हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
वार्षिक रिपोर्ट 2019-20

Hindustan Petroleum Corporation Limited
Annual Report 2019-20

Delivering Happiness

A Maharatna Company

Delivering Happiness™

Happiness in the times of adversity

Past few months have brought about a new realisation of the things that truly matter to all of us. In these times of adversity, we were able to discover moments of happiness.

Happiness was in seeing our near & dear ones returning home safely. It was in the eyes of parents at the sight of their children in far off cities taking flights back home. It was also in the smiles of families on seeing the LPG deliveryman arrive with the refill in time or finding a Petrol Pump open on a desolate highway.

The aftermath of the pandemic brought to us the sight of those who cared. We saw the efforts taken for the safety of those who are not known but still cared for. We saw the Warriors going beyond the call of duty for the happiness of others.

Recent times brought us moments when ordinary people became heroes. The adversities were in plenty and so was the spirit to fight for ourselves and the people around us. The times that brought us challenges also taught us to value the things that bring happiness.

While we might have been apart and distant but our hearts were still together. We salute to all the Warriors and are happy to be part of creating few such moments of happiness in the lives of millions in these challenging times.

Contents

In the history of a Company, there are some defining moments. Being conferred with Maharatna status is one such moment.

We have come a long way from where we had started many decades ago. As we look ahead, there is still a long winding road merging with the distant horizon, the sight of which is limitless, just like our dreams.

As we continue on this memorable journey, we cross the paths of millions of people, our customers who trust us to deliver the best products & services, our stakeholders who put their faith in us to perform beyond expectations, our committed employees who go beyond the call of duty to find new opportunities and face challenges.

We are grateful to everyone for driving and inspiring us to reach this milestone of being recognised as Maharatna. The journey to earn this honour has been momentous and we promise to continue our endeavours to shine bright & deliver happiness.

Chairman's Message

> The year was historical for HPCL, as Government of India has conferred the coveted 'Maharatna' status to your Company, which entails greater operational and financial autonomy to the Corporation.

DEAR SHAREHOLDER,

It gives me immense pleasure to present the 68th Annual Report on the performance of your Company for the year 2019-20. The year was historical for HPCL, as Government of India has conferred the coveted 'Maharatna' status to your Company, which entails greater operational and financial autonomy to the Corporation. I wish to thank all our shareholders for their continued trust, all the employees and our business partners for their commitment and resilience and all our stakeholders for their continued support to make HPCL reach this position.

For the Global Oil and Gas Industry, the year gone by was challenging and unprecedented. Brent Crude oil prices have witnessed high volatility in 2019-20 with price ranging from over US$ 70 per barrel to below US$ 20 per barrel. The crude prices witnessed an upward trend in the beginning of the financial year due to concerns about supplies as Iranian export waivers were due to end and an OPEC+ production cut agreement took effect. Even though there was a downward trend in middle of 2019 due to fears about oil demand growth, prices strengthened at end of 2019 due to positive sentiments on economy and reaching of long disputed trade agreement between US and China. However, crude prices softened significantly since January 2020, largely driven by the economic contraction caused by COVID-19 coupled with the sudden increase in crude oil supply following the suspension of previously agreed upon production cuts among OPEC and partner countries.

Indian economy grew by 4.2% in FY 2019-20 and remains to be one of the fastest growing major economies in the world. Spread of COVID-19 and lockdowns imposed to contain the epidemic dampened the growth momentum in the last month of the financial year. However, agriculture sector recorded a higher growth in 2019-20 as compared to previous year. In later part of the financial year, the pandemic COVID-19 adversely affected several service sectors such as trade, tourism, airlines and hospitality which has its impact in petroleum products demand also. India's annual fuel demand grew 0.2 percent in 2019-20, its lowest growth rate in over two decades, largely dragged down by a substantial 17.8 percent decline in consumption in March 2020.

It gives me immense pride to inform that notwithstanding these developments and its business impacts, your Company delivered a robust performance in 2019-20 with highest ever sales of 39.6 MMT. The Company achieved Gross Sales of ₹ 2,86,250 crore during the year. Profit after Taxes (PAT) was ₹ 2,637 crore on standalone basis. Board of Directors of your Company has proposed payment of a final dividend of ₹ 9.75 per share for the financial year 2019-20.

During the challenging period of lockdowns to contain the pandemic, HPCL continued its operations without any disruption to ensure availability of LPG, Petrol, Diesel and other products for essential services and public while ensuring the safety and wellbeing of its stakeholders and the workforce.

During 2019-20, both HPCL refineries at Mumbai and Visakh maintained robust physical performance with combined capacity utilisation of 108.7% and thruput of 17.18 MMT. The upgradation of Refineries to produce BS-VI compliant transportation fuels has been completed during the year. Refineries completed the rollout of BS-VI Grade MS and HSD before the timelines stipulated by Government of India. Mumbai Refinery achieved highest ever LOBS (Lube Oil Base Stock) production with 478.1 TMT. Visakh Refinery started the production of VLSFO (Very Low Sulphur Fuel Oil with Sulphur content less than 0.5%) to meet the regulatory requirement of MARPOL. Maximising asset utilisation and reliability improvement of refineries continues to be the key focus areas for your Company.

Your Company delivered an excellent marketing performance in 2019-20 and exceeded various milestones achieved during previous years including registering the highest ever sales of 39.6 MMT. The sales were achieved in the backdrop of intense competition and subdued demand growth for petroleum products. In LPG and Petrol sales, the Corporation has crossed 7 MMT mark with growth of 7.3% and 4.7% respectively. In B2B segment, the strategy of maximising volumes in the focus products helped the Corporation to cross 1 MMT sales volume in Fuel Oil (FO), Diesel and Bitumen individually

Hon'ble Home Minister of India, Shri Amit Shah, presenting Rajbhasha Kirti Award to C&MD, Shri M. K. Surana for the fifth consecutive year. The Corporation is the second largest LPG marketer in the country. In the highly competitive lubricant markets, sales volume of 650 TMT has been achieved making the Corporation the number one lube marketer in India for seventh consecutive year. In overseas marketing of lubes, your Corporation is the largest exporter among Indian OMCs with highest ever export of 16.7 TMT in 2019-20.

Your Company continues to lay strong emphasis on operational efficiency & cost optimisation with continuous implementation of measures for productivity enhancement with effective usage of technology. Implementation of Central Optimized Logistics Assistant (COLA) has ensured in supply chain optimisation by planning the Tank Truck scheduling from a central place for movement of product across India. During the year, 20 strategic locations were declared as 'SMART' terminals with automation and seamless integration of various processes. Mobile App 'HP Buddy' provides a common interface with dealers and transporters thus improving stakeholder's engagement, convenience and productivity in operations. Significant gains in overall throughput performance and productivity across the network of operating plants has been achieved in 2019-20. Your Company achieved highest ever bottling of cylinders in LPG plants and thruput in POL operations during the year.

Multipronged actions have been undertaken by the Corporation to enhance safety in all facets of operations with provision of SOPs, continual training of operating manpower and technology enabled monitoring practices and alarm systems. Mumbai Refinery recorded the best ever safety performance by achieving 27.52 safe million man-hours of safe operation as of 31st March, 2020.

HPCL recognises the importance of developing countrywide infrastructure & customer touch points to cater to the demand growth, minimise the mismatch between regional supply & demand and seamless & cost efficient distribution of products across the country. Your Company has significantly invested in expansion and upgradation of refineries and supply chain infrastructure with highest ever capital expenditure of over ₹ 16,000 crore during 2019-20. The Uran-Chakan LPG pipeline project was commissioned during the year, which will reduce LPG tanker movement on Mumbai-Pune route substantially. Palanpur-Vadodara product pipeline project was completed 6 months ahead of schedule and at 90% of the approved cost. In addition, capacity of existing

> Your Corporation is committed to the triple bottom line framework wherein equal focus is thrusted on financial, social and environmental capitals to create greater business values.

pipelines were enhanced by over 6 MMT. The Corporation commissioned its 50th LPG plant during the year and the capacity of existing plants were augmented by 360 TMTPA. Last-mile delivery capability of the Corporation was further enhanced with commissioning of 1,194 new retail outlets and 245 new LPG distributorships during the year taking the number of total retail outlets to 16,476 and number of total LPG distributors to 6,110 as of 31st March, 2020.

Your Company is continuously expanding the business portfolio with greater presence in clean energy verticals of Natural Gas & Renewables. HPCL along with its Joint Ventures has the authorisation for CGD presence in 34 districts covering 9 states in the country. CNG sales have commenced in Sonipat Geographical Area (GA) in 2019-20 where HPCL is setting up the CGD network on standalone basis. During the year, CNG facilities were provided at 166 Retail Outlets taking the total number of retail outlets with CNG facilities to 471 ensuring availability of cleaner fuels and more choices to customers. I am happy to inform that the construction of the 5 MMTPA JV LNG regasification terminal at Chhara port in Gujarat is progressing well. HPCL is actively participating in Government of India's SATAT (Sustainable Alternative towards Affordable Transportation) initiative for promotion of Compressed Bio Gas. As of 31st March, 2020, HPCL has issued 51 LOIs for setting up of CBG plants with total estimated production capacity of 76 TMTPA.

Thrust on Research & Development remains to be of paramount importance for the Corporation reinforcing the focus in developing, demonstrating and deploying novel & innovative products & technologies with persistent emphasis on rendering technical support to its divisions. Continued focus in research and innovation across various areas in energy sector enabled your Company to receive 30 patents during the year including 10 international patents.

Your Company is adopting emerging & innovative technologies to enhance customer value and ensure safe operations. In retail outlets, 100% automation has

Hon'ble Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman, presenting the National CSR Award to C&MD, Shri M. K. Surana

been achieved. Creation of real-time dashboards with the online data from the automated outlets with suitable monitoring mechanism has enhanced the operational efficiencies. Entire retail outlet network of your Company has been enabled with digital payment facilities. The integrated payment system (IPS) solution with integration of multiple payment systems with Dispensing Units at retail outlet ensures in delivering smart, easy, quick and multiple payment options to the customers. Your Company launched 'HP PAY' App during the year which is an Industry first unified payment solution for customers for various HPCL products viz., Motors Fuels, Domestic LPG and Lubricating oils. Implementation of Customer Relationship Management (CRM) tool is ensuring enhanced customer orientation & superior service standards.

Your Corporation is committed to the triple bottom line framework wherein equal focus is thrusted on financial, social and environmental capitals to create greater business values. HPCL has always been at the forefront of environmental sustainability through implementation of various initiatives in the area of carbon footprint reduction, energy efficiency, water conservation, waste management, renewable energy etc. Towards reduction of carbon intensity in transportation sector, both refineries of your Company have been upgraded to produce BS-VI compliant transportation fuel in 2019-20. Your Company has achieved supply & marketing of BS-VI fuels across the country by 31st March, 2020. The Ethanol Blending program has recorded overall Ethanol Blending Percentage (EBP) of 4.9% in Petrol during 2019-20. In addition, HPCL recorded the blending of highest ever quantity (5 crore litre) of Biodiesel during 2019-20.

Your Company is continuing its contribution towards nation building through effective implementation of various socio economic development programmes initiated by Government of India. To address the challenge of energy poverty, your Company has enabled clean energy access for over 2.1 crore low-income households by providing new LPG connections under PMUY as of 31st March, 2020. To take forward Government of India's flagship programme of Swachh Bharat Abhiyan, around 1,000 toilets were constructed/renovated during 2019-20. As part of Corporate Social Responsibility (CSR) plan, your Corporation has undertaken various activities during the year under the focus areas of childcare, education, health care, skill development, sports and environment & community development, positively influencing the lives of less privileged with overall CSR spend of ₹ 182 crore during the year.

> To address the challenge of energy poverty, your Company has enabled clean energy access for over 2.1 crore low-income households by providing new LPG connections under PMUY as of 31st March, 2020.

Guided by the well-crafted, 5-year strategic plan christened as T20, HPCL is continuously enhancing its ability to navigate the future challenges by strengthening the existing businesses of refining and marketing and incorporation of new business lines including petrochemicals & natural gas. The R&D capabilities of the Corporation are continuously scaled up towards development of new technologies and products. Focus is on building a diversified and flexible business portfolio aligned with the needs of changing market coupled with expansion of business footprints in overseas geographies. 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 for transformation and enhancing IT capabilities.

Your Corporation continues to derive value from its Collaborations, Joint Ventures and Subsidiaries. During 2019-20, Joint Ventures and Subsidiaries of your Company have recorded robust growth in their respective areas of business, which helped HPCL to record a strong consolidated performance. To enhance the overseas footprint, HPCL has tied up with State Trade Corporation of Bhutan Limited (STCBL) in 2019-20 for setting up retail outlets and supply of motor fuels in Bhutan. The first retail outlet in Bhutan was commissioned during March 2020.

The committed and competent human capital remains to be the backbone of your Company. The Corporation has about 10,000 employees, who run its countrywide operations. Armed with a number of millennials, the Corporation's workforce has strengths of both experience and youthful energy. The Corporation has a strong culture of learning and development, which is further enriched through initiatives such as E-Learning, partnerships with academia, learning through virtual reality centre, learning through 'HP Academy' etc. Focus is on nurturing the talent and capabilities of our people by creating a work environment conducive to innovation and growth.

Your Company has undertaken a number of large-scale projects across the hydrocarbon value chain to support future growth, enhance efficiencies and improve competeveness. Visakh Refinery Modernisation Project and Mumbai Refinery Expansion Project are progressing well. The 9 MMTPA greenfield refinery cum petrochemical complex project of HPCL Rajasthan Refinery Limited (HRRL) is advancing well with construction in progress at site. Marketing supply infrastructure is being augmented with pipeline network length of over 1500 km and capacity addition of over 7 MMTPA. In addition, a number of new POL depots/terminals, LPG Plants, Aviation Service Facilities, CGD network are under different stages of development along with upgradation of existing facilities at supply locations.

Launch of range of Lubricants & Specialty Fluids for BS-VI, Electric and Hybrid vehicles

Hon'ble Minister for Petroleum & Natural Gas and Steel, Shri Dharmendra Pradhan, presenting the FIPI Company of the Year Award for Excellence in Human Resource Management to C&MD, Shri M. K. Surana and Director - HR, Shri Pushp Kumar Joshi

Global economic activity is likely to contract in 2020 followed by growth in 2021. As regards Indian economy, it is expected that the combination of fiscal, monetary and administrative measures currently undertaken by Government of India, would create conditions for gradual revival in the economic activity. India is the third largest consumer of oil in the world and about one third of the total primary energy demand is met by oil. India's fuel demand is on recovery path after the low witnessed in April 2020 as economic activity is gradually picking up on easing of lockdown restrictions. With regulatory thrust on increasing penetration of low carbon energy, domestic consumption of natural gas and other clean fuel is expected to increase. Your Company remain focussed on delivering consistent, competitive, profitable and responsible growth through sustainable business models.

We are in a rapidly changing world where digital connectivity and abundance of data is reshaping value creation models across verticals. We continue to improve and evolve consistently to meet the future demand by expansion of infrastructure, portfolio expansions, expansion to overseas geographies, improving operational efficiencies & competitiveness, capability enhancements with effective and efficient usage of technology.

I am thankful to Government of India, Ministry of Petroleum & Natural Gas, State Governments, various statutory and local authorities for their guidance and support in all our efforts. We look forward to their continued support in future as well.

I would like to thank the customers, shareholders, business associates, employees and other stakeholders for their unflinching commitment and support. I would like to convey my sincere appreciation to the Board of Directors for their guidance and wise counsel.

I look forward to your continued support for our shared vision to create value for all our stakeholders and deliver happiness.

Thank you,

Mukesh Kumar Surana

Board of Directors

WHOLE-TIME DIRECTORS

Centre

Shri Mukesh Kumar Surana

Chairman and Managing Director

Left to Right

Shri Rakesh Misri
Director – Marketing
(From 17-10-2019)

Shri Pushp Kumar Joshi
Director – Human Resources

Shri Vinod S. Shenoy
Director – Refineries

Shri R. Kesavan
Director – Finance
(From 05-09-2019)

GOVERNMENT NOMINEE DIRECTORS

Shri Sunil Kumar
Ex-Officio Director
(From: 30-05-2019)

Shri Subhash Kumar
Part-Time Director
Representative of ONGC

Shri Sandeep Poundrik
Ex-Officio Director
(Upto: 01-05-2019)

INDEPENDENT DIRECTORS

Shri Amar Sinha

Shri Siraj Hussain

Shri G. Rajendran Pillai
(From: 15-07-2019)

Dr. T.N. Singh
(Upto: 19-03-2020)

INDEPENDENT DIRECTORS

Smt. Asifa Khan
(Upto: 12-02-2020)

Shri G.V. Krishna
(Upto: 12-02-2020)

Shri Ram Niwas Jain
(Upto: 19-11-2019)

WHOLE-TIME DIRECTOR

Shri S. Jeyakrishnan
Director - Marketing
(Upto: 30-06-2019)

Senior Management Team (Positions as on 01-08-2020)

Shri Ajit Singh	Executive Director - Direct Sales
Shri M V R Krishnaswamy	Executive Director - Central Procurement Organization (Marketing)
Shri S Paul	Executive Director - IT & S
Shri S P Gaikwad	Chief Executive Officer - HPCL Rajasthan Refinery Limited *
Shri J S Prasad	Executive Director - Projects & Pipelines
Shri Rajnish Mehta	Executive Director - Corporate Strategy & Planning & Business Development
Shri K Radhakrishnan	Chief Executive Officer - Hindustan Colas Private Limited *
Shri D K Pattanaik	Executive Director - Gas & Renewables
Shri K Rajeswara Rao	Adviser in EAC to The Hon'ble PM *
Shri Abhishek Datta	Executive Director - Human Resources
Shri S K Suri	Executive Director - Retail
Shri R Sudheendranath	Executive Director - Lubes
Shri Rajneesh Narang	Executive Director - Corporate Finance
Shri Vikram Gulati	Director (Finance) - PP & AC, New Delhi *
Shri A V Narayana Rao	Executive Director - Audit
Shri R Sridhar	Executive Director - Joint Ventures
Shri Anuj Kumar Jain	Executive Director - LPG
Shri V Ratanraj	Executive Director - Visakh Refinery
Shri Subodh Batra	Executive Director - Operations and Distribution
Shri Shyam Mustyalwar	Executive Director - ERP
Shri K Srinivas	Executive Director - Aviation
Shri V S Agashe	Executive Director - Mumbai Refinery
Shri Nandi Sukumar	Executive Director - HSE (Corporate)
Shri P Veerabhadra Rao	Executive Director - Visakh Refinery Modernisation Project
Shri Alok Kumar Gupta	Executive Director - Co-ordination and Executive Assistant to C&MD
Shri Rajiv Chandra	Executive Director - Information Systems
Shri Iyer H Narayanan	Executive Director - Legal
Shri S Biswas	Chief General Manager - Information Systems (Operations & Distribution)
Shri C Ramakrishnan	Managing Director - Petronet MHB Ltd *
Shri D N Vijayendrakumar	Chief General Manager - Information Systems (Technical), Development & Data Centre
Shri Sanjay Kumar	Chief General Manager - I & C
Shri Amitabh Kumar Jain	Chief General Manager - Product Development & OEM Business
Shri Swapan Kumar Chowdhury	Chief General Manager - RTI & Public Grievances
Shri P Raman	Chief General Manager - S & P, Risk, C & T
Shri Shrikant Ramchandra Hasyagar	Chief General Manager - Tax
Shri S Subbarao	Chief General Manager - Corporate Social Responsibility
Shri Sudhakar P Donadkar	Chief General Manager - MRA&P
Ms. G Anuradha	Chief General Manager - Information Systems (Functional)
Shri Praful Chandra Agrawal	Chief General Manager - Petrochemical Marketing
Shri Sushanta Dhar	Chief General Manager - Administration & Real Estate
Ms. Uma Deb	Chief General Manager - Audit
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 Engineering

Senior Management Team (Positions as on 01-08-2020)

Shri P K Bansal	Additional Director General - UIDAI, Delhi *
Shri P S Murty	Chief General Manager - Pipeline Projects
Shri N Ramachandran	Chief General Manager - Marketing Finance
Shri C Sridhar Goud	Chief General Manager - Operations & Distribution
Shri S Bharathan	Chief General Manager - Corporate R & D
Shri S K Ghosh	Chief General Manager - Finance, Mumbai Refinery
Shri K Sreenivasa Rao	Chief Executive Officer - HPCL Shapoorji Energy Pvt. Ltd *
Shri Baldev Bhatia	Chief General Manager - LPG Projects
Shri N Baladhandayuthapani	Chief General Manager - Projects, Rajasthan Refinery Project
Shri Vijay Katne	Chief General Manager - Materials, Mumbai Refinery
Ms. Sujata S Londhe	Chief General Manager - Treasury
Shri Jayant Gupta	Chief General Manager - Information Systems (Technical), Infrastructure and Security
Shri Vikas Kumar Yadav	Chief General Manager - Vigilance
Shri C Madhusudan	Chief General Manager - Quality Control
Shri Neelesh Khulbe	Chief General Manager - HR (Compensation Management)
Shri D N Krishnamurthy	Chief General Manager - Retail, West Zone
Shri Zakir Husain Ayubi	Chief General Manager - Retail
Shri Rajesh Mehtani	Chief General Manager - Retail, North Zone
Shri Shuvendu Gupta	Chief General Manager - Operations
Shri V K Maheshwari	Chief General Manager (I/C) - Integrated Margin Management
Shri K S Shetty	Chief General Manager - Employee Relations
Shri Kamalakar Rajaram Vikhar	Chief General Manager (I/C) - Projects, Mumbai Refinery
Shri Abhishek Trivedi	Chief General Manager - Projects, Rajasthan Refinery Project
Shri D K Sharma	Chief General Manager - Human Resources, Mumbai Refinery
Shri Libu Mathew Verghese	Chief General Manager - Maintenance, Mumbai Refinery
Ms. Gummalla Rama	Chief General Manager - Materials, Visakh Refinery
Shri Gurramkonda Ugra Narasimhulu	Chief General Manager - Visakh Refinery Modernisation Project
Shri S Srinivasan	Chief General Manager - Information Systems
Shri Harjit Singh Juneja	Chief General Manager - International Trade
Shri Narisetty Rajarao	Chief General Manager - Human Resources, Visakh Refinery
Shri Jaideep Roy	Chief General Manager - Central Procurement Organization
Shri Krisanu Sengupta	Chief General Manager - Finance, Visakh Refinery
Shri Sanjay Malhotra	Chief General Manager - Retail, North Central Zone
Shri Amitava Mukhopadhyay	Chief General Manager - Engineering & Facilities Planning
Shri Singupalli Hari Prasad	Chief General Manager - Retail, East Zone
Shri Sukanta Banerjee	Chief General Manager - Product Supply & Logistics
Shri Krushna Mahapatra	Chief General Manager - Commercial, Direct Sales SBU
Shri S Balachandar	Chief General Manager - Corporate Accounts
Shri K Vinod	Chief General Manager - Commercial, LPG SBU
Shri Ramanathan Ramakrishnan	Chief General Manager (I/C) - Operations, Visakh Refinery
Shri Subramanian Ramakrishnan	Chief General Manager - Product Placement Planning, IMM
Shri Rajeev Goel	Chief General Manager - PR & CC
Shri M P Rethees Kumar	Chief General Manager - LPG Operations
Shri Sandeep Maheshwari	Chief General Manager - Retail, South Zone

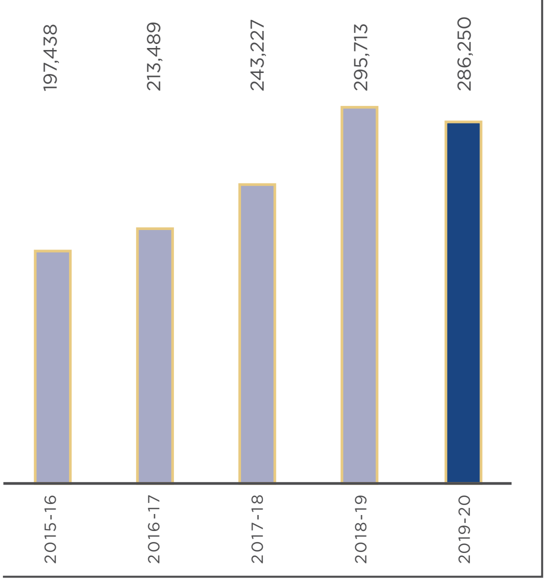
Senior Management Team (Positions as on 01-08-2020)

Shri Kollati Srinivas	Chief General Manager - Strategy and Business Development, Retail SBU
Shri Y V N Sharma	Chief General Manager - Pipeline Operations
Shri Mutnury Somasundar	Chief General Manager - Technical (Minor Projects, MES, Inspection and Reliability)
Shri Kushal Kumar Banerjee	Chief General Manager - Business Development
Shri Prabhakar Thakur	Chief Executive Officer - Prize Petroleum Company Ltd.*
Shri Ganesh P Gaikwad	Chief General Manager - Projects, Rajasthan Refinery Project
Shri Kiran Kumar Ganta	Chief General Manager - Projects, Rajasthan Refinery Project
Shri Arvind Shastry	Chief General Manager - Office of C & MD
Shri Anuj Mehrotra	Chief General Manager - Commercial - IT & S
Shri Ritwik Rath	Chief General Manager - IS Strategy
Shri Peraka K N V Siva Rao	Chief General Manager - Quality Assurance
Shri R S Rao	Chief General Manager - Projects, Refinery Coordination
Shri Ratnakara Rao Ch	Chief General Manager - Commissioning, Visakh Refinery
Shri Chandra Kant Pandey	Chief General Manager - Materials, Rajasthan Refinery Project
Shri Prabir Kumar Chattopadhyay	Chief General Manager - Visakh Refinery Modernisation Project
Shri Reji C Mathew	Chief General Manager - Projects, Rajasthan Refinery Project
Shri Sunil Singh Yadav	Chief General Manager - Projects, Mumbai Refinery
Shri P Venkata Narayana	Chief General Manager - Maintenance, Visakh Refinery
Shri Indrajit Dasgupta	Chief General Manager - Corporate Finance
Shri C K Narasimha	Chief General Manager - Retail, South Central Zone
Shri R Ramesh	Chief Operating Officer - IHB Private Limited *
Shri G Shiva Sunder	Chief General Manager - ERP
Shri V S Chakravarthi	Chief General Manager - LPG, South Zone
Shri Sri Ganesh Kakkirala	Chief General Manager - Operations, Mumbai Refinery
Shri C V Mallinath	Chief General Manager - Office of C & MD
Shri Pawan Kumar Sehgal	Chief General Manager - Retail, North West Zone
Shri V Murali	Company Secretary

* On Deputation

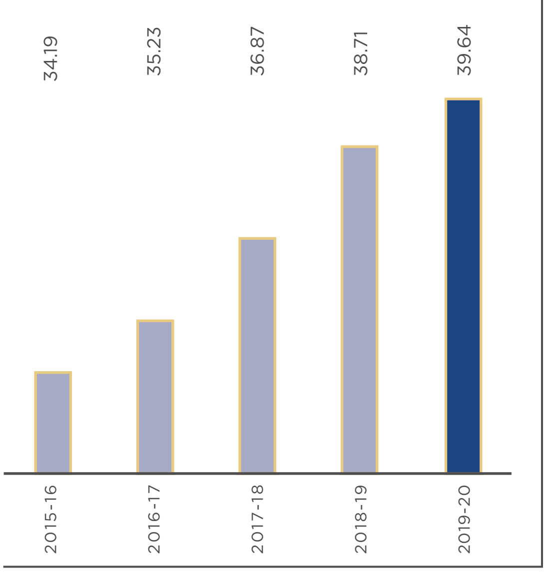
Key Performance Indicators

TURNOVER (₹/ crore)



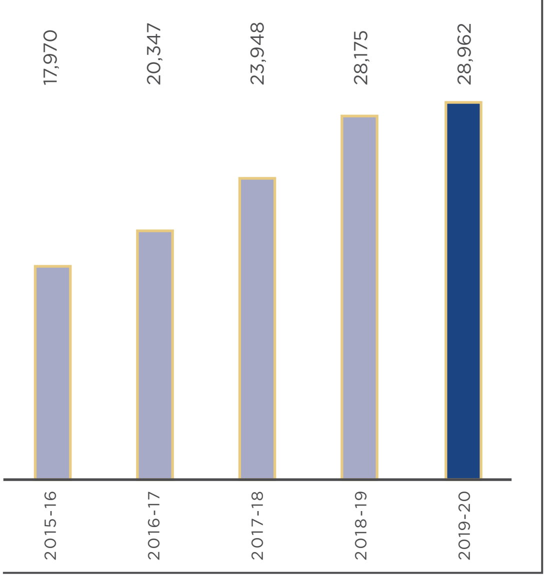
CAGR : 9.73% | YOY : -3.20%

MARKET SALES (MMT)



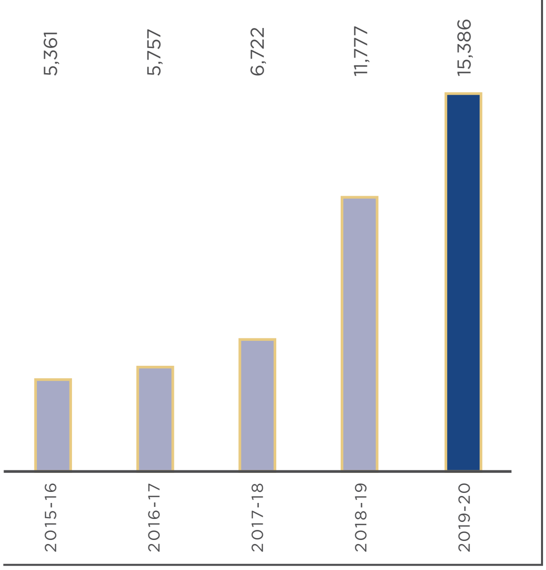
CAGR : 3.77% | YOY : 2.40%

NET WORTH (₹/ crore)



CAGR : 12.67% | YOY : 2.80%

CAPITAL EXPENDITURE (₹/ crore)



CAGR : 30.15% | YOY : 30.64%

Offices, Auditors & Bankers

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

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

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, Malkapuram,
Visakhapatnam – 530 001

Zonal Offices

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

North Zone
6th, 7th & 8th Floor,
Core 1 & 2, North Tower, Scope Minar, Laxmi Nagar,
Delhi – 110 092

North Central Retail Zone
TC-13, V/V, Vibhuti Khand,
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,
1, Gandhi Irwin Road, Post Box No. 3045, Egmore,
Chennai – 600 008

South Central Retail 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

M.P. Chitale & Co.
Chartered Accountants, Mumbai

R. Devendra Kumar & Associates
Chartered Accountants, Mumbai

Branch Auditors

Grandhy & Co.
Chartered Accountants, Visakhapatnam

Cost Auditors

A.B.K. Associates
Mumbai

Dhananjay V. Joshi & Associates
Thane

Bankers
State Bank of India
Punjab National Bank
Union Bank of India
Corporation Bank
(Amalgamated into Union Bank of India w.e.f. 01-04-2020)
Bank of Baroda
Bank of India
HDFC Bank
Citibank
Standard Chartered Bank
ICICI Bank

Company Secretary
V Murali

Notice of Annual General Meeting

HINDUSTAN PETROLEUM CORPORATION LIMITED

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(CIN: L23201MH1952GOI008858)

NOTICE

NOTICE is hereby given that the **68th ANNUAL GENERAL MEETING** of the Members of Hindustan Petroleum Corporation Limited will be held on Wednesday, September 16, 2020 at 11.00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the Reports of the Board of Directors and Auditors thereon.

2. To declare a Final Equity dividend of ₹ 9.75 per Equity Share for the Financial Year 2019-2020.

3. To appoint a Director in place of Shri Pushp Kumar Joshi (DIN: 05323634), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Shri Subhash Kumar (DIN: 07905656), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Appointment of Shri R Kesavan (DIN:08202118) as a Director of the Company.**

   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 Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, and further amendments thereto from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the provisions of Articles 112 and 121 of the Articles of Association of the Company, Shri R Kesavan who has been appointed by the Government of India as Director – Finance (Whole Time Director) of the Company and was appointed as an Additional Director of the Company by the Board of Directors with effect from September 05, 2019 and who holds the 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 the Financial Year 2019-2020 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 proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

6. **Appointment of Shri Rakesh Misri (DIN:07340288) as a Director of the Company.**

   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 Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, and further amendments thereto from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Articles 112 and 121 of the Articles of Association of the Company, Shri Rakesh Misri who has been appointed by the Government

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of India as Director – Marketing (Whole Time Director) of the Company and was appointed as an Additional Director of the Company by the Board of Directors with effect from October 17, 2019 and who holds the 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 the Financial Year 2019-2020 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 proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

7. **Payment of Remuneration to Cost Auditors for Financial Year 2020-2021.**

   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 other applicable provisions, if any, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and such other permissions as may be necessary, the payment of the total remuneration of ₹ 4,00,000 (₹ 2,00,000 each) plus reimbursement of out of pocket expenses at actuals plus applicable taxes 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 the Financial Year ending March 31, 2021, pertaining to various units as applicable and detailed in the statement annexed to this notice, be and is hereby ratified and approved.

8. **Approval of Material Related Party Transactions to be entered during Financial Year 2021-2022.**

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

   RESOLVED that pursuant to Regulation 23 and such other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded to the Material Related Party Transactions to be entered into with Joint Venture Company, M/s. HPCL Mittal Energy Limited (HMEL), for the Financial Year 2021-2022 for a value of ₹ 44,000 Crore (Rupees Forty Four Thousand Crore Only) and that the Board of Directors of the Company or any other person(s) authorised by the Board, be and is hereby authorised to perform and execute all such deeds, matters and things including delegation of such authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.

By the Order of the Board,

V. Murali
Company Secretary

Date: August 20, 2020

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

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NOTES:

1. In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 05, 2020 in relation to 'Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)' read with General Circular No. 14/2020 dated April 08, 2020 and the General Circular No. 17/2020 dated April 13, 2020 in relation to 'Clarification on passing of Ordinary and Special Resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020 on 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - COVID-19 pandemic' ('SEBI Circular') permitted the holding of the Annual General Meeting ('AGM') through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC / OAVM on Wednesday, September 16, 2020 at 11.00 A.M. (IST).

   In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification / Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be deemed venue of the AGM.

2. As per the provisions of Clause 3.A.II. of the General Circular No. 20/2020 dated May 05, 2020, the matters of Special Business as appearing at Item Nos. 5 to 8 of the accompanying Notice, are considered to be unavoidable by the Board and hence forming part of this Notice.

3. **Explanatory Statement and related details:**

   The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 to 8 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re-appointment at this AGM are also annexed.

4. **Proxy and Route Map:**

   Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to MCA Circulars through VC or OAVM, the requirement of physical attendance of Members has been dispensed with. Accordingly, in terms of the MCA Circulars and the SEBI Circular, the facility of appointment of proxies by the Members will not be available for this AGM and hence, the proxy form, attendance slip and route map of AGM are not annexed to this notice.

5. **Institutional Investors:**

   Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 68th AGM through VC/OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Section 113 of the Companies Act, 2013, to attend the AGM through VC or OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutiniser by e-mail at ucshukla.scrutinizer@rediffmail.com with a copy marked to evoting@nsdl.co.in

6. **Joint Holders:**

   In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

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7. Quorum:

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. Inspection of Statutory Documents:

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice and explanatory statements, will be available electronically for inspection by the Members during the AGM. All documents referred to in this Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice upto the date of AGM i.e. September 16, 2020. Members seeking to inspect such documents can send an email to cosecy@mail.hpcl.co.in stating their DP-ID – Client ID or Folio No.

9. Notice on Website and Exchanges:

In line with the MCA Circular dated May 05, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or RTA / Depositories. The Notice convening the 68th AGM has been uploaded on the website of the Company at www.hindustanpetroleum.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.

