legal cases including disputed cases, investments.																
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities.	a. Proper records are maintained for inventories lying with third parties. b. During the year, the Company has not received any assets as gifts from Government or other authorities.																

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

Sd/-
Atul Shah
Partner
Membership No.: 039569

Place : New Delhi
Dated : May 22, 2018

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Registration No.: 101851W

Sd/-
Anagha Thatte
Partner
Membership No.: 105525



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 with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls with reference to Financial Statements of HINDUSTAN PETROLEUM CORPORATION LIMITED ('the Company') as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls with reference to Financial Statements 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 audit of Internal Financial Controls with reference to Financial Statements includes assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Financial Statements to future periods



Independent Auditors' Report

are subject to the risk that the Internal Financial Control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls with reference to Financial Statements and such Internal Financial Controls with reference to Financial Statements were operating effectively as on March 31, 2018, based on the 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 with reference to Financial Statements insofar as it relates branch office of the Company viz. Visakh Refinery audited by the branch auditor, appointed under section 143(8) of the Act is based on the report of the branch auditor which has been sent to us and has been properly dealt with by us in preparing this report.

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

Sd/-
Atul Shah
Partner
Membership No.: 039569

Place : New Delhi
Dated : May 22, 2018

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Registration No.: 101851W

Sd/-
Anagha Thatte
Partner
Membership No.: 105525



Balance Sheet as on 31st March, 2018

(₹ / Crores)

	Notes	31.03.2018	31.03.2017
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	37,519.03	35,711.00
(b) Capital Work-in-Progress	4	3,985.39	1,810.48
(c) Intangible Assets	5	452.68	420.88
(d) Financial Assets			
(i) Investment in Subsidiaries, Joint Ventures and Associates	6	5,352.40	5,052.28
(ii) Other Investments	7	753.32	757.58
(iii) Loans	8	461.61	456.43
(e) Other Non-Current Assets	9	1,409.08	1,338.88
Total Non Current Assets		49,933.51	45,547.53
(2) Current Assets			
(a) Inventories	10	18,420.22	18,576.28
(b) Financial Assets			
(i) Investments	11	4,999.38	5,108.74
(ii) Trade Receivables	12	5,572.91	4,064.21
(iii) Cash and Cash Equivalents	13	10.67	8.85
(iv) Bank Balances other than (iii) above	14	1,183.44	24.82
(v) Loans	15	89.34	163.21
(vi) Other Financial Assets	16	5,918.94	4,324.44
(c) Other Current Assets	17	675.32	647.81
		36,870.22	32,918.36
(d) Assets classified as held for Sale / Disposal		3.49	3.96
Total Current Assets		36,873.71	32,922.32
Total Assets		86,807.22	78,469.85
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	18	1,524.21	1,016.27
(b) Other Equity			
Reserves and Surplus	19	22,409.78	19,298.03
Other Reserves	20	14.23	33.11
Total Equity		23,948.22	20,347.41
Liabilities			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	8,830.78	6,278.15
(ii) Other Financial Liabilities	22	0.47	0.44
(b) Provisions	23	77.22	182.32
(c) Deferred Tax Liabilities (Net) (refer note 41)		6,569.19	5,895.59
(d) Other Non-Current Liabilities	24	3.99	7.67
Total Non Current Liabilities		15,481.65	12,364.17
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	10,762.18	10,892.41
(ii) Trade Payables	26	15,703.87	12,664.56
(iii) Other Financial Liabilities	27	14,504.84	15,751.98
(b) Other Current Liabilities	28	3,602.05	3,968.21
(c) Provisions	29	2,508.25	2,408.50
(d) Current Tax Liabilities (Net)	30	296.16	72.61
Total Current Liabilities		47,377.35	45,758.27
Total Equity and Liabilities		86,807.22	78,469.85

1 & 2

Significant Accounting Policies

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 G.M. Kapadia & Co.

Chartered Accountants

FRN - 104767W

Sd/-

Atul Shah

Partner

Membership No. 039569

FOR M. P. Chitale & Co.

Chartered Accountants

FRN - 101851W

Sd/-

Anagha Thatte

Partner

Membership No. 105525

Place : New Delhi

Date : May 22, 2018



Statement of Profit and Loss for the year ended 31st March, 2018 (₹ / Crores)

	Notes	2017 - 18	2016 - 17
REVENUE			
Revenue From Operations			
Gross Sale of Products	31	243,226.66	213,488.95
Other Operating Revenues	32	858.46	380.87
		244,085.12	213,869.82
Other Income	33	1,849.46	1,448.08
Total Revenue		245,934.58	215,317.90
EXPENSES			
Cost of Materials Consumed	34	51,186.30	45,137.66
Purchases of Stock-in-Trade		142,455.74	122,731.74
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	35	804.54	(4,454.06)
Excise Duty		24,752.52	26,779.28
Transportation Expenses		5,862.52	5,316.76
Exploration cost		8.57	15.23
Employee Benefits Expense	36	2,858.52	2,946.08
Finance Costs	37	566.71	535.65
Depreciation and Amortization Expense	38,5	2,752.75	2,535.28
Other Expenses	38	5,484.48	4,753.44
Total Expenses		236,732.65	206,297.06
Profit Before exceptional items and Tax		9,201.93	9,020.84
Exceptional Items		-	-
Profit Before Tax		9,201.93	9,020.84
Tax expense:			
Current tax		2,570.98	2,236.24
Deferred tax		419.56	628.28
Provision for tax for earlier years written back (net)		(145.68)	(52.48)
Total Tax Expenses		2,844.86	2,812.04
Profit/(loss) for the period		6,357.07	6,208.80
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Re-measurements of the defined benefit plans		86.66	(23.69)
Fair value changes on Equity Instruments through other comprehensive income		(18.88)	175.61
Income tax relating to items that will not be reclassified to profit or loss		(29.99)	8.20
Other Comprehensive Income for the period (net of tax)		37.79	160.12
Total Comprehensive Income for the period (net of tax)		6,394.86	6,368.92
Earning per share [Basic and Diluted earnings per share (₹)]	43	41.72	40.74
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 G.M. Kapadia & Co.

Chartered Accountants
FRN - 104767W

Sd/-

Atul Shah

Partner
Membership No. 039569

FOR M. P. Chitale & Co.

Chartered Accountants
FRN - 101851W

Sd/-

Anagha Thatte

Partner
Membership No. 105525

Place : New Delhi
Date : May 22, 2018



Statement of Changes in Equity as on 31st March, 2018

A. Statement of Changes in Equity

	No. of Shares	₹ / Crores
Balance at 31st March 2016	33,86,27,250	339.01
Changes in Equity Share Capital	67,72,54,500	677.26
Balance at 31st March 2017	1,01,58,81,750	1,016.27
Changes in Equity Share Capital	50,79,40,875	507.94
Balance at 31st March 2018	1,52,38,22,625	1,524.21

B. Other Equity

(₹ / Crores)

	Reserves & Surplus					Equity instruments through OCI	Total Other Equity
	General reserve	Share premium Account	Debenture redemption reserve	FCMITDA	Retained earnings		
Balance at 31 March 2016	1,809.07	1,153.77	265.13	(194.80)	14,740.12	(142.50)	17,630.79
Profit or Loss for the year	–	–	–	–	6,208.80	–	6,208.80
Other Comprehensive income for the year	–	–	–	–	(15.49)	175.61	160.12
Proposed dividend for 2015 - 16 (₹ 16.00 per share)	–	–	–	–	(541.80)	–	(541.80)
Dividend Distribution Tax on above	–	–	–	–	(110.30)	–	(110.30)
First Interim Dividends 2016 - 17 (₹ 22.50 per share)	–	–	–	–	(2,285.73)	–	(2,285.73)
Dividend Distribution Tax on above	–	–	–	–	(465.32)	–	(465.32)
Second Interim Dividends 2016 - 17 (₹ 6.40 per share)	–	–	–	–	(650.16)	–	(650.16)
Dividend distribution Tax on above	–	–	–	–	(132.37)	–	(132.37)
Issuance of Bonus shares (2 equity shares for each existing share)	–	(677.25)	–	–	–	–	(677.25)
Net Addition / amortization in FCMITDA	–	–	–	194.36	–	–	194.36
Balance at 31 March 2017	1,809.07	476.52	265.13	(0.44)	16,747.75	33.11	19,331.14
Profit or Loss for the year	–	–	–	–	6,357.07	–	6,357.07
Other Comprehensive income for the year	–	–	–	–	56.67	(18.88)	37.79
Transfer from Debenture Redemption Reserve	–	–	(265.13)	–	265.13	–	–
Proposed dividend for 2016 - 17 (₹ 1.10 per share)	–	–	–	–	(111.75)	–	(111.75)
Dividend distribution Tax on above	–	–	–	–	(22.75)	–	(22.75)
Interim Dividends 2017 - 18 (₹ 14.50 per share)	–	–	–	–	(2,209.54)	–	(2,209.54)
Dividend distribution Tax on above	–	–	–	–	(449.81)	–	(449.81)
Issuance of Bonus shares (1 equity share for 2 existing share)	(31.42)	(476.52)	–	–	–	–	(507.94)
Net Addition / amortization in FCMITDA	–	–	–	(0.20)	–	–	(0.20)
Balance at 31 March 2018	1,777.65	–	–	(0.64)	20,632.77	14.23	22,424.01



Statement of Changes in Equity as on 31st March, 2018

Note:

General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Share Premium Account: Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by the Companies Act, 2013.

Debenture Redemption Reserve : Debenture redemption reserve represents amounts set aside by the Company for future redemption of debentures.

Foreign Currency Monetary Item Translation Difference Account (FCMITDA) : Reserve recognised on account of translation of long term foreign currency denominated borrowings related to non - depreciable Property, Plant & Equipment. Amounts recognised as a part of such reserve is recognised in the statement of profit or loss over remaining maturity of related borrowing.

Retained Earnings : The balance held in this reserve is the accumulated retained profits and is permitted to be distributed to shareholders as part of dividend.

Equity instruments through OCI : The Corporation has chosen to recognise the changes in the value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through OCI reserve.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Mukesh Kumar Surana

Chairman & Managing Director

DIN - 07464675

Sd/-

J Ramaswamy

Director - Finance

DIN - 06627920

Sd/-

Shrikant M. Bhosekar

Company Secretary

FOR G.M. Kapadia & Co.

Chartered Accountants

FRN - 104767W

Sd/-

Atul Shah

Partner

Membership No. 039569

FOR M. P. Chitale & Co.

Chartered Accountants

FRN - 101851W

Sd/-

Anagha Thatte

Partner

Membership No. 105525

Place : New Delhi

Date : May 22, 2018



Cash Flow Statement for the year ended 31st March, 2018

(₹ / Crores)

	2017 - 18	2016 - 17
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before Tax and Extraordinary Items	9,201.93	9,020.84
Adjustments to reconcile profit before tax to net cash used in operating activities:		
Depreciation/ impairment on property, plant and equipment and Intangible Assets	2,752.75	2,535.28
Interest income from HBL Preference Shares	(14.64)	(13.43)
(Gain)/loss on sale of property, plant and equipment	4.55	6.54
Remeasurement of Defined benefit plans Gain / (Loss)	56.67	(15.49)
Amortisation of Foreign Currency Monetary Item Translation Difference	0.36	354.38
Spares Written off	0.57	12.14
Impairment in Value of Investments	(16.10)	8.41
Fair value gain on Current Investments carried at fair value through Profit and Loss account	25.09	(221.77)
(Profit)/Loss on Sale of Current Investment	60.24	(32.36)
Finance Costs	566.71	535.65
Un realised Exchange Rate Difference	11.66	(200.07)
Provision for Doubtful Debts & Receivables	51.30	1.94
Bad Debts written off	49.86	5.26
Interest Income	(364.87)	(366.75)
Share of Profit from Petroleum India International	0.02	(0.94)
Dividend Received	(352.55)	(80.36)
Operating Profit before Changes in Assets & Liabilities (Sub Total - (i))	12,033.55	11,549.27
(Increase) / Decrease in Assets and Liabilities :		
Trade Receivables	(1,526.95)	(307.91)
Loans and Advances and Other Assets	(1,775.05)	358.85
Inventories	155.51	(5,377.02)
Liabilities and Other Payables	4,128.18	5,938.11
Sub Total - (ii)	981.69	612.03
Cash Generated from Operations (i) + (ii)	13,015.24	12,161.30
Less : Direct Taxes / FBT refund / (paid) - Net	1,997.00	2,178.57
Net Cash from Operating Activities (A)	11,018.24	9,982.73
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment (including Capital Work in Progress / excluding interest capitalised)	(6,702.47)	(5,889.01)
Sale of Property, Plant and Equipment	12.41	37.18
Purchase of Investments (Including share application money pending allotment/Advance towards Equity)	(1,642.29)	(42.12)
Fixed Deposit (Earmarked for project purpose from Foreign Currency Bonds proceeds)	(1,150.00)	—
Sale Proceeds of current investments	1,375.26	136.84
Interest received	363.35	366.91
Dividend Received	352.55	80.36
Net Cash Flow generated from / (used in) Investing Activities (B)	(7,391.19)	(5,309.84)



Cash Flow Statement for the year ended 31st March, 2018

(₹ / Crores)

	2017 - 18	2016 - 17
C. Cash Flow From Financing Activities		
Long term Loans raised	6,437.92	–
Long term Loans repaid	(6,668.45)	(6,980.04)
Short term Loans raised / (repaid)	(844.58)	7,661.61
Capital Grant Received	1.75	2.16
Finance Cost paid	(458.46)	(521.87)
Dividend paid (including dividend distribution tax)	(2,791.90)	(4,177.14)
Net Cash Flow generated from / (used in) Financing Activities (C)	(4,323.72)	(4,015.28)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(696.67)	657.61
Cash and cash equivalents at the beginning of the year	1,732.88	2,390.49
Cash and cash equivalents at the end of the year	(2,429.55)	(1,732.88)
Details of cash and cash equivalents at the end of the year:		
Cash and cash equivalents as on	31.03.2018	31.03.2017
Balances with Banks:		
- on current accounts	2.69	1.14
- on non-operative current accounts	0.01	0.01
Cheques, drafts on hand	–	0.06
Cash on hand	7.97	7.64
Fixed Deposits with Original Maturity Less than 3 months	–	–
Less : Cash Credits	(2,440.22)	(1,741.73)
Cash and cash equivalents at the end of the year	(2,429.55)	(1,732.88)

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 G.M. Kapadia & Co.

Chartered Accountants

FRN - 104767W

Sd/-

Atul Shah

Partner

Membership No. 039569

FOR M. P. Chitale & Co.

Chartered Accountants

FRN - 101851W

Sd/-

Anagha Thatte

Partner

Membership No. 105525

Place : New Delhi

Date : May 22, 2018



Notes to the Financial Statements for the year ended 31st March 2018

1. Corporate Information

Hindustan Petroleum Corporation Limited referred to as "HPCL" or "the Corporation" was incorporated on 5th July, 1952. HPCL is a Government of India Enterprise listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, with ONGC holding 51.11% of Equity Shares w.e.f. 31st January, 2018. The Corporation is engaged, primarily in the business of refining of crude oil and marketing of petroleum products. The Corporation has, among others, refineries at Mumbai and Vishakhapatnam, LPG bottling plants and Lube blending plants. The Corporation's marketing infrastructure includes vast network of Installations, Depots, Aviation Service Stations, Retail Outlets and LPG distributors.

Authorization of financial statements

The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors on 22nd May 2018.

1.1. Basis for preparation:

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

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

The Corporation has adopted Ind AS and the adoption was carried out in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards). The transition was carried out from Accounting Standard as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, (previous GAAP). The Corporation's Presentation currency and Functional currency is Indian Rupees (₹). All figures appearing in the Financial Statements are rounded to the nearest crores (₹ Crores), except where otherwise indicated.

1.2. Use of Judgement and Estimates

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

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

- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies; and
- Evaluation of recoverability of deferred tax assets;

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

2. Significant Accounting Policies

2.1. Property, Plant and Equipment

2.1.1. Freehold lands are carried at cost. All other items of Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.



Notes to the Financial Statements for the year ended 31st March 2018

- 2.1.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes); any costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; initial estimated present value of any of any contractual decommissioning obligation; and borrowing cost for qualifying assets (i.e., assets that necessarily take a substantial period of time to get ready for their intended use).
- 2.1.3. Technical know-how / licence fee relating to plants / facilities are capitalized as part of cost of the underlying asset.
- 2.1.4. Expenditure during construction period: Direct expenses incurred during construction period on capital projects are capitalised.
- 2.1.5. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Corporation.
- 2.1.6. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.
- 2.1.7. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal; or when the Property, Plant Equipment has been re-classified as ready for disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.
- 2.1.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes are accounted for as a change in accounting estimates on a prospective basis.
- 2.1.9. The Corporation has chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.2. Depreciation / amortization

- 2.2.1. Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II except for the following which are based on internal technical assessment:

Plant and Machinery relating to Retail Outlets (other than Storage tanks and related equipment)	15 years
Cavern Structure	60 years
LPG cylinders & regulators	15 years

- 2.2.2. The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components is assessed by considering historical experience, internal technical inputs and any other relevant factor.
- 2.2.3. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.
- 2.2.4. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.
- 2.2.5. Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

2.3. Intangible assets

- 2.3.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and



Notes to the Financial Statements for the year ended 31st March 2018

commercial feasibility of the project is demonstrated, future economic benefits are probable, the Corporation has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

- 2.3.2. Assets where entire output generated is committed to be sold to a public sector entity (including Government body) for almost entire useful life of the asset are classified as intangible assets as per the requirements of Ind AS and are amortised (after retaining the residual value, if applicable) over their useful life.
- 2.3.3. In cases where, the Corporation has constructed assets and the Corporation has only a preferential right to use, these assets are classified as intangible assets and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.
- 2.3.4. The useful lives of intangible assets are assessed as either finite or indefinite.
- 2.3.5. Intangible assets with finite lives are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the statement of Profit & Loss.
- 2.3.6. Intangible assets with indefinite useful lives, such as 'right of way' which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.
- 2.3.7. Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets.
- 2.3.8. Estimated lives of intangible assets (acquired) are as follows:
- Software: 2 to 4 years
 - Technical know-how/license fees: 2 to 10 years
 - Right to use - wind mills: 22 years
- 2.3.9. The Corporation has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e., 1st April 2015 as deemed cost.

2.4. Borrowing Cost

- 2.4.1. Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange rate variation to the extent regarded as an adjustment to interest cost.
- 2.4.2. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for intended use. All other borrowing costs are expensed in the period in which they are incurred.

2.5. Non-currents assets held for sale

- 2.5.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.
- 2.5.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.
- 2.5.3. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

2.6. Leases

2.6.1. Finance Lease

Lease arrangements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.



Notes to the Financial Statements for the year ended 31st March 2018

Lease arrangements in respect of land for lease period above threshold limit are classified as a finance lease

2.6.2. Operating Lease

Lease arrangements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received / lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

2.7. Impairment of Non-Financial Assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of assets of cash generating unit (CGU) exceeds their recoverable amount.

2.8. Inventories

2.8.1. Valuation of inventories (including in transit) of different categories is as under: -

- a) Crude oil is valued at cost on First in First Out (FIFO) basis or at net realisable value, whichever is lower. Crude oil is not written down below cost except in cases where their prices have declined subsequently and it is estimated that the cost of the finished goods will exceed their net realisable value.
- b) Raw materials for lubricants are valued at weighted average cost or at net realisable value, whichever is lower.
- c) Stock-in process is valued at raw material cost plus cost of conversion or at net realisable value, whichever is lower.
- d) Finished products other than Lubricants are valued at cost (on FIFO basis month-wise) or at net realisable value, whichever is lower.
- e) Finished products (lubricants) are valued at weighted average cost or at net realisable value, whichever is lower.
- f) Empty packages are valued at weighted average cost.
- g) Stores and spares which do not meet the recognition criteria under Property, Plant and Equipment are valued at weighted average cost. Surplus, obsolete and slow moving stores and spares, if any, are valued at cost or net realizable value whichever is lower. Surplus items, when transferred from completed projects are valued at cost / estimated value, pending periodic assessment / ascertainment of condition. Stores and Spares in transit are valued at cost.

2.8.2. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

2.8.3. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on applicable duty.

2.8.4. The net realisable value of finished goods and stock in trade are final selling prices for sales to oil marketing companies and depot prices applicable to the locations. For the purpose of stock valuation, the proportion of sales to oil marketing companies and consumer sales are determined on location wise and product wise sales of subsequent period.

2.9. Revenue recognition

2.9.1. Sale of goods

Revenue from the sale of goods is recognised when:

- a) significant risks and rewards of ownership of the goods are passed to the buyer,
- b) the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,



Notes to the Financial Statements for the year ended 31st March 2018

- c) revenue can be measured reliably,
- d) it is probable that economic benefits associated with the transaction will flow to the Corporation, and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, taxes or duties collected on behalf of the government and applicable trade discounts or rebates.

Revenue is allocated between loyalty programs and other components of the sale. The amount allocated to the loyalty program is deferred, and is recognised as revenue when the Corporation has fulfilled its obligation to supply the products under the terms of the program or when it is no longer probable that the points under the program will be redeemed.

Where the Corporation acts as an agent on behalf of a third party, the associated income is recognised on a net basis.

Claims, including subsidy on Liquefied Petroleum Gas (LPG) and Superior Kerosene Oil (SKO), from Government of India are booked on in-principle acceptance thereof on the basis of available instructions / clarifications, subject to final adjustments as stipulated.

2.9.2. Interest income is recognised taking into account the amount outstanding and the applicable effective interest rate.

2.9.3. Dividend is recognised when right to receive the payment is established.

2.10. Accounting / classification of expenditure and income

2.10.1. Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively.

2.10.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

2.10.3. Insurance claims are accounted on acceptance basis.

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

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

2.11. Employee benefits

2.11.1. Short-term employee benefit

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

2.11.2. Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plans are expensed in the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

Defined Benefit Plans:

Post-employment benefits

Liability towards defined employee benefits (gratuity, pension, post - retirement medical benefits, ex-gratia and resettlement allowance) are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.

Re-measurements of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income.

Other long-term employee benefits

Liability towards other long term employee benefits (leave encashment, long service awards, provident fund contribution to trust and death benefits) are determined on actuarial valuation by independent actuaries using Projected Unit Credit method.

Re-measurements gains and losses are recognized in the Statement of Profit and Loss in the period in which they arise.



Notes to the Financial Statements for the year ended 31st March 2018

2.11.3. Termination benefits

Expenditure on account of Voluntary Retirement Schemes, are charged to Statement of Profit & Loss, as and when incurred.

2.12. Foreign currency transactions

2.12.1. Monetary items

Transactions in foreign currencies are initially recorded at the respective exchange rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognised in Statement of Profit and Loss either as 'Exchange Rate Variation' or as 'finance costs' (to the extent regarded as an adjustment to borrowing costs), as the case maybe.

In case of long term foreign currency monetary items outstanding as of 31st March 2016, foreign exchange differences arising on settlement or translation of long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in case of other long term foreign currency monetary items, if any, accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance period of the asset / liability.

2.12.2. Non - Monetary items

Non-monetary items, other than those measured at fair value, denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

2.13. Investment in Subsidiary, associates and joint ventures

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each reporting date.

The Corporation has chosen the carrying value of the investment in Subsidiaries, associates and joint ventures existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.14. Government Grants

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

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

2.14.3. When the grant relates to property, plant and equipment, the cost of property, plant and equipment is shown at gross value and grant thereon is treated as liability (deferred income) and are credited to statement of profit and loss on a systematic basis over the useful life of the asset.

2.15. Exploration & production expenditure

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

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

2.15.2. Cost of acquisition, drilling and development are treated as Capital Work-in-Progress when incurred and are capitalised when the well is ready to commence commercial production.

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

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



Notes to the Financial Statements for the year ended 31st March 2018

2.16. Provisions and contingent liabilities

- 2.16.1. Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- 2.16.2. If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- 2.16.3. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Corporation, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.
- 2.16.4. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.
- 2.16.5. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.
- 2.16.6. Contingent Liabilities are considered only when show-cause notice is converted into demand.

2.17. Fair value measurement

- 2.17.1. Fair value is the price that would be received/ paid to sell an asset or to transfer a liability, as the case may be, in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Corporation has access at that date. The fair value of a liability also reflects its non-performance risk.
- 2.17.2. While measuring the fair value of an asset or liability, the Corporation uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

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

Financial Instruments

2.18. Financial Assets

2.18.1. Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

2.18.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Corporation classifies financial assets (other than equity instruments) as under:

- subsequently measured at amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:



Notes to the Financial Statements for the year ended 31st March 2018

The asset is held within a business model whose objective is

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

After initial recognition, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method and such amortization is recognised in the Statement of Profit and Loss.

Debt instruments at Fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for measurement of debt instruments.

After initial measurement, any fair value changes including any interest income, impairment loss and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity investments

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

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

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

2.18.3 Impairment of financial assets

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

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date.

2.19. Financial Liabilities

2.19.1. Initial recognition and measurement

All financial liabilities (not measured subsequently at fair value through profit or loss) are recognised initially at fair value net of transaction costs that are directly attributable to the respective financial liabilities.

2.19.2. Subsequent measurement

The Corporation classifies all financial liabilities as subsequently measured at amortised cost by using the Effective Interest Rate Method ("EIR") and such amortisation is recognised in the Statement of Profit and Loss.

2.20. Financial guarantees

Financial guarantee contracts are recognised initially at fair value. Subsequently on each reporting date, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

2.21. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at each measurement date at fair value with the fair value changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



Notes to the Financial Statements for the year ended 31st March 2018

2.22. Offsetting of financial instruments

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

2.23. Taxes on Income

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

2.23.2. Deferred tax liability/asset on account of temporary difference is recognised using tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date.

2.23.3. Deferred tax assets are recognised and carried forward for all deductible temporary differences only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary difference can be utilized.

2.23.4. The carrying amount of deferred tax assets/Liabilities is reviewed at each Balance Sheet date.

2.23.5. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, is considered as an asset when it is probable that the future economic benefits associated with it, will flow to the Corporation.

2.24. Earnings per share

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

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

2.25. Cash and Cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.26. Cash Flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated. For the purpose of the Statement of Cash Flows, cash and cash equivalent consist of cash, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Corporation's cash management.

Notes to the Financial Statements as at 31st March 2018

3: Property, Plant and Equipments

The following are the carrying values of Property, Plant & Equipments:

(₹ / Crores)

Particulars	Land -Freehold	Leasehold Property - Land	Buildings	Plant & Equipment	Furniture & Fixtures	Transport & Equipment	Office Equipment	Roads and Culverts	Railway Siding & Rolling Stock	E&P Assets	Total
Gross Block											
As on 01.04.2017	731.01	43.51	4,885.90	30,286.32	166.63	79.69	1,900.81	2,305.13	284.83	-	40,683.83
Additions/ Reclassifications	163.33	21.56	505.43	3,056.48	37.43	22.31	451.43	248.98	27.75	5.77	4,540.47
Deductions/ Reclassifications	0.29	-	5.39	63.62	2.79	0.40	8.85	0.22	0.44	-	82.00
As on 31.03.2018	894.05	65.07	5,385.94	33,279.18	201.27	101.60	2,343.39	2,553.89	312.14	5.77	45,142.30
Depreciation/ Amortisation											
As on 01.04.2017	-	0.06	259.94	3,312.17	36.69	23.76	636.31	660.66	43.24	-	4,972.83
For the year	-	0.14	149.85	1,895.79	22.93	11.80	296.10	316.21	22.51	0.35	2,715.68
Deductions/ Reclassifications	-	-	3.07	53.07	0.69	0.15	7.73	0.14	0.39	-	65.24
As on 31.03.2018	-	0.20	406.72	5,154.89	58.93	35.41	924.68	976.73	65.36	0.35	7,623.27
Net Block as on 01.04.2017	731.01	43.45	4,625.96	26,974.15	129.94	55.93	1,264.50	1,644.47	241.59	-	35,711.00
Net Block as on 31.03.2018	894.05	64.87	4,979.22	28,124.29	142.34	66.19	1,418.71	1,577.16	246.78	5.42	37,519.03

- 3.1 Includes assets costing ₹ 0.007 crores /- (2016-2017 : ₹ 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.
- 3.2 Includes ₹ 501.45 Crores (2016-2017: ₹ 464.72 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.
- 3.3 Includes ₹ 35.23 Crores (2016-2017 : ₹ 35.28 Crores) towards Roads & Culverts, Transformers & Transmission lines, Railway Sidings & Rolling Stock, ownership of which does not vest with the Corporation. The Corporation is having operational control over such assets. These assets are amortized at the rate of depreciation specified in Schedule II of Companies Act, 2013.
- 3.4 a) Includes following assets which are used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against which financial assistance was provided by OADB.

Description	Original Cost (₹ / Crores)	
	31.03.2018	31.03.2017
Roads & culverts	0.13	0.13
Buildings	1.62	1.62
Plant & Equipment	2.49	2.55
Total	4.24	4.30



Notes to the Financial Statements as at 31st March 2018

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

Description	Original Cost (₹ / Crores)	
	31.03.2018	31.03.2017
Computer Software	7.49	6.93
Computers/ End use devices	5.64	4.45
Office Equipment	0.01	0.01
Automation, Servers & Networks	1.55	1.55
Total	14.69	12.94

- 3.5 Deduction/ reclassification includes assets ₹ 3.49 crores as on 31.03.18 (31.03.17 : ₹ 3.97 crores) for which management has given consent for disposal & hence classified as Assets held for sale.
- 3.6 Leasehold Land includes ₹ 27.57 Crores (2016-17: ₹ 27.57 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.
- 3.7 In accordance with Para 7AA of Ind AS 21 read with Para D13AA of Ind AS 101, the Corporation has adjusted the exchange differences arising on long term foreign currency monetary items to the cost of assets and depreciated over the balance useful life of the assets.
- 3.8 The Corporation has considered the ISBL (Inside boundary Limit) pipeline directly associated as an integral part of Plant and Machinery / Tanks and has depreciated such pipelines based on the useful life of respective plants, which is considered as 25 years in line with the Schedule II of the Companies Act, 2013.

		(₹ / Crores)	
		31.03.2018	31.03.2017
4: Capital Work-in-Progress			
Unallocated Capital Expenditure and Materials at Site		3,615.49	1,613.52
Capital Stores lying with Contractors		14.44	6.25
Capital goods in transit		49.19	24.95
	A	3,679.12	1,644.72
Construction period expenses pending apportionment (Net of recovery) :			
Opening balance		165.76	236.71
Add: Expenditure during the year			
Establishment charges including Salaries and Wages		117.58	79.73
Interest		92.35	68.16
Loss / (gain) on foreign currency transactions and translations		5.02	(193.78)
Others		0.03	0.03
		380.74	190.85
Less: Allocated to assets capitalised during the year / charged off		74.47	25.09
Closing balance pending allocation	B	306.27	165.76
	A + B	3,985.39	1,810.48



Notes to the Financial Statements as at 31st March 2018

5: Intangible Assets

The following are the carrying values of Intangible assets :

(₹ / Crores)					
Particulars	Right of Way	Technical / Process Licenses	Software	Wind Energy Equipments	Total
Gross Block					
As on 01.04.2017	170.85	61.69	59.72	188.56	480.82
Additions/ Reclassifications	38.55	1.43	28.90	–	68.88
Deductions/ Reclassifications	–	0.93	–	–	0.93
As on 31.03.2018	209.40	62.19	88.62	188.56	548.77
Depreciation/ Amortisation					
As on 01.04.2017	–	16.21	23.41	20.32	59.94
For the year	–	10.34	16.41	10.33	37.08
Deductions/ Reclassifications	–	0.93	–	–	0.93
As on 31.03.2018	–	25.62	39.82	30.65	96.09
Net Block as on 01.04.2017	170.85	45.48	36.31	168.24	420.88
Net Block as on 31.03.2018	209.40	36.57	48.80	157.91	452.68

		(₹ / Crores)	
		31.03.2018	31.03.2017
6: Investment in Subsidiaries, Joint Ventures and Associates			
Investments in Equity Instruments			
Subsidiaries			
Un - Quoted			
HPCL - Biofuels Ltd.			
	20,55,20,000 (31.03.2017 : 20,55,20,000) Equity Shares of ₹ 10 each fully paid up	205.52	205.52
	Less : Provision for Impairment	161.00	161.00
Prize Petroleum Co. Ltd (refer note 6.1)			
	24,50,00,000 (31.03.2017 : 24,50,00,000) Equity Shares of ₹ 10 each fully paid up	246.28	245.38
	Less : Provision for Impairment	129.41	129.41
Associates			
Quoted			
Mangalore Refinery and Petrochemicals Ltd.			
	29,71,53,518 (31.03.2017 : 29,71,53,518) Equity Shares of ₹ 10 each fully paid up	471.68	471.68
Un - Quoted			
GSPL India Transco Ltd			
	4,19,10,000 (31.03.2017 : 2,25,50,000) Equity Shares of ₹ 10 each fully paid up	41.91	22.55
GSPL India Gasnet Ltd			
	4,25,72,128 (31.03.2017 : 3,04,72,128) Equity Shares of ₹ 10 each fully paid up	42.57	30.47



Notes to the Financial Statements as at 31st March 2018

(₹ / Crores)

	31.03.2018	31.03.2017
Joint Ventures		
Un - Quoted		
CREDA HPCL Biofuel Ltd. (refer note 6.2)		
Nil (31.03.2017 : 1,60,99,803) Equity Shares of ₹ 10 each fully paid up	–	16.10
Less : Provision for Impairment	–	16.10
HPCL Rajasthan Refinery Ltd (refer note 6.3)		
18,87,37,000 (31.03.2017 : 37,000) Equity Shares of ₹ 10 each fully paid-up	188.74	74.00
HPCL Shapoorji Energy Pvt. Ltd.		
2,00,00,000 (31.03.2017 : 1,30,00,000) Equity Shares of ₹ 10 each fully paid up	20.00	13.00
HPCL-Mittal Energy Ltd.		
3,93,95,55,200 (31.03.2017 : 3,93,95,55,200) Equity Shares of ₹ 10 each fully paid up	3,939.56	3,939.56
Hindustan Colas Pvt. Ltd.		
47,25,000 (31.03.2017 : 47,25,000) Equity Shares of ₹ 10 each fully paid-up	4.73	4.73
Petronet India Ltd.		
1,60,00,000 (31.03.2017 : 1,60,00,000) Equity Shares of ₹ 0.10 (31.03.2017 : ₹ 10) each fully paid up	0.16	16.00
Petronet MHB Ltd.		
17,95,11,020 (31.03.2017 : 17,95,11,020) Equity Shares of ₹ 10 each fully paid up	183.93	183.93
South Asia LPG Co. Pvt. Ltd.		
5,00,00,000 (31.03.2017 : 5,00,00,000) Equity Shares of ₹ 10 each fully paid up	50.00	50.00
Bhagyanagar Gas Ltd.		
4,36,50,000 (31.03.2017 : 2,25,00,000) Equity Shares of ₹ 10 each fully paid up	128.25	22.50
Aavantika Gas Ltd		
2,95,48,663 (31.03.2017 : 2,25,00,000) Equity Shares of ₹ 10 each fully paid up	49.99	22.50
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.		
4,18,88,750 (31.03.2017 : 3,82,71,250) Equity Shares of ₹ 10 each fully paid up	41.89	38.27
Godavari Gas Pvt. Ltd.		
26,00,000 (31.03.2017 : 26,00,000) Equity Shares of ₹ 10 each fully paid up	2.60	2.60
Ratnagiri Refinery and Petrochemicals Ltd.		
2,50,00,000 Equity shares of ₹ 10 each fully paid up	25.00	–
	5,352.40	5,052.28

6.1 : The Net worth of M/s Prize Petroleum Company Limited (PPCL), a 100% subsidiary of the Corporation was partially eroded. The Management had considered ₹ 24.41 crores as an impairment loss in value of investment. Accordingly, a provision was accounted during FY 2016-17. No further impairment is considered necessary during FY 2017-18.

6.2 : M/s CREDA HPCL Biofuel Ltd was dissolved with effect from 08th March 2018. Accordingly, carrying value of investments earlier provided for is now written-off.

6.3 : Includes amount of Nil (31.03.2017 : ₹ 73.96 crores) towards subscribed, but not paid shares of HPCL Rajasthan Refinery Ltd being part of MOA / AOA for which liability is created under Section 10(2) of the Companies Act, 2013.

6.4 : During the FY 2017-18, consequent to reduction in face value of shares Petronet India Ltd (PIL) from ₹ 10 each share to ₹ 0.10, investment in PIL has reduced from ₹ 16.00 crores as on 31.03.2017 to ₹ 0.16 crores as on 31.03.2018. Consequently, the company has received ₹ 15.84 Crores during the year.



Notes to the Financial Statements as at 31st March 2018

6.5 : As per the guidelines issued by Department of Public Enterprises (DPE) in August, 2005, the Board of Directors of Navratna Public Sector Enterprises (PSEs) can invest in joint ventures and wholly owned subsidiaries subject to an overall ceiling of 30% of the net worth of the PSE. The company has requested Ministry of Petroleum & Natural Gas (MOP&NG) to confirm its understanding that for calculating this ceiling limit, the amount of investments specifically approved by Government of India (i.e. investment in HPCL Mittal Energy Ltd (HMEL) and HPCL Rajasthan Refinery Limited (HRRL)) are to be excluded. The Company has calculated the limit of 30% investment in joint ventures and wholly owned subsidiaries, by excluding the investments specifically approved by Government of India. As per financial position as on 31st March 2018, the investments in joint ventures and wholly owned subsidiaries are well within 30% limit.

6.6 : HPCL Middle East FZCO, a 100% Subsidiary of HPCL was incorporated on 11.02.2018 as a Free Zone Company under Dubai Airport Free Zone and Establishment Card was issued on 22.03.2018 for the Company. This foreign subsidiary has been established for Trading in Lubricants & Grease, Petrochemicals and Refined Oil Products. HPCL, as a subscriber to the MOA is in the process of investing ₹ 17,742 (AED 1,000) towards share capital and investment upto ₹ 1 crores on need basis.

	(₹ / Crores)	
	31.03.2018	31.03.2017
Disclosures towards Cost / Market Value / Impairment		
a Aggregate amount of Quoted Investments (Market Value)	3,253.83	3,169.14
b Aggregate amount of Quoted Investments (Cost)	471.68	471.68
c Aggregate amount of Unquoted Investments (Cost)	5,171.12	4,887.10
d Aggregate amount of Provision for impairment	290.41	306.51

	(₹ / Crores)	
	31.03.2018	31.03.2017
7: Other Investments		
Investment in equity instruments carried at fair value through other comprehensive income		
Quoted		
Oil India Ltd. (refer note 7.1)		
2,67,50,550 (31.03.2017 : 1,78,33,700) Equity Shares of ₹ 10 each fully paid up	575.94	594.84
Scooters India Ltd. (refer note 7.1)		
10,000 (31.03.2017:10,000) Equity Shares of ₹ 10 each fully paid up	0.06	0.04
Investment in equity instruments carried at fair value through Profit and Loss Account		
Un - Quoted		
Shushrusha Citizen Co-operative Hospital Limited of the face value of ₹ 0.10 lakhs		
100 Equity Shares of ₹ 100/- each fully paid	0.00	0.00
Total Investments in Equity Instruments	576.00	594.88
Investments in Preference Shares carried at amortized cost		
Subsidiaries		
Un - Quoted		
5% HPCL - Biofuels Ltd. Non-Cumulative Preference Shares		
41,96,51,511 (31.03.2017 :41,96,51,511) Preference Shares of ₹ 10 each fully paid up	177.27	162.63
Total Investments in Preference Shares	177.27	162.63



Notes to the Financial Statements as at 31st March 2018

	(₹ / Crores)	
	31.03.2018	31.03.2017
Investment in Government Securities carried at amortized cost		
Government Securities of the face value of ₹ 0.02 Crores		
- Deposited with Others	–	0.02
- On hand - Nil (31.03.2017: ₹ 0.25 lakhs)	–	0.00
Government Securities of the face value of ₹ 0.24 lakhs		
- Deposited with Others - Nil (31.03.2017: ₹ 0.10 lakhs)	–	0.00
- On hand - Nil (31.03.2017: ₹ 0.14 lakhs)	–	0.00
Less: Provision for impairment	–	0.00
Total Investments in Government Securities	–	0.02
Investment in Debentures carried at amortized cost		
East India Clinic Ltd.		
- 1/2% Debenture of face value of - ₹ 0.15 lakhs	0.00	0.00
- 5% Debenture of face value of - ₹ 0.07 lakhs	0.00	0.00
Total Investments in Debentures	0.00	0.00
Other investments carried at fair value through Profit and Loss Account		
Structured Entities		
Un - Quoted		
Petroleum India International (Association of Persons) Contribution towards Seed Capital (refer note 7.2)	0.05	0.05
Total Investments in Structured Entities	0.05	0.05
	753.32	757.58

7.1 : The Company has designated these investments at fair value through other comprehensive income because these investments represent the investments that the corporation intends to hold for long-term strategic purposes. No strategic investments were disposed off during the year.

7.2 : Members in Petroleum India International (AOP) : Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd., Engineers India Ltd., Indian Oil Corporation Ltd., Indian Petrochemicals Corporation Ltd., Chennai Petroleum Corporation Ltd. and Oil India Ltd. Each one is holding 10% share except Indian Oil Corporation which is holding 30% and Bharat Petroleum Corporation Ltd. which is holding 20%.

