

HINDUSTAN PETROLEUM CORPORATION LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

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

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2017

| Particulars   | Un - Audited     |                  |                  |                   |                   | Audited           |
|---|------------------|------------------|------------------|-------------------|-------------------|-------------------|
|   | Quarter Ended    |                  |                  | Six Months Ended  |                   | Year Ended        |
|   | 30.09.2017       | 30.06.2017       | 30.09.2016       | 30.09.2017        | 30.09.2016        | 31.03.2017        |
| <b>PART I</b>   |                  |                  |                  |                   |                   |                   |
| <b>A FINANCIAL PERFORMANCE</b>  |                  |                  |                  |                   |                   |                   |
| <b>1 Income</b>   |                  |                  |                  |                   |                   |                   |
| (a) Sales/Income from Operations  | 54,152.80        | 59,891.27        | 47,750.60        | 114,044.07        | 99,350.12         | 213,488.95        |
| (b) Other Operating Income  | 183.03           | 83.67            | 81.54            | 266.70            | 151.78            | 314.04            |
| (c) Other Income (refer note # 5 below)   | 519.36           | 570.31           | 537.26           | 1,089.67          | 803.80            | 1,514.72          |
| <b>Total Income</b>   | <b>54,855.19</b> | <b>60,545.25</b> | <b>48,369.40</b> | <b>115,400.44</b> | <b>100,305.70</b> | <b>215,317.71</b> |
| <b>2 Expenses</b>   |                  |                  |                  |                   |                   |                   |
| (a) Cost of materials consumed  | 11,062.55        | 12,047.91        | 9,898.54         | 23,110.46         | 19,938.04         | 45,137.66         |
| (b) Purchases of stock-in-trade   | 31,866.86        | 32,961.12        | 27,869.38        | 64,827.98         | 58,145.82         | 122,731.74        |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (1,496.40)       | 3,380.30         | 72.55            | 1,883.90          | (2,160.65)        | (4,454.06)        |
| (d) Excise Duty   | 6,813.25         | 6,506.43         | 5,719.96         | 13,319.68         | 12,540.23         | 26,779.28         |
| (e) Employee benefits expense   | 708.12           | 698.38           | 605.10           | 1,406.50          | 1,219.56          | 2,946.08          |
| (f) Finance Costs   | 156.34           | 142.96           | 127.47           | 299.30            | 252.51            | 535.65            |
| (g) Depreciation and amortisation expense   | 680.41           | 667.05           | 615.95           | 1,347.46          | 1,226.79          | 2,535.28          |
| (h) Other expenses (refer note # 5 below)   | 2,475.86         | 2,752.80         | 2,385.00         | 5,228.66          | 4,916.18          | 10,085.24         |
| <b>Total Expenses</b>   | <b>52,266.99</b> | <b>59,156.95</b> | <b>47,293.95</b> | <b>111,423.94</b> | <b>96,078.48</b>  | <b>206,296.87</b> |
| <b>3 Profit/(Loss) before exceptional items and tax</b>                           | <b>2,588.20</b>  | <b>1,388.30</b>  | <b>1,075.45</b>  | <b>3,976.50</b>   | <b>4,227.22</b>   | <b>9,020.84</b>   |
| <b>4 Exceptional Items - Expenses/(Income)</b>                                    | -                | -                | -                | -                 | -                 | -                 |
| <b>5 Profit/(Loss) before tax (3+/-4)</b>   | <b>2,588.20</b>  | <b>1,388.30</b>  | <b>1,075.45</b>  | <b>3,976.50</b>   | <b>4,227.22</b>   | <b>9,020.84</b>   |
| <b>6 Tax Expense :</b>  |                  |                  |                  |                   |                   |                   |
| (i) Current Tax   | 733.05           | 335.83           | 230.70           | 1,068.88          | 805.74            | 2,183.76          |
| (ii) Deferred Tax   | 120.41           | 127.72           | 143.43           | 248.13            | 621.78            | 628.28            |
| <b>Total Tax Expense</b>  | <b>853.46</b>    | <b>463.55</b>    | <b>374.13</b>    | <b>1,317.01</b>   | <b>1,427.52</b>   | <b>2,812.04</b>   |
| <b>7 Net profit/(loss) for the period (5-6)</b>                                   | <b>1,734.74</b>  | <b>924.75</b>    | <b>701.32</b>    | <b>2,659.49</b>   | <b>2,799.70</b>   | <b>6,208.80</b>   |
| <b>8 Other comprehensive income</b>   |                  |                  |                  |                   |                   |                   |
| Items that will not be reclassified to profit or loss                             | 163.53           | (129.73)         | 62.43            | 33.80             | 113.08            | 151.92            |
| Income tax relating to items that will not be reclassified to profit or loss      | -                | -                | -                | -                 | -                 | 8.20              |
| <b>Total Other Comprehensive Income</b>   | <b>163.53</b>    | <b>(129.73)</b>  | <b>62.43</b>     | <b>33.80</b>      | <b>113.08</b>     | <b>160.12</b>     |
| <b>9 Total comprehensive income, for the period (7 +/- 8)</b>                     | <b>1,898.27</b>  | <b>795.02</b>    | <b>763.75</b>    | <b>2,693.29</b>   | <b>2,912.78</b>   | <b>6,368.92</b>   |
| <b>10 Paid up Equity Share Capital (Face value ₹ 10/- each)</b>                   | <b>1,523.82</b>  | <b>1,015.88</b>  | <b>1,015.88</b>  | <b>1,523.82</b>   | <b>1,015.88</b>   | <b>1,015.88</b>   |
| <b>11 Other Equity excluding Revaluation Reserves</b>                             |                  |                  |                  |                   |                   | <b>19,331.14</b>  |
| <b>12 Basic and Diluted Earnings Per Share (of ₹ 10/- each) (not annualised)</b>  | <b>11.38</b>     | <b>6.07</b>      | <b>4.60</b>      | <b>17.45</b>      | <b>18.37</b>      | <b>40.74</b>      |
| <b>B PHYSICAL PERFORMANCE ( in MMT )</b>  |                  |                  |                  |                   |                   |                   |
| Crude Thruput   | 4.64             | 4.49             | 4.04             | 9.13              | 8.52              | 17.81             |
| Market Sales  |                  |                  |                  |                   |                   |                   |
| - Domestic Sales  | 8.37             | 9.20             | 8.02             | 17.57             | 16.91             | 34.69             |
| - Exports   | 0.36             | 0.06             | 0.16             | 0.42              | 0.19              | 0.54              |
| Pipeline Thruput  | 5.05             | 4.65             | 4.12             | 9.70              | 8.77              | 17.91             |