10. Process for registering email address to receive copy of this Notice & also vote through Electronic Mode:

Members who wish to receive the Notice electronically and also cast votes electronically are requested to write to the Company at email ID: cosecy@mail.hpcl.co.in or to the RTA Agents at email ID: rnt.helpdesk@linkintime.co.in

The Members to indicate the following details:

Sr. No.	Particulars
1.	Name of the Company: Hindustan Petroleum Corporation Limited
2.	DP ID – Client ID (Demat Shareholders)/ Folio No. (Physical Shareholders)
3.	PAN Card (Provide self-attested copy)
4.	Aadhaar Card / Passport etc. (Provide self-attested copy)
5.	Mobile Number
6.	Email address

After registering the e-mail address, NSDL will email copy of this AGM Notice and Annual Report for the Financial Year 2019-2020 along with the e-voting user ID and password. In case of any queries, Members may write to rnt.helpdesk@linkintime.co.in or evoting@nsdl.co.in

11. Book Closure and Dividend:

The Company has announced Book Closure from July 06, 2020 to July 10, 2020 (both days inclusive) and accordingly, Final Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year 2019-2020, if declared at the AGM, will be payable after deduction of applicable TDS, if any, to those eligible members whose names appeared:

(a) As Beneficial Owners as at the close of business hours on Saturday, July 04, 2020 as per the list of beneficial owners to be furnished by the NSDL and CDSL in respect of the shares held in electronic form; and

(b) As Members, in respect of shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company as at the close of business hours on Saturday, July 04, 2020.

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12. Payment of Dividend:

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 01, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). An email communication in this regard was sent to the Members for complying with TDS requirements. Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the RTA by sending documents at its e-mail ID: hpcldivtax@linkintime.co.in or update the same by visiting the link: https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before August 25, 2020 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. No communication/ documents on the tax determination/ deduction shall be considered post 11:59 PM (IST) of August 25, 2020.

13. Electronic Receipt of Dividend:

In order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their bank mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means, are requested to write to the Company or to the RTA for registration of Bank details. The application to indicate Name of the Bank, Bank Account Number and 11 Digit IFSC Code. The Member is also required to provide self-attested copy of PAN Card, self-attested copy of Aadhaar Card / Passport etc. in support of address of the Member as registered with the Company, self-attested copy of the cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly or certificate from the Banker indicating that the account belongs to the first named shareholder. Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

Members who are holding shares in Electronic Form are requested to contact their respective Depository Participants for updating their bank details. They are also advised to seek "Client Master Advice" (CMA) from their respective DP to ensure correct updation has been carried out in their record. It may be noted that bank details data as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details.

14. Dividend Warrants:

The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall upon normalisation of the postal services despatch the dividend warrant/ Bankers' cheque/ demand draft to such Members.

15. Electronic Receipt of Communication/ Documents:

To support the 'Green Initiative', Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company or RTA in case the shares are held by them in physical form. In respect of physical holding, Members can write to the Company at email ID: hpclinvestors@mail.hpcl.co.in or to the RTA at email ID: rnt.helpdesk@linkintime.co.in. The Members are requested to indicate in the application for registration of email ID their Name, Folio Number, enclosing therewith copy of the Share Certificate (front and back side), and also self-attested copy of the PAN Card, self-attested copy of Aadhaar Card / Passport etc.

Further, those Members who have already registered their addresses are requested to keep their e-mail addresses validated/updated with their DPs/RTA to enable servicing of

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notices/documents/Annual Reports and other communication electronically to their e-mail address in future.

16. Dematerialisation of Shares:

As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holding to dematerialised form. Members can contact Company's Registrars and Transfer Agents (RTA), M/s. Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in for assistance in this regard.

17. Investor Education and Protection Fund:

Members are requested to note that, Dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/ Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in

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

Dates of Declaration of Dividend	Dividend for the Financial Year	Proposed Month and Year of Transfer to Fund
05-09-2013	2012-13 (Final)	Oct. 2020
05-09-2014	2013-14 (Final)	Oct. 2021
10-09-2015	2014-15 (Final)	Oct. 2022
01-02-2016	2015-16 (1st Interim)	Mar. 2023
11-03-2016	2015-16 (2nd Interim)	Apr. 2023
08-09-2016	2015-16 (Final)	Oct. 2023
13-02-2017	2016-17 (1st Interim)	Mar. 2024
23-03-2017	2016-17 (2nd Interim)	Apr. 2024
15-09-2017	2016-17 (Final)	Oct. 2024
09-02-2018	2017-18 (Interim)	Mar. 2025
30-08-2018	2017-18 (Final)	Sep. 2025
20-02-2019	2018-19 (Interim)	Mar. 2026
21-08-2019	2018-19 (Final)	Sep. 2026

18. Updation of Details:

Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at rnt.helpdesk@linkintime.co.in in case the shares are held in physical form, quoting folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.

19. Non-Resident Members:

Non-Resident Indian Members are requested to inform Registrar and Transfer Agents/ their respective Depository Participants immediately of:

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

b. Particulars of their Bank Account maintained in India with complete name, branch,

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account type, account number, IFSC Code, MICR No., and address of the bank, if not furnished earlier, to enable the Company to remit dividend to the Bank Account directly.

20. Registrar and Transfer Agents:

The Address of the Registrar and Transfer Agents of the Company is as follows:

M/s. Link Intime India Private Limited

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 : rnt.helpdesk@linkintime.co.in

bonds.helpdesk@linkintime.co.in

21. Change of Address

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address as below:

a. Members holding shares in Physical Form:

Members holding share(s) in Physical form are requested to advise immediately change in address and also valid e-mail IDs, if any, quoting their Folio No(s). along with self-attested copy of PAN Card/self-attested copy of Aadhaar Card/Passport etc. to RTA at the address given in Sr. No. 20 above.

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 IDs, if any, with their respective Depository Participants only and not to RTA or to the Company.

Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

22. Nomination:

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. The said form can be downloaded from the Company's website at www.hindustanpetroleum.com. Members are requested to submit the said form to their DP in case the shares are held by them in electronic form and to the RTA at rnt.helpdesk@linkintime.co.in in case the shares are held in physical form, quoting folio no.

23. The format of the Register of Members prescribed by the MCA under the Act requires the Company/ RTA to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is available on the Company's website under the section 'Investor Relations'. Members holding shares in physical form are requested to submit the filled in form to the Company or to the RTA in physical mode or in electronic mode as per instructions mentioned in the form.

Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.

24. Members' holding shares in Multiple Folios:

Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

25. Remote e-voting:

Process and manner of e-voting by Members is as under:-

a. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of

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the SEBI Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, Members are provided with the facility to cast their votes electronically through the remote evoting platform provided by NSDL on all the resolutions set forth in the Notice.

b. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of September 09, 2020 may cast their vote by remote e-voting. The remote e-voting period commences on September 10, 2020 at 5.00 p.m. (IST) and ends on September 15, 2020 at 5.00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-voting before the AGM and remote e-voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of September 09, 2020.

c. Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-voting, prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the member has already cast the vote through remote e-voting.

d. 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 before the AGM as well as remote e-voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the despatch of the Notice and holding shares as on the cut-off date, i.e. September 09, 2020 may obtain the User ID and Password by sending a request at evoting@nsdl.co.in.

26. Instructions for attending the AGM through VC/ OAVM and remote e-voting (before and during the AGM) are given below:

A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

i. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited's ('NSDL') e-voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/ OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.

ii. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system and they may access the same at https://www.evoting.nsdl.com under the Shareholders/Members login by using the remote e-voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM through a live webcast of the meeting and submit votes on announcement by the Chairman. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID

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and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush. Further, Members may also use the OTP-based login for logging into the e-voting system of NSDL.

iii. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

iv. **Process to express views / seek clarifications:**

Members are encouraged to submit in advance their questions on the items of business to be transacted at this AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / Folio number and mobile number, to reach the Company's e-mail address at cosecy@mail.hpcl.co.in before 3.00 p.m. (IST) on Wednesday, September 09, 2020. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

v. **Registration as Speakers:**

Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/Folio number, PAN and mobile number at cosecy@mail.hpcl.co.in between September 10, 2020 (9:00 a.m. IST) and September 13, 2020 (5:00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

vi. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or call on toll free no.:- 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in or call on +91 22 24994360 / +91 9920264780 or contact Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in or call on 022-24994545.

B. INSTRUCTIONS FOR REMOTE E-VOTING BEFORE / DURING THE AGM

The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1: Log-in to NSDL e-voting system at https://www.evoting.nsdl.com/

How to Log-in to NSDL e-voting website?

A. Visit the e-voting website of NSDL. Open web browser by typing the following: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

B. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.

C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

D. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

E. Your password details are given below:

i) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

ii) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

iii) How to retrieve your 'initial password'?

If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or Folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

F. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

i) Click on 'Forgot User Details/ Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

ii) 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

iii) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

iv) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

Notice of Annual General Meeting

G. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

H. Now, you will have to click on 'Login' button.

I. After you click on the 'Login' button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically on NSDL e-voting system?

A. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.

B. After clicking on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.

C. Select 'EVEN' of the Company for which you wish to cast your vote.

D. Now you are ready for e-voting as the Voting page opens.

E. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

F. Upon confirmation, the message 'Vote cast successfully' will be displayed.

G. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

H. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

- **INSTRUCTIONS FOR REMOTE E-VOTING DURING THE AGM ARE AS UNDER:**

  i. The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is held through VC/OAVM.

  ii. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

General Guidelines for Members

i. Institutional/Corporate Members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to ucshukla.scrutinizer@rediffmail.com with a copy marked to evoting@nsdl.co.in.

ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset

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Password?' option available on www.evoting.nsdl.com to reset the password.

iii. In case of any queries / grievances pertaining to remote e-voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available in the download section of www.evoting.nsdl.com or call on the toll-free number : 1800-222-990 or send a request at evoting@nsdl.co.in. In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. E-mail: evoting@nsdl.co.in / Tel no: 022-24994545 / Toll free no.: 1800-222-990.

27. Live webcast of the proceedings of the General Meeting:

In compliance of provisions of Regulation 44 (6) of SEBI (LODR), top 100 Listed Companies with Market Capitalisation is required to provide the facility of the live webcast of the proceedings of the General Meeting. HPCL being in the list of top 100 listed companies by market capitalisation, it is required to provide the said facility. As this Annual General Meeting is conducted through Video Conferencing, the requirement of compliance with Regulation 44 (6) of SEBI LODR, 2015 is complied with.

28. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes earlier by availing the remote e-voting facility. The remote e-voting module shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

29. Declaration of Voting Results:

The Scrutiniser will submit his report to the Chairman or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the stock exchanges on which the Company's shares are listed, NSDL and will also be displayed on the Company's website at www.hindustanpetroleum.com

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 R Kesavan (DIN: 08202118) as Director of the Corporation.

The Government of India has appointed Shri R Kesavan, Executive Director – Corporate Finance, as Director-Finance (Whole Time Director) on the Board of the Company. Accordingly, Shri R Kesavan was appointed by the Board as an Additional Director with effect from September 05, 2019 in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Articles 112 and 121 of the Articles of Association of the Company. As per the provisions contained under Section 161 of the Companies Act, 2013, the Additional Director so appointed by the Board shall hold office upto the date of next Annual General Meeting of the Company or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier. Accordingly, Shri R Kesavan, as an Additional Director, holds office upto the date of this Annual General Meeting.

Notice of 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 of the Companies Act, 2013 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the Meeting, left at the Registered Office of the Company, a notice in writing under his hand signifying his candidature as a Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with deposit of One Lakh Rupees. The Deposit shall be refunded to the Member, 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, Company has received a Notice in writing from a Member along with requisite Deposit proposing candidature of Shri R Kesavan for the Office of Director in terms of provisions of Section 160 of the Companies Act, 2013.

Shri R Kesavan, was an Executive Director – Corporate Finance of the Company. He does not hold any shares of the Company.

Relevant documents in respect of the said item are available in Electronic Form for inspection by the Members upto 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 Rakesh Misri (DIN: 07340288) as Director of the Corporation.

The Government of India has appointed Shri Rakesh Misri, Executive Director – Marketing Co-ordination as Director - Marketing (Whole Time Director) on the Board of the Company. Accordingly, Shri Rakesh Misri was appointed by the Board as an Additional Director (Whole Time Director) with effect from October 17, 2019 in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Articles 112 and 121 of the Articles of Association of the Company. As per the provisions contained under Section 161 of the Companies Act, 2013, the Additional Director so appointed by the Board shall hold office upto the date of next Annual General Meeting of the Company or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier. Accordingly, Shri Rakesh Misri, 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 of the Companies Act, 2013 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the Meeting, left at the Registered Office of the Company, a notice in writing under his hand signifying his candidature as a Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with deposit of 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, Company has received a Notice in writing from a Member along with requisite Deposit proposing candidature of Shri Rakesh Misri for the Office of Director in terms of provision of Section 160 of the Companies Act, 2013.

Notice of Annual General Meeting

Shri Rakesh Misri, is an Executive Director – Marketing Co-ordination of the Company. He holds 450 shares of the Company.

Relevant documents in respect of the said item are available in Electronic Form for inspection by the Members upto 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. **Payment of Remuneration to Cost Auditors for Financial Year 2020-2021:**

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, 2021 as per the following details: -

Sr. No.	Name of the Unit	Name & Address of the Proposed Cost Auditor	Audit Fees*
1.	Mumbai Refinery & Visakh Refinery	M/s. ABK & Associates, Address: Jamuna Niwas, 1st Floor, 32-A, Jai Bharat Society, 3rd Road, Khar West, Mumbai – 400 052	₹ 2,00,000
2.	All Marketing Manufacturing Locations and Corporate Consolidation	M/s. Dhananjay V. Joshi & Associates, Address: 4, Shrikrushna Bhavan, 1st Floor, Prashant Nagar, Behind Naupada Police Station, Naupada, Thane (W) – 400 064	₹ 2,00,000

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

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

Accordingly, approval of the members is requested for passing an Ordinary Resolution as set out at item no. 7 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, 2021.

Relevant documents in respect of the said item are available in Electronic Form for inspection by the Members of the Company upto 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. 7 of the Notice.

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

8. **Approval of Material Related Party Transactions to be entered during Financial Year 2021-2022:**

M/s. HPCL Mittal Energy Limited (HMEL), a Joint Venture Company, is a Related Party as defined under Section 2 (76) of the Companies Act, 2013 read with Regulation 2 (1) (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company is proposing to enter into certain business transactions with HMEL during Financial Year 2021-2022. The nature of transactions is in the form of Purchase of Crude and Petroleum Products, Sales of Crude and Petroleum Products, Lease Rental Receipts, Operation and Maintenance of LPG Facilities, infrastructure Facilities services to be availed etc. from / by HMEL.

Notice of Annual General Meeting

All transactions to be entered into by the Company with HMEL are in the ordinary course of business and are at arm's length basis and necessary approvals as required in compliance of the provisions under the Companies Act, 2013 have already been obtained from the Audit Committee/Board.

It may be noted that as per the explanation to Regulation 23 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a Financial Year, exceeds ten percent of the Annual Consolidated Turnover of the Listed entity as per its last audited Financial Statements. Further, as per Sub-Regulation 4 of the said Regulations, all Material Related Party Transactions require approval of the Members through a Resolution and no related party shall vote to approve such resolution whether an entity is a related party to the particular transaction or not.

The transactions with HMEL for Financial Year 2021-22 are estimated to be ₹ 44,000 Crore (Rupees Forty Four Thousand Crore Only) and this amount is likely to exceed ten percent of the estimated Annual Consolidated Turnover of the Company for the Financial Year 2020-2021.

Members may please note that based on the criteria as mentioned above, the transactions to be entered into by the Company with HMEL during the Financial Year 2021-2022 are "Material" and therefore, requires approval of the Company by way of passing of an Ordinary Resolution.

Approval of the Members of the Company is therefore required in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of Passing of an Ordinary Resolution for approval to the aforesaid Material Related Party Transactions to be entered for Financial Year 2021-2022.

Relevant documents in respect of the said item are available in Electronic Form for inspection by the Members of the Company upto the date of the Meeting.

The Directors, Key Managerial Personnel or their relatives holding shares of the Company may be deemed to be concerned or otherwise interested in the said Ordinary Resolution only to the extent of their shareholding.

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

By the Order of the Board,

V. Murali
Company Secretary

Date: August 20, 2020

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

Notice of Annual General Meeting

ANNEXURE TO ITEMS 3, 4, 5, 6 OF THE NOTICE

Details of Directors seeking reappointment at the 68th Annual General Meeting in pursuance of the provisions of the Companies Act, 2013 and Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Name of the Director	Shri Pushp K Joshi	Shri Subhash Kumar	Shri R Kesavan	Shri Rakesh Misri
Date of Birth	08-08-1964	01-01-1962	09-06-1961	17-03-1962
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board	01-08-2012	22-05-2018	05-09-2019	17-10-2019
Qualification	B.A. LLB, PG (PM&IR), XLRI Jamshedpur	M.Com, Fellow ICMAI, ACS	ACA	B.E. (Civil)
List of Directorship in Other Listed Companies as on 01-08-2020	-	1. Oil and Natural Gas Corporation Limited 2. Mangalore Refinery and Petrochemicals Limited	-	-
Membership/ Chairmanship of Audit and Stakeholders Relationship as on 01-08-2020	-	Member, Stakeholders Relationship Committee, Oil and Natural Gas Corporation Limited	Member, Audit Committee and Member, Stakeholders Relationship Committee, Hindustan Petroleum Corporation Limited	-
Shareholding in HPCL	2700	Nil	Nil	450
Disclosure of relationship between Directors inter se	There is no relationship inter se between the Directors.	There is no relationship inter se between the Directors.	There is no relationship inter se between the Directors.	There is no relationship inter se between the Directors.
Brief Resume and Nature of Expertise in Specific Functional Area	Shri Pushp Kumar Joshi is Director – Human Resources of the Corporation effective August 01, 2012. Prior to this, he was holding key portfolios in Human Resources functions viz. Executive Director – HRD and Head – HR of Marketing Division. Shri Pushp Joshi is a Doctorate in Human Resource Management, Post Graduate in Human Resource Management from XLRI, Jamshedpur and Bachelor of Law from Andhra University. 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. With over three decades of past experience in Human Resource and Industrial Relations, Shri Joshi has played a pivotal role in leading key transformational and strategic initiatives across HPCL such as Project Akshay, Akshaypath etc.	Mr. Subhash Kumar is Director - Finance of ONGC effective January 31, 2018. Mr. Kumar joined ONGC in 1985 as Finance & Accounts Officer. After initially working in Jammu and Dehradun, he had a long stint at ONGC Videsh, the overseas arm of ONGC. During his tenure with ONGC Videsh, Mr. Kumar was associated with key acquisitions and expansion of company's footprint from single asset company in 2001 into a company with global presence in 17 countries with 37 assets. He played a key role in evaluation and acquisition of many Assets abroad by ONGC Videsh.	Shri R Kesavan is also the Chief Financial Officer (CFO) of the Corporation. Prior to his appointment as Director – Finance, Shri R Kesavan was Executive Director – Corporate Finance of the Corporation for over 4 years. He is an Associate member of the Institute of Chartered Accountants of India (ICAI). Shri Kesavan brings rich experience of over 3 decades in handling various areas on Finance covering Corporate Accounts, Audit, Treasury Management, Risk Management, Budgeting, Pricing, Corporate Strategy & Margin Management, Heads of Commercial in various Marketing SBUs etc. He has various academic distinctions to his credit and is a key technical speaker in In-house Capability Building seminars & workshops. He has contributed articles of Corporate interest in various publications.	A Gold Medalist in Civil Engineering from REC Srinagar (now NIT Srinagar), Shri Misri has a rich and varied professional exposure of over 36 years in the Corporation. He has held various senior level positions in the organisation heading the North Zone Retail, as Executive Director-Direct Sales, Executive Director - Human Resources, Executive Director - Corporate Strategy & Business Development, and Executive Director-LPG. He has various academic distinctions to his credit and is a key technical speaker in In-house capability building seminars and workshops.

Performance Profile

FINANCIALS	2019-20	2019-20	2018-19	2017-18	2016-17	2015-16
	US $ Million	₹ / Crore		₹ / Crore		
Sales/ Income from Operations	37,831.27	2,86,250.27	2,95,712.56	2,43,226.66	2,13,488.95	1,97,437.53
Earnings before Interest, Depreciation and tax	787.51	5,958.70	13,077.21	12,521.39	12,091.77	9,083.45
Depreciation	436.71	3,304.39	3,012.61	2,752.75	2,535.28	2,653.21
Interest Expense	142.96	1,081.72	725.94	566.71	535.65	653.60
Tax including Deferred Tax	(140.71)	(1,064.67)	3,310.00	2,844.86	2,812.04	2,050.48
Net Profit	348.54	2,637.26	6,028.66	6,357.07	6,208.80	3,726.16
Dividend	189.31	1,432.39	1,371.44	2,321.29	3,477.70	1,456.10
Tax on distributed profits	38.91	294.43	281.90	472.56	707.98	296.43
Retained earnings	120.33	910.44	4,375.32	3,563.22	2,023.12	1,973.63
INTERNAL RESOURCES GENERATED	**380.53**	**2,879.29**	**7,949.88**	**6,735.53**	**5,534.65**	**5,421.69**
VALUE ADDED	**2,434.74**	**18,422.44**	**24,273.93**	**22,632.43**	**22,127.55**	**19,311.59**
WHAT CORPORATION OWNS						
Gross PPE's & Intangible Assets	8,162.36	61,760.52	51,597.26	45,694.56	41,164.67	35,735.30
Less: Depreciation	1,778.90	13,460.04	10,609.71	7,719.36	5,032.79	2,627.73
Net PPE's & Intangible Assets	6,383.46	48,300.48	40,987.55	37,975.20	36,131.88	33,107.58
Capital work-in-progress (including capital advances)	2,293.17	17,351.30	9,843.01	4,144.12	2,030.72	1,875.80
Investments (including current investments)						
Subsidiaries, Joint Ventures and Associates	916.78	6,936.81	6,236.87	5,352.40	5,052.27	5,018.56
Others	736.77	5,574.79	5,581.76	5,752.70	5,866.32	5,559.99
Current/ non-current assets, net of liabilities	(91.01)	(688.64)	(69.92)	(1,716.13)	(1,588.49)	(1,505.31)
Total	**10,239.18**	**77,474.74**	**62,579.27**	**51,508.29**	**47,492.70**	**44,056.62**
WHAT CORPORATION OWES						
Net Worth						
Share capital	201.53	1,524.91	1,524.91	1,524.91	1,016.97	339.71
Share forfeiture	(0.09)	(0.70)	(0.70)	(0.70)	(0.70)	(0.70)
Reserves	3,626.27	27,438.15	26,650.61	22,424.01	19,331.14	17,630.79
Total	**3,827.71**	**28,962.36**	**28,174.82**	**23,948.22**	**20,347.41**	**17,969.80**
Borrowings	5,685.70	43,020.85	27,239.70	20,990.88	21,249.70	21,167.47
Deferred tax liability	725.77	5,491.53	7,164.75	6,569.19	5,895.59	4,919.35
Total	**10,239.18**	**77,474.74**	**62,579.27**	**51,508.29**	**47,492.70**	**44,056.62**
PHYSICAL (MMT)						
CRUDE THRUPUT		17.18	18.44	18.28	17.81	17.23
Mumbai Refinery		8.07	8.67	8.64	8.51	8.01
Visakh Refinery		9.11	9.77	9.64	9.30	9.22
PIPELINE THRUPUT		21.20	21.53	20.14	17.91	17.61
MARKET SALES		39.64	38.71	36.87	35.23	34.19

Notes:

1. Previous year figures have been regrouped/ reclassified, wherever necessary.
2. 1 US$ = ₹ 75.665 (Exchange rate as on 31.03.2020).
3. Earnings before Interest, Depreciation and tax for the FY 2019-20 is after exceptional items.

Performance Profile

FINANCIALS	2019-20	2019-20	2018-19	2017-18	2016-17	2015-16
	US $ Million	₹ / Crore	₹ / Crore			
FUND FLOW STATEMENT						
Sources of Funds						
Profit after Tax	348.54	2,637.26	6,028.66	6,357.07	6,208.80	3,726.16
Other Comprehensive Income	(59.57)	(450.70)	(64.28)	37.79	160.12	(191.16)
Depreciation	436.71	3,304.39	3,012.61	2,752.75	2,535.28	2,653.21
Deposits from Dealers/ LPG Consumers	130.11	984.47	2,034.70	1,420.10	1,599.06	1,143.92
Borrowings (net)	1,684.07	12,742.54	5,933.85	(957.88)	579.04	(620.51)
Redemption of Oil bonds	-	-	-	84.27	104.47	401.20
Amortisation of capital grant received from OIDB & amortisation of FCMITDA*	0.49	3.70	4.31	0.36	354.38	248.82
Provision for deferred tax	(178.20)	(1,348.33)	595.56	673.60	976.25	794.85
Adjustment on account of sale/ deletion of assets, provision for diminution in investment & others	(28.59)	(216.34)	(31.33)	41.38	(169.64)	284.81
Total	**2,333.57**	**17,656.99**	**17,514.08**	**10,409.43**	**12,347.76**	**8,441.30**
Utilisation of Funds						
Dividend	189.31	1,432.39	1,371.44	2,321.29	3,477.70	1,456.10
Tax on distributed profits	38.91	294.43	281.90	472.56	707.98	296.43
Capital expenditures	2,033.37	15,385.51	11,776.90	6,722.45	5,756.86	5,361.30
Increase/ (decrease) in net current/ non-current assets	(20.52)	(155.28)	3,199.37	593.00	2,363.10	925.99
Investment in Subsidiaries, Joint Ventures, Associates and Others (Including advance towards equity & share application money pending allotment)	92.51	699.94	884.47	300.13	42.12	401.49
Total	**2,333.57**	**17,656.99**	**17,514.08**	**10,409.43**	**12,347.76**	**8,441.30**
CONTRIBUTION TO EXCHEQUER						
Excise duty	2,443.30	18,487.26	21,806.74	24,742.53	26,197.76	19,324.84
Customs duty	1,380.70	10,447.03	3,212.75	2,204.52	822.62	525.71
Sales tax / VAT / GST	5,954.78	45,056.88	44,717.82	39,096.58	34,050.62	28,762.41
Service tax	-	-	-	129.30	342.18	280.63
Income tax	279.44	2,114.35	2,453.12	2,490.74	2,912.75	1,246.54
Others	3.69	27.89	1,159.90	1,087.85	3,125.94	2,094.60
Total	**10,061.91**	**76,133.41**	**73,350.33**	**69,751.52**	**67,451.87**	**52,234.73**
RATIOS						
EBITDA/Sales (%)		2.08	4.42	5.15	5.66	4.60
Net profit/Sales (%)		0.92	2.04	2.61	2.91	1.89
Earnings per share (₹)^		17.31	39.56	41.72	40.74	24.45
Cash earnings per share (₹)		30.23	63.02	62.54	61.51	46.70
Average sales/Employee (₹ / Crore)		29.49	28.78	23.42	20.36	18.57
Average net profit/Employee (₹ / Crore)		0.27	0.59	0.61	0.60	0.35
Debt equity ratio (long term debt# to equity)		0.93 : 1	0.48 : 1	0.43 : 1	0.51 : 1	0.96 : 1
MANPOWER (NOs.)		**9,696**	**10,239**	**10,352**	**10,422**	**10,538**

* Foreign Currency Monetary Item Translation Difference Account (FCMITDA) as per Ind AS 21 'The Effects of changes in Foreign Exchange Rates'.

^ EPS for earlier periods have been re-calculated in accordance with Ind AS 33 'Earnings per Share'.

Includes impact on account of application of Ind AS 116 'Leases' effective 01.04.2019.

Performance Profile

FINANCIALS	2019-20	2019-20	2018-19	2017-18	2016-17	2015-16
	US $ Million	₹ / Crore	₹ / Crore			
HOW VALUE IS ADDED						
Income						
Sales	37,831.27	2,86,250.27	2,95,712.56	2,43,226.66	2,13,488.95	1,97,437.53
Add: Increase/ (decrease) in Inventories#	(77.24)	(584.44)	2,166.52	(804.54)	4,454.06	(90.86)
	37,754.02	**2,85,665.83**	**2,97,879.08**	**2,42,422.12**	**2,17,943.01**	**1,97,346.67**
Cost of Raw materials						
Raw material consumption	7,854.38	59,430.19	69,284.77	50,937.67	44,879.42	40,523.83
Purchases for resale	24,745.12	1,87,233.94	1,80,570.51	1,42,455.74	1,22,731.74	1,15,948.43
Packages	42.36	320.50	346.50	248.63	258.24	287.81
Stores & spares	37.77	285.75	282.05	244.34	296.22	223.72
Utilities	174.78	1,322.49	1,389.68	1,150.79	870.56	1,008.09
	32,854.41	**2,48,592.87**	**2,51,873.51**	**1,95,037.17**	**1,69,036.18**	**1,57,991.88**
Duties applicable to products						
Duties	2,464.88	18,650.52	21,731.64	24,752.52	26,779.28	20,043.20
Total value added	**2,434.74**	**18,422.44**	**24,273.93**	**22,632.43**	**22,127.55**	**19,311.59**
HOW VALUE IS DISTRIBUTED						
Operations						
Operating & service costs	1,225.17	9,270.28	8,259.81	7,252.52	7,089.70	7,906.82
Employees' benefits	422.05	3,193.46	2,936.91	2,858.52	2,946.08	2,321.32
Providers of capital						
Interest on borrowings	142.96	1,081.72	725.94	566.71	535.65	653.60
Dividend	228.22	1,726.82	1,653.34	2,793.85	4,185.68	1,752.53
Income tax/ fringe benefit tax	(140.71)	(1,064.67)	3,310.00	2,844.86	2,812.04	2,050.48
Re-deployment in business						
Retained profit	120.33	910.44	4,375.32	3,563.22	2,023.12	1,973.63
Depreciation	436.71	3,304.39	3,012.61	2,752.75	2,535.28	2,653.21
Total value distributed	**2,434.74**	**18,422.44**	**24,273.93**	**22,632.43**	**22,127.55**	**19,311.59**

Including exceptional Items.

Performance Profile

'000 Tonnes

SALES VOLUME*	2019-20	2018-19	2017-18	2016-17	2015-16
Light Distillates					
Liquified petroleum gas	7,076.41	6,596.34	6,149.73	5,682.76	5,108.70
Naphtha	1,286.47	732.75	639.08	595.75	735.25
Motor spirit	7,587.02	6,967.26	6,491.70	6,034.45	5,607.25
Hexane	24.85	24.78	24.54	20.98	18.93
Propylene	52.38	62.13	55.84	43.81	42.81
Sub-total	**16,027.13**	**14,383.26**	**13,360.88**	**12,377.75**	**11,512.94**
Middle Distillates					
Mineral turpentine oil	95.19	85.88	71.72	55.20	53.58
Aviation turbine fuel	731.92	874.56	728.93	691.44	609.68
Superior kerosene oil	462.08	654.87	721.20	1,003.82	1,250.04
High speed diesel	17,861.21	18,114.92	17,735.46	16,984.80	16,841.05
JBO/WO	6.43	6.23	7.61	6.22	3.97
Light diesel oil	259.49	230.75	209.58	197.25	182.41
Sub-total	**19,416.32**	**19,967.21**	**19,474.50**	**18,938.74**	**18,940.71**
Lubes & Greases	**633.17**	**635.23**	**596.34**	**583.04**	**532.07**
Heavy Ends					
Furnace oil	1,539.75	1,702.33	1,801.16	1,695.53	1,549.10
Low sulphur heavy stock	70.57	59.58	39.12	49.79	61.47
Bitumen	1,493.09	1,553.11	1,234.12	1,233.95	1,245.25
Others	457.99	405.02	364.81	348.27	346.45
Sub-total	**3,561.40**	**3,720.04**	**3,439.21**	**3,327.55**	**3,202.27**
Total	**39,638.02**	**38,705.74**	**36,870.93**	**35,227.07**	**34,187.99**

* Including Exports

MARKETING NETWORK (Nos.)	2019-20	2018-19	2017-18	2016-17	2015-16
Regional offices	133	133	128	119	106
Terminals/ Installations/ TOPs	43	42	41	42	37
Depots (including exclusive lube depots)	68	68	68	62	73
LPG bottling plants	50	49	48	47	46
ASFs	44	43	41	37	37
Retail outlets	16,476	15,440	15,062	14,412	13,802
SKO/ LDO dealers	1,638	1,638	1,638	1,638	1,638
LPG distributors	6,110	5,866	4,849	4,532	4,278
LPG customers (in Crore)	8.51	8.15	6.93	6.17	5.29

Performance Profile

'000 Tonnes

PRODUCTION VOLUME - MUMBAI REFINERY	2019-20	2018-19	2017-18	2016-17	2015-16
Light distillates					
Liquified petroleum gas	399.01	479.12	450.63	438.02	405.48
Naphtha	476.52	430.81	425.61	406.10	353.17
Motor spirit	1,376.05	1,563.52	1,539.11	1,497.50	1,376.60
Hexane	12.70	11.00	14.53	9.45	13.94
Solvent 1425	2.53	1.84	3.47	4.84	6.60
Sub-total	**2,266.81**	**2,486.30**	**2,433.35**	**2,355.91**	**2,155.79**
Middle distillates					
Mineral turpentine oil	27.38	32.29	47.59	39.98	41.80
Aviation turbine fuel	445.03	503.65	458.06	418.59	447.91
Superior kerosene oil	105.56	158.34	203.35	208.81	223.87
High speed diesel	2,787.37	2,973.40	2,994.36	3,082.57	2,708.12
Light diesel oil	113.52	103.64	112.74	81.96	94.62
Sub-total	**3,478.86**	**3,771.31**	**3,816.10**	**3,831.91**	**3,516.32**
LOBS/TOBS	**478.13**	**472.81**	**438.64**	**430.86**	**422.59**
Heavy ends					
Furnace oil	651.77	718.29	726.13	580.75	619.67
Low sulphur heavy stock	(0.11)	-	-	-	-
Bitumen	578.69	599.83	563.50	595.95	610.28
Others (including input of BH gas)	29.72	8.01	32.48	111.21	90.28
Sub-total	**1,260.07**	**1,326.13**	**1,322.11**	**1,287.92**	**1,320.23**
Total	**7,483.87**	**8,056.55**	**8,010.20**	**7,906.60**	**7,414.93**
Intermediate stock differential	21.40	17.20	13.94	6.66	(21.32)
Fuel & loss	575.95	614.10	620.57	613.69	627.80
Grand total	**8,081.22**	**8,687.85**	**8,644.71**	**8,526.94**	**8,021.41**

Performance Profile

'000 Tonnes

PRODUCTION VOLUME - VISAKH REFINERY	2019-20	2018-19	2017-18	2016-17	2015-16
Light Distillates					
Liquified petroleum gas	384.22	417.43	381.96	401.62	419.19
Naphtha	747.05	295.16	199.31	223.13	353.51
Motor spirit	1,263.30	1,760.79	1,802.81	1,788.66	1,655.40
Propylene	53.05	62.70	55.47	43.28	43.38
Sub-total	**2,447.62**	**2,536.08**	**2,439.55**	**2,456.68**	**2,471.48**
Middle Distillates					
Mineral turpentine oil	5.28	2.17	1.37	2.04	0.37
Aviation turbine fuel	114.71	136.83	126.78	117.51	97.51
Superior kerosene oil	158.43	162.61	189.97	315.21	550.81
High speed diesel	3,691.35	4,302.78	4,306.22	3,876.65	3,759.91
JBO	6.01	5.47	8.04	7.45	4.38
Light diesel oil	145.18	136.71	108.43	106.82	95.52
Sub-total	**4,120.96**	**4,746.57**	**4,740.81**	**4,425.69**	**4,508.50**
Heavy Ends					
Furnace oil	1,051.45	1,049.18	1,040.62	1,083.66	955.11
Low sulphur heavy stock	35.53	45.10	9.70	21.70	(2.36)
Bitumen	599.07	667.49	626.97	619.80	587.47
Others	37.48	50.80	33.30	(20.79)	25.95
Sub-total	**1,723.53**	**1,812.57**	**1,710.59**	**1,704.37**	**1,566.18**
Total	**8,292.11**	**9,095.22**	**8,890.95**	**8,586.75**	**8,546.17**
Intermediate stock differential	142.82	(38.74)	56.21	37.30	(32.88)
Fuel & loss	680.12	716.65	687.84	679.83	705.93
Grand total	**9,115.05**	**9,773.13**	**9,635.00**	**9,303.87**	**9,219.21**

Directors' Report

DEAR MEMBERS

On behalf of the Board of Directors, it gives me immense pleasure in presenting this Report on the performance of the Corporation for the financial year ended March 31, 2020.