	(₹ / Crores)	
	31.03.2018	31.03.2017
Disclosure towards Cost / Market Value		
a Aggregate amount of Quoted Investments (Market Value)	576.00	594.88
b Aggregate amount of Quoted Investments (Cost)	561.77	561.77
c Aggregate amount of Unquoted Investments (Cost)	177.32	162.70
d Aggregate amount of Provision for impairment	–	0.00



Notes to the Financial Statements as at 31st March 2018

	(₹ / Crores)	
	31.03.2018	31.03.2017
8: Loans		
Secured, considered good		
Employee loans and advances and Interest thereon	306.14	283.58
Unsecured, considered good		
Deposits	102.19	89.41
Loans to related parties (refer note 52)	16.80	50.40
Other Loans	36.48	33.04
	461.61	456.43

	(₹ / Crores)	
	31.03.2018	31.03.2017
9: Other Non-Current Assets		
Balances with Excise, Customs, etc.	164.20	163.84
Deposits	44.01	42.09
Advance Tax (net of provisions)	200.79	250.86
Capital advances	158.73	220.24
Prepaid employee cost	133.93	129.67
Prepaid Lease Rental	612.93	509.07
Others Prepaid Expenses	94.49	23.11
	1,409.08	1,338.88

	(₹ / Crores)	
	31.03.2018	31.03.2017
10: Inventories		
Raw materials (Including in transit 31.03.2018 : ₹ 1313.86 crores; 31.03.2017 : ₹ 1,420.99 Crores)	3,951.88	3,312.86
Work-in-progress	735.94	442.25
Finished goods (Including in transit 31.03.2018 : ₹ 149.51 crores ; 31.03.2017 : ₹ 123.78 Crores)	5,776.32	5,988.50
Stock-in-trade (Including in transit 31.03.2018 : ₹ 1,111.11 crores ;31.03.2017 : ₹ 907.13 Crores)	7,570.25	8,456.30
Stores and spares (Including in transit 31.03.2018 : ₹ 10.67 crores; 31.03.2017 : ₹ 13.90 Crores)	389.15	373.02
Less : provision for stores and spares	9.49	9.49
Packages	6.17	12.84
	18,420.22	18,576.28

10.1. The write-down of inventories to net realisable value during the year amounted to ₹ 114.35 crores (31.03.2017 : ₹ 212.09 crores). The write downs and reversal are included in cost of materials consumed, changes in inventories of finished goods and work in progress.



Notes to the Financial Statements as at 31st March 2018

(₹ / Crores)

	31.03.2018	31.03.2017
11: Investments		
Investments carried at fair value through Profit and Loss Account		
Quoted - Government Securities		
6.90% Oil Marketing Companies' GOI Special Bonds, 17,36,36,000 (31.03.2017 : 24,71,36,000) ₹ 100 each face value (refer note 11.1)	1,643.84	2,388.88
8.00% Oil Marketing Companies' GOI Special Bonds, 24,41,000 (31.03.2017 : 24,41,000) ₹ 100 each face value	24.68	25.13
8.20% Oil Marketing Companies' GOI Special Bonds, 1,23,49,000 (31.03.2017 : 1,23,49,000) ₹ 100 each face value	126.51	128.64
6.35% Oil Marketing Companies' GOI Special Bonds, 18,32,33,000 (31.03.2017 : 25,32,33,000) ₹ 100 each face value	1,699.61	2,364.43
7.59% Government of India, G - Sec Bonds, 1,85,00,000 (31.03.2017 : 1,85,00,000) ₹ 100 each face value (refer note 11.1)	184.63	193.88
7.72% Government of India, G - Sec Bonds, 8,36,00,000 ₹ 100 each face value (refer Note 11.1)	848.84	—
8.33% Government of India, G - Sec Bonds, 1,80,00,000 ₹ 100 each face value (refer Note 11.1)	187.41	—
8.15% Government of India, G - Sec Bonds, 2,75,00,000 ₹ 100 each face value (refer Note 11.1)	283.86	—
A	4,999.38	5,100.96
Un - Quoted - Equity instruments		
Sai Wardha Power Generation Ltd.		
Nil (31.03.2017 : 77,83,468) Equity Shares of ₹ 10 each fully paid up	—	7.78
B	—	7.78
A+B	4,999.38	5,108.74

11.1 : 6.90% Oil Marketing Companies GOI Special Bonds 2026 of ₹ 1378.64 Crores, 7.59 % G-Sec Bonds 2026 of ₹ 183.00 Crores, 7.72 % G-Sec Bonds 2025 of ₹ 615.00 Crores, 8.33 % G-Sec Bonds 2026 of ₹ 180.00 Crores and 8.15 % G-Sec. Bonds 2026 of ₹ 275.00 Crores, are pledged with Clearing Corporation of India Limited against CBLO Loan.

(₹ / Crores)

	31.03.2018	31.03.2017
Disclosure towards Cost / Market Value		
a Aggregate amount of Quoted Investments (Market Value)	4,999.38	5,100.96
b Aggregate amount of Quoted Investments (Cost)	5,267.26	5,343.23
b Aggregate amount of Un - Quoted Investments (Cost)	—	7.78
d Aggregate amount of Provision for impairment	—	—

(₹ / Crores)

	31.03.2018	31.03.2017
12: Trade Receivables		
Unsecured considered good	5,583.01	4,085.90
Doubtful	123.05	143.08
Less: Allowances for Bad and Doubtful Debts	123.05	143.08
Less: Impairment Provision (Expected Credit Loss Model)	10.10	21.69
	5,572.91	4,064.21



Notes to the Financial Statements as at 31st March 2018

	(₹ / Crores)	
	31.03.2018	31.03.2017
13: Cash and Cash Equivalents		
Balances with Scheduled Banks:		
- on Current Accounts	2.69	1.14
- on Non-Operative Current Accounts	0.01	0.01
Cheques Awaiting Deposit	0.00	0.06
Cash on Hand	7.97	7.64
	10.67	8.85

	(₹ / Crores)	
	31.03.2018	31.03.2017
14: Other Bank Balances		
Earmarked balances with banks for unpaid dividend	16.86	14.90
Fixed Deposits with 3 - 12 months maturity (refer note 14.1)	1,166.58	9.92
	1,183.44	24.82

14.1: Includes ₹ 1,150 Crores (31.03.2017 : ₹ Nil) Earmarked for project purposes.

	(₹ / Crores)	
	31.03.2018	31.03.2017
15: Loans		
Secured, considered good		
Employee loans and advances and Interest thereon	31.10	33.13
Unsecured, considered good		
Loans to related parties (refer note 52)	33.60	108.60
Other Loans (refer note 15.1)	24.64	21.48
	89.34	163.21

15.1: Includes ₹ 12.00 crores (31.03.2017: ₹ 12.00 crores) recoverable from Chembur Hospital Project Trust (CHPT) on demand. In view of the management the amount is recoverable and this matter will be taken up with the trust.

	(₹ / Crores)	
	31.03.2018	31.03.2017
16: Other Financial Assets		
Amounts recoverable under subsidy schemes	524.06	1,211.33
Interest accrued on Investments	88.17	74.39
Derivative Assets	92.09	58.41
Delayed payment charges receivable from customers	285.90	205.68
Less: Provision for doubtful delayed payment charges receivables	97.89	78.85
Receivables from Govt of India towards Direct Benefit Transfer of LPG (DBTL)	3,188.28	1,244.75
Balance with LIC	892.25	826.52
Other Receivables	1,021.58	793.63
Less: Provision for doubtful other receivables	75.50	11.42
	5,918.94	4,324.44



Notes to the Financial Statements as at 31st March 2018

	(₹ / Crores)	
	31.03.2018	31.03.2017
17: Other Current Assets		
Advance recoverable other than cash	43.05	9.37
Balances with Excise, Customs, etc.	354.00	481.97
Prepaid employee cost	14.68	13.67
Prepaid Lease Rental	40.47	36.53
Other Prepaid Expenses	105.41	83.85
Gold Coins in Hand	5.83	5.32
Other Current Assets	111.88	17.10
	675.32	647.81

	(₹ / Crores)	
	31.03.2018	31.03.2017
18: Equity Share capital		
A. Authorised:		
75,000 (31.03.2017 : 75,000) Cumulative Redeemable Preference Shares of ₹ 100/- each	0.75	0.75
2,49,92,50,000 (31.03.2017 : 2,49,92,50,000) Equity Shares of ₹ 10/- each	2,499.25	2,499.25
	2,500.00	2,500.00
B. Issued & Subscribed:		
1,52,45,25,375 (31.03.2017 : 1,01,65,84,500) Equity Shares of ₹ 10 each	1,524.53	1,016.58
C. Fully Paid up :		
1,52,38,22,625 (31.03.2017 : 1,01,58,81,750) Equity Shares of ₹ 10 each fully paid up	1,523.82	1,015.88
D. Shares Forfeited :		
7,02,750 (31.03.2017 : 7,02,750) Shares Forfeited (money received)	0.39	0.39
	1,524.21	1,016.27
E. Reconciliation of number of equity shares		
Outstanding at the beginning of the year	1,01,58,81,750	33,86,27,250
Equity shares allotted as fully paid bonus shares (refer note # H)	50,79,40,875	67,72,54,500
Outstanding at the end of the year	1,52,38,22,625	1,01,58,81,750
F. Rights and Restrictions on Equity / preference Shares		

The Company has only one class of Equity Shares having a face value of ₹ 10/- per share which are issued and subscribed. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of the winding up of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders and the amount paid up thereon.

The Company also has 75,000 6% cumulative Redeemable Non-convertible Preference Shares of ₹ 100 /- each as a part of the Authorised Capital, which were issued earlier by the erstwhile ESSO Standard Refining Co. of India Ltd. (ESRC) . Presently the said Preference Shares stand redeemed.



Notes to the Financial Statements as at 31st March 2018

G. Details of shares held by each shareholder, holding more than 5% shares in the company:

Name of shareholders	31.03.2018	
	% Holding	No. of Shares
Oil and Natural Gas Corporation Limited	51.11	77,88,45,375
Name of shareholders	31.03.2017	
	% Holding	No. of Shares
President of India	51.11	51,92,30,250

H. In the period of five years immediately preceding 31st March, 2018:

The Corporation had issued Bonus Shares during Financial Year 2017-18, in the ratio of 1:2 (2016-17: 2:1) by capitalization of Reserve. The total number of Bonus Shares issued is 50,79,40,875 (2016-17 : 67,72,54,500) equity shares having face value of ₹ 10 each.

		(₹ / Crores)	
		31.03.2018	31.03.2017
19: Reserves and Surplus			
Share Premium Account	(i)	–	476.52
Debenture Redemption Reserve	(ii)	–	265.13
Foreign Currency Monetary Item Translation Difference Account	(iii)	(0.64)	(0.44)
General Reserve	(iv)	1,777.65	1,809.07
Retained Earnings	(v)	20,632.77	16,747.75
		22,409.78	19,298.03
(i) Share Premium Account			
As per last Balance Sheet		476.52	1,153.77
Less: bonus shares issue		476.52	677.25
		–	476.52
(ii) Debenture Redemption Reserve			
As per last Balance Sheet		265.13	265.13
Less: Transfer to Retained Earnings (refer note 19.1)		265.13	–
		–	265.13
19.1: During the Financial Year 2017 – 18, consequent to repayment of 8.77% Non-Convertible Debentures, Debenture Redemption Reserve created out of Retained Earnings earlier is now transferred back to Retained Earnings.			
(iii) Foreign Currency Monetary Item Translation Difference Account*			
As per last Balance Sheet		(0.44)	(194.80)
Add : Additions during the year		(0.56)	(160.02)
Less : Amortised during the year		(0.36)	(354.38)
		(0.64)	(0.44)

*In accordance with the option exercised by the Corporation, balance appearing in "Foreign Currency Monetary Item Translation Difference Account" is related to non-depreciable assets remaining to be amortized over the balance period of loan.



Notes to the Financial Statements as at 31st March 2018

	(₹ / Crores)	
	31.03.2018	31.03.2017
(iv) General Reserve		
As per last Balance Sheet	1,809.07	1,809.07
Less: bonus shares issue	31.42	–
	1,777.65	1,809.07
(v) Retained Earnings		
As per last Balance Sheet	16,747.75	14,740.12
Add : Profit for the year	6,357.07	6,208.80
Add : Transfer from Debenture Redemption Reserve	265.13	–
Less : Profit appropriated to Interim / Proposed Dividend	2,321.29	3,477.70
Less : Profit appropriated to Tax on Distributed Profits	472.56	707.98
Less : Remeasurment (Gain) / Loss on Defined Benefit Plans	(56.67)	15.49
	20,632.77	16,747.75
	22,409.78	19,298.03
		(₹ / Crores)
	31.03.2018	31.03.2017
20: Other Reserves		
Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	33.11	(142.50)
Add : Additions during the year	(18.88)	175.61
	14.23	33.11
		(₹ / Crores)
	31.03.2018	31.03.2017
21: Borrowings		
Bonds or Debentures		
Secured		
8.77% Non-convertible debentures (refer note 21.1)	–	975.00
Un - secured		
Foreign Currency Bonds (refer note 21.2)	3,246.88	–
Term loans		
Secured		
Oil Industry Development Board (refer note 21.3)	188.06	283.75
Un - secured		
Syndicated Loans from Foreign Banks (repayable in foreign currency) (refer note 21.4)	6,793.76	9,098.55
	10,228.70	10,357.30
Less : Current Maturities of Long Term Borrowings	1,397.92	4,079.15
	8,830.78	6,278.15



Notes to the Financial Statements as at 31st March 2018

21.1 : Debentures

The Company had issued the following Secured Redeemable Non-convertible Debentures:

8.77% Non-Convertible Debentures were issued on 13th March, 2013 with the maturity date of 13th of March, 2018. The Corporation has redeemed the debentures on 13th March 2018. These were secured by first legal mortgage by way of a Registered Debenture Trust Deed over immovable property of the company being undivided share of land with the entire First Floor in the building High Street 1, situated at Ahmedabad and the first charge of fixed assets mainly certain Plant and Machinery at Visakh Refinery. The relevant charge has been satisfied. The value of such assets was ₹ 1,111.87 Crores as on 31.03.2017

21.2 : Foreign Currency Bonds

Particulars of Bonds	Date of Issue	Date of Repayment
USD 500 million bonds; Interest Rate: 4% p.a. payable at Half Yearly	12th July 2017	12th July 2027

21.3 : Term Loans from Oil Industry Development Board (Secured)

Repayable during	Amount in (₹ / Crores) as on		Range of Interest Rate as on	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
2017-18	–	95.69	–	7.86%-9.27%
2018-19	95.69	95.69	7.86%-9.27%	7.86%-9.27%
2019-20	61.19	61.19	7.86%-9.11%	7.86%-9.11%
2020-21	31.18	31.18	7.86%-8.09%	7.86%-8.09%
Total	188.06	283.75		

Security has been created with first charge on the facilities of Awa Salawas Pipeline, Manglore Hasan Mysore LPG Pipeline, Uran-Chakan / Shikarpur LPG Pipeline and Rewari Project Pipeline. The value of such assets is ₹ 2,247.24 crores (31.03.2017: ₹ 2,199.29 crores). ₹ 95.69 crores (31.03.2017: ₹ 95.69 crores) is repayable within 1 year and the same has been shown as "Current Maturity of Long Term Borrowings" under Note # 27

21.4 : Syndicated Loans from Foreign Banks (repayable in foreign currency)

The Corporation has availed Long Term Foreign Currency Syndicated Loans from banks at 3 months floating LIBOR plus spread (spread range: 30 to 155 basis point p.a.). These loans are taken for the period up to 5 years. ₹ 1,302.23 Crores (31.03.2017: ₹ 3,008.46 crores) is repayable within 1 year and the same has been shown as "Current Maturity of Long Term Borrowings" under Note # 27.

	(₹ / Crores)	
	31.03.2018	31.03.2017
22: Other Financial Liabilities		
Other Liabilities	0.47	0.44
	0.47	0.44



Notes to the Financial Statements as at 31st March 2018

	(₹ / Crores)	
	31.03.2018	31.03.2017
23: Provisions		
Provision for employee benefits	77.22	182.32
	<u>77.22</u>	<u>182.32</u>

	(₹ / Crores)	
	31.03.2018	31.03.2017
24: Other Non-Current Liabilities		
Capital Grant	3.99	7.67
	<u>3.99</u>	<u>7.67</u>

	(₹ / Crores)	
	31.03.2018	31.03.2017
25: Borrowings		
Loans repayable on demand		
Secured		
from banks		
Cash Credit (Secured by hypothecation of Inventories in favour of Banks on pari passu basis)	2,440.22	1,741.73
from other parties		
Collateral Borrowing and Lending Obligation (refer Note 25.1)	1,489.47	1,489.51
Un - Secured		
from banks		
Clean Loans	2,600.00	1,200.00
Short term loans	2,737.56	–
from other parties		
Commercial papers	1,494.93	6,461.17
	<u>10,762.18</u>	<u>10,892.41</u>

25.1 : 6.90% Oil Marketing Companies GOI Special Bonds 2026 of ₹ 1378.64 Crores, 7.59% G-Sec Bonds 2026 of ₹ 183.00 Crores, 7.72% G-Sec Bonds 2025 of ₹ 615.00 Crores, 8.33% G-Sec Bonds 2026 of ₹ 180.00 Crores and 8.15% G-Sec. Bonds 2026 of ₹ 275.00 Crores, are pledged with Clearing Corporation of India Limited against CBLO Loan.

	(₹ / Crores)	
	31.03.2018	31.03.2017
26: Trade Payables		
Micro, Small and Medium Enterprises (MSME) (refer note 47)	170.07	22.76
Other than MSME	15,533.80	12,641.80
	<u>15,703.87</u>	<u>12,664.56</u>



Notes to the Financial Statements as at 31st March 2018

	(₹ / Crores)	
	31.03.2018	31.03.2017
27: Other Financial Liabilities		
Current maturities of Long Term Borrowings (refer note 27.1)	1,397.92	4,079.15
Interest accrued but not due on loans	44.48	21.19
Unpaid Dividend (refer note 27.2)	16.86	14.90
Derivative liability	19.94	1.75
Deposits from Dealers /Consumers/Suppliers (refer note 27.3 & 27.4)	12,416.93	10,996.83
Other Financial Deposits	10.23	11.49
Other liabilities	598.48	626.67
	14,504.84	15,751.98

27.1 : This includes loans repayable within one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 1,302.23 crores (31.03.2017 : ₹ 3,008.46 crores), 8.77% Non - Convertible Debenture Nil (31.03.2017 : ₹ 975.00 crores), Loan from Oil Industry and Development Board ₹ 95.69 crores (31.03.2017 : ₹ 95.69 crores).

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

27.3 : The Corporation, based on the substance and nature of the deposits received from customers/dealers largely towards cylinders, had presented such deposits under the head non-current financial liabilities during the Financial year 2016-17. Subsequently during the financial year 2017-18, there was a direction by C&AG on the said classification. In view of the same, the said deposits have been re-classified as current financial liabilities. This classification has no impact on the profit for the period. Expert Advisory Committee of the Institute of Chartered Accountants of India has been approached for an opinion in the matter, which is awaited.

27.4 : Includes deposit received towards Rajiv Gandhi Gramin LPG Vitrak Yojana and Prime Minister Ujjavala Yojana of ₹ 1,557.86 crores (31.03.2017 : ₹ 941.61 crores) The deposits against these schemes have been funded from CSR fund or by Government of India.

	(₹ / Crores)	
	31.03.2018	31.03.2017
28: Other Current Liabilities		
Revenue Received in Advance	707.49	726.98
Capital Grant	4.14	3.50
Statutory Payables	2,750.75	3,046.39
Other Liabilities	139.67	191.34
	3,602.05	3,968.21

	(₹ / Crores)	
	31.03.2018	31.03.2017
29: Provisions		
Employee Benefits	1,640.49	1,584.96
Provisions for probable obligations (refer note 59)	867.76	823.54
	2,508.25	2,408.50

	(₹ / Crores)	
	31.03.2018	31.03.2017
30: Current Tax Liabilities (Net)		
Provision for tax (net of advance tax)	296.16	72.61
	296.16	72.61



Notes to the Financial Statements for the year ended 31st March 2018

(₹ / Crores)

	2017-18	2016-17
31 : Gross Sale of Products		
Sale of Products	2,42,462.78	2,12,196.37
Recovery under Subsidy Schemes	763.88	1,292.58
	2,43,226.66	2,13,488.95

31.1 : Net of discount of ₹ 2,229.17 crores (2016 - 17 : ₹ 1,920.07 crores) and includes amount towards additional State Specific Cost (SSC) of Nil (2016 - 17 : ₹ 57.21 Crores).

31.2 : During the current financial year 2017-18, Subsidy on PDS Kerosene and Domestic Subsidized LPG from Central and State Governments amounting to ₹ 7.54 crores (2016-17: ₹ 20.01 crores) has been accounted.

31.3 : Approval of Government of India for Budgetary Support amounting to ₹ 756.34 crores (2016-17: ₹ 1,272.57 crores) has been received and the same has been accounted under 'Recovery under Subsidy Schemes'.

(₹ / Crores)

	2017-18	2016-17
32 : Other Operating Revenues		
Rent Recoveries	565.02	116.74
Net Recovery for LPG Filling Charges	1.33	2.40
Miscellaneous Operating Income	292.11	261.73
	858.46	380.87

(₹ / Crores)

	2017-18	2016-17
33 : Other Income		
Interest Income on Financial Assets carried at amortized cost:		
On Deposits	0.64	0.87
On Staff Loans	29.44	35.06
On Customers' Accounts	197.99	135.47
Interest On Current Investments carried at fair value through Profit and Loss Account	364.87	366.75
Interest on Others Financial Assets carried at amortized cost	205.86	182.85
	798.80	721.00
Dividend Income from Joint Venture/ Associate Companies	319.11	52.72
Dividend Income from non-current equity instruments at FVOCI	33.44	27.64
Gain on Foreign Currency Transaction and Translation (net)	322.39	147.44
Fair value gain on Current Investments carried at FVTPL	–	221.77
Profit on Sale of Current Investment	–	32.36
Share of Profit/ (Loss) from Petroleum India International (AOP)	(0.02)	0.94
Miscellaneous Income	375.74	244.21
	1,050.66	727.08
	1,849.46	1,448.08



Notes to the Financial Statements for the year ended 31st March 2018

	(₹ / Crores)	
	2017-18	2016-17
34 : Cost of Materials Consumed		
Cost of Raw Materials Consumed	50,937.67	44,879.42
Packages Consumed	248.63	258.24
	51,186.30	45,137.66

	(₹ / Crores)	
	2017-18	2016-17
35 : Changes in Inventories of Finished Goods, Stock-in / Trade and Work-in-Progress (Increase)/ Decrease		
Closing Stock:		
Work-in-progress	735.94	442.25
Finished Goods	5,776.32	5,988.50
Stock-in-trade	7,570.25	8,456.30
	14,082.51	14,887.05
Less: Opening Stock:		
Work - in - Progress	442.25	224.33
Finished Goods	5,988.50	6,646.48
Stock - in - Trade	8,456.30	3,562.18
	14,887.05	10,432.99
	804.54	(4,454.06)

	(₹ / Crores)	
	2017-18	2016-17
36 : Employee Benefits Expense		
Salaries, Wages, Bonus, etc.	2,293.01	1,986.01
Contribution to Provident Fund	141.59	129.70
Pension, Gratuity and Other Employee Benefits	215.59	516.35
Employee Welfare Expenses	208.33	314.02
	2,858.52	2,946.08

	(₹ / Crores)	
	2017-18	2016-17
37 : Finance Costs		
Interest	468.70	422.13
Exchange differences regarded as an adjustment to borrowing costs	41.75	-
Other borrowing costs (refer note 37.1)	56.26	113.52
	566.71	535.65

37.1 : Includes interest u/s 234B / 234C of Income Tax Act, 1961 for an amount ₹ 10.20 crores (2016 - 17 : ₹ 26.73 crores).



Notes to the Financial Statements for the year ended 31st March 2018

(₹ / Crores)

	2017 - 18	2016 - 17
38 : Other Expenses		
Consumption of Stores, Spares and Chemicals	244.34	296.22
Power and Fuel	2,613.75	2,255.24
Less : Fuel of own production consumed	2,259.39	2,118.39
	354.36	136.85
Repairs and Maintenance - Buildings	49.22	50.52
Repairs and Maintenance - Plant and Machinery	930.91	835.60
Repairs and Maintenance - Other Assets	382.63	323.85
Insurance	58.00	64.18
Rates and Taxes	244.94	174.26
Irrecoverable Taxes and Other Levies	454.37	376.42
Equipment Hire Charges	2.62	1.53
Lease Rentals on Operating Lease	368.10	335.09
Travelling and Conveyance	223.39	202.52
Printing and Stationery	18.82	18.36
Electricity and Water	796.43	733.89
Corporate Social Responsibility (CSR) Expenses	156.87	108.11
Stores and spares written off	0.57	12.14
Loss on Sale of Current Investment	60.24	-
Fair value Loss on Current Investments carried at FVTPL	25.09	-
Impairment/(Reversal of Impairment) in value of Non - Current Investments	(16.10)	8.41
Provision for Doubtful Receivables (After adjusting provision no longer required written back ₹ 2.61 crores, 2016-17: ₹ 5.40 crores)	82.91	0.66
Provision for Doubtful Debts (After adjusting provision no longer required written back ₹ 0.21 crores, 2016-17: ₹ 0.52 crores)	(31.62)	1.29
Bad Debts written off	49.86	5.26
Loss on Disposal / write off of Non - Current Investments	16.12	-
Loss on Sale/ write off of Property Plant & Equipments / CWIP / Non current assets held for sale (Net)	4.55	6.54
Security Charges	251.55	164.42
Advertisement and Publicity	169.55	156.79
Sundry Expenses and Charges (Not otherwise classified)	527.67	666.50
Consultancy and Technical Services	58.11	73.09
Payments to the auditors for:		
- Audit Fees	0.69	0.60
- other Services	0.26	0.25
- Reimbursement of expenses	0.03	0.09
	5,484.48	4,753.44



Notes to the Financial Statements for the year ended 31st March 2018

39: Fair Value Measurements

39.A : Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified as at Fair value through Profit and Loss (FVTPL), Fair value through other comprehensive Income (FVTOCI) and Amortized Cost.

(₹ / Crores)

	31.03.2018			31.03.2017		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
(a) Investments						
– Investment in Equity Instruments		576.00			594.88	
– Investment in Preference Shares			177.27			162.63
– Investment in Debt Instruments	4,999.38			5,100.96		
– Others	0.05		–	7.83		0.02
(b) Loans						
– Employee Loans			337.24			316.71
– Loans to Related Parties			50.40			159.00
– Others			163.31			143.93
(c) Trade receivables			5,572.91			4,064.21
(d) Cash and cash equivalents			10.67			8.85
(e) Other Bank Balances			1,183.44			24.82
(f) Derivative Assets	92.09			58.41		
(g) Amounts recoverable under subsidy schemes			524.06			1,211.33
(h) Others			5,302.79			3,054.70
Total	5,091.52	576.00	13,322.09	5,167.20	594.88	9,146.20
Financial liabilities						
(a) Borrowings						
– Non-convertible debentures			–			975.00
– Foreign Currency Bonds			3,246.88			–
– Oil Industry Development Board			188.06			283.75
– Syndicated Loans from Foreign Banks			6,793.76			9,098.55
– Cash Credit			2,440.22			1,741.73
– Short term loans from banks			2,737.56			–
– Clean Loans			2,600.00			1,200.00
– Collateral Borrowing and Lending Obligation			1,489.47			1,489.51
– Commercial papers			1,494.93			6,461.17
(b) Trade Payables			15,703.87			12,664.56
(c) Deposits from Consumers			12,416.93			10,996.83
(d) Derivative liabilities	19.94			1.75		
(e) Others			670.52			674.69
Total	19.94	–	49,782.20	1.75	–	45,585.79



Notes to the Financial Statements for the year ended 31st March 2018

39.B : Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the Financial Assets and Financial Liabilities that are recognised and measured at fair value and at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, Corporation has classified its Financial Assets and Financial Liabilities into the three levels prescribed under the accounting standard. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. An explanation of each level is provided under Significant Accounting Policy.

(₹ / Crores)

	31.03.2018			31.03.2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments						
- Investment in Equity Instruments	576.00			594.88		
- Investment in Preference Shares		223.32			265.21	
- Investment in Debt Instruments	4,999.38			5,100.98		
- Others		0.05			7.83	
Loans & Advances						
- Employee Loans		337.24			316.71	
Derivative Assets		92.09			58.41	
Total	5,575.38	652.70	-	5,695.86	648.16	-
Financial liabilities						
Borrowings						
- Non-convertible debentures		-			990.66	
- Foreign Currency Bonds		3,125.75			-	
- Oil Industry Development Board Loan		190.39			290.99	
Derivative Liabilities		19.94			1.75	
Total	-	3,336.08	-	-	1,283.40	-

39.C : Valuation techniques used to determine Fair Value

Type	Valuation technique
Derivative instruments - forward exchange contracts	Discounted cash flow i.e. fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract.
Commodity derivatives	Fair value of commodity derivative contracts is estimated by determining the difference between the contractual price and the current forward price for the residual maturity of the contract.
Derivative instruments - interest rate swap	Discounted cash flows i.e. Present value of expected receipt/payment.
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.



Notes to the Financial Statements for the year ended 31st March 2018

40: Financial risk management

40.A : Risk management framework

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. There are defined processes for identification, assessment and mitigation of risks on an ongoing basis. Risk assessment is considered as critical input for decision making related to strategy formulation and capital allocation. Your corporation has also leveraged technology to integrate and automate the entire process of enterprise risk management. The Company has also engaged the services of an independent expert to assist in continued implementation of effective Risk Management framework and improve the framework further. These self-regulatory ERM processes and procedures form part of our Risk Management Charter and Policy, 2007.

Risk Management Steering Committee (RMSC) continues to provide its guidance in this regard. 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 identified framework.

40.B : Corporation has identified financial risk and categorised them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category and how Corporation manages the risk is explained in following notes:

40.B.1 : Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Corporation grants credit terms in the normal course of business. The Corporation establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade receivables

The Corporation's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Corporation grants credit terms in the normal course of business.

At 31.03.2018, the Corporation's most significant customer accounted for ₹ 1109.30 crores of the trade receivables carrying amount (31.03.2017 : ₹ 1,068.86 crores).

The Corporation uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

(₹ / Crores)

	31.03.2018			31.03.2017		
	Gross carrying amount	Weighed average loss rate	Loss allowance	Gross carrying amount	Weighed average loss rate	Loss allowance
Past due 0-90 days	5,219.01	0.04%	1.83	3,694.81	0.06%	2.26
Past due 91-360 days	353.37	0.42%	1.47	355.68	1.00%	2.20
More than 360 days	133.68	97.13%	129.85	178.49	89.81%	160.31
	5,706.06		133.15	4,228.98		164.77



Notes to the Financial Statements for the year ended 31st March 2018

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	(₹ / Crores)
Balance as at 01.04.2016	163.47
Add : Impairment loss recognised	5.48
Less : Amounts written off	4.18
Balance as at 31.03.2017	164.77
Add : Impairment loss recognised	15.09
Less : Amounts written off	46.71
Balance as at 31.03.2018	133.15

The amounts written off at each reporting date relates to customers who have defaulted on their payments to the Corporation and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Corporation held cash and cash equivalents of ₹ 10.67 crores at 31.03.2018 (31.03.2017 : ₹ 8.85 crores). The cash and cash equivalents are held with consortium banks. Corporation invests its surplus funds in bank fixed deposit, Govt of India T-bills and liquid Schemes of Mutual Funds, which carry no mark to market risks for short duration and exposes the Corporation to low credit risk.

Derivatives

The forex and interest rate derivatives were entered into with banks having an investment grade rating and exposure to counter-parties are closely monitored and kept within the approved limits. Commodity derivatives are entered with reputed Counterparties in the OTC (Over-the-Counter) Market.

Investment in debt securities

Investment in debt securities are in government securities or bonds which do not carry any credit risk, being sovereign in nature.

Other than trade receivables, the Corporation has no other financial assets that are past due but not impaired.

40.B.2 : Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. Corporation has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Corporation has adequate borrowing limits in place duly approved by its Shareholders and Board. Corporation's sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks and liquid investment portfolio. Corporation ensures that there is minimal concentration risk by diversifying its portfolio across instruments and counterparties. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) Financing arrangements

The Corporation has an adequate fund and non-fund based lines from various banks. The Corporation has sufficient borrowing limits in place duly, approved by its Shareholders and Board. Domestic and international credit rating from reputed credit rating agencies enables access of funds both from domestic as well as international market. Corporation's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. Corporation diversifies its capital structure with a mix of instruments and financing products across varying maturities and currencies. The financing products include syndicated loans, foreign currency bonds, commercial paper, non-convertible debentures, buyer's credit loan, clean loan etc. Corporation taps domestic as well as foreign debt markets from time to time to ensure appropriate funding mix and diversification of geographies.



Notes to the Financial Statements for the year ended 31st March 2018

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Contractual cash flows					
	31.03.2018			31.03.2017		
	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years
Non-derivative financial liabilities						
Borrowings and interest thereon	12,571.08	6,161.76	4,078.46	15,282.28	4,880.95	1,685.94
Trade payables	15,703.87	–	–	12,664.56	–	–
Other financial liabilities	670.52	–	12,416.93	674.69	–	10,996.83
Financial guarantee contracts*	–	–	560.55	–	–	570.72
Total	28,945.47	6,161.76	17,055.94	28,621.53	4,880.95	13,253.49
Derivative financial liabilities						
Interest rate swaps	(31.88)	(41.93)	–	10.75	9.86	0.54
Commodity contracts (net settled)	(19.76)	–	–	5.14	–	–
Total	(51.64)	(41.93)	–	15.89	9.86	0.54

* Guarantee issued by the Corporation on behalf of the Subsidiary is with respect to borrowings raised by its Subsidiary. This amount will be payable on default by the concerned Subsidiary. As of the reporting date there has been no default by the Subsidiary and hence, the Corporation does not have any present obligation in relation to such guarantee.

40.B.3 : Market Risk - Market Risk is further categorised in (i) Currency risk , (ii) Interest rate risk & (iii) Commodity risk:

40.B.3.1: Currency risk:

The Corporation is exposed to currency risk mainly on account of its borrowings and import payables in foreign currency. Our exposures are mainly denominated in U.S. dollars. The Corporation has used generic derivative contracts to mitigate the risk of changes in foreign currency exchange rates in line with Corporation's forex risk management policy. The Corporation has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Corporation does not uses derivative financial instruments for trading or speculative purposes.



Notes to the Financial Statements for the year ended 31st March 2018

Exposure to currency risk - The currency profile of financial assets and financial liabilities is as below:

(₹ / Crores)

	Contractual cash flows			
	31.03.2018		31.03.2017	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial assets				
Non-current investments	753.32	–	757.58	–
Current investments	4,999.38	–	5,108.74	–
Long-term loans	461.61	–	456.43	–
Short-term loans	89.34	–	163.21	–
Trade receivables	5,427.82	145.09	3,746.34	317.87
Cash and Cash Equivalents	10.67	–	8.85	–
Other Bank Balances	1,183.44	–	24.82	–
Others Non Current Financial Assets	–	–	–	–
Others Current Financial Assets	5,918.94	–	4,324.44	–
Net exposure for assets - A	18,844.52	145.09	14,590.41	317.87
Financial liabilities				
Long term borrowings	188.06	10,040.64	1,258.75	9,098.55
Short term borrowings	8,024.62	2,737.56	10,892.41	–
Trade Payables	10,112.53	5,591.34	7,659.27	5,005.29
Other Financial Liabilities	13,107.39	–	11,673.27	–
Net exposure for liabilities - B	31,432.60	18,369.54	31,483.70	14,103.84
Net exposure (Assets - Liabilities)(A - B)	12,588.08	18,224.45	16,893.29	13,785.97

The following exchange rates have been applied during the year:

INR	31.03.2018	31.03.2017
USD 1	65.1800	64.8550

Sensitivity analysis:

The table below show sensitivity of open forex exposure to USD/INR movement. We have considered 1% (+/-) change in USD/INR movement, increase indicates appreciation in USD/INR whereas decrease indicates depreciation in USD/INR. The indicative 1% movement is directional and does not reflect management's forecast on currency movement.

(₹ / Crores)

Effect in INR	Impact on profit or loss due to % increase / Decrease in currency			
	Increase		Decrease	
	31.03.2018		31.03.2017	
1% movement				
USD	182.24	(182.24)	137.86	(137.86)



Notes to the Financial Statements for the year ended 31st March 2018

40.B.3.2: Interest rate risk

Corporation has long-term foreign currency syndicated loans with floating rate, which expose the Corporation to cash flow interest rate risk. The borrowings at floating rate were denominated in USD. The Corporation manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Corporation agrees with other parties to exchange, at specified intervals (i.e quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Corporation monitors the interest rate movement and manages the interest rate risk based on the Corporation's Forex Risk Management Policy. The Corporation also has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Corporation does not uses derivative financial instruments for trading or speculative purposes.

The Corporation's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Following is the derivative financial instruments to hedge the interest rate risk as of dates:

					(₹ / Crores)	
Category	Instrument	Currency	Cross Currency	31.03.2018	31.03.2017	
Hedges of floating rate foreign currency loans (\$ 600 mn (31.03.2017: \$ 530 mn))	Interest rate swaps	USD	INR	3,910.80	3,437.32	

Interest rate risk exposure:

Corporation's interest rate risk arises mainly from borrowings. The interest rate profile of the Corporation's interest-bearing financial instruments as reported to the management of the Corporation is as follows.

			(₹ / Crores)	
			Carrying amount	
			31.03.2018	31.03.2017
Fixed-rate instruments				
Financial assets			6,367.87	5,369.99
Financial liabilities			11,459.56	12,151.16
Variable-rate instruments				
Financial assets			1,279.89	1,227.23
Financial liabilities			9,531.32	9,098.55

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.



Notes to the Financial Statements for the year ended 31st March 2018

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ / Crores)

	Profit or loss			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2018		31.03.2017	
Floating rate borrowings	(15.97)	15.97	(20.08)	20.08
Interest rate swaps (notional principal amount)	8.62	(8.62)	8.71	(8.71)
Cash flow sensitivity (net)	(7.35)	7.35	(11.37)	11.37

40.B.3.3: Commodity Risk

The Corporation's Profitability is exposed to the risk of fluctuation in prices of Crude Oil and Petroleum products in international markets. Corporation monitors and reduces the impact of the volatility in International Oil prices based on approved Oil Price Risk Management Policy by entering into derivative contracts in the OTC market.

The Corporation also has Oil Price Risk Management Committee (OPRMC) which actively reviews and monitors risk management principles, policies and risk management activities.

Category-wise quantitative break-up of Commodity derivative contracts entered into by the Corporation and Outstanding as at balance sheet date is given below:

	Quantity (in Mn Barrels)	
	31.03.2018	31.03.2017
Crude/Product Swaps	3.05	0.71

The sensitivity to a reasonable possible change of 10% in the price of crude/product swaps on the outstanding commodity hedging positions as on Balance sheet date would increase/decrease the profit or loss by amounts shown below. This 10% movement is directional and does not reflect any forecast of price movement.

(₹ / Crores)

	Effect on Profit before Tax			
	10% Increase	10% Decrease	10% Increase	10% Decrease
	31.03.2018		31.03.2017	
Crude/Product Swaps	(16.27)	16.27	(0.21)	0.21

40.B.3.4: Price risk

The corporation's exposure to equity investment price risk arises from investment held by the Corporation. The Corporation has designated these investment at fair value through other comprehensive income because these investments represent the investments that the corporation intends to hold for long-term strategic purposes.

Sensitivity

The table below summarises the impact of increases/decreases in prices on Other Comprehensive Income for the period.

(₹ / Crores)

	Equity Instruments through OCI			
	1% Increase	1% Decrease	1% Increase	1% Decrease
	31.03.2018		31.03.2017	
Equity Investment in Oil India Ltd.	5.76	(5.76)	5.95	(5.95)



Notes to the Financial Statements for the year ended 31st March 2018

40.C.1 : Offsetting

The following table presents the recognised financial instruments that are eligible for offset and other similar arrangements but are not offset, as at 31.03.2018, 31.03.2017. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights are exercised.