*[Handwritten Signature]*



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**Notes:**

- The Audit Committee has reviewed the above results and the same have been subsequently approved by the Board of Directors in their meeting held on 9th November 2017.
- Average Gross Refining Margin during the six months ended September 30, 2017 was US \$ 6.75 per BBL as against US \$ 5.12 per BBL during the corresponding period of previous year.
- The Corporation has accounted for Budgetary Support amounting to ₹ 330.47 crores during April – September, 2017 (April – September, 2016 : ₹ 691.86 crores) towards under recovery on sale of PDS SKO.
- 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 shares of ₹ 10/- for two existing equity share of ₹ 10/- each in July, 2017. Accordingly, EPS for earlier periods has been recalculated and presented. This is in accordance with Ind AS - 33.
- Other Income for the period April - September, 2017 includes ₹ 132.33 Crores towards gain on account of foreign currency transactions and translations. During, April - September, 2016 loss of ₹ 58.56 crores on account of foreign currency transactions was included in Other Expenses.
- The Corporation has issued ₹ 3,264.50 crores (US Dollar Bond of US\$ 500 Million) on 12.07.2017 for a period of 10 years. The loan would be payable in one installment on 12.07.2027 (i.e. maturity date).
- The Financial Results have been reviewed by the Statutory Auditors as required under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Corporation operates in a single segment viz. Downstream petroleum sector.
- The Corporation has created and maintained adequate security with respect to its secured listed non- convertible debt security.
- Post implementation of Goods and Services Tax (GST) w.e.f. 1st July 2017, some of the petroleum products have come under the domain of current GST Laws and the balance petroleum products continue to remain under the Excise Laws. Since Excise Duty is included in revenue and GST is not included in revenue, the comparable revenues from operations for the relevant periods under consideration are given below :