MAHARATNA STATUS

In a significant milestone in the annals of your Corporation, Government of India has conferred 'Maharatna' status on October 24, 2019, featuring us in an elite list of 10 Central Public Sector Enterprises in India. The honour, coming with huge responsibilities is a most cherished moment to every stakeholder of the Corporation and the Board rededicates themselves to the services of the Members.

HIGHLIGHTS

(₹ / Crore)

	Consolidated		Standalone	
	2019-20	**2018-19**	**2019-20**	**2018-19**
FINANCIAL PERFORMANCE				
Sales/ Income from Operation	2,86,574.27	2,95,986.87	2,86,250.27	2,95,712.56
Earnings before Interest, Tax, Depreciation & Amortization and Exceptional items	6,885.94	13,910.14	6,961.63	13,077.21
Depreciation & Amortization Expenses	(3,369.87)	(3,085.30)	(3,304.39)	(3,012.61)
Finance Cost	(1,138.85)	(785.64)	(1,081.72)	(725.94)
Profit before Tax and exceptional items	**2,377.22**	**10,039.20**	**2,575.52**	**9,338.66**
Exceptional items – Income/(Expense)	(1,002.93)	-	(1,002.93)	-
Profit before Tax (PBT)	**1,374.29**	**10,039.20**	**1,572.59**	**9,338.66**
Tax Expense	1,264.44	(3,348.57)	1,064.67	(3,310.00)
Profit after Tax (PAT)	**2,638.73**	**6,690.63**	**2,637.26**	**6,028.66**
Balance brought forward from previous financial year	26,923.39	21,973.01	24,941.79	20,632.77
Amount available for Appropriation				
Appropriations/ Others:				
Debenture Redemption Reserve (net)	(513.46)	(17.34)	(625.00)	-
Dividend	(1,432.39)	(1,371.44)	(1,432.39)	(1,371.44)
Tax on distributed profits	(294.43)	(281.90)	(294.43)	(281.90)
Other Comprehensive Income that will not be reclassified to profit or loss (net of tax)	(161.50)	12.60	(158.05)	15.87
Other Appropriations	324.89	(82.17)	324.89	(82.17)
Balance carried forward	**27,485.23**	**26,923.39**	**25,394.07**	**24,941.79**
SHAREHOLDERS' VALUE (₹)				
Earnings per Share	17.32	43.91	17.31	39.56
Cash Earnings per Share	29.36	68.09	30.23	63.02
Book Value per Share	203.31	199.50	190.06	184.90

PHYSICAL PERFORMANCE (MMT)	2019-20	2018-19
Market Sales (including Exports)#	39.60	38.72
Crude Thruput:		
Mumbai Refinery	8.07	8.67
Visakh Refinery	9.11	9.77
Total Crude Thruput	17.18	18.44

\# Market Sales (including exports) as per Ind AS is 39.64 MMT for financial year 2019-20 and 38.71 MMT for financial year 2018-19.

SALES/ INCOME FROM OPERATIONS

Your Corporation has achieved Sales/ Income from Operations of ₹ 2,86,250.27 Crore in the financial year 2019-20 as compared to ₹ 2,95,712.56 Crore in the financial year 2018-19 on a standalone basis.

PROFIT

Your Corporation has reported Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) of ₹ 6,961.63 Crore without considering an exceptional expense of ₹ 1,002.93 Crore in the financial year 2019-20 as against ₹ 13,077.21 Crore in the financial year 2018-19 and Profit after Tax of ₹ 2,637.26 Crore in the financial year 2019-20 as compared to ₹ 6,028.66 Crore in the financial year 2018-19 on a standalone basis.

DIVIDEND

The Board of Directors, after taking into account the Financial Results of the Corporation during the financial year, have recommended final dividend of ₹ 9.75 per share for the financial year 2019-20 as compared to ₹ 15.90 per share for the financial year 2018-19 that comprise of ₹ 9.40 per share as final dividend and ₹ 6.50 per share as interim dividend.

The amount of final dividend as recommended by the Board totaling to ₹ 1,485.73 Crore will be paid out of profits (after tax) earned for the financial year.

INTERNAL RESOURCES GENERATION

Your Corporation has generated Internal Resources of ₹ 2,879.29 Crore during the financial year 2019-20 as compared to ₹ 7,949.88 Crore during the financial year 2018-19 on a standalone basis.

CONTRIBUTION TO EXCHEQUER

Your Corporation has contributed a sum of ₹ 76,133.41 Crore to the *exchequer* during the financial year 2019-20 by way of duties and taxes, as compared to ₹ 73,350.33 Crore during the financial year 2018-19 on a standalone basis.

REFINERY PERFORMANCE

Your Corporation's Refineries, situated at Mumbai and Visakh have delivered a sustained superior performance as evident from their successful roll out of Nation-wide BS-VI grade fuels before the deadline stipulated by the Government of India and achieving a capacity utilization of 108.70%, amidst newer challenges. Effective management of intermediate streams evacuation as well as meticulous handling of two grades of MS and HSD during interim period of rollout of BS-VI grade of fuels at both the Refineries has been one of the notable feature, this year. The Refineries have recorded thruput of 17.18 MMT as compared to 18.44 MMT during previous year, the lower thruput being attributed to shut down taken for upgrading to BS-VI fuel grade norm. The Refineries have set new benchmarks and surpassed few previous landmarks in the course of their excellent performance during the current financial year, prominent among them are: Mumbai Refinery's achievement of highest ever Lube Oil Base Stock (LOBS) production with 478.13 TMT surpassing previous year's best of 472.81 TMT. Visakh Refinery, in a first of a kind, has processed WTI Crude from US. Production of VLSFO (Very Low Sulphur Fuel Oil having Sulphur content of less than 0.5%) was commenced at Visakh Refinery to support a new world order on ocean pollution, i.e. IMO 2020 regulations that kicked in effective January 01, 2020 for the first time.

The augmentation projects at Refineries, namely, the increase in capacity of Mumbai Refinery to 9.5 MMTPA and Visakh Refinery to 15 MMTPA along with state-of-art complexity enhancements including bottom upgradation facilities are progressing well.

Your Corporation is setting up a new 9 MMTPA capacity greenfield Refinery cum Petro-Chemical Complex at Pachpadra in Barmer District of Rajasthan through a joint venture Company, HPCL Rajasthan Refinery Limited. There has been significant progress during the year in the execution of works. Engineering & procurement activities are progressing well with placement of various purchase orders in 2019-20. Grading of site and construction of boundary wall, major internal roads, power utility facilities, water reservoir etc. have been completed. Construction of some of the major process units, utility plants, approach road and fabrication of major long lead items etc. are under progress. Further, approval for environment clearance for Township, consent to establish for 'Mangla Crude Pipeline' have been received.

The particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo are furnished in **Annexure I**. The particulars relating to control of Pollution and other initiatives by Refineries are furnished in **Annexure II**.

Operating Performance of Refineries

The important operating achievements during the financial year 2019-20 are as below:

Parameter	Unit	Mumbai Refinery	Visakh Refinery
Crude Thruput	TMT	8065	9115
Capacity Utilization	%	107.5	109.4
Distillate Yield	%	77.0	72.1
Fuel and Loss	%	7.13	7.46
Specific Energy Consumption	MBTU/ BBL/ NRGF	84.5	84.1
Gross Refinery Margin	$/bbl	3.63	(1.30)

MARKETING PERFORMANCE

During the financial year 2019-20, your Corporation has delivered an excellent performance, exceeding various milestones achieved during previous years. With a sales volume of 39.60 Million Tonnes including exports during the year (2018-19: 38.72 Million Tonnes), the winning momentum continued during the year.

In Domestic Sales Segment, your Corporation recorded a volume of 37.74 Million Tonnes during the financial year (2018-19: 37.97 Million Tonnes), holding to its previous year's market share of about 21% amongst the Public Sector Oil Marketing Companies (OMCs). In the backdrop of subdued demand growth for petroleum products, intense competition and the Nation-wide lock-down that had its impact on sales in the last week of the financial year, the achievement is significant.

In the Motor-Fuel segment, your Corporation has achieved a sales volume of 24.39 Million Tonnes during the financial year 2019-20. The year witnessed commissioning of 1,194 retail outlets (taking the total of retail outlets to 16,476 as of March 31, 2020) and 166 new CNG stations, highest in recent years. To enhance overseas footprint, your Corporation has commissioned its first outlet in Bhutan as a part of the tie-up with State Trade Corporation of Bhutan Limited (STCBL) for setting up of retail outlets and supply of motor fuels in Bhutan. The thrust over digital payments continued during the year with the launch of 'HP-Pay' a unified payment app, first of its kind in the industry to facilitate purchase of motor fuels, domestic LPG and lubricants by Customers.

The LPG business vertical set a new record during the financial year 2019-20, clocking a sales volume of 7 Million Tonnes. The year witnessed commissioning of 245 new distributorships (taking the total number of dealership to 6,110 at the end of the financial year), commissioning of 50th LPG bottling plant at Sugauli, Bihar and enrolment of 37.53 Lakhs new domestic Customers including 19.56 Lakhs Customers enrolling under Pradhan Mantri Ujjwala Yojana (taking the total number of domestic Customers and within it PMUY beneficiaries to 8.40 Crore and 2.15 Crore respectively at the end of the financial year).

The success saga of Lubricant business continued during financial year 2019-20, retaining the pole position for the 7th consecutive year with a sales volume of 650 TMT, amidst highly competitive business environment having participation from MNC segment, Private and Public Sector Companies. The value added lubes category recorded its highest ever sales of 518 TMT including exports and registering a growth of 6% over previous year. The Lube SBU exported 16.75 TMT lubricants to 10 Countries, earning the status of largest exporter of lubricants from India amongst PSUs.

In Industrial & Consumer business line, your Corporation recorded overall sales of about 5 MMT. The strategy of maximising volumes in three focused products helped to cross 1 MMT sales volume in Fuel Oil (FO), diesel, and bitumen individually for the fifth consecutive year. Your Corporation launched a new product, Very Low Sulphur Fuel Oil (VLSFO), to leverage the opportunities of low sulphur marine fuels complying to International Maritime Organization (IMO) norms effective January 01, 2020.

The Gas business, the future of fuel has been gathering pace with setting up of City Gas Distribution (CGD) network in Geographical Areas of Ambala-Kurukshetra (Haryana) and Kolhapur (Maharashtra) through joint venture Company HPOIL Gas Private Limited (HOGPL). Independent of this, the Corporation is also setting up such networks on a standalone basis in 10 Geographical Areas in the States of Haryana, Uttar Pradesh, Uttarakhand and West Bengal. Construction activities have commenced in 5 MMTPA LNG regasification terminal at Chhara, Gujarat in Joint Venture with Shapoorji Group.

In Aviation business line, your Corporation achieved a sales volume of 732 TMT. Aviation Service Facilities (ASFs) was augmented by setting up new facilities at Nagpur, Ranchi and Vidyanagar in the state of Karnataka taking the total ASFs to 44.

Our environmentally conscious Nation leapfrogged from BS-IV grade fuel to BS-VI grade on April 01, 2020. The Operations & Distribution arm, the backbone of the Corporation swung early into action and contributed to this success by keeping entire network ready with this grade of fuel on time. The Corporation has handled a thruput of 53.50 Million Tonnes. Towards leveraging technology in Operations, Central Optimised Logistics Assistant (COLA) that ensures supply chain optimization with centralized planning of the tank truck scheduling was implemented during the year, enabling efficient product movement across the Country.

Your Corporation continues to lay emphasis on environment protection, sustainability measures and steps for reduction in Green House Gas (GHG) emissions by promoting bio fuels in transportation. The Corporation has continued its participation in ethanol blending program of Government of India towards this objective and procured 460 Million litre of ethanol during the financial year, which has taken overall ethanol blending to 4.9%. In addition, the Corporation recorded the blending of highest ever quantity (50 Million litre) of biodiesel during the financial year 2019-20.

Your Corporation is currently operating petroleum product pipeline network of 3,775 km with mainline capacity of 32.55 MMTPA and branch line capacity of 15.57 MMTPA. The ever expanding pipeline network continued its march during financial year 2019-20 with commissioning of Palanpur-Vadodara pipeline including a marketing terminal at Vadodara and Uran - Chakan LPG pipeline besides expanding the existing pipeline networks of Mundra Delhi pipeline (MDPL), Ramanmandi Bahadurgarh pipeline (RBPL) and Visakh Vijayawada Secundarabad pipeline (VVSPL). The pipeline vertical handled a thruput of 21.20 Million Tonnes.

TREASURY MANAGEMENT

The financial year 2019-20 has been very challenging yet exciting year from Treasury perspective. With ambitious capacity expansion programs under execution, the capex targets for financial year were, by far, the highest in the history of your Corporation. The financial year began with formulating the Treasury strategy with twin objectives of diversification of funding sources and optimizing the cost of borrowings for creating a sound capital structure to meet the long-term funding needs of your Corporation.

Your Corporation made its foray in to Non-Convertible Debenture (Rupee Bond) markets and its maiden unsecured NCD issuance was oversubscribed, close to 9 times with high investor demand from various Investor groups. Considering the high demand and to create a yield curve for the Corporation's NCDs, 4 subsequent NCD issuances for tenures spreading across 3/5/10 years maturity were completed during the financial year at lowest ever yields across all maturities in the history of your Corporation. Recognizing the exemplary performance of your Corporation in the primary segment of domestic bond market, your Corporation was conferred with "Outstanding Performer on BSEBOND Platform" award in PSU Category by BSE (Bombay Stock Exchange).

Diversifying its borrowing base, your Corporation also successfully raised a US$ 300 Million loan to fund the CAPEX needs from a consortium of Indian and foreign banks at competitive rates. During the financial year, loan assistance from Oil Industry Development Board at a concessional interest rate was also availed in respect of the environment improvement assets attributable to Mumbai and Visakh Refinery expansion projects.

During the financial year, Bharat Bond ETF, the first ever Corporate Bond ETF was launched by Government of India with the objective of creating additional source of funding for CPSEs by deepening the bond market with retail participation. Your

Corporation is the only Public Sector Oil Marketing Company that participated in both 3 years and 10 years tenure issuances of Bharat Bond ETF at one of the most competitive rates, thereby benefitting from this Government of India initiative to reduce its overall borrowing costs and expanding investor base.

Your Corporation effectively used a variety of borrowing instruments to optimize its cost of working capital. The short-term borrowing requirements were met through Triparty Repo Dealing System, Commercial Papers, MIBOR Linked Loans, Revolving Line of Credit in USD and Cash Credit facility from consortium banks.

As on March 2020, your Corporation commanded international long term issuer rating of "Baa2" with "Negative outlook" from Moody's Investors Services and "BBB-" with "Stable outlook" from Fitch Ratings, both ratings being at par with India's Sovereign rating. In June 2020, Moody's Investors Services revised India's Sovereign rating from "Baa2" to "Baa3" (with "Negative outlook") and consequent to it, your Corporation's rating too was modified & aligned with India's Sovereign rating to "Baa3" with "Negative outlook". Further, Fitch Ratings revised its outlook on India's Sovereign rating (BBB-) from "Stable" to "Negative" and accordingly, the outlook for the Corporation was also modified and aligned with India's Sovereign rating to "BBB-" with "Negative outlook".

Your Corporation continues to command highest domestic rating for long term ("AAA" with "Stable" outlook) and short term ("A1+") facilities from CRISIL, India Rating and Research Limited and ICRA.

IMPACT OF COVID-19 ON BUSINESS

The COVID-19 pandemic is globally inflicting high economic and human costs. The thrust of the Nations has been on protecting lives and allowing time for the health care systems to cope up by resorting to lockdowns, isolation, restricting movements etc. to slowdown the spread of the virus.

The whole of oil industry including your Corporation witnessed general fall in demand for petroleum products in the aftermath of COVID-19 pandemic. Significant drop in crude oil prices was witnessed in March/ April 2020 which recovered to some extent subsequently. During this period, your Corporation continued its operations, without disruption, to ensure supply of essential petroleum products.

The impact of COVID-19 pandemic on the physical and financial performance of the Corporation for the financial year 2019-20 was lesser as the lockdown was announced only in the last week of March 2020. However, sharp fall in crude oil prices in March/ April 2020 did have inventory loss impact.

There was a significant fall in demand of petroleum products in the month of April 2020 due to lockdown in the Country and sales was down by over 48.5% as compared to April 2019. However, with the relaxations announced by the Central Government and some of the State Governments related to movement of people, goods and services, the demand for petroleum products gradually improved subsequently. Sales of petroleum products in May 2020 was about 77% compared to May 2019 and sales in June 2020 was about 91% as compared to June 2019. MS and HSD sales were down by 62% and 55% respectively in April 2020 compared to April 2019, which improved to reach to about 85% level in June 2020 compared to June 2019. Sharp increase in demand for LPG was witnessed during the lockdown period. The Corporation increased the production of LPG by optimizing its operations and supplied an average 12.5 lakh cylinders per day to the customers during April-June 2020.

By optimizing the day to day crude run rate and regulating the product procurements from other sources, the Corporation could achieve an overall capacity utilization of almost 100%, both at Mumbai and Visakh Refineries for the period April-June 2020. The Corporation managed the crude oil inventory by optimizing the scheduling of crude cargos in line with refinery operations. Product inventories were managed by leveraging cross country product pipeline network and PAN India marketing infrastructure of the Corporation.

All critical supply locations of your Corporation continued operating during the lockdown period with all health, hygiene and safety measures in place. All the supply distribution locations including bulk storage terminals and depots, LPG bottling plants, aviation fuel stations, lube blending plants etc., functioned with optimized manpower under the advisories of the respective State Governments and local administrations to maintain supply of POL products.

The working at the non-critical locations was streamlined with work-from-home norms and minimal physical presence to ensure proper social distancing enabled through mobile communications, digital connectivity and dedicated portals.

Project construction sites were required to be closed after announcement of nationwide lockdown under directives form concerned authorities. However, after announcement of relaxations from Central Government and some of the State Governments, project sites have been restarted gradually from April 20, 2020 but resumption to pre-COVID level may take some time. The exact impact on individual project schedules will largely depend on the geographical location of the project, COVID severity at the location, duration of impact, level of restrictions prevailing in the area, availability of the resources locally or otherwise, stage and complexity of the project etc.

Your Corporation has adequate fund based limits with consortium as well as non-consortium banks for meeting its working capital requirements.

Your Corporation has put in place a comprehensive strategy and developed Standard Operating Procedures to ensure health and safety of its stakeholders (employees, service providers, contract work force, petrol pump dealers & customer attendants, LPG distributors, delivery boys etc.) while also ensuring business continuity. Digital technology is extensively leveraged for information-sharing.

The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. In the assessment of the management, with the phased opening up of various sectors of economy and proactive policy initiatives from the Government, the situation could gradually move back towards normalcy with some demand contraction in the near term.

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, 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 external consultant who observed that there are no material weaknesses noted in 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

As we enter the era of profound transformation in the energy sector, the landscape is changing rapidly. While organizations strive to mitigate the downside as well as the outside risks, your Corporation understands the imperativeness to continuously identify and embrace the upside risk opportunities and enable the business to achieve the short term and long-term strategies by leveraging these opportunities.

Your Corporation has established an Enterprise Risk Management (ERM) framework under the Corporation's Risk Management Charter and Policy 2007, which is embedded at the forefront of business strategies and focuses on the stronger, deeper and trust-based relationship with the stakeholders. It provides necessary support to the business to steer through the continuously evolving risk terrain through dynamic risk management approach that embraces disruption and enhances resiliency and trust.

The Risk Management Steering Committee (RMSC) receives regular insights on risk exposures faced by the Corporation along with the mitigation and treatment plans, thereby enabling it to provide prompt interventions. The Board is also updated regularly on the risk assessment and mitigation procedures.

Technology is enabled to support the Enterprise Risk Management processes with a focus on optimizing risk exposures and automating risk reporting across the Corporation. Reputed professional external consultants have also been engaged to establish a mechanism to bring the outside view to effectively enhance the visibility of external business risks and support the change management in the transformation of existing ERM processes.

VIGILANCE

Your Corporation has a full-fledged Vigilance Department headed by Chief Vigilance Officer. The Department operates on the guidelines of Central Vigilance Commission on Vigilance management in Public Sector Enterprises and guided further by instructions issued by the Department of Personnel and Training; Ministry of Petroleum and Natural Gas from time to time. The complaints are handled as per the complaint handling policies stipulated in Vigilance Manual, 2017 of the Central Vigilance Commission.

The prime focus of Vigilance activities has been Preventive and Participative Vigilance by having regular interaction with employees and other stakeholders to spread awareness among the masses. The highlights of the year include review of various operating areas for systemic improvements, carrying out investigation of complaints, handling of surprise inspections of depots, terminals, LPG plants, regional offices, LPG distributors, retail outlets, tank trucks, tender review, conducting various focused group-training programs for employees, coordinating with various agencies like CVC, CBI, MOP&NG etc.

Vigilance Awareness Week was observed under the central theme for the year "Integrity - A way of life". Various outreach activities viz. focused group presentations, quizzes, drawing/ painting competitions, skits/ street plays, workshops, technical talks, grievance redressal camps, gram sabhas, rallies/ walkathons, school/ college programs, etc. were undertaken during this week.

INDUSTRIAL RELATIONS

Your Corporation, with its proactive approach, maintained very cordial and harmonious Industrial Relations (IR) all through the financial year 2019-20. Not only there was no loss of productivity due to IR issues, the year witnessed productivity increase across locations, demonstrating the maturity of our Unions and commitment of employees. Various settlements were signed with Unions in the areas of productivity enhancement, redeployment etc. in an atmosphere of trust and healthy IR climate.

Your Corporation also took proactive steps regarding wellbeing of contract workmen and ensured their coverage under Pradhan Mantri Jan Dhan Yojana and Prime Minister Suraksha Beema Yojana. To promote Digital India and cashless economy, all contract labourers deployed across the Corporation are paid their wages through NEFT. Further, various programs across the Corporation were organized for contract workmen / stakeholders so that they use various modes of cashless payments. The safety and wellbeing of contract workmen being paramount, under 'Prerna' program, a unique initiative to imbibe safe work culture and improve well-being of contract workmen, 83 programs covering 5,451 contract workers were conducted during this financial year.

OFFICIAL LANGUAGE IMPLEMENTATION

Your Corporation promotes the usage of Hindi by motivating the employees through sensitization, persuasion and incentives. Recognition of linguistic and cultural talent of the employees and creating 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.

Your Corporation has been coordinating Town Official Language Implementation Committee (TOLIC) of Mumbai based PSUs since 1983 and guiding 65 Mumbai based PSUs in the field of Official Language Implementation. Other than the TOLIC Meetings, the officials of different PSUs are trained through conducting various programs such as Hindi translation, Linguistic harmony, Hindi and Employment, role of Hindi in insurance business, etc. The Corporation has taken a new initiative and published Multi-Lingual Petroleum Glossary consisting of 12 Regional languages including Hindi and English.

Your Corporation has continuously been awarded with the Official Language Shield, the best amongst Oil PSUs, by Ministry of Petroleum and Natural Gas, Government of India. The Corporation has made a record in entire Oil Industry by receiving 55 Rajbhasha Awards from Government of India and other agencies. The Corporation has been awarded for 3rd consecutive year with Rajbhasha Keerti Pratham Puraskar, the highest award in Official Language Implementation.

CORPORATE SOCIAL RESPONSIBILITY

Your Corporation's commitment towards 'Delivering Happiness' is reflected in CSR philosophy of working cohesively with local communities at business locations to enhance their quality of life. The CSR interventions are undertaken in the focus areas of childcare, education, health care, skill development, sports and environment and community development. The Corporation constantly strives to align its CSR initiatives with various government driven initiatives viz. Swachh Bharat Abhiyan and Skill India Mission. The year also witnessed significant contribution of your Corporation to 'Transformation of Aspirational Districts' program of NITI Aayog, Government of India

During the financial year 2019-20, your Corporation undertook the following major CSR initiatives:

- **Swachh Bharat Abhiyan**

  Your Corporation has contributed towards the national cause of Swachh Bharat Abhiyan by developing sanitation infrastructure and sensitizing communities. The employees and various stakeholders have participated in the mass-movement on cleanliness and hygiene and have undertaken more than 1,00,000 activities with direct and indirect participation. During observance of Swachhta Pakhwada and Swachhta Hi Sewa campaigns, more than 5,00,000 people from various parts of the Country were sensitized about importance of maintaining personal hygiene and cleanliness.

  Plastic Free City/ Village Campaigns were conducted in various parts of the Country for reducing single use plastic. A special drive for 'Plastic-Free Ranchi' was carried out with participation of more than 3,00,000 school students in Jharkhand. More than 1,000 toilets were constructed / upgraded in schools, hospitals and communities across India for efficient usage.

- **Skill Development Institutes**

  Your Corporation supported Skill India Mission by establishing Skill Development Institutes at Visakhapatnam, Rae Bareli, Ahmedabad, Kochi, Bhubaneswar and Guwahati for imparting skills to youth in various sectors. The Skill Development Institute has been conceptualized by Government of India and operationalized by Oil and Gas CPSEs, with a special focus on imparting skills in industry-oriented trades for enhancing employability and bridging the skill gaps of the Nation. Your Corporation has also given its share of contribution towards construction of Skill Development Institute at Bhubaneswar (main campus project) during the financial year.

- **'Transformation of Aspirational Districts' program**

  Your Corporation has taken several initiatives in Aspirational Districts aimed at supporting the vision and action plan developed by district administration for transformation of these districts. The focused interventions in seven allocated districts, namely, Baran, Siddharth Nagar, Nandurbar, Goalpara, Fatehpur, Jaisalmer and Begusarai would lead to improved education and health care facilities leading to better quality of life among people residing in these districts.

- **Major initiatives:**
  - **ADAPT:** Project ADAPT aimed at enhancing the quality of lives of 300 Children with special needs and young adults through providing education, training and therapeutic treatment.
  - **Akshaya Patra:** Project Akshaya Patra provided nutritious mid-day meal to 20,000 students studying in Government schools with an endeavor that no child gets deprived of education because of hunger. The initiative has resulted in not only the greater enrolment and attendance but also improved health and well-being.
  - **Agastya:** Project Agastya provided hands-on science learning to around 28,000 school students through 10 mobile science labs and 1 science center covering 120 schools. Various scientific concepts are imparted through usage of Science Models at Government schools to develop a scientific temperament amongst students.
  - **Nanhi Kali:** Project Nanhi Kali supported holistic development of girl child from tribal and urban slum locations. The project addressed challenges and constraints faced due to gender gap in communities and aimed to develop gender equality. During the financial year, 13,000 'Nanhi Kali' girls were provided with remedial classes, uniforms, stationery items, guidance and counselling on personal hygiene and career development.
  - **Unnati:** Project Unnati, a digital initiative, aimed at empowering school students, first generation computer learners in remote locations through enhancement of learning opportunities. The project provided basic computer education and equipped schools with computer labs to keep pace with developments in modern digital world. Through this computer-training program, 12,000 students across the country could get benefitted.
  - **Kashmir Super-30 (Medical):** Project Kashmir Super-30 (Medical) provided mentoring and coaching to talented students from Jammu & Kashmir and Ladakh regions. This residential

training program gave wings to aspirations of marginalized youth for competing in medical entrance exams.

- **Dhanwantari:** Project Dhanwantari focused on providing basic healthcare facilities and services in remote rural areas and urban communities through 25 Mobile Medical Vans. The Mobile Medical Van facility reached at the doorsteps of people in the remote rural and urban locations. The majority of beneficiaries were women, children and elderly whose general health is neglected due to poverty and lack of resources and awareness.

- **Dil Without Bill:** Project Dil without Bill supported heart surgeries, free of cost, for people with heart ailments from low-income group, particularly children. Health camps were organized to raise awareness and identify patients with heart ailments. This project has given life and hope to thousands of families over the years. Through this project, 600 successful heart surgeries were carried out in this financial year, bringing smiles to families of beneficiaries.

- **Suraksha:** Project Suraksha focused on prevention of HIV/AIDS among truckers and surrounding communities by educating them about safe-sexual behaviour practices and providing diagnosis and treatment of STIs through seven 'Khushi' clinics on highways.

- **Swavalamban:** Project Swavalamban is a dynamic industry-oriented skill development initiative aimed at training the less-privileged youth for livelihood generation. In the financial year 2019-20, 2,000 students benefited through training in various trades like assistant electrician, sewing machine operator, solar panel technician, data entry operators. The project aimed to equip marginalized youth with skill set to enable them in earning livelihood for themselves and their families.

- **Other CSR Activities**

  Your Corporation's CSR endeavors in the thematic areas of school education, nutrition and healthcare have contributed to availability/ upgradation of basic school and college infrastructure and medical care amenities at Government facilities in remote locations spread across the Country.

  Various other sustainable and green initiatives like development of rainwater harvesting techniques in arid zones, water body augmentation/ rejuvenation projects, installation of sustainable energy facilities in communities, sapling plantation in different geographies have led to empowerment of the underprivileged communities.

  The academic efforts of more than 16,900 meritorious students from socially-economically weaker communities were supplemented by providing scholarships. With an aim to promote sports in the Country, scholarships were granted to talented sportspersons. Contribution was made towards Armed Forces Flag Day Fund for the care, support, welfare and rehabilitation schemes for Ex-Servicemen (ESM) and their dependents.

- **Awards & Accolades**

  In recognition of its CSR initiatives, there were several awards and accolades received during the financial year, prominent among them were 'National CSR Awards 2019' instituted by Ministry of Corporate Affairs, Government of India; 'Swachh Iconic Place Project site, Golden Temple Amritsar' by Ministry of Drinking Water and Sanitation; 'PSE Excellence Awards 2018 as Runner Up in the Navratna and Maharatna category for CSR and Sustainability' by Indian Chamber of Commerce; Zee Business World CSR Congress Award; 'Best CSR Project for Childcare' at Public Relations Society of India (PRSI) National Awards 2019.

The details of CSR activities of the Corporation containing details of CSR Committee Members, brief outline of the CSR policy, overview of the CSR initiatives, prescribed expenditure, amount spent, etc. that form part of Directors' Report are furnished 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 that form part of the Annual Report for the financial year 2019-20.

PROCUREMENT OF GOODS & SERVICES FROM MSEs

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 and its amendments thereof. In line with said Policy, your Corporation had set an annual goal of sourcing a minimum procurement of 25% of its total requirements from MSEs and within it, 4% of total requirement has been earmarked for procurement from MSEs, owned by SC/ST entrepreneurs and another 3%, from women entrepreneurs. For the benefit of MSEs, the MSE procurement details are regularly uploaded on Sambandh Portal of Ministry of MSME, besides displaying the Annual Procurement Plan on the Corporation's website.

Against the above set target for financial year 2019-20, your Corporation has achieved 30.47% (₹ 3,753.35 Crore). To promote the objectives of procurement from MSEs as laid down in Public Procurement Policy, 32 Vendor Development Programs/ Buyer-Supplier meet for MSEs were conducted during financial year. Further, in various Buyer Seller meets organized by Micro Small and Medium Enterprises - Development Institute (MSME-DI), Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI), the Corporation's procurement processes were articulated through detailed presentation to MSE vendors with an intent to increase awareness of vendor registration process, tendering process, availability of TReDS platform, etc.

Your Corporation is registered with TReDS Digital platform, an institutional mechanism set up by Reserve Bank of India to facilitate the trade receivable financing of MSMEs from corporate buyers through multiple financiers. Integrating its ERP System with that of 3 of the service providers, namely; TReDS Limited, Mynd Solutions Private Limited and Receivables Exchange of India Limited, the Corporation has enabled the MSMEs to auction their trade receivables at competitive rates through online bidding by financiers. Numerous, MSME vendors have on-boarded this platform and benefitted with the bill discounting facility that provides liquidity.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Corporation has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 23 workshops were organized across the Corporation during the financial year 2019-20 to educate employees on the subject.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis Report forms part of the Annual Report for the financial year 2019-20.

FINANCIAL STATEMENTS OF SUBSIDIARIES

In terms of Proviso to Section 136(1) of the Companies Act, 2013, your Corporation will place separate audited Financial Statements in respect of each of its Subsidiary Company on its website and also provide a copy of separate audited Financial Statements in respect of each of its Subsidiary Companies to any Shareholder of the Corporation who seeks the same. The Financial Statements of the Subsidiary Companies will also be kept open for inspection at the registered offices of the Corporation/ 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 Statements of Subsidiary/ Associate/ Joint Venture Companies in **Form AOC-1** is attached along with Financial Statements.

COST AUDIT

The maintenance of Cost Records, as specified under Section 148(1) of the Companies Act, 2013 is mandated and accordingly such accounts and records are made and maintained. The Cost Audit for the financial year 2018-19 was carried out and the Cost Audit Reports were filed with the Ministry of Corporate Affairs within the stipulated date of filing.

DIRECTORS

Your Corporation's Board presently comprises of 10 Directors. The Whole Time Directors are Shri Mukesh Kumar Surana (Chairman & Managing Director), Shri Pushp Kumar Joshi (Director – Human Resources), Shri Vinod S. Shenoy (Director – Refineries), Shri R.

Kesavan (Director – Finance) and Shri Rakesh Misri (Director – Marketing).

The Government Nominee Directors are Shri Sunil Kumar, Ex-Officio, Joint Secretary (Refineries), Ministry of Petroleum and Natural Gas and Shri Subhash Kumar, Director – Finance (ONGC), Part-Time Director, representative of Oil and Natural Gas Corporation Limited (ONGC).

The Independent Directors are Shri Amar Sinha, Shri Siraj Hussain and Shri G. Rajendran Pillai.

As per the provisions of Section 152 of the Companies Act, 2013, Shri Pushp Kumar Joshi and Shri Subhash Kumar are the Directors who are liable to 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 FINANCIAL YEAR

Appointment:

- Shri Sunil Kumar was appointed as Government Nominee Director on the Board of your Corporation, effective May 30, 2019.
- Shri G. Rajendran Pillai was appointed as an Independent Director on the Board of your Corporation, effective July 15, 2019.
- Shri R. Kesavan was appointed as Director – Finance (Whole Time Director) on the Board of your Corporation, effective September 05, 2019.
- Shri Rakesh Misri was appointed as Director – Marketing (Whole Time Director) on the Board of your Corporation, effective October 17, 2019.

Cessation:

- Shri Sandeep Poundrik has ceased to be Government Nominee Director of your Corporation effective May 01, 2019 on ceasing to be an official of Administrative Ministry i.e. Ministry of Petroleum and Natural Gas.
- Shri S. Jeyakrishnan has ceased to be Director – Marketing (Whole Time Director) of your Corporation, effective July 01, 2019 on attaining superannuation.
- Shri Ram Niwas Jain has ceased to be Independent Director of your Corporation, effective November 20, 2019 on completion of his tenure of re-appointment for 1 year.
- Smt. Asifa Khan and Shri G. V. Krishna have ceased to be Independent Directors of your Corporation, effective February 13, 2020 on completion of their tenure in office for 3 years.
- Dr. T. N. Singh has ceased to be Independent Director of your Corporation, effective March 20, 2020 on completion of his tenure in office for 3 years.