(₹ / Crores)

	Effect of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial Instrument collateral	Net Amount
March 31, 2018					
Financial assets					
Trade Receivables	9,259.08	(3,686.17)	5,572.91	(109.30)	5,463.61
Other Current Financial Assets	5,918.94	–	5,918.94	–	5,918.94
Financial liabilities					
Trade Payables	19,390.04	(3,686.17)	15,703.87	–	15,703.87
Other Current Financial Liabilities	14,504.84	–	14,504.84	(109.30)	14,395.54
March 31, 2017					
Financial assets					
Trade Receivables	5,154.42	(1,090.21)	4,064.21	(234.21)	3,830.00
Other Current Financial Assets	4,324.44	–	4,324.44	–	4,324.44
Financial liabilities					
Trade Payables	13,754.77	(1,090.21)	12,664.56	–	12,664.56
Other Current Financial Liabilities	15,751.98	–	15,751.98	(234.21)	15,517.77

41: Tax expense

(a) Amounts recognised in profit and loss

(₹ / Crores)

	2017 - 18	2016 - 17
Current tax expense		
Current year	2,570.98	2,236.24
Changes in estimates relating to prior years	(82.85)	(285.21)
Deferred tax expense		
Origination and reversal of temporary differences	419.56	628.28
Changes in estimates relating to prior years	(62.83)	232.73
Tax expense recognised in the income statement	2,844.86	2,812.04

(b) Amounts recognised in other comprehensive income

	Contractual cash flows					
	2017-18			2016-17		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Items that will not be reclassified to profit or loss						
Re-measurements of the defined benefit plans	86.66	(29.99)	56.67	(23.69)	8.20	(15.49)



Notes to the Financial Statements for the year ended 31st March 2018

(c) Reconciliation of effective tax rate

	Contractual cash flows			
	31.03.2018		31.03.2017	
	%	₹ Crores	%	₹ Crores
Profit before tax		9,201.93		9,020.84
Tax as per Corporate Tax Rate	34.608%	3,184.60	34.608%	3,121.93
Tax effect of:				
Non-deductible tax expenses	0.609%	56.00	0.460%	41.51
Tax-exempt income	-1.782%	(164.00)	-1.428%	(128.82)
Interest expense u/s 234B/C not deductible for tax purposes	0.038%	3.53	0.103%	9.25
Deduction for research and development expenditure	-0.691%	(63.62)	-0.953%	(85.97)
Investment allowance claim	0.000%	–	-1.126%	(101.58)
Adjustments recognised in current year in relation to the current tax of prior years	-1.583%	(145.69)	-0.582%	(52.48)
Increase in rate on account of deferred tax	0.044%	4.03		
Amounts directly recognised in OCI	-0.326%	(29.99)	0.091%	8.20
Income Tax Expense	30.916%	2,844.86	31.173%	2,812.04

(d) Movement in deferred tax balances

	(₹ / Crores)			
	Net balance 01.04.2017	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2018
Deferred Tax Asset				
Provision for Employee Benefits	256.04	(104.76)	5.09	156.37
Current investments	89.38	9.82	–	99.20
MAT Credit	316.87	(316.87)	–	–
Provision for Doubtful Debts & Receivables	88.26	18.78	–	107.04
Disallowance u/s 43B	101.15	121.57	–	222.72
Others	7.33	17.01	–	24.34
	859.03	(254.45)	5.09	609.67
Deferred Tax Liabilities				
Property, plant and equipment	6,738.83	424.09	–	7,162.92
Others	15.79	0.15	–	15.94
	6,754.62	424.24	–	7,178.86
Deferred Tax (Assets) / Liabilities	5,895.59	678.69	(5.09)	6,569.19



Notes to the Financial Statements for the year ended 31st March 2018

(₹ / Crores)

	Net balance 01.04.2016	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2017
Deferred Tax Asset				
Provision for Employee Benefits	211.83	41.67	2.54	256.04
Current investments	166.78	(77.40)	–	89.38
MAT Credit	429.57	(112.70)	–	316.87
Provision for Doubtful Debts & Receivables	87.59	0.67	–	88.26
Disallowance u/s 43B	102.42	(1.27)	–	101.15
Others	45.39	(38.06)	–	7.33
	1,043.58	(187.09)	2.54	859.03
Deferred Tax Liabilities				
Property, plant and equipment	5,866.68	872.15	–	6,738.83
Others	96.25	(80.46)	–	15.79
	5,962.93	791.69	–	6,754.62
Deferred Tax (Assets) / Liabilities	4,919.35	978.78	(2.54)	5,895.59

- (e) Current Tax includes MAT Credit utilisation of ₹ 406.58 Crores (2016-17: ₹ 327.03 Crores).
- (f) The recognition of MAT Credit Entitlements of ₹ Nil Crores as at March 31, 2018 (₹ 316.87 Crores as at March 31, 2017) 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.
- (g) Provision for tax for earlier years written back(net) of ₹ 145.68 Crores (2016-17: ₹ 52.48 Crores) represents additional provision towards current tax of ₹ 54.71 Crores (2016-17 : ₹ (216.40) Crores), reversal towards deferred Tax of ₹ 62.83 Crores (2016-17: ₹ (232.73) Crores) and recognition of MAT credit Entitlements of ₹ 137.56 Crores (2016-17: ₹ 68.81 Crores).

42 : Leases

Operating Lease

Leases as lessee

The Corporation enters into cancellable/non-cancellable operating lease arrangements for land, office premises, staff quarters and others. Payments made under operating leases are generally recognised in statement of Profit and Loss based on corresponding periods contractual terms of the lease, since the Corporation considers it to be more representative of time pattern of benefits flowing to it. The lease rentals paid for the same are charged to the Statement of Profit and Loss.

The Lease payments for operating leases have been charged to Statement of Profit and Loss as per Ind AS 17 "Leases". For the purpose of determining the expected inflationary cost increases, the management has assessed the expected general inflation rate over the lease periods.

The future minimum lease payments and payment profile of non-cancellable operating leases are as under:"

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were payable as follows:

	(₹ / Crores)	
	31.03.2018	31.03.2017
Less than one year	17.36	14.14
Between one and five years	66.69	57.07
More than five years	501.60	401.18
	585.65	472.39



Notes to the Financial Statements for the year ended 31st March 2018

ii. Amounts recognised in profit or loss

	(₹ / Crores)	
	31.03.2018	31.03.2017
Lease expense	<u>368.10</u>	<u>335.09</u>

43 : Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders

	(₹ / Crores)	
	31.03.2018	31.03.2017
Profit attributable to equity holders for basic and diluted earnings per share	<u>6,357.07</u>	<u>6,208.80</u>

ii. Weighted average number of ordinary shares

	31.03.2018	31.03.2017
Issued ordinary shares at April 1	1,01,58,81,750	1,01,58,81,750
Effect of shares issued as Bonus shares*	50,79,40,875	50,79,40,875
Weighted average number of shares for basic and diluted earnings per shares	<u>1,52,38,22,625</u>	<u>1,52,38,22,625</u>
Basic and Diluted earnings per share (₹)	<u>41.72</u>	<u>40.74</u>

* During Financial Year 2017-18, the Corporation had issued Bonus Shares in the ratio of 1:2 by capitalization of Reserve. The EPS for FY 2017-18 and FY 2016-17 has been appropriately adjusted.

44 : Capital management

The Corporation's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Corporation monitors capital using debt equity ratio. The Corporation's debt to equity ratio at March 31, 2018 is as follows.

	31.03.2018	31.03.2017
Long term borrowings (refer note # 21) (₹ / Crores)	10,228.70	10,357.30
Total equity (refer note # 19 and 20) (₹ / Crores)	23,948.22	20,347.41
Debt to Equity ratio	<u>0.43</u>	<u>0.51</u>



Notes to the Financial Statements for the year ended 31st March 2018

	(₹ / Crores)	
	31.03.2018	31.03.2017
45 : Dividends		
(i) Dividends paid during the year		
Final dividend for the year ended 31.03.2017 of ₹ 1.10 (31.03.2016 ₹ 16.00) per fully paid share. This included Dividend distribution tax of ₹ 22.75 crores (31.03.2016: ₹ 110.30 crores).	134.50	652.10
First Interim dividend for the year ended 31.03.2018 of ₹ 14.50 (31.03.2017 ₹ 22.50) per fully paid share. This included Dividend distribution tax of ₹ 449.81 crores (31.03.2017 ₹ 465.32 crores)	2,659.35	2,751.05
Second Interim dividend for the year ended 31.03.2017 ₹ 6.40 per fully paid share. This included Dividend distribution tax of ₹ 132.36 crores	–	782.53
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 2.50 per fully paid equity share (31.03.2017 – ₹ 1.10). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	380.96	111.75
Dividend distribution tax on above	78.31	22.75
46 : (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.		

47 : 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	2017-18	2016-17
1. Amounts payable to "suppliers" under MSMED Act, as on 31/03/2018:		
– Principal	170.07	22.76
– Interest	–	–
2. Amounts paid to "suppliers" under MSMED Act, beyond appointed day during F.Y. 2017 - 18 (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	–	–



Notes to the Financial Statements for the year ended 31st March 2018

48 : Related Party Disclosure:

A. Names of and Relationship with Related Parties

1. Jointly controlled entities

- i. HPCL-Mittal Energy Ltd.
- ii. Hindustan Colas Pvt. Ltd.
- iii. South Asia LPG Company Pvt. Ltd.
- iv. Petronet India Ltd.
- v. HPCL Shapoorji Energy Pvt. Ltd.

2. The Company has not included disclosure in respect of following related parties which are Govt. related entities as per Ind AS 24.

i. Holding Company

1. Oil & Natural Gas Corporation Ltd. (w.e.f. 31st January 2018)

ii. Subsidiaries

1. HPCL Biofuels Ltd.
2. Prize Petroleum Company Ltd. (PPCL)
3. Prize Petroleum International Pte. Ltd. (a wholly owned subsidiary of PPCL)
4. HPCL Middle East FZCO (incorporated on 11th February, 2018)

iii. Jointly controlled entities

1. CREDA-HPCL Biofuels Ltd. (dissolved w.e.f. 08th March, 2018)
2. HPCL Rajasthan Refinery Ltd.
3. Bhagyanagar Gas Ltd.
4. Petronet MHB Ltd.
5. Mumbai Aviation Fuel Farm Facility Pvt. Ltd.
6. Godavari Gas Pvt. Ltd.
7. Aavantika Gas Ltd.
8. Ratnagiri Refinery & Petrochemicals Ltd. (incorporated on 22nd September, 2017)
9. Ujjwala plus foundation

iv. Associates

1. GSPL India Gasnet Ltd.
2. GSPL India Transco Ltd.
3. Mangalore Refinery and Petrochemicals Ltd.

v. Fellow Subsidiaries

1. ONGC Mangalore Petrochemicals Ltd.

3. Key Management Personnel

- i. Shri Mukesh Kumar Surana, Chairman and Managing Director
- ii. Shri Pushp Kumar Joshi, Director - Human Resources
- iii. Shri J. Ramaswamy, Director - Finance



Notes to the Financial Statements for the year ended 31st March 2018

- iv. Shri S. Jeyakrishnan, Director - Marketing
- v. Shri Vinod S. Shenoy, Director - Refineries
- vi. Shri Shrikant Madhukar Bhosekar, Company Secretary

4. Independent Directors

- i. Shri Ram Niwas Jain
- ii. Smt. Asifa Khan
- iii. Shri G.V. Krishna
- iv. Dr. Trilok Nath Singh
- v. Shri Amar Sinha (from 21.09.2017)
- vi. Shri Siraj Hussain (from 21.09.2017)

5. Government Directors

- i. Shri Sandeep Poundrik
- ii. Smt. Sushma Taishete (from 05.12.2017)
- iii. Smt. Urvashi Sadhwani (till 24.11.2017)

B. Details of transactions with related parties

- 1. Transaction with Jointly controlled entities

		(₹ / Crores)	
No.	Nature of Transactions	2017-18	2016-17
(i)	Sale of goods		
	HPCL-Mittal Energy Ltd.	59.79	86.61
	Hindustan Colas Pvt. Ltd.	324.37	332.48
	South Asia LPG Company Pvt. Ltd.	0.09	0.17
		384.25	419.26
(ii)	Purchase of goods		
	HPCL-Mittal Energy Ltd.	24,443.26	23,101.18
	Hindustan Colas Pvt. Ltd.	71.62	115.34
		24,514.88	23,216.52
(iii)	Dividend income received		
	Hindustan Colas Pvt. Ltd.	47.25	16.54
	South Asia LPG Company Pvt. Ltd.	72.50	32.50
	Petronet India Ltd.	0.72	3.68
		120.47	52.72
(iv)	Services given (Manpower Supply Service)		
	HPCL-Mittal Energy Ltd.	0.55	0.42
	Hindustan Colas Pvt. Ltd.	2.60	2.03
	South Asia LPG Company Pvt. Ltd.	1.18	1.21
		4.33	3.66



Notes to the Financial Statements for the year ended 31st March 2018

		(₹ / Crores)	
No.	Nature of Transactions	2017-18	2016-17
(v)	Lease rental received		
	HPCL-Mittal Energy Ltd.	1.20	1.20
	Hindustan Colas Pvt. Ltd.	0.23	0.23
	South Asia LPG Company Pvt. Ltd.	1.05	0.87
		2.48	2.30
(vi)	Others - (Services provided)		
	HPCL-Mittal Energy Ltd.	18.06	14.25
	Hindustan Colas Pvt. Ltd.	3.19	3.02
	South Asia LPG Company Pvt. Ltd.	–	0.58
		21.25	17.85
(vii)	Others - (Services availed)		
	HPCL-Mittal Energy Ltd.	12.25	15.60
	Hindustan Colas Pvt. Ltd.	1.16	2.36
	South Asia LPG Company Pvt. Ltd.	120.19	125.12
		133.60	143.08
(viii)	Purchases of Equity shares of Petronet MHB Ltd. from Petronet India Ltd	–	26.09
(ix)	Investment in equity shares / Converted to Equity Shares		
	HPCL Shapoorji Energy Pvt. Ltd.	7.00	1.50
		7.00	1.50
(x)	Receivables as on	31.03.2018	30.07.2017
	HPCL-Mittal Energy Ltd.	9.90	8.28
	Hindustan Colas Pvt. Ltd.	6.02	10.82
	South Asia LPG Company Pvt. Ltd.	0.21	0.12
		16.13	19.22
(xi)	Payables as on		
	HPCL-Mittal Energy Ltd.	1,997.46	1,321.25
	Hindustan Colas Pvt. Ltd.	19.51	25.74
	South Asia LPG Company Pvt. Ltd.	9.58	13.94
		2,026.55	1,360.93

C. Transactions with other government-controlled entities

The corporation is a Government related entity engaged in the business of refining of crude oil and marketing of petroleum products. The corporation also deals on regular basis with entities directly or indirectly controlled by the central / state governments through its government authorities, agencies, affiliations and other organizations (collectively referred as "Government related entities").



Notes to the Financial Statements for the year ended 31st March 2018

Apart from transactions with corporations' group companies, the corporation has transactions with other Government related entities, including but not limited to the followings:

- sale and purchase of products;
- rendering and receiving services;
- lease of assets;
- depositing and borrowing money; and
- use of public utilities

These transactions are conducted in the ordinary course of the corporation's business on terms comparable to those with other entities that are not Government related.

D. Remuneration paid to Key Management Personnel*

No.	(₹ / Crores)	
	2017-18	2016-17
(i) Short - Term Employee Benefits	4.04	3.66
(ii) Post - Employment Benefits	–	0.23
	4.04	3.89

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

E. Amount due from Key Management Personnel

No.	(₹ / Crores)	
	31.03.2018	31.03.2017
(i) Shri Mukesh Kumar Surana	0.10	0.11
(ii) Shri Pushp Kumar Joshi	0.05	0.06
(iii) Shri J Ramaswamy	–	0.01
(iv) Shri S Jeyakrishnan	0.32	0.26
(v) Shri Vinod S Shenoy	0.08	0.09
(vi) Shri Shrikant Madhukar Bhosekar	0.13	0.04
	0.68	0.57

F. Sitting Fee paid to Non-Executive Directors

Details of Meeting	(₹ / Crores)					
	Shri Ram Niwas Jain	Smt. Asifa Khan	Shri G.V. Krishna	Dr. Trilok Nath Singh	Shri Amar Sinha	Shri Siraj Hussain
Board	0.05	0.05	0.04	0.04	0.03	0.02
Audit Committee	0.03	–	0.02	0.00	–	–
HR / Remuneration Committee	0.01	–	0.01	0.00	–	–
Investor Grievance Committee	–	0.01	–	0.01	–	–
Investment Committee	0.02	0.02	–	0.02	–	–
CSR Committee	0.01	–	0.01	–	–	–
Corporate presentation	0.01	0.00	0.00	0.01	–	–
Independent Directors Meeting	0.00	0.00	–	–	0.00	0.01
Total Sitting Fees paid	0.13	0.08	0.08	0.08	0.03	0.03



Notes to the Financial Statements for the year ended 31st March 2018

49 : 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 %	
	31.03.2018	31.03.2017
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) Blocks RJ-ONN-2004/3 and MB-OSN-2010/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2017. The Blocks RJ-ONN-2004/1, KK-DWN-2002/2, MB-OSN-2004/1 and MB-OSN-2004/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2016. Blocks CY-DWN-2004/1,2,3,4, CY-PR-DWN-2004/1&2, KG-DWN-2004/1,2,3,5 and 6 are under relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2015. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2018.



Notes to the Financial Statements for the year ended 31st March 2018

- b) The Blocks AA-ONN-2003/3 and KK-DWN-2002/3 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2011 and March 31, 2012 respectively. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2018.
- 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. Addendum to Sanand FDP (Field development plan) for additional discovery in Kalol reservoir has been submitted. Production from SE#3 and SE#4 wells of the Block has been started during the year. Audited financial statements of the block has been received upto March 31, 2017. 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, 2018.
- d) In respect of Cluster - 7, the matter is under arbitration (refer Note No. 55.1)

50 : In compliance of Ind AS-27 'Separate Financial Statements', the required information is as under:

	Country of Incorporation	Nature of Investments	Percentage of ownership interest as on	
			31.03.2018	31.03.2017
HPCL - Biofuels Ltd.	India	Subsidiary	100.00	100.00
Prize Petroleum Co. Ltd	India	Subsidiary	100.00	100.00
HPCL Middle East FZCO**	Dubai	Subsidiary	100.00	–
HPCL Rajasthan Refinery Ltd	India	Joint Venture	74.00	74.00
CREDA HPCL Biofuel Ltd.#	India	Joint Venture	–	74.00
Hindustan Colas Private Ltd.	India	Joint Venture	50.00	50.00
South Asia LPG Company Pvt. Ltd.	India	Joint Venture	50.00	50.00
HPCL Shapoorji Energy Private Ltd.	India	Joint Venture	50.00	50.00
HPCL-Mittal Energy Ltd.	India	Joint Venture	48.99	48.99
Aavantika Gas Ltd.	India	Joint Venture	49.98	49.97
Petronet MHB Ltd.	India	Joint Venture	32.72	32.72
Godvari Gas Pvt. Ltd.	India	Joint Venture	26.00	26.00
Mumbai Aviation Fuel Farm Facility Pvt Ltd.	India	Joint Venture	25.00	25.00
Bhagyanagar Gas Ltd.*	India	Joint Venture	24.99	24.99
Petronet India Ltd.	India	Joint Venture	16.00	16.00
Ratnagiri Refinery & Petrochemicals Ltd	India	Joint Venture	25.00	–
Mangalore Refinery and Petrochemicals Ltd.	India	Associate	16.96	16.96
GSPL India Transco Ltd	India	Associate	11.00	11.00
GSPL India Gasnet Ltd	India	Associate	11.00	11.00



Notes to the Financial Statements for the year ended 31st March 2018

* As of 31st March 2014, paid up equity capital of BGL was ₹ 5 lacs, in which HPCL and GAIL were holding 24.99% each. Balance 50.02% of shares were held by Kakinada Seaports Ltd (KSPL) on warehousing basis. In addition, each one of HPCL and GAIL had paid ₹ 22.49 crores as Advance against Equity / Share application money (totaling to ₹ 44.98 crores) in earlier years. On 20th August 2014, BGL allotted 2,24,87,500 shares on preferential basis to each of HPCL and GAIL towards the money paid earlier. Meanwhile there are certain issues pending adjudication with another shareholder. Accordingly, keeping in view financial prudence, HPCL's share has been considered at 24.99% (considered as 24.99% in F.Y. 2016-17).

** HPCL Middle East FZCO, a 100% Subsidiary of HPCL was incorporated on 11.02.2018 as a Free Zone Company under Dubai Airport Free Zone and Establishment Card was issued on 22.03.2018 for the Company. This foreign subsidiary has been established for Trading in Lubricants & Grease, Petrochemicals and Refined Oil Products. HPCL, as a subscriber to the MOA is in the process of investing rupees 17,742 (AED 1,000) towards share capital and investment upto ₹ 1 crores on need basis.

M/s CREDA HPCL Biofuel Ltd was dissolved with effect from 08th March 2018.

Ujjwala Plus Foundation, a joint venture of Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) was incorporated on 21st July 2017 as a not for profit Private Company Limited by Guarantee (Without Share Capital) under Section 8 of the Companies Act 2013.

51 : 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.

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

(₹ / Crores)

Particulars	Balance as on		Maximum amount outstanding during the year	
	31.03.2018	31.03.2017	2017 - 18	2016 - 17
a) Loans and advances in the nature of loans to subsidiary Companies (by name and amount)				
Inter Corporate Loan to HPCL - Biofuels Ltd.	50.40	84.00	84.00	84.00
b) Loans and advances in the nature of loans to joint ventures (by name and amount)				
Inter Corporate Loan to Bhagyanagar Gas Ltd.	Nil	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	—	—	—	—

53 : During the year 2017-18, Corporation has spent ₹ 156.86 Crores (2016-17: ₹ 108.11 Crores) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 126.38 crores (2016-17: ₹ 107.90 Crores).



Notes to the Financial Statements for the year ended 31st March 2018

Head wise break up of CSR expenses are given below:

		(₹ / Crores)	
S.No.	Head of Expenses	2017-18	2016-17
1	Promoting Education	56.50	27.24
2	Promoting Preventive Health Care	15.24	11.76
3	Empowerment of Socially and Economically Backward groups	7.10	4.91
4	Promotion of Nationally recognized and Para-Olympic Sports	1.05	0.99
5	Imparting Employment by Enhancing Vocation Skills	13.38	11.48
6	Swachh Bharat Abhiyaan	37.57	10.15
7	Environment Sustainability	25.27	16.58
8	Others	0.75	25.00
	Total	156.86	108.11

Amount spent during the year 2017-18 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	153.30	3.56	156.86	

Amount spent during the year 2016-17 on:-

		(₹ / Crores)		
Details	In Cash	Yet to be paid in Cash	Total	
(i) Construction / Acquisition of an assets	–	–	–	
(ii) On purpose other than (i) above	90.37	17.74	108.11	

54 : There are no reportable segments other than downstream petroleum, as per Ind AS - 108 on Segment Reporting.

55 : Contingent Liabilities and Commitments

I. Contingent Liabilities

		(₹ / Crores)	
		31.03.2018	31.03.2017
A.	Disputed demands / claims subject to appeals / representations filed by the Corporation		
	i. Income Tax	75.74	75.74
	ii. Sales Tax/Octroi	2,067.68	2,141.88
	iii. Excise/Customs	252.67	229.65
	iv. Land Rentals & Licence Fees	125.16	132.65
	v. Others	48.04	66.95
		2,569.29	2,646.87



Notes to the Financial Statements for the year ended 31st March 2018

		(₹ / Crores)	
		31.03.2018	31.03.2017
B.	Disputed demands / claims subject to appeals / representations filed against the Corporation		
i.	Sales Tax/Octroi	0.77	6.16
ii.	Excise / customs	0.13	–
iii.	Employee Benefits/Demands (to the extent quantifiable)	220.82	210.11
iv.	Claims against the Corporation not acknowledged as Debts(refer note 55.1)	295.73	321.12
v.	Others	164.49	218.68
		681.94	756.07
C.	Guarantees given to others	1,382.79	390.31

55.1: Prize Petroleum Company Limited (PPCL), a subsidiary company of Hindustan Petroleum Corporation Ltd.) with a Participating Interest (PI) of 10% along with 2 other consortium members, M/s Hindustan Petroleum Corporation Ltd. (HPCL) (PI-60%) and M/s M3nergy Sdn. Bhd (M/s M3nergy) (PI-30%) were awarded service contract in March, 2006 for development of ONGC's offshore marginal oilfields of cluster-7. PPCL was the executing contractor. Parties provided necessary Bank Guarantees to ONGC. Since M/s M3nergy could not meet their contractual obligations, the contract was terminated by ONGC and Bank guarantees were forfeited. PPCL and HPCL demanded the refund of the monies forfeited towards encashment of Bank Guarantee along with other claims from M/s M3nergy. A counter claim of 36.51 Million USD equivalent to ₹ 237.97 Crores (36.51 Million USD @ Exchange rate of 1 USD = ₹ 65.18) was made by M3nergy on termination of such service contract. This amount is not included above. The matter was referred to Arbitration.

The 1st partial arbitration award was issued in favour of HPCL/PPCL wherein the claim of M3nergy was disallowed. This 1st Partial Award has been challenged by M/s M3nergy before the Bombay High Court and the same is pending hearing and disposal. During the year, a 2nd Partial award has been received in favour of PPCL and HPCL. M/s M3nergy has challenged the 2nd Partial award before the Bombay High Court. HPCL and PPCL are in process of filing the application for enforcement of the 2nd partial award before the Court at Malaysia. The Corporation's share of the award amounts to approximate ₹ 416.61 crores (78.26 Million USD @ exchange rate of ₹ 48.68 for a US Dollar prevailing on January 6, 2009 plus ₹ 35.66 Crores) and interest thereon. On a conservative basis, the Corporation has decided not to recognize the awards in the Financial Statements.

II. Commitments

		(₹ / Crores)	
		31.03.2018	31.03.2017
A.	Estimated amount of contracts remaining to be executed on Capital Account not provided for	18,804.48	3,654.26
B.	Other Commitments (for Investments in Joint Ventures)	–	–

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.



Notes to the Financial Statements for the year ended 31st March 2018

III. Corporation's Share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Operations (refer Note No.49):

	(₹ / Crores)	
	31.03.2018	31.03.2017
Jointly Controlled Operations		
Contingent Liabilities	237.97	239.77
Capital Commitment	Nil	Nil

	(₹ / Crores)	
	2017 - 18	2016 - 17
56 : Expenditure incurred on Research and Development		
- Capital	132.62	209.75
- Revenue	100.16	66.79

	(₹ / Crores)	
	2017 - 18	2016 - 17
57 : Interest on Project borrowings capitalized*	92.38	67.26
*(weighted average cost borrowing rate used for capitalization of general borrowing (other than specific borrowings) is 7.15 % during FY 2017 - 18 (FY 2016 - 17 : 7.95%).		

	(₹ / Crores)	
	2017 - 18	2016 - 17
58 : Exchange Differences adjusted in the carrying amount of Assets during the accounting period.	5.03	(191.42)

59 : In compliance of Ind AS - 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

	(₹ / Crores)				
Particulars	Opening Balance as on 01.04.17	Additions	Utilization	Reversals	Closing Balance 31.03.18
Excise	0.59	-	-	-	0.59
Sales Tax	324.65	4.39	10.42	5.79	312.83
Service Tax	12.59	-	-	-	12.59
Others	548.92	71.59	13.07	2.48	604.96
Total	886.75	75.98	23.49	8.27	930.97
Less: Pre Deposit	63.21	-	-	-	63.21
Net	823.54	75.98	23.49	8.27	867.76



Notes to the Financial Statements for the year ended 31st March 2018

(₹ / Crores)

Particulars	Opening Balance as on 01.04.16	Additions	Utilization	Reversals	Closing Balance 31.03.17
Excise	0.59	0.00	0.00	0.00	0.59
Sales Tax	323.29	6.31	0.00	4.95	324.65
Service Tax	12.59	0.00	0.00	0.00	12.59
Others	331.22	220.12	1.97	0.45	548.92
Total	667.69	226.43	1.97	5.40	886.75
Less: Pre Deposit	—	—	—	—	63.21
Net	667.69	226.43	1.97	5.40	823.54

The above provisions are made based on estimates and expected timing of outflows is not ascertainable at this stage.

- 60 :** Consequent to the deferment of the recovery of the loan given to consumers under the Pradhan Mantri Ujjwala Yojana (PMUY) scheme for next 6 refills effective 1st April 2018, the management expects recovery of outstanding loan to take place beyond a period of 1 year. These loans are therefore classified as non-current assets and the fair valuation has been computed accordingly.
- 61 :** On January 31, 2018, Oil and Natural Gas Corporation Ltd. (ONGC) acquired 51.11% stake in paid up equity capital of Hindustan Petroleum Corporation Ltd (HPCL) from Govt. of India. (refer note # 18).
- 62 :** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach: Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Cumulative catch - up approach: Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

63 : Threshold limits adopted in respect of financial statements is given below:

Threshold item	Unit of measurement	Threshold limits
Capitalization of spare parts meeting the definition of property plant and equipment.	₹ Lakhs	10.00
Deprecation at 100% in the year of acquisition except LPG cylinders and pressure regulators.	₹	5,000.00
Classification as finance lease for land	Lease period (years)	More than 99
Income / expenditure pertaining to prior year (s)	₹ Crores	75.00
Prepaid expenses	₹ Lakhs	5.00
Disclosure of contingent liabilities	₹ Lakhs	5.00
Disclosure of capital commitments	₹ Lakhs	1.00



Notes to the Financial Statements for the year ended 31st March 2018

64 : Employee benefit obligations

A: Provident Fund

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

Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Corporation and charged to Statement of Profit and Loss. The actual return earned by the fund has mostly been higher than the Government specified minimum rate of return in the past years. There is no shortfall in the fund as on 31st March 2018 and 31st March 2017.

Present value of benefit obligation at period end is ₹ 3764.14 crores (31.03.2017 : ₹ 3,438.00 crores).

During the year, the company has recognised ₹ 141.40 crore (2016-17 : ₹ 128.90 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss.

B: Superannuation Fund

The company has Superannuation Scheme - Defined Contribution Scheme maintained by SBFS trust wherein Company contributes a certain percentage every month out of 30% of Basic plus DA (in accordance with DPE guidelines) to the credit of individual employee accounts maintained with LIC.

During the year, the company has recognised ₹ 162.80 crore (2016-17 : ₹ 152.15 crore) as Employer's contribution to Superannuation Fund in the statement of Profit and Loss.

C: The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

S. No.	(₹ / Crores)				
	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
1	Present value of projected benefit obligation				
	877.76	646.79	59.03	30.35	12.46
Present value of Benefit Obligation at the beginning of the period	495.06	562.61	64.84	32.14	13.57
Interest Cost	63.73	48.19	4.20	2.15	0.90
	39.56	45.35	5.05	2.50	1.08
Current Service Cost	17.01	52.17	–	–	2.64
	4.90	49.08	–	–	2.52
Past Service Cost	–	–	–	–	–
	368.44	–	–	–	–
Benefit paid	(42.01)	(46.55)	(4.40)	(5.65)	(1.50)
	(46.15)	(40.06)	(3.51)	(5.72)	(1.51)
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	(30.65)	(29.37)	(0.91)	(0.52)	(0.51)
	36.91	49.40	2.51	0.71	0.62
Actuarial (gains)/ losses on obligations - due to experience	(37.17)	40.82	(16.81)	0.98	(2.24)
	(20.96)	(19.59)	(9.86)	0.72	(3.82)
Present value of Benefit Obligation at the end of the period	848.67	712.05	41.11	27.31	11.75
	877.76	646.79	59.03	30.35	12.46



Notes to the Financial Statements for the year ended 31st March 2018

(₹ / Crores)

S. No.	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
2	Changes in fair value of plan assets				
Fair value of Plan Assets at the beginning of the period	509.42	560.85	NA	NA	NA
	512.75	411.81	NA	NA	NA
Interest income	36.98	41.78	NA	NA	NA
	40.97	33.19	NA	NA	NA
Contributions by the employer	0.00	132.49	NA	NA	NA
	0.01	144.21	NA	NA	NA
Contributions by the employee	–	6.37	NA	NA	NA
	–	0.59	NA	NA	NA
Benefit paid	(42.01)	(46.55)	NA	NA	NA
	(46.15)	(40.06)	NA	NA	NA
Return on plan assets, excluding interest income	1.63	8.68	NA	NA	NA
	1.84	11.11	NA	NA	NA
Fair value of Plan Assets at the end of the period	506.02	703.62	NA	NA	NA
	509.42	560.85	NA	NA	NA
3	Included in profit and loss account				
Current Service Cost	17.01	52.17	–	–	2.64
	4.90	49.08	–	–	2.52
Past Service Cost	–	–	–	–	–
	368.44	–	–	–	–
Net interest cost	26.75	6.41	4.20	2.15	0.90
	(1.41)	12.16	5.05	2.50	1.08
Contributions by the employee	–	(6.37)	–	–	–
	–	(0.59)	–	–	–
Total amount recognised in profit and loss account	43.76	52.21	4.20	2.15	3.54
	371.93	60.65	5.05	2.50	3.60
4	Remeasurements				
Return on plan assets, excluding interest income	(1.63)	(8.68)	–	–	–
	(1.84)	(11.11)	–	–	–
(Gain)/loss from change in demographic assumptions	–	–	–	–	–
	–	–	–	–	–
(Gain)/loss from change in financial assumptions	(30.65)	(29.37)	(0.91)	(0.52)	(0.51)
	36.91	49.40	2.51	0.71	0.62
Experience (gains)/losses	(37.17)	40.82	(16.81)	0.98	(2.24)
	(20.96)	(19.59)	(9.86)	0.72	(3.82)
Change in asset ceiling, excluding amounts included in interest expense	–	–	–	–	–
	–	–	–	–	–
Total amount recognised in other comprehensive income	(69.45)	2.77	(17.72)	0.46	(2.75)
	14.11	18.70	(7.35)	1.43	(3.20)



Notes to the Financial Statements for the year ended 31st March 2018

D: Amount recognised in the Balance Sheet

(₹ / Crores)

	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance
Present value of benefit obligation as on 31.03.2017	877.76	646.79	59.03	30.35	12.46
Fair value of plan assets as on 31.03.2017	509.42	560.85	–	–	–
Net Liability / (Asset) recognised in Balance Sheet	368.34	85.94	59.03	30.35	12.46

(₹ / Crores)

	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance
Present value of benefit obligation as on 31.03.2018	848.67	712.05	41.11	27.31	11.75
Fair value of plan assets as on 31.03.2018	506.02	703.62	–	–	–
Net Liability / (Asset) recognised in Balance Sheet	342.65	8.43	41.11	27.31	11.75

E: Plan assets

(₹ / Crores)

	31.03.2018		31.03.2017	
	Gratuity	PRMBS	Gratuity	PRMBS
Plan assets comprise the following:				
Insurance fund	506.02	703.62	509.42	560.85
	506.02	703.62	509.42	560.85

F: Significant estimates: actuarial assumptions and sensitivity

F(i): The significant actuarial assumptions were as follows:

31.03.2018	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.88%	7.76%	NA	NA	NA
Rate of Discounting	7.88%	7.76%	7.56%	7.68%	7.88%
Rate of Salary Increase	7.00%	7.00%	NA	NA	7.00%
Medical Cost Inflation	NA	3.00%	NA	NA	NA
Rate of Employee Turnover	2.00%	2.00%	NA	NA	2.00%
Mortality Rate During Employment		Indian Assured Lives Mortality (2006-08)			
Mortality Rate After Employment		Indian Assured Lives Mortality (2006-08)			

31.03.2017	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.26%	7.45%	NA	NA	NA
Rate of Discounting	7.26%	7.45%	7.12%	7.09%	7.26%
Rate of Salary Increase	7.00%	7.00%	NA	NA	7.00%
Medical Cost Inflation	NA	3.00%	NA	NA	NA
Rate of Employee Turnover	2.00%	2.00%	NA	NA	2.00%
Mortality Rate During Employment		Indian Assured Lives Mortality (2006-08)			
Mortality Rate After Employment		Indian Assured Lives Mortality (2006-08)			



Notes to the Financial Statements for the year ended 31st March 2018

F(ii): Sensitivity analysis

(₹ / Crores)

31.03.2018	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(44.79)	(81.98)	(1.91)	(0.84)	(0.72)
Delta effect of -1% Change in Rate of Discounting	50.67	102.95	2.13	0.90	0.84
Delta effect of +1% Change in Future Benefit cost inflation	–	103.66	–	–	–
Delta effect of -1% Change in Future Benefit cost inflation	–	(82.87)	–	–	–
Delta effect of +1% Change in Rate of Salary Increase	15.10	–	–	–	–
Delta effect of -1% Change in Rate of Salary Increase	(16.78)	–	–	–	–
Delta effect of +1% Change in Rate of Employee Turnover	15.20	–	–	–	(0.80)
Delta effect of -1% Change in Rate of Employee Turnover	(16.92)	–	–	–	0.93

31.03.2017	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(49.76)	(77.63)	(2.99)	(1.00)	(0.83)
Delta effect of -1% Change in Rate of Discounting	56.44	97.93	3.36	1.07	0.95
Delta effect of +1% Change in Future Benefit cost inflation	–	98.50	–	–	–
Delta effect of -1% Change in Future Benefit cost inflation	–	(78.43)	–	–	–
Delta effect of +1% Change in Rate of Salary Increase	17.49	–	–	–	–
Delta effect of -1% Change in Rate of Salary Increase	(19.61)	–	–	–	–
Delta effect of +1% Change in Rate of Employee Turnover	13.41	–	–	–	–
Delta effect of -1% Change in Rate of Employee Turnover	(14.87)	–	–	–	–

G: The expected maturity analysis of undiscounted benefits is as follows:

(₹ / Crores)

	Less than 1 year	1 - 2 year	2 - 5 year	6 - 10 year
31.03.2018				
Gratuity	104.45	72.95	327.25	427.52
PRMBS	33.61	36.82	132.73	234.23
Pension	5.11	5.08	14.98	23.91
Ex - Gratia	4.90	4.84	14.07	21.63
Resettlement Allowance	1.11	0.70	4.22	6.47
Total	149.18	120.39	493.25	713.76
31.03.2017				
Gratuity	92.85	68.54	308.90	452.75
PRMBS	28.30	30.89	111.09	199.19
Pension	6.82	6.78	20.04	32.19
Ex - Gratia	5.24	5.12	14.95	22.32
Resettlement Allowance	0.96	0.64	3.89	7.02
Total	134.17	111.97	458.87	713.47



Notes to the Financial Statements for the year ended 31st March 2018

H: Notes:

Gratuity : All employees are entitled to receive gratuity as per the provisions of Payment of Gratuity Act, 1972. The Defined Benefit Plan of Gratuity is administered by Gratuity Trust. The Board of Trustees comprises of representatives from the Corporation who are also plan participants in accordance with the plans regulation.

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

Post Retirement Medical Benefit : The serving and superannuated employees are covered under medical insurance policy taken by Corporation. It provides reimbursement of medical expenses for self and dependents as per the terms of the policy.

Ex-gratia : The ex-employees of Corporation covered under the Scheme are entitled to get ex-gratia based on the grade at the time of their retirement. The benefit will be paid to eligible employees till their survival, and after that, till the survival of their spouse.

Resettlement Allowance : At the time of retirement, the employees are allowed to permanently settle down at a place other than the location of the last posting.

The fair value of the assets of Provident Fund Trust as of balance sheet date is greater than the obligation, including interest, and also the returns on these plan assets including the amount already provided are sufficient to take care of PF interest obligations, over and above the fixed contribution recognized.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Figures in italics represent last year figures

65 : Previous periods figures are reclassified / regrouped wherever necessary.



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HINDUSTAN PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH, 2018

The preparation of financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with 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 22.05.2018.

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 2018. 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 prescribed 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: 26 July 2018



Independent Auditors' Report

TO THE MEMBERS OF HINDUSTAN PETROLEUM CORPORATION LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of HINDUSTAN PETROLEUM CORPORATION LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its jointly controlled entities comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statements of Changes in Equity and 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 Ind AS Financial Statements").

Management's Responsibility

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statements of changes in equity of the Group including its Associates and its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies / governing bodies included in the Group, its associates and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, associates and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and



Independent Auditors' Report

jointly controlled entities, the attached Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and its jointly controlled entities as at March 31, 2018, and their consolidated profit (including other comprehensive income), the consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note no. 1.3.4 to the Consolidated Ind AS Financial Statements which describes the reasons for considering joint venture interest lower than the percentage of shareholding in a joint venture known as Bhagyanagar Gas Limited. Our opinion is not modified in respect of these matters.

Other Matters

- a) We refer to note no. 49 in connection with 21 Unincorporated Jointly Controlled Entities ("UJCEs") involved in exploration activities, of which majority of UJCEs are under relinquishment. The attached Consolidated Ind AS Financial Statements include Group's proportionate share in Assets and Liabilities as on March 31, 2018 and Income and Expenditure for the year ended March 31, 2018 amounting to ₹ 22.62 crores and ₹ 16.90 crores, ₹ 10.15 crores and ₹ 7.63 crores respectively. In respect of these UJCEs, the audited accounts are not available with the Holding Company. The financial information has been incorporated based on data received from the respective operators.
- b) We did not audit the Ind AS financial statements of 3 subsidiaries (and their step-down subsidiary) included in the Consolidated Ind AS Financial Statement, whose Ind AS financial statements reflects total assets of ₹ 1.157.94 crores and net assets of ₹ (245.49) as at March 31, 2018, total revenues of ₹ 242.77 crores and net cash flows of ₹ 8.34 crores for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. This includes the unaudited financial statements of one overseas subsidiary whose total assets ₹ 0.25 Cr, Net Assets ₹ (0.04) Cr, Total Revenues of ₹ Nil and Net Cash Flows of ₹ Nil is based on management accounts. The Consolidated Ind AS Financial Statements also includes Group's share of net profit of ₹ 1,321.59 crores for the year ended March 31, 2018, as considered in the Consolidated Ind AS Financial Statements, in respect of 12 jointly controlled entities (and its step-down subsidiary), and 3 associates (and its step-down subsidiary and jointly controlled entities), whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the attached Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of section 143(3) of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates is based solely on the reports of the other auditors.