|   | Quarter Ended    |                  |                  | Six Months Ended  |                  | Year Ended        |
|---|------------------|------------------|------------------|-------------------|------------------|-------------------|
|   | 30.09.2017       | 30.06.2017       | 30.09.2016       | 30.09.2017        | 30.09.2016       | 31.03.2017        |
| Revenue (Gross)                                   | 54,152.80        | 59,891.27        | 47,750.60        | 114,044.07        | 99,350.12        | 213,488.95        |
| Less: Excise duty pertaining to GST Products only | -                | 526.51           | 500.62           | 526.51            | 1,000.42         | 2,238.94          |
| <b>Net comparable revenue</b>                     | <b>54,152.80</b> | <b>59,364.76</b> | <b>47,249.98</b> | <b>113,517.56</b> | <b>98,349.70</b> | <b>211,250.01</b> |

- In the matter of arbitration between HPCL/PPCL (Prize Petroleum Company Limited, a 100% subsidiary of HPCL) v/s M3nergy for development of offshore marginal oilfields of cluster-7, the second partial award has been received in favour of HPCL/PPCL on 27th September 2017 for ₹ 444.45 Crores (equivalent US \$ 91.3 Million, converted into INR taking exchange rate of ₹ 48.68 for a US Dollar prevailing on January 6, 2009, HPCL's share being 6/7th works out to ₹ 380.96 Crores) towards loss of profit and ₹ 41.60 crores (HPCL's share being 6/7th works out to ₹ 35.66 Crores) towards encashment of Bank Guarantee along with interest @ 9% p.a. w.e.f. 06/01/2009. The award is open to challenge and hence the Corporation has not considered the impact of the said award in the quarterly results.
- During the Quarter, the recommendations of the 3rd Pay Revision Committee have been approved by the Board for pay revision with effect from January 1, 2017. However, the presidential directives have been issued on October 13, 2017 for implementation of the same. Accordingly the implementation of the Committee's recommendations are in progress. The Corporation does not expect any material impact on the financial results on final implementation of the recommendation as the Corporation has been making estimated provisions based on the recommendations in the current period and earlier periods.
- Additional Disclosures as per Clause 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

| Particulars   | Series G                      |                               |                               |                        |
|---|-------------------------------|-------------------------------|-------------------------------|------------------------|
|   | 30.09.2017                    | 30.09.2016                    | 31.03.2017                    |                        |
| (a) Previous Due Date for the payment of Interest of Non Convertible Debentures (NCDs) and Status   | 14.03.2017<br>(Paid)          | 14.03.2016<br>(Paid)          | 14.03.2017<br>(Paid)          |                        |
| (b) Previous Due Date for the repayment of principal of NCDs  | N.A.                          | N.A.                          | N.A.                          |                        |
| (c) Next Due Date and amount for the payment of Interest of NCDs  | 13.03.2018 / ₹<br>85.51 Crore | 13.03.2017 / ₹<br>85.51 Crore | 13.03.2018 / ₹<br>85.51 Crore |                        |
| (d) Next Due Date and amount for the payment of principal of NCDs   | 13.03.2018 / ₹<br>975 Crore   | 13.03.2018 / ₹<br>975 Crore   | 13.03.2018 / ₹<br>975 Crore   |                        |
| (e) Asset Cover available (no. of times)  | 1.1144                        | 1.0759                        | 1.1404                        |                        |
| (f) The Credit Rating   | CRISIL                        | CRISIL AAA /<br>Stable        | CRISIL AAA /<br>Stable        | CRISIL AAA /<br>Stable |
|   | India Ratings                 | Ind AAA /<br>Stable           | Ind AAA / Stable              | Ind AAA / Stable       |
| (g) Net Worth (₹ in Crores)   | 22,905.46                     | 20,977.93                     | 20,347.41                     |                        |
| (h) Debt Service Coverage Ratio [Profits after Tax but before Depreciation and Finance Cost / (Finance Cost + Principal Repayment of Long Term Borrowings)] | 14.39                         | 11.53                         | 1.23                          |                        |
| (i) Interest Service Coverage Ratio [Profits before Depreciation, Finance Cost and Tax / Finance Cost]  | 18.79                         | 22.60                         | 22.57                         |                        |
| (j) Debt Equity Ratio   | 0.60 : 1                      | 0.82 : 1                      | 0.51 : 1                      |                        |
| (k) Debenture Redemption Reserve (₹ in Crores)  | 265.13                        | 265.13                        | 265.13                        |                        |