The Board places on record its sincere appreciation for the valuable services rendered by Shri Sandeep Poundrik, Shri S. Jeyakrishnan, Late Shri Ram Niwas Jain, Smt. Asifa Khan, Shri G.V. Krishna and Dr. T. N. Singh during their tenure as Directors of the Corporation.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2019-20, 10 Board meetings were convened and held. The details of these meetings are given in Corporate Governance Report for the financial year.

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

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

In one of the earlier years, on a reference by C&AG during Supplementary Audit of Annual Accounts with regard to payment of shift allowance, your Corporation has represented to Ministry of Petroleum and Natural Gas. Pending clarification, payment of Shift Allowance has been kept in abeyance.

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

Group	Total No. of Employees	No. of Women Employees	% of Women Employees
Management	5,898	693	11.75
Non-Management	3,798	226	5.95
TOTAL	**9,696**	**919**	**9.48**

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Your Corporation, being a Government Company, the performance evaluation of the performance of the Corporation, its Board and indirectly its Committees are carried out by the Administrative Ministry, i.e. Ministry of Petroleum and Natural Gas (MOP&NG) through the process of Memorandum of Understanding entered into for each financial year. Further there is also performance evaluation of Functional Directors by MOP&NG.

The compliance to Section 134(3)(p) is exempted by virtue of MCA Notification dated June 05, 2015 for Government Companies as Performance Evaluation of Directors is 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 and Disclosure Requirements) Regulations, 2015. A statement of declaration, required under Section 149(7) has been obtained from all 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 June 05, 2015.

OPINION OF BOARD REGARDING INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTOR APPOINTED DURING THE YEAR

Your Corporation, being a Government Company, under the administrative control of Ministry of Petroleum and Natural Gas (MOP&NG), the power to appoint Directors (including Independent Directors) vests with Government of India. The selection of Independent Directors is done by Search Committee (constituted by Government of India) from a mix of eminent personalities having requisite expertise and experience in diverse fields. Shri G. Rajendran Pillai, M.A., LLB, practicing in the District Court, Kollam has been appointed by MOP&NG as an Independent Director on the Board during the financial year 2019-20. Necessary declaration has been received from him about his enrolment in the Independent Directors' Data Bank of Indian Institute of Corporate Affairs (IICA) in February 2020. In line with Rule 6(4) of The Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Pillai has successfully qualified the Online Proficiency Self Assessment Test for Independent Director's Databank on July 19, 2020.

POLICY FOR REMUNERATION OF KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Your Corporation, being a Government Company, the remuneration payable to its Key Managerial Personnel 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 present composition of Audit Committee, that requires reporting under Section 177(8) of the Companies Act, 2013 is given as under:

Sl. No.	Name	Category
1.	Shri Amar Sinha	Independent Director – Chairman
2.	Shri Siraj Hussain	Independent Director – Member
3.	Shri R Kesavan	Whole Time Director – Member

The changes in the composition of Audit Committee during the financial year 2019-20 and till date are:

1. Shri Ram Niwas Jain, Independent Director on the Board of the Corporation had been the Chairman of the Audit Committee, till he ceased to be Director, effective November 20, 2019.

2. Shri G. V. Krishna, Independent Director on the Board of the Corporation and Member of the Audit Committee during the financial year 2019-20 was appointed as Chairman of the Audit Committee, effective January 08, 2020 and had held this post till he ceased to be Director, effective February 13, 2020.

2. Dr. T. N. Singh, Independent Director on the Board of the Corporation had been the Member of the Audit Committee during the financial year 2019-20 till he ceased to be Director, effective March 20, 2020.

3. Shri Amar Sinha, Independent Director on the Board of the Corporation had been the Member of the Audit Committee during the financial year 2019-20. He is appointed as Chairman of the Audit Committee effective May 19, 2020.

4. Shri Siraj Hussain, Independent Director on the Board of the Corporation is appointed as the Member of the Audit Committee effective January 08, 2020.

5. Shri Mukesh Kumar Surana, Chairman and Managing Director of the Corporation who had held additional charge of Director - Finance during the financial year 2019-20, till September 05, 2019; had been a Member of the Audit Committee till September 22, 2019.

6. Shri R. Kesavan, whole time Director on the Board of the Corporation is appointed as Member of the Audit Committee effective September 23, 2019.

During the year, there were no 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 and Regulation 24A of the SEBI (LODR) Regulations, 2015, your Corporation has appointed M/s. Dholakia and Associates LLP, practicing Company Secretary to undertake the Secretarial Audit of the Corporation for the financial year 2019-20. The Report of Secretarial Audit in **Form No. MR-3** is annexed herewith and marked as **Annexure IV**. The Report does not contain qualification, reservation or adverse remark except that the Corporation did not have minimum number of Independent Directors on the Board for the period from November 20, 2019 to March 31, 2020 and did not have Independent Woman Director on the Board of the Company for the period from February 13, 2020 to March 31, 2020 as stipulated under Regulation 17(1) of SEBI (LODR) Regulations, 2015.

In this regard, your Corporation confirms that being a Government Company, which is under the Administrative Control of Ministry of Petroleum and Natural Gas (MOP&NG), the power to appoint the Directors (including Independent Directors) and finalizing the terms and conditions of appointment vest with Government of India. The matter regarding appointment of required number of Independent Directors/ Independent Woman Director have been taken up with MOP&NG from time to time and the Government is seized of the matter.

COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

Your Corporation has complied with applicable Secretarial Standards in respect of Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

RELATED PARTY TRANSACTIONS

The details of transactions entered into with the Related Parties during the financial year 2019-20 in **Form No. AOC-2** is annexed herewith and marked as **Annexure V**.

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 in **Form No. MGT-9** is annexed herewith and marked as **Annexure VI**. The same is also hosted on the website of the Corporation www.hindustanpetroleum.com

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 Statements of Subsidiary, Associate and Joint Venture Companies in **Form No. AOC-1** form part of the Annual Report for the financial year 2019-20, separately.

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

A Joint Venture Company, IHB Private Limited is incorporated on July 09, 2019 having shareholding in the ratio 50:25:25 among Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited and Bharat Petroleum Corporation Limited respectively. Further, no Company has ceased to be Subsidiary, Joint Venture or Associate of your Corporation during the financial year 2019-20.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the financial year 2019-20, 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. The web link of Whistle Blower Policy is stated herein below:

Web link: https://www.hindustanpetroleum.com/documents/pdf/Whistle_Blower_policy.pdf

DETAILS OF DEPOSITS

Your Corporation has not been accepting any Deposits for the last several years, as specified in Section 73 to Section 76 of the Companies Act, 2013 and therefore there do not call for any disclosure of Deposits as required under Rule 8(5)(v) of Companies (Accounts) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

ACKNOWLEDGEMENTS

The Board of Directors gratefully acknowledge the valuable guidance and support extended by the Government of India, Ministry of Petroleum and Natural Gas, other Ministries, State Governments and various statutory and local authorities.

The Board of Directors profoundly thank Government of India in honoring your Corporation by conferring with the 'Maharatna' status.

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 the Corporation's 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 : August 20, 2020

Annexure to Directors' Report for the financial year 2019-20

Annexure - I

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

Energy is one of the major contributing factor in controlling operating cost of Refineries. Therefore its conservation is one of the prime focus area in Refineries. 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. Few of the major energy conservation initiatives undertaking during the year include:

Mumbai Refinery:

- Ceramic coating in HGU Reformer
- HGU-installation of E-17 exchanger
- Power consumption optimization in PDU compressor (C302)
- Improvement in furnace efficiency improvement of Solvent Extraction Unit in Lube Refinery
- Power Recovery through Back Pressure Steam Generator

Visakh Refinery:

- Integration of Merox Amine Regeneration Units (ARU) & MS Block ARU was commissioned
- APH repairs in CDU and VDU Furnaces
- Hot separators in DHT implemented as part of revamping of DHT unit
- Addition of rows in the convection section of NHT heaters
- Amipur system installed in MS Block units

The various energy conservation measures undertaken during the financial year 2019-20 by Mumbai Refinery & Visakh Refinery have resulted in a savings of ~ 25,586 SRFT/year (standard refinery fuel tonnage per year), comprising of ~ 10,617 SRFT/year in case of Mumbai Refinery and ~ 14,969 SRFT/year in case of Visakh Refinery.

Capital investments on energy conservation equipment:

Capital investment on energy conservation equipment during financial year 2019-20 is ₹ 3.50 Crore for Mumbai Refinery and ₹ 0.17 Crore for Visakh Refinery.

B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Efforts made towards technology absorption, adaptation & innovation aimed at product and reliability improvement, cost reduction, product development and import substitution are as under:

Mumbai Refinery:

- Achieved kerosene production as per requirement for pipeline plug from DHT fractionator
- Optimal use of GSR (Gasoline Sulphur Reduction) additive in FCC to control feed sulphur
- Trial with HP R&D Diesel Lubricity Additive (DLA) taken in Lube Refinery
- Wireless vibration monitoring system installed and commissioned 12 critical rotary equipment to monitor live tracking of vibration readings
- Successful trials for Group III grade 500 N LOBS from LOUP in Lube Refinery
- Replacement of catalyst in Prime G for producing BS – VI MS from existing configuration
- Commissioned Stabilized Naphtha to Riser in NFCC

Visakh Refinery:

- Completed successfully and safely the critical Turnaround, Pre-Revamp & Revamp jobs of NHT, CCR, FCCNHT & DHT units under VRMP (Vizag Refinery Modernization Project) and Turnaround of NIU
- Achieved 100% supply of BS-VI HSD & BS-VI MS from January 2020 & February 2020 respectively
- Dedicated Hydrogen header from CCR PSA outlet to NIU commissioned to increase NIU catalyst life
- Clarified Oil (CLO) filtration skid in FCCU-I commissioned
- Trial of new catalyst HP2 developed by HPCL R&D was taken in FCCU-II
- Supply of new product VLSFO meeting new IMO specifications for Marine Fuel commenced
- Field trials of Antifoulant chemical developed by HPCL R&D carried out

C) IMPORTED TECHNOLOGY

The imported technology during the last 3 financial years is tabulated below:

Technology imported	Year of Import	Whether fully absorbed or not	If not absorbed, Reasons
Mumbai Refinery			
Split pass flow technology – SEU II / SEU I Furnace	2017/2018	Yes	
Visakh Refinery			
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	
Revamp of NHT/ CCR/ FCCNHT/ DHT	2020	Yes	

D) EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT:

(₹ / Crore)

Particulars	2019-20	2018-19
Capital	127.27	124.48
Revenue	130.65	129.37

E) 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**

(₹ / Crore)

Particulars	2019-20	2018-19
Expenditure in Foreign Exchange	46,538.10	51,984.26
Earnings in Foreign Exchange	8,405.14	5,287.95

Annexure to Directors' Report for the financial year 2019-20

Annexure - II

Environmental Protection measures:

Pollution Control Measures initiated and other environment initiatives undertaken by Refineries during financial year 2019-20

MUMBAI REFINERY:

A. Pollution Control measures initiated

1. Full scale compliance in pollution parameters on stack emissions, hazardous waste disposal and statutory filings.

2. Revamp of IETP VOC system (Integrated Effluent Treatment Plant Volatile Oil Component system) for enhanced capacity and efficiency completed and commissioned. The VOC adsorption capacity was doubled and adsorption efficiency has increased to about 94%.

3. Liquidated all beyond compliance VOC emission reduction action plan as part of NGT requirement which includes:

   a. Gauge sock installation on tanks,

   b. Flare Gas Recovery through Compressor Control improvisation,

   c. LDAR program with adoption of stringent norms

   d. IETP VOC plant revamp

4. Installation of oil recovery system at final effluent discharge oil catcher locations. Mumbai Refinery has oil interceptors at final discharge points. In line with the API standard the interceptor was converted to Oil Catchers in compliance with consent requirement.

5. Installed and commissioned Mercaptan (Ethyl & Methyl), Benzene-Toulene-Ethyl Benzene-Xylene (BTEX) and HC (Methyl & Non-methyl) analyzers at all three CAAMS in compliance with consent amendment issued by MPCB. The data is being transmitted real-time to MPCB & CPCB servers/ portals for public viewing.

6. Installed and commissioned PM (Particulate Matter) analyzers for the remaining 17 stacks in compliance to OCEMS guidelines of CPCB and real time data is being transmitted to MPCB/CPCB servers.

7. Installed and Commissioned COD, BOD, TSS & pH analyzer at ETP outlet in compliance to the EQMS guidelines of CPCB. Thus earlier monitoring parameters of Marine Discharge for O&G, Flow and pH is now migrated to monitoring ETP outlet for COD/BOD/TSS/pH and real time data is transmitted to MPCB/CPCB servers.

8. Conducted a VOC Baseline survey of Mumbai Refinery. MR has become the first Refinery to arrive at a baseline database with regard to VOC emissions. This database is comprehensively made by collating multiple source data points and meta- analyzing with Ambient Air dispersion models.

9. MPCB granted consent to establish for MR-II and MREP-I project. Accordingly, MR- II consent to first operate application is submitted.

B. Other activities undertaken

1. 7,96,324 KL of water recycled in 2019-20 thereby saving equivalent quantity of natural resources.

2. Oily sludge quantity of 2,500 m^3 is undertaken for bioremediation by ONGC-TERI Biotech Ltd. (OTBL).

3. Online robotic cleaning continuous operation in place for improving API separator separation efficiency and minimizing sludge generation.

4. Disposed approximately 1,851 MT of hazardous waste and 450 MT of metal bearing spent catalyst within stipulated norms of disposal.

5. Processed 160 weathered bitumen drums and processed 14 m^3 bitumen.

VISAKH REFINERY

A. Pollution control measures initiated

1. Ensured all the measures to meet 100% compliance levels of ambient air quality, stack emissions and treated effluent.

2. Real time transfer of stack, CAAMS & liquid effluent analyzer data established to APPCB server through M/s Yokogowa India Limited server.

3. Testing of Remote calibration facility completed for furnace stack analyzers in DHDS, DHT, CPP, FGD-1 & FGD-2 units.

4. Implemented online manifest system for disposal of hazardous wastes as per APPCB directives.

5. Procured VOC monitor for effective monitoring of leaking equipment and timely repair to reduce/ eliminate VOC emissions.

6. Procured portable flue gas analyzer for measuring stack emissions and excess oxygen in furnaces/ boilers.

B. Other activities undertaken

1. Undertaken various activities (Turnaround of all major equipment in ETP-II, DAF plate pack replacement in ETP-IV, replacement of SBR diffusers in ETP-IV, rectification of ETP-IV SBR decanter mechanism and structures etc.) to sustain ETP effluent compliance levels.

2. 14,723 m^3 of oily sludge was processed during the year.

3. Disposed around 803 MT of various hazardous waste materials.

4. In-situ processing of high oily sludge (3,006 m^3) from crude tank (120-T-201B) was successfully carried out for the 1st time in ATP.

5. Bioremediation of 302 m^3 of low oily sludge completed.

6. Leak Detection and Repair (LDAR) program carried out for monitoring & controlling the hydrocarbon emission in the Refinery.

7. World Environment day was celebrated on June 5th 2019. Various programs like free Pollution Under Control (PUC) check camp for creating awareness in public, competitions for employees and their children on environmental awareness and distribution of saplings to employees were taken up.

8. Fresh water generated from Reverse Osmosis plant was 6,98,703 KL and was recycled during financial year 2019-20.

Annexure to Directors' Report for the financial year 2019-20

Annexure - III

REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Companies Act, 2013 & 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, 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 financial year 2019-20, the Corporation spent ₹ 182.24 Crore 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

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

2. The composition of the CSR Committee as on 31st March, 2020:
   i) Shri Amar Sinha : Independent Director (Chairman, CSR and SD Committee)
   ii) Shri Pushp Kumar Joshi : Director - Human Resources (Member, CSR and SD Committee)
   iii) Shri Vinod S. Shenoy : Director - Refineries (Member, CSR and SD Committee)
   iv) Shri Rakesh Misri : Director - Marketing (Member, CSR and SD Committee)

3. Average Net Profit of the company for last 3 financial years (2016-19) = ₹ 9,106.72 Crore

4. Prescribed CSR expenditure (2% of amount) = ₹ 182.13 Crore

5. Details of CSR activities/ projects undertaken during the financial year:
   a) Total amount to be spent for the financial year = ₹ 182.13 Crore
   b) Amount unspent, if any = Nil
   c) Manner in which the amount spent during financial year, is detailed below:

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 Crore)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crore)	Cumulative expenditure upto the reporting period (₹ in Crore)	Amount Spent: Direct or through implementing agency*
		Local Area				
Community Development and Environment	Empowerment of Socially and Economically Backward groups	Andhra Pradesh (Visakhapatnam), Jharkhand (Khunti), Karnataka (Dharwad, Hassan), Kerala (Wayanad), Maharashtra (Mumbai suburban, Pune, Nagpur), Odisha (Puri, Khordha), Punjab (Amritsar, Sangrur), Tamil Nadu (Chennai), Telangana (Jagtial), Uttar Pradesh (Firozabad, Mathura)	6.50	6.50	6.50	Direct / Implementing Agency

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 Crore)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crore)	Cumulative expenditure upto the reporting period (₹ in Crore)	Amount Spent: Direct or through implementing agency*
		Local Area				
	Ensuring Environment Sustainability and Conservation of Natural Resources	Uttar Pradesh (Siddharth Nagar), Jharkhand (Ranchi)				
	Rural Development Projects	Punjab (Bathinda), Kerala (Kozhikode), Telangana (Jagtial), Jammu & Kashmir (Jammu)				
Childcare and Nutrition	Eradicating Malnutrition	Gujarat (Valsad), Assam (Goalpara)	0.52	0.52	0.52	Direct / Implementing Agency
Interventions in Healthcare	Promoting health care including preventive health care	Andhra Pradesh East (Godavari, Visakhapatnam, YSR District, Kadapa), Arunachal Pradesh (Changlang), Bihar (Aurangabad, Banka, Begusarai, Bhagalpur, East Champaran (Motihari), Gopalganj, Jamui, Patna, Purnia, Rohtas, Saharsa, Samastipur, Siwan, Vaishali, West Champaran), Delhi (NCT) (West Delhi), Gujarat (Ahmedabad, Bharuch, Kutch, Panchmahal (Godhra), Rajkot, Surat, Surendranagar, Vadodara, Valsad), Haryana (Hisar, Jhajjar, Sirsa), Jammu and Kashmir (Samba), Jharkhand (Bokaro, East Singhbhum, Ranchi), Karnataka (Banglore Urban, Bengaluru (Bangalore) Rural, Uttara Kannada), Kerala (Kozhikode), Madhya Pradesh (Bhind, Dewas, Dhar, Guna, Indore, Katni, Khandwa, Khargone, Rajgarh, Rewa, Satna, Ujjain, Umaria), Maharashtra (Kolhapur, Mumbai City, Mumbai Suburban, Nandurbar, Raigad, Sangli, Satara), Odisha (Angul, Balangir, Balasore, Bargarh, Bhadrak, Boudh, Cuttack, Deogarh, Dhenkanal, Gajapati, Ganjam, Jagatsinghapur, Jajpur, Jharsuguda, Kalahandi, Keonjhar, Khordha, Koraput, Malkangiri, Mayurbhanj, Nabarangpur, Puri, Rayagada, Sambalpur, Sonepur, Sundargarh), Punjab (Fazilka, Ferozepur, Jalandhar), Rajasthan (Ajmer, Alwar, Baran, Barmer, Bharatpur, Bhilwara, Bikaner, Bundi, Chittorgarh, Churu, Dausa, Dholpur, Hanumangarh, Jaipur, Jaisalmer, Jalore, Jhunjhunu, Jodhpur, Kota, Nagaur, Pali, Sawai Madhopur, Sikar, Sirohi, Sri Ganganagar, Udaipur), Tamil Nadu (Krishnagiri, Pudukkottai, Tiruchirappalli, Thoothukudi), Telangana (Hyderabad), Uttar Pradesh(Ballia, Balrampur, Deoria, Faizabad, Fatehpur, Ghazipur, Gorakhpur, Jaunpur, Jhansi, Kanpur Dehat, Kaushambi Kushinagar, Lucknow, Mathura, Mau,	25.03	25.03	25.03	Direct / Implementing Agency

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 Crore)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crore)	Cumulative expenditure upto the reporting period (₹ in Crore)	Amount Spent: Direct or through implementing agency*
		Local Area				
		Meerut, Mirzapur, Prayagraj, Shravasti, Siddharth Nagar, Sultanpur, Varanasi), West Bengal (Bankura, Birbhum, Cooch Behar, Darjeeling, Hooghly, Howrah, Jalpaiguri, Malda, Murshidabad, North 24 Parganas, Paschim Burdwan, Paschim Medinipur, Purba Bardhaman, Purulia, South 24 Parganas, Uttar Dinajpur)				
Promotion of Sports	Promotion of Nationally Recognised and Paralympic Sports	Maharashtra (Mumbai City, Mumbai Suburban)	0.88	0.88	0.88	Direct
Scholarships for students from SC, ST, OBC and PWD communities	Promoting Education	Andhra Pradesh (Visakhapatnam), Delhi (New Delhi), Gujarat (Ahmedabad, Banaskantha (Palanpur), Patan, Sabarkantha (Himmatnagar), Surat), Haryana (Jind, Kaithal, Kurukshetra), Himachal Pradesh (Bilaspur, Shimla), Jammu & Kashmir (Samba), Jharkhand (Latehar), Madhya Prade (Bhopal), Maharashtra (Ahmednagar, Aurangabad, Chandrapur, Dhule, Gadchiroli, Gondia, Jalgaon, Kolhapur, Mumbai suburban, Nashik, Palghar, Pune, Ratnagiri, Sindhudurg, Solapur, Thane, Wardha), Punjab (Hoshiarpur), Tamil Nadu (Vellore), Uttar Pradesh (Lucknow)	9.41	9.41	9.41	Direct
Promoting Education	Promoting Education	Andhra Pradesh (East Godavari, Krishna, Visakhapatnam), Gujarat (Sabarkantha (Himmatnagar)), Jammu & Kashmir (Srinagar), Jharkhand (Ranchi), Maharashtra (Mumbai City, Mumbai Suburban, Palghar), Odisha (Cuttack, Puri), Punjab (Sahibzada Ajit Singh Nagar), Telangana (Hyderbad), Uttarakhand (Dehradun)	11.74	11.74	11.74	Direct / Implementing Agency
School Infrastructure and Amenities	Promoting Education	Andhra Pradesh (Chittoor, East Godavari, Krishna, Visakhapatnam, Vizianagaram, YSR District, Kadapa (Cuddapah)), Arunachal Pradesh (Dibang Valley), Assam (Darrang, Goalpara), Bihar (Gaya, Madhubani, Patna), Chhattisgarh (Raipur), Gujarat (Anand, Kutch), Haryana (Hisar, Jhajjar, Rohtak), Jammu and Kashmir (Doda), Jharkhand (Bokaro, Ranchi), Karnataka (Dakshina Kannada, Dharwad), Kerala (Ernakulam, Kozhikode, Palakkad), Madhya Pradesh (Indore, Mandla), Maharashtra (Mumbai Suburban, Nandurbar, Raigad, Ratnagiri, Solapur, Thane), Meghalaya (East Khasi Hills), Odisha (Dhenkanal), Punjab (Bathinda, Muktsar), Rajasthan (Ajmer, Jaipur, Jodhpur,	18.42	18.42	18.42	Direct / Implementing Agency

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 Crore)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crore)	Cumulative expenditure upto the reporting period (₹ in Crore)	Amount Spent: Direct or through implementing agency*
		Local Area				
		Kota, Pali, Sirohi, Tonk, Jodhpur, Sirohi, Sawai Madhopur), Tamil Nadu (Chennai, Coimbatore, Dharmapuri, Perambalur, Salem, Tiruvallur), Telangana (Karimnagar), Tripura (West Tripura), Uttar Pradesh (Aligarh, Ballia, Chandauli, Etawah, Gautam Buddha Nagar, Gorakhpur, Lucknow, Siddharth Nagar), Uttarakhand (Dehradun)				
Skill Development for enhancing employability	Imparting Employment Enhancing Vocation Skills	Andhra Pradesh (Visakhapatnam, YSR District, Kadapa), Assam (Goalpara, Kamrup Metropolitan), Chhattisgarh (Surajpur), Gujarat (Ahmedabad), Jharkhand (Ranchi), Kerala (Ernakulam), Madhya Pradesh (Rewa), Maharashtra (Mumbai suburban, Nandurbar, Sindhudurg), Odisha (Khordha), Punjab (Patiala), Rajasthan (Baran, Barmer, Jaisalmer), Tamil Nadu (Madurai), Uttar Pradesh (RaeBareli), West Bengal (Darjeeling, Purba Burdwan)	41.27	41.27	41.27	Direct / Implementing Agency
Swachh Bharat Abhiyan	Empowerment of Socially and Economically Backward groups	Haryana (Hisar), Karnataka (Hassan), Maharashtra (Raigad), Uttar Pradesh (Gorakhpur)	27.22	27.22	27.22	Direct / Implementing Agency
	Promoting Education	Andhra Pradesh (Krishna, Visakhapatnam), Bihar (West Champaran), Delhi (NCT) (New Delhi), Goa (North Goa), Gujarat (Ahmedabad, Banaskantha (Palanpur), Gandhinagar, Mehsana, Sabarkantha), Haryana (Faridabad, Gurgaon, Jhajjar, Palwal, Rohtak), Jharkhand (Ranchi), Karnataka (Bengaluru (Bangalore) Urban, Dharwad, Hassan, Mysore, Tumakuru), Madhya Pradesh (Indore, Jabalpur, Mandla), Maharashtra (Buldhana, Mumbai Suburban, Nagpur, Palghar, Pune, Raigad, Ratnagiri, Sindhudurg, Solapur), Punjab (Bathinda, Mansa), Rajasthan (Ajmer, Alwar, Baran, Bhilwara, Dholpur, Jaipur, Jodhpur, Pali, Udaipur), Tamil Nadu (Chennai, Thoothukudi, Tiruvallur), Uttar Pradesh (Ballia, Kanpur Dehat, Lucknow, Mathura), Uttarakhand (Dehradun, Uttarkashi), West Bengal (South 24 Parganas)				
	Promoting Healthcare and Sanitation	Andhra Pradesh (Anantapur, East Godavari, Krishna, Visakhapatnam), Assam (Kamrup Metropolitan, Sonitpur), Bihar (Begusarai, East Champaran (Motihari), Patna, Purnia), Chandigarh (UT) (Chandigarh), Chhattisgarh (Bilaspur, Raipur), Delhi (NCT) (East Delhi, New Delhi, West Delhi), Goa (North Goa, South Goa), Gujarat (Ahmedabad),				

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 Crore)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crore)	Cumulative expenditure upto the reporting period (₹ in Crore)	Amount Spent: Direct or through implementing agency*
		Local Area				
		Banaskantha (Palanpur), Devbhoomi Dwarka, Gandhinagar, Kutch, Patan, Rajkot, Surat, Vadodara), Haryana (Ambala, Gurgaon, Hisar, Jhajjar, Jind, Panipat, Rewari), Himachal Pradesh (Kangra, Shimla, Solan), Jammu & Kashmir (Jammu, Pulwama, Srinagar), Jharkhand (Bokaro, East Singhbhum, Ranchi), Karnataka (Ballari, Bangalore Rural, Belagavi (Belgaum), Bengaluru (Bangalore) Rural, Dakshina Kannada, Dharwad, Hassan, Mandya, Mysuru (Mysore), Tumakuru), Kerala (Ernakulam, Kozhikode), Madhya Pradesh (Bhopal, Indore, Jabalpur, Rajgarh, Sagar), Maharashtra (Aurangabad, Maharashtra (Chandrapur, Mumbai City, Mumbai Suburban, Nagpur, Nashik, Pune, Raigad, Sangli, Solapur, Thane), Odisha (Balasore, Deogarh, Khordha), Punjab (Amritsar, Bathinda, Chandigarh, Ferozepur, Hoshiarpur, Jalandhar, Kapurthala, Sahibzada Ajit Singh Nagar (Mohali)), Rajasthan (Ajmer, Bharatpur, Jaipur, Jodhpur, Kota), Tamil Nadu (Chennai, Coimbatore, Kanchipuram, Madurai, Nilgiris, Pudukkottai, Thanjavur, Tiruchirappalli, Tiruvallur), Telangana (Adilabad, Hyderabad, Medchal, Warangal (Urban)), Uttar Pradesh (Azamgarh, Bareilly, Bijnor, Chandauli, Ghaziabad, Gorakhpur, Kanpur Dehat, Lucknow, Mathura, Prayagraj, Sitapur, Unnao, Varanasi), Uttarakhand (Dehradun, Nainital), West Bengal (Kolkata, Paschim Burdwan), Purba Medinipur)				
	Rural Development Projects	Maharashtra (Pune, Raigad)				
Pradhan Mantri Ujjwala Yojna	Promoting Health Care and Ensuring Environmental Sustainability	Pan India	36.42	36.42	36.42	Direct
Measures for benefit of armed force veterans, war widows and their dependents	Measures for benefit of armed force veterans, war widows and their dependents	Delhi (NCT) (Central Delhi, New Delhi), Maharashtra (Mumbai City)	0.90	0.90	0.90	Direct

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 Crore)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Crore)	Cumulative expenditure upto the reporting period (₹ in Crore)	Amount Spent: Direct or through implementing agency*
		Local Area				
Admin. Overheads [Incl. training, impact assessment etc.]	Admin. Overheads [Incl. training, impact assessment etc.]	Pan India	3.93	3.93	3.93	Direct / Implementing Agency
TOTAL			**182.24**	**182.24**	**182.24**	

* Details of implementing agencies have been uploaded on HPCL's Corporate website (Web link: http://www.hindustanpetroleum.com/csrprojects).

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

7. In line with the 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 financial year 2019-20, Board of Directors allocated a budget of ₹ 182.13 Crore. CSR activities were undertaken in line with the plans drawn through CSR Policy under the focus areas of childcare and education, healthcare, skill development, sports and environment & community development. CSR activities were monitored through a two tier monitoring structure as laid down in the approved CSR policy.

Further, during the financial 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 financial year 2019-20

Annexure - IV

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Issued in pursuance to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,
The Members,
Hindustan Petroleum Corporation Limited
Petroleum House,
17 Jamshedji Tata Road,
Churchgate,
Mumbai - 400 020

We have conducted the secretarial audit through periodical visits of our authorized person and electronic platform during the lock down period of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindustan Petroleum Corporation Limited (CIN L23201MH1952GOI008858)** (hereinafter called the "Company") for the financial year ended 31st March, 2020. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

A. In expressing our opinion it must be noted that-

i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis of our opinion.

iii. We have not verified the correctness and appropriateness of the financial statements of the Company.

iv. The Company being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas ("MoP&NG"), the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment, including remuneration and evaluation, vests with the Government of India.

v. Wherever required, we have obtained the management representation pertaining to compliance of laws, rules and regulations, happening of events, etc.

vi. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

vii. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

B. Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes (duly evolved) and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 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 applicable to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. A. 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 and Listing of Debt Securities) Regulations, 2008; and

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

B. The Company has not undertaken any of the activities during the audit period as envisaged in the following Regulations and Guidelines prescribed under the SEBI Act and hence are not relevant for the purpose of audit:

(a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

(c) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; and

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

VI. Guidelines on Corporate Governance for Central Public Sector Enterprises ("CPSE Guidelines") issued by the Department of Public Enterprises.

VII. The following Acts and Rules made thereunder pertaining to oil and gas business, as applicable to the Company:

(a) Oil fields (Regulation and Development) Act, 1948;

(b) Petroleum Act, 1934;

(c) Mines and Minerals (Regulation and Development) Act, 1957;

(d) Petroleum and Minerals Pipelines (Acquisition of Right of User Inland) Act, 1962;

(e) Oil Mines Regulations, 1984;

(f) Petroleum & Natural Gas Rules, 1959;

(g) Petroleum Rules, 2002;

(h) The Oil Industry (Development) Act, 1974.

(i) The Energy Conversation Act, 2001

(j) Petroleum & Natural Gas Regulatory Board Act, 2006

(k) Petroleum & Mineral Pipelines (Acquisition of Rights of User in Land) Act, 1962

We have also examined the compliance with the following:

i. Secretarial Standards in respect of Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

ii. Compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("LODR").

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the Company did not have:

- Independent Directors on its Board as required under Regulation 17 of LODR and CPSE guidelines for the period from 20-11-2019 to 31-03-2020; and

- Women Independent Director on its Board pursuant to second proviso of sub-section (1) of Section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of LODR from 13-02-2020 to 31-03-2020.

D. We further report that,

I. The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013. However, the Company did not have requisite number of Independent Directors and Women Independent Director as required under Regulation 17 of LODR, CPSE guidelines and Section 149 of the Act respectively as mentioned above.

II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, 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.

III. The agenda items are deliberated before passing the same and the views / observations made by the Directors are recorded in the minutes.

E. We further report that there are adequate systems and process in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

F. We further report that during the audit period:

1. The Company had issued Non Convertible Debentures aggregating to 7,500 Crores in tranches.

2. None of the following events has taken place except for those mentioned above:

(a) Public/Rights/Preferential Issue of Shares/Sweat equity etc

(b) Redemption/ Buy Back of securities.

(c) Merger/Amalgamation/ Reconstruction, etc.

(d) Foreign Technical Collaboration.

For **DHOLAKIA & ASSOCIATES LLP**
(Company Secretaries)

CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Place: Mumbai
Date: 16th June, 2020
UDIN: F000977B000345574

Annexure to Directors' Report for the financial year 2019-20

Annexure - V

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 with modifications as deemed necessary, without changing the substance of format given in AOC-2)

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto.

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 Contracts/ Arrangements/ Transactions	Duration of the Contracts/ Arrangements/ Transactions	Salient terms of Contracts/ Arrangements/ Transactions	Transaction Values (₹ / Crore)	Date of Board Approval	Amount paid as advance
1.	HPCL Mittal Energy Ltd. (HMEL)	Joint Venture	Purchase of Goods	2019-20	Purchase of Petroleum Products from HMEL	38,168.16	On recommendation of Board in its meeting held on 08/08/2018, Shareholders' approval has been taken.	Nil

Note: The threshold for determining the material transaction has been considered in line with Rule 15(3) of Companies (Meetings of Boards and its powers) Rules, 2014, as amended vide notification by Ministry of Corporate Affairs on 18/11/2019. The above transaction is in ordinary course of business and at arm's length.