The Consolidated Financial Statements of the Group for the year ended March 31, 2017 were audited by the joint auditors of the Holding Company, one of which is the predecessor audit firm, and have expressed an unmodified opinion dated May 26, 2017 on such financial statements.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and jointly controlled entities, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the Consolidated Ind AS Financial Statements;



Independent Auditors' Report

- b) In our opinion, proper books of account as required by law relating to preparation of the Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity 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 Ind AS Financial Statements;
- d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended;
- e) As per notification no: G.S.R 463(E) dated June 5, 2015, Government companies are exempted from the provisions of section 164(2) of the Act, accordingly, we are not required to report whether any directors of the Holding Company are disqualified in terms of provisions contained in the said section. On the basis of the reports of the statutory auditors of its subsidiaries, associates and jointly controlled companies incorporated in India other than Government companies, none of the directors of the subsidiaries, associates and jointly controlled companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164 (2) of the Act;
- f) With respect to the adequacy of the Internal Financial Controls with reference to Financial Statements of the Holding Company, its subsidiaries, associates and jointly controlled entities and the operating effectiveness of such controls, refer to our separate report in Annexure I; and
- g) With respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Financial Statements as also the other financial information of the subsidiaries, associates and jointly controlled entities, as noted in the 'Other matter' paragraph :
- i. The consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and its jointly controlled entities – Refer note 53 to the consolidated Ind AS Financial Statements;
 - ii. The Holding Company and the individual entities have made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group.

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

Sd/-
Atul Shah
Partner
Membership No.: 039569

Place : New Delhi
Dated : May 22, 2018

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Registration No.: 101851W

Sd/-
Anagha Thatte
Partner
Membership No.: 105525



Independent Auditors' Report

ANNEXURE I - REFERRED TO IN PARAGRAPH 1(f) UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DAT

Report on the Internal Financial Controls with reference to Financial Statements under section 143(3)(i) of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2018, we have audited the Internal Financial Controls with reference to Financial Statements of HINDUSTAN PETROLEUM CORPORATION LIMITED ('the Holding Company') and its subsidiaries, its associate companies and jointly controlled entities (together referred to as 'the Group'), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group are responsible for establishing and maintaining internal financial controls with reference to Financial Statements 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 with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's Internal Financial Control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of



Independent Auditors' Report

unauthorised acquisition, use, or disposition of the company/s assets that could have a material effect on the Consolidated Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiaries, its associate companies and jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate Internal Financial Controls system with reference to Financial Statements and such Internal Financial Controls with reference to Financial Statements were operating effectively as on March 31, 2018, based on the Internal Control with reference to Financial Statements criteria established by the Holding 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).

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls with reference to Financial Statements insofar as it relates to 2 subsidiaries, 3 associates, and 11 jointly controlled entities, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Further, the Company has 1 jointly controlled entity and 1 overseas subsidiary where Internal Financial Controls with reference to Financial Statements are not applicable.

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

Sd/-
Atul Shah
Partner
Membership No.: 039569

Place : New Delhi
Dated : May 22, 2018

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Registration No.: 101851W

Sd/-
Anagha Thatte
Partner
Membership No.: 105525



Consolidated Balance Sheet as on 31st March, 2018

(₹ / Crores)

	Notes	31.03.2018	31.03.2017
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	3	38,225.68	36,438.56
(b) Capital Work-in-Progress	4	3,989.02	1,794.54
(c) Goodwill on Consolidation		16.69	16.69
(d) Other Intangible Assets	5	452.77	421.01
(e) Intangible Assets under development	5a	21.51	72.95
(f) Investment in Joint Ventures and Associates	6	7,306.57	6,069.75
(g) Financial Assets			
(i) Other Investments	7	576.05	594.95
(ii) Loans	8	444.84	406.05
(h) Other Non Current Assets	9	1,497.66	1,438.46
Total Non Current Assets		52,530.79	47,252.96
(2) Current Assets			
(a) Inventories	10	18,612.23	18,629.16
(b) Financial Assets			
(i) Investments	11	4,999.38	5,108.73
(ii) Trade Receivables	12	5,587.02	4,091.66
(iii) Cash and Cash Equivalents	13	121.52	111.47
(iv) Bank Balances other than (iii) above	14	1,183.66	24.93
(v) Loans	15	63.87	125.49
(vi) Other Financial Assets	16	5,904.42	4,317.23
(c) Other Current Assets	17	665.37	653.45
		37,137.47	33,062.12
(d) Assets classified as held for Sale / Disposal		3.49	3.96
Total Current Assets		37,140.96	33,066.08
Total Assets		89,671.75	80,319.04
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	18	1,524.21	1,016.27
(b) Other Equity			
(i) Reserves and Surplus	19	23,991.68	20,018.19
(ii) Other Reserves	20	16.55	36.97
Total Equity		25,532.44	21,071.43
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	9,655.94	7,117.80
(ii) Other Financial Liabilities	22	0.47	0.44
(b) Provisions	23	79.27	183.33
(c) Deferred Tax Liabilities (Net) (refer note 41)		6,804.82	6,149.27
(d) Other Non Current Liabilities	24	34.36	23.61
Total Non Current Liabilities		16,574.86	13,474.45
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	10,879.42	10,914.38
(ii) Trade Payables	26	15,845.91	12,699.66
(iii) Other Financial Liabilities		14,567.21	15,841.54
(b) Provisions	27	3,605.44	3,974.40
(c) Deferred Tax Liabilities (Net) (refer note 41)	28	2,370.31	2,270.57
(d) Current Tax Liabilities (Net)	29	296.16	72.61
Total Current Liabilities	30	47,564.45	45,773.16
Total Equity and Liabilities		89,671.75	80,319.04

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 22, 2018

FOR G. M. Kapadia & Co.

Chartered Accountants

FRN - 104767W

Sd/-

Atul Shah

Partner

Membership No. 039569

FOR M. P. Chitale & Co.

Chartered Accountants

FRN - 101851W

Sd/-

Anagha Thatte

Partner

Membership No. 105525



Consolidated Statement of Profit and Loss for the year ended 31st March 2018

(₹ / Crores)

	Notes	2017-18	2016-17
REVENUE			
Revenue From Operations			
Gross Sale of Products	31	2,43,399.40	2,13,904.15
Other Operating Revenues	32	862.71	384.50
		2,44,262.11	2,14,288.65
Other Income	33	1,527.88	1,384.39
Total Revenue		2,45,789.99	2,15,673.04
EXPENSES			
Cost of Materials Consumed	34	51,365.48	45,273.13
Purchases of Stock-in-Trade		142,455.74	122,731.74
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in- Progress	35	666.00	(4,362.52)
Excise Duty		24,752.47	26,795.76
Transportation Expenses		5,863.63	5,317.83
Exploration Cost		9.29	15.61
Employee Benefits Expense	36	2,892.57	2,969.35
Finance Costs	37	617.88	609.24
Depreciation & Amortization Expense	38,5	2,834.40	2,776.37
Other Expenses	38	5,543.98	4,668.09
Total Expenses		237,001.44	206,794.60
Profit before share in profit of Joint Ventures and Associates and Tax		8,788.55	8,878.44
Share in Profit of Joint Ventures and Associates		1,321.59	2,318.98
Profit Before Exceptional Items and Tax		10,110.14	11,197.42
Exceptional Items		-	-
Profit Before Tax		10,110.14	11,197.42
Tax expense:			
Current tax		2,570.98	2,236.24
Deferred tax		466.57	777.84
Provision for tax for earlier years written back (net)		(145.69)	(52.48)
Total Tax Expenses		2,891.86	2,961.60
Profit / (loss) for the period		7,218.28	8,235.82
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		86.58	(23.65)
Fair value changes on Equity Instruments through other comprehensive income		(18.88)	175.61
Share in Other comprehensive Income of Joint Ventures and Associates		0.47	(1.33)
Income tax relating to items that will not be reclassified to profit or loss		(29.99)	8.20
		38.18	158.83
Items that will be reclassified to profit or loss:			
Foreign Currency Translation Reserve		(1.54)	4.24
		(1.54)	4.24
Other Comprehensive Income for the period (net of tax)		36.64	163.07
Total Comprehensive Income for the period (net of tax)		7,254.92	8,398.89
Earning per share [Basic & Diluted earnings per share (₹)]	43	47.37	54.05
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 22, 2018

FOR G. M. Kapadia & Co.

Chartered Accountants

FRN - 104767W

Sd/-

Atul Shah

Partner

Membership No. 039569

FOR M. P. Chitale & Co.

Chartered Accountants

FRN - 101851W

Sd/-

Anagha Thatte

Partner

Membership No. 105525



Statement of Changes in Equity as on 31st March 2018

A. Statement of Changes in Equity

	No. of Shares	Amount (₹ / Crores)
Balance at 31st March 2016	33,86,27,250	339.01
Changes in equity Share Capital	67,72,54,500	677.25
Balance at 31st March 2017	1,01,58,81,750	1,016.26
Changes in equity Share Capital	50,79,40,875	507.94
Balance at 31st March 2018	1,52,38,22,625	1,524.21

B. Other equity

(₹ / Crores)

Particulars	Reserves & Surplus						Other Equity		Total Equity	
	Retained earnings	Share Premium Account	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Capital Reserve	Foreign Currency Monetary items translation difference Account	Equity Instruments thru OCI		Foreign Currency Translation Reserve
Balance at 31st March 2016	13,382.37	1,153.77	1.56	265.13	1,859.17	0.44	(194.80)	(142.50)	(0.38)	16,324.76
Profit or Loss for the year	8,235.82	-	-	-	-	-	-	-	-	8,235.82
Other Comprehensive income for the year	(16.78)	-	-	-	-	-	-	-	4.24	(12.54)
Total comprehensive income for the year	8,219.04	-	-	-	-	-	-	-	4.24	8,223.28
Interim / Proposed Dividend	(3,477.70)	-	-	-	-	-	-	-	-	(3,477.70)
Dividend Distribution Tax (DDT)	(707.98)	-	-	-	-	-	-	-	-	(707.98)
Transfers / Additions (Net of amortisation)	-	-	-	-	-	0.08	194.36	175.61	-	370.05
Issuance of Bonus shares (2 equity shares for each existing share)	-	(677.25)	-	-	-	-	-	-	-	(677.25)
Balance at 31st March 2017	17,415.73	476.52	1.56	265.13	1,859.17	0.52	(0.44)	33.11	3.86	20,055.16
Profit or Loss for the year	7,218.29	-	-	-	-	-	-	-	-	7,218.29
Other comprehensive income for the year	57.06	-	-	-	-	-	-	-	(1.54)	55.52
Total comprehensive income for the year	7,275.35	-	-	-	-	-	-	-	(1.54)	7,273.81
Interim / Proposed Dividend	(2,321.29)	-	-	-	-	-	-	-	-	(2,321.29)
Dividend Distribution Tax (DDT)	(472.56)	-	-	-	-	-	-	-	-	(472.56)
Transfers / Additions (Net of amortisation)	75.78	-	-	(75.78)	-	0.13	(0.20)	(18.88)	-	(18.95)
Issuance of Bonus shares (1 equity shares for 2 existing share)	-	(476.52)	-	-	(31.42)	-	-	-	-	(507.94)
Balance at 31st March 2018	21,973.01	-	1.56	189.35	1,827.75	0.65	(0.64)	14.23	2.32	24,008.23

Notes:

Retained Earnings : The balance held in this reserve is the accumulated retained profits and is permitted to be distributed to shareholders as part of dividend.

Share Premium : Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by the Companies Act, 2013.

Capital Redemption Reserve : Capital Redemption Reserve was created on redemption of preference share capital during earlier financial years

Debenture Redemption Reserve : Debenture Redemption Reserve represents amounts set aside by the Company for future redemption of debentures.

General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Capital Reserve : Capital reserve is created on account of consolidation.

Foreign Currency Monetary Item Translation Difference Account (FCMITDA) : Reserve recognised on account of translation of long term foreign currency denominated borrowings related to non-depreciable Property, Plant & Equipment. Amounts recognised as part of such reserve is recognised in the statement of profit or loss over remaining maturity of related borrowing.

Equity instruments through OCI : The Group has chosen to recognise the changes in the value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through OCI reserve.

Foreign Currency Translation Reserve : Reserve created on account of translation of financial statements of foreign operations of PPIPL & HMEFZCO.

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 22, 2018

FOR G. M. Kapadia & Co.

Chartered Accountants
FRN - 104767W

Sd/-

Atul Shah

Partner
Membership No. 039569

FOR M. P. Chitale & Co.

Chartered Accountants
FRN - 101851W

Sd/-

Anagha Thatte

Partner
Membership No. 105525



Consolidated Cash Flow Statement for the year ended 31st March 2018

(₹ / Crores)

	2017-18	2016-17
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before Tax & Extraordinary Items	10,110.14	11,197.42
Adjustments to reconcile profit before tax to net cash used in operating activities:		
Depreciation/ impairment on Property, Plant and Equipment & Intangible Assets	2,834.40	2,776.37
(Gain)/loss on sale of property, plant and equipment	4.55	6.54
Remeasurement of Defined benefit plans Gain / (Loss)	56.59	(15.45)
Amortisation of Foreign Currency Monetary Item Translation Difference	0.36	354.38
Amortisation of Capital Grant	(4.57)	(4.60)
Amortisation of Lease premium	1.19	1.50
Spares Written off	0.57	12.14
Fair value gain on Current Investments carried at FVTPL	25.09	(221.77)
(Profit)/Loss on Sale of Current Investment	60.24	(32.36)
Finance Costs	617.88	609.25
Unrealised exchange Rate difference	10.12	(195.83)
Provision for Doubtful Debts & Receivables	51.45	2.23
Bad Debts written off	49.86	5.26
Interest Income	(370.99)	(374.92)
Share of Profit from Petroleum India International	0.02	(0.94)
Dividend Received	(33.44)	(27.64)
Share of Profit from Associates or Joint Ventures	(1,321.59)	(2,318.98)
Operating Profit before Changes in Assets and Liabilities {Sub Total - (i)}	12,091.87	11,772.60
(Increase) / Decrease in Assets and Liabilities :		
Trade Receivables	(1,513.75)	(317.40)
Loans and Advances and Other Assets	(1,772.55)	375.75
Inventories	16.37	(5,286.48)
Liabilities and Other Payables	4,212.27	5,890.28
Sub Total - (ii)	942.34	662.15
Cash Generated from Operations (i) + (ii)	13,034.21	12,434.75
Less : Direct Taxes / FBT refund / (paid) - Net	1,997.00	2,180.27
Net Cash from Operating Activities (A)	11,037.21	10,254.48
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment (including Capital Work in Progress / excluding interest capitalised)	(6,715.36)	(5,907.00)
Sale of Property, Plant & Equipment	12.41	52.81
Purchase of Investments (Including share application money pending allotment/Advance towards Equity)	(1,642.29)	(42.12)
Fixed Deposit (Earmarked for project purpose from Foreign Currency Bonds proceeds)	(1,150.00)	-
Sale Proceeds of current investments	1,375.26	136.84
Interest received	369.47	375.08
Dividend received from Associate and Joint Venture companies	319.11	52.72
Dividend received - Others	33.44	27.64
Net Cash Flow generated from / (used in) investing activities (B)	(7,397.96)	(5,304.03)

**Consolidated Cash Flow Statement** for the year ended 31st March 2018

(₹ / Crores)

	2017-18	2016-17
C. Cash Flow From Financing Activities		
Long term Loans raised	6,440.69	-
Long term Loans repaid	(6,720.79)	(7,053.83)
Short Term Loans raised / (repaid)	(844.58)	7,579.92
Capital Grant Received	1.75	2.17
Finance Cost paid	(508.13)	(589.84)
Dividend paid (including dividend distribution tax)	(2,791.90)	(4,177.14)
Net Cash Flow generated from / (used in) Financing Activities (C)	(4,422.96)	(4,238.72)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(783.71)	711.73
Cash and cash equivalents at the beginning of the year	(1,652.23)	(2,363.96)
Cash and cash equivalents at the end of the year	(2,435.94)	(1,652.23)
Details of cash and cash equivalents at the end of the year:	31.03.2018	31.03.2017
Cash on hand	7.98	7.70
Cheques, drafts on hand	0.00	-
Balances with Banks:		
on current accounts	21.81	5.85
on non-operative current accounts	0.01	0.01
Fixed Deposits with Original Maturity Less than 3 months	-	-
Balances with other banks	91.72	97.91
	121.52	111.47
Less : Cash Credit	(2,557.46)	(1,763.70)
Cash and cash equivalents at the end of the year	(2,435.94)	(1,652.23)

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 22, 2018

FOR G.M. Kapadia & Co.

Chartered Accountants

FRN - 104767W

Sd/-

Atul Shah

Partner

Membership No. 039569

FOR M. P. Chitale & Co.

Chartered Accountants

FRN - 101851W

Sd/-

Anagha Thatte

Partner

Membership No. 105525



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

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, with ONGC holding 51.11% of Equity Shares w.e.f. 31st January, 2018. The Group (Comprising the Corporation, its subsidiaries, Joint venture entities and associates) is mainly engaged, primarily in the business of refining of crude oil and marketing of petroleum products, production of hydrocarbons as well as providing services for management of E&P Blocks.

Authorization of financial statements

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 22nd May 2018.

1. Basis Of Preparation

1.1 The Consolidated Financial Statements (CFS) relates to parent company, Hindustan Petroleum Corporation Limited (HPCL), its subsidiary companies, associates and its interest in Joint Ventures, in the form of jointly controlled entities (collectively referred to as the "Group").

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant Provisions of Companies Act, 2013 and Rules thereunder.

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

The Group's presentation currency is INR, which is also the functional currency of the Corporation. All values are rounded to the nearest crores (₹ Crores), except where otherwise indicated.

Use of judgements, estimates & assumptions

While preparing financial statements in conformity with Ind AS, we make certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. We continually evaluate these estimates and assumptions based on the most recently available information.

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Assessment of functional currency;
- Financial instruments;
- Useful lives of property, plant and equipment and intangible assets;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Assets and obligations relating to employee benefits;
- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies.

In particular, these CFS are prepared in accordance with Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS-110), "Joint Arrangements" (Ind AS-111) and "Investments in Associates and Joint Ventures" (Ind AS – 28) notified under Companies (Indian Accounting Standards) Rules, 2015.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

1.2 Principles of Consolidation

The CFS are prepared, as far as possible, using uniform significant accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as HPCL's separate financial statements.

The Financial Statements of HPCL and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, the intra group balance and intra group transactions and unrealised profits or losses resulting from intra group transactions are fully eliminated.

The financial statements of Joint Ventures and associates have been consolidated using equity method whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income after eliminating unrealized profits or losses.

Figures pertaining to the Subsidiary Companies/Joint Ventures/ Associates have been reclassified, wherever necessary, to conform to the parent company, HPCL's Financial Statements.

1.3 Companies included in Consolidation

The CFS comprise the Audited Financial Statements (except as mentioned otherwise) of HPCL, its Subsidiaries, Joint ventures and Associates for the year ended 31st March 2018, which are as under;

Name of the Company	Country of Incorporation	HPCL's Ownership Interest	
		31.03.2018	31.03.2017
(i) Subsidiaries (refer note no. 1.3.1)			
HPCL Biofuels Ltd. (HBL)	India	100.00%	100.00%
Prize Petroleum Company Ltd. (PPCL) (refer note no 1.3.2)	India	100.00%	100.00%
HPCL Middle East FZCO (HMEFZCO) (refer note no. 1.3.3 and 1.3.6)	Dubai	100.00%	-
(ii) Joint Ventures			
HPCL Rajasthan Refinery Ltd. (HRRL)	India	74.00%	74.00%
HPCL - Mittal Energy Ltd. (HMEL) (refer note no 1.3.2)	India	48.99%	48.99%
Hindustan Colas Pvt. Ltd. (HINCOL)	India	50.00%	50.00%
South Asia LPG Co. Pvt. Ltd. (SALPG)	India	50.00%	50.00%
Bhagyanagar Gas Ltd. (BGL) (refer note no. 1.3.4)	India	24.99%	24.99%
Godavari Gas Pvt Ltd. (GGPL)	India	26.00%	26.00%
Petronet India Ltd. (PIL)	India	16.00%	16.00%
Petronet MHB Ltd. (PMHBL)	India	32.72%	32.72%
Aavantika Gas Ltd. (AGL)	India	49.98%	49.97%
HPCL Shapoorji Energy Pvt Ltd. (HSEL)	India	50.00%	50.00%
Mumbai Aviation Fuel Farm Facility Pvt. Ltd. (MAFFFL)	India	25.00%	25.00%
Ratanagiri Refinery & Petrochemicals Ltd. (refer note no. 1.3.3)	India	25.00%	-
CREDA - HPCL Biofuels Ltd. (CHBL) (refer note no. 1.3.3)	India	-	74.00%
(iii) Associates			
Mangalore Refinery and Petrochemicals Ltd. (MRPL) (refer note no 1.3.2)	India	16.96%	16.96%
GSPL India Gasnet Ltd. (GIGL)	India	11.00%	11.00%
GSPL India Transco Ltd. (GITL)	India	11.00%	11.00%



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

- 1.3.1 The company has three subsidiaries: Prize Petroleum Company Ltd. is engaged in the business of exploration and production of hydrocarbons as well as providing services for management of E&P Blocks. HPCL Biofuels Ltd is engaged in the business of manufacturing sugar and ethanol from crushing of sugarcane and generation of power from the bagasse generated in the process. HPCL Middle East FZCO was incorporated as a Free Zone Company under Dubai Airport Free Zone for trading in Lubricants & Grease, Petrochemicals and Refined Oil products.
- 1.3.2 Consolidated Financial Statements have been considered for consolidation of the following:
- Mangalore Refinery and Petrochemical Limited has one subsidiary namely ONGC Mangalore Petrochemicals limited (MRPL is holding 51%) and one joint ventures namely Shell MRPL Aviation Fuels and Services Limited (MRPL is holding 50%).
 - Prize Petroleum Company Limited has wholly owned subsidiary namely Prize Petroleum International PTE Limited.
 - HPCL – Mittal Energy Limited has a 100% subsidiary namely HPCL – Mittal Pipelines Limited.
- 1.3.3 Companies incorporated / dissolved during the year
- HPCL Middle East FZCO, a 100% Subsidiary of HPCL was incorporated on 11.02.2018 as a Free Zone Company under Dubai Airport Free Zone and Establishment Card was issued on 22.03.2018 for the Company. This foreign subsidiary has been established for Trading in Lubricants & Grease, Petrochemicals and Refined Oil Products. HPCL, as a subscriber to the MOA is in the process of investing rupees 17,742 (AED 1,000) towards share capital and investment upto ₹ 1 crores on need basis.
 - Ratanagiri Refinery & Petrochemicals Ltd. was incorporated on 22nd September 2017 with Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) holding equity in the ratio 50%: 25%: 25%.
 - CHBL, a joint venture of HPCL and Chhattisgarh State Renewable Energy Development Agency (CREDA) with equity holding in the ratio 74%: 26% was dissolved with effect from 08th March 2018
- 1.3.4 As of 31st March 2014, paid up equity capital of BGL was ₹ 5 lacs, in which HPCL and GAIL were holding 24.99% each. Balance 50.02% of shares were held by Kakinada Seaports Ltd (KSPL) on warehousing basis. In addition, each one of HPCL and GAIL had paid ₹ 22.49 crores as Advance against Equity / Share application money (totalling 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. 2016-17).
- 1.3.5 Ujjwala Plus Foundation, a joint venture of Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) with fund contribution in the ratio 50%: 25%: 25%, respectively was incorporated on 21st July, 2017 as a not-for-profit Private Company Limited by Guarantee (without Share Capital) under Section 8 of the Companies Act 2013.
- 1.3.6 Unaudited Financial Statements have been considered.

2. Significant Accounting Policies

2.1. Property, Plant and Equipment

- 2.1.1. Freehold lands are carried at cost. All other items of Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- 2.1.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes); any costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; initial estimated present value of any of any contractual decommissioning obligation; and borrowing cost for qualifying assets (i.e., assets that necessarily take a substantial period of time to get ready for their intended use).



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

- 2.1.3. Technical know-how / licence fee relating to plants / facilities are capitalized as part of cost of the underlying asset.
- 2.1.4. Expenditure during construction period: Direct expenses incurred during construction period on capital projects are capitalised.
- 2.1.5. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Corporation.
- 2.1.6. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.
- 2.1.7. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal; or when the Property, Plant Equipment has been re-classified as ready for disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.
- 2.1.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes are accounted for as a change in accounting estimates on a prospective basis.
- 2.1.9. The Corporation has chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.2. Depreciation / amortization

- 2.2.1. Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II except for the following which are based on internal technical assessment:

Plant and Machinery relating to Retail Outlets (other than Storage tanks and related equipment)	15 years
Cavern Structure	60 years
LPG cylinders & regulators	15 years

- 2.2.2. The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components is assessed by considering historical experience, internal technical inputs and any other relevant factor.
- 2.2.3. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.
- 2.2.4. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.
- 2.2.5. Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

2.3. Intangible assets

- 2.3.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Corporation has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

- 2.3.2. Assets where entire output generated is committed to be sold to a public sector entity (including Government body) for almost entire useful life of the asset are classified as intangible assets as per the requirements of Ind AS and are amortised (after retaining the residual value, if applicable) over their useful life.
- 2.3.3. In cases where, the Corporation has constructed assets and the Corporation has only a preferential right to use, these assets are classified as intangible assets and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.
- 2.3.4. The useful lives of intangible assets are assessed as either finite or indefinite.
- 2.3.5. Intangible assets with finite lives are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the statement of Profit & Loss.
- 2.3.6. Intangible assets with indefinite useful lives, such as 'right of way' which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.
- 2.3.7. Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets.
- 2.3.8. Estimated lives of intangible assets (acquired) are as follows:
- Software: 2 to 4 years
 - Technical know-how/license fees: 2 to 10 years
 - Right to use – wind mills: 22 years
- 2.3.9. The Corporation has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e., 1st April 2015 as deemed cost.

2.4. Borrowing Cost

- 2.4.1. Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange rate variation to the extent regarded as an adjustment to interest cost.
- 2.4.2. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for intended use. All other borrowing costs are expensed in the period in which they are incurred.

2.5. Non-currents assets held for sale

- 2.5.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.
- 2.5.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.
- 2.5.3. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

2.6. Leases

2.6.1. Finance Lease

Lease arrangements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Lease arrangements in respect of land for lease period above threshold limit are classified as a finance lease



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

2.6.2. Operating Lease

Lease arrangements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received / lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

2.7. Impairment of Non-Financial Assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of assets of cash generating unit (CGU) exceeds their recoverable amount.

2.8. Inventories

2.8.1. Valuation of inventories (including in transit) of different categories is as under: -

- a) Crude oil is valued at cost on First in First Out (FIFO) basis or at net realisable value, whichever is lower. Crude oil is not written down below cost except in cases where their prices have declined subsequently and it is estimated that the cost of the finished goods will exceed their net realisable value.
- b) Raw materials for lubricants are valued at weighted average cost or at net realisable value, whichever is lower.
- c) Stock-in process is valued at raw material cost plus cost of conversion or at net realisable value, whichever is lower.
- d) Finished products other than Lubricants are valued at cost (on FIFO basis month-wise) or at net realisable value, whichever is lower.
- e) Finished products (lubricants) are valued at weighted average cost or at net realisable value, whichever is lower.
- f) Empty packages are valued at weighted average cost.
- g) Stores and spares which do not meet the recognition criteria under Property, Plant and Equipment are valued at weighted average cost. Surplus, obsolete and slow moving stores and spares, if any, are valued at cost or net realizable value whichever is lower. Surplus items, when transferred from completed projects are valued at cost / estimated value, pending periodic assessment / ascertainment of condition. Stores and Spares in transit are valued at cost.

2.8.2. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

2.8.3. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on applicable duty.

2.8.4. The net realisable value of finished goods and stock in trade are final selling prices for sales to oil marketing companies and depot prices applicable to the locations. For the purpose of stock valuation, the proportion of sales to oil marketing companies and consumer sales are determined on location wise and product wise sales of subsequent period.

2.9. Revenue recognition

2.9.1. Sale of goods

Revenue from the sale of goods is recognised when:

- a) significant risks and rewards of ownership of the goods are passed to the buyer,



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

- b) the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- c) revenue can be measured reliably,
- d) it is probable that economic benefits associated with the transaction will flow to the Corporation, and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, taxes or duties collected on behalf of the government and applicable trade discounts or rebates.

Revenue is allocated between loyalty programs and other components of the sale. The amount allocated to the loyalty program is deferred, and is recognised as revenue when the Corporation has fulfilled its obligation to supply the products under the terms of the program or when it is no longer probable that the points under the program will be redeemed.

Where the Corporation acts as an agent on behalf of a third party, the associated income is recognised on a net basis.

Claims, including subsidy on Liquefied Petroleum Gas (LPG) and Superior Kerosene Oil (SKO), from Government of India are booked on in-principle acceptance thereof on the basis of available instructions / clarifications, subject to final adjustments as stipulated.

- 2.9.2. Interest income is recognised taking into account the amount outstanding and the applicable effective interest rate.
- 2.9.3. Dividend is recognised when right to receive the payment is established.

2.10. Accounting / classification of expenditure and income

- 2.10.1. Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively.
- 2.10.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.
- 2.10.3. Insurance claims are accounted on acceptance basis.
- 2.10.4. All other claims / entitlements are accounted on the merits of each case.
- 2.10.5. Raw materials consumed are net of discount towards sharing of under-recoveries.

2.11. Employee benefits

2.11.1. Short-term employee benefit

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

2.11.2. Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plans are expensed in the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

Defined Benefit Plans:

Post-employment benefits

Liability towards defined employee benefits (gratuity, pension, post – retirement medical benefits, ex-gratia and resettlement allowance) are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Re-measurements of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income.

Other long-term employee benefits

Liability towards other long term employee benefits (leave encashment, long service awards, provident fund contribution to trust and death benefits) are determined on actuarial valuation by independent actuaries using Projected Unit Credit method.

Re-measurements gains and losses are recognized in the Statement of Profit and Loss in the period in which they arise.

2.11.3. Termination benefits

Expenditure on account of Voluntary Retirement Schemes, are charged to Statement of Profit & Loss, as and when incurred.

2.12. Foreign currency transactions

2.12.1. Monetary items

Transactions in foreign currencies are initially recorded at the respective exchange rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognised in Statement of Profit and Loss either as 'Exchange Rate Variation' or as 'finance costs' (to the extent regarded as an adjustment to borrowing costs), as the case maybe.

In case of long term foreign currency monetary items outstanding as of 31st March 2016, foreign exchange differences arising on settlement or translation of long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in case of other long term foreign currency monetary items, if any, accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance period of the asset / liability.

2.12.2. Non – Monetary items

Non-monetary items, other than those measured at fair value, denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

2.13. Investment in Subsidiary, associates and joint ventures

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each reporting date.

The Corporation has chosen the carrying value of the investment in Subsidiaries, associates and joint ventures existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.14. Government Grants

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

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

2.14.3. When the grant relates to property, plant and equipment, the cost of property, plant and equipment is shown at gross value and grant thereon is treated as liability (deferred income) and are credited to statement of profit and loss on a systematic basis over the useful life of the asset.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

2.15. Exploration & production expenditure

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

- 2.15.1. Cost of surveys, studies, carrying and retaining undeveloped properties are expensed out in the year of incurrence.
- 2.15.2. Cost of acquisition, drilling and development are treated as Capital Work-in-Progress when incurred and are capitalised when the well is ready to commence commercial production.
- 2.15.3. Accumulated costs on exploratory wells in progress are expensed out in the year in which they are determined to be dry.
- 2.15.4. The proportionate share in the assets, liabilities, income and expenditure of joint operations are accounted as per the participating interest in such joint operations.

2.16. Provisions and contingent liabilities

- 2.16.1. Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- 2.16.2. If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- 2.16.3. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Corporation, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.
- 2.16.4. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.
- 2.16.5. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.
- 2.16.6. Contingent Liabilities are considered only when show-cause notice is converted into demand.

2.17. Fair value measurement

- 2.17.1. Fair value is the price that would be received/ paid to sell an asset or to transfer a liability, as the case may be, in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Corporation has access at that date. The fair value of a liability also reflects its non-performance risk.
- 2.17.2. While measuring the fair value of an asset or liability, the Corporation uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:
 - Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
 - Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

Financial Instruments

2.18. Financial Assets

2.18.1. Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

2.18.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Corporation classifies financial assets (other than equity instruments) as under:

- (a) subsequently measured at amortised cost;
- (b) fair value through other comprehensive income; or
- (c) fair value through profit or loss

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is

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

After initial recognition, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method and such amortization is recognised in the Statement of Profit and Loss.

Debt instruments at Fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for measurement of debt instruments.

After initial measurement, any fair value changes including any interest income, impairment loss and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity investments

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

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

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

2.18.3. Impairment of financial assets

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

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

2.19. Financial Liabilities

2.19.1. Initial recognition and measurement

All financial liabilities (not measured subsequently at fair value through profit or loss) are recognised initially at fair value net of transaction costs that are directly attributable to the respective financial liabilities.

2.19.2. Subsequent measurement

The Corporation classifies all financial liabilities as subsequently measured at amortised cost by using the Effective Interest Rate Method ("EIR") and such amortisation is recognised in the Statement of Profit and Loss.

2.20. Financial guarantees

Financial guarantee contracts are recognised initially at fair value. Subsequently on each reporting date, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

2.21. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at each measurement date at fair value with the fair value changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.22. Offsetting of financial instruments

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

2.23. Taxes on Income

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

2.23.2. Deferred tax liability/asset on account of temporary difference is recognised using tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date.

2.23.3. Deferred tax assets are recognised and carried forward for all deductible temporary differences only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary difference can be utilized.

2.23.4. The carrying amount of deferred tax assets/Liabilities is reviewed at each Balance Sheet date.

2.23.5. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, is considered as an asset when it is probable that the future economic benefits associated with it, will flow to the Corporation.

2.24. Earnings per share

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

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



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

2.25. Cash and Cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.26. Cash Flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated. For the purpose of the Statement of Cash Flows, cash and cash equivalent consist of cash, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Corporation's cash management.

2.27. Business combination

The acquisition method of accounting is used to account for business combination by the Group. In this method, acquiree's identifiable assets, liabilities and contingent liabilities that meet condition for recognition are recognized at their fair values at the acquisition date. Non-controlling interest is measured at proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired. The transaction costs incurred in connection with business combination are recognised in the consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

Notes to the Consolidated Financial Statements as at 31st March, 2018

3: Property, Plant and Equipments

The following are the carrying values of Property, Plant & Equipment:

(₹ / Crores)

Particulars	Land - Freehold	Leasehold Property - Land	Buildings	Plant & Equipment	Furniture & Fixtures	Transport Equipment	Office Equipment	Roads and Culverts	Railway Siding & Rolling Stock	E&P Assets	Total
Gross Block											
As on 01.04.2017	731.21	43.50	4,930.18	30,832.13	167.50	79.70	1,901.18	2,305.13	284.82	564.58	41,839.93
Additions/ Reclassifications	163.33	21.56	505.43	3,115.11	37.43	22.31	451.47	248.98	27.75	7.91	4,601.28
Deductions/ Reclassifications	0.29	-	5.39	63.62	2.80	0.40	8.85	0.22	0.44	-	82.01
As on 31.03.2018	894.25	65.06	5,430.22	33,883.62	202.13	101.61	2,343.80	2,553.89	312.13	572.49	46,359.20
Depreciation/ Amortisation											
As on 01.04.2017	-	0.06	263.39	3,364.40	36.96	23.78	636.48	660.66	43.24	372.40	5,401.37
For the year	-	0.14	151.57	1,933.43	23.07	11.80	296.15	316.21	22.51	42.51	2,797.39
Deductions/ Reclassifications	-	-	3.07	53.07	0.69	0.15	7.73	0.14	0.39	-	65.24
As on 31.03.2018	-	0.20	411.89	5,244.76	59.34	35.43	924.90	976.73	65.36	414.91	8,133.52
Net Block as on 01.04.2017	731.21	43.44	4,666.79	27,467.73	130.54	55.92	1,264.70	1,644.47	241.58	192.18	36,438.56
Net Block as on 31.03.2018	894.25	64.86	5,018.33	28,638.86	142.79	66.18	1,418.90	1,577.16	246.77	157.58	38,225.68

- 3.1 Includes assets costing ₹ 0.007 crores (2016-2017 : ₹ 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.
- 3.2 Includes ₹ 501.45 Crores (2016-2017: ₹ 464.72 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.
- 3.3 Includes ₹ 35.23 Crores (2016-2017 : ₹ 35.28 Crores) towards Roads & Culverts, Transformers & Transmission lines, Railway Sidings & Rolling Stock, ownership of which does not vest with the Corporation . The Corporation is having operational control over such assets. These assets are amortized at the rate of depreciation specified in Schedule II of Companies Act, 2013.
- 3.4 a) Includes following assets which are used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against which financial assistance was provided by OADB

Description	Original Cost (₹ / Crores)	
	31.03.2018	31.03.2017
Roads & culverts	0.13	0.13
Buildings	1.62	1.62
Plant & Equipment	2.49	2.55
Total	4.24	4.30

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

Description	Original Cost (₹ / Crores)	
	31.03.2018	31.03.2017
Computer Software	7.49	6.93
Computers/ End use devices	5.64	4.45
Office Equipment	0.01	0.01
Automation, Servers & Networks	1.55	1.55
Total	14.69	12.94

- 3.5 Deduction/ reclassification includes assets ₹ 3.49 crores as on 31.03.18 (31.03.17 : ₹ 3.97 crores) for which management has given consent for disposal & hence classified as Assets held for sale.



Notes to the Consolidated Financial Statements as at 31st March, 2018

- 3.6 Leasehold Land includes ₹ 27.57 Crores (2016-17: ₹ 27.57 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.
- 3.7 In accordance with Para 7AA of Ind AS 21 read with Para D13AA of Ind AS 101, the Corporation has adjusted the exchange differences arising on long term foreign currency monetary items to the cost of assets and depreciated over the balance useful life of the assets.
- 3.8 The Group has considered the ISBL (Inside boundary Limit) pipeline directly associated as an integral part of Plant and Machinery / Tanks and has depreciated such pipelines based on the useful life of respective plants, which is considered as 25 years in line with the Schedule II of the Companies Act, 2013.