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## 14 STATEMENT OF ASSETS AND LIABILITIES AS ON

(₹ in Crores)

| Particulars   | Un - Audited     | Audited          |
|---|------------------|------------------|
|   | 30.09.2017       | 31.03.2017       |
| <b>ASSETS</b>   |                  |                  |
| <b>1 Non-Current Assets</b>                                   |                  |                  |
| (a) Property, Plant and Equipment                             | 36,245.26        | 35,711.00        |
| (b) Capital Work-in-Progress                                  | 2,293.00         | 1,810.48         |
| (c) Intangible Assets   | 420.29           | 420.88           |
| (d) Financial Assets  |                  |                  |
| (i) Investment in Subsidiaries, Joint Ventures and Associates | 5,059.73         | 5,052.27         |
| (ii) Other Investments  | 798.70           | 757.58           |
| (iii) Loans   | 487.74           | 457.01           |
| (iv) Other Financial Assets                                   | 6.60             | -                |
| (e) Other Non - Current Assets                                | 1,316.14         | 1,338.88         |
|   | <b>46,627.46</b> | <b>45,548.10</b> |
| <b>2 Current assets</b>                                       |                  |                  |
| (a) Inventories   | 16,952.29        | 18,576.28        |
| (b) Financial Assets  |                  |                  |
| (i) Investments   | 5,246.24         | 5,108.74         |
| (ii) Trade Receivables  | 3,951.17         | 4,064.21         |
| (iii) Cash and Cash Equivalents                               | 2,129.69         | 8.85             |
| (iv) Bank Balances other than above                           | 22.48            | 24.82            |
| (v) Loans   | 142.08           | 163.21           |
| (vi) Other Financial Assets                                   | 2,902.50         | 4,324.44         |
| (c) Other Current Assets                                      | 544.60           | 647.24           |
|   | <b>31,891.05</b> | <b>32,917.79</b> |
| (d) Assets classified as held for Sale / Disposal             | 2.81             | 3.96             |
|   | <b>31,893.86</b> | <b>32,921.75</b> |
| <b>Total Assets</b>   | <b>78,521.32</b> | <b>78,469.85</b> |
| <b>EQUITY AND LIABILITIES</b>                                 |                  |                  |
| <b>3 Equity</b>   |                  |                  |
| (a) Equity Share Capital                                      | 1,524.21         | 1,016.27         |
| (b) Other Equity  | 21,381.25        | 19,331.14        |
|   | <b>22,905.46</b> | <b>20,347.41</b> |
| <b>Liabilities</b>  |                  |                  |
| <b>4 Non Current Liabilities</b>                              |                  |                  |
| (a) Financial Liabilities                                     |                  |                  |
| (i) Borrowings  | 6,986.17         | 6,278.15         |
| (ii) Other Financial Liabilities                              | 11,834.41        | 10,997.27        |
| (b) Provisions  | 180.30           | 182.32           |
| (c) Deferred Tax Liabilities (Net)                            | 6,143.73         | 5,895.59         |
| (d) Other Non-Current Liabilities                             | 5.61             | 7.67             |
|   | <b>25,150.22</b> | <b>23,361.00</b> |
| <b>5 Current Liabilities</b>                                  |                  |                  |
| (a) Financial Liabilities                                     |                  |                  |
| (i) Borrowings  | 496.10           | 10,892.41        |
| (ii) Trade Payables   | 12,905.34        | 12,664.56        |
| (iii) Other Financial Liabilities                             | 7,505.85         | 4,755.15         |
| (b) Other Current Liabilities                                 | 6,424.99         | 3,968.21         |
| (c) Provisions  | 2,728.51         | 2,408.50         |
| (d) Current Tax Liabilities (Net)                             | 404.85           | 72.61            |
|   | <b>30,465.64</b> | <b>34,761.44</b> |
| <b>Total Equity and Liabilities</b>                           | <b>78,521.32</b> | <b>78,469.85</b> |

15 Previous periods figures have been regrouped/reclassified, wherever necessary.

By order of the Board



J Ramaswamy  
Director (Finance)  
DIN No. - 06627920

Place : New Delhi  
Date : November 09, 2017




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