For and on behalf of the Board of Directors

Sd/-
Mukesh Kumar Surana
Chairman & Managing Director

Place: Mumbai
Date: August 20, 2020

Annexure to Directors' Report for the financial year 2019-20

Annexure - VI

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended 31-03-2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (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 Company Limited by Shares/Government Company
5.	Address of the Registered office & contact details	Petroleum House, 17, Jamshedji Tata Road, Churchgate, Mumbai – 400 020 Telephone No.: (022) 22863900 Fax No.: (022) 22872992 e-mail ID: corphqo@hpcl.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 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)

Sr. 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	25.79
2	High Speed Diesel (HSD)	192	50.84
3	Liquefied Petroleum Gas (LPG)	192	12.76

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	%age of Shares held	Applicable Section
2	Prize Petroleum Company Limited 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 Limited 1st Floor, Shree Sadan, Plot No. 09, Patliputra Colony, Patna-800013, 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	Prize Petroleum International PTE Limited* 38 Beach Road, # 29-11, South Beach Tower, Singapore(189767)	Not Applicable	Subsidiary	100	2 (87)
6	HPCL Middle East FZCO 1 W 101, PO Box No. 54618,Dubai Airport Free Zone, Al Twar, Dubai.	Not Applicable	Subsidiary	100	2 (87)
7	HPCL Mittal Energy Limited Village Phulokhari Taluka Talwandi Saboo, Bhatinda - 151 301 Punjab	U23201PB2000PLC024126	Associate	48.99	2 (6)
8	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)
9	South Asia LPG Company Private Limited Office No. 501 & 502, 4Th Floor, Kotu Empire Block No. 1, TS No 5/2, Waltair Road, Visakhapatnam - 530003 Andhra Pradesh	U11101AP1999PTC032851	Associate	50	2 (6)
10	Mangalore Refinery and Petrochemicals Limited Mudapadav Kuthethur, P.O. Via Katipalla, Mangaluru – 575 030 Karnataka	L23209KA1988GOI008959	JV	16.96	2 (6)
11	Petronet India Limited ** C/o. Mr. A Sekar (Liquidator), 305, Sai Jyote, Lalubhai Park West,Vile Parle West, Mumbai – 400 057 Maharashtra	U45203MH1997PLC108251	JV	16	2 (6)
12	Petronet MHB Limited Corporate Miller, 2nd Floor, Block B 332/1, Thimmaiah Road, Vasanth Nagar Bengaluru - 560052 Karnataka	U85110KA1998GOI024020	Associate	49.996	2 (6)
13	Bhagyanagar Gas Limited Parishram Bhawan, Basheerbag, Hyderabad – 500 004 Telangana	U40200TG2003PLC041566	Associate	48.73	2 (6)
14	Aavantika Gas Limited 202-B, 2nd Floor, NRK Business Park,Vijay Nagar Square, A.B. Road, Indore – 452 010 Madhya Pradesh	U40107MP2006PLC018684	Associate	49.99	2 (6)
15	GSPL India Gasnet Limited GSPC Bhawan, Behind Udyog Bhavan, Sector 11, Gandhinagar – 382 010 Gujarat	U40200GJ2011SGC067449	JV	11	2 (6)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	%age of Shares held	Applicable Section
16	GSPL India Transco Limited GSPC Bhawan, Behind Udyog Bhavan, Sector 11, Gandhinagar – 382 010 Gujarat	U40200GJ2011SGC067450	JV	11	2 (6)
17	HPCL Shapoorji Energy Private Limited Venus Amadeus, 301-305, 3rd Floor, Jodhpur Cross Road, Satellite, Ahmedabad – 380 015 Gujarat	U40101GJ2013PTC077228	Associate	50	2 (6)
18	Mumbai Aviation Fuel Farm Facility Private Limited Opp. ITC Maratha, Sahar Police Station Road, CSI Airport, Sahar,Andheri East, Mumbai – 400 099 Maharashtra	U63000MH2010PTC200463	Associate	25	2 (6)
19	Godavari Gas Private Limited #85-06-23/2, 2nd Floor, Morampudi Junction, Near Indian Oil Petrol Bunk, Rajahmundry East Godavari - 533107 Andhra Pradesh	U40300AP2016PTC104159	Associates	26	2 (6)
20	Ratnagiri Refinery and Petrochemicals Limited The IL&FS Financial Centre, 5th Floor, B Wing, 'G' Block, Bandra Kurla Complex, Bandra East Mumbai 400051 Maharashtra	U23200MH2017PLC300014	Associate	25	2(6)
21	HPOIL Gas Private Limited Marathon Futurex, 10th Floor N.M. Joshi Marg, Lower Parel (East) Mumbai, 400013 Maharashtra	U23201MH2018PTC317703	Associate	50	2(6)
22	IHB Private Limited C/o Indian Oil Corporation Ltd, Sabarmati Terminal, NR D' Cabin Sabarmati, Ahmedabad, 380019, Gujarat	U60230GJ2019PTC109127	Associate	25	2(6)
23	Ujjwala Plus Foundation Indian Oil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai, Maharashtra, 400051	U74999MH2017NPL297692	Associate	N.A. (Section 8 Company Limited by Guarantee. Guaranteed Obligation of HPCL is ₹ 5 Lakh i.e. 25% of total guaranteed obligation)	2(6)

* Shares held by M/s. Prize Petroleum Company Limited.

** Under liquidation

IV. SHAREHOLDING PATTERN: (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding:

Sr. No.	Category of Shareholders	Number of Shares held at the beginning of the year (01-04-2019)				Number of Shares held at the end of the year (31-03-2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Promoters**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government - President of India	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate – ONGC	778845375	0	778845375	51.11	778845375	0	778845375	51.11	0.00
(e)	Banks / Financial Institutions	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)	**778845375**	**0**	**778845375**	**51.11**	**778845375**	**0**	**778845375**	**51.11**	**0.00**
[2]	**Foreign**									
(a)	NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / FI	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 (A)=(A)(1)+(A)(2)	**778845375**	**0**	**778845375**	**51.11**	**778845375**	**0**	**778845375**	**51.11**	**0.00**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds	184706823	5175	184711998	12.12	227144423	5175	227149598	14.91	2.79
(b)	Banks/ FI	74913689	3950	74917639	4.92	54607687	3950	54611637	3.58	-1.34
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	44161001	0	44161001	2.90	2.90
(g)	Foreign Portfolio Investor	283368928	800	283369728	18.60	270024153	800	270024953	17.72	-0.88
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Alternate Investment Funds	823542	0	823542	0.05	4077285	0	4077285	0.27	0.22
(j)	Any Other (Specify)									0.00
(j) -i	Foreign Bank	675	0	675	0.00	675	0	675	0.00	0.00
	Sub Total (B)(1)	**543813657**	**9925**	**543823582**	**35.69**	**600015224**	**9925**	**600025149**	**39.38**	**3.69**

Sr. No.	Category of Shareholders	Number of Shares held at the beginning of the year (01-04-2019)				Number of Shares held at the end of the year (31-03-2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	**Non-Institutions**									
(a)	Bodies Corporate									
(i)	Indian	62336969	23816	62360785	4.09	23934695	23512	23958207	1.57	-2.52
(ii)	Overseas	450	0	450	0.00	450	0	450	0.00	0.00
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	72333938	4189941	76523879	5.02	71389351	3828477	75217828	4.94	-0.08
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	30606220	294889	30901109	2.03	28401052	274725	28675777	1.88	-0.15
(c)	Any Other (Specify)									
(i)	IEPF	154267	0	154267	0.01	178197	0	178197	0.01	0.00
(ii)	Trusts	2847031	0	2847031	0.19	4669557	0	4669557	0.31	0.12
(iii)	Foreign Nationals	0	0	0	0.00	2200	0	2200	0.00	0.00
(iv)	Hindu Undivided Family	4548209	0	4548209	0.30	4321246	675	4321921	0.28	-0.02
(v)	Non Resident Indians	4296337	805103	5101440	0.33	4285657	750428	5036085	0.33	0.00
(vi)	Directors	4365	0	4365	0.00	3690	0	3690	0.00	0.00
(vii)	Employees	0	686383	686383	0.05	0	607271	607271	0.04	-0.01
(viii)	Clearing Member	15347355	0	15347355	1.01	2221121	0	2221121	0.15	-0.86
(ix)	NBFCs registered with RBI	2678395	0	2678395	0.18	59797	0	59797	0.00	-0.17
	Sub Total (B) (2)	**195153536**	**6000132**	**201153668**	**13.20**	**139467013**	**5485088**	**144952101**	**9.51**	**-3.69**
	Total Public Shareholding(B)=(B)(1)+(B)(2)	**738967193**	**6010057**	**744977250**	**48.89**	**739482237**	**5495013**	**744977250**	**48.89**	**0.00**
	Total (A)+(B)	**1517812568**	**6010057**	**1523822625**	**100.00**	**1518327612**	**5495013**	**1523822625**	**100.00**	**0.00**
(C)	**Shares held by Custodians for GDRs and ADRs**									
	Total (A)+(B)+(C)	**1517812568**	**6010057**	**1523822625**	**100.00**	**1518327612**	**5495013**	**1523822625**	**100.00**	**0.00**

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2019)			Shareholding at the end of the year (31-03-2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	
1	Central Government - President of India	0	0	0.00	0	0.00	0.00	0
2	Bodies Corporate - ONGC	778845375	51.11	0.00	778845375	51.11	0.00	0
	Total	**778845375**	**51.11**	**0.00**	**778845375**	**51.11**	**0.00**	**0**

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

Sr. No.		Shareholding at the beginning of the year (01-04-2019)		Cumulative Shareholding at the end of the year (31-03-2020)	
		No. of Shares	% of Total Shares of The Company	No of Shares	% of Total Shares of the Company
1	At the beginning of the Year				
a)	Central Government - President of India	0	0.00	0	0.00
b)	Bodies Corporate - ONGC	778845375	51.11	778845375	51.11
	(Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. alloment/transfer/bonus/sweat equity etc.)	There is no change in Promoters shareholding between 01-04-2019 to 31-03-2020			
2	At the end of the Year				
a)	Central Government - President of India	0	0.00	0	0.00
b)	Bodies Corporate - ONGC	778845375	51.11	778845375	51.11

iv) 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(01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No of shares	% of total shares of the Company
1	**HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANTAGE FUND**	**45739208**	**3.00**				
	Market Sale			05 Apr 2019	-67774	45671434	3.00
	Market Purchase			17 May 2019	294000	45965434	3.02
	Market Purchase			07 Jun 2019	58800	46024234	3.02
	Market Purchase			21 Jun 2019	21000	46045234	3.02
	Market Purchase			12 Jul 2019	5019150	51064384	3.35
	Market Purchase			19 Jul 2019	1038000	52102384	3.42
	Market Purchase			26 Jul 2019	2522700	54625084	3.58
	Market Purchase			02 Aug 2019	171000	54796084	3.60
	Market Purchase			09 Aug 2019	333900	55129984	3.62

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year(01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No of shares	% of total shares of the Company
	Market Purchase			13 Sep 2019	1000000	56129984	3.68
	Market Purchase			18 Oct 2019	184800	56314784	3.70
	Market Sale			25 Oct 2019	-206000	56108784	3.68
	Market Sale			01 Nov 2019	-2533100	53575684	3.52
	Market Sale			08 Nov 2019	-506000	53069684	3.48
	Market Sale			29 Nov 2019	-749056	52320628	3.43
	Market Sale			27 Dec 2019	-333900	51986728	3.41
	Market Sale			28 Feb 2020	-21000	51965728	3.41
	Market Purchase			06 Mar 2020	1192633	53158361	3.49
	Market Purchase			13 Mar 2020	1019042	54177403	3.56
	Market Purchase			20 Mar 2020	1697700	55875103	3.67
	Market Purchase			27 Mar 2020	1139800	57014903	3.74
	Market Purchase			31 Mar 2020	296000	57310903	3.76
	At the end of the year					**57310903**	**3.76**
2	**LIFE INSURANCE CORPORATION OF INDIA**	**57046056**	**3.74**				
	Market Sale			11 Oct 2019	-1500017	55546039	3.65
	Market Sale			18 Oct 2019	-2534983	53011056	3.48
	Market Sale			25 Oct 2019	-1861041	51150015	3.36
	Market Sale			01 Nov 2019	-3408508	47741507	3.13
	Market Sale			08 Nov 2019	-552546	47188961	3.10
	Market Sale			06 Dec 2019	-120000	47068961	3.09
	Market Purchase			06 Mar 2020	2000	47070961	3.09
	At the end of the year					**47070961**	**3.09**
3	**RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA TAX SAVER (ELSS) FUND**	**29706203**	**1.95**				
	Market Purchase			05 Apr 2019	1680753	31386956	2.06
	Market Sale			12 Apr 2019	-454309	30932647	2.03
	Market Sale			19 Apr 2019	-652857	30279790	1.99
	Market Purchase			26 Apr 2019	4012978	34292768	2.25
	Market Purchase			03 May 2019	885540	35178308	2.31
	Market Purchase			10 May 2019	334754	35513062	2.33
	Market Sale			17 May 2019	-164254	35348808	2.32
	Market Sale			24 May 2019	-2731861	32616947	2.14
	Market Sale			31 May 2019	-1846915	30770032	2.02
	Market Sale			07 Jun 2019	-2333913	28436119	1.87
	Market Sale			14 Jun 2019	-2537270	25898849	1.70
	Market Sale			21 Jun 2019	-717450	25181399	1.65
	Market Purchase			29 Jun 2019	1539	25182938	1.65
	Market Sale			05 Jul 2019	-175985	25006953	1.64
	Market Sale			12 Jul 2019	-2285108	22721845	1.49
	Market Sale			19 Jul 2019	-795466	21926379	1.44
	Market Sale			26 Jul 2019	-802841	21123538	1.39
	Market Sale			02 Aug 2019	-37276	21086262	1.38
	Market Purchase			09 Aug 2019	54908	21141170	1.39
	Market Purchase			16 Aug 2019	43790	21184960	1.39
	Market Purchase			23 Aug 2019	1029200	22214160	1.46
	Market Purchase			30 Aug 2019	3007597	25221757	1.66
	Market Purchase			06 Sep 2019	1014107	26235864	1.72
	Market Purchase			13 Sep 2019	271114	26506978	1.74

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year(01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No of shares	% of total shares of the Company
	Market Purchase			20 Sep 2019	2305331	28812309	1.89
	Market Sale			27 Sep 2019	-275513	28536796	1.87
	Market Purchase			30 Sep 2019	12825	28549621	1.87
	Market Sale			04 Oct 2019	-693625	27855996	1.83
	Market Purchase			11 Oct 2019	119925	27975921	1.84
	Market Purchase			18 Oct 2019	392492	28368413	1.86
	Market Sale			25 Oct 2019	-885480	27482933	1.80
	Market Sale			01 Nov 2019	-13848	27469085	1.80
	Market Sale			08 Nov 2019	-131116	27337969	1.79
	Market Purchase			15 Nov 2019	270116	27608085	1.81
	Market Sale			22 Nov 2019	-198911	27409174	1.80
	Market Purchase			29 Nov 2019	42087	27451261	1.80
	Market Purchase			06 Dec 2019	573185	28024446	1.84
	Market Purchase			13 Dec 2019	30051	28054497	1.84
	Market Purchase			20 Dec 2019	66157	28120654	1.85
	Market Sale			27 Dec 2019	-18062	28102592	1.84
	Market Sale			31 Dec 2019	-143	28102449	1.84
	Market Sale			03 Jan 2020	-560	28101889	1.84
	Market Purchase			10 Jan 2020	1258930	29360819	1.93
	Market Purchase			17 Jan 2020	1139099	30499918	2.00
	Market Purchase			24 Jan 2020	100940	30600858	2.01
	Market Sale			31 Jan 2020	-1051440	29549418	1.94
	Market Purchase			07 Feb 2020	133120	29682538	1.95
	Market Purchase			14 Feb 2020	3960	29686498	1.95
	Market Sale			21 Feb 2020	-265860	29420638	1.93
	Market Purchase			28 Feb 2020	9875	29430513	1.93
	Market Purchase			06 Mar 2020	327921	29758434	1.95
	Market Sale			13 Mar 2020	-298527	29459907	1.93
	Market Purchase			20 Mar 2020	7582377	37042284	2.43
	Market Purchase			27 Mar 2020	977936	38020220	2.50
	Market Sale			31 Mar 2020	-56375	37963845	2.49
	At the end of the year					**37963845**	**2.49**
4	**MIRAE ASSET LARGE CAP FUND**	**10960049**	**0.72**				
	Market Purchase			12 Apr 2019	800000	11760049	0.77
	Market Purchase			19 Apr 2019	3400	11763449	0.77
	Market Purchase			26 Apr 2019	1599258	13362707	0.88
	Market Sale			03 May 2019	-871000	12491707	0.82
	Market Purchase			17 May 2019	827783	13319490	0.87
	Market Purchase			14 Jun 2019	33500	13352990	0.88
	Market Sale			21 Jun 2019	-875000	12477990	0.82
	Market Purchase			29 Jun 2019	429313	12907303	0.85
	Market Purchase			05 Jul 2019	1197510	14104813	0.93
	Market Purchase			12 Jul 2019	1476836	15581649	1.02
	Market Purchase			19 Jul 2019	156463	15738112	1.03
	Market Purchase			02 Aug 2019	388000	16126112	1.06
	Market Purchase			09 Aug 2019	1790288	17916400	1.18
	Market Sale			23 Aug 2019	-8400	17908000	1.18
	Market Purchase			30 Aug 2019	41000	17949000	1.18
	Market Purchase			13 Sep 2019	295000	18244000	1.20
	Market Purchase			20 Sep 2019	1541725	19785725	1.30

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year(01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No of shares	% of total shares of the Company
	Market Purchase			27 Sep 2019	785004	20570729	1.35
	Market Sale			30 Sep 2019	-350000	20220729	1.33
	Market Sale			04 Oct 2019	-1656941	18563788	1.22
	Market Purchase			18 Oct 2019	844691	19408479	1.27
	Market Purchase			25 Oct 2019	350000	19758479	1.30
	Market Purchase			01 Nov 2019	1224673	20983152	1.38
	Market Purchase			15 Nov 2019	1050626	22033778	1.45
	Market Purchase			22 Nov 2019	964269	22998047	1.51
	Market Purchase			29 Nov 2019	1287356	24285403	1.59
	Market Purchase			06 Dec 2019	1298638	25584041	1.68
	Market Purchase			13 Dec 2019	851176	26435217	1.73
	Market Purchase			20 Dec 2019	918140	27353357	1.80
	Market Purchase			27 Dec 2019	264253	27617610	1.81
	Market Purchase			31 Dec 2019	97512	27715122	1.82
	Market Purchase			10 Jan 2020	905574	28620696	1.88
	Market Purchase			17 Jan 2020	146937	28767633	1.89
	Market Purchase			24 Jan 2020	1420111	30187744	1.98
	Market Purchase			31 Jan 2020	227539	30415283	2.00
	Market Purchase			07 Feb 2020	224110	30639393	2.01
	Market Purchase			21 Feb 2020	58893	30698286	2.01
	Market Purchase			28 Feb 2020	609375	31307661	2.05
	Market Purchase			06 Mar 2020	164500	31472161	2.07
	Market Purchase			20 Mar 2020	14572	31486733	2.07
	At the end of the year					**31486733**	**2.07**
5	**FRANKLIN INDIA EQUITY FUND**	**18897466**	**1.24**				
	Market Purchase			26 Apr 2019	30508	18927974	1.24
	Market Purchase			17 May 2019	60203	18988177	1.25
	Market Sale			07 Jun 2019	-500000	18488177	1.21
	Market Purchase			20 Sep 2019	500000	18988177	1.25
	Market Purchase			27 Sep 2019	250000	19238177	1.26
	Market Purchase			04 Oct 2019	250000	19488177	1.28
	Market Purchase			11 Oct 2019	272807	19760984	1.30
	Market Sale			18 Oct 2019	-250000	19510984	1.28
	Market Sale			15 Nov 2019	-484582	19026402	1.25
	Market Purchase			22 Nov 2019	728889	19755291	1.30
	Market Purchase			13 Dec 2019	500000	20255291	1.33
	Market Purchase			10 Jan 2020	623000	20878291	1.37
	Market Purchase			07 Feb 2020	277000	21155291	1.39
	At the end of the year					**21155291**	**1.39**
6	**JUPITER INDIA FUND**	**19019241**	**1.25**				
	Market Sale			26 Jul 2019	-1365290	17653951	1.16
	Market Sale			20 Sep 2019	-318869	17335082	1.14
	Market Sale			08 Nov 2019	-380247	16954835	1.11
	Market Sale			15 Nov 2019	-837767	16117068	1.06
	Market Sale			10 Jan 2020	-543925	15573143	1.02
	Market Sale			21 Feb 2020	-184891	15388252	1.01
	Market Sale			06 Mar 2020	-187011	15201241	1.00
	At the end of the year					**15201241**	**1.00**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year(01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No of shares	% of total shares of the Company
7	**ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED**	**13449427**	**0.88**				
	Market Sale			05 Apr 2019	-940539	12508888	0.82
	Market Purchase			12 Apr 2019	19397	12528285	0.82
	Market Purchase			19 Apr 2019	56086	12584371	0.83
	Market Sale			26 Apr 2019	-261633	12322738	0.81
	Market Sale			03 May 2019	-126910	12195828	0.80
	Market Purchase			10 May 2019	545155	12740983	0.84
	Market Purchase			17 May 2019	738956	13479939	0.88
	Market Purchase			24 May 2019	2210978	15690917	1.03
	Market Purchase			31 May 2019	2322378	18013295	1.18
	Market Purchase			07 Jun 2019	306479	18319774	1.20
	Market Purchase			14 Jun 2019	86502	18406276	1.21
	Market Purchase			21 Jun 2019	76688	18482964	1.21
	Market Purchase			29 Jun 2019	22626	18505590	1.21
	Market Sale			05 Jul 2019	-22431	18483159	1.21
	Market Purchase			12 Jul 2019	570758	19053917	1.25
	Market Purchase			19 Jul 2019	196266	19250183	1.26
	Market Purchase			26 Jul 2019	18259	19268442	1.26
	Market Purchase			02 Aug 2019	13489	19281931	1.27
	Market Sale			09 Aug 2019	-440502	18841429	1.24
	Market Purchase			23 Aug 2019	5025	18846454	1.24
	Market Sale			30 Aug 2019	-129932	18716522	1.23
	Market Sale			06 Sep 2019	-393	18716129	1.23
	Market Sale			20 Sep 2019	-806629	17909500	1.18
	Market Sale			27 Sep 2019	-1889921	16019579	1.05
	Market Sale			04 Oct 2019	-176420	15843159	1.04
	Market Purchase			11 Oct 2019	271104	16114263	1.06
	Market Purchase			18 Oct 2019	51842	16166105	1.06
	Market Purchase			25 Oct 2019	82361	16248466	1.07
	Market Purchase			01 Nov 2019	8513	16256979	1.07
	Market Sale			08 Nov 2019	-43938	16213041	1.06
	Market Purchase			15 Nov 2019	186527	16399568	1.08
	Market Purchase			22 Nov 2019	656221	17055789	1.12
	Market Sale			29 Nov 2019	-724	17055065	1.12
	Market Purchase			06 Dec 2019	132568	17187633	1.13
	Market Purchase			13 Dec 2019	66442	17254075	1.13
	Market Sale			20 Dec 2019	-125419	17128656	1.12
	Market Sale			27 Dec 2019	-2515	17126141	1.12
	Market Sale			31 Dec 2019	-850	17125291	1.12
	Market Sale			03 Jan 2020	-312	17124979	1.12
	Market Sale			10 Jan 2020	-215514	16909465	1.11
	Market Purchase			17 Jan 2020	30232	16939697	1.11
	Market Sale			24 Jan 2020	-117801	16821896	1.10
	Market Sale			31 Jan 2020	-9341	16812555	1.10
	Market Purchase			07 Feb 2020	65882	16878437	1.11
	Market Sale			14 Feb 2020	-1928	16876509	1.11
	Market Sale			21 Feb 2020	-489038	16387471	1.08
	Market Purchase			28 Feb 2020	478501	16865972	1.11
	Market Sale			06 Mar 2020	-412	16865560	1.11

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year(01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No of shares	% of total shares of the Company
	Market Sale			13 Mar 2020	-346925	16518635	1.08
	Market Sale			20 Mar 2020	-431506	16087129	1.06
	Market Sale			27 Mar 2020	-925644	15161485	1.00
	Market Sale			31 Mar 2020	-102889	15058596	0.99
	At the end of the year					**15058596**	**0.99**
8	**SBI BLUE CHIP FUND**	**13344707**	**0.88**				
	Market Purchase			05 Apr 2019	116694	13461401	0.88
	Market Purchase			12 Apr 2019	8860	13470261	0.88
	Market Purchase			19 Apr 2019	6957	13477218	0.88
	Market Purchase			26 Apr 2019	8689	13485907	0.89
	Market Purchase			03 May 2019	133640	13619547	0.89
	Market Purchase			10 May 2019	19444	13638991	0.90
	Market Purchase			17 May 2019	27941	13666932	0.90
	Market Purchase			24 May 2019	11518	13678450	0.90
	Market Purchase			31 May 2019	706943	14385393	0.94
	Market Purchase			07 Jun 2019	26134	14411527	0.95
	Market Purchase			14 Jun 2019	15760	14427287	0.95
	Market Purchase			21 Jun 2019	11101	14438388	0.95
	Market Purchase			29 Jun 2019	38839	14477227	0.95
	Market Purchase			05 Jul 2019	39432	14516659	0.95
	Market Purchase			12 Jul 2019	28342	14545001	0.95
	Market Purchase			19 Jul 2019	14576	14559577	0.96
	Market Purchase			26 Jul 2019	20288	14579865	0.96
	Market Purchase			02 Aug 2019	20961	14600826	0.96
	Market Sale			09 Aug 2019	-188347	14412479	0.95
	Market Purchase			16 Aug 2019	10282	14422761	0.95
	Market Purchase			23 Aug 2019	15898	14438659	0.95
	Market Purchase			30 Aug 2019	18167	14456826	0.95
	Market Purchase			06 Sep 2019	8508	14465334	0.95
	Market Purchase			13 Sep 2019	14827	14480161	0.95
	Market Purchase			20 Sep 2019	25981	14506142	0.95
	Market Sale			27 Sep 2019	-771861	13734281	0.90
	Market Purchase			30 Sep 2019	2721	13737002	0.90
	Market Purchase			04 Oct 2019	10030	13747032	0.90
	Market Purchase			11 Oct 2019	14228	13761260	0.90
	Market Purchase			18 Oct 2019	10974	13772234	0.90
	Market Purchase			25 Oct 2019	4	13772238	0.90
	Market Purchase			01 Nov 2019	565	13772803	0.90
	Market Purchase			08 Nov 2019	840199	14613002	0.96
	Market Sale			15 Nov 2019	-9872	14603130	0.96
	Market Sale			22 Nov 2019	-12558	14590572	0.96
	Market Purchase			29 Nov 2019	172	14590744	0.96
	Market Purchase			06 Dec 2019	7704	14598448	0.96
	Market Purchase			13 Dec 2019	1685	14600133	0.96
	Market Purchase			20 Dec 2019	2675	14602808	0.96
	Market Sale			27 Dec 2019	-8072	14594736	0.96
	Market Sale			31 Dec 2019	-87	14594649	0.96
	Market Purchase			03 Jan 2020	810	14595459	0.96
	Market Purchase			10 Jan 2020	1998	14597457	0.96
	Market Purchase			17 Jan 2020	4027	14601484	0.96
	Market Purchase			24 Jan 2020	2863	14604347	0.96

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year(01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No of shares	% of total shares of the Company
	Market Sale			31 Jan 2020	-6921	14597426	0.96
	Market Purchase			07 Feb 2020	2797	14600223	0.96
	Market Purchase			14 Feb 2020	669	14600892	0.96
	Market Purchase			21 Feb 2020	1122	14602014	0.96
	Market Purchase			28 Feb 2020	13679	14615693	0.96
	Market Purchase			06 Mar 2020	10342	14626035	0.96
	Market Purchase			13 Mar 2020	16821	14642856	0.96
	Market Purchase			20 Mar 2020	154269	14797125	0.97
	Market Purchase			27 Mar 2020	2869	14799994	0.97
	Market Purchase			31 Mar 2020	6	14800000	0.97
	At the end of the year					**14800000**	**0.97**
9	**GOVERNMENT OF SINGAPORE**	**11015598**	**0.72**				
	Market Sale			05 Apr 2019	-1216056	9799542	0.64
	Market Sale			12 Apr 2019	-251	9799291	0.64
	Market Sale			26 Apr 2019	-424835	9374456	0.62
	Market Sale			03 May 2019	-41940	9332516	0.61
	Market Sale			10 May 2019	-87241	9245275	0.61
	Market Sale			17 May 2019	-8457	9236818	0.61
	Market Purchase			24 May 2019	88251	9325069	0.61
	Market Sale			31 May 2019	-146719	9178350	0.60
	Market Purchase			07 Jun 2019	840150	10018500	0.66
	Market Purchase			14 Jun 2019	60264	10078764	0.66
	Market Purchase			21 Jun 2019	196414	10275178	0.67
	Market Purchase			29 Jun 2019	2324	10277502	0.67
	Market Purchase			05 Jul 2019	90944	10368446	0.68
	Market Purchase			12 Jul 2019	62691	10431137	0.68
	Market Purchase			19 Jul 2019	32083	10463220	0.69
	Market Sale			26 Jul 2019	-31057	10432163	0.68
	Market Sale			02 Aug 2019	-7323	10424840	0.68
	Market Sale			09 Aug 2019	-73346	10351494	0.68
	Market Sale			16 Aug 2019	-27068	10324426	0.68
	Market Purchase			23 Aug 2019	11018	10335444	0.68
	Market Sale			30 Aug 2019	-157364	10178080	0.67
	Market Sale			06 Sep 2019	-43179	10134901	0.67
	Market Sale			13 Sep 2019	-11428	10123473	0.66
	Market Purchase			20 Sep 2019	18380	10141853	0.67
	Market Sale			30 Sep 2019	-5154	10136699	0.67
	Market Sale			04 Oct 2019	-610474	9526225	0.63
	Market Purchase			11 Oct 2019	72918	9599143	0.63
	Market Purchase			18 Oct 2019	19555	9618698	0.63
	Market Sale			25 Oct 2019	-66667	9552031	0.63
	Market Sale			01 Nov 2019	-2165	9549866	0.63
	Market Purchase			08 Nov 2019	7739	9557605	0.63
	Market Purchase			15 Nov 2019	22635	9580240	0.63
	Market Sale			22 Nov 2019	-2185	9578055	0.63
	Market Sale			29 Nov 2019	-220959	9357096	0.61
	Market Sale			06 Dec 2019	-433446	8923650	0.59
	Market Sale			13 Dec 2019	-2773	8920877	0.59
	Market Purchase			20 Dec 2019	59980	8980857	0.59
	Market Sale			31 Dec 2019	-23644	8957213	0.59

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year(01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No of shares	% of total shares of the Company
	Market Sale			03 Jan 2020	-94935	8862278	0.58
	Market Sale			10 Jan 2020	-68849	8793429	0.58
	Market Sale			24 Jan 2020	-24620	8768809	0.58
	Market Sale			31 Jan 2020	-13057	8755752	0.57
	Market Purchase			07 Feb 2020	26449	8782201	0.58
	Market Purchase			14 Feb 2020	1256489	10038690	0.66
	Market Sale			21 Feb 2020	-5135	10033555	0.66
	Market Purchase			28 Feb 2020	416731	10450286	0.69
	Market Purchase			06 Mar 2020	721234	11171520	0.73
	Market Purchase			13 Mar 2020	321858	11493378	0.75
	Market Purchase			20 Mar 2020	82726	11576104	0.76
	Market Purchase			27 Mar 2020	2632999	14209103	0.93
	Market Purchase			31 Mar 2020	355071	14564174	0.96
	At the end of the year					**14564174**	**0.96**
10	**MOTILAL OSWAL MULTICAP 35 FUND**	**15553405**	**1.02**				
	Market Sale			12 Apr 2019	-115000	15438405	1.01
	Market Sale			26 Apr 2019	-121000	15317405	1.01
	Market Sale			02 Aug 2019	-242446	15074959	0.99
	Market Sale			09 Aug 2019	-734242	14340717	0.94
	Market Purchase			13 Sep 2019	2414	14343131	0.94
	Market Sale			20 Sep 2019	-8	14343123	0.94
	Market Sale			27 Sep 2019	-64	14343059	0.94
	Market Purchase			30 Sep 2019	13	14343072	0.94
	Market Sale			04 Oct 2019	-20	14343052	0.94
	Market Purchase			11 Oct 2019	33	14343085	0.94
	Market Sale			18 Oct 2019	-56	14343029	0.94
	Market Purchase			01 Nov 2019	24	14343053	0.94
	Market Purchase			08 Nov 2019	16	14343069	0.94
	Market Purchase			15 Nov 2019	23	14343092	0.94
	Market Purchase			22 Nov 2019	70	14343162	0.94
	Market Purchase			29 Nov 2019	25	14343187	0.94
	Market Purchase			06 Dec 2019	24	14343211	0.94
	Market Purchase			20 Dec 2019	18	14343229	0.94
	Market Purchase			27 Dec 2019	22275	14365504	0.94
	Market Purchase			31 Dec 2019	181	14365685	0.94
	Market Purchase			03 Jan 2020	15	14365700	0.94
	Market Purchase			10 Jan 2020	101	14365801	0.94
	Market Purchase			17 Jan 2020	262	14366063	0.94
	Market Purchase			24 Jan 2020	482	14366545	0.94
	Market Purchase			31 Jan 2020	151	14366696	0.94
	Market Purchase			07 Feb 2020	381	14367077	0.94
	Market Purchase			14 Feb 2020	76	14367153	0.94
	Market Purchase			28 Feb 2020	74	14367227	0.94
	Market Purchase			06 Mar 2020	579	14367806	0.94
	Market Purchase			13 Mar 2020	724	14368530	0.94
	Market Purchase			20 Mar 2020	619	14369149	0.94
	Market Purchase			27 Mar 2020	2152	14371301	0.94
	Market Purchase			31 Mar 2020	1014	14372315	0.94
	At the end of the year					**14372315**	**0.94**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year(01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No of shares	% of total shares of the Company
11	**ICICI PRUDENTIAL BALANCED ADVANTAGE FUND**	**11319110**	**0.74**				
	Market Sale			05 Apr 2019	-2217810	9101300	0.60
	Market Purchase			12 Apr 2019	6734	9108034	0.60
	Market Purchase			19 Apr 2019	1073	9109107	0.60
	Market Sale			26 Apr 2019	-141380	8967727	0.59
	Market Purchase			03 May 2019	4847	8972574	0.59
	Market Sale			10 May 2019	-533	8972041	0.59
	Market Purchase			17 May 2019	602071	9574112	0.63
	Market Sale			24 May 2019	-57336	9516776	0.62
	Market Purchase			31 May 2019	5382	9522158	0.62
	Market Sale			07 Jun 2019	-159893	9362265	0.61
	Market Purchase			14 Jun 2019	23911	9386176	0.62
	Market Purchase			21 Jun 2019	4691	9390867	0.62
	Market Purchase			29 Jun 2019	267732	9658599	0.63
	Market Sale			05 Jul 2019	-8122	9650477	0.63
	Market Sale			12 Jul 2019	-234351	9416126	0.62
	Market Sale			19 Jul 2019	-470000	8946126	0.59
	Market Sale			26 Jul 2019	-244097	8702029	0.57
	Market Purchase			02 Aug 2019	9458	8711487	0.57
	Market Purchase			09 Aug 2019	587372	9298859	0.61
	Market Purchase			16 Aug 2019	1644	9300503	0.61
	Market Purchase			23 Aug 2019	10580	9311083	0.61
	Market Purchase			30 Aug 2019	7436	9318519	0.61
	Market Purchase			06 Sep 2019	5602	9324121	0.61
	Market Purchase			13 Sep 2019	55725	9379846	0.62
	Market Purchase			20 Sep 2019	131176	9511022	0.62
	Market Sale			27 Sep 2019	-116406	9394616	0.62
	Market Sale			30 Sep 2019	-27246	9367370	0.61
	Market Sale			04 Oct 2019	-560077	8807293	0.58
	Market Purchase			11 Oct 2019	36753	8844046	0.58
	Market Purchase			18 Oct 2019	46065	8890111	0.58
	Market Purchase			25 Oct 2019	418478	9308589	0.61
	Market Sale			01 Nov 2019	-539372	8769217	0.58
	Market Sale			08 Nov 2019	-288738	8480479	0.56
	Market Purchase			15 Nov 2019	111310	8591789	0.56
	Market Purchase			22 Nov 2019	52958	8644747	0.57
	Market Purchase			29 Nov 2019	139992	8784739	0.58
	Market Purchase			06 Dec 2019	786263	9571002	0.63
	Market Purchase			13 Dec 2019	1051329	10622331	0.70
	Market Purchase			20 Dec 2019	4385	10626716	0.70
	Market Sale			27 Dec 2019	-1887243	8739473	0.57
	Market Purchase			03 Jan 2020	3385	8742858	0.57
	Market Purchase			10 Jan 2020	1201973	9944831	0.65
	Market Purchase			17 Jan 2020	1509	9946340	0.65
	Market Sale			24 Jan 2020	-63032	9883308	0.65
	Market Sale			31 Jan 2020	-1462802	8420506	0.55
	Market Purchase			07 Feb 2020	114668	8535174	0.56
	Market Purchase			14 Feb 2020	61899	8597073	0.56
	Market Purchase			21 Feb 2020	5426	8602499	0.56

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year(01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No of shares	% of total shares of the Company
	Market Purchase			28 Feb 2020	161566	8764065	0.58
	Market Purchase			06 Mar 2020	35765	8799830	0.58
	Market Sale			13 Mar 2020	-134986	8664844	0.57
	Market Purchase			20 Mar 2020	92176	8757020	0.57
	Market Purchase			27 Mar 2020	45842	8802862	0.58
	Market Purchase			31 Mar 2020	1735	8804597	0.58
	At the end of the year					**8804597**	**0.58**

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2019)		Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mukesh Kumar Surana	540	0.00	540	0.00
2	Pushp Kumar Joshi	2700	0.00	2700	0.00
3	S Jeyakrishnan (*)	1125	0.00	NA	0.00
4	R Kesavan (**)	0	0.00	0	0.00
5	Rakesh Misri (***)	NA	0.00	450	0.00
6	V Murali	3467	0.00	3467	0.00
	TOTAL :	**7832**	**0.00**	**7157**	**0.00**

(*) Ceased to be Director of the Corporation effective 01-07-2019 on account of superannuation from the services of the Company on 30-06-2019. The shareholding as on 30-06-2019 is 1125 shares.