		(₹ / Crores)	
		31.03.2018	31.03.2017
4:	Capital Work-in-Progress		
	Unallocated Capital Expenditure and Materials at Site	3,619.12	1,597.58
	Capital Stores lying with Contractors	14.44	6.25
	Capital goods in transit	49.19	24.95
	A	3,682.75	1,628.78
	Construction period expenses pending apportionment (Net of recovery):		
	Opening balance	165.76	236.71
	Add: Expenditure during the year		
	Establishment charges including Salaries & Wages	117.58	79.73
	Interest	92.35	68.16
	Loss / (gain) on foreign currency transactions and translations	5.02	(193.78)
	Others	0.03	0.03
		380.74	190.85
	Less: Allocated to assets capitalised during the year / charged off	74.47	25.09
	B	306.27	165.76
	A + B	3,989.02	1,794.54

5: Intangible Assets

The following are the carrying values of Intangible Assets:

(₹ / Crores)

Particulars	Right of Way	Technical / Process Licenses	Software	Wind Energy Equipments	Total
Gross Block					
As on 01.04.2017	170.85	61.70	60.00	188.56	481.11
Additions/ Reclassifications	38.55	1.43	28.93	-	68.91
Deductions/ Reclassifications	-	0.93	-	-	0.93
As on 31.03.2018	209.40	62.20	88.93	188.56	549.09
Depreciation/ Amortisation					
As on 01.04.2017	-	16.21	23.57	20.32	60.10
For the year	-	10.34	16.48	10.33	37.15
Deductions/ Reclassifications	-	0.93	-	-	0.93
As on 31.03.2018	-	25.62	40.05	30.65	96.32
Net Block as on 01.04.2017	170.85	45.49	36.43	168.24	421.01
Net Block as on 31.03.2018	209.40	36.58	48.88	157.91	452.77



Notes to the Consolidated Financial Statements as at 31st March, 2018

		(₹ / Crores)	
		31.03.2018	31.03.2017
5a:	Intangible Assets Under Development *		
	ONGC onshore marginal fields	1.36	1.36
	Discovered Field (Permit T/18P)	18.57	18.48
	Yolla Field (License: T/L 1)	1.58	53.11
		21.51	72.95
	* Pertains to wholly owned subsidiary Prize Petroleum Company Limited (PPCL)		
6:	Investments in Joint Ventures and Associates		
	Investments in Equity Instruments		
	Associates		
	Quoted		
	Mangalore Refinery and Petrochemicals Ltd. 29,71,53,518 (31.03.2017 : 29,71,53,518) Equity Shares of ₹ 10 each fully paid up	1,731.27	1,606.25
	Un - Quoted		
	GSPL India Transco Ltd 4,19,10,000 (31.03.2017 : 2,25,50,000) Equity Shares of ₹ 10 each fully paid up	42.66	23.15
	GSPL India Gasnet Ltd 4,25,72,128 (31.03.2017 : 3,04,72,128) Equity Shares of ₹ 10 each fully paid up	43.29	31.09
	Joint Ventures		
	Un - Quoted		
	HPCL-Mittal Energy Ltd. 3,93,95,55,200 (31.03.2017 : 3,93,95,55,200) Equity Shares of ₹ 10 each fully paid up	4,517.30	3,681.42
	Hindustan Colas Pvt. Ltd. 47,25,000 (31.03.2017 : 47,25,000) Equity Shares of ₹ 10 each fully paid up	124.89	131.18
	HPCL Rajasthan Refinery Ltd (refer note 6.1) 18,87,37,000 (31.03.2017 : 37,000) Equity Shares of ₹ 10 each fully paid up	172.91	72.50
	CREDA HPCL Biofuel Ltd. (refer note 6.2) Nil (31.03.2017 : 1,60,99,803) Equity Shares of ₹ 10 each fully paid up	-	0.01
	Petronet India Ltd. 1,60,00,000 (31.03.2017 : 1,60,00,000) Equity Shares of ₹ 0.10 (31.03.2017 : ₹ 10) each fully paid up	0.44	16.91
	Petronet MHB Ltd. 17,95,11,020 (31.03.2017 : 17,95,11,020) Equity Shares of ₹ 10 each fully paid up	225.40	217.55
	South Asia LPG Co. Pvt. Ltd. 5,00,00,000 (31.03.2017 : 5,00,00,000) Equity Shares of ₹ 10 each fully paid up	127.86	155.89
	Bhagyanagar Gas Ltd. 4,36,50,000 (31.03.2017 : 2,25,00,000) Equity Shares of ₹ 10 each fully paid up	140.77	32.71
	Aavantika Gas Ltd 2,95,48,663 (31.03.2017 : 2,25,00,000) Equity Shares of ₹ 10 each fully paid up	85.01	45.39
	HPCL Shapoorji Energy Pvt. Ltd. 2,00,00,000 (31.03.2017 : 1,30,00,000) Equity Shares of ₹ 10 each fully paid up	18.82	12.51
	Godavari Gas Pvt Ltd. 26,00,000 (31.03.2017 : 26,00,000) Equity Shares of ₹ 10 each fully paid up	2.33	2.37
	Ratnagiri Refinery & Petrochemical Limited 2,50,00,000 Equity shares of ₹ 10 each fully paid up	20.30	-
	Mumbai Aviation Fuel Farm Facility Pvt. Ltd. 4,18,88,750 (31.03.2017 : 3,82,71,250) Equity Shares of ₹ 10 each fully paid up	53.32	40.82
		7,306.57	6,069.75



Notes to the Consolidated Financial Statements as at 31st March, 2018

- 6.1 : Includes amount of ₹ Nil (31.03.2017 : ₹ 73.96 crores) towards subscribed, but not paid shares of HPCL Rajasthan Refinery Ltd being part of MOA / AOA for which liability is created under Section 10(2) of the Companies Act, 2013
- 6.2 : M/s CREDA HPCL Biofuel Ltd was dissolved with effect from 08th March 2018.
- 6.3 : As per the guidelines issued by Department of Public Enterprises (DPE) in August, 2005, the Board of Directors of Navratna Public Sector Enterprises (PSEs) can invest in joint ventures and wholly owned subsidiaries subject to an overall ceiling of 30% of the net worth of the PSE. The company has requested Ministry of Petroleum & Natural Gas (MOP&NG) to confirm its understanding that for calculating this ceiling limit, the amount of investments specifically approved by Government of India (i.e. investment in HPCL Mittal Energy Ltd (HMEL) and HPCL Rajasthan Refinery Limited (HRRL)) are to be excluded. The Company has calculated the limit of 30% investment in joint ventures and wholly owned subsidiaries, by excluding the investments specifically approved by Government of India. As per financial position as on 31st March 2018, the investments in joint ventures and wholly owned subsidiaries are well within 30% limit.
- 6.4 During the FY 2017-18, consequent to reduction in face value of shares Petronet India Ltd (PIL) from ₹ 10 each share to ₹ 0.10, investment in PIL has reduced from ₹ 16.00 crores as on 31.03.2017 to ₹ 0.16 crores as on 31.03.2018. Consequently, the company has received ₹ 15.84 Crs during the year.
- 6.5: HPCL Middle East FZCO, a 100% Subsidiary of HPCL was incorporated on 11.02.2018 as a Free Zone Company under Dubai Airport Free Zone and Establishment Card was issued on 22.03.2018 for the Company. This foreign subsidiary has been established for Trading in Lubricants & Grease, Petrochemicals and Refined Oil Products. HPCL, as a subscriber to the MOA is in the process of investing ₹ 17,742 (AED 1,000) towards share capital and investment upto ₹ 1 crores on need basis.

(₹ / Crores)

	31.03.2018	31.03.2017
Disclosure towards Cost / Market Value		
a. Aggregate amount of Quoted Investments (Market Value)	3,253.83	3,169.14
b. Aggregate amount of Quoted Investments (Cost)	471.68	471.68
c. Aggregate amount of Unquoted Investments (Cost)	4,719.32	4,436.21

(₹ / Crores)

	31.03.2018	31.03.2017
7: Other Investments		
Investment in Equity Instruments carried at fair value through other comprehensive income		
Quoted		
Oil India Ltd. (refer note 7.1)	575.94	594.84
2,67,50,550 (31.03.2017 : 1,78,33,700) Equity Shares of ₹ 10 each fully paid up		
Scooters India Ltd.(refer note 7.1)	0.06	0.04
10,000 (31.03.2017:10,000) Equity Shares of ₹ 10 each fully paid up		
Investment in Equity Instruments carried at fair value through Profit and Loss Account		
Un-Quoted		
Shushrusha Citizen Co-operative Hospital Limited of the face value of ₹ 0.10 lakhs	0.00	0.00
100 Equity Shares of ₹ 100/- each fully paid		
Total Investments in Equity Instruments	576.00	594.88



Notes to the Consolidated Financial Statements as at 31st March, 2018

(₹ / Crores)

	31.03.2018	31.03.2017
Investment in Government Securities carried at amortized cost		
Government Securities of the face value of ₹ 0.02 Crores		
- Deposited with Others	-	0.02
- On hand - Nil (31.03.2017: ₹ 0.25 lakhs)	-	0.00
Government Securities of the face value of ₹ 0.24 lakhs		
- Deposited with Others - Nil (31.03.2017: ₹ 0.10 lakhs)	-	0.00
- On hand - Nil (31.03.2017: ₹ 0.14 lakhs)	-	0.00
Less: Provision for Impairment	-	0.00
Total Investments in Government Securities	-	0.02
Investment in Debentures carried at amortized cost		
East India Clinic Ltd.		
- 1/2% Debenture of face value of - ₹ 0.15 lakhs	0.00	0.00
- 5% Debenture of face value of - ₹ 0.07 lakhs	0.00	0.00
Total Investments in Debentures	0.00	0.00
Other investments carried at fair value thru Profit and Loss Account		
Structured Entities		
Un - Quoted		
Petroleum India International (Association of Persons) Contribution towards Seed Capital (refer note 7.2)	0.05	0.05
Total Investments in Structured Entities	0.05	0.05
	576.05	594.95

7.1 : The Company has designated these investment at fair value through other comprehensive income because these investments represent the investments that the Company intends to hold for long-term strategic purposes. No strategic investments were disposed of during the year.

7.2 : Members in Petroleum India International (AOP) : Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd., Engineers India Ltd., Indian Oil Corporation Ltd., Indian Petrochemicals Corporation Ltd., Chennai Petroleum Corporation Ltd. and Oil India Ltd. Each one is holding 10% share except Indian Oil Corporation which is holding 30% and Bharat Petroleum Corporation Ltd. which is holding 20%.

(₹ / Crores)

	31.03.2018	31.03.2017
Disclosure towards Cost / Market Value		
a. Aggregate amount of Quoted Investments (Market Value)	576.00	594.88
b. Aggregate amount of Quoted Investments (Cost)	561.77	561.77
c. Aggregate amount of Unquoted Investments (Cost)	0.05	0.07
d. Aggregate amount of Provision for Impairment	-	0.00

(₹ / Crores)

	31.03.2018	31.03.2017
8: Loans		
Secured, considered good		
Employee loans and advances & Interest thereon	306.14	283.58
Unsecured, considered good		
Deposits	102.22	89.44
Other Loans	36.48	33.03
	444.84	406.05



Notes to the Consolidated Financial Statements as at 31st March, 2018

(₹ / Crores)

	31.03.2018	31.03.2017
9: Other Non Current Assets		
Balances with Excise, Customs, etc.	175.58	181.20
Deposits	44.09	42.17
Advance tax (net of provisions)	202.99	255.68
Capital advances	158.73	221.12
Prepaid Employee Cost	133.93	129.67
Prepaid Lease Rental	687.85	585.50
Others Prepaid Expenses	94.49	23.12
	1,497.66	1,438.46

(₹ / Crores)

	31.03.2018	31.03.2017
10: Inventories		
Raw materials (Including in transit 31.03.2018 : ₹ 1313.86 crores; 31.03.2017 : ₹ 1,420.99 crores)	3,951.88	3,312.86
Work-in-progress	740.15	443.67
Finished goods (Including in transit 31.03.2018 : ₹ 149.97 crores; 31.03.2017 : ₹ 124.34 crores)	5,955.96	6,032.39
Stock-in-trade (Including in transit 31.03.2018 : ₹ 1,111.11 crores; 31.03.2017 : ₹ 907.13 crores)	7,570.25	8,456.30
Stores and spares (Including in transit 31.03.2018; ₹ 10.67 crores; 31.03.2017 : ₹ 13.90 crores)	396.87	380.43
Less : Provision for stores and spares	9.49	9.49
Packages	6.61	13.00
	18,612.23	18,629.16

10.1. The write-down of inventories to net realisable value during the year amounted to ₹ 114.35 crores (31.03.2017 : ₹ 212.09 crores). The write downs and reversal are included in cost of materials consumed, changes in inventories of finished goods and work in progress.

(₹ / Crores)

	31.03.2018	31.03.2017
11: Investments		
Investments carried at fair value through Profit and Loss account		
Quoted - Government Securities		
6.90% Oil Marketing Companies' GOI Special Bonds, 17,36,36,000 (31.03.2017 : 24,71,36,000) ₹ 100 each face value (refer note 11.1)	1,643.84	2,388.88
8.00% Oil Marketing Companies' GOI Special Bonds, 24,41,000 (31.03.2017 : 24,41,000) ₹ 100 each face value	24.68	25.13
8.20% Oil Marketing Companies' GOI Special Bonds, 1,23,49,000 (31.03.2017 : 1,23,49,000) ₹ 100 each face value	126.51	128.64
6.35% Oil Marketing Companies' GOI Special Bonds, 18,32,33,000 (31.03.2017 : 25,32,33,000) ₹ 100 each face value	1,699.61	2,364.43
7.59% Government of India, G - Sec Bonds, 1,85,00,000 (31.03.2017 : 1,85,00,000) ₹ 100 each face value (refer note 11.1)	184.63	193.87
7.72% Government of India, G - Sec Bonds, 8,36,00,000 ₹ 100 each face value (refer note 11.1)	848.84	-



Notes to the Consolidated Financial Statements as at 31st March, 2018

	(₹ / Crores)	
	31.03.2018	31.03.2017
8.33% Government of India, G - Sec Bonds, 1,80,00,000 ₹ 100 each face value (refer note 11.1)	187.41	–
8.15% Government of India, G - Sec Bonds, 2,75,00,000 ₹ 100 each face value (refer note 11.1)	283.86	–
	4,999.38	5,100.95
Un-Quoted - Equity instruments		
Sai Wardha Power Generation Ltd.		
Nil (31.03.2017 : 77,83,468) Equity Shares of ₹ 10 each fully paid up	–	7.78
	–	7.78
	4,999.38	5,108.73

11.1: 6.90% Oil Marketing Companies GOI Special Bonds 2026 of ₹ 1378.64 crores, 7.59 % G-Sec Bonds 2026 of ₹ 183.00 crores, 7.72 % G-Sec Bonds 2025 of ₹ 615.00 crores, 8.33 % G-Sec Bonds 2026 of ₹ 180.00 crores and 8.15 % G-Sec. Bonds 2026 of ₹ 275.00 crores, are pledged with Clearing Corporation of India Limited against CBLO Loan.

	(₹ / Crores)	
	31.03.2018	31.03.2017
Disclosure towards Cost / Market Value		
a. Aggregate amount of Quoted Investments (Market Value)	4,999.38	5,100.96
b. Aggregate amount of Quoted Investments (Cost)	5,267.26	5,343.23
c. Aggregate amount of Unquoted Investments (Cost)	–	7.78

	(₹ / Crores)	
	31.03.2018	31.03.2017
12: Trade Receivables		
Unsecured considered good	5,597.12	4,113.35
Doubtful	123.05	143.08
Less: Allowances for Bad and Doubtful Debts	123.05	143.08
Less: Impairment Provision (Expected Credit Loss Model)	10.10	21.69
	5,587.02	4,091.66

	(₹ / Crores)	
	31.03.2018	31.03.2017
13: Cash and Cash Equivalents		
Balances with Scheduled Banks:		
- on Current Accounts	21.81	5.85
- on Non-Operative Current Accounts	0.01	0.01
Cheques awaiting deposit	0.00	0.06
Cash on hand	7.98	7.64
Fixed Deposits with original maturity less than 3 months	91.72	97.91
	121.52	111.47



Notes to the Consolidated Financial Statements as at 31st March, 2018

(₹ / Crores)

	31.03.2018	31.03.2017
14: Other Bank Balances		
Earmarked balances with banks for unpaid dividend	17.08	15.01
Fixed Deposits with 3 - 12 months maturity (refer note 14.1)	1,166.58	9.92
	1,183.66	24.93

14.1: Includes ₹ 1,150 crores (31.03.2017 : ₹ Nil) Earmarked for project purposes

(₹ / Crores)

	31.03.2018	31.03.2017
15: Loans		
Secured, considered good		
Employee loans and advances & Interest thereon	31.10	33.13
Unsecured, considered good		
Deposits	0.03	0.03
Loans to related parties	–	75.00
Other Loans	32.74	17.33
	63.87	125.49

15.1: Includes ₹ 12.00 crores (31.03.2017: ₹ 12.00 crores) recoverable from Chembur Hospital Project Trust (CHPT) on demand. In view of the management the amount is recoverable and this matter will be taken up with the trust

(₹ / Crores)

	31.03.2018	31.03.2017
16: Other Financial Assets		
Amounts recoverable under subsidy schemes	527.01	1,218.25
Interest accrued on investments	88.17	74.39
Derivative Assets	92.09	58.41
Delayed payment charges receivable from customers	285.90	205.68
Less : Provision for doubtful delayed payment charges receivable	97.89	78.85
Receivables from Govt of India towards Direct Benefit Transfer of LPG (DBTL)	3,188.28	1,195.08
Balance with LIC	892.25	826.52
Other Receivables	1,004.42	829.46
Less : Provision for doubtful other receivables	75.81	11.71
	5,904.42	4,317.23

(₹ / Crores)

	31.03.2018	31.03.2017
17: Other Current Assets		
Advance recoverable other than cash	24.26	9.65
Balances with Excise, Customs, etc.	359.25	484.13
Prepaid Employee Cost	14.68	13.67
Prepaid Lease Rental	42.22	38.03
Other Prepaid Expenses	107.23	85.51
Gold Coins in Hand	5.83	5.32
Other Current Assets	111.90	17.14
	665.37	653.45



Notes to the Consolidated Financial Statements as at 31st March, 2018

(₹ / Crores)

	31.03.2018	31.03.2017
18: Equity Share capital		
A. Authorised:		
75,000 (31.03.2017 : 75,000) Cumulative Redeemable Preference Shares of ₹ 100/- each	0.75	0.75
2,49,92,50,000 (31.03.2017 : 2,49,92,50,000) Equity Shares of ₹ 10/- each	2,499.25	2,499.25
	2,500.00	2,500.00
B. Issued & Subscribed:		
1,52,45,25,375 (31.03.2017 : 1,01,65,84,500) Equity Shares of ₹ 10 each	1,524.53	1,016.58
C. Fully Paid up:		
1,52,38,22,625 (31.03.2017 : 1,01,58,81,750) Equity Shares of ₹ 10 each fully paid up	1,523.82	1,015.88
D. Shares Forfeited:		
7,02,750 (31.03.2017 : 7,02,750) Shares Forfeited (money received)	0.39	0.39
	1,524.21	1,016.27
E. Reconciliation of number of Equity Shares		
Outstanding at the beginning of the year	1,01,58,81,750	338,627,250
Equity shares allotted as fully paid bonus shares (refer note # H)	50,79,40,875	677,254,500
Outstanding at the end of the year	1,52,38,22,625	1,01,58,81,750

F. Rights and Restrictions on Equity / Preference Shares

The Company has only one class of Equity Shares having a face value of ₹ 10/- per share which are issued and subscribed. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of the winding up of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders and the amount paid up thereon. The Company also has 75,000 6% cumulative Redeemable Non-convertible Preference Shares of ₹ 100/- each as a part of the Authorised Capital, which were issued earlier by the erstwhile ESSO Standard Refining Co. of India Ltd. (ESRC). Presently the said Preference Shares stand redeemed.

G. Details of shares held by each shareholder, holding more than 5% shares in the company:

Name of shareholders	31.03.2018	
	% Holding	No. of Shares
Oil and Natural Gas Corporation Limited	51.11	77,88,45,375
31.03.2017		
Name of shareholders	% Holding	No. of Shares
President of India	51.11	51,92,30,250

H. In the period of five years immediately preceding 31st March, 2018:

The Corporation had issued Bonus Shares during Financial Year 2017-18, in the ratio of 1:2 (2016-17: 2:1) by capitalization of Reserve. The total number of Bonus Shares issued is 50,79,40,875 (2016-17 : 67,72,54,500) equity shares having face value of ₹ 10 each.



Notes to the Consolidated Financial Statements as at 31st March, 2018

(₹ / Crores)

		31.03.2018	31.03.2017
19: Reserves and Surplus			
Capital Redemption Reserve	(i)	1.56	1.56
Share Premium Account	(ii)	–	476.52
Debenture Redemption Reserve	(iii)	189.35	265.13
Capital Reserve	(iv)	0.65	0.52
Foreign Currency Monetary Item Translation Difference Account	(v)	(0.64)	(0.44)
General Reserve	(vi)	1,827.75	1,859.17
Retained Earnings	(vii)	21,973.01	17,415.73
		23,991.68	20,018.19
(i) Capital Redemption Reserve			
As per last Balance Sheet		1.56	1.56
(ii) Share Premium Account			
As per last Balance Sheet		476.52	1,153.77
Less: Bonus shares issue		476.52	677.25
		–	476.52
(iii) Debenture Redemption Reserve			
As per last Balance Sheet		265.13	265.13
Add: Transfer from Retained Earnings		189.35	–
Less: Transfer to Retained Earnings		265.13	–
		189.35	265.13
19.1: During the Financial Year 2017–18, consequent to repayment of 8.77% Non-Convertible Debentures, Debenture Redemption Reserve created out of Retained Earnings earlier is now transferred back to Retained Earnings.			
(iv) Capital Reserve			
As per last Balance Sheet		0.52	0.44
Add: Transfer during the year		0.13	0.08
		0.65	0.52
(v) Foreign Currency Monetary Item Translation Difference Account*			
As per last Balance Sheet		(0.44)	(194.80)
Add: Additions during the year		(0.56)	(160.02)
Less: Amortised during the year		(0.36)	(354.38)
		(0.64)	(0.44)
* In accordance with the option exercised by the Group, balance appearing in "Foreign Currency Monetary Item Translation Difference Account" is related to non-depreciable assets remaining to be amortized over the balance period of loan.			
(vi) General Reserve			
As per last Balance Sheet		1,859.17	1,859.17
Less: Bonus shares issue		31.42	–
		1,827.75	1,859.17



Notes to the Consolidated Financial Statements as at 31st March, 2018

	(₹ / Crores)	
	31.03.2018	31.03.2017
(vii) Retained Earnings		
As per last Balance Sheet	17,415.73	13,382.37
Add : Profit for the year	7,218.29	8,235.82
Add : Transfer from Debenture Redemption Reserve	265.13	–
Less : Profit appropriated to Debenture Redemption Reserve	189.35	–
Less : Profit appropriated to Interim / Proposed Dividend	2,321.29	3,477.70
Less : Profit appropriated to Tax on Distributed Profits	472.56	707.98
Add : Share in Other comprehensive Income of equity accounted investees	0.47	(1.33)
Less : Restatement (Gain) / Loss on Defined Benefit Plans	(56.59)	15.45
	21,973.01	17,415.73
	23,991.68	20,018.19
		(₹ / Crores)
	31.03.2018	31.03.2017
20: Other Reserves		
Equity Instruments through Other Comprehensive Income	14.23	33.11
Foreign Currency Translation Reserve	2.32	3.86
	16.55	36.97
(i) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	33.11	(142.50)
Add : Additions during the year	(18.88)	175.61
	14.23	33.11
(ii) Foreign Currency Translation Reserve		
As per last Balance Sheet	3.86	(0.38)
Add : Additions during the year	(1.54)	4.24
	2.32	3.86
		(₹ / Crores)
	31.03.2018	31.03.2017
21: Borrowings		
Bonds or Debentures		
Secured		
8.77% Non-convertible debentures (refer note 21.1)	–	975.00
Un - secured		
Foreign Currency Bonds (refer note 21.2)	3,246.88	–
Term loans		
Secured		
Oil Industry Development Board (refer note 21.3)	188.06	283.75
Other Loans (refer note 21.5)	290.84	309.42
Un - secured		
Syndicated Loans from Foreign Banks (repayable in foreign currency) (refer note 21.4)	7,346.82	9,647.52
	11,072.60	11,215.69
Less: Current Maturities of Long Term Borrowings	1,416.66	4,097.89
	9,655.94	7,117.80



Notes to the Consolidated Financial Statements

as at 31st March, 2018

In respect of Secured Loans :

21.1 Debentures

(a) The Group has issued the following Secured Redeemable Non-convertible Debentures:

With respect to debentures issued by Hindustan Petroleum Corporation Ltd. (HPCL)

8.77% Non-Convertible Debentures were issued on 13th March, 2013 with the maturity date of 13th of March, 2018. The Corporation has redeemed the debentures on 13th March 2018. These were secured by first legal mortgage by way of a Registered Debenture Trust Deed over immovable property of the company being undivided share of land with the entire First Floor in the building High Street 1, situated at Ahmedabad and the first charge of fixed assets mainly certain Plant and Machinery at Visakh Refinery. The relevant charge has been satisfied. The value of such assets was ₹ 1,111.87 Crores as on 31.03.2017

21.2 Foreign currency Bonds

Particulars of Bonds	Date of Issue	Date of Repayment
USD 500 million bonds; Interest Rate: 4% p.a. payable at Half Yearly	12th July 2017	12th July 2027

21.3 Term Loans from Oil Industry Development Board (Secured)

Repayable during	Amount in (₹ / Crores) as on		Range of Interest Rate as on	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
2017-18	–	95.69		7.86%-9.27%
2018-19	95.69	95.69	7.86%-9.27%	7.86%-9.27%
2019-20	61.19	61.19	7.86%-9.11%	7.86%-9.11%
2020-21	31.18	31.18	7.86%-8.09%	7.86%-8.09%
Total	188.06	283.75		

Security has been created with first charge on the facilities of Awa Salawas Pipeline, Mangalore Hasan Mysore LPG Pipeline, Uran-Chakan / Shikarpur LPG Pipeline and Rewari Project Pipeline. The value of such assets is ₹ 2,247.24 crores (31.03.2017: ₹ 2,199.29 crores). ₹ 95.69 crores (31.03.2017: ₹ 95.69 crores) is repayable within 1 year and the same has been shown as "Current Maturity of Long Term Borrowings" under Note # 27.

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

With respect to Loan taken by Hindustan Petroleum Corporation Ltd.

The Corporation has availed Long Term Foreign Currency Syndicated Loans from banks at 3 months floating LIBOR plus spread (spread range: 30 to 155 basis point p.a.). These loans are taken for the period up to 5 years. ₹ 1,302.23 Crores (31.03.2017: ₹ 3,008.46 crores) is repayable within 1 year and the same has been shown as "Current Maturity of Long Term Borrowings" under Note # 27.

With respect to Loan taken by Prize Petroleum International Pte Ltd.

The secured bank loan bear interest at 1.2% + 6-months LIBOR per annum (2017: 1.2% + 6-months LIBOR per annum), which ranged from 2.43% to 2.76% (2017: 2.46% to 2.60%) p.a. for the financial year ended 31st March 2018 . The bank loan is repayable on the 7th anniversary of the utilisation date on 28th October, 2023.

21.5 Other Loans

With respect to Loan taken by HPCL Biofuels Ltd. (HBL)

Government Of Bihar (GOB) Soft Loan of ₹ 16.48 crores was availed through SBI during FY 2015-16 with interest subvention to the extent of 10%. Four installments amounting to ₹ 3.30 crores was paid during FY 2017-18 (2016-17: ₹ 3.30 Crs.) The Balance of GoB Soft Loan as on 31.03.2018 was ₹ 9.86 crores (2016-17: ₹ 13.14 crores) Term Loan of ₹ 308.80 crores was availed through SBI during FY 2014-15. Three installments amounting to ₹ 15.44 crores was paid during the current FY 2017-18



Notes to the Consolidated Financial Statements as at 31st March, 2018

(2016-17 ₹ 11.58 crores) The Balance of term loan as on 31.03.2018 was ₹ 280.99 crores (₹ 296.28 crores as on 31.03.2017). The term loan as well as the soft loans under GOI and GOB schemes are secured by equitable mortgage of Land, Building & Fixed Assets. Working Capital loan is from State Bank of India with interest @ one year MCLR + 0.35% fixed spread, and the limit is ₹ 125 crores. The Working Capital loan is secured by hypothecation of Stocks & Debtors of the company. The Working Capital Loan balance as on 31.03.2018 was ₹ 117.24 crores (₹ 21.97 crores as on 31.03.2017).

		(₹ / Crores)	
		31.03.2018	31.03.2017
22: Other Financial Liabilities			
Other Liabilities		0.47	0.44
		0.47	0.44
		(₹ / Crores)	
		31.03.2018	31.03.2017
23: Provisions			
Provision for employee benefits		79.20	183.26
Others		0.07	0.07
		79.27	183.33
		(₹ / Crores)	
		31.03.2018	31.03.2017
24: Other Non Current Liabilities			
Capital Grant		19.04	23.61
Others		15.32	–
		34.36	23.61
		(₹ / Crores)	
		31.03.2018	31.03.2017
25: Borrowings			
Loans repayable on demand			
Secured			
from banks			
Cash Credit (Secured by hypothecation of Inventories in favour of Banks on pari passu basis)		2,557.46	1,763.70
from other parties			
Collateral Borrowing and Lending Obligation (refer Note 25.1)		1,489.47	1,489.51
Un-secured			
from banks			
Clean Loans		2,600.00	1,200.00
Short term loans		2,737.56	–
from other parties			
Commercial papers		1,494.93	6,461.17
		10,879.42	10,914.38

25.1: 6.90% Oil Marketing Companies GOI Special Bonds 2026 of ₹ 1378.64 Crores, 7.59% G-Sec Bonds 2026 of ₹ 183.00 Crores, 7.72% G-Sec Bonds 2025 of ₹ 615.00 Crores, 8.33% G-Sec Bonds 2026 of ₹ 180.00 Crores and 8.15% G-Sec. Bonds 2026 of ₹ 275.00 Crores, are pledged with Clearing Corporation of India Limited against CBLO Loan.



Notes to the Consolidated Financial Statements as at 31st March, 2018

(₹ / Crores)

	31.03.2018	31.03.2017
26: Trade Payables		
Micro, Small and Medium Enterprises (MSME) (refer note 47)	172.81	22.76
Other than MSME	15,673.10	12,676.90
	15,845.91	12,699.66

26.1: To the extent Micro and Small Enterprises have been identified, the outstanding balance, including interest thereon, if any, as at Balance Sheet date is disclosed on which Auditors have relied upon.

(₹ / Crores)

	31.03.2018	31.03.2017
27: Other Financial Liabilities		
Current maturities of Long Term Borrowings (refer note 27.1)	1,416.66	4,097.89
Interest accrued but not due on loans	54.55	30.02
Unpaid Dividend (refer note 27.2)	16.86	14.90
Derivative liability	19.94	1.75
Deposits from Dealers /Consumers/Suppliers (refer note 27.3 & 27.4)	12,416.93	10,996.83
Other Financial Deposits	11.35	12.44
Other Liabilities	630.92	687.71
	14,567.21	15,841.54

27.1 : This includes loans repayable within one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 1,302.23 crores (31.03.2017 : ₹ 3,008.46 crores), 8.77% Non - Convertible Debenture Nil (31.03.2017 : ₹ 975.00 crores), Loan from Oil Industry and Development Board ₹ 95.69 crores (31.03.2017 : ₹ 95.69 crores). and Other Loans ₹ 18.74 crores (31.03.2017 : ₹ 18.74 crores)

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

27.3: The Group, based on the substance and nature of the deposits received from customers/dealers largely towards cylinders, had presented such deposits under the head non-current financial liabilities during the Financial year 2016-17. Subsequently during the financial year 2017-18, there was a direction by C&AG on the said classification. In view of the same, the said deposits have been re-classified as current financial liabilities. This classification has no impact on the profit for the period. Expert Advisory Committee of the Institute of Chartered Accountants of India has been approached for an opinion in the matter, which is awaited.

27.4: Includes deposit received towards Rajiv Gandhi Gramin LPG Vitruk Yojana and Prime Minister Ujjwala Yojana of ₹ 1,557.86 crores (31.03.2017 : ₹ 941.61 crores) The deposits against these schemes have been funded from CSR fund or by Government of India.



Notes to the Consolidated Financial Statements as at 31st March, 2018

	(₹ / Crores)	
	31.03.2018	31.03.2017
28: Other Current Liabilities		
Revenue received in advance	707.44	726.98
Capital Grant	5.03	4.39
Statutory Payables	2,752.98	3,051.25
Other Liabilities	139.99	191.78
	<u>3,605.44</u>	<u>3,974.40</u>
		(₹ / Crores)
	31.03.2018	31.03.2017
29: Provisions		
Provision for employee benefits	1,640.53	1,585.03
Provisions for probable obligations (refer note 57)	729.78	685.54
	<u>2,370.31</u>	<u>2,270.57</u>
		(₹ / Crores)
	31.03.2018	31.03.2017
30: Current Tax Liabilities (Net)		
Provision for tax (net of advance tax)	296.16	72.61
	<u>296.16</u>	<u>72.61</u>



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ / Crores)

	2017-18	2016-17
31: Gross Sale of Products		
Sale of Products	242,635.52	212,611.57
Recovery under Subsidy Schemes	763.88	1,292.58
	243,399.40	213,904.15

31.1: Net of discount of ₹ 2,229.17 crores (2016-17 : ₹ 1,920.07 crores) and includes amount towards additional State Specific Cost (SSC) of Nil (2016-17 : ₹ 57.21 Crores).

31.2: During the current financial year 2017-18, Subsidy on PDS Kerosene and Domestic Subsidized LPG from Central and State Governments amounting to ₹ 7.54 crores (2016-17: ₹ 20.01 crores) has been accounted.

31.3: Approval of Government of India for Budgetary Support amounting to ₹ 756.34 crores (2016-17: ₹ 1,272.57 crores) has been received and the same has been accounted under 'Recovery under Subsidy Schemes'.

(₹ / Crores)

	2017-18	2016-17
32: Other Operating Revenues		
Rent Recoveries	565.57	116.96
Net Recovery for LPG Filling Charges	1.33	2.40
Miscellaneous Operating Income	295.81	265.14
	862.71	384.50

(₹ / Crores)

	2017-18	2016-17
33: Other Income		
Interest Income on Financial Assets carried amortized cost:		
On Deposits	0.64	0.87
On Staff Loans	29.44	35.06
On Customers' Accounts	197.99	135.47
Interest On Current Investments carried at fair value through Profit and Loss account	370.99	374.92
Interest on Other Financial Assets carried at amortized cost	185.72	162.29
	784.78	708.61
Dividend Income from non-current equity instruments at FVOCI	33.44	27.64
Profit on Sale of Current Investment	–	32.36
Gain on Foreign Currency Transaction and Translation (net)	322.39	147.44
Fair value gain on Current Investments carried at FVTPL	–	221.77
Share of Profit / (Loss) from Petroleum India International (AOP)	(0.02)	0.94
Miscellaneous Income	387.29	245.63
	743.10	675.78
	1,527.88	1,384.39



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

	(₹ / Crores)	
	2017-18	2016-17
34: Cost of Materials Consumed		
Cost of Raw Materials Consumed	51,114.77	45,013.15
Packages Consumed	250.71	259.98
	51,365.48	45,273.13
	(₹ / Crores)	
	2017-18	2016-17
35: Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (Increase)/ Decrease		
Closing Stock:		
Work-in-progress	740.15	443.67
Finished Goods	5,955.96	6,032.39
Stock-in-trade	7,570.25	8,456.30
	14,266.36	14,932.36
Opening Stock:		
Work-in-progress	443.67	229.40
Finished Goods	6,032.39	6,778.26
Stock-in-trade	8,456.30	3,562.18
	14,932.36	10,569.84
	666.00	(4,362.52)
	(₹ / Crores)	
	2017-18	2016-17
36: Employee Benefits Expense		
Salaries, Wages, Bonus, etc.	2,316.34	2,007.70
Contribution to Provident Fund	143.79	130.84
Pension, Gratuity and Other Employee Benefits	217.03	516.55
Employee Welfare Expenses	215.41	314.26
	2,892.57	2,969.35
	(₹ / Crores)	
	2017-18	2016-17
37: Finance costs		
Interest	518.31	490.05
Exchange differences regarded as an adjustment to borrowing costs	41.75	–
Other Borrowing Costs (refer note 37.1)	57.82	119.19
	617.88	609.24

37.1 : Includes interest u/s 234B / 234C of Income Tax Act, 1961 for an amount ₹ 10.20 crores (2016-17 : ₹ 26.73 crores).



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ / Crores)

	2017-18	2016-17
38: Other Expenses		
Consumption of Stores, Spares and Chemicals	250.19	304.47
Power and Fuel	2,618.55	2,260.73
Less : Fuel of own production consumed	2,259.39	2,118.83
	359.16	141.90
Repairs and Maintenance - Buildings	49.39	50.71
Repairs and Maintenance - Plant & Machinery	934.51	839.05
Repairs and Maintenance - Other Assets	383.07	324.48
Insurance	58.83	64.87
Rates and Taxes	245.05	174.42
Irrecoverable Taxes and Other Levies	454.37	376.42
Equipment Hire Charges	2.62	1.53
Lease Rentals on Operating Lease	371.62	338.72
Travelling and Conveyance	224.55	203.75
Printing and Stationery	19.06	18.44
Electricity and Water	796.67	733.94
Corporate Social Responsibility (CSR) Expenses	156.87	108.11
Stores & spares written off	0.57	12.14
Loss on Sale of Current Investment	60.24	-
Fair value Loss on Current Investments carried at FVTPL	25.09	-
Loss on Disposal / write off of Non - Current Investments	0.03	-
Provision for Doubtful Receivables (After adjusting provision no longer required written back ₹ 2.61 crores, 2016-17: ₹ 5.40 crores)	82.91	0.66
Provision for Doubtful Debts (After adjusting provision no longer required written back ₹ 0.21 crores, 2016-17: ₹ 0.52 crores)	(31.46)	1.57
Bad Debts written off	49.86	5.26
Loss on Sale / write off of Property, Plant & Equipment / CWIP / Non current assets held for sale (Net)	4.55	6.54
Security Charges	253.64	165.61
Advertisement & Publicity	169.63	156.92
Sundry Expenses and Charges (Not otherwise classified)	567.79	570.20
Consultancy & Technical Services	53.20	66.56
Exchange Rate Variation (Net)	0.72	0.74
Payments to the auditor for:		
- Audit Fees	0.95	0.75
- Other Services	0.27	0.24
- Reimbursement of expenses	0.03	0.09
	5,543.98	4,668.09



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Note 39: Fair Value Measurements

39.A Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified as at Fair value through Profit and Loss (FVTPL), Fair value through Other Comprehensive Income (FVTOCI) and Amortized Cost.

(₹ / Crores)

	Carrying amount					
	31.03.2018			31.03.2017		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
(a) Investments						
- Investment in Equity Instruments		576.00			594.88	
- Investment in Debt Instruments	4,999.38			5,100.96		
- Others	0.05		–	7.83		0.02
(b) Loans & Advances						
- Employee Loans			337.24			316.71
- Loans to Related Parties			–			75.00
- Others			171.48			139.83
(c) Trade receivables			5,587.02			4,091.66
(d) Cash and cash equivalents			121.52			111.47
(e) Other Bank Balances			1,183.66			24.93
(f) Derivative Assets	92.09			58.41		
(g) Amounts recoverable under subsidy schemes			527.01			1,218.25
(h) Others			5,285.31			3,040.58
Total	5,091.52	576.00	13,213.24	5,167.20	594.88	9,018.45
Financial liabilities						
(a) Borrowings						
- Non-convertible debentures			–			975.00
- Foreign Currency Bonds			3,246.88			–
- Oil Industry Development Board			188.06			283.75
- Syndicated Loans from Foreign Banks			7,346.82			9,647.52
- Long term loans from banks			290.84			309.42
- Cash Credit			2,557.46			1,763.70
- Short term loans from banks			2,737.56			–
- Clean Loans			2,600.00			1,200.00
- Collateral Borrowing and Lending Obligation			1,489.47			1,489.51
- Commercial papers			1,494.93			6,461.17
(b) Trade Payables			15,845.91			12,699.66
(c) Deposits from Consumers			12,416.93			10,996.83
(d) Derivative Liability	19.94			1.75		
(e) Others			714.16			745.51
Total	19.94	–	50,929.02	1.75	–	46,572.07



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

39.B Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the Financial Assets and Financial Liabilities that are recognised and measured at fair value and at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, Group has classified its Financial Assets and Financial Liabilities into the three levels prescribed under the accounting standard. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. An explanation of each level is provided under Significant Accounting Policy

(₹ / Crores)

	31.03.2018			31.03.2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments						
- Investment in Equity Instruments	576.00			594.88		
- Investment in Debt Instruments	4,999.38			5,100.96		
- Others	–	0.05		0.02	7.83	
Loans & Advances						
- Employee Loans		337.24			316.71	
Derivative Assets		92.09			58.41	
Total	5,575.38	429.38	–	5,695.86	382.95	–
Financial liabilities						
Borrowings						
- Non-convertible debentures		–			990.66	
- Foreign Currency Bonds		3,125.75			–	
- Oil Industry Development Board Loan		190.39			290.99	
Derivative Liabilities		19.94			1.75	
Total	–	3,336.08	–	–	1,283.40	–

39.C Valuation techniques used to determine Fair Value

Type	Valuation technique
Derivative instruments - forward exchange contracts	Discounted cash flow i.e. fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract.
Commodity derivatives	Fair value of commodity derivative contracts is estimated by determining the difference between the contractual price and the current forward price for the residual maturity of the contract.
Derivative instruments - interest rate swap	Discounted cash flows i.e. Present value of expected receipt/payment.
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

40: Financial risk management

40.A Risk management framework

Your Group has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk conscious manner. There are defined processes for identification, assessment and mitigation of risks on an ongoing basis. Risk assessment is considered as critical input for decision making related to strategy formulation and capital allocation. Your Group has also leveraged technology to integrate and automate the entire process of enterprise risk management. The Group has also engaged the services of an independent expert to assist in continued implementation of effective Risk Management framework and improve the framework further. These self-regulatory ERM processes and procedures form part of our Risk Management Charter and Policy, 2007.

Risk Management Steering Committee (RMSC) continues to provide its guidance in this regard. Your Group 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 identified framework.

40.B Group has identified financial risk and categorised them in three parts viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category and how Group manages the risk is explained in following notes:

40.B.1 Credit risk :

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

At 31.03.2018, the Group's most significant customer accounted for ₹ 1109.30 crores of the trade receivables carrying amount (31.03.2017 : ₹ 1,068.86 crores).

The Group uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

(₹ / Crores)

	31.03.2018			31.03.2017		
	Gross carrying amount	Weighed average loss rate	Loss allowance	Gross carrying amount	Weighed average loss rate	Loss allowance
Past due 0-90 days	5,233.08	0.03%	1.83	3,721.96	0.06%	2.26
Past due 91-360 days	353.44	0.42%	1.47	355.79	0.62%	2.20
More than 360 days	133.79	97.05%	129.85	178.67	89.72%	160.31
	5,720.31		133.15	4,256.42		164.77



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Balance as at 01.04.2016	163.47
Add : Impairment loss recognised	5.48
Less : Amounts written off	4.18
Balance as at 31.03.2017	164.77
Add : Impairment loss recognised	15.09
Less : Amounts written off	46.71
Balance as at 31.03.2018	133.15

The amounts written off at each reporting date relates to customers who have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 121.52 crores at March 31, 2018 (March 31, 2017: ₹ 111.47 crores).

The cash and cash equivalents are held with consortium banks. Group invests its surplus funds in bank fixed deposit, Govt of India T-bills and liquid Schemes of Mutual Funds, which carry no mark to market risks for short duration and exposes the Group to low credit risk.

Derivatives

The forex and interest rate derivatives were entered into with banks having an investment grade rating and exposure to counter-parties are closely monitored and kept within the approved limits. Commodity derivatives are entered with reputed Counterparties in the OTC (Over-the-Counter) Market.

Investment in debt securities

Investment in debt securities are in government securities or bonds which do not carry any credit risk, being sovereign in nature.

Other than trade receivables, the Group has no other financial assets that are past due but not impaired.