(**) Appointed as Chief Financial Officer (CFO) (KMP) of the Corporation w.e.f. 01-03-2019. Hence, in the last year Annual Return, he was shown as KMP and his shareholding was reported as Nil. Effective 05-09-2019, he was also appointed as Director - Finance of the Corporation. The shareholding as on 05-09-2019 is Nil.

(***) Appointed as Director-Marketing of the Company with effect from 17-10-2019 and hence shareholding is not included as on 01-04-2019. The shareholding as on 17-10-2019 is 450 shares.

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	4,830.72	22,408.98	-	27,239.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	54.13	-	54.13
Total (i+ii+iii)	**4,830.72**	**22,463.11**	**-**	**27,293.83**
Change in Indebtedness during the financial year				
- Addition	6701.22	65,679.31	-	72,380.53

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
- Reduction	4,199.53	54,897.67	-	59,097.20
Net Change	**2,501.69**	**10,781.64**	**-**	**13,283.33**
Indebtedness at the end of the financial year				
i) Principal Amount	7,332.41	33,190.62	-	40,523.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.29	254.33	-	254.62
Total (i+ii+iii)	**7,332.70**	**33,444.95**	**-**	**40,777.65**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(in ₹ Lakh)

Sr. No.	Particulars of Remuneration	Name of the Directors including Chairman & Managing Director						Total Amount
		Mukesh Kumar Surana	Pushp Kumar Joshi	Vinod S. Shenoy	R. Kesavan (*)	Rakesh Misri (**)	S. Jeyakrishnan (***)	
1	Gross salary	75.44	64.90	62.37	38.04	35.41	81.92	358.07
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	65.57	55.68	61.03	30.60	35.01	71.70	319.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.87	9.22	1.34	7.44	0.40	10.22	38.47
	(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)	9.11	8.72	6.48	4.11	2.58	2.27	33.28
	Total	**84.55**	**73.62**	**68.85**	**42.15**	**37.99**	**84.19**	**391.35**
	Ceiling as per the Act	Provisions of Section 197 of the Companies Act 2013 with respect to overall maximum Managerial Remuneration is not applicable to the Company, being a Government Company as per MCA Notification dated June 5, 2015.						

(*) Appointed as Director of the Company effective 05-09-2019

(**) Appointed as Director of the Company effective 17-10-2019

(***) Ceased to be Director of the Company effective 01-07-2019 on account of superannuation from the services of the Company on 30-06-2019.

B. Remuneration to other Directors:

(in ₹ Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Ram Niwas Jain (*)	Asifa Khan (**)	G V Krishna (**)	Trilok Nath Singh (***)	Amar Sinha	Siraj Hussain	G Rajendran Pillai (****)	
1	Independent Directors								
	Fee for attending Board Committee meetings	3.20	3.60	4.00	4.00	4.00	3.60	2.80	25.20
	Commission	-	-	-	-	-	-	-	-
	Others, please specify (Fees for attending Board Sub Committee Meetings)	4.20	2.40	4.80	4.50	5.70	3.30	0.30	25.20
	Total (1)	**7.40**	**6.00**	**8.80**	**8.50**	**9.70**	**6.90**	**3.10**	**50.40**
2	Other Non-Executive Directors	-	-	-	-	-	-	-	
	Fee for attending Board Committee meetings	-	-	-	-	-	-	-	
	Commission	-	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	-	
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
	Total (1+2)	**7.40**	**6.00**	**8.80**	**8.50**	**9.70**	**6.90**	**3.10**	**50.40**
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(*) Ceased to be an Independent Director of the Company effective 20-11-2019 on completion of tenure of re-appointment for 1 year on 19-11-2019.

(**) Ceased to be Independent Directors of the Company effective 13-02-2020 on completion of tenure of appointments for 3 years on 12-02-2020.

(***) Ceased to be an Independent Director of the Company effective 20-03-2020 on completion of tenure of appointment for 3 years on 19-03-2020.

(****) Appointed as an Independent Director of the Company effective 15-07-2019.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(in ₹ Lakh)

Sr. NO.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Executive Officer	Chief Financial Officer	Company Secretary	
			R. Kesavan *	V. Murali	
1	Gross salary	-	19.96	52.34	72.30
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	17.00	49.99	66.99
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	2.96	2.35	5.31
	(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	-	-	-	-
5	Others, please specify	-	4.21	6.07	10.29
	Total	**-**	**24.17**	**58.41**	**82.59**

* Remuneration drawn as Chief Financial Officer of the Company is for the period 01-04-2019 to 04-09-2019.

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	-	-	-	-	-

Management Discussion & Analysis Report 2019-20

A. DEVELOPMENTS IN THE PETROLEUM SECTOR AND INDIAN ECONOMY

Indian Economy

The Indian economy grew by 4.2% in 2019-20 and remains to be one of the fastest growing major economies in the world. Agriculture sector, which provides livelihood to a large section of the population, accounted for 15% of the GVA (Gross Value Added) in 2019-20. The sector was buoyed by late surge in monsoon and recorded a higher growth of 4% in 2019-20 as compared to 2.4% growth in 2018-19. At 0.8%, growth in GVA in the industry sector was lower in 2019-20 as compared to 2018-19. Manufacturing sector - dominant component of the industry sector - was main drag in the industry sector growth. Manufacturing moved into positive territory in January 2020 after intermittent contraction over the prior five months. However, spread of COVID-19 and lockdowns imposed to contain its spread dampened the growth momentum in the last months of the financial year. The services sector's significance in the Indian economy has continued to increase, with the sector accounting for about 55% of total size of the economy and about 40% of the goods & services exported. The growth in overall services sector was about 5% in 2019-20 as against 7.5% in 2018-19. The pandemic COVID-19 adversely affected several service sectors such as trade, tourism, airlines and hospitality in later part of the financial year.

On the demand side, private consumption with about 57% share remained the mainstay of aggregate demand. Growth in private consumption weakened due to deceleration in rural and urban income growth. Rate of growth in government expenditure was higher in 2019-20 as compared to 2018-19. Investment remained weak as the capex cycle could not gain traction. Net exports contributed positively to aggregate demand, but essentially because the contraction in imports outpaced the decline in exports.

Headline inflation as measured by the consumer price index persisted below 4% in first half of the year. However, inflation surged between October 2019 and January 2020, propelled by vegetable price spikes & cost push factors, before moderating somewhat in February and March 2020. The overall inflation rate for 2019-20 was about 4.8%.

The nominal exchange rate of the Indian Rupee vis-à-vis the US dollar averaged about ₹ 71 for 2019-20 as compared to ₹ 70 for 2018-19. The exchange rate of Indian Rupee against the US dollar remained below ₹ 70 level in the first quarter of 2019-20. However, the dollar appreciated by the end of the financial year as trade tensions receded and gained further on portfolio flows to safe havens after the COVID-19 outbreak.

Crude Oil Supply

Global crude oil production increased to 100.50 million barrels per day (mbpd) during 2019 as compared to 100.3 mbpd in 2018. Crude oil supply from USA grew by 1.7 mbpd during 2019 and exceeded the market estimates. This additional supply was partially offset by production cuts from OPEC+ and forced cuts from Venezuela and Iran. Global oil demand registered a higher growth and increased to 100.1 mbpd in 2019 as compared to 99.3 mbpd in 2018. A bulk of demand growth came from China, which registered a strong demand growth and accounted for more than 80% of global demand growth. India also registered positive demand growth of 2.8% year-on-year in 2019.

Crude Oil Prices:

Brent Crude oil prices have witnessed high volatility in 2019-20 with price ranging from below US$ 20 per barrel to over US$ 70 per barrel. From US$ 69.18 per barrel at the start of the year, Brent prices rose to more than US$ 74 per barrel in late April on concerns about supply as Iranian export waivers were due to end and an OPEC+ output cut agreement took effect. Further, fears about oil demand growth dominated sentiments and prices fell below US$ 60 per barrel in August. Crude prices also witnessed short spike in September after attack on Saudi Arabia's oil facility. Prices strengthened during Q4 on positive sentiments of recovery in economy on the backdrop of reaching long disputed trade agreement between US and China. This boosted confidence in healthy demand growth for 2020. The geopolitical developments, following U.S. military operations in Iraq drove oil prices to reach at US$ 69.96 per barrel on 6th January, 2020, the highest level since May 2019. However, crude prices started falling significantly since January 2020, largely driven by the economic contraction caused by COVID-19. Added to this was the sudden increase in crude oil supply following the suspension of previously agreed upon production cuts among OPEC and partner countries. On an overall basis, Brent averaged at US$ 61.01 per barrel for 2019-20, which is about US$ 9.09 per barrel below the average of US$ 70.1 per barrel in 2018-19.

The quarter-wise trends are as under:

- Crude oil prices increased for the fourth consecutive month in April 2019, approaching six-months high near the end of the month and averaged at US$ 71.26 per barrel amid a backdrop of heightened market perceptions of oil supply risk. Brent crude oil spot prices averaged US$ 71.11 per barrel in May 2019, largely unchanged from April 2019. Production shut-ins in Russia in relation to the contamination of the Druzhba crude oil pipeline compounded by planned maintenance on crude oil production platforms in the North Sea were pushing the Brent prices. However, weakening oil demand due to reduction in industrial activity and geopolitical reasons combined with strong supply growth in the United States limited any sustained upward pressure on oil prices and the quarter ended with average Brent price of US$ 68.86 per barrel in Q1 of 2019-20.

- Brent crude oil spot prices averaged at about US$ 64 per barrel in July 19, almost unchanged from the average in June 2019 amid offsetting upward and downward price pressures. Continued Middle East tensions due to seizure of British tanker by Iran in the Strait of Hormuz presented risks of supply disruptions favouring higher crude oil prices which is offset by the downward price pressure from the continued demand side concerns. The downward trend continued in August 2019 as Global economic indicators continued to decline, contributing to oil price declines and volatility. Reports on trade negotiations between the United States and China also contributed to daily movements in global crude oil prices. IMF lowered its estimate for global economic growth in 2019 and 2020 amid poor manufacturing numbers from China, Japan and some European economies. Brent spot price increased to the level of about US$ 68 per barrel after attacks on major Saudi Arabian oil infrastructure disrupted the country's crude oil production. However, the prices have subsequently fallen as Saudi Arabia restored the shut-in production and concerns about oil demand based on the condition of the global economy rose. The Brent price averaged at US$ 62 per barrel in Q2 of 2019-20.

- Crude oil markets traded in a relatively narrow range, with average price below US$ 60 per barrel, in October following heightened volatility in previous month with indications that some of the supply and demand side risks that affected oil market participants in the third quarter have begun to diminish. Reflecting modest upward pressures from both demand-side factors and supply-side factors, Brent prices showed upward trend in November 2019. On the demand side, economic data from the world's two largest economies - the United States and China - reduced market perceptions of an upcoming slowdown in economic activity. On the supply side, markets adjusted expectations of ahead of the meeting held on December 6th between the Organization of the Petroleum Exporting Countries (OPEC) and partner countries for extension or possibly deepen the production cuts. The trend continued in December 2019 and the Brent price averaged at US$ 63.08 per barrel in Q3.

- Several events in January contributed to significant uncertainties in crude oil markets and the world economy in general. Early in the month, geopolitical developments drove oil prices. Brent spot prices reached to the level of about US$ 70 per barrel on 6th January, 2020, the highest level since May 2019, following U.S. military operations in Iraq. However, as tensions in the Middle East deescalated and market concerns over any related oil supply disruptions faded, crude oil prices fell. The price declines accelerated concerns about economic growth because of the outbreak of COVID-19. Brent prices fell steadily through January and into the first week of February, reaching to the level of about US$ 53 per barrel, the lowest price since December 2018, reflecting market concerns about oil demand. Crude Oil prices have fallen significantly since the beginning of 2020, largely driven by the economic contraction caused by COVID-19 and a sudden increase in crude oil supply following the suspension of previously agreed upon production cuts among the Organization of the Petroleum Exporting Countries (OPEC) and partner countries. Brent crude oil prices averaged US$ 31.83 per barrel in March 2020, a decrease of about US$ 24 per barrel from the average in February and the lowest monthly average since January 2016. The average Brent price during Q4 was US$ 50.09 per barrel, lowest in all 4 quarters of 2019-20.

Indian Crude Basket

Significant volatility was observed in International crude oil prices during Q1 of 2019-20 resulting in Indian crude oil basket price increasing to an average of US$ 67.81 per barrel in Q1 as compared to previous quarter average of US$ 63.49 per barrel. During Q2, the Indian crude oil basket price slided down to US$ 61.57 per barrel, due to softening of international crude oil prices. The Indian crude basket price showed an upward trend in Q3 and closed at an average of US$ 62.60 per barrel in Q3. Geopolitical developments drove international oil prices to the level of about US$ 70 per barrel in the first week of January 2020. However, the international prices displayed declining trend further with concerns about economic growth and outbreak of COVID-19 and reached to the level of US$ 50 per barrel in March 2020. The Indian crude basket prices also followed this trend closing the quarter at the lowest level in the financial year at a quarterly average of US$ 50.80 per barrel.

Benchmark Refining Margins

Singapore refining margins averaged at US$ 3.47 per barrel during Q1 of 2019-20 against margins of US$ 3.20 per barrel during last quarter of 2018-19. This was due to Naphtha cracks remaining depressed due to seasonal cracker maintenance and middle distillate cracks remaining stable at US$ 13.01 per barrel during the period owing to higher than usual refinery turnarounds in the Asian region. Indian exports started increasing towards the end of the quarter as refineries returned from maintenance. Gasoline (Petrol) margins lost its ground as new refineries ramped up in China, where the government has issued more gasoline export quotas. Fuel Oil (FO) margins remained supported amid multiple residue upgradation facilities coming up in the world as IMO 2020 deadline approached with a mandate for using FO with lower than 0.5% sulphur content for bunkering purpose. The elevated crude prices during this period kept FO margins under check.

Singapore refining margins rose to US$ 6.52 per barrel in Q2 supported by higher FO and Gasoline margins. Gasoline margin averaged US$ 7.9 per barrel in the period owing to shutdown of refineries in US due to hurricane Barry and permanent closure of PES refinery. Gasoil (Diesel) margins also increased during the period to average at US$ 16.25 per barrel, amid unplanned outages in India and lower exports out of China. FO inventories were drawn heavily across the world during Q2 and margins remained supported at record levels due to summer demand from Saudi Arabia and other Gulf nations. Further, ahead of the 2020 IMO regulations, refiners produced less HSFO and some storage providers cleaned tanks so that they are ready to store compliant fuel. Naphtha cracks in Singapore gained over US$ 4.5 per barrel post attacks in Saudi Arabia which is a key supplier of Naphtha to Asia Pacific region. The disruption in supply and healthy regional demand supported the cracks.

Singapore margins fell by US$ 4.90 per barrel to US$ 1.62 per barrel in Q3 with average margins in December 2019 being US$ (-0.19) per barrel, a negative margin for the first time ever. This was due to a sharp fall in FO margins to US$ (-18.71) per barrel (US$ 0.93 per barrel in Q2), as IMO 2020 drew closer and demand for high Sulphur bunker fuel dropped sharply. Gasoil cracks averaged US$ 15.37 per barrel for the period, as domestic demand for the fuel in India remained sluggish amid weak macroeconomic scenario & delayed monsoon resulting in high exports while supplies from new refineries commissioned in 2019 started coming in, putting pressure on prices. Gasoline margins averaged at US$ 8.18 per barrel for the period as refiners preferred producing VLSFO over Gasoline thereby reducing its production.

Q4 of 2019-20 was the weakest for Singapore margins since 1999 with quarter average at US$ 1.29 per barrel as all the product cracks dropped. China continued to export Gasoline due to weak domestic demand, which weighed on margins, which averaged at US$ 5.14 per barrel for the quarter. All transportation related demand was severely hit as the World came into the grip of COVID-19. Jet fuel and Gasoil margins averaged at US$ 8.6 per barrel and US$ 11.80 per barrel respectively amid weak demand scenario. FO margins saw some recovery as the historically low prices in previous quarter incentivised purchases from refineries to be used as a feedstock.

Consumption of Petroleum Products

During 2019-20, consumption of petroleum product in the country increased by over 4.7 Million Metric Tonnes (MMT) to reach about 213.68 MMT and registered marginal growth of 0.2%. Due to spread of COVID-19 and subsequent nationwide lockdown as a containment measure during March 2020, the consumption of major petroleum products were adversely affected. During March 2020, the consumption of petroleum products witnessed de-growth of 17.8% as compared to the corresponding month of the previous year owing to COVID-19 restrictions which has largely contributed in muted growth in 2019-20.

Considering the full financial year of 2019-20, consumption of Petrol witnessed a growth of 6% over previous year on the back of preference for petrol-driven vehicles, improvement in road conditions, better penetration, narrowing down of price difference between MS and HSD and improved mobility. The overall consumption of LPG recorded a growth of 5.9% during 2019-20 over previous year due to the increased LPG penetration in the country, assisted by implementation of PMUY and other LPG programs initiated by the Government of India. The LDO consumption registered a growth of 5.0%, backed by its extensive usage in various types of furnace and regulatory restriction on FO consumption in some states. The de-growth of 7.1% in consumption of FO is mainly due to reduced demand from fertiliser, steel and general trade sector. After witnessing a growth for five consecutive years, HSD consumption saw a decline of 1.1% during 2019-20, mainly due to drop in sales of commercial vehicles, shifting of diesel car fleets to petrol and efficiency improvement of trucks. The cautioned movement of commercial vehicles during March 2020 due to COVID-19 restrictions has further affected the HSD consumption. During 2019-20, ATF recorded de-growth of 3.6% compared to the previous year due to subdued domestic air passenger traffic, resulted from closure of operations by Jet Airways and curtailed operations by various airlines due to lockdown measures announced by major economies around the world. Kerosene consumption continued to decline with de-growth of 31% over 2019-20 mainly due to increased substitution with LPG and increased household electrifications. Bitumen consumption registered de-growth of 4.9% due to stoppage of road construction activities in March 2020 due to lockdowns. Naphtha consumption increased marginally with a growth of 2.2%.Consumption of lubricants & greases registered a marginal de-growth of 0.8% during 2019-20.

B. FINANCIAL PERFORMANCE

For the financial year 2019-20, HPCL has achieved Profit After Tax (PAT) of ₹ 2,637 Crore resulting in earnings per share of ₹ 17.31.

HPCL commands strong credit ratings assigned by various credit rating agencies as under:

Instrument	Rating Agency	Rating as on 30th June, 2020	Outlook as on 30th June, 2020	Remark
International Long Term Rating / US$ Bond rating	Moody's	Baa3	Negative	At par with India's sovereign rating
International Long Term Rating / US$ Bond rating	Fitch	BBB-	Negative	At par with India's sovereign rating
Long Term Debt	CRISIL	AAA	Stable	Highest rating grade by CRISIL
Long Term Debt	India Ratings	AAA	Stable	Highest rating grade by India Ratings
Long Term Debt	ICRA	AAA	Stable	Highest rating grade by ICRA

Gross Sales

Gross sales of the Corporation (inclusive of excise duty) in the financial year 2019-20 was ₹ 2,86,250 Crore as compared to ₹ 2,95,713 Crore in the financial year 2018-19. The total sale of products for the year 2019-20 was 39.64 MMT as against 38.71 MMT for the year 2018-19.

Profit Before Tax

The Corporation has earned a Profit Before Tax (PBT) of ₹ 1,573 Crore in 2019-20 as compared to ₹ 9,339 Crore in 2018-19.

Provision For Taxation

Net amount of ₹ 1,065 Crore has been written back on account of income tax for 2019-20 as against ₹ 3,310 Crore provided during 2018-19.

Profit After Tax

The Corporation has earned a Profit After Tax (PAT) of ₹ 2,637 Crore during 2019-20 as compared to ₹ 6,029 Crore during 2018-19.

Depreciation And Amortisation

Depreciation for the year 2019-20 was ₹ 3,304 Crore as against ₹ 3,013 Crore for the year 2018-19.

Borrowings

The Borrowings (including lease liabilities) of the Corporation were ₹ 43,021 Crore as on 31st March, 2020 as compared to ₹ 27,240 Crore as on 31st March, 2019. Long term borrowings were through Non Convertible Debentures (NCDs), Foreign Currency bonds, Loans from foreign banks and Oil Industry Development Board (OIDB). Short term borrowings during the year were mainly through short term Rupee loans from banks, Collateralized Borrowing and Lending Obligations (CBLO)/ Tri-partite Repo System (TREPS) and from Commercial papers. The long term debt to equity ratio stands at 0.93 as on 31st March, 2020 as against 0.48 as on 31st March, 2019 and on overall borrowing basis (long term and short term), the debt to equity ratio stands at 1.49 as on 31st March, 2020 as against 0.97 as on 31st March, 2019.

Capital Assets

Net fixed assets (including capital work in progress) increased to ₹ 65,444 Crore as on 31st March, 2020 from ₹ 50,483 Crore as on 31st March, 2019.

Investments

Investments as on 31st March, 2020 were ₹ 12,512 Crore as compared to ₹ 11,819 Crore as on 31st March, 2019.

Gross Refining Margins (GRMs)

The Gross Refining Margin for HPCL averaged at US$ 1.02 per barrel for the year 2019-20 as against US$ 5.01 per barrel for the year 2018-19.

Gross Refining Margin of Mumbai Refinery averaged at US$ 3.63 per barrel for the year 2019-20 as against US$ 5.79 per barrel for the year 2018-19.

Gross Refining Margin of Visakh Refinery averaged at US$ (1.30) per barrel for the year 2019-20 as against US$ 4.31 per barrel for the year 2018-19.

Earnings Per Share (EPS)

Earnings per share for the year 2019-20 is ₹ 17.31 as compared to ₹ 39.56 for the year 2018-19.

Dividend

The Board of Directors have recommended a final dividend of ₹ 9.75 per share for the financial year 2019-20. The amount of final dividend as recommended by the Board would result in total payout of ₹ 1,485.73 Crore.

Key Financial Ratios

Key financial ratios for the Corporation are provided as under:

Ratio Description	2019-20	2018-19
Debtors Turnover Ratio (No. of days)	5	7
Inventory Turnover Ratio (No. of days)	29	28
Interest Coverage Ratio (Times)	2.45	13.86
Current Ratio	0.65	0.76
Long term Debt Equity Ratio	0.93	0.48

C. STRATEGY

HPCL has developed its 5-year strategy roadmap christened 'T20' along with a detailed implementation plan up to the year 2020-21 to traverse through uncertainties and challenges of future business environment. Monitoring & evaluation of the progress of various initiatives envisioned in the strategy action plan were continued during the year.

As envisaged in the plan, HPCL is continuously enhancing its ability to navigate future challenges by strengthening existing businesses of refining and marketing and incorporation of new business lines including petrochemicals & natural gas. The R&D capabilities of the Corporation are continuously being scaled up towards development of new technologies and products. Focus is on building a diversified and flexible business portfolio aligned with the needs of changing market along with expansion of business footprints in overseas geographies. 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 for transformation and enhancing IT capabilities.

Corporation is focussed on expanding its refineries and marketing infrastructure towards strengthening the existing business. The greenfield and brownfield refinery expansion projects have achieved significant physical and financial progress during the year. Various marketing infrastructure expansion projects were commissioned during the year. In Natural gas sector, HPCL and its JVs are enhancing the foothold with availability of authorisation for setting up of CGD network in 20 geographical areas in nine states with planned participation in the entire value chain of Natural gas. With identification of Petrochemicals as a key lever for future growth, focussed actions has been initiated for foraying in the Petrochemical sector. Large-scale investments are underway for building the Petrochemical manufacturing capacities. A robust marketing strategy has been formulated and efforts are underway to build organisational capabilities for Petrochemical marketing. Towards enhancement of R&D capabilities, the existing R&D infrastructure is being augmented and new labs are under development.

HPCL is exploring new business opportunities with participation in Electric Vehicle (EV) ecosystem with installation of EV charging stations in retail outlets. New avenues of value creation in the EV ecosystem including battery swapping and energy storage solutions are being explored in collaboration with various technology start-ups & OEMs. HPCL has commenced incubation of 23 Start-ups under 'HPCL Start-up India' initiative towards emerging opportunities. The Corporation continued to leverage subsidiary company "HPCL Middle East FZCO" set up in Dubai free trade zone in expanding the overseas footprints.

Digital is fast evolving to become a key driver for business transformation and delivering value to customers. Focussed approach is undertaken by HPCL in usage of emerging technologies with formulation of strategy for implementation of various digital technological innovations in businesses. The digital transformation in the organisation is being galvanised through a dedicated team to ensure focus, momentum and sustenance of value realisation. Through a multi-pronged approach, a detailed process had been developed in 2019-20 through which various strategic digital initiatives across business units & functions across the organisation have been identified for implementation.

D. REFINERIES

Crude Oil Imports

HPCL imported 13.30 MMT crude oil in 2019-20 as compared to imports of 14.01 MMT during 2018-19 and procured 4.31 MMT crude oil from indigenous sources. Out of the total crude import of 13.30 MMT, 10.05 MMT high sulphur crude oil was imported through term contracts from Middle East countries, while 3.25 MMT low sulphur crude oil was imported from spot markets. Free on Board (FOB) cost of imported crude oil amounted to US$ 6,018.43 million (₹ 42,809 Crore) in 2019-20 as compared to US$ 7,267.50 million (₹ 51,096 Crore) in 2018-19. The average cost of crude oil imported in 2019-20 stood at US$ 61.34 per barrel as compared to US$ 70.20 per barrel in 2018-19. The average exchange rate was ₹ 71.13/US$ in 2019-20 as compared to ₹ 70.31/US$ in the previous year.

Refining Performance

During 2019-20, both HPCL refineries at Mumbai and Visakh recorded robust and sound physical performance with combined capacity utilisation of about 108.7%. Effective management of intermediate streams evacuation as well as meticulous handling of two grades of MS and HSD during the interim period of rollout of BS-VI grade of fuels at both the refineries was a key factor in achieving the performance.

During 2019-20, HPCL refineries have recorded refining throughput of 17.18 MMT as compared to 18.44 MMT during previous year. The lower throughput was due to planned shutdowns at both Mumbai and Visakh refineries for upgrading to BS-VI fuel norms. Both Mumbai and Visakh Refineries were upgraded to produce BS-VI compliant transportation fuels. Refineries completed the rollout of BS-VI Grade MS and HSD before the timeframe stipulated by Government of India. Mumbai Refinery achieved highest ever LOBS (Lube Oil Base Stock) production of 478.1 TMT surpassing past best of 472.8 TMT in 2018-19. Visakh Refinery processed WTI Crude from US for the first time, thereby improving the flexibility in handling different grades of crude in the refinery. The refinery has also started the production of VLSFO (Very Low Sulphur Fuel Oil with Sulphur content less than 0.5%) to meet the regulatory requirement of MARPOL.

Refineries continue to accord highest priority to workplace safety, operational excellence and energy conservation in every sphere of activity. Continual thrust and monitoring of performance of these parameters is carried at periodic intervals at various levels. Mumbai Refinery recorded the best ever safety performance by achieving 27.52 safe million man-hours of safe operation as of 31st March, 2020. Both HPCL refineries are participating in performance benchmarking study conducted by M/s. Solomon Associates, USA for the fourth successive bi-annual period towards achieving reliability & operational excellence. As per benchmarking study of CY 2018, whose results were presented in 2019-20, both Mumbai & Visakh refineries have shown sustained improvement in Energy Intensity Index (EII) from CY 2012 to CY 2018. The results substantiate the diligent and consistent implementation of the recommendations of energy conservations measures by HPCL. The energy conservation measures undertaken by HPCL refineries during the year 2019-20 have resulted in a savings of about 25,586 SRFT/year (Standard Refinery Fuel Tonnage per year).

Maximising asset utilisation and reliability improvement are the key focus areas for HPCL refineries. Completion of turnaround jobs for 14 tanks in Visakh Refinery and continuous monitoring of health of the equipments with latest technologies are some of the initiatives towards improved asset utilization and reliability improvements. Trials of Dewaxing Aid & Diesel Lubricity additive chemicals and Antifoulant chemical, developed by the HP Green R&D Centre, were carried out during the year in Mumbai & Visakh refineries respectively.

Visakh Refinery Modernization project (VRMP) to enhance the capacity of Visakh Refinery from

8.33 MMTPA to 15 MMTPA along with Residue upgradation facilities and Mumbai Refinery Expansion Project (MREP) to enhance the capacity of Mumbai Refinery from 7.5 MMTPA to 9.5 MMTPA are in progress. As a part of on-going major project of VRMP (Visakh Refinery Modernization Project), the revamping of existing MS block and Diesel Hydrotreating Unit has been completed and commissioned.

To further enhance product sufficiency, HPCL is setting up a new 9 MMTPA Greenfield Refinery cum Petrochemical Complex at Pachpadra in Barmer District of Rajasthan through a joint venture company, HPCL Rajasthan Refinery Limited (HRRL). HRRL project has achieved significant progress during the year. Engineering & procurement activities are progressing well with placement of various purchase orders in 2019-20. Grading of site and construction of boundary wall, major internal roads, power utility facilities, water reservoir etc. have been completed. Construction of some of the major process units, utility plants, approach road and fabrication of major long lead items etc. are under progress.

E. MARKETING

During 2019-20, HPCL has delivered an excellent marketing performance and exceeded various milestones achieved during previous years. HPCL achieved highest ever sales volume of 39.6 MMT during 2019-20 compared to previous year sales volume of 38.7 MMT.

In domestic sales, HPCL recorded sales of 37.74 MMT with market share of about 21% amongst the public sector Oil Marketing Companies (OMCs) as on 31st March, 2020. The sales have been achieved against the backdrop of intense competition and subdued demand growth for petroleum products. March sales were impacted by the lockdown implemented in the country to contain the spread of COVID-19 pandemic.

The performance of HPCL under various marketing business lines is detailed as below:

Retail

In retail sales, HPCL continued the performance momentum of previous years. Total sales volume of 24.4 MMT has been achieved in 2019-20. MS (Petrol) sales crossed the 7 MMT mark for the first time registering a growth of 4.7%.

A number of initiatives were undertaken during the year to enhance customer value and reach. During 2019-20, HPCL commissioned 1,194 retail outlets taking the number of total retail outlets to 16,476 as of 31st March, 2020. HP brand is now present across all north-eastern states with commissioning of 41 new retail outlets in the area. CNG facilities were provided at 166 Retail outlets taking the total number of retail outlets with CNG facilities to 471 ensuring availability of alternate fuels and offering more choices to customers. Door-to-Door delivery facilities for Diesel were increased to 18 cities/towns to meet the requirement of select customers in getting fuel delivered at their premises. Auto LPG continues to be available at select retail outlets ensuring wider fuel choices to customers.

Strong thrust was laid on automation of retail outlet network to enhance the operational efficiencies and productivity. During 2019-20, HPCL achieved 100% automation of all operating/active retail outlets attaining new industry benchmark of 94.8% of 'No Automation No Operation' (NANO) at the automated outlets. Creation of real-time dashboards with online data from the automated outlets has helped in enhancing the operational efficiencies.

Digital modes of payment are extensively promoted at retail outlets to enhance the convenience to customers, faster transactions & reduced waiting time. Integrated Payment System (IPS) with integration of Point of Sale (POS) machine with dispensing units (DUs) was installed at 6,100 retail outlets towards easy and smart payment options to the customers. To increase the adoption of digital modes of payment by customers with more choices, HPCL launched 'HP Pay' mobile app. The app is 'industry first' and a unified one for purchase of various products of HPCL viz., Motor Fuels, domestic LPG and Lubricant Oil giving wider choices and options of payments to the customers. Multiple payment options, incentives on usage of digital transactions, continued campaigns through various platforms etc. resulted in achieving over

32% payment through digital modes in Total Motor Fuels (TMF) sales as of 31st March, 2020.

Focussed approach was undertaken in maximising the sales of branded fuels towards enhanced customer loyalty and offerings. The sales of branded Petrol '**poWer**' and branded Diesel '**TurboJet**' recorded significant growth of 19.4% and 49% respectively in 2019-20 recording highest growth among PSUs in the category. The availability of super premium branded Petrol, '**poWer 99**' for high-end cars & two-wheelers was scaled up by making it available at 28 outlets across 12 cities which helped in achieving sales growth of about 54% over previous year.

During the year, HPCL launched fuel additives in Petrol & Diesel under the brand '**Power Plus**' and '**Turbojet plus**' respectively to increase the variety of offering to customers. Tapping the opportunity and for capitalising the growing demand of Diesel Exhaust Fluid (DEF) for usage in BS-VI vehicles, HPCL commenced the marketing of Diesel Exhaust Fluid through retail outlets in the brand name of 'HP-DEF' leveraging the brand equity.

The flagship loyalty programme of HPCL '**DriveTrack Plus**' continued to be the mainstay for customer retention and growth in commercial vehicles segment offering a combination of control, convenience, security and attractive rewards to fleet owners and drivers. Onboarding of major OEMs of commercial vehicles, aggregators, NBFCs, large fleet transporters, small fleet owners etc. in 'Drive Track Plus' platform has helped in garnering additional volumes during the year.

HPCL continued to focus on non-fuel business (Allied Retail Business) with a wide range of facilities for the customers across the network including ATMs, take away food counters, 'C' stores, vehicle accessories etc., through tie-ups with leading banks, food brands & Original Equipment Manufacturers (OEMs).

To fulfil the needs of customers, new toilet blocks, christened 'Sugam' having separate facilities for male, female & differently abled were constructed at 325 NH/SH retail outlets during the year, taking the total count to 6,575.

Continuing the Corporation's commitment to move towards a low carbon economy, solar power panels were installed at 1,050 outlets during the year, taking the total number of retail outlets with solar power to 3,502 outlets. HPCL also installed Stage I vapour recovery systems at all outlets and Stage II vapour recovery systems at 525 outlets in NCR towards reduction of polluting emissions to atmosphere making the outlets more eco-friendly.

In order to enhance the overseas footprint, HPCL has tied up with State Trade Corporation of Bhutan Limited (STCBL) for setting up of retail outlets and supply of motor fuels in Bhutan. The first retail outlet in Bhutan was commissioned during March 2020.

LPG

'HP Gas', the LPG brand of HPCL is one of the most preferred brands among domestic and non-domestic LPG customers and serves over 8 Crore consumers. During 2019-20, HPCL achieved highest ever LPG sales of 7 MMT, registering a growth of 7.3% over previous year. During lockdowns across the country to combat the COVID-19 pandemic, HPCL ensured refill deliveries at the doorsteps of consumers with additional precautionary measures.

'HP Gas' has enrolled over 37.53 lakh new customers, including 19.56 lakh PMUY connections during the year. In 2019-20, 245 new LPG distributorships were commissioned taking the total number of distributors to 6,110.

Government of India launched Pradhan Mantri Ujjwala Yojana (PMUY) in 2016-17 with an objective of providing 5 Crore LPG connections to women from BPL households over a period of three years by Oil Marketing Companies. This target was further revised to 8 Crore LPG connections by the year 2020. As of 31st March, 2020, HPCL has enrolled 2.15 Crore beneficiaries under the scheme. HPCL along with other OMCs successfully accomplished the target of providing 8 Crore LPG connections to women from BPL families under PMUY well ahead of the target date.

For enhancing the market reach in non-domestic segment, HPCL commissioned 51 Non-Domestic Distributorships during the year taking the total count to 161. Services of Energy Solution Providers and Suppliers (ESPS) and System Service Providers (SSP) have been established during the year for providing end-to-end solutions to Industrial and commercial customers. HPCL has launched smaller capacity (2kg) cylinder in Free Trade LPG (FTL) category under 'APPU' brand of HPGAS to meet the demand of small vendors and young professionals. The enhancement of the bouquet of products & offerings to meet the niche needs of consumers is expected to reap benefits in coming years.

To increase adoption of digital modes of payments for refill booking and better customer convenience, HPCL introduced various digital modes of payments such as HP Pay app, WhatsApp Business account, BBPS and HP GAS VITRAN app. HPCL is the first OMC to provide digital payment facility for its LPG consumers through Bharat Bill Payment System (BBPS).

An array of initiatives were undertaken during the year to enhance the use of technology, innovation & digitalisation towards improving the productivity in bottling operations. Automated vision readers have been deployed at all LPG plants which eliminates manual intervention by facilitating auto reading of the tare weight and due date for pressure testing of cylinders. Manual intervention in sealing of LPG cylinders has been replaced with automated PLC based sealing systems at all LPG plants towards further improving the speed & quality of sealing. Artificial Intelligence (AI) based solution for pre-inspection and counting of cylinders in filling operation is under implementation on pilot basis. In addition, real-time monitoring of bottling operations with usage of IoT has been implemented on pilot basis at Anantapur LPG plant. Increased embedment of Digitalisation in our business is enhancing productivity, efficiency and safety of our operation.

HPCL continued its focus on augmenting the bottling capacity in tandem with growing LPG demand. During the year, HPCL commissioned 50th LPG bottling plant at Sugauli in Bihar with bottling capacity of 120 TMPTA. LPG bottling capacity augmentation projects were completed & commissioned in Jatni (Odisha), Kondapally (Andhra Pradesh), Hoshiarpur (Punjab), Anantapur (Andhra Pradesh), Raipur (Chhattisgarh) and Manglia (Madhya Pradesh) with total capacity addition of 360 TMTPA during the year. Mounded storage vessel and allied facilities were commissioned at Yediyur LPG bottling plant (Karnataka) enhancing storage capacity to 2,100 MT. To ensure uninterrupted supply of LPG cylinders for distribution in the Ladakh region during the winter period, an LPG cylinder storage facility has been commissioned in Leh to store about 34,000 filled LPG cylinders. Projects of setting up of new LPG bottling plants at Gonda (Uttar Pradesh), Raygada (Odisha), Goalpara (Assam), Barhi (Jharkhand), & Patalganga (Maharashtra) are under progress for enhancing the bottling capacities by 510 TMTPA.

To promote sustainable development, HPCL has commissioned solar power plants at four locations with total capacity of 786 KWp in 2019-20.

Lubricants

Indian finished lubricants market is the third largest lubricant market in the world. The total demand in India for finished lubricants, including process oils, is estimated at 2,500 TMT in 2019 with process oils contributing one third of the demand.

HPCL has recorded overall sales volume of 650 TMT during 2019-20 making the Corporation the number one lube marketer in India for seventh consecutive year. Highest ever sales of value added lubes of 518 TMT has been achieved during the year representing a growth of 6% over historical. During the year, HPCL exported Lubricants to 10 countries. Export volume of 16.7 TMT has been achieved making HPCL the largest exporter of lubricants from India amongst PSUs.

HPCL remains the largest producer of base oils in the country with capability of producing Group I and Group II & III base oils. HPCL is effectively leveraging the production capacities of base oil in terms of flexibility in manufacturing of wide range of products at lube blending plants.

HPCL continues to improve operational efficiencies at lube blending plants with infrastructure augmentation, automation and with various other innovative solutions.

During 2019-20, HPCL continued to put strong focus on OEM sector and consolidated business with major OEMs along with renewal of partnerships. A cornerstone for OEM business development was the close interactions between R&D teams of HPCL enabling MNC OEMs acknowledging HPCL's strengths and capabilities. The association has created more opportunities to carry on the momentum to future.

HPCL has a strong network of channel partners to meet both product and service requirements of our customers in domestic as well as international market. To create better brand awareness & brand recall of HP Lubricants in Bazaar market, several retailer loyalty schemes were designed and implemented during the year. Market activation campaign 'PRAGATI' was launched in 2019-20 for promotion of products under HP lubricants brand amongst retailers and other market influencers. In addition, various market / customer connect programs and social media campaigns were undertaken at major sales / retail hubs across the country for creating top of mind recall of our products among various stakeholders.

To meet the requirement of specific lubricants and other products for BS-VI compliant engines, HPCL launched a wide range of lubricants and speciality fluids during the year. HPCL became the first OMC to commercially produce and sell Diesel Exhaust Fluid (DEF) - a speciality product mandatorily to be used in BS-VI compliant Diesel engines.

During the year, Lube R&D continued to play innovative and proactive role with developments of new products for government and private sector customers. Close interaction with Army, Air Force and other agencies enabled a number of approvals for new products. Leveraging the strength of R&D capabilities, new products were developed and launched for BS-VI engines, electric and hybrid vehicles in 2019-20.

During the year, HPCL in collaboration with CSIR-NPL (National Physical Laboratory – also known as National Measurement Institute of India) has developed and released 28 Certified Reference Materials (CRMs) named as petroleum BNDs (Bhartiya Nirdeshak Dravya or Indian Reference Materials). These BNDs ensures traceability to SI systems in the testing and certification of all vital parameters of petroleum products. These BNDs ensure highest quality standard in petroleum products and in foreign exchange savings. These BNDs were also launched on COMAR (**CO**de d'Indexation des **MA**tériaux de **R**éférence), an international agency based in Germany which assists users in finding the Certified Reference Materials they need and thereby giving global reach for the BNDs (CRMs) developed by HPCL.

Direct Sales (Industrial & Consumer Sales)

HPCL's Industrial & Consumer (I&C) business-line handles the institutional sales of fuels, bitumen, naphtha and other bulk products consumed by industries, mining, construction, power plants, shipping, etc. in both private and government sectors and also carries out exports of these products to various overseas markets.

During 2019-20, HPCL's Industrial & Consumer (I&C) business line recorded overall sales of about 5 MMT. The strategy of maximising volumes in three focus products helped HPCL to cross 1 MMT sales volume in Fuel Oil (FO), Diesel and Bitumen individually for the fifth consecutive year. Highest ever sales in LDO and Mineral Turpentine Oil (MTO) have been achieved during the year.

Large and strategic key accounts play a pivotal role in growth of I&C business. HPCL supplies bulk Diesel to various public and private entities, including Indian Railways, State Transport Undertakings (STUs), defence units and industrial consumers. The focus on major road construction companies with long-term partnerships have contributed in enhanced sales in 2019-20. HPCL also caters to the fuel requirements of Army and paramilitary forces such as BSF, ITBP, SSB, CRPF and Border Roads Organization (BRO) for supply of fuels and Bitumen, even reaching products to their most-remote locations. HPCL is committed to strengthen its relations with the key accounts through various customer-centric initiatives. One of the initiatives in this direction is operationalisation of various modules of the Customer Relationship Management (CRM) tool, which has helped in facilitating quicker and more efficient responses to customer leads and offering better customer experience.

Special focus has been maintained in retention of existing business & solicitation of new customers in MSME sector to sustain growth in all product-lines. HPCL continued to generate interest for its niche speciality products developed by R&D such as HP-FurnOKare (for descaling and maintenance of furnaces), HP CORRMIT (corrosion inhibitor), HP DLA (Diesel Lubricity Additive) etc.

Infrastructure remains to be a key strength of HPCL in delivering products at attractive prices to the consumers. HPCL could move various grades of bitumen to its bulk storage facilities at Haldia and Chennai at optimal cost leveraging its coastal infrastructure. HPCL also made strong inroads in the bitumen market of North India by leveraging HMEL bitumen facility at Bathinda.

HPCL launched a new product, Very Low Sulphur Fuel Oil (VLSFO), to leverage the opportunities emerging from implementation of IMO 2020 norms for bunker fuels for ships. HPCL has also introduced branded MTO, 'HP Shine', in 210 litres barrel packaging to cater to the paints and allied industry.

Aviation

HPCL supplies Aviation Turbine Fuel (ATF) to airline customers through a vast network of Aviation Service Facilities (ASFs) covering all the major airports in India. 'HP Aviation' fuelling service meets the stringent International regulations for handling ATF. During 2019-20, HPCL achieved ATF Sales volume of 732 TMT.

HPCL continues to be the major supplier of ATF to SpiceJet across India. The Corporation has entered into business agreement with other major airlines such as Air India, British Airways, Lufthansa and Vistara at various new airports. In addition, a number of international airlines including Delta Airlines, Air Tanzania and Royal Flights were added to the existing customer portfolio during the year.

Aviation fuel network was strengthened with commissioning of new ASFs at Nagpur, Ranchi and Vidya Nagar airports during the year. The Aviation supply chain for Kolkata ASF was augmented by adding Rake Unloading facility at Budge Budge Terminal.

Natural Gas

To move towards a gas-based economy, Government of India is stepping up efforts to raise the share of natural gas from 6% to 15% by 2030 in the overall energy basket. HPCL has also undertaken several initiatives to expand presence in Natural gas sector by increasing footprints in midstream and downstream gas market in India.

HPCL is operating City Gas Distribution (CGD) networks through Joint Venture (JV) 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. HPCL is also operating a CNG network in Ahmedabad on standalone basis.

To further expand the CGD business, HPCL is setting up CGD networks in GAs of Ambala-Kurukshetra (Haryana) and Kolhapur (Maharashtra) districts through joint venture company HPOIL Gas Pvt. Limited (HOGPL). HPCL is also setting up CGD networks on standalone basis in GAs of Sonipat (except areas already authorised) & Jind districts in Haryana where CNG sales were commenced in 2019-20. Setting up of CGD network is in progress in 9 GAs in the states of Uttar Pradesh, Uttarakhand and West Bengal for which the authorisation has been granted to HPCL in the 10th bidding round by PNGRB.

CNG facilities were provided at additional 166 retail outlets making the total number of retail outlets with CNG facilities to 471.

To facilitate sourcing and marketing of natural gas, HPCL is building a 5 MMTPA LNG regasification terminal at Chhara port (Gir Somnath District) in Gujarat through joint venture company, HPCL Shapoorji Energy Pvt. Ltd. (HSEPL).

Construction activities have commenced at site subsequent to grant of Environmental Clearance.

HPCL is also participating in development of three cross-country natural gas pipelines (Mehsana to Bathinda, Bathinda to Srinagar and Mallavaram to Bhilwara) through joint venture companies viz. GSPL India Gasnet Limited (GIGL) and GSPL India Transco Limited (GITL).

The details of the various joint venture companies for Natural Gas infrastructure and marketing has been provided in the section on "Joint Venture Companies & Subsidiaries".

Bio Fuels

HPCL continues to give emphasis on environment protection, sustainability measures and steps for reduction in Green House Gas (GHG) emissions with promotion of bio fuels in transportation. HPCL has continued the participation in Ethanol blending program of Government of India towards this direction. During 2019-20, HPCL has procured 46 Crore litre of Ethanol which resulted into an overall Ethanol Blending Percentage of 4.9%. In addition, HPCL recorded the blending of highest ever quantity (5 Crore Litre) of Biodiesel during 2019-20. Storage capacity for keeping 15 days of Ethanol inventory has been provided at all storage locations of HPCL as an important step towards uninterrupted blending of fuels and better flexibility to suppliers in terms of logistics.

To have footprint in alternate fuels in transportation sector, HPCL is actively participating in Government of India's SATAT (Sustainable Alternative Towards Affordable Transportation) initiative for promotion of Bio Gas. HPCL had invited Expression of Interest (EoI) from potential investors & entrepreneurs for setting up Compressed Bio Gas (CBG) plants to supply CBG to various retail outlets of OMCs for marketing. During 2019-20, HPCL released Letter of Intents (LOIs) for setting up 40 CBG plants with total estimated production capacity of 55 TMTPA taking total LOIs to 51 numbers with capacity of 76 TMTPA.

Operations & Distribution

Robust supply chain management handled by Operations & Distribution department remains the backbone for effective countrywide petroleum product marketing by the Corporation. The focus is on seamless product movement from the supply source to the end consumer in stipulated time with assured Quality and Quantity (Q&Q) at optimum cost. Robust control and monitoring systems at supply locations has resulted in enhanced safety at operating locations, optimisation of inventory and effective management of working capital. Operation & Distribution remains to be a key enabler to the Marketing SBUs / function, providing unstinted support and innovative solutions to stay ahead of competition and plays a key role in positioning of products across India at optimal cost.

HPCL has constantly leveraged technology towards accomplishing operational excellence & enhanced productivity. Implementation of Central Optimised Logistics Assistant (COLA) has ensured in supply chain optimisation by planning the Tank Truck scheduling from a central place for movement of product across India. During 2019-20, some strategic locations have been declared as 'SMART' with automation and seamless integration of various processes resulting in enhanced operational efficiency, cost efficiency, safety and stakeholder convenience. To ensure quality & quantity of fuel delivered at delivery points, 100% of the POL tank trucks are fitted with Vehicle Tracking System (VTS). To further enhance the controls, Vehicle Tracking Systems (VTS) were integrated with new Electro Mechanical Locking systems of Tank Trucks. Mobile App 'HP Buddy' provides a common interface with dealers and transporters thus improving stakeholders engagement, convenience and productivity in operations.

Multipronged actions have been undertaken by the Corporation to enhance safety in all facets of operations i.e. operations within terminals/ depots, transportation and unloading at other terminals/depots/retail outlets. The various measures include Interlocking of various equipment and alarm systems in the Terminal/ depot premises, SOP based hands-on training to all operating staff, training on safe driving to Tank Truck drivers, monitoring of Tank Truck movement through Vehicle Tracking System etc.

HPCL continues to lay strong thrust on environmental preservation. A key focus area during 2019-20 was achieving supply of BS-VI fuels by 31st March, 2020 to meet the government directive of leapfrogging from BS-IV to BS-VI emission norms across India. The entire process of migrating to BS-VI norms was implemented by HPCL across India through meticulous planning and timely executions. The migration was successfully completed at all POL locations within the timelines.

Grid-interactive captive solar power plants of capacity 6.56 MWp have been installed at POL supply locations to reduce carbon footprint and energy consumption.

Improvement of the existing processes and capability building & skill development of operating personnel continue to be key focus area for O&D vertical in HPCL. In this regard, Live Fire Simulation trainings for officers and workmen, technical training through Virtual Reality Modules, training in HSE etc., were conducted in 2019-20.

Pipelines & Projects

HPCL is currently operating petroleum product pipeline network of 3,775 Km with mainline capacity of 32.55 MMTPA & branch line capacity of 15.57 MMTPA. During 2019-20, Pipeline throughput of 21.2 MMT was recorded.

Pipeline network expansion remains a major focus area for HPCL and a number of projects were completed and commissioned in 2019-20. One of the key achievement for HPCL in 2019-20 is commissioning of the new Palanpur-Vadodara Pipeline & marketing Terminal at Vadodara along with capacity expansion of the existing Mundra-Delhi Pipeline which was completed 6 months ahead of schedule and at 90% of the approved cost. The extension of Mundra-Delhi pipeline to Vadodara shall help HPCL in enhancing the presence in South Gujarat, Madhya Pradesh and part of Maharashtra with abilities for effective placement of petroleum products in these areas. The 168.45 Km long Uran-Chakan LPG pipeline has also been commissioned in 2019-20 to substantially reduce the LPG tanker movement on Mumbai Pune route. In addition, Ramanmandi Bahadurgarh Pipeline (RBPL) Capacity Expansion project and VVSPL Capacity Expansion Project were commissioned during the year. The increased pipeline networks & capacities shall lead to enhanced logistic efficiencies besides the associated environmental benefits.

To further expand the pipeline network and capacities, a number of large-scale expansion projects are underway with an estimated investment of about ₹ 5,600 Crore. HPCL's major ongoing pipeline infrastructure projects include (i) Extension of VVSPL from Vijayawada to Dharmapuri and construction of marketing terminal at Dharmapuri, (ii) Hassan Cherlapally LPG Pipeline and (iii) Barmer Palanpur Pipeline. These projects are expected to increase HPCL's pipeline capacity to over 41 MMTPA & network length to about 5,300 Km thus significantly strengthening HPCL's position in key markets. HPCL has also teamed up with IOCL and BPCL in development of India's longest LPG pipeline from Kandla to Gorakhpur (2,757 Km) through joint venture route.

To leverage Technology for enhanced productivity and Safety in pipeline operations, OFC (Optical Fiber Cable) based Pipeline Intrusion Detection System (PIDS) was implemented in 1,645 Km of Pipeline Network during the year, taking the total length of pipeline covered by PIDS to 3,206 Km. The effectiveness of PIDS was further enhanced in Mumbai Pune Solapur pipeline with deployment of AI/ML (Artificial Intelligence / Machine Learning) enabled systems on pilot basis. To analyse the integrity status of pipelines, Pipeline Integrity Management System (PIMS) was implemented in 600 Km of HPCL pipeline network and further implementation is in progress.

During 2019-20, supply infrastructure was further strengthened with completion of Meerut depot revamping project and Tank Wagon unloading facility project at Kolkata Terminal. Additional Tankage capacities were completed in many locations to ensure enhanced storage capacities & product availability to meet the market demand.

With focus on Sustainability and environmental preservation, solar power capacity of 1.5 MWp at

Palanpur Terminal and 0.87 MWp at Vijayawada Terminal respectively was installed.

F. INTEGRATED MARGIN MANAGEMENT

To maximise Net Corporate Realization (NCR), various initiatives like maximisation of crude throughput and production of value added products in refineries, effective utilisation of HPCL supply and logistics infrastructure, leveraging margin improvement opportunities in crude oil and product sourcing, optimisation of inventory were undertaken.

The structured initiative of Initiative Management Office (IMO) called 'Idea Junction' to manage and execute various ideas generated across the Corporation has continued during the year. The activity gained more traction during the current year with the support of the IT-enabled portal for capturing and management of ideas generated across the organisation effectively.

Activities towards stabilising refinery margins through formalised hedging strategies and providing hedging solutions for crude, products and intermediates were continued during the year.

G. CENTRAL PROCUREMENT

Central Procurement Organisation (CPO) at HPCL has enhanced standardisation, efficiency & transparency ensuring policy compliances in handling procurement for various SBUs on a centralised basis. It has also helped in effective vendor management.

CPO has actively driven various initiatives undertaken by Government of India to strengthen the ecosystem for MSEs in country. Procurement for commonly used goods and services through GeM (Government e-Marketplace) was encouraged. The concerted efforts to on-board MSE vendors under TReDS (Trade Receivable Discounting System) resulted in vendor invoices of ₹ 206.20 Crore being discounted through the platform.

H. RESEARCH AND DEVELOPMENT

Hindustan Petroleum Green Research & Development Centre (HPGRDC) has been set up with an objective to provide advanced technological support to Marketing and Refineries SBUs for operational excellence, develop & adopt innovative & path breaking technologies and become a knowledge hub. The research centre is provided with state-of-the-art infrastructure facilities comprising energy efficient green buildings with built-up area of 3 lakh square feet in a sprawling campus of 120 acres. Phase – II of the HPGRDC is under construction and some facilities like pilot plant Petrochemical laboratory, environmental yard, mechanical workshop etc. have been completed.

During 2019-20, key technologies such as [HP]2FCC Technology, HP-TSA Technology were developed and successfully demonstrated by HPGRDC. HPGRDC successfully developed and launched some key products such as HP-SAN (hand sanitiser), HP-Thermopro (antifoulant for heat exchangers), HP-DWA (Dewaxing aid for lube refinery). Technologies such as HP-DAK, HP-SHC, and KHT are under development.

During the year 2019-20, HPGRDC filed sixteen (16) patents taking the cumulative Indian and International Patent Cooperation Treaty (PCT) applications to one hundred and thirty-nine (139). Thirty (30) patents were granted to HPGRDC during the year taking the cumulative patents granted to forty-six (46) as of 31st March, 2020. Out of the thirty (30) patents granted this year, ten (10) were international patents.

I. QUALITY ASSURANCE

In line with the directive of Ministry of Petroleum & Natural Gas (MoP&NG), HPCL has a dedicated Quality Assurance (QA) cell with officers posted in all the zones and its functioning is independent of refining & marketing functions. QA cell carries out surprise inspections covering retail outlets, Kerosene (PDS) distributorships, LPG distributorships, supply locations in compliance with the revised Marketing Discipline Guidelines (MDG) & HQO directives.

During 2019-20, Quality Assurance (QA) cell carried out inspections at 3,431 retail outlets, 47 Kerosene (PDS) distributorships, 531 LPG distributorships and 41 LPG bottling plants. Establishment of robust QA systems has enabled HPCL set high customer service benchmarks for supply locations & channel partners and helped provide high quality products and services to customers.

J. 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, benchmarking of existing practices and regular surveillance audits to further enhance the HSE performance.

Health

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. For preventive health measures, all employees undergo regular Periodical Medical Examinations (PME) and the results are analysed to provide targeted interventions from qualified doctors. Designated physicians are provided at major locations and smaller locations have tie up with local hospitals for ensuring best accessibility of health services. HPCL organises several health education programmes, awareness sessions and diagnostic camps for employees, their families and other stakeholders.

Safety

HPCL emphasises to provide safety to its employees and all stakeholders. To achieve the goal of 'Zero accident' and 'Zero damage to environment', stringent HSE management systems have been put in place across all locations to strengthen HSE governance and compliance through surveillance audits and benchmarking. Risk management systems are in place to identify potential risks and protective measures to minimise incidents. HPCL strives for continuous learning from industry incidents and upgrades systems by leveraging information technology. To ensure safe working across all locations & construction sites, governance practices of the safety systems & procedures of the critical processes are regularly monitored.

Environment

To achieve environmental stewardship, HPCL is adopting best-in-class operating systems, practices and procedures oriented to environmental preservation. Major installations are certified with best Environmental Management Systems. HPCL also installed state-of-the-art Effluent Treatment Plants for treating and recycling effluent water and adopted latest technologies to control air emissions. Gaseous emissions to the environment and ambient air quality is being continuously monitored. Hazardous waste disposal systems have been installed at various HPCL locations in line with the best practices in industry and are being monitored periodically.

Sustainable Development

HPCL is striving to be a model of environmental excellence by adopting operating systems, practices and procedures oriented to environmental preservation in all facets of operations and activities. During the year, both refineries and marketing locations continued to implement a number of sustainability initiatives such as adoption of latest technologies to eliminate energy losses, enhancement of renewable energy capacity, efficient usage of water in operations, installation of rainwater harvesting systems, treatment and recycling of effluents & sewage, monitoring and mitigating GHG emissions etc. HPCL has undertaken green belt development projects covering more than 25 acres of land at various locations spread across the country. During 2019-20, Confederation of Indian Industries (CII) conducted a comprehensive rating assessment based on various sustainability parameters at four marketing locations of HPCL and all four locations were certified with the 'GreenCo' ratings, taking the total number of GreenCo certified HPCL locations to seven as of 31st March, 2020. Capability building initiatives such as Suraksha Parishad, online safety and sustainability quizzes, newsletters and technical bulletins were enhanced to increase awareness on sustainability. Further, HPCL conducted stakeholder engagement and capability building workshops to sensitise stakeholders towards adopting the 'Green' path.

K. RENEWABLE ENERGY

HPCL is leveraging renewable energy sources to reduce the carbon footprints and electricity cost across the value chain and is continuously expanding the wind and solar power generation capacities. During 2019-20, HPCL has installed captive solar power capacity of 10 MWp across various locations, taking the total solar power capacity to about 32.6 MWp as of 31st March, 2020.

HPCL has also set up wind power capacity of 100.90 MW which generated about 18.6 Crore kWh of electricity during 2019-20.

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. 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.

HPCL continues to focus on deriving benefits from digital technologies to its stakeholders. During the year, HPCL extended the digital reach to Indian Army with development and implementation of a 'Fuel Management System' for effective accounting and tracking of fuel consumption by Army. HPCL continued in leveraging mobility as a means to deliver application capabilities to users on the move with implementation of mobile applications. HPCL launched 'HP Gas Vitran' App for the LPG delivery staff for effectively planning and managing LPG refill request from consumers including instant cylinder booking, planning and tracking of cylinder deliveries, instant confirmation of cylinder delivery to customers etc. The mobile app 'HP Lube Oil Sahayak' helps the customers in identification of recommended lube grade for their vehicle based on brand and model of the vehicle. To further enhance the customer experiences, The HP gas booking has now been extended through 'WhatsApp'.

HPCL is continuously leveraging advancements in the area of digital technologies towards process improvements & productivity enhancements. Applications leveraging artificial intelligence & machine learning using Robotic Process Automation (RPA) and Chatbots were scaled up during the year. The Customer Relationship Management (CRM) tool has been scaled up across the organisation to effectively manage relationship and interaction with existing & potential customers.

ERP Modernisation

To strive towards digital agility, HPCL has been set to roll out ERP modernisation initiative. The ERP modernisation initiative includes re-engineering of business processes mapped to new modernised ERP platform.

Information Security and Compliance

Information security continues to be a key focus area of HPCL. During the year, HPCL re-certified the data centres with latest ISO 27001 security standards. Apart from regular security solutions, HPCL implemented advanced security solutions to accurately identify Advanced Persistent Threat (APT) attacks to protect core information assets. Privileged Identity Management (PIM) solutions was implemented during the year for monitoring and protection of super user accounts in the IT environment of the Corporation. Stringent security controls were put in place during year to protect the privacy of personal data of stakeholders.

N. VIGILANCE

Vigilance mechanism in HPCL is based on the guidelines from Central Vigilance Commission (CVC) on vigilance management in public sector enterprises and instructions issued from time to time by the Department of Personnel and Training (DoPT) as well as the 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 2017 of CVC.

Under preventive vigilance, various activities are conducted by HPCL including surprise and regular inspections, study of systems & procedures and regular interaction with employees, stakeholders & public at large. In addition, Vigilance department also undertakes initiatives for creating public awareness by conducting interaction sessions in schools & colleges, promoting ethical values & sharing case studies with employees through in-house Vigilance publication 'Jagaran' and observing vigilance awareness week every year.

O. HUMAN RESOURCES

HPCL recognises the value of Human Resources in delivering accelerated performance and contributing to the growth of the organisation. Human Resources activities are aimed at creating a conducive environment for employees to thrive and help them deliver excellence in their respective areas. Guided by the vision and overall strategy of HPCL, the focus is to build an agile and future-ready workforce by establishing strong linkages between employees, processes and organisational values.

Talent Acquisition and Management

To upgrade and strengthen the existing processes of talent sourcing and management, HPCL has successfully implemented various qualitative improvements during 2019-20. Various online applications were developed and rolled out to enhance efficiency and transparency of recruitment process.

HPCL has communicated 'Employee Value Proposition (EVP)' to all the applicants during pre-placement activities for both open and campus drives to promote HPCL's employer brand and attract new talent.

The flagship induction programme, 'Samavesh' was continued during the year for on boarding of new recruits by facilitating their smooth transition to HPCL's culture and values and providing them exposure to various spheres of HPCL's business activities.

Further, in alignment with Government of India initiative for developing skill sets and employability, HPCL has tied up with 2 accredited agencies to engage trainees under 'National Employment Enhancement Mission' Scheme for imparting on the job training and enhancing employability of unemployed youths.

Capability Building

A wide array of multi-modal learning and development programs aligned to the overall strategic objectives of the Corporation were offered to employees during the year. A total of 37,602 man-days of training was imparted to management employees during 2019-20, which translates to around 6.3 man-days of training per officer.

HP Academy

HP Academy, an e-learning platform, continued to grow covering more than 70% employees across India with more than 5,700 employees accessing the platform.

HPCL's collaboration with 'EBSCO digital library', an aggregator of full-text content and online databases has provided wide range of online reading material. During 2019, EBSCO launched e-book for all employees of HPCL. More than 9,300 eBooks on variety of subjects ranging from Business, Management, Finance, Engineering to self-development and Health were provided in the platform.

For effective utilisation of emerging technologies, HPCL has developed 'Virtual Reality Experience Centre' for imparting training using virtual reality training modules. The virtual reality experience centre offers specific modules that have been developed to provide empirical learning to the participants in various topics including night fire drills, safety at retail outlets and operation of various equipment in terminals etc.

Tie-ups with Academic Institutes

HPCL has collaborated with various reputed business schools including IIM Lucknow, IIM Indore and IIM Tiruchirappalli, XLRI Jamshedpur etc. for delivering executive general management programs, Design Thinking, Project Management and Business Analytics etc. to the young officers. To enhance technical competencies, Full time M. Tech. program in Chemical Engineering' at IIT Bombay and customised M. Tech. program in

Process Engineering' at ICT Bhubaneswar were imparted to refinery officers.

HPCL has collaborated with IIT Bombay to conduct a 14-week online course, 'Neev', on financial literacy, digital literacy, workplace communication and soft skills for junior officers and with XLRI, Jamshedpur to conduct an online certificate course on 'Finance for Non-finance' for senior officers.

Collaboration with Indian School of Petroleum & Energy (ISPe), Dehradun was continued to conduct Certified Petroleum Manager Program (CPM) for junior management officers and 116 officers successfully completed the program during 2019-20.

In-house Capability Building Initiatives

During 2019-20, longitudinal capability building initiatives aimed at developing scientific sales competencies and a common sales dialect across various stakeholders were continued for Lubes and Direct Sales SBU.

For LPG SBU, various interventions were carried out for the development of the Sales Officers, Regional Managers and LPG Distributors.

An initiative for enhanced safety and statutory compliances in the pipeline locations was developed and implemented covering employees & stakeholders across the SBU including HQO team, Station Managers of Pipeline locations, HSE officers at locations, officers at pipeline locations and security agencies.

Leadership Development

Project Periscope

The unique leadership development intervention 'Project Periscope' for the senior officials to enable HPCL achieve the strategic objectives as envisioned by the Corporation continued in 2019-20. The intervention involves executive coaching along with an action-learning project based on personal stretched targets and aligned with overall strategic objectives of Corporation.

Advanced Management Program

To develop the perspectives and skills necessary for managing organisations effectively in a rapidly changing business environment, senior management officers 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.

PERFORMANCE MANAGEMENT

Reward & Recognition

'HP Outstanding Achievers Awards' have been instituted to recognise outstanding contributions of officers in the junior management category. During 2019-20, 54 officers were recognised with Outstanding Achievers Award.

'HP Gaurav' awards have been instituted to encourage and sustain excellence in work, commitment, adherence to safety measures and adherence to high standards of conduct in discharge of duties amongst Non-Executive Employees. During 2019-20, 116 employees were felicitated with HP Gaurav award.

Industrial Harmony

HPCL takes pride in having cordial & productive relations with employee unions for more than two decades. The effective grievance management system with enhanced thrust on transparency has resulted in alignment of unions & employees to Corporation's vision and strategic objectives.

Structured union meetings were conducted during the year and various matters pertaining to business operations, expansion, manpower redeployment etc. were discussed to ensure alignment with overall business strategy. A 'Conclave on Management of Outsourced Services-2.0' was organised for all the Strategic Business Units with an objective of educating various stakeholders on the recent amendments in various Labour laws and government policy and formulate an "integrated approach", enabling the line functionaries to evolve appropriate cohesive strategies in line with the current reality.

Employee Engagement Initiatives

During the year, a number of employee connect activities were conducted to reach out to the families of the employees to build a stronger bond with HPCL through 'HP Pariwar' app. To promote wellbeing of employees 'Hum Fit Toh HP Fit' campaign was continued for the employees across various locations of HPCL.

'Yuvantage' initiative aimed to holistically develop young officers through enhancement of their managerial, behavioural & technical competencies has seen the participation of over 2,000 young officers. Several events like business simulation game, 'Corporate RAN-NEETI' were organised under Yuvantage during the year.

'Reboot@35+' was undertaken for officers in the age group of 35 to 50 years focussed on self-development in personal, professional, family and social domains with mindfulness as its core theme.

Employees & their family members continue to contribute and create a positive impact in society through 'HP Sampark' platform. The platform enables the employees and families of HPCL to voluntarily serve the community by donating their time and expertise. 'HP Sampark', in association with various NGOs, organised 'HP Nakshatra' an inclusive inter orphanage sports competition and 'Mini Paralympics' an annual sports event for children with special needs in 2019-20.

Prevention of Sexual Harassment at Workplace (POSH)

To inculcate appropriate workplace behaviour and promote gender sensitisation, a number of POSH workshops were organised across the Corporation during 2019-20. Internal Complaint Committees (ICC) were also reconstituted for marketing zones and refineries in view of the reassignment, superannuation, separation or completion of 3 years as ICC member.

SC/ST Welfare Programmes

During the year, welfare initiatives designed for the 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 etc., supporting economically backward students including disabled students through grant of scholarship, holding health camps, distribution of water and food etc.

All India HP SC/ST Employees Welfare Association (HPSEWA) has undertaken project 'Akaansha' in 2019-20 for students from rural backgrounds of Maharashtra & Chennai. The projects were for inculcating the desire in students for better future against the challenging social background with understanding of country's history, governance systems & functioning.

Promotion of Sports Activities

HPCL plays a significant role in promotion of sports and regularly participates in various tournaments organised under the aegis of Petroleum Sports Promotion Board (PSPB) and All India Public Sector Sports Promotion Board (AIPSSPB).

During 2019-20, HPCL organised Annual Sports Meet, Sports & Games Tournament and Cricket tournament for its employees on All-India basis and introduced additional games like Carrom & Chess exclusive for employees covered under Persons with Disabilities Act 2016. In addition, HPCL also hosted various tournaments for Petroleum Sports Promotion Board (PSPB) and All India Public Sector Sports Promotion Board (AIPSSPB) during the year.

During the year, Hon'ble President of India conferred Shri Arup Basak, an employee of HPCL, with Dhyaanchand Award for his outstanding achievements & contributions to the game of Table Tennis.

P. RIGHT TO INFORMATION (RTI)

HPCL is a Public Authority under the RTI Act 2005 and complies with all the requirements of the Right to Information Act 2005. HPCL receives and handles RTI requests through the RTI online portal at www.rtionline.gov.in which is the unified RTI portal of the Government of India. Regional Managers/Officers across the country, representing different departments have been appointed as Central Public Information Officers (CPIOs) and Senior Management as the 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.