40.B.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Group has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Group has adequate borrowing limits in place duly approved by its Shareholders and Board. Group's sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks and liquid investment portfolio. Group ensures that there is minimal concentration risk by diversifying its portfolio across instruments and counterparties. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) Financing arrangements

The Group has an adequate fund and non-fund based lines from various banks. The Group has sufficient borrowing limits in place duly, approved by its Shareholders and Board. Domestic and international credit rating from reputed credit rating agencies enables access of funds both from domestic as well as international market. Group's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. Group diversifies its capital structure with a mix of instruments and financing products across varying maturities and currencies. The financing products include syndicated loans, foreign currency bonds, commercial paper, non-convertible debentures, buyer's credit loan, clean loan etc. Group taps domestic as well as foreign debt markets from time to time to ensure appropriate funding mix and diversification of geographies.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ / Crores)

	Contractual cash flows					
	31.03.2018			31.03.2017		
	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years
Non-derivative financial liabilities						
Borrowings and interest thereon	12,771.02	6,277.82	5,349.83	15,400.55	5,038.40	3,022.97
Trade payables	15,845.91	–	–	12,699.66	–	–
Other financial liabilities	714.16	–	12,416.93	745.51	–	10,996.83
Total	29,331.09	6,277.82	17,766.76	28,845.72	5,038.40	14,019.80
Derivative financial liabilities						
Interest rate swaps	(31.88)	(41.93)	–	10.75	9.86	0.54
Commodity contracts (net settled)	(19.76)	–	–	5.14	–	–
Total	(51.64)	(41.93)	–	15.89	9.86	0.54

40.B.3 Market Risk - Market Risk is further categorised in (i) Currency risk , (ii) Interest rate risk & (iii) Commodity risk:

40.B.3.1 Currency risk:

The Group is exposed to currency risk mainly on account of its borrowings and import payables in foreign currency. Our exposures are mainly denominated in U.S. dollars. The Group has used generic derivative contracts to mitigate the risk of changes in foreign currency exchange rates in line with Group's forex risk management policy. The Group has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Group does not uses derivative financial instruments for trading or speculative purposes.

Exposure to currency risk - The currency profile of financial assets and financial liabilities is as below:

(₹ / Crores)

	31.03.2018		31.03.2017	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial assets				
Non-current investments	576.05	–	594.95	–
Current investments	4,999.38	–	5,108.74	–
Long-term loans	444.84	–	406.05	–
Short-term loans	63.88	–	125.49	–
Trade receivables	5,441.93	145.09	4,010.85	80.81
Cash and Cash Equivalents	121.52	–	111.47	–
Other Bank Balances	1,183.66	–	24.93	–
Others Non Current Financial Assets	–	–	–	–
Others Current Financial Assets	5,904.43	–	4,317.24	–
Net exposure for assets - A	18,735.69	145.09	14,699.72	80.81



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

	31.03.2018		31.03.2017	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial liabilities				
Long term borrowings	478.90	10,593.70	2,117.13	9,098.55
Short term borrowings	8,141.86	2,737.56	10,914.38	–
Trade Payables	10,254.57	5,591.34	7,694.37	5,005.29
Other Financial Liabilities	13,151.03	–	11,744.09	–
Net exposure for liabilities - B	32,026.36	18,922.60	32,469.97	14,103.84
Net exposure (Assets - Liabilities)(A - B)	13,290.67	18,777.51	17,770.25	14,023.03

The following exchange rates have been applied during the year:

INR	31.03.2018	31.03.2017
USD 1	65.1800	64.8550

Sensitivity analysis:

The table below show sensitivity of open forex exposure to USD/INR movement. We have considered 1% (+/-) change in USD/INR movement, increase indicates appreciation in USD/INR whereas decrease indicates depreciation in USD/INR. The indicative 1% movement is directional and does not reflect management's forecast on currency movement.

(₹ / Crores)

Effect in INR	Impact on profit or loss due to 1 % increase / decrease in currency			
	Increase		Decrease	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
1% movement	1%	1%		
USD	187.78	(187.78)	140.23	(140.23)

40.B.3.2 Interest rate risk

Group has long-term foreign currency syndicated loans with floating rate, which expose the Group to cash flow interest rate risk. The borrowings at floating rate were denominated in USD. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals (i.e. quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Group monitors the interest rate movement and manages the interest rate risk based on the Group's Forex Risk Management Policy. The Group also has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Group does not uses derivative financial instruments for trading or speculative purposes.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Following is the derivative financial instruments to hedge the interest rate risk as of dates:

(₹ / Crores)

Category	Instrument	Currency	Cross Currency	31.03.2018	31.03.2017
Hedges of floating rate foreign currency loans (\$ 600 mn (31.03.2017: \$ 530 mn))	Interest rate swaps	USD	INR	3,910.80	3,437.32

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Interest rate risk exposure

Group's interest rate risk arises mainly from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(₹ / Crores)

	Carrying amount	
	31.03.2018	31.03.2017
Fixed-rate instruments		
Financial assets	6,290.42	5,301.12
Financial liabilities	11,576.80	12,173.13
Variable-rate instruments		
Financial assets	1,229.49	1,143.23
Financial liabilities	10,084.38	9,647.52

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ / Crores)

	Profit or loss			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Floating rate borrowings	(17.19)	17.19	(21.15)	21.15
Interest rate swaps (notional principal amount)	8.62	(8.62)	8.71	(8.71)
Cash flow sensitivity (net)	(8.58)	8.58	(12.44)	12.44

40.B.3.3 Commodity Risk

The Group's Profitability is exposed to the risk of fluctuation in prices of Crude Oil and Petroleum products in international markets. Group monitors and reduces the impact of the volatility in International Oil prices based on approved Oil Price Risk Management Policy by entering into derivative contracts in the OTC market.

The Group also has Oil Price Risk Management Committee (OPRMC) which actively reviews and monitors risk management principles, policies and risk management activities.

Category-wise quantitative break-up of Commodity derivative contracts entered into by the Group and Outstanding as at balance sheet date is given below:

	Quantity (in Mn Barrels)	
	31.03.2018	31.03.2017
Crude/Product Swaps	3.05	0.71

The sensitivity to a reasonable possible change of 10% in the price of crude/product swaps on the outstanding commodity hedging positions as on Balance sheet date would increase/decrease the profit or loss by amounts shown below. This 10% movement is directional and does not reflect any forecast of price movement.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

	Effect on Profit before Tax (₹/crores)			
	10%	10%	10%	10%
	Increase	Decrease	Increase	Decrease
	31.03.2018		31.03.2017	
Crude/Product Swaps	(16.27)	16.27	(0.21)	0.21

40.B.3.4 Price risk

The Group's exposure to equity investment price risk arises from investment held by the Group. The Group has designated these investment at fair value through other comprehensive income because these investments represent the investments that the Group intends to hold for long-term strategic purposes.

Sensitivity

The table below summarises the impact of increases/decreases in prices on Other comprehensive Income for the period.

(₹ / Crores)

	Equity Instruments through OCI			
	1%	-1%	1%	-1%
	31.03.2018		31.03.2017	
Equity Investment in Oil India Ltd. & Scooters India Ltd.	5.76	(5.76)	5.95	(5.95)

40.B.3.5. Offsetting

The following table presents the recognised financial instruments that are eligible for offset and other similar arrangements but are not offset, as at 31.03.2018, 31.03.2017. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights are exercised.

(₹ / Crores)

	Effect of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial Instrument collateral	Net Amount
March 31, 2018					
Financial assets					
Trade Receivables	9,273.19	(3,686.17)	5,587.02	(109.30)	5,477.72
Other Current Financial Assets	5,904.42	–	5,904.42	–	5,904.42
Financial liabilities					
Trade Payables	19,532.08	(3,686.17)	15,845.91	–	15,845.91
Other Current Financial Liabilities	14,567.21	–	14,567.21	(109.30)	14,457.91
March 31, 2017					
Financial assets					
Trade Receivables	5,181.87	(1,090.21)	4,091.66	(234.21)	3,857.45
Other Current Financial Assets	4,317.23	–	4,317.23	–	–
Financial liabilities					
Trade Payables	13,789.87	(1,090.21)	12,699.66	–	12,699.66
Other Current Financial Liabilities	15,841.54	–	15,841.54	(234.21)	15,607.33



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

41: Tax expense

(a) Amounts recognised in profit and loss

	(₹ / Crores)	
	2017 - 18	2016 - 17
Current tax expense		
Current year	2,570.98	2,236.24
Changes in estimates relating to prior years	(82.86)	(285.21)
Deferred tax expense		
Origination and reversal of temporary differences	466.57	777.84
Changes in estimates relating to prior years	(62.83)	232.73
Tax expense recognised in the income statement	2,891.86	2,961.60

(b) Amounts recognised in other comprehensive income

	2017 - 18			2016 - 17		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	86.59	(29.99)	56.60	(23.65)	8.20	(15.45)

(c) Reconciliation of effective tax rate

	31.03.2018		31.03.2017	
	%	₹ / Crores	%	₹ / Crores
Profit before tax		10,110.14		11,197.42
Tax as per Corporate Tax Rate	34.608%	3,498.91	34.608%	3,875.20
Tax effect of:				
Non-deductible tax expenses	0.566%	57.23	-0.087%	(9.69)
Tax-exempt income	-0.530%	(53.56)	-0.987%	(110.56)
Interest expense u/s 234B/C not deductible for tax purposes	0.035%	3.53	0.083%	9.25
Deduction for research and development expenditure	-0.629%	(63.62)	-0.768%	(85.97)
Investment allowance claim	0.000%	-	-0.907%	(101.59)
Share in profit/ loss of equity accounted investees	-4.524%	(457.42)	-7.167%	(802.55)
Losses of Subsidiary not available for set-off in Group profit	0.311%	31.44	0.734%	82.24
Deferred tax assets on Unrealised profits	0.114%	11.51	0.158%	17.69
Deferred tax Liability on Undistributed earnings	0.351%	35.50	1.178%	131.87
Adjustments recognised in current year in relation to the current tax of prior years	-1.441%	(145.69)	-0.469%	(52.48)
Increase in rate on account of deferred tax	0.040%	4.03		
Amounts directly recognised in OCI	-0.297%	(29.99)	0.073%	8.20
Income Tax Expense	28.604%	2,891.86	26.449%	2,961.60



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(d) Movement in deferred tax balances

(₹ / Crores)

	Net balance 01.04.2017	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2018
Deferred Tax Asset				
Provision for Employee Benefits	256.05	(104.76)	5.09	156.38
Current investments	89.38	9.82	–	99.20
MAT Credit	316.87	(316.87)	–	–
Provision for Doubtful Debts & Receivables	88.26	18.78	–	107.04
Disallowance u/s 43B	101.15	121.57	–	222.72
Others	20.17	5.50	–	25.67
	871.88	(265.96)	5.09	611.01
Deferred Tax Liabilities				
Property, plant and equipment	6,738.83	424.09	–	7,162.92
Undistributed earnings	266.53	(29.56)	–	236.97
Others	15.79	0.15	–	15.94
	7,021.15	394.68	–	7,415.83
Deferred Tax (Assets) / Liabilities	6,149.27	660.64	(5.09)	6,804.82
	Net balance 01.04.2016	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2017
Deferred Tax Asset				
Provision for Employee Benefits	211.83	41.68	2.54	256.05
Current investments	166.78	(77.40)	–	89.38
MAT Credit	429.57	(112.70)	–	316.87
Provision for Doubtful Debts & Receivables	87.59	0.67	–	88.26
Disallowance u/s 43B	102.42	(1.27)	–	101.15
Others	75.93	(55.76)	–	20.17
	1,074.12	(204.78)	2.54	871.88
Deferred Tax Liabilities				
Property, plant and equipment	5,866.68	872.15	–	6,738.83
Undistributed earnings	145.39	121.14	–	266.53
Others	96.25	(80.46)	–	15.79
	6,108.32	912.83	–	7,021.15
Deferred Tax Assets (Liabilities)	5,034.20	1,117.61	(2.54)	6,149.27

- (e) Current Tax includes MAT Credit utilisation of ₹ 406.58 Crores (2016-17: ₹ 327.03 Crores).
- (f) The recognition of MAT Credit Entitlements of ₹ Nil Crores as at March 31, 2018 (₹ 316.87 Crores as at March 31, 2017) 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.
- (g) Provision for tax for earlier years written back (net) of ₹ 145.68 Crores (2016-17: ₹ 52.48 Crores) represents additional provision towards current tax of ₹ 54.71 Crores (2016-17 : ₹ (216.40) Crores), reversal towards deferred Tax of ₹ 62.83 Crores (2016-17: ₹ (232.73) Crores) and recognition of MAT credit Entitlements of ₹ 137.56 Crores (2016-17: ₹ 68.81 Crores).



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

42 : Leases

Operating Lease

Leases as lessee

The Group enters into cancellable/non-cancellable operating lease arrangements for land, office premises, staff quarters and others. Payments made under operating leases are generally recognised in statement of Profit and Loss based on corresponding periods contractual terms of the lease, since the Group considers it to be more representative of time pattern of benefits flowing to it. The lease rentals paid for the same are charged to the Statement of Profit and Loss. The Lease payments for operating leases have been charged to Statement of Profit and Loss as per Ind AS 17 'Leases'. For the purpose of determining the expected inflationary cost increases, the management has assessed the expected general inflation rate over the lease periods. The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were payable as follows:

	(₹ / Crores)	
	31.03.2018	31.03.2017
Less than one year	17.36	14.14
Between one and five years	66.69	57.07
More than five years	501.60	401.18
	585.65	472.39

ii. Amounts recognised in profit or loss

	(₹ / Crores)	
	31.03.2018	31.03.2017
Lease expense	371.62	338.72

43 : Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders

	(₹ / Crores)	
	31.03.2018	31.03.2017
Profit attributable to equity holders for basic and diluted earnings per share	7,218.28	8,235.82

ii. Weighted average number of ordinary shares

	31.03.2018	31.03.2017
Issued ordinary shares at April 1	1,01,58,81,750	1,01,58,81,750
Effect of shares issued as Bonus Shares*	50,79,40,875	50,79,40,875
Weighted average number of shares for basic and diluted earnings per shares	1,52,38,22,625	1,52,38,22,625
Basic and Diluted earnings per share (₹)	47.37	54.05

* During Financial Year 2017-18, the Corporation had issued Bonus Shares in the ratio of 1:2 by capitalization of Reserve. The EPS for FY 2017-18 and FY 2016-17 has been appropriately adjusted.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

44 : Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using debt equity ratio. The Group's debt to equity ratio at March 31, 2018 is as follows.

	31.03.2018	31.03.2017
Long Term Borrowings (refer note # 21) (₹ / Crores)	11,072.60	11,215.69
Total Equity (refer note # 19 and 20) (₹ / Crores)	25,532.44	21,071.43
Debt to Equity ratio	0.43	0.53

45 : Dividends

	(₹ / Crores)	
	31.03.2018	31.03.2017
(i) Dividends paid during the year		
Final dividend for the year ended 31.03.2017 of ₹ 1.10 (31.03.2016 ₹ 16.00) per fully paid share. This included Dividend distribution tax of ₹ 22.75 crores (31.03.2016: ₹ 110.30 crores).	134.50	652.10
First Interim dividend for the year ended 31.03.2018 of ₹ 14.50 (31.03.2017 ₹ 22.50) per fully paid share. This included Dividend distribution tax of ₹ 449.81 crores (31.03.2017 ₹ 465.32 crores)	2,659.35	2,751.05
Second Interim dividend for the year ended 31.03.2018 of Nil (31.03.2017 ₹ 6.40) per fully paid share. This included Dividend distribution tax of Nil (31.03.2017 ₹ 132.36 crores)	–	782.53
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 2.50 per fully paid equity share (31.03.2017 – ₹ 1.10). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	380.96	111.75
Dividend distribution tax on above	78.31	22.75

46 : (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.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

47 : 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	2017-18	2016-17
1.	Amounts payable to "suppliers" under MSMED Act, as on 31/03/18: -		
	- Principal	172.81	22.76
	- Interest	-	-
2.	Amounts paid to "suppliers" under MSMED Act, beyond appointed day during FY 2017-18 (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	-	-

48. Related Party Disclosure:

A. Names of and Relationship with Related Parties

1. Jointly controlled entities

- i. HPCL-Mittal Energy Ltd.
- ii. Hindustan Colas Pvt. Ltd.
- iii. South Asia LPG Company Pvt. Ltd.
- iv. Petronet India Ltd.
- v. HPCL Shapoorji Energy Pvt. Ltd.

2. The Company has not included disclosure in respect of following related parties which are Govt. related entities as per Ind AS 24.

i. Holding Company

1. Oil & Natural Gas Corporation Ltd. (w.e.f. 31st January 2018)

ii. Subsidiaries

1. HPCL Biofuels Ltd.
2. Prize Petroleum Company Ltd. (PPCL)
3. Prize Petroleum International Pte. Ltd. (a wholly owned subsidiary of PPCL)
4. HPCL Middle East FZCO (incorporated on 11th February 2018)



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

iii. Jointly controlled entities

1. CREDA-HPCL Biofuels Ltd. (dissolved w.e.f. 08th March 2018)
2. HPCL Rajasthan Refinery Ltd.
3. Bhagyanagar Gas Ltd.
4. Petronet MHB Ltd.
5. Mumbai Aviation Fuel Farm Facility Pvt. Ltd.
6. Godavari Gas Pvt. Ltd
7. Aavantika Gas Ltd.
8. Ratnagiri Refinery & Petrochemicals Ltd. (incorporated on 22nd September 2017)
9. Ujjwala plus foundation

iv. Associates

1. GSPL India Gasnet Ltd.
2. GSPL India Transco Ltd.
3. Mangalore Refinery and Petrochemicals Ltd.

v. Fellow Subsidiaries

1. ONGC Mangalore Petrochemicals Ltd.

3. Key Management Personnel

- i. Shri Mukesh Kumar Surana, Chairman and Managing Director
- ii. Shri Pushp Kumar Joshi, Director - Human Resources
- iii. Shri J Ramaswamy, Director - Finance
- iv. Shri S Jeyakrishnan, Director - Marketing
- v. Shri Vinod S Shenoy, Director - Refineries
- vi. Shri Shrikant Madhukar Bhosekar, Company Secretary

4. Independent Directors

- i. Shri Ram Niwas Jain
- ii. Smt. Asifa Khan
- iii. Shri G V Krishna
- iv. Dr. Trilok Nath Singh
- v. Shri Amar Sinha (from 21.09.2017)
- vi. Shri Siraj Hussain (from 21.09.2017)

5. Government Directors

- i. Shri Sandeep Poundrik
- ii. Smt. Sushma Taishete (from 05.12.2017)
- iii. Smt. Urvashi Sadhwani (till 24.11.2017)



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

B. Details of transactions with related parties

1. Transaction with Jointly controlled entities

		(₹ / Crores)	
No.	Nature of Transactions	2017-18	2016-17
(i)	Sale of goods		
	HPCL-Mittal Energy Ltd.	59.79	86.61
	Hindustan Colas Pvt. Ltd.	324.37	332.48
	South Asia LPG Company Pvt. Ltd.	0.09	0.17
		384.25	419.26
(ii)	Purchase of goods		
	HPCL-Mittal Energy Ltd.	24,443.26	23,101.18
	Hindustan Colas Pvt. Ltd.	71.62	115.34
		24,514.88	23,216.52
(iii)	Dividend income received		
	Hindustan Colas Pvt. Ltd.	47.25	16.54
	South Asia LPG Company Pvt. Ltd.	72.50	32.50
	Petronet India Ltd.	0.72	3.68
		120.47	52.72
(iv)	Services given (Manpower Supply Service)		
	HPCL-Mittal Energy Ltd.	0.55	0.42
	Hindustan Colas Pvt. Ltd.	2.60	2.03
	South Asia LPG Company Pvt. Ltd.	1.18	1.21
		4.33	3.66
(v)	Lease rental received		
	HPCL-Mittal Energy Ltd.	1.20	1.20
	Hindustan Colas Pvt. Ltd.	0.23	0.23
	South Asia LPG Company Pvt. Ltd.	1.05	0.87
		2.48	2.30
(vi)	Others (Services provided)		
	HPCL-Mittal Energy Ltd.	18.06	14.25
	Hindustan Colas Pvt. Ltd.	3.19	3.02
	South Asia LPG Company Pvt. Ltd.	–	0.58
		21.25	17.85
(vii)	Others (Services availed)		
	HPCL-Mittal Energy Ltd.	12.25	15.60
	Hindustan Colas Pvt. Ltd.	1.16	2.36
	South Asia LPG Company Pvt. Ltd.	120.19	125.12
		133.60	143.08
(viii)	Purchases of Equity shares of M/s Petronet MHB Ltd. from Petronet India Ltd	–	26.09
(ix)	Investment in equity shares / Converted to Equity Shares		
	HPCL Shapoorji Energy Pvt. Ltd.	7.00	1.50
		7.00	1.50



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ / Crores)

No.	Nature of Transactions	31.03.2018	31.03.2017
(x)	Receivables as on		
	HPCL-Mittal Energy Ltd.	9.90	8.28
	Hindustan Colas Pvt. Ltd.	6.02	10.82
	South Asia LPG Company Pvt. Ltd.	0.21	0.12
		16.13	19.22
(xi)	Payables as on		
	HPCL-Mittal Energy Ltd.	1,997.46	1,321.25
	Hindustan Colas Pvt. Ltd.	19.51	25.74
	South Asia LPG Company Pvt. Ltd.	9.58	13.94
		2,026.55	1,360.93

C. Transactions with other government-controlled entities

The Group is a Government related entity engaged primarily in the business of refining of crude oil and marketing of petroleum products. The Group also deals on regular basis with entities directly or indirectly controlled by the central/state governments through its government authorities, agencies, affiliations and other organizations (collectively referred as "Government related entities").

The Group has transactions with other Government related entities, including but not limited to the followings:

- sale and purchase of products;
- rendering and receiving services;
- lease of assets;
- depositing and borrowing money; and
- use of public utilities

These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not Government related.

D. Remuneration paid to Key Management Personnel*

(₹ / Crores)

No.	Description	2017-18	2016-17
(i)	Short – Term Employee Benefits	4.04	3.66
(ii)	Post – Employment Benefits	–	0.23
		4.04	3.89

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



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

E. Amount due from Key Management Personnel

(₹ / Crores)

No.	Description	31.03.2018	31.03.2017
(i)	Shri Mukesh Kumar Surana	0.10	0.11
(ii)	Shri Pushp Kumar Joshi	0.05	0.06
(iii)	Shri J Ramaswamy	–	0.01
(iv)	Shri S Jeyakrishnan	0.32	0.26
(v)	Shri Vinod S Shenoy	0.08	0.09
(vi)	Shri Shrikant Madhukar Bhoosekar	0.13	0.04
		0.68	0.57

F. Sitting Fee paid to Non-Executive Directors:

(₹ / Crores)

Details of Meeting	Shri Ram Niwas Jain	Smt. Asifa Khan	Shri G V Krishna	Dr. Trilok Nath Singh	Shri Amar Sinha	Shri Siraj Hussain
Board	0.05	0.05	0.04	0.04	0.03	0.02
Audit Committee	0.03	–	0.02	0.00	–	–
HR / Remuneration Committee	0.01	–	0.01	0.00	–	–
Investor Grievance Committee	–	0.01	–	0.01	–	–
Investment Committee	0.02	0.02	–	0.02	–	–
CSR Committee	0.01	–	0.01	–	–	–
Corporate presentation	0.01	0.00	0.00	0.01	–	–
Independent Directors Meeting	0.00	0.00	–	–	0.00	0.01
Total Sitting Fees paid	0.13	0.08	0.08	0.08	0.03	0.03

49 : The Group has entered into production sharing oil & gas exploration contracts in India in consortium with other body corporate. These consortia are:

Name of the Block	Participating Interest of HPCL in %	
	31.03.2018	31.03.2017
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



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Name of the Block	Participating Interest of HPCL in %	
	31.03.2018	31.03.2017
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
In respect of PPCL		
In India		
SR ONN 2004/1	10	10
AA ONN 2010/1	20	20
Sanganpur Field	50	50
Outside India		
Yolla Field (Australia) Licence T/L-1	11.25	11.25
Trefoil Field (Australia) Permit T/18P	9.75	9.75

In Respect of HPCL

- Blocks RJ-ONN-2004/3 and MB-OSN-20010/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2017. The Blocks RJ-ONN-2004/1, KK-DWN-2002/2, MB-OSN-2004/1 and MB-OSN-2004/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2016. Blocks CY-DWN-2004/1,2,3,4, CY-PR-DWN-2004/1&2, KG-DWN-2004/1,2,3,5 and 6 are under relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2015. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2018.
- The Blocks AA-ONN-2003/3 and KK-DWN-2002/3 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2011 and March 31, 2012 respectively. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2018.
- 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. Addendum to Sanand FDP (Field development plan) for additional discovery in Kalol reservoir has



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

been submitted. Production from SE#3 and SE#4 wells of the Block has been started during the year. Audited financial statements of the block has been received upto March 31, 2017. 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, 2018.

d) In respect of Cluster – 7, the matter is under arbitration (refer Note No. 53.1)

b) In respect of PPCL

1.1 ONGC Onshore Marginal Fields

The Company was awarded Service Contracts dated 28th April, 2004, for development of ONGC's Hirapur, Khambel and West Bechraji onshore marginal oil fields.

The Company executed Agreements for development of Hirapur, Khambel and West Bechraji onshore marginal fields with Valdel Oil and Gas Private Limited (VALDEL) with equal share in the Service Contracts. The Service Contracts in respect of Khambel and West Bechraji had been terminated in February, 2009 by ONGC and the Service Contract with respect to Hirapur field is operating currently. The Company's share of assets and liabilities as at 31st March 2018 and the Income and expenditure for the year in respect of above joint venture is as follows:

Particulars	(₹ / Crores)	
	2017-18	2016-17
A Property, Plant & Equipment (Gross)	9.98	9.98
B Intangible asset under development	1.36	1.36
C Other Net Non-Current Assets	0.03	(0.02)
D Net Current Assets (*)	1.58	1.39
E Income	0.91	1.02
F Expenditure	1.22	1.27

(*) Includes receivable from joint venture amounting to ₹ 1.06 Crs. (for 2016-17 – ₹ 0.82 Crs.).

1.2 Sangapur Field

The Company acquired 50% participating interest in Sangapur field from M/s Hydrocarbon Development Company Pvt. Ltd. (HDCPL) effective 1st September, 2004. Accumulated amount prior to acquisition of Sangapur field amounting ₹ 1,18,17,034/- have been included in Sangapur field Assets. The Company has accounted its proportionate share in the Sangapur field based on estimated un-Audited accounts as at 31st March, 2017.

Bombay High Court vide order dated 14th Nov, 2014 in Company Petition 550 of 2013 has passed order for appointment of liquidator for assets and business of Company M/s HDCPL. This petition was filed by ETA Star Golding limited for non-payment of its invoices by M/s HDCPL. Said order of Bombay High Court was challenged before its Division Bench and is still pending before the Court.

MoP&NG vide its letter dated June 2, 2017 has terminated the PSC. Accordingly, Company has created a 'Provision for Write-off of Sangapur Assets' of ₹ 6.65 crores.

The Company's share of assets and liabilities as at 31st March 2018 and the Income, expenditure for the year in respect of above joint venture is as follows:



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ / Crores)

Particulars	2017-18	2016-17
A Property, Plant & Equipment (Gross)	5.63	5.63
B Other Net Non-Current Assets	(0.02)	(0.02)
C Net Current Assets (*)	(0.10)	(0.10)
D Income	–	0.09
E Expenditure	–	0.09

(*) Includes payable to joint venture amounting to ₹ 0.04 Crs. (for 2016-17 – ₹ 0.04 Crs.)

1.3 ONGC Offshore Marginal Fields (Cluster-7)

The Company along with Consortium member, M/s Hindustan Petroleum Corporation Limited (HPCL) (PI - 60%) and M/s M3nergy (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 M3nergy which are still in progress, hence the joint bank account has not been closed on the advise of the legal department- HPCL.

1.4 SR – ONN – 2004 / 1 (South Rewa Block):

The Company along with Consortium member M/s Jaiprakash Associates Limited (PI - 90%) was awarded PSC for the SR-ONN-2004/1 block vide letter dated 12th February, 2007 of Ministry of Petroleum & Natural Gas (MOP & NG) under NELP – VI round. The Company is the executing contractor and its PI is 10%. The PSC was signed on 2nd March, 2007.

Consortium has proposed to relinquish the block effective from 23rd October, 2014 and Operating Committee Resolution (OCR) for relinquishment of the block has been submitted to Directorate General of Hydrocarbon (DGH). DGH vide its letter dated Feb. 5, 2018 has communicated that the Block stands relinquished with effect from 23.10.2014 subject to the compliance of PSC and the P&NG rules.

The Company's share of assets and liabilities as at 31st March, 2018 in respect of above joint venture is as follows:

(₹ / Crores)

Particulars	2017-18	2016-17
A Property, Plant and Equipment (Gross)	0.00	0.00
B Intangible asset under development	–	–
C Other Net Non-Current Assets	0.00	0.00
D Net Current Assets (*)	3.21	2.81
E Expenditure	0.04	0.04

(*) Includes receivables from joint venture amounting to ₹ 2.82 Crs. (for 2016-17 – ₹ 2.42 Crs.)



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

2. Estimated Hydrocarbon Proven Reserves as on 31st March, 2018 in the Oil fields as follows:

a) Domestic Operations (Hirapur and Sangapur (On-shore Marginal Fields))

Particulars (*)	2017-18		2016-17	
	MM BBLs	MMT	MM BBLs	MMT
Recoverable Reserves	2.43	0.328	3.01	0.403

(*) The Company Share is 50% of total

(+) MoP&NG vide its letter dated June 2, 2017 has terminated the PSC. Therefore, the above mentioned recoverable reserves does not include recoverable reserves of Sangapur Field.

b) International Operations (Yolla Field, Australia – License T/L 1 – Offshore Filed)

Particulars	2017-18	2016-17
	MM BoE	MM BoE
Recoverable Reserves (*)	1.903	2.049

(*) For respective share of the company

3. Quantitative Particulars of Petroleum:

Total Dry Crude Production	2017-18 (BoE)	2016-17 (BoE)
Hirapur Field (*)	33,752	36,503
Sanganpur Field (+) (*)	–	555
Yolla Field (T/L1) Australia	4,59,269	4,29,582
Total	4,93,021	4,66,640

(*) For total share in Field.

(+) MoP&NG vide its letter dated June 2, 2017 has terminated the PSC. Therefore, no production of Sangapur Field during the FY 17-18.

50 : During 2016-17, primarily due to the fall in the international crude oil prices, the assets of PPIPL in the Bass Gas project (License T/L1 & Permit T/18P) were tested for impairment. Accordingly, PPIPL has recognized an impairment loss amounting to USD 22.98 million (₹ 149.06 Crs.) in 2016-17 and has reduced the carrying amount of these assets. The asset valuation is based on recoverable reserve production profit against various estimates and assumptions. The post-tax discount rate of 9.50% for T/L1 and 9.75% for T/18P has been used to estimate the value in use of these assets. No further impairment is considered for 2017-18.

51 : 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.

52 : During the year 2017-18, the Group has spent ₹ 156.86 Crores (2016-17: ₹ 108.11 Crores) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 126.38 crores (2016-17: ₹ 107.90 Crores).



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Head wise break up of CSR expenses are given below:

		(₹ / Crores)	
S. No.	Head of Expenses	2017-18	2016-17
1	Promoting Education	56.50	27.24
2	Promoting Preventive Health Care	15.24	11.76
3	Empowerment of Socially and Economically Backward groups	7.10	4.91
4	Promotion of Nationally recognized and Para-Olympic Sports	1.05	0.99
5	Imparting Employment by Enhancing Vocation Skills	13.38	11.48
6	Swachh Bharat Abhiyaan	37.57	10.15
7	Environment Sustainability	25.27	16.58
8	Others	0.75	25.00
	Total	156.86	108.11

Amount spent during the year 2017-18 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	153.30	3.56	156.86	

Amount spent during the year 2016-17 on:-

		(₹ / Crores)		
Details	In Cash	Yet to be paid in Cash	Total	
(i) Construction / Acquisition of an assets	–	–	–	
(ii) On purpose other than (i) above	90.37	17.74	108.11	

53 : Contingent Liabilities and Commitments

		(₹ / Crores)	
		31.03.2018	31.03.2017
I.	Contingent Liabilities		
A.	Disputed demands / claims subject to appeals / representations filed by the Group		
i.	Income Tax	119.45	147.49
ii.	Sales Tax/Octroi	2,071.18	2,145.28
iii.	Excise/Customs	374.81	345.94
iv.	Land Rentals & Licence Fees	125.16	155.97
v.	Others	48.22	67.80
		2,738.82	2,862.48
B.	Disputed demands / claims subject to appeals / representations filed against the Group		
i.	Income Tax	16.15	15.29
ii.	Sales Tax/Octroi	15.49	20.87



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

	31.03.2018	31.03.2017
iii. Excise / customs	83.08	93.39
iv. Employee Benefits/Demands (to the extent quantifiable)	220.82	210.11
v. Claims against the Group not acknowledged as Debts(refer note 53.1)	565.28	516.91
vi. Others	165.82	219.82
	1,066.64	1,076.39
C. Guarantees given to others	1,419.17	161.25

(Includes ₹ 575.67 Crores (31.03.17 : ₹ 546.27 Crores) towards share of jointly controlled entities and associates)

(Includes ₹ 237.97 Crores (31.03.17 : ₹ 239.77 Crores) towards share of jointly controlled operations)

53.1: The Group with a Participating Interest (PI) of 70% and M/s M3nergy Sdn. Bhd (M/s M3nergy) (PI-30%) were awarded service contract in March, 2006 for development of ONGC's offshore marginal oilfields of cluster-7. Group was the executing contractor. Parties provided necessary Bank Guarantees to ONGC. Since M/s M3nergy could not meet their contractual obligations, the contract was terminated by ONGC and Bank guarantees were forfeited. The Group demanded the refund of the monies forfeited towards encashment of Bank Guarantee along with other claims from M/s M3nergy. A counter claim of 42.60 Million USD equivalent to ₹ 277.67 Crores (42.60 Million USD @ Exchange rate of 1 USD = ₹ 65.18) was made by M3nergy on termination of such service contract. This amount is not included above. The matter was referred to Arbitration.

The 1st partial arbitration award was issued in favour of the Group wherein the claim of M3nergy was disallowed. This 1st Partial Award has been challenged by M/s M3nergy before the Bombay High Court and the same is pending hearing and disposal. During the year, a 2nd Partial award has been received in favour of the Group. M/s M3nergy has challenged the 2nd Partial award before the Bombay High Court. The Group is in process of filing the application for enforcement of the 2nd partial award before the Court at Malaysia. The Group's share of the award amounts to approximate ₹ 486.05 (91.30 Million USD @ exchange rate of ₹ 48.68 for a US Dollar prevailing on January 6, 2009 plus ₹ 41.6 Crores) and interest thereon. On a conservative basis, the Group has decided not to recognize the awards in the Financial Statements.

	31.03.2018	31.03.2017
II. Commitments		
Estimated amount of contracts remaining to be executed on Capital Account not provided for	22,531.30	3,921.00
(Includes ₹ 3,725.93 (31.03.17 : ₹ 296.48 Crores) towards share of jointly controlled entities and associates)		

	2017 - 18	2016 - 17
54 : Expenditure incurred on Research and Development		
- Capital	132.62	209.75
- Revenue	100.16	66.79
55 : Interest on Project borrowings capitalized*	92.38	67.26
*(weighted average cost borrowing rate used for capitalization of general borrowing (other than specific borrowings) is 7.15 % during FY 2017-18 (FY 2016-17 : 7.95%)		
56 : Exchange Differences adjusted in the carrying amount of Assets during the accounting period	5.03	(191.42)



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

57 : In compliance of Ind AS – 37 on “Provisions, Contingent Liabilities and Contingent Assets”, the required information is as under:
(₹ / Crores)

Particulars	Opening Balance as on 01.04.17	Additions	Utilization	Reversals	Closing Balance 31.03.18
Excise	0.59	–	–	–	0.59
Sales Tax	324.65	4.39	10.42	5.79	312.83
Service Tax	12.59	–	–	–	12.59
Others	410.92	71.59	13.07	2.48	466.98
Total	748.75	75.99	23.49	8.26	792.99
Less: Pre Deposit	63.21	–	–	–	63.21
Net	685.54	75.99	23.49	8.26	729.78

Particulars	Opening Balance as on 01.04.16	Additions	Utilization	Reversals	Closing Balance 31.03.17
Excise	0.59	0.00	0.00	0.00	0.59
Sales Tax	323.29	6.31	0.00	4.95	324.65
Service Tax	12.59	0.00	0.00	0.00	12.59
Others	331.22	82.12	1.97	0.45	410.92
Total	667.69	88.43	1.97	5.40	748.75
Less: Pre Deposit	–	–	–	–	63.21
Net	667.69	88.43	1.97	5.40	685.54

The above provisions are made based on estimates and expected timing of outflows is not ascertainable at this stage.

- 58 : Consequent to the deferment of the recovery of the loan given to consumers under the Pradhan Mantri Ujjwala Yojana (PMUY) scheme for next 6 refills effective 1st April 2018, the management expects recovery of outstanding loan to take place beyond a period of 1 year. These loans are therefore classified as non-current assets and the fair valuation has been computed accordingly.
- 59 : On January 31, 2018, Oil and Natural Gas Corporation Ltd. (ONGC) acquired 51.11% stake in paid up equity capital of Hindustan Petroleum Corporation Ltd (HPCL) from Govt. of India. (refer note # 18).
- 60 : On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach: Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Cumulative catch - up approach: Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

61 : Threshold limits adopted in respect of financial statements is given below:

Threshold item	Unit of measurement	Threshold limits
Capitalization of spare parts meeting the definition of property plant and equipment.	₹ Lakhs	10.00
Depreciation at 100% in the year of acquisition except LPG cylinders and pressure regulators.	₹	5,000.00
Classification as finance lease for land	Lease period (years)	More than 99
Income / expenditure pertaining to prior year (s)	₹ Crores	75.00
Prepaid expenses	₹ Lakhs	5.00
Disclosure of Contingent Liabilities	₹ Lakhs	5.00
Disclosure of Capital Commitments	₹ Lakhs	1.00

62 : Segment reporting

A. Basis for segmentation

There are no reportable segments other than downstream petroleum, as per para 13 of Ind AS - 108, Operating Segments.

- (i) Downstream Petroleum, engaged in Refining and Marketing of Petroleum products.
- (ii) Others

The Company's Chairman, the Chief Operating Decision Maker for the Group, periodically reviews the internal management reports and evaluates performance/allocates resources based on the analysis of various performance indicators relating to the segments referred to above.

B. Information about reportable segments

(₹ / Crores)

Particulars	Reportable segments				Consolidated
	Downstream	Others	Total Segments	Adjustments & Eliminations	
For the year ended March 31, 2018					
Revenue					
External Customers	2,44,084.03	178.08	2,44,262.11	–	2,44,262.11
Inter-segment	1.09	44.02	45.11	(45.11)	–
Total Revenue	2,44,085.12	222.10	2,44,307.22	(45.11)	2,44,262.11
Segment profit / (loss) [EBIT]	8,978.40	52.00	9,030.40	(408.75)	8,621.65
Interest Income / (expenses) :					
Interest Income					784.78
Interest expense					(617.88)
Profit before tax and share of Profit in equity accounted investees					8,788.55
Share of profit of equity accounted investees					1,321.59
Profit before tax (PBT)					10,110.14
Income tax expense					(2,891.86)
Profit after Tax (PAT)					7,218.28
Other Comprehensive Income (Net of Tax)					36.64
Total Comprehensive Income					7,254.92



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ / Crores)

For the year ended March 31, 2018		Reportable segments			Consolidated
Particulars	Downstream	Others	Total Segments	Adjustments & Eliminations	
Segment Assets	88,497.37	1,174.39	89,671.76		89,671.76
Segment Liabilities	62,956.63	1,182.69	64,139.32		64,139.32
Other disclosures:					
Depreciation and amortization	2,752.76	81.64	2,834.40	–	2,834.40
Investment in equity accounted investees					7,306.57
Material non-cash items other than depreciation and amortisation					191.93
Capital expenditure					6,802.28

(₹ / Crores)

For the year ended March 31, 2017		Reportable segments			Consolidated
Particulars	Downstream	Others	Total Segments	Adjustments & Eliminations	
Revenue					
External Customers	2,13,869.27	419.38	2,14,288.65	–	2,14,288.65
Inter-segment	0.35	44.90	45.25	(45.25)	–
Total Revenue	2,13,869.62	464.28	2,14,333.90	(45.25)	2,14,288.65
Segment profit / (loss) [EBIT]	8,850.72	(166.99)	8,683.73	95.34	8,779.07
Interest Income / (expenses) :					
Interest Income					708.61
Interest expense					(609.24)
Profit before tax and share of Profit in equity accounted investees					8,878.44
Share of profit of equity accounted investees					2,318.98
Profit before tax (PBT)					11,197.42
Income tax expense					(2,961.60)
Profit after Tax (PAT)					8,235.82
Other Comprehensive Income (Net of Tax)					163.07
Total Comprehensive Income					8,398.89
Segment assets	79,195.95	1,123.09	80,319.04		80,319.04
Segment liabilities	58,232.21	1,015.43	59,247.64		59,247.64
Other disclosures :					
Depreciation and amortization	2,535.28	241.09	2,776.37	–	2,776.37
Investment in equity accounted investees					6,069.75
Material non-cash items other than depreciation and amortisation					262.76
Capital expenditure					5,783.04



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

C. Geographic information

The geographic information analyses the Group's revenue and non-current assets by the country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic selling location and segment assets were based on the geographic location of the respective non-current assets.

(₹ / Crores)

Geography	For the year ended 31st March 2018	For the year ended 31st March 2017
(i) Revenue		
India	2,42,506.03	2,12,832.71
Other Countries	1,756.08	1,455.94
Total Revenue	2,44,262.11	2,14,288.65
(ii) Non-Current Assets*		
India	51,293.49	45,996.74
Other Countries	216.41	255.22
Total Non-Current Assets	51,509.90	46,251.96

*non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising from insurance contracts

D. Information about major customers

In case of the corporation, approximately 18% of the revenues are derived from customers under common control.

63 : I. Summarised financial information for Joint ventures and Associates that are material to the reporting entity as per Ind AS 112 *:

(₹ / Crores)

Particulars	HMEL		MRPL	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Assets:				
Non-Current Assets	26,242.28	24,610.12	22,801.23	22,804.36
Current Assets				
Cash and Cash equivalents	6.67	72.60	440.37	246.15
Other Current Assets (excluding cash and cash equivalents)	8,862.25	7,597.07	8,532.56	9,760.58
Total (A)	35,111.20	32,279.79	31,774.16	32,811.09
Liabilities:				
Non-Current Liabilities				
Non-Current Financial Liabilities (excluding Trade / Other Payables and Provisions)	16,484.39	16,873.70	4,478.68	8,590.95
Other Non-Current Liabilities	579.76	671.83	499.15	439.08
Current Liabilities				
Current Financial Liabilities (excluding Trade / Other Payables and Provisions)	3,241.62	3,112.20	11,177.37	7,750.07
Other Current Liabilities	5,585.05	4,107.80	5,408.02	6,557.40
Total (B)	25,890.82	24,765.53	21,563.22	23,337.50



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ / Crores)

Particulars	HMEL		MRPL	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Net Assets included in Financial Statement of Joint Venture / Associate	9,220.39	7,514.26	10,210.94	9,473.59
Ownership Interest	48.99%	48.99%	16.96%	16.96%
Carrying amount of Interest in Joint Venture/Associate	4,517.30	3,681.42	1,731.27	1,606.25
Quoted Market Value of Shares	N.A.	N.A.	3,253.83	3,169.14

* The information provided above is after considering adjustment due to alignment of accounting policies and inter-company eliminations.

(₹ / Crores)

Other Information:	HMEL		MRPL	
	2017-18	2016-17	2017-18	2016-17
Revenue	39,943.06	42,488.60	63,688.06	59,989.14
Dividend Income	–	–	4.08	26.80
Interest Income	7.80	12.00	78.64	378.37
Interest Expenses	1,152.74	1,073.10	912.65	965.92
Depreciation	1,142.93	1,138.70	966.09	984.12
Income tax expenses	555.62	1,160.60	1,097.84	1,760.64
Profit / Loss for the year	1,706.63	3,209.32	1,998.81	3,462.48
Other Comprehensive Income (Net of Tax)	-0.44	-1.00	3.38	-4.78
Total Comprehensive Income for the year	1,706.18	3,208.32	2,002.19	3,457.70

II. Details of all individually immaterial equity accounted investees :

(₹ / Crores)

	Joint Venture		Associates	
	2017-18	2016-17	2017-18	2016-17
Carrying amount of Investment in equity accounted investees	972.03	727.84	85.94	54.24
Group's Share of Profit or Loss from Continuing Operations	146.33	168.32	0.25	0.22
Group's share in Other Comprehensive Income	0.11	-0.03	–	–
Group's share in Total Comprehensive Income	146.44	168.28	0.25	0.22

64 : Employee benefit obligations

A: Provident Fund

The Group's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees salary and charged to 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 Group and charged to Statement of Profit and Loss. The actual return earned by the fund has mostly been higher than the Government specified minimum rate of return in the past years. There is no shortfall in the fund as on 31st March 2018 and 31st March 2017.

Present value of benefit obligation at period end is ₹ 3764.14 crores (31.03.2017 : ₹ 3,438.00 crores).

During the year, the Group has recognised ₹ 143.29 crore (2016-17 : ₹ 129.89 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

B: Superannuation Fund

The Group has Superannuation Scheme–Defined Contribution Scheme maintained by SBFS trust wherein Group 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 Group has recognised ₹ 162.80 crore (2016-17 : ₹ 152.15 crore) as Employer's contribution to Superannuation Fund in the statement of Profit and Loss.

C: The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ / Crores)

S#	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance	Gratuity Unfunded
1 Present value of projected benefit obligation						
Present value of Benefit Obligation at the beginning of the period	877.76	646.79	59.03	30.35	12.46	0.75
	495.06	562.61	64.84	32.14	13.57	0.63
Interest Cost	63.73	48.19	4.20	2.15	0.90	0.06
	39.56	45.35	5.05	2.50	1.08	0.05
Current Service Cost	17.01	52.17	–	–	2.64	0.11
	4.90	49.08	–	–	2.52	0.11
Past Service Cost	–	–	–	–	–	0.04
	368.44	–	–	–	–	–
Benefit paid	(42.01)	(46.55)	(4.40)	(5.65)	(1.50)	(0.08)
	(46.15)	(40.06)	(3.51)	(5.72)	(1.51)	–
Actuarial (gains)/ losses on obligations – due to change in financial assumptions	(30.65)	(29.37)	(0.91)	(0.52)	(0.51)	(0.06)
	36.91	49.40	2.51	0.71	0.62	0.04
Actuarial (gains)/ losses on obligations – due to experience	(37.17)	40.82	(16.81)	0.98	(2.24)	0.14
	(20.96)	(19.59)	(9.86)	0.72	(3.82)	(0.08)
Present value of Benefit Obligation at the end of the period	848.67	712.05	41.11	27.31	11.75	0.95
	877.76	646.79	59.03	30.35	12.46	0.75
2 Changes in fair value of plan assets						
Fair value of Plan Assets at the beginning of the period	509.42	560.85	NA	NA	NA	NA
	512.75	411.81	NA	NA	NA	NA
Interest income	36.98	41.78	NA	NA	NA	NA
	40.97	33.19	NA	NA	NA	NA
Contributions by the employer	0.00	132.49	NA	NA	NA	NA
	0.01	144.21	NA	NA	NA	NA
Contributions by the employee	–	6.37	NA	NA	NA	NA
	–	0.59	NA	NA	NA	NA
Benefit paid	(42.01)	(46.55)	NA	NA	NA	NA
	(46.15)	(40.06)	NA	NA	NA	NA
Return on plan assets, excluding interest income	1.63	8.68	NA	NA	NA	NA
	1.84	11.11	NA	NA	NA	NA
Fair value of Plan Assets at the end of the period	506.02	703.62	NA	NA	NA	NA
	509.42	560.85	NA	NA	NA	NA



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

S#	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance	Gratuity Unfunded
3	Included in profit and loss account					
Current Service Cost	17.01	52.17	–	–	2.64	0.11
	4.90	49.08	–	–	2.52	0.11
Past Service Cost	–	–	–	–	–	0.04
	368.44	–	–	–	–	–
Net interest cost	26.75	6.41	4.20	2.15	0.90	0.06
	(1.41)	12.16	5.05	2.50	1.08	0.05
Contributions by the employee	–	(6.37)	–	–	–	–
	–	(0.59)	–	–	–	–
Total amount recognised in profit and loss account	43.76	52.21	4.20	2.15	3.54	0.20
	371.93	60.65	5.05	2.50	3.60	0.16
4	Remeasurements					
Return on plan assets, excluding interest income	(1.63)	(8.68)	–	–	–	–
	(1.84)	(11.11)	–	–	–	–
(Gain)/loss from change in demographic assumptions	–	–	–	–	–	–
	–	–	–	–	–	–
(Gain)/loss from change in financial assumptions	(30.65)	(29.37)	(0.91)	(0.52)	(0.51)	(0.06)
	36.91	49.40	2.51	0.71	0.62	0.04
Experience (gains)/losses	(37.17)	40.82	(16.81)	0.98	(2.24)	0.14
	(20.96)	(19.59)	(9.86)	0.72	(3.82)	(0.08)
Change in asset ceiling, excluding amounts included in interest expense	–	–	–	–	–	–
	–	–	–	–	–	–
Total amount recognised in other comprehensive income	(69.45)	2.77	(17.72)	0.46	(2.75)	0.08
	14.11	18.70	(7.35)	1.43	(3.20)	(0.04)

D: Amount recognised in the Balance Sheet

(₹ / Crores)

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity Unfunded
Present value of benefit obligation as on 31.03.2017	877.76	646.79	59.03	30.35	12.46	0.75
Fair value of plan assets as on 31.03.2017	509.42	560.85	–	–	–	–
Net Liability / (Asset) recognised in Balance Sheet	368.34	85.94	59.03	30.35	12.46	0.75
	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity Unfunded
Present value of benefit obligation as on 31.03.2018	848.67	712.05	41.11	27.31	11.75	0.95
Fair value of plan assets as on 31.03.2018	506.02	703.62	–	–	–	–
Net Liability / (Asset) recognised in Balance Sheet	342.65	8.43	41.11	27.31	11.75	0.95

E: Plan assets

(₹ / Crores)

	31.03.2018		31.03.2017	
	Gratuity	PRMBS	Gratuity	PRMBS
Plan assets comprise the following:				
Insurance fund	506.02	703.62	509.42	560.85
	506.02	703.62	509.42	560.85



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

F: Significant estimates: actuarial assumptions and sensitivity

F(i): The significant actuarial assumptions were as follows:

31.03.2018	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.88%	7.76%	NA	NA	NA
Rate of Discounting	7.88%	7.76%	7.56%	7.68%	7.88%
Rate of Salary Increase	7.00%	7.00%	NA	NA	7.00%
Medical Cost Inflation	NA	3.00%	NA	NA	NA
Rate of Employee Turnover	2.00%	2.00%	NA	NA	2.00%
Mortality Rate During Employment		Indian Assured Lives Mortality (2006-08)			
Mortality Rate After Employment		Indian Assured Lives Mortality (2006-08)			

31.03.2017	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.26%	7.45%	NA	NA	NA
Rate of Discounting	7.26%	7.45%	7.12%	7.09%	7.26%
Rate of Salary Increase	7.00%	7.00%	NA	NA	7.00%
Medical Cost Inflation	NA	3.00%	NA	NA	NA
Rate of Employee Turnover	2.00%	2.00%	NA	NA	2.00%
Mortality Rate During Employment		Indian Assured Lives Mortality (2006-08)			
Mortality Rate After Employment		Indian Assured Lives Mortality (2006-08)			

F(ii): Sensitivity analysis

(₹ / Crores)

31.03.2018	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(44.79)	(81.98)	(1.91)	(0.84)	(0.72)
Delta effect of -1% Change in Rate of Discounting	50.67	102.95	2.13	0.90	0.84
Delta effect of +1% Change in Future Benefit cost inflation	-	103.66	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(82.87)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	15.10	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(16.78)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	15.20	-	-	-	(0.80)
Delta effect of -1% Change in Rate of Employee Turnover	(16.92)	-	-	-	0.93

31.03.2017	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(49.76)	(77.63)	(2.99)	(1.00)	(0.83)
Delta effect of -1% Change in Rate of Discounting	56.44	97.93	3.36	1.07	0.95
Delta effect of +1% Change in Future Benefit cost inflation	-	98.50	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(78.43)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	17.49	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(19.61)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	13.41	-	-	-	-
Delta effect of -1% Change in Rate of Employee Turnover	(14.87)	-	-	-	-



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

G: The expected maturity analysis of undiscounted benefits is as follows:

(₹ / Crores)

	Less than 1 year	1 - 2 year	2 - 5 year	6 - 10 year
31.03.2018				
Gratuity	104.45	72.95	327.25	427.52
PRMBS	33.61	36.82	132.73	234.23
Pension	5.11	5.08	14.98	23.91
Ex - Gratia	4.90	4.84	14.07	21.63
Resettlement Allowance	1.11	0.70	4.22	6.47
Total	149.18	120.39	493.25	713.76
	Less than 1 year	1 - 2 year	2 - 5 year	6 - 10 year
31.03.2017				
Gratuity	92.85	68.54	308.90	452.75
PRMBS	28.30	30.89	111.09	199.19
Pension	6.82	6.78	20.04	32.19
Ex - Gratia	5.24	5.12	14.95	22.32
Resettlement Allowance	0.96	0.64	3.89	7.02
Total	134.17	111.97	458.87	713.47

H: Notes:

Gratuity : All employees are entitled to receive gratuity as per the provisions of Payment of Gratuity Act, 1972. The Defined Benefit Plan of Gratuity is administered by Gratuity Trust. The Board of Trustees comprises of representatives from the Group who are also plan participants in accordance with the plans regulation.

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

Post Retirement Medical Benefit : The serving and superannuated employees are covered under medical insurance policy taken by Group. It provides reimbursement of medical expenses for self and dependents as per the terms of the policy.

Ex-gratia : The ex-employees of Group covered under the Scheme are entitled to get ex-gratia based on the grade at the time of their retirement. The benefit will be paid to eligible employees till their survival, and after that, till the survival of their spouse.

Resettlement Allowance : At the time of retirement, the employees are allowed to permanently settle down at a place other than the location of the last posting.

The fair value of the assets of Provident Fund Trust as of balance sheet date is greater than the obligation, including interest, and also the returns on these plan assets including the amount already provided are sufficient to take care of PF interest obligations, over and above the fixed contribution recognized.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Figures in italics represent last year figures

65 : Previous periods figures are reclassified / regrouped wherever necessary.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Schedule III - Additional Disclosure on Consolidated Financial Statements as on 31st March, 2018 is as under :-

Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (₹ / Crores)	As a % of Consolidated profit or loss	Amount (₹ / Crores)	As a % of Consolidated Other Comprehensive Income	Amount (₹ / Crores)	As a % of Consolidated Total comprehensive Income	Amount (₹ / Crores)
Hindustan Petroleum Corporation Limited	72.59%	18,535.15	83.52%	6,028.91	103.14%	37.79	83.62%	6,066.68
Subsidiaries								
Prize Petroleum Company Ltd.	-0.81%	(206.37)	-0.18%	(12.96)	-4.31%	(1.58)	-0.20%	(14.54)
HPCL Biofuels Ltd.	-0.15%	(39.09)	-1.08%	(77.85)	-0.11%	(0.04)	-1.07%	(77.89)
HPCL Middle East FZCO	0.00%	(0.04)	0.00%	(0.04)	0.00%	0.00	0.00%	(0.04)
Joint Ventures								
Hindustan Colas Pvt. Ltd.	0.49%	125.17	0.69%	50.08	-0.05%	(0.02)	0.69%	50.06
CREDA - HPCL Biofuels Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
HPCL Rajasthan Refinery Ltd.	0.68%	172.91	-0.20%	(14.33)	0.00%	-	-0.20%	(14.33)
South Asia LPG Co. Pvt. Ltd.	0.50%	127.86	0.82%	59.10	0.30%	0.11	0.82%	59.21
HPCL Shapoorji Energy Pvt. Ltd.	0.07%	18.82	0.00%	(0.14)	0.05%	0.02	0.00%	(0.12)
HPCL - Mittal Energy Ltd.	17.67%	4,511.98	11.06%	798.30	-0.60%	(0.22)	11.00%	798.08
Petronet MHB Ltd.	0.88%	223.98	0.38%	27.30	0.00%	0.00	0.38%	27.30
Godavari Gas Pvt Ltd.	0.01%	2.33	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Petronet India Ltd.	0.00%	0.44	0.00%	0.33	0.00%	-	0.00%	0.33
Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	0.22%	56.80	0.16%	11.80	0.00%	-	0.16%	11.80
Aavantika Gas Ltd.	0.33%	84.47	0.17%	12.13	0.00%	0.00	0.17%	12.13
Bhagyanagar Gas Ltd.	0.30%	76.66	0.03%	2.29	0.03%	0.01	0.03%	2.30
Ratnagiri Refinery & Petrochemical Ltd.	0.08%	20.30	-0.07%	(4.70)	0.00%	-	-0.06%	(4.70)
Associates								
Mangalore Refinery and Petrochemicals Ltd.	6.80%	1,735.08	4.68%	337.85	1.56%	0.57	4.66%	338.43
GSPIL India Gasnet Ltd.	0.17%	43.30	0.00%	0.10	0.00%	-	0.00%	0.10
GSPIL India Transco Ltd.	0.17%	42.69	0.00%	0.15	0.00%	-	0.00%	0.15
Total	100.00%	25,532.44	100.00%	7,218.28	100.00%	36.64	100.00%	7,254.92

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 : May 22, 2018

Place : New Delhi

For G. M. Kapadia & Co.

Chartered Accountants

Firm No. 104767W

Sd/-

Atul Shah

Partner

Membership No. 039569

For M. P. Chitale & Co.

Chartered Accountants

Firm No. 101851W

Sd/-

Anagha Thatte

Partner

Membership No. 105525



Form AOC - 1

(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

(₹ / Crores)

Sl. No.	Particulars	HPCL Biofuels Ltd.	Prize Petroleum Company Ltd.#	HPCL Middle East FZCO	HPCL Rajasthan Refinery Ltd.*
		1	2	3	4
1.	Date since when subsidiary was acquired	16/10/2009	28/10/2098	11/02/2018	18/09/2013
2.	Reporting currency	Rupees (₹)	Rupees (₹)	Arab Emirates Dirham	Rupees (₹)
3.	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	–	–	17.74	–
4.	Share capital	205.52	245.00	–	188.74
5.	Reserves & surplus	(244.61)	(451.37)	(0.04)	(15.83)
6.	Total assets	797.72	359.97	0.25	300.66
7.	Total Liabilities	836.81	566.34	0.29	127.75
8.	Investments	–	–	–	–
9.	Turnover	130.53	87.32	–	–
10.	Profit before taxation	(77.85)	(12.96)	(0.04)	(14.33)
11.	Provision for taxation	–	–	–	–
12.	Profit after taxation	(77.85)	(12.96)	(0.04)	(14.33)
13.	Proposed Dividend	–	–	–	–
14.	% of shareholding	100.00%	100.00%	100.00%	74.00%

Figures based on Consolidated Financial Statements of the Company

* Represents share of HPCL in the company

Notes:-

- 1 Names of subsidiaries which are yet to commence operations
 - a) HPCL Middle East FZCO
 - b) HPCL Rajasthan Refinery Ltd.
- 2 HPCL Rajasthan Refinery Ltd. is considered as subsidiary as per Sec 2(87) of Companies Act, 2013
- 3 Names of subsidiaries which have been liquidated or sold during the year
 - a) CREDA-HPCL Biofuels 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 : May 22, 2018
 Place : New Delhi



Form AOC - 1

(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"

(₹ / Crores)

Name of Joint Ventures	Hindustan Colas Pvt. Ltd.	HPCL-Mittal Energy Ltd.#	South Asia LPG Co. Pvt. Ltd.	Petronet MHB Ltd.	Bhagyanagar Gas Ltd.	Petronet India Ltd.	Godavari Gas Pvt Ltd.
1. Latest audited Balance Sheet date	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018
2. Date on which the Associates or Joint Ventures was associated or acquired	17/07/1995	13/12/2000	16/11/1999	26/05/1997	22/08/2003	26/05/1997	27/09/2016
3. Shares of Joint Ventures / Associate held by the Company on the year end							
Nos.	47,25,000	3,93,95,55,200	5,00,00,000	17,95,11,032	4,36,50,000	1,60,00,000	26,00,000
Amount of Investment in Joint Venture / Associate	4.73	3,939.56	50.00	183.93	128.25	0.16	2.60
Extend of Holding %	50.00%	48.99%	50.00%	32.72%	24.99%	16.00%	26.00%
4. Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
5. Reason why the Joint Venture / Associate is not consolidated	-	-	-	-	-	-	-
6. Networth attributable to Shareholding as per latest audited Balance Sheet*	125.17	4,511.98	127.86	223.98	76.66	0.44	2.33
7. Profit / Loss for the year 2017-18*							
i. Considered in Consolidation	50.08	798.30	59.10	27.30	2.29	0.33	(0.04)
i. Not Considered in Consolidation	-	-	-	-	-	-	-

Figures based on Consolidated Financial Statements of the Company

* Represents share of HPCL in Joint Venture / Associates

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 : May 22, 2018

Place : New Delhi



Form AOC - 1

(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" (₹ Crores)

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.	Ratnagiri Refinery & Petrochemical Ltd.
1. Latest audited Balance Sheet date	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018
2. Date on which the Associates or Joint Ventures was associated or acquired	07/06/2006	07/03/1988	15/10/2013	06/03/2014	13/10/2011	13/10/2011	22/09/2017
3. Shares of Joint Ventures / Associate held by the Company on the year end							
Nos.	2,95,48,663	29,71,53,556	2,00,00,000	4,18,88,750	4,25,72,128	4,19,10,000	2,50,00,000
Amount of Investment in Joint Venture / Associate	49.99	471.68	20.00	41.89	42.57	41.91	25.00
Extend of Holding %	49.98%	16.96%	50.00%	25.00%	11.00%	11.00%	25.00%
4. Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
5. Reason why the Joint Venture / Associate is not consolidated	-	-	-	-	-	-	-
6. Networth attributable to Shareholding as per latest audited Balance Sheet*	84.47	1,735.08	18.82	56.80	43.30	42.69	20.30
7. Profit / Loss for the year 2017-18*							
i. Considered in Consolidation	12.13	337.85	(0.14)	11.80	0.10	0.15	(4.70)
i. Not Considered in Consolidation	-	-	-	-	-	-	-

Figures based on Consolidated Financial Statements of the Company

* Represents share of HPCL in Joint Venture / Associates

^ Ujjwala Plus Foundation, was incorporated as not-for-profit joint venture company under Sec. 8 of Companies Act 2013 during 2017-18

1. Names of joint ventures or associates which are yet to commence operations.

- a) GSPL India Gasnet Ltd
- b) GSPL India Transco Ltd
- c) HPCL Shapoorji Energy Ltd
- d) Ratnagiri Refinery & Petrochemicals Ltd

2. Names of joint ventures or associates which have been liquidated or sold during the year.-NIL

FOR AND ON BEHALF OF THE BOARD

Sd/-

Mukesh Kumar Surana

Chairman & Managing Director

DIN - 07464675

Sd/-

J Ramaswamy

Director-Finance

DIN - 06627920

Sd/-

Shrikant M. Bhosekar

Company Secretary

Date : May 22, 2018

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, 2018

The preparation of consolidated financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March, 2018 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 appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with 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 **22 May 2018**.

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 2018. We conducted a supplementary audit of the financial statements of (Annexure-I), but did not conduct supplementary audit of the financial statements of (Annexure-II) for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to (Annexure-III) being private entities incorporated in Foreign countries under the respective laws for appointment of their Statutory Auditor not 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: 26 July 2018



Annexure I

Audit Conducted:

(A) Subsidiaries:

1. HPCL Biofuels Ltd. (HBL)
2. Prize Petroleum Company Ltd. (PPCL)

(B) Joint Ventures

1. Bhagyanagar Gas Ltd. (BGL)
2. Petronet MHB Ltd. (PMHBL)
3. Aavantika Gas Ltd. (AGL)
4. Mumbai Aviation Fuel Farming Facility Pvt. Ltd. (MAFFFL)
5. Petronet India Limited
6. HPCL Rajasthan Refinery Ltd. (HRRL)
7. Godavari Gas Pvt. Ltd. (GGPL)

(C) Associates

1. Mangalore Refinery and Petrochemicals Ltd. (MRPL)
2. GSPL India Gasnet Ltd. (GIGL)
3. GSPL India Transco Ltd. (GITL)

Annexure II

Audit not conducted:

(A) Subsidiaries:

Nil

(B) Joint Ventures

1. Ujjwala Plus Foundation
2. Ratnagiri Refinery Petrochemicals Limited (RRPCL)

(C) Associates

Nil

Annexure III

Audit not applicable

(A) Subsidiaries:

1. HPCL Middle East FZCO

(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)

(C) Associates

Nil



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	2,232	1,686	1,998	4,436	10,352
Management	2,156	1,386	1,013	1,514	6,069
Non- Management	76	300	985	2,922	4,283
Average Age	26	35	47	55	44

Accounting for Human Resource Assets

The Lev & Schwartz model is being used by our Company to compute the value of Human Resource Assets. The evaluation as on 31st March 2018 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 @ 7.88%.

(₹ / Crores)

Value of Human Resources	2017-18	2016-17
Management Employees	25,393	27,003
Non-management Employees	6,637	7,878
	32,030	34,881
Human Assets vis-à-vis Total Assets		
Value of Human Assets	32,030	34,881
Net Assets	33,231	40,076
Investments	11,105	10,919
	76,366	85,876
Employee Cost	2,859	2,946
Net Profit Before Tax (PBT)	9,202	9,021
Ratios (in %)		
Employee Cost to Human Resource	8.92	8.45
Human Resource to Total Resource	41.94	40.62
PBT to Human Resource	28.73	25.86



Joint Venture Companies as per Ind AS

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31 st March 2018		Nature of Operations
1.	HPCL-Mittal Energy Ltd.	13.12.2000	HPCL Mittal Investments S.A.R.L. Indian Financial Institutions	48.99% 48.99% 2.02%	Refining of crude oil and manufacturing of petroleum products.
2.	Hindustan Colas Pvt Ltd.	17.07.1995	HPCL Colasie SA	50.00% 50.00%	Manufacture and marketing of Bitumen Emulsions & Modified Bitumen.
3.	South Asia LPG Company Pvt Ltd.	16.11.1999	HPCL Total Holding India	50.00% 50.00%	Storage of LPG in underground cavern and associated receiving and dispatch facilities at Visakhapatnam.
4.	Petronet India Ltd.	26.05.1997	HPCL BPCL IOCL Financial / Strategic Investors	16.00% 16.00% 18.00% 50.00%	To act as nodal agency for developing identified and prioritized petroleum product pipelines in the country. The company is in the process of closure.
5.	Petronet MHB Ltd.	31.07.1998	HPCL ONGC Financial / Strategic Investors	32.72% 32.72% 34.56%	Operation and maintenance of petroleum product pipeline between Mangalore-Hassan-Bangalore.
6.	Bhagyanagar Gas Ltd.	22.08.2003	HPCL GAIL Kakinada Seaports Limited	49.97% 49.97% 0.06%	Distribution and marketing of CNG and Auto LPG in the state of Andhra Pradesh/ Telangana.
7.	Aavantika Gas Ltd.	07.06.2006	HPCL GAIL Financial Institutions	49.98% 49.98% 0.04%	Distribution and marketing of CNG in the state of Madhya Pradesh.
8.	HPCL Shapoorji Energy Pvt Ltd.	15.10.2013	HPCL SP Ports Pvt Limited	50.00% 50.00%	To set up and operate an LNG Re-gasification Terminal at the greenfield port at Chhara (Gujarat)
9.	Mumbai Aviation Fuel Farm Facility Pvt Ltd.	26.02.2010	HPCL IOCL BPCL Mumbai International Airport Pvt Limited	25.00% 25.00% 25.00% 25.00%	To design, develop, construct and operate the aviation fuel facility at Chhatrapati Shivaji International Airport, Mumbai



Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31 st March 2018		Nature of Operations
10.	Godavari Gas Pvt Ltd.	27.09.2016	APGDC HPCL	74.00% 26.00%	Distribution and marketing of CNG in East Godavari and West Godavari Districts of Andhra Pradesh.
11.	Ratnagiri Refinery and Petrochemicals Ltd	22.09.2017	IOCL BPCL HPCL	50.00% 25.00% 25.00%	To set up a refinery and petrochemical complex of 60 MMTPA (Approx..) along the west coast of India in the State of Maharashtra.
12.	HPCL Rajasthan Refinery Ltd	18.09.2013	HPCL Govt. of Rajasthan	74.00% 26.00%	To set up a 9 MMTPA capacity Greenfield refinery cum petrochemical complex in the State of Rajasthan.
13.	CREDA-HPCL Biofuel Ltd (Dissolved w.e.f. 8th March, 2018)	14.10.2008	HPCL CREDA	74.00% 26.00%	Company dissolved w.e.f. 08.03.2018 and name has been struck off from Register of Companies.

Associate Companies as per Ind AS

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31 st March 2018		Nature of Operations
1.	Mangalore Refinery & Petrochemicals Ltd.	07.03.1988	ONGC HPCL PUBLIC	71.63% 16.96% 11.41%	Refining of crude oil and manufacturing of petroleum products.
2.	GSPL India Gasnet Ltd.	13.10.2011	GSPL HPCL IOCL BPCL	52.00% 11.00% 26.00% 11.00%	To design, construct, develop, operate and maintain cross country Natural Gas Pipelines from Mehsana (Gujarat) to Bhatinda (Punjab) and Bhatinda (Punjab) to Srinagar (Jammu & Kashmir).
3.	GSPL India Transco Ltd.	13.10.2011	GSPL HPCL IOCL BPCL	52.00% 11.00% 26.00% 11.00%	To design, construct, develop, operate and maintain cross country Natural Gas Pipelines from Mallavarm (Andhra Pradesh) to Bhilwara (Rajasthan).



Subsidiary Companies as per Ind AS

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31 st March 2018		Nature of Operations
1.	Prize Petroleum Co Ltd	28.10.1998	HPCL	100.00%	Exploration and Production (E&P) of Hydrocarbons and services for management of E&P blocks.
2.	HPCL Biofuels Ltd	16.10.2009	HPCL	100.00%	Operates two integrated sugar-ethanol-cogen plants at Sugauli and Lauriya in East Champaran and West Champaran Districts respectively in the State of Bihar.
3.	HPCL Middle East FZCO	11.02.2018	HPCL	100%	Trading in Lubricants & Grease, Petrochemicals and Refined Oil Products.

Not for Profit Private Company Limited by Guarantee without Share Capital

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31 st March 2018		Nature of Operations
1.	Ujjwala Plus Foundation (Not for profit, Section 8 Company)	21.07.2017	IOCL BPCL HPCL (Company Limited by Guarantee without share capital-Represents Fund Contribution Ratio)	50.00% 25.00% 25.00%	To provide Liquid Petroleum Gas (LPG) connections to the women from the poor households and economically weaker section of the Society not covered under "Pradhan Mantri Ujjwala Yojana" ("PMUY") of the Govt. of India and to extend financial support for initial cost towards LPG connections and such assistance and support as may be needed to accomplish this noble social cause.



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 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 compliances of laws, rules and regulations.
- Timely and balanced disclosures of all material information on operational and financial matters to the Stakeholders.
- Clearly defined management Performance and accountability.
- Enhanced accuracy and transparency in business operations, performance and financial position.

In compliance with Regulation 34 (3) & 53 (f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as mandated by the Securities and Exchange Board of India (SEBI) applicable on account of Uniform Listing Agreement executed with Stock Exchanges as well as notification on Corporate Governance for Public Sector Enterprises issued by the Department of Public Enterprises (DPE), the Corporate Governance Disclosures are as under:

2. Disclosures:

BOARD OF DIRECTORS:

2.1 Composition of Board of Directors as on 31.03.2018

Category & Names of Directors	
Whole Time Directors including C & MD	05
Shri Mukesh Kumar Surana	
Shri Pushp Kumar Joshi	
Shri J Ramaswamy	
Shri S Jeyakrishnan	
Shri Vinod S Shenoy	
Non-Official Government Directors (Ex-Officio) *	02
Shri Sandeep Poundrik	
Ms Sushma Taishete	
Independent Directors **	06
Shri Ram Niwas Jain	
Smt. Asifa Khan	
Shri G V Krishna	
Dr. Trilok Nath Singh	
Shri Amar Sinha	
Shri Siraj Hussain	

* Ms. Urvashi Sadhwani has ceased to be Government Nominee Director of the Corporation effective November 24, 2017.

* Ms. Sushma Taishete was appointed as Government Nominee Director on the Board our Corporation effective December 05, 2017. However, she has ceased to be Director of the Corporation effective May 07, 2018.

Shri Subhash Kumar, was nominated as Part Time Director by Government of India as representative of ONGC, effective May 22, 2018.

** S/Shri Amar Sinha & Siraj Hussain were appointed as Independent Directors on the Board of our Corporation effective September 21, 2017

2.2 Board Meetings:

Thirteen Board Meetings were held during the Financial Year 2017-2018, on the following dates:

17.04.2017	26.05.2017	23.06.2017
18.07.2017	04.08.2017	08.09.2017
13.10.2017	09.11.2017	11.12.2017
14.12.2017	09.02.2018	16.02.2018
27.03.2018		



2.3 Particulars of Directors including their attendance at the Board/Shareholder’s Meeting

Names of Directors	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 Regulation 26 of the SEBI (LODR) Regulations, 2015
WHOLE TIME DIRECTORS						
Shri Mukesh Kumar Surana (DIN07464675)	B.E. (Mechanical), Masters in Financial Management	13	13	Yes	Public Limited Companies 1. HPCL Mittal Energy Limited 2. HPCL Rajasthan Refinery Limited 3. Prize Petroleum Company Limited Private Limited Companies 1. South Asia LPG Company Pvt. Limited	Nil
Shri Pushp Kumar Joshi (DIN05323634)	B.A., LLB, PG (PM&IR), XLRI Jamshedpur	13	13	Yes	Public Limited Companies 1. HPCL Rajasthan Refinery Limited 2. HPCL Biofuels Limited 3. Prize Petroleum Co. Limited Private Limited Companies 1. Hindustan Colas Pvt. Limited 2. HPCL Shapoorji Energy Pvt. Limited	Chairman, Audit Committee 1. Prize Petroleum Company Limited 2. HPCL Biofuels Limited
Shri J Ramaswamy (DIN06627920)	FCA	13	13	Yes	Public Limited Companies 1. HPCL Mittal Energy Limited 2. HPCL Rajasthan Refinery Limited 3. HPCL Biofuels Limited 4. HPCL Mittal Pipelines Limited 5. Prize Petroleum Company Limited Private Limited Companies 1. South Asia LPG Company Pvt. Limited 2. Hindustan Colas Pvt. Limited 3. HPCL Shapoorji Energy Pvt. Limited	Member, Audit Committee 1. Hindustan Petroleum Corporation Limited 2. HPCL Biofuels Limited 3. HPCL Mittal Energy Limited 4. HPCL Mittal Pipelines Limited 5. Prize Petroleum Company Limited Member, Stakeholders Relationship Committee 1. Hindustan Petroleum Corporation Limited
Shri S Jeyakrishnan (DIN07234397)	B.A.	13	12	Yes	Private Limited Companies 1. Hindustan Colas Pvt. Limited	Nil
Shri Vinod S Shenoy (DIN07632981)	B.E. (Chemical)	13	13	Yes	Public Limited Companies 1. Mangalore Refinery and Petrochemicals Limited 2. HPCL Mittal Energy Limited 3. HPCL Rajasthan Refinery Limited 4. Prize Petroleum Co Limited 5. Ratnagiri Refinery and Petrochemicals Limited	Member, Audit Committee 1. Mangalore Refinery and Petrochemicals Limited 2. Prize Petroleum Company Limited Member, Stakeholders Relationship Committee 1. Mangalore Refinery and Petrochemicals Limited



Names of Directors	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 Regulation 26 of the SEBI (LODR) Regulations, 2015
NON-EXECUTIVE GOVERNMENT NOMINEE DIRECTORS						
Shri Sandeep Poundrik (DIN01865958)	B.E. (Electrical) IAS	13	10	No	Public Limited Companies 1. Engineers India Limited	Nil
Ms. Sushma Taishete * (DIN03585278)	M.Sc. in Microbiology, Diploma in Clinical Analysis, IAS	05	05	N.A.	Nil	Nil
Ms. Urvashi Sadhwani ** (DIN03487195)	Post Graduate in Business Economics, M.Phil Indian Economic Service	08	08	Yes	Nil	Nil
INDEPENDENT DIRECTORS:						
Shri Ram Niwas Jain (DIN00671720)	B.E. (Mechanical)	13	12	Yes	Public Limited Companies 1. Universal Sampo General Insurance Co. Limited 2. Visa Realty Limited Private Limited Companies 1. B. P. Engineers Pvt. Limited	Chairman, Audit Committee 1. Hindustan Petroleum Corporation Limited 2. Visa Realty Limited Member, Audit Committee 1. Universal Sampo General Insurance Company Limited
Smt. Asifa Khan (DIN07730681)	M.A. (English Literature)	13	12	No	Nil	Member, Stakeholders' Relationship Committee 1. Hindustan Petroleum Corporation Limited
Shri G V Krishna (DIN01640784)	B.Com, FCA	13	09	Yes	Public Limited Companies 1. Jnana Bharathi Prakashana Limited Private Limited Companies 1. Pushti Refineriers Pvt. Limited 2. Harihara Developers & Constructions Pvt. Limited	Member, Audit Committee 1. Hindustan Petroleum Corporation Limited
Dr. Trilok Nath Singh (DIN07767209)	Ph.D (IIT, BHU)	13	10	Yes	Nil	Chairman, Stakeholders' Relationship Committee 1. Hindustan Petroleum Corporation Limited
Shri Amar Sinha *** (DIN07915597)	IFS	07	07	N.A.	Public Limited Companies 1. Delhi Gymkhana Club Limited	Nil
Shri Siraj Hussain *** (DIN05346215)	IAS	07	06	N.A.	Public Limited Companies 1. Trinity General Insurance Company Limited 2. National E-Repository Limited	Nil

CREDA – HPCL Bio Fuel Limited, a Subsidiary Company dissolved with effect from March 08, 2018 & name was struck off from ROC records. At the time of strike off, S/Shri Pushp Kumar Joshi & J Ramaswamy, were Directors on the Board.

* Appointed as Government Nominee Director on the Board of HPCL effective December 05, 2017

** Ceased to be Government Nominee Director on the Board of HPCL effective November 24, 2017

*** Appointed as Independent Directors on the Board of HPCL effective September 21, 2017



2.4 Shareholding of Non-Executive Directors:

None of the Non-Executive Directors are holding any equity shares or Convertible Instruments in the Company.

2.5 Web link where details of familiarization programs imparted to Independent Directors:

http://www.hindustanpetroleum.com/stock_exchange2017

2.6 PROFILE OF DIRECTORS:

Shri Mukesh Kumar Surana (DIN 07464675)

Shri Mukesh Kumar Surana is a Chairman & Managing Director of the Corporation effective April 01, 2016. Prior to this, he served as Chief Executive Officer, Prize Petroleum Company Limited, 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 36 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 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 forums in Oil & Gas Sector.

Shri Pushp Kumar Joshi (DIN 05323634)

Shri Pushp Kumar Joshi is a Director – Human Resources of the Corporation effective August 01, 2012. Prior to this, he was holding key portfolios in Human Resources functions 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 & Behaviour Training Programs, Business Process Reengineering exercise, Implementation of JDE (HR), Introduction of Health Management System, HR Green Credit and also pioneering & driving numerous other HR initiatives.

Shri J Ramaswamy (DIN 06627920)

Shri J Ramaswamy is a Director – Finance of the Corporation effective October 01, 2015. He is also the Chief Financial Officer (CFO) of the Company. Prior to his taking over as Director – Finance & as CFO, Mr. Ramaswamy was Executive Director – Corporate Finance of HPCL for over 2 years.

A fellow member of the Institute of Chartered Accountants of India (ICAI), Mr. Ramaswamy brings with him rich experience of over 3 decades in handling various challenging assignments in HPCL in the field of Corporate Finance, Marketing Finance, SBU Commercial, C & MD's Office, Internal Audit, Vigilance, Systems & Procedure and Refinery Finance.

Mr. Ramaswamy has expertise in Financial Management, and is known for strengthening financial discipline, cost consciousness and Commercial acumen in the Corporation, which is of immense benefit to the organization. He is also credited with effective treasury management in raising External Commercial Borrowing, Non-Convertible Debentures issue and various other types of financial instruments at a very competitive interest rate as compared with the Oil Industry.



He has various academic distinctions to his credit, and is a key technical speaker at in-house capability building seminars and workshops.

Shri S Jeyakrishnan – (DIN 07234397)

Shri S Jeyakrishnan is Director – Marketing of the Corporation effective November 01, 2016. Prior to this, he was Executive Director – (Retail) of HPCL.

An alumini of Madras University, Mr. S Jeyakrishnan joined HPCL in 1981 and has a rich and varied experience across the spectrum of Petroleum Marketing. He is known for his participative leadership style and believes in leading his teams from the front, consistently delivering high performance despite all odd situation.

During a career spanning over 36 years, he has led large teams in the Marketing functions and held Leadership positions including General Manager – East Zone, Executive Director – Business Development & Corporate Affairs, Executive Director – Direct Sales and Executive Director – Retail. He also played a Key Role in several transformational initiatives undertaken in HPCL.

During his tenure across the various marketing SBUs, HPCL became India's largest lubricant marketer, augmented infrastructure, developed robust process and undertook several pioneering customer centric initiatives which enhanced productivity and profitability and established HPCL as the preferred brand.

Mr. S Jeyakrishnan has been an active participant in various industry forums and conferences both at national and international levels. He also attended the Advanced Management Program at Cambridge (UK) and the Authentic Leadership Programm of the Harvard Business School.

Shri Vinod S Shenoy – (DIN – 07632981)

Shri Vinod S Shenoy is Director – Refineries of the Corporation effective November 01, 2016. Prior to this, he was the General Manager – Refinery Coordination of HPCL.

A Bachelor in Chemical Engineering from IIT Bombay, Shri Vinod Shenoy started his career with HPCL in June 1985. During his career spanning over 33 years, Shri Shenoy has held various positions in the Refinery Divisions and Corporate Departments of HPCL and has wide exposure to the Petroleum Industry.

Intelligent refinery production strategy to ensure profitability, vision from operational excellence and

capacity expansion of refineries at Mumbai and Visakh with bottom up upgradation facilities meeting Euro VI fuel specifications are the task ahead.

Shri Sandeep Poundrik – (DIN 01865958)

Shri Sandeep Poundrik is Part-Time Government Nominee Director (Ex-Officio) on the Board of HPCL effective October 16, 2014.

Mr. Sandeep Poundrik, IAS is presently posted as Joint Secretary (Refineries), Ministry of Petroleum & Natural Gas, Government of India, New Delhi. As Joint Secretary (Refineries), Mr. Sandeep Poundrik is looking after the matters related to refineries, Auto Fuel Policy, Petrochemicals, Import/Export of crude oil and other petroleum products; pricing of petroleum products; Bio Fuels, Renewable energy and conservation, Integrated Energy Policy; Climate Change & National Clean Energy Policy.

Before joining Ministry of Petroleum & Natural Gas, Shri Poundrik has served State Government of Bihar at various senior level assignments including Secretary - Energy, C & MD - Bihar State Power Holding Company, Secretary - Road Construction Department, MD - Infrastructure Development Authority, MD - Bihar Industrial Area Development Authority and Collector & District Magistrate, Gaya, Begusarai, Buxar.

Mr. Poundrik's academic background includes Rajasthan University Gold Metal in B.E. (Electrical) and Masters in Public Administration in International Development from Harvard University. His publications includes "Group Disaster Risk Financing: Case studies" & "Improving the resilience of livelihoods to natural disaster" published by the World Bank and "Leadership and Institutional Change in the Public Provision of Transport Infrastructure" "An analysis of India's Bihar" in the Journal of Development Studies.

Ms. Sushma Taishete (Rath) (DIN – 03585278) – From December 05, 2017

Ms. Sushma Taishete (Rath), was appointed as a Government Nominee Director (Ex-Officio) on the HPCL Board effective December 05, 2017.

Ms. Sushma Taishete (Rath) is a Government Nominee Director of our Company. She is M. Sc. In Microbiology, Haffkine Institute, Mumbai, Diploma in Clinical Analysis, Sophia College, Mumbai and Civil Service Batch, 1989. She was posted as Joint Secretary in the Ministry of Petroleum and Natural Gas, Government of India. She has worked as



Director (Marketing), Ministry of Petroleum & Natural Gas, Under Secretary in the Ministry of Health & Family Welfare and as Principal Administrative officer and Adviser (Gender Issues) at National Health Systems Resource Centre. She has Published a number of Articles on adverse child-sex ratio in the Country & on Health Sector in reputed magazines i.e. Economic & Political weekly & Indian Journal of Medical Microbiology, etc.

Ms. Urvashi Sadhwani (DIN 03487195) – Upto November 24, 2017

Ms. Urvashi Sadhwani has ceased to be Government Nominee Director (Ex-Officio) on the Board of HPCL effective November 24, 2017.

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. Urvashi Sadhwani began her career with teaching Mathematics, Statistics and Indian Economics at same college. She is a member of the 1982 batch of the Indian Economic Service. During her career trajectory spanning over 33 years, she has handled key portfolios involving major responsibilities, across various Ministries, including inter-alia, Health, Tribal Affairs, Tourism, Industries (in the erstwhile Bureau of Industrial Costs and Prices) and 2 stints – Transport and Project Appraisal – at the former Planning Commission.

Shri Ram Niwas Jain – (DIN 00671720)

Shri Ram Niwas Jain is an Independent Director on the Board of HPCL effective November 20, 2015.

Mr. Jain is B.E.(Mechanical) from Motilal Nehru Regional Engineering College, Allahabad. He is the Managing Director of the M/s.B.P. Engineers Pvt. Ltd., an ancillary to Hindustan Aeronautics Ltd., Lucknow Division, Lucknow, engaged in manufacturing of aeronautical components mainly for fighter aircrafts, indigenization work for Indian Airforce and various Divisions of Hindustan Aeronautics Ltd. for more than 30 years. M/s. B.P. Engineers Pvt. Ltd., has been awarded “Excellence in Aerospace Indigenization” from SAIIT. He was Independent Director on the Board of two nationalized banks, Allahabad Bank and UCO Bank. He is an Independent Director in Universal Sampo General Insurance Co. Ltd. He is president of Entrepreneurs’ Association of Scooters India Ancillary Units, Amausi,

Lucknow. Mr. Jain is doing a lot of social work in the field of Leprosy, welfare and rehabilitation of Tribal children.

Smt. Asifa Khan – (DIN 07730681)

Smt. Asifa Khan is an Independent Director on the Board of HPCL effective February 13, 2017.

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

Shri G V Krishna – (DIN 01640784)

Shri G V Krishna is an Independent Director on the Board of HPCL effective February 13, 2017.

Shri G V Krishna is a Chartered Accountant, apart from being a Bachelor of Commerce from Bangalore University. He completed his Chartered Accountancy in 1988 and has been in practice since then. Shri G V Krishna is advisor to major Industrial Group in Karnataka as a Strategic and Business Advisor and also counsels other Chartered Accountants in technical areas of practice, including in Banking, Tax and Regulatory matters. Exposed extensively to the Rural and Co-operative Sector, he has also been an Independent Director on the Karnataka Apex Cooperative Bank. He has experience in Statutory, Internal and Bank Audits covering over 3 decades and includes many large Private organizations and Public Sector Banking entities. Shri G V Krishna is also a Founder Trustee of the Forward Foundation which focuses on sustainable environment and Solid Waste Management issues. A regular speaker across professional forums, Shri G V Krishna also takes special interest in Counselling and motivating Rural youth on Entrepreneurship and Self-Employment avenues.

Dr. Trilok Nath Singh – (DIN 07767209)

Dr. T N Singh is an Independent Director on the Board of HPCL effective March 20, 2017

Dr. T N Singh is presently a Vice Chancellor, Mahatma Gandhi Kashi Vidyapith, Varanasi. Prior to this, he was Geoscience Chair Professor in IIT, Bombay. He has made innovative and substantial contribution in several fields of Geosciences. He is well known in the area of Engineering Geology, Rock mechanics on account of his pioneer work in Rock-Mechanics and Petrophysics, Established of Rock Indices, Triaxial and Post Failure Behaviour of Rocks, Dynamic and Static Properties of Rocks, CO₂ Sinking, Natural Hazard and Climate Change etc.



Prof. Singh's noteworthy contribution in the area of ground vibration due to blasting and slope stability has earned him recognition between the earth scientists and engineers. He has made prominent contribution to the design of blast for improved fragmentation. He has established Equivalent Material Modelling technique for simulating various Geomining problems to resolve some of the outstanding problem for optimum resource recovery.

He has received several recognitions like National Geoscience Award, First P N Bose Mineral Award, S Rakshit Rock Mechanics Award, Prof. Gopal Rangan Award and many more. He has published more than 300 Research Papers in various journals and 112 Conference Papers. Dr. Singh edited 12 books published by reputed publishers from Indian and abroad. He is a Member of various Government Committee set up by the Department of Science & Technology, BARC, Ministry of Commerce, Ministry of Railways etc.

Shri Amar Sinha – (DIN 07915597) (From September 21, 2017)

Shri Amar Sinha has been appointed as Independent Director on the Board of HPCL effective September 21, 2017.

Shri Amar Sinha joined the Indian Foreign Service in 1982. He is an Economics Graduate from Patna University and has worked with the State Bank of India for over two years before joining the Indian Foreign Service.

During his diplomatic career, he has served in various capacities in Algiers (1983-87), Buenos Aires (1987-90), in the Ministry of External Affairs as Private Secretary to Minister of State for External Affairs, Chemicals & Fertilizers, Parliamentary Affairs and Department of Electronics and Ocean Development from July 1991 to May 1996. He then served as Director (BSM) in Ministry of External Affairs from June 1996 to July 1997 and as OSD to Ministry of State for External Affairs from July 1997 to April 1998.

He also held diplomatic positions in Indian Missions in Washington DC (1998-2001) Jakarta (2001-2004) and Brussels (2004-2007) before being appointed India's Ambassador to Tajikistan (April 2007 to July 2010).

During 2010-2013, he was on deputation to the Ministry of Commerce and Industry and served as Joint Secretary in the Trade Policy Division and the RMTR Division handling WTO related matters and issues relating to multilateral economic negotiations. He also oversaw

India's participation in multilateral such as UNCTAD, APTA, BIMSTEC, G20, IBSA, BRICS etc.

After completion of his assignment in Kabul successfully as Ambassador of India to Afganistan (June 2013 to January 2016), he has assumed the charge of the post of Secretary (Economic Relations) in the Ministry of External Affairs, New Delhi, on January 15, 2016. His charge included Development of Partnership in Africa and countries in the Gulf and West Asia.

Shri Siraj Hussain (DIN 05346215) – (From September 21, 2017)

Mr. Siraj Hussain has been appointed as Independent Director on the Board of HPCL effective September 21, 2017.

Mr. Siraj Hussain joined the IAS in 1979 and was allotted Uttar Pradesh Cadre. He served the Government of Uttar Pradesh in various capacities including District Magistrate, Hardoi; Managing Director, UP State Industrial Development Corporation; Managing Director, UP Agro Industries Corporation and Registrar of Cooperative Societies. He was posted in the State Secretariat in the Departments of Energy, Education and Panchayati Raj. He was also Secretary to Chief Minister of UP.

He has served the Government of India in various capacities including Deputy Managing Director, National Cooperative Development Corporation; Joint Secretary in Department of Food and Public Distribution and Chairman-cum-Managing Director of Food Corporation of India (FCI). From 2000 to 2005 he served as Vice-Chancellor of Jamia Hamdard University in New Delhi.

In the Department of Food & Public Distribution, he formulated the scheme for attracting investment from private sector in warehousing sector, popularly known as Private Entrepreneurs Guarantee Scheme (PEG) 2010. From May 2013 to February 2015, he served as Secretary to Government of India, in the Ministry of Food Processing Industries (MoFPI).

He was posted as Secretary, Agriculture, Co-operation & Farmers Welfare in February, 2015. The scheme of for setting up of National Agriculture Market by creating an electronic platform for e-trading of agricultural commodities was formulated under his supervision. The PM Fasal Bima Yojna was also prepared under his guidance.

In January 2016, he was awarded Doctorate in Philosophy (honoris causa) by Acharya NG Ranga Agricultural



University, Andhra Pradesh in recognition of his contributions for advancement of Agriculture.

He retired from Govt service in January 2016. He is presently a Visiting Senior Fellow with ICRIER.

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 and Disclosure Requirements) Regulations, 2015, separate meeting of Independent Directors was held. The Corporation is nominating Independent Directors to the Familiarization Program and other Corporate Program from time to time. The details of familiarization programs provided to the Independent Directors are hosted on the website of the Company

Performance Evaluation criteria for Independent Directors

Being a Government Company, the appointment of all Directors including Independent Directors and their performance evaluation is being done by the Government of India.

3.0 AUDIT COMMITTEE:

The Audit Committee comprises of Independent Directors and Whole Time Director, as follows. The Composition of Audit Committee as on 31.03.2018 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain	Chairman	Independent Director
2.	Shri G V Krishna	Member	Independent Director
3.	Shri J Ramaswamy	Member	Whole Time Director

The terms of reference of the Audit Committee are as provided under the Companies Act, 2013, Regulation 18 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II of Part C (A) & Part C (B) of the said regulation and other applicable DPE guidelines on Corporate Governance applicable to Central Public Sector Enterprises (CPSE).

The Committee at the Meeting held on May 22, 2018 reviewed the Financial Statements for the Financial Year 2017-2018 before the said Financial Statement were adopted by the Board.

Dates of Audit Committee Meetings held during 2017-2018:

25.05.2017	26.05.2017	11.07.2017	04.08.2017
07.09.2017	09.11.2017	09.02.2018	28.02.2018
27.03.2018			

Attendance at the Audit Committee Meeting during 2017-2018:

Name of the Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
Shri Ram Niwas Jain	09	09	100%
Shri G V Krishna	09	08	89%
Shri J Ramaswamy	09	09	100%
Dr T N Singh *	01	01	100%

* Appointed as Member of the Audit Committee for the meeting held on 09.11.2017

4.0 NOMINATION AND REMUNERATION COMMITTEE:

The Board has constituted the Nomination and Remuneration Committee to look into various aspects of 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 and other officers is fixed by the Government of India, HPCL did not feel the need for setting up 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 31.03.2018 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain	Chairman	Independent Director
2.	Shri G V Krishna	Member	Independent Director
3.	Dr. T N Singh	Member	Independent Director
4.	Shri Pushp Kumar Joshi	Permanent Invitee	Whole Time Director



Dates of Nomination and Remuneration Committee Meeting(s) held during 2017-2018:

26.05.2017	29.08.2017
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Attendance at the Nomination & Remuneration Committee Meeting during 2017-2018:

Name of the Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
Shri Ram Niwas Jain	02	02	100%
Shri G V Krishna	02	02	100%
Dr. T N Singh	02	01	50%
Shri Pushp Kumar Joshi	02	02	100%

5.0 RISK MANAGEMENT COMMITTEE:

The Board has constituted the Risk Management Steering Committee, to review the Risk Management and minimization procedure in the Corporation.

The Composition of Risk Management Committee as on 31.03.2018 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Mukesh Kumar Surana	Chairman	Chairman & Managing Director
2.	Shri Pushp Kumar Joshi	Member	Whole Time Director
3.	Shri J Ramaswamy	Member	Whole Time Director
4.	Shri S Jeyakrishnan	Member	Whole Time Director
5.	Shri Vinod S Shenoy	Member	Whole Time Director

6.0 STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholders' Relationship Committee comprising of Independent Directors and Whole Time Director to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders. The Composition of Stakeholders Relationship Committee as on 31.03.2018 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Dr. T N Singh	Chairman	Independent Director
2.	Smt. Asifa Khan	Member	Independent Director
3.	Shri J.Ramaswamy	Member	Whole Time Director

The Committee reviews the status of Investors' Grievances and other important matters of investors' interest.

Dates of Stakeholders' Relationship Committee Meeting(s) held during 2017-2018:

26.05.2017	08.11.2017
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Attendance at the Stakeholders' Relationship Committee Meeting during 2017-2018:

Name of the Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
Dr. T N Singh	02	02	100%
Smt. Asifa Khan	02	02	100%
Shri J.Ramaswamy	02	02	100%

7.0 CSR & SUSTAINABILITY DEVELOPMENT COMMITTEE:

The Board has constituted a Corporate Social Responsibility & Sustainability Development Committee (CSR & SD) in line with Section 135 of the Companies Act, 2013 and DPE Guidelines, comprising of Independent Directors and Whole Time Directors to carry out functions as provided in Section 135 (3) of the Companies Act and in the DPE Guidelines.

The Composition of CSR & SD Committee as on 31.03.2018 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain	Chairman	Independent Director
2.	Shri G V Krishna	Member	Independent Director
3.	Shri Pushp Kumar Joshi	Member	Whole Time Director
4.	Shri S Jeyakrishnan	Member	Whole Time Director
5.	Shri Vinod S Shenoy	Member	Whole Time Director

Dates of CSR & SD Committee Meeting(s) held during 2017-2018:

25.05.2017	03.08.2017	09.11.2017	09.02.2018
27.03.2018			

Attendance at the CSR & SD Committee Meeting(s) during 2017-2018:

Name of the Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
Shri Ram Niwas Jain	05	05	100%
Shri G V Krishna	05	04	80%
Shri Pushp Kumar Joshi	05	05	100%
Shri S Jeyakrishnan	05	04	80%
Shri Vinod S Shenoy	05	05	100%



8.0 INVESTMENT COMMITTEE:

The Board has constituted an Investment Committee comprising of Independent Directors and Whole Time Director to review the investment in the projects of higher value before seeking approval of the Board.

The Composition of Investment Committee as on 31.03.2018 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain	Chairman	Independent Director
2.	Smt. Asifa Khan	Member	Independent Director
3.	Dr. T N Singh	Member	Independent Director
4.	Shri J Ramaswamy	Member	Whole Time Director

Dates of Investment Committee Meeting(s) held during 2017-2018:

17.04.2017	26.05.2017	18.07.2017	03.08.2017
07.09.2017	08.11.2017	08.02.2018	

Attendance at the Investment Committee Meeting(s) held during 2017-2018:

Name of the Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
Shri Ram Niwas Jain	07	07	100%
Smt. Asifa Khan	07	06	86%
Dr. T N Singh	07	07	100%
Shri J Ramaswamy	07	07	100%

The aforesaid Board Sub-Committees have been reconstituted effective April 01, 2018 keeping in view the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015, DPE Guidelines on Corporate Governance.

9.0 REMUNERATION OF DIRECTORS:

- HPCL being a Government Company, the remuneration payable to its Whole-Time Directors is approved by the Government and advices thereof are received through the Administrative Ministry i.e. Ministry of Petroleum & Natural Gas.
- The Independent 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 the Below level is also approved by the Government of India.

The details of Remuneration paid to all Functional Directors are given below:

- The remuneration of the Whole Time Directors includes Basic Salary, allowances and perquisites as determined by the Government of India. Moreover, they are entitled to Provident Fund and Superannuation Contributions as per the Rules of the Company.
- The Gross Value of the fixed component of the remuneration paid to Whole Time Functional Directors, during the Financial Year 2017-2018 is given below:

(In ₹ Lakh)

Sr. No.	Particulars of Remuneration	Name of Chairman & Managing Director / Whole Time Directors					Total
		Mukesh Kumar Surana	Pushp Kumar Joshi	J Ramaswamy	S Jeyakrishnan	Vinod S Shenoy	
1	Gross Salary	69.88	64.93	62.13	54.65	49.10	300.70
	(a) Salary as per provisions contained in Sec. 17(1) of the Income Tax Act, 1961	60.37	56.04	53.74	46.46	48.67	265.29
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	9.51	8.89	8.39	8.19	0.43	35.41
2	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00
4	Commission – as % of profit – Others, specify	0.00	0.00	0.00	0.00	0.00	0.00
5	Others: (PF, DCS, House Perks tax etc.)	9.02	8.75	8.57	7.60	5.99	39.93
	Total	78.90	73.68	70.70	62.25	55.09	340.63
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.



10.0 SITTING FEES FOR THE YEAR 2017-2018:

The details of Sitting Fees paid to Independent Directors for the year 2017-2018 for attending the Board / Sub-Committee Meetings are given below:

(In ₹ Lakh)

	Ram Niwas Jain	Asifa Khan	G V Krishna	T N Singh	Amar Sinha*	Siraj Hussain*
Details of Meeting						
Board	4.80	4.80	3.60	4.00	2.80	2.40
Audit Committee	2.70	0.00	2.40	0.30	0.00	0.00
Nomination & Remuneration Committee	0.60	0.00	0.60	0.30	0.00	0.00
Stakeholders Relationship Committee	0.00	0.60	0.00	0.60	0.00	0.00
Investment Committee	2.10	1.80	0.00	2.10	0.00	0.00
CSR & SD Committee	1.50	0.00	1.20	0.00	0.00	0.00
Independent Directors Meeting	0.30	0.30	0.00	0.00	0.30	0.30
Meetings on Corporate Presentation	0.60	0.30	0.60	0.60	0.00	0.00
Total Sitting Fees Paid	12.60	7.80	8.40	7.90	3.10	2.70

* Appointed as an Independent Directors effective September 21, 2017.

11.0 REFERENCES & INVESTORS COMPLAINTS RECEIVED AND REPLIED DURING 2017-2018

Sr.No.	Nature of Correspondence	References	Complaints	Total
1.	No. of Shareholders References/Complaints Received	3332	31	3363
2.	Number Not solved to the satisfaction of shareholders	0	0	0
3.	No. of Pending References / Complaints as on March 31, 2018	85	0	85

References are the requests received from the shareholders like request for updation of bank details, change of address, request for transmission / nomination of shares, request for issue of duplicate share certificates etc.

12.0 CODE OF CONDUCT:

In compliance with the terms of Regulation 17 (5) (a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, with Stock Exchanges, "Code of conduct for Board Members and Senior Management Personnel of Hindustan Petroleum Corporation Limited" has been devised by the Corporation which also incorporates the duties of Independent Directors as envisaged in Regulation 17 (5) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The purpose of this Code is to enhance further ethical and transparent process in managing the affairs of the company. This Code has been made applicable to

- All Whole-Time Directors
- All Non-Whole Time Directors including Independent Director and

- 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, 2018.

13.0 RIGHT TO INFORMATION ACT, 2005:

The Right to Information Act, 2005 (RTI) which became effective 12th October, 2005, is being complied with by HPCL. HPCL has hosted detailed information on its website www.hindustanpetroleum.com and updates the same from time to time. Officers across the country, representing different departments, have been appointed as Public Information Officers and Appellate Authorities to deal with the queries received from the Indian Citizens under RTI.



14.0 INTEGRITY PACT:

The Corporation has introduced “Integrity Pact” (IP) to enhance ethics / transparency in the process of awarding contracts. An MoU has been signed with “Transparency International” on July 13, 2007. This was made applicable in the Corporation effective September 01, 2007 for contracts above ₹1 Crore. The Integrity Pact has now become a part of tender documents to be signed by the Company and by the vendor(s) / bidder (s).

15.0 SHARES DEPARTMENT ACTIVITIES:

HPCL Shares Department monitors the activities of R&T Agents M/s. Link Intime India Pvt. Ltd., and coordinates approval for Share Transfers, Demat, Remat, Duplicate, Transmission and other important matters which are approved by the Share Transfer Committee. The Share Department carries various activities in-house like; Transmission, Dividend Reconciliation, Dividend Audits, Filing On-line Statutory Compliances with BSE/NSE, responding to grievances of shareholders through Statutory authorities, a compliances under IEPF etc.

HPCL has 2,07,303 shareholders as on 31.03.2018. The Corporation regularly interacts with the shareholders through e-mails, letters, during AGM, Investors’ Meets, etc., 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 and Annual Financial Results are published in English and local regional newspapers. The Financial and other details are also posted on the Company’s website viz. www.hindustanpetroleum.com

16.0 GENERAL BODY MEETINGS:

16.1 Location and time of the last three Meetings held:

Year	Location	Date	Time
2016-2017	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratisthan, Gen. Jagannatharao Bhosale Marg, Mumbai – 400 021	15.09.2017	11.00 a.m.

Year	Location	Date	Time
2015-2016	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratisthan, Gen. Jagannatharao Bhosale Marg, Mumbai – 400 021	08.09.2016	11.00 a.m.
2014-2015	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratisthan, Gen. Jagannatharao Bhosale Marg, Mumbai – 400 021	10.09.2015	11.00 a.m.

16.2 Whether any Special Resolutions passed in the previous 3 AGM ?

At the 63th Annual General Meeting which was held on September 10, 2015, one Special Resolution was passed approving the Material Related Party Transactions.

At the 64th Annual General Meeting which was held on September 08, 2016, two resolutions viz. to amend the Article 109 of Articles of Association of the Company and to amend Capital Clause (V) of Memorandum of Association and Article 3(1) of Articles of Association of Company for increase in Authorised Capital of the Company, were approved.

At the 65th Annual General Meeting which was held on September 15, 2017, one Special Resolution was passed approving Borrowing of Funds upto ₹ 6000 Crores through Issue of Debentures / Bonds etc.

16.3 Whether any Special Resolutions passed last year through Postal Ballot – No Special Resolution was passed however, Ordinary Resolution was passed for issue of Bonus Equity Shares

16.4 Person who conducted the Postal Ballot Exercise:

Shri Upendra Shukla, Practising Company Secretary

16.5 Whether any special resolution is proposed to be conducted through Postal Ballot:

For the year 2018-2019, Special Resolution through Postal Ballot if any, will be proposed on need basis as and when required.

16.6 Procedure for Postal Ballot:

Procedure as prescribed under Sec. 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, will be adhered to.



17.0 MEANS OF COMMUNICATON

Timely disclosure of consistent, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, major steps taken are as under:

i) Quarterly Financial Results.

The quarterly unaudited financial / yearly audited financial results of the Company are announced within the time limits prescribed by the SEBI (LODR) Regulations, 2015. The results are published in leading business/regional newspapers 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 Section for investors where relevant information for shareholders is kept 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 2017-18 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 (Form IEPF- 1)

As per Section 124 (5) of the Companies Act, 2013 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. During 2017-2018, the unpaid dividend of 2009-10 was 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.

vi) Statement of Unclaimed and unpaid amount uploaded to MCA Website (Form IEPF- 2)

In pursuance of Investor Education and Protection Fund (uploading of information, regarding unpaid

and unclaimed amounts lying with Companies) Rules, 2016, the companies are required to upload Form IEPF- 2 each year on MCA website. The information is also hosted on the website of the Company.

Shareholders can seek refund of their unclaimed dividends from IEPF by referring details on the HPCL's website.

vii) Transfer of Shares to IEPF Authority (Form IEPF- 4)

Pursuant to Section 124 (6) of Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 as amended, the shares in respect of which dividend is unclaimed for a period of seven consecutive years are required to be transferred by the Company to IEPF Authority. Subsequently various amendments were given by MCA through Notifications. MCA vide Notification dated October 13, 2017, October 16, 2017 and also dated October 17, 2017 finally notified that in cases where the period of seven years provided u/s 124(5) of the Companies Act, 2013 has been completed or being completed during the period from 7th September 2016 to 31st October, 2017, the due date of transfer of such shares shall be October 31st, 2017.

Accordingly, as prescribed under MCA Notifications, all the required formalities and Corporate Actions were completed and the shares were transferred to IEPF as summarized below: -

Category	No of Records	No. of Shares transferred
NSDL Account	116	13697
CDSL Account	23	1103
Physical Account	688	107506
Total	827	122306

viii) Claim for Refund of Shares from IEPF Authority (IEPF - 5)

Consequent to transfer of shares in December, 2017, two claims for refund of shares were received. The documents were verified and forwarded to IEPF Authority.

ix) E-Communications

Audited Financial Results for the year 2017-18 were sent to shareholders thru Emails after the



Board Meeting, held on May 22, 2018 intimating shareholders about the Financial Results of the Corporation and recommendation of the Final dividend for the year 2017-18 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 all quarters of the year 2017-18 were sent to shareholders through their registered emails.

Emails were sent to the shareholders intimating about the credit of Interim Dividend 2017-18 electronically.

x) Correspondences with Shareholders

- Physical letters were sent to shareholders for updation of bank details during the year.
- Inland letters on intimation of dividend credited electronically for the Interim Dividend 2017-18 were sent.
- Inland letters intimating allotment & credit of Bonus Shares 2017 into their Demat account were sent to Demat Shareholders and allotment advice along with original Bonus Shares Certificates 2017 were sent to Physical shareholders.

xi) Green Initiative of MCA:

In order to ensure timely and quick receipt of information and the benefits associated with electronic receipt of Corporate Benefits and in line with Green Initiative measures introduced by the Ministry of Corporate Affairs in 2011 and also in line with the provisions contained in the New Companies Act, 2013 and the rules made thereunder, HPCL has been sending thru e-mail all the shareholders related documents or Corporate Benefits including dividend in electronic mode. However, an option is also given to the shareholders to receive documents in physical form.

Shareholders, who have not presently registered their E-Mails address and have not provided their banks details for E-Payment, but wish to receive documents in Electronic Mode and E-Payment of Corporate Benefits, were/are advised to register their E-Mail addresses and Bank Details either with the Depository Participants or with HPCL's R&T Agents depending upon their type of holding.

18.0 GENERAL SHAREHOLDER INFORMATION:

18.1 66th Annual General Meeting:

Date and Time : August 30, 2018 at 11.00 A.M.

Venue : Y. B. Chavan Auditorium,
Yashwantrao Chavan Pratishthan,
Gen. Jagannathrao Bhosale Marg,
Mumbai – 400 021.

18.2 Financial Calendar:

Financial Reporting for Quarter ending 30.06.2018 - End July / Mid-August 2018
Financial Reporting for Quarter ending 30.09.2018 - End October / Mid November 2018
Financial Reporting for Quarter ending 31.12.2018 - End January / Mid February 2019
Financial Reporting for Quarter ending 31.03.2019 - End May 2019
Annual General Meeting for year ending 31.03.2018 - August / September 2019

18.3 Book Closure Date(s) for Final Equity Dividend :
July 02, 2018 to July 06, 2018 (Both days inclusive)

18.4 Dividend Payment Date :
On or before September 07, 2018

18.5 Listing on Stock Exchanges as of 31.03.2018 :

The BSE Limited, Phroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	The National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051
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18.6 Listing Fees: Listing Fees for Financial Year 2018-2019 have been paid to Stock Exchanges.

18.7 Stock Codes BSE: 500104 NSE: HINDPETRO ISIN (for trading in Demat Form): INE094A01015

18.8 Stock Market Data:

HPCL SHARE PRICE

(In ₹)

YEAR	BSE		NSE	
	HIGH	LOW	HIGH	LOW
2017-18	575.30	323.50	574.80	323.50
2016-17	1328.95	390.00	1328.00	389.50
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



Performance in Comparison to Broad Based Indices

AS ON	HPCL Share (₹)	BSE SENSEX	NSE NIFTY
31.03.2018	344.15	32968.68	10113.70
31.03.2017	525.45	29620.50	9173.75
31.03.2016	785.55	25341.86	7738.40
31.03.2015	650.10	27957.49	8491.00
31.03.2014	309.75	22386.27	6704.20

HPCL Share Price Monthly Data

BOMBAY STOCK EXCHANGE					NATIONAL STOCK EXCHANGE				
Month	High (₹)	Low (₹)	Close (₹)	Volume (Qty)	Month	High (₹)	Low (₹)	Close (₹)	Volume (Qty)
Apr-17	568.95	515.50	535.75	2,973,573	Apr-17	569.00	515.50	536.15	48,491,453
May-17	575.30	493.00	550.15	7,437,890	May-17	574.80	492.05	554.20	61,594,019
Jun-17	553.00	491.00	509.55	4,313,101	Jun-17	554.00	490.60	510.35	48,882,462
Jul-17	524.90	336.00	383.30	9,302,146	Jul-17	529.80	336.00	383.20	89,003,604
Aug-17	492.45	381.30	487.95	11,909,476	Aug-17	492.80	381.05	488.35	136,556,243
Sep-17	493.00	397.00	426.50	7,863,764	Sep-17	491.40	396.65	426.80	98,730,158
Oct-17	483.75	421.85	447.35	5,781,941	Oct-17	484.35	421.75	447.15	77,606,281
Nov-17	452.00	406.50	416.85	6,437,063	Nov-17	452.00	406.25	416.70	90,093,351
Dec-17	447.00	400.40	416.30	6,517,339	Dec-17	446.65	400.00	418.60	64,533,294
Jan-18	434.90	372.00	396.50	5,464,429	Jan-18	435.00	372.10	397.70	109,484,739
Feb-18	409.10	365.15	380.10	5,116,375	Feb-18	409.80	365.20	380.15	83,425,744
Mar-18	385.35	323.50	344.15	3,046,119	Mar-18	385.50	323.50	344.85	59,886,234

Per Share and Related Data:

		2017-18	2016-17	2015-16	2014-15	2013-14
Per Share Data	Unit					
EPS (Note 1)	₹	41.72	40.74	24.45	17.94	11.38
CEPS (Note 1)	₹	62.54	61.51	46.70	33.71	26.51
Dividend	₹	15.60	44.90	43.00	24.50	15.50
Book Value	₹	157.16	200.29	530.66	473.14	443.32
Share Related Data	Unit					
Dividend Payout	%	36.52	56.01	39.08	36.53	35.42
Price to Earning *	Multiple	8.25	12.90	32.13	8.05	6.05
Price to Cash Earning *	Multiple	5.50	8.54	16.82	4.29	2.60
Price to Book Value	Multiple	2.19	2.62	1.48	1.37	0.70
• Based on March 31, closing price (BSE)	₹	344.15	525.45	785.55	650.10	309.75

Note 1: EPS for earlier periods presented have been recalculated in accordance with AS 33

The Figure for the year 2017-2018, 2016-2017 & 2015-2016 are as per Financial Statements prepared under Ind AS.



18.9 Registrar and Transfer Agents:

M/s. Link Intime India Pvt.Ltd.,
Unit : Hindustan Petroleum Corporation Limited,
C 101, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai – 400 083.
Contact No. (022) 49186000 Fax No. (022) 49186060
Email : mt.helpdesk@linkintime.co.in

18.10 Share Transfer System

Activities relating to Share Transfers are carried out by M/s. Link Intime India Pvt.Ltd., who are the Registrar and Transfer Agents of the Company and 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. If the documents are correct and valid in all respects, share transfers are registered and Share Certificates are dispatched within stipulated period from the date of receipt.

The Number of shares transferred during the last two financial years:

2017-2018 : 1,88,881 Shares
2016-2017 : 33,000 Shares

18.11 Dematerialization of shares and liquidity:

The total number of shares dematerialized as on 31.03.2018 is 151,70,38,207 representing 99.55% of paid up equity share capital. Trading in Equity Shares of the Company is permitted only in dematerialized form, w.e.f. February 15, 1999 as per the notification issued by the Securities and Exchange Board of India.

18.12 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.

There are no outstanding warrants to be converted into Equity Shares

Detachable Tradeable Warrants along with Public Issue shares in April 1995 were converted into Equity Shares during the period February 1997 – April 1997 and hence, as on March 31, 2018 there are no outstanding warrants.

18.13 Plant Locations:

The Corporation has 02 Refineries located at Mumbai and Visakhapatnam. It has 156 Regional Offices, 41 Terminals/Tap Off Points, 41 Depots, 48 LPG Bottling Plants, 06 Lube Blending Plants, 15062 Retail Outlets, 41 ASFs, 1638 SKO/LOD Dealers, 4849 LPG Distributors located all over the country.

18.14 Address for Correspondence:

Registrar and Transfer Agents	Company's Shares Department
M/s. Link Intime India Pvt.Ltd., Unit: Hindustan Petroleum Corporation Ltd. C 101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai – 400 083 Tel. No. (022) 49186000 Fax No. (022) 49186060 E-mail: rnt.helpdesk@linkintime.co.in	Hindustan Petroleum Corporation Ltd. Shares Department, 2nd Floor, Petroleum House, 17, Jamshedji Tata Road, Mumbai – 400 020 Tel. Nos. (022) 22863204 / 3201 / 3208 Fax No.: (022) 22874552/22841573 E-mail: hpclinvestors@mail.hpcl.co.in

**18.15 Distribution Schedule as on 31.03.2018**

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	1618	445142	163399	21260595	165017	21705737	79.60	1.42
501-1000	4216	2817241	17420	12697126	21636	15514367	10.44	1.02
1001-5000	1777	3027646	15171	31063354	16948	34091000	8.18	2.24
5001-10000	21	137400	1601	11348309	1622	11485709	0.78	0.75
10001 & above	6	356989	2074	1440668823	2080	1441025812	1.00	94.57
TOTAL:	7638	6784418	199665	1517038207	207303	1523822625	100.00	100.00

18.16 Shareholding Pattern:

CATEGORY	As on 31.03.2018			As on 31.03.2017		
	No. of Holders	Shares held	% of total issued shares	No. of Holders	Shares held	% of total issued shares
President of India*	0	0	0	1	519230250	51.11
Oil and Natural Gas Corporation Ltd.*	1	778845375	51.11	0	0	0
Financial Institutions	34	47380974	3.11	27	32881096	3.24
FII/OCBS	740	356470910	23.39	323	171463476	16.88
Banks	14	2564416	0.17	14	903473	0.09
Mutual Funds (Includes Alternate Investment Funds)	202	147545465	9.68	161	63521351	6.25
Foreign Nationals (NRI, NRI-Repat, Individuals)	5513	5189805	0.34	4017	3438539	0.34
Employees (Physical)	444	806445	0.05	476	590550	0.06
Others	200355	185019235	12.14	149728	223853015	22.04
TOTAL	207303	1523822625	100.00	154747	1015881750	100.00

* On January 31, 2018, 51.11% Equity Shares held by President of India were transferred to ONGC.

19.0 DISCLOSURES:

- 19.1** There are no shares lying unclaimed pertaining to the Public Issue and Warrant Conversion made by the Corporation during the year 1995 and 1997 respectively.
- 19.2** During the year 2017-2018, there were no material transactions with Directors or their relatives having potential conflict with the interest of the Company. Being a Government Company, all the Directors of HPCL are appointed by the Government of India. There is no relationship inter se between Directors.
- 19.3** As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporation has formulated a Policy on Materiality of Related Party Transactions 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 into during Financial Year 2017-2018 were approved by the Audit Committee/Board.
- 19.4** There have no instance of non-compliance by the Company or penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any Statutory Authority, on any matter relating to Capital Markets during the last 3 years.



- 19.5** The Corporation has a Whistle-Blower Policy in place and no person have been denied access to the Audit Committee. This policy is hosted on the website of the Company www.hindustanpetroleum.com
- 19.6** The Corporation is complying with the various mandatory and non-mandatory Corporate Governance Requirements envisaged under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and DPE Guidelines on Corporate Governance including the suggested list of items to the extent applicable. With regard to appointment of required number of Independent Directors on the Board of HPCL, the Corporation has taken up the matter with its Administrative Ministry i.e. Ministry of Petroleum & Natural Gas.
- 19.7** Web link for accessing Policy for Determining Material Subsidiaries is <http://www.hindustanpetroleum.com/Policies>
- 19.8** Web link for accessing Policy on dealing with Related Party Transactions <http://www.hindustanpetroleum.com/Policies>
- 19.9** The Corporation has framed a "The Code of Internal Procedure and Conduct for Prohibition of Insider Trading in dealing with Securities of HPCL" and the same is hosted on the website of our Corporation. The link for accessing this Code is <http://www.hindustanpetroleum.com/Policies>
- 19.10** The Corporation's Profitability is exposed to the risk of fluctuation in prices of Crude Oil and Petroleum products in international markets. Corporation monitors and reduces the impact of the volatility in International Oil prices based on approved Oil Price Risk Management Policy by entering into derivative contracts in the OTC market.
- The Corporation also has Oil Price Risk Management Committee (OPRMC) which actively reviews and monitors risk management principles, policies and risk management activities.
- 19.11** CEO / CFO Certification:
- Chairman & Managing Director and Director (Finance) of the Corporation have given "CEO/CFO Certification" to the Board in compliance of Regulation 33 of the SEBI (LODR) Regulations, 2015.
- 20.0** The Corporation has complied with the applicable conditions of Corporate Governance requirements as specified in Regulations 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulations (2) of Regulation 46 except to the extent of appointments of requirement of number of Independent Directors on the Board. Being a Government Company, all the Directors on the Board are appointed by the Government of India. The link for accessing the details as prescribed under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:
- http://www.hindustanpetroleum.com/stock_exchange
- 21.0** The discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015, have been adopted to the extent practicable.

DECLARATION OF THE CHAIRMAN & MANAGING DIRECTOR

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the same is uploaded on the website of the Company 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 Financial Year ended March 31, 2018.

Mukesh Kumar Surana
Chairman & Managing Director



Corporate Governance

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

- To,
- The Members of **Hindustan Petroleum Corporation Limited**
1. This certificate is issued in accordance with the terms of our engagement with Hindustan Petroleum Corporation Limited (the Company/ HPCL).
 2. The Corporate Governance Report prepared by the Company contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') ('Applicable criteria') for the year ended March 31, 2018.
 3. This report is required by the Company to be annexed with the Directors' Report, in terms of Para E of schedule V to the aforesaid Listing Regulations, for further being sent to the Shareholders of the Company.
 4. We have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 31, 2018, as stipulated in
 - Regulation 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C,D and E of Schedule V to the SEBI Listing Regulations
 - And the Guidelines on Corporate Governance for Central Public Sector Enterprises (Guidelines) as issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India.

Management's Responsibility

5. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
6. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

7. Our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 6 above.
8. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. The procedures selected depend on the auditors' judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non- executive directors has been met throughout the reporting period;
 - iii. Obtained and read the minutes of the following meetings held in the Financial Year 2017-18:



- (a) Board of Directors meetings;
 - (b) Audit Committee meetings;
 - (c) Stakeholder Relationship Committee meetings;
 - (d) Nomination and Remuneration Committee meetings;
 - (e) Corporate Social Responsibility Committee meetings
 - (f) Independent directors meeting;
- iv. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
 - v. Performed necessary inquiries with the Management and also obtained necessary specific representations from Management.
10. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

12. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company, has in all material respects, complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V to the SEBI Listing Regulations for the year ended March 31, 2018 as well the Guidelines issued by the DPE subject to
- a. The number of Independent Directors on the Board of the Company is less than the required number prescribed under the Regulation and clause 3.1.4 of the DPE Guidelines

Other matters and Restriction on Use

13. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
14. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Registration No.: 101851W

Sd/-
Anagha Thatte
Partner
Membership No.: 105525

Place : Mumbai
Dated : July 26, 2018

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

Sd/-
Rajen Ashar
Partner
Membership No. 048243

Delivering Happiness...





Hindustan Petroleum Corporation Limited

Petroleum House
17, Jamshedji Tata Road,
Churchgate, Mumbai - 400020