Q. CORPORATE SOCIAL RESPONSIBILITY (CSR)

HPCL's efforts to ensure mandated expenditures on CSR reaffirms the continuing commitment of Corporation towards societal development. HPCL undertook various activities under the focus areas of childcare, education, health care, skill development, sports and environment & community development, positively impacting lives of less privileged. During the year, focus was laid on 'Transformation of Aspirational Districts' program of NITI Aayog, Government of India wherein interventions were initiated in seven identified districts.

During 2019-20, HPCL provided nutritious meals to 20,000 students in rural government schools through Project Akshaya Patra. Under 'Project ADAPT', HPCL supported 300 Children living with Special Needs to pursue their education, skill development and therapies. Under Project Nanhi Kali, 13,000 girl children were provided with holistic support in their academic pursuits. HPCL supported 28,000 school students under project Agastya for development of scientific temper and conceptual learning through mobile science labs. Free computer education was provided to 12,000 students under Project Unnati. Scholarships were offered to more than 16,000 students from socially and economically under-privileged families.

Development of scientific temper and conceptual learning was imparted to around 28,000 school students through mobile science labs under 'Project Agastya'. Keeping in view the growing importance of Information Technology, 12,000 students were taught computer education through Project Unnati. Scholarships were also offered to 16,976 students belonging to social and economic under-privileged families.

To provide healthcare facilities in remote locations, 25 Mobile Medical Vans were run under 'Project Dhanwantri'. Under Project 'Dil without Bill', 600 free of cost surgeries were conducted with special focus on children. Under 'Project Suraksha', prevention and treatment of HIV/AIDS was offered through 7 Khushi clinics. The clinics are situated on highways to specially target the truckers who have been identified as high-risk population.

With an aim to increase employability of young under-privileged population, skills training was imparted to 2,000 candidates. Additionally, employees across the country also undertook development initiatives for local communities residing around HPCL locations.

To take forward Government of India's flagship programme of Swachh Bharat Abhiyan, around 1,000 toilets were constructed/renovated during 2019-20. Apart from providing sanitation infrastructure, mass awareness campaigns were also undertaken under Swachhta Pakhwada and Swachhta Hi Sewa mobilising more than 5 lakh people. Special drives were conducted to promote reduction of single use plastic by holding hands with various government and non-government institutions including our entire business supply chain. In a massive drive, around 3 lakh children participated in 'plastic Free Ranchi' drive.

R. OFFICIAL LANGUAGE IMPLEMENTATION

HPCL promotes the usage of Hindi by motivating the employees through sensitisation, persuasion and incentives. Recognition of linguistic and cultural talent of the employees and creating 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. HPCL is coordinator for 'Town Official Language Implementation Committee' (TOLIC) for Mumbai since 1983 and is guiding Sixty-five (65) Mumbai based offices of PSUs in the area of official language implementation. During 2019-20, HPCL has also taken an initiative to publish Multi-Lingual Petroleum Glossary consisting of 12 Regional Languages including Hindi & English.

During 2019-20, HPCL was awarded with 'Rajbhasha Kirti Pratham Puraskar', for third consecutive year and received 55 Rajbhasha awards from Government of India and other agencies.

S. 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. HPCL has implemented a robust grievance redressal mechanism.

T. INTEGRITY PACT

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 of ₹ 1 Crore and above. The Corporation has complied with 'Integrity Pact' (IP) to enhance ethics and transparency in the process of awarding contracts.

U. RISK MANAGEMENT

While agility and adaptability remain the cornerstones to evolve and align to tomorrow's world, businesses at HPCL are synchronising with Enterprise Risk Management (ERM) processes to facilitate achievement of its business strategies and provide guidance to daily operations. HPCL has deployed an optimised mix of the bottom-up and top-down approach to gather robust risk insights covering Strategic Business Units (SBUs), functions and projects. Risk considerations are embedded into the rhythm of the business, including the strategic business planning process, resulting in risk-informed initiatives and programs.

This process is further strengthened by a digital IT platform that provides an enterprise-wide view of risks and mitigation plan that enables the Corporation to take a holistic approach towards informed decision-making. The Digital platform enables receipt of continuous risk insights through monitoring of key parameters. It allows gathering insights on proactive risk-health triggers and reduces performance variability through prompt action rather than receiving ex post facto risk information.

Risk Management Steering Committee (RMSC) continues to provide direction and guidance to the operating management. The risk registers and risk profiles are regularly reviewed by RMSC to identify emerging risks and monitoring the progress of implementation of various mitigation steps. The RMSC shares regular updates with the Board regarding all aspects of risk management. RMSC besides reviewing the risk reports on a periodical basis also encourage businesses to foresee risks in advance, which when managed well, can contribute to risk enablement and sustainable growth.

V. INTERNAL CONTROL PROCESSES

The Corporation has an independent Internal Audit department. 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.

W. 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 Rights, Labour Standards, Environmental norms and Ethical practices. All these areas receive constant attention of the management to ensure continuous compliance.

X. AWARDS RECEIVED

During 2019-20, HPCL was conferred with a number of awards and recognitions at various international and national forums. The following is the list of major awards received by HPCL during the year:

1. "Best Navratna" award in 'Manufacturing Sector' category by M/s Dun & Bradstreet

2. “Jury’s Award - Company of the year” to HPCL at ‘9th PSE Excellence Awards 2018’ by Indian Chamber of Commerce (ICC)

3. “Company of the Year for Excellence in Human Resource Management” award by Federation of Indian Petroleum Industry (FIPI)

4. “Reader’s Digest Trusted Brand 2019” award in “Petrol Station” category

5. “Asia’s Most Promising Brand 2019” to ‘poWer’ under the category ‘Fuel’ at Ideas Fest 2019

6. “Asia’s Most Trusted Brand 2019” Conferred to HP Gas by International Brand Consulting Corporation

7. “9th PSE Excellence Awards 2018” under the categories ‘Human Resource Management Excellence’ and ‘Contribution of Women in PSEs’ runners up in ‘Corporate Social Responsibility (CSR) & Sustainability’ under Maharatna and Navratna category by Indian Chamber of Commerce (ICC)

8. “FICCI Award” for HP 2 FCC catalyst under ‘Product Innovator of the Year in Petrochemicals’ category

9. “Outstanding Performer on BSEBOND Platform” award under the category ‘PSU Issuer’ conferred by BSE (Bombay Stock Exchange) India

10. “National Corporate Social Responsibility (CSR) Award under the category ‘Contribution to National Priority Areas: Education’ by Government of India and Honourable Mention in the category ‘Contribution to National Priority Areas: Support to Differently Abled’ for Project ADAPT

11. “Green Channel Status” by Department of Defence Production (Directorate General of Quality Assurance - DGQA) for supply of 16 Lubricants constitutes 3/4th of Lubes requirement of Indian Army

12. “Golden Peacock Award 2019” for ‘Excellence in Corporate Governance’ under National category conferred by Institute of Directors (IOD)

13. “Platinum rating” to HPGRDC, Bengaluru by Indian Green building Council (IGBC)

14. “Golden Peacock Award 2019” to Rewari Kanpur Pipeline under the category ‘Innovative Product/ Service’ by IOD

15. “Smart Manufacturing Award” under IoT category at the ‘“Smart Manufacturing Conclave’ by Indian Express Group

16. “Express, Logistics & Supply Chain Leadership Award 2019” under the category ‘Procurement Project-Public sector’

17. “Golden Peacock Award 2019” to Information System of HPCL under ‘Innovation Management’ conferred by IOD

18. “6th IDC Insights Awards 2019” under the category ‘Excellence in Data Intelligence’ by International Data Corporation (IDC)

19. “Digital Transformation Awards 2019” to HPCL’s Smart Terminal under the category ‘Omni-experience Innovator – Ecosystem Engagement’ by IDC

20. “Excellence Award” for third consecutive year under the category of ‘Best Security Practices in Energy Sector’ by NASSCOM

21. “Greentech Safety Award” to six LPG Plants (i) Aurangabad, (ii) Gummidipoondi, (iii) Chakan, (iv) Usar (v) Goa and (vi) Madurai

22. “ASSOCHAM Skill Achievers Gold Award 2019” to Skill development Institute (SDI), Visakhapatnam under the category of ‘Best PSU – Public Sector Training Programme” by ASSOCHAM

23. “SHRM HR Excellence Awards 2019” to SDI, Visakhapatnam under the category of ‘Excellence in Community Impact’

24. “Express Logistics & Supply Chain Leadership Award 2019” under the category of ‘Best Procurement Project; Public Sector to CPO at 13th Express, Logistic and Supply Chain Conclave 2019

25. "Best Analytics Solutions Provider of the Year" to the IS initiative 'Operations Intelligence System' by Inflection Conference & Awards

26. "EXCEED Gold Award" to Mundra Delhi Pipeline (MDPL) under the category Corporate Social Responsibility in Petroleum Storage & Transportation Sector

27. "Grow Care India Safety Award 2019" to Mangalore LPG Import Facility (MLIF) under Petroleum Storage and Transportation Platinum Category

28. "Unnatha Suraksha Puraskara" to Mangalore LPG Import Facility (MLIF), Mysore LPG Plant & Mumbai Pune Solapur Pipeline (MPSPL) on 'Safety Excellence' conferred by National Safety Council

29. "Greentech Safety Award 2019" to Mumbai Pune Solapur Pipeline (MPSPL), Mundra Delhi Pipeline (MDPL) and Mazgaon & Silvassa Lube Plants

30. "Greentech Environment Award 2019" to Loni LPG Plant

31. "PRSI National Awards 2019" for (i) Best CSR Project for Childcare, (ii) Best Public Awareness Program' and (iii) Special/ Prestige Publication (Expressions) (iv) Corporate Website (v) Sustainable Development report and (vi) Best Employee Communication Program by Public Relations Society of India (PRSI)

32. "SCOPE Corporate Communication Excellence Awards 2019" for (i) Best Annual Report (ii) 'Innovative Stakeholder Interface' to HP Radar (iii) Best House Journal in 'Hindi Category' to HP Samachar (iv) Best House Journal in 'English Category' to HP News (v) Best Corporate Communication Campaign & Program in Internal Communication

33. "Apex India Fire, Safety and Security 2019 Awards" conferred to 9 HPCL Locations

34. "IGBC Green Championship Award" for Green Building Designs, promoting Green Complex and development of Green belt at locations across the country

35. "SKOCH Award 2019" under Gold Category to Ramanmandi Rewari Kanpur Pipeline (RRKPL)

36. "Fame Safety Excellence Award 2019 – Platinum award" to Mangalore LPG Import Facility (MLIF) by Foundation of Accelerated Mass Empowerment

37. "Safety Award for the Year 2019" to Palghat LPG Plant and Calicut ASF under the category 'Medium Factories Category, Subcategory-1 (101-250 Workmen) and Category V (Less than 20 Workmen)' by Department of Factories and Boilers, Government of Kerala

38. "Appreciation Award" to Gummidipoondi LPG Plant & Madurai LPG Plant by National Safety Council, Tamil Nadu Chapter

39. "Digital PSU Award" under the category 'Investment in Start-ups and Environment & Sustainability' at 7th PSU Award by Governance Now

40. "Global CSR Awards 2020" to SDI Visakhapatnam by Energy and Environment Foundation

41. "5 Star rating" conferred to HPGRDC Bengaluru by Green Rating for Integrated Habitat Assessment (GRIHA) Foundation

42. "Best Enterprise Award" under the Maharatna category by Forum of Women in Public Sector (WIPS)

43. "Swachh Bharat Awards" to Swachh Iconic Place Project site, Golden Temple Amritsar by Ministry of Drinking Water and Sanitation

44. "CSR Congress Award" by Zee Business World

45. "5 Start Rating" to SDI Visakhapatnam by National Skill Development Corporation under Ministry of Skill Development & Entrepreneurship

46. Featured in "Limca Book Records 2020" for 'Hum Fit toh India Fit Challenge, Harmonica Challenge and Velocipede Challenge'

Y. JOINT VENTURE COMPANIES AND SUBSIDIARIES

HPCL also conducts business through subsidiaries and joint venture companies in various areas including oil refining and petrochemicals, value added bituminous products, marketing of POL products, POL pipelines, natural gas pipelines, LPG pipeline, City Gas Distribution (CGD), LPG cavern, LNG terminal, Aviation fuel farm facilities and biofuels. The brief about performance of joint venture and subsidiary companies during the year 2019-20 is 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 is a leading integrated refining and petrochemical company in India with operations that span crude oil refining, petrochemical production & marketing. It owns and operates a 11.3 MMTPA Guru Gobind Singh Refinery ('GGSR'), including various ancillary facilities near Bathinda, in Punjab.

During 2019-20, HMEL recorded crude thruput of 12.24 MMT and achieved consolidated total revenue of ₹ 58,752.30 Crore.

After commissioning of the upcoming petrochemical complex in Bathinda, which is currently in advanced stage of construction, the capacity of polymer production at HMEL is expected to increase to about 2 MMTPA.

For excellence in operations, both in refining & pipeline transportation, HMEL has received 'FIPI Oil & Gas Industry Awards 2019' under the category of "Refinery of the Year Award (Capacity > 9 MMTPA)" and "Pipeline Transportation Company of the Year-2019."

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 cavern having 60 TMT capacity and associated receiving and despatch facilities at Visakhapatnam.

During 2019-20, SALPG cavern recorded highest ever receipt of 1.707 MMT registering a growth of 16.92%. SALPG has achieved total revenue of ₹ 206.07 Crore and recorded highest ever Profit After Tax (PAT) of ₹ 123.60 Crore.

SALPG has been continuously paying dividend for the last 10 years. For the year 2019-20, SALPG board has recommended highest-ever total dividend of 130%.

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.

Prize Petroleum Company Ltd. (PPCL)

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

PPCL has a wholly-owned subsidiary namely Prize Petroleum International Pte Ltd. (PPIPL), incorporated in Singapore. PPIPL has participation interest of 11.25% and 9.75% in two E&P blocks [T/L1 and T/18P (retention leases T/RL2, T/RL3, T/RL4 & T/RL5) respectively] in Australia. During 2019-20, PPIPL has achieved its share of production of 287,559 BoE (Barrels of Oil Equivalent) from Yolla producing field (T/L1).

During 2019-20, PPCL has recorded total revenue of ₹ 73.66 Crore on consolidated basis.

Hindustan Colas Pvt. Ltd. (HINCOL)

HINCOL is a joint venture of HPCL and Colas S.A., France with equity shareholding of 50% each. HINCOL is engaged in manufacturing and marketing of Bitumen emulsions and modified Bitumen. HINCOL also undertakes various pavement maintenance activities including micro surfacing, slurry sealing & fog sealing and continues to be the market leader in the value added Bitumen segment in India. HINCOL owns and operates 9 strategically located manufacturing plants complying with the requirements of International Standard ISO 9001:2015, 14001:2015 and 45001:2018.

During 2019-20, HINCOL registered sales growth of 9.7% with highest ever sales volume of 251 TMT. HINCOL recorded highest ever total revenue of

₹ 874.65 Crore and highest ever Profit After Tax (PAT) of ₹ 138.16 Crore.

HINCOL is constructing its 10th Emulsion Plant near Guwahati in the State of Assam. HINCOL has been paying dividend for the last 20 years and has declared highest ever total dividend of 750% for 2019-20.

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 26% by Government of Rajasthan. HRRL is setting up a 9 MMTPA greenfield refinery cum petrochemical complex in the state of Rajasthan.

The project of setting up of refinery is in progress. EPC orders have been placed for 5 major process units out of total 13 process units and for most of the long lead items. Construction work for major process units for which orders are placed, main control room, main ware house, utility plants, approach road from national Highway etc. are in progress.

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% equity, and balance equity is held by public. MRPL is a schedule 'A' Miniratna, Central Public Sector Enterprise (CPSE) and operates 15 MMTPA refinery at Mangaluru in Karnataka.

During 2019-20, MRPL achieved refining thruput of 14.14 MMT and recorded consolidated total revenue of ₹ 60,062.02 crore.

MRPL commenced production and supply of BS-VI grade transportation fuels in 2019-20 well before the timeframe stipulated by GoI.

Ratnagiri Refinery and Petrochemical 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 refinery along with integrated petrochemical complex at west coast of Maharashtra. Saudi Aramco and ADNOC have also signed an MoU to partner with RRPCL to jointly execute the project alongwith IOCL,BPCL and HPCL.

The pre-project activities including configuration study is in progress.

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 in manufacturing of ethanol for blending in Petrol. HBL has two integrated Sugar -Ethanol-Cogeneration plants at Sugauli and Lauriya in the state of Bihar.

During 2019-20, HBL has recorded total revenue of ₹ 303.06 Crore and cane crushing of 614 TMT. HBL achieved sugar production of 54,835 MT, ethanol production of 7,063 KL and power generation of 53,036 MWh during 2019-20.

Petronet MHB Ltd. (PMHBL)

Petronet MHB Ltd. (PMHBL) is a joint venture of HPCL and ONGC with equal equity holding of 49.996% each. PMHBL owns and operates a multiproduct petroleum pipeline to transport MRPL refinery's petroleum products to various parts of Karnataka.

During 2019-20, PMHBL has achieved thruput of 2.925 MMT and reported total revenue of ₹ 162.48 Crore and Profit After Tax (PAT) of ₹ 88.27 Crore.

In order to tap into renewable resources and to promote usage of clean and green energy, PMHBL has installed solar power plants at its Mangalore, Hassan and Devangonthi Stations including SV Stations with total capacity of 3.63 MWp.

Bhagyanagar Gas Ltd. (BGL)

Bhagyanagar Gas Ltd. (BGL) is a joint venture of HPCL and GAIL with equal equity holding of 48.73% each.

BGL has a CGD network comprising 1,602 Km MDPE pipeline and 149 Km steel pipeline and is serving 1,36,953 domestic customers.

BGL also operates 95 CNG stations in the cities of Hyderabad, Vijayawada and Kakinada in the states of Andhra Pradesh and Telangana.

During 2019-20, BGL has achieved sales volume of 30,667 MT of CNG and 278.87 lakh Standard Cubic Meter (SCM) of PNG, registering a growth of 4% and 64% respectively over the previous year. BGL has recorded highest ever total revenue of ₹ 225.43 Crore and Profit After Tax (PAT) of ₹ 19.10 Crore during the year.

Aavantika Gas Ltd. (AGL)

Aavantika Gas Ltd. (AGL) is a joint venture of HPCL and GAIL with equal equity holding of 49.99% each.

AGL has a CGD network comprising 2,213 Km MDPE pipeline and 102 Km steel pipeline and is serving 73,964 domestic customers. AGL also operates 54 CNG stations in the cities of Indore, Ujjain, Pithampur and Gwalior in the state of Madhya Pradesh.

During 2019-20, AGL has achieved sales volume of 29,414 MT of CNG and 275.05 lakh SCM of PNG, registering a growth of 12% and 53% respectively over the previous year. AGL has also reported highest ever total revenue of ₹ 263.09 Crore and highest ever Profit After tax (PAT) of ₹ 42.05 Crore during 2019-20.

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 equity is held by GSPL (52%), IOCL (26%) and BPCL (11%).

GIGL has been authorised to lay two cross country gas pipelines viz. 1,834 Km long Mehsana to Bathinda Pipeline (MBPL) and 740 Km long Bathinda to Srinagar Pipeline (BSPL). The initial sections of the Projects covering approx. 440 Kms viz. Barmer-Pali Pipeline, Palanpur-Pali Pipeline and Jalandhar-Amritsar Pipeline are in operation from 2018-19 onwards. During 2019-20 , the Company has transported about 629.59 MMSCM of gas and has recorded total revenue of ₹ 116.23 Crore.

Project implementation activities of various sections of MBPL Project planned under Phase II covering about 930 Kms and traversing through the states of Rajasthan, Haryana and Punjab is under progress.

GSPL India Transco Ltd. (GITL)

GSPL India Transco Ltd. (GITL) is a joint venture of GSPL, IOCL, BPCL and HPCL. HPCL has 11% equity participation in the Company and balance equity is being held by GSPL (52%), IOCL (26%), and BPCL (11%).

GITL has been authorised to lay 1,881 long Km pipeline from Mallavaram to Bhilwara. The initial section of Project from Reliance Gas Transmission India Limited interconnection point at Kunchanapalli to Ramagundam Fertilizers & Chemicals Limited's Plant at Ramagundam has been commissioned in 2019-20. During the year, the Company has transported about 2.17 MMSCM of gas and has recorded total revenue of ₹ 15.23 Crore.

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 stakes 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. GGPL has a CGD network comprising a 498 Km of MDPE pipeline and 59.31 Inch Km of steel pipeline and is serving 52,521 domestic customers. GGPL also operates 23 CNG stations in East Godavari and West Godavari districts.

During 2019-20, GGPL has achieved sales volume of 706 MT of CNG and 34.78 lakh SCM of PNG, registering a growth of 18% in CNG sales and 227% in PNG sales. GGPL has recorded total revenue of ₹ 14.10 Crore.

HPOIL Gas Pvt. Ltd. (HOGPL)

HPOIL Gas Pvt. Ltd. (HOGPL) is a joint venture between HPCL and OIL India Ltd. (OIL) with equity shareholding of 50% each.

HOGPL has been formed to develop and operate CGD networks in geographical areas of Ambala – Kurukshetra districts in the state of Haryana and Kolhapur district in the state of Maharashtra. As on 31st March, 2020, HOGPL has a CGD network comprising of a 594 inch-Km of MDPE pipeline. HOGPL also operates 5 CNG stations in Ambala-Kurukshetra and Kolhapur Geographical Areas.

HOGPL commenced CNG sales in 2019-20 and has recorded sale of 383 MT with total revenue of ₹ 3.04 Crore.

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 Gir Somnath district of Gujarat. Major facilities at LNG terminal include marine facilities for berthing and unloading of LNG carrier, storage tanks, regasification facilities and associated utilities.

The project execution has started at site subsequent to receipt of environmental clearance in March 2019.

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), IOCL, BPCL and HPCL with equity holding of 25% each.

The Company is engaged in operation and maintenance of the existing aviation fuel farm facilities and provides Into-plane services at Chhatrapati Shivaji International Airport (CSIA), Mumbai. The Company will construct, maintain and operate the new integrated fuel farm facility on an open access basis. The construction of integrated fuel farm is in full swing at Chhatrapati Shivaji International Airport (CSIA), Mumbai.

MAFFFL achieved thruput of 14.83 lakh KL during 2019-20. MAFFFL has registered total revenue of ₹ 119.84 Crore and Profit After Tax (PAT) of ₹ 40.05 Crore during 2019-20.

HPCL Middle East FZCO (HMEF)

HPCL Middle East FZCO, a wholly-owned subsidiary of HPCL has been formed for marketing of lubricants and other petroleum products across various markets of Middle East, Africa and in the region of Commonwealth of Independent States (CIS).

The Company is registered under the DAFZA (Dubai Airport Free Zone Authority) and has trade license for trading in lubricants and greases, petrochemicals and refined oil products.

HPCL Middle East FZCO has registered sales of 153 MT of value added lubricants with total revenue of 0.76 million AED (₹ 1.46 Crore) during the year.

IHB Pvt. Ltd. (IHBPL)

IHB Pvt. Ltd. (IHBPL) is a joint venture company promoted by IOCL, BPCL and HPCL with equity participation in the ratio of 50:25:25.

IHB Private Limited has been incorporated on 9th July, 2019 to construct, operate and manage about 2,800 Km long Kandla-Gorakhpur LPG Pipeline, longest LPG pipeline in the world, for meeting the LPG demand of the bottling plants enroute the pipeline in Gujarat, Madhya Pradesh and Uttar Pradesh.

Financial closure of the project has been achieved and project implementation is underway.

Z. OUTLOOK

Globally, the COVID-19 pandemic is inflicting high economic and human costs and the thrust of the Nations is on protecting lives and allowing time for the health care systems to cope up by resorting to lockdowns, isolation, restricting movements etc. to slowdown the spread of the virus. Global economic activity is likely to contract in 2020 followed by growth in 2021 as economic activities pick up.

The estimated contraction in global output in 2020 weigh on the growth outlook of India also. Apart from the continuing resilience of agriculture and allied activities, most other sectors of the economy are expected to be adversely impacted by the pandemic, depending upon its intensity, spread and duration. The slump in international crude prices could, however, provide some relief in the form of terms of trade gains. Policy interventions by GoI to mitigate the adverse impact on domestic demand, fiscal stimulus for kick-starting economic activity and monetary easing to infuse liquidity are expected to be the drivers of growth. GDP growth in 2020-21 is estimated to remain in the negative territory with some pick up in growth impulses in the second half of 2020-21 onwards.

On the oil demand, the impact of containment measures in various countries and territories has impacted the mobility during the beginning of the financial year affecting demand. It is estimated that the global oil consumption will decline in 2020 compared to 2019 levels. However, the consumption is expected to exhibit an upward trend from third quarter of 2020 onwards and continue increasing through 2021. In view of the high inventory levels and surplus crude production capacities, the average crude oil price in 2020 is estimated to be lower than the average 2019-20 levels.

India is the third largest consumer of oil in the world and about one third of the total primary energy demand is met by oil. Being essential products, activities related to refining , marketing and distribution of petroleum products have been mostly exempt from the lockdown measures implemented to contain the pandemic. With gradual relaxations in lockdown, the demand pick up on petroleum products has been sharp and likely to sustain with some demand contraction in near future. We remain focussed on delivering consistent, competitive, profitable and responsible growth through sustainable business models and leveraging new opportunities in product portfolio and geographies.

AA. 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, demand / supply and price conditions in the domestic and international market, changes in regulations and other incidental factors.

Business Responsibility Report (BRR)

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. HPCL believes that business responsibility is 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 responsible business practices is as important as delivering financial and operational growth. This becomes even more pertinent to us being a Central Public Sector Enterprise and a listed entity wherein public funds are involved. HPCL is committed to make exhaustive and continuous disclosures as Business Responsibility Report.

Securities and Exchange Board of India (SEBI) notified Listing Obligations and Disclosure Requirements Regulations, 2015 in Gazette of India Extraordinary Part III – Section 4 dated September 02, 2015 and amended on December 26, 2019. Vide this notification, it is mandatory to release the BRR for the top 1000 listed entities based on market capitalisation at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) as on March 31, of every financial year. HPCL stands 73rd and 71st in ranking of market capitalisation as on March 31, 2020 at BSE and NSE respectively and is delighted to present its 4th Business Responsibility Report as a part of Annual Report 2019-20.

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

1. **Corporate Identity Number (CIN) of the Company:**
   L23201MH1952GOI008858

2. **Name of the Company:**
   Hindustan Petroleum Corporation Limited

3. **Registered Address:**
   Petroleum House, 17, Jamshedji Tata Road, Mumbai - 400020

4. **Website:** www.hindustanpetroleum.com

5. **E-mail id:** corphqo@hpcl.in

6. **Financial Year Reported:** 2019-20

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
   As per National Industrial Classification 2008, Ministry of Statistics & Programme Implementation, the Company is engaged in activities described below:

Group	Class	Sub-class	Description
061	0610	06102	On shore extraction of crude petroleum
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)
351	3510	35105	Electric power generation using solar energy
		35106	Electric power generation using other non-conventional sources
352	3520	35202	Distribution and sale of gaseous fuels through mains
466	4661	46610	Wholesale of solid, liquid and gaseous fuels and related products
473	4730	47300	Retail sale of automotive fuel in specialised stores [includes the activity of petrol filling stations]

Group	Class	Sub-class	Description
477	4773	47736	Retail sale of household fuel oil, bottled gas, coal and fuel wood
493	4930	49300	Transport via pipeline (Crude, LPG and Petroleum products)
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):**

   a. High Speed Diesel (HSD)

   b. Motor Spirit (MS)

   c. Liquefied Petroleum Gas (LPG)

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

   a. Number of International Locations (Provide details of major 5)

   Number of International Locations = Three; HPCL does not carry out direct operations at its international locations. Its subsidiaries have international operations.

   b. Number of National Locations as on March 31, 2020:

Sr. No.	Description	Units	Number
1	Refineries	Nos.	2
2	LPG Import Locations	Nos.	2
3	Terminals, TOPs and Depots	Nos.	84
4	LPG Bottling Plants	Nos.	50
5	Lube Blending Plants	Nos.	6
6	Aviation Service Facilities	Nos.	44
7	Pipelines (Main Lines - POL)	Nos.	6
8	Pipelines (Branch Lines - POL)	Nos.	4
9	Pipelines (Main Line - LPG)	Nos.	2
10	Specialty Product Pipeline (Lube Oil/ATF)	Nos.	2
11	Exclusive Lube Depots (COLD/COD)	Nos.	27
12	Retail Outlets	Nos.	16,476
13	LPG Distributorships	Nos.	6,110
14	SKO/LDO Dealerships	Nos.	1,638
15	Auto LPG Dispensing Stations (ALDS)	Nos.	186
16	CNG Outlets	Nos.	471
17	Clearing and Forwarding Agents (CFA)	Nos.	115
18	Lube Distributors	Nos.	260

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

    HPCL serves local, state, national as well as international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	**Paid Up Capital (INR)**	₹ 1,523.82 Crore
2.	**Total Turnover (INR)**	₹ 2,86,250.27 Crore
3.	**Total Profit after Taxes (INR)**	₹ 2,637.26 Crore
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)**	₹ 182.24 Crore i.e. (2.001%) of average net profit of the company for last three financial years

5. **List of activities in which the expenditure in 4 above has been incurred:**

   The CSR activities of the Corporation were carried out in the following major areas:

   - Child Care
   - Education
   - Health Care
   - Skill Development
   - Environment and Community Development

SECTION C: OTHER DETAILS

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

   HPCL has the following subsidiary companies as on March 31, 2020:

a) Prize Petroleum Co. Ltd.

b) HPCL Biofuels Ltd.

c) HPCL Rajasthan Refinery Ltd.

d) HPCL Middle East FZCO.

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 driven by their own policies.

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%)**

   No other entity/ entities that are engaged with the Company's business participate in the BR initiatives. However, HPCL engages periodically with more than 60% of its suppliers, distributors, dealers, transporters etc. for raising awareness on sustainability issues. HPCL's dealers/distributors and transporters participate in various activities of the company such as training to retail outlet staff, Sanrakshan Kshamata Mahotsav (SAKSHAM), Swachh Bharat Abhiyan awareness drives, Vigilance Awareness Week, Van Mahotsav, training to transport crew, health camps for transporters, safety trainings and fitness camps for tank trucks, 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' headed by an Independent Director 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, 2020 is as follows:

DIN Number	Name	Position in the Committee	Designation
07915597	Amar Sinha	Chairman	Independent Director
05323634	Pushp Kumar Joshi	Member	Whole Time Director
07632981	Vinod S Shenoy	Member	Whole Time Director
07340288	Rakesh Misri	Member	Whole Time Director

b) Details of the BR head:

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

* - Ceased to be Executive Director – HSE (Corporate) of the company effective May 01, 2020 on account of superannuation from the service of the company;

Sukumar Nandi (snandi@hpcl.in) took over as Executive Director – HSE (Corporate) effective May 01, 2020.

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

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

<table>
<tr><th>Sr. No.</th><th>Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Do you have policy/policies for</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">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's Charter; Sustainable Development Policy; Internal Quality Control Vision Document</td></tr>
<tr><td>2</td><td>Has the policy been formulated in consultation with relevant stakeholders?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Does the policy conform to any national /international standards? If yes, specify? (50 words)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">The policies have been formulated in accordance with the relevant statutory laws, guidelines issued by Government of India, Regulatory bodies and industry best practices.</td></tr>
<tr><td rowspan="2">4</td><td rowspan="2">Has the policy been approved by the Board?
If yes, has it been signed by the MD/owner/CEO/ appropriate Board Director?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">The policies are approved by Board / Competent Authorities as per Limits of Authority.</td></tr>
<tr><td>5</td><td>Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td rowspan="2">6</td><td rowspan="2">Indicate the link to view the policy online?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">Code of Conduct: https://hindustanpetroleum.com/codeofconduct
Whistle Blower Policy: https://www.hindustanpetroleum.com/documents/pdf/Whistle_Blower_policy.pdf
HSE Policy: https://hindustanpetroleum.com/CSRPolicys
Sustainable Development Policy: https://hindustanpetroleum.com/CSRPolicys
UNGC: https://hindustanpetroleum.com/CSRGCCommitment
CSR Policy: https://hindustanpetroleum.com/documents/pdf/csr/Revised_CSR_Policy_22042019.pdf
Climate Change Policy Statement: https://hindustanpetroleum.com/documents/pdf/HPCL_Climate_Change_policy.pdf
Citizen's Charter: https://hindustanpetroleum.com/citizens-clients-charter</td></tr>
</table>

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Sufficient awareness has been created amongst all stakeholders through Website.								
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within 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 and Sustainability Development Initiatives and measures. Annual Review is conducted by the committee.

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 is publishing the BRR as part of the Annual Report since 2016-17.

HPCL also publishes Sustainability Report annually in line with Global Reporting Initiative (GRI) standards.

HPCL Sustainability Reports can be accessed through the following link: https://hindustanpetroleum.com/CSRPolicys

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

   Yes, the policy formulated by HPCL relating to ethics, bribery and corruption covers only the company i.e. HPCL. The joint venture companies/ subsidiaries 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.**

   HPCL, a customer-centric organisation, has well-defined service standards and strong commitments towards customer delight.

   During the FY 2019-20, HPCL disposed 4,126 public grievances received through various modes, with an average resolution time of 15 days, well within permissible timeline of 30 days as per the directive of Department of Administrative Reforms and Public Grievances [DARPG] / Prime Minister's Office [PMO]. All the grievances were qualitatively redressed and disposed off with proper closure.

   Company has also received 27 complaints from shareholders in FY 2019-20 and all of them were resolved as on March 31, 2020.

   During the FY 2019-20, a total of 233 complaints were attended by vigilance department. These included: 21 complaints carried forward from previous year and 212 complaints received in FY 2019-20. Out of these, 217 complaints were resolved during FY 2019-20. Balance 16 nos. complaints are under investigation as on March 31, 2020.

   During the FY 2019-20, HPCL has received 11 complaints from vendors, which were referred to and resolved by the Independent External Monitors.

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) Bharat Stage VI (BS-VI) MS and HSD

   b) Biofuels (10% Ethanol Blended Petrol and 5% Biodiesel)

   c) Very Low Sulphur Fuel Oil (VLSFO)

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

   a. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

      HPCL has upgraded its value chain for producing and marketing BS-VI fuels. While the BS-IV fuels contained 50 parts per million (ppm) sulphur, the BS-VI grade fuel has only 10 ppm sulphur content which will lead to reduction in emissions.

      Towards reduction of carbon intensity in transportation sector, HPCL is actively pursuing blending of biofuels (ethanol and biodiesel) with fossil fuels. During 2019-20, HPCL has procured 46 Crore litre of Ethanol which resulted into an overall Ethanol Blending Percentage of 4.9%. In addition, HPCL recorded the blending of highest ever quantity (5 Crore Litre) of Biodiesel during 2019-20.

HPCL has launched IMO-2020 compliant Very Low Sulphur Fuel Oil (VLSFO) meeting Residual Marine Grade (RMG) 0.50 Specification and ISO 8217:2017 Standard requirements. This fuel also meets all quality guidelines detailed by the International Organisation for Standardisation in its ISO 23263:2019 Standard. This product will help the shipping companies to respond to the tightening regulation on Sulphur dioxide emissions.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

HPCL's term crude oil strategy takes into account factors like security of supply and geographical diversification of sourcing of crude oil. The crude oil is sourced under term contracts with National Oil Companies and Multinational Oil Companies.

HPCL also has contracts for importing crude oil on optional basis to meet the requirement of additional crude in cases of reduction in term contract volumes due to unforeseen factors like OPEC cut, operational exigencies etc.

In addition to the term crude, to meet the spot crude requirement, HPCL has a basket of crude oil grades from different geographies, which ensures security of sourcing. Further, efforts are made on continuous basis to add new grades to the crude basket.

In order to ensure geographical diversification in sourcing of crude oils for our refineries, nine new grades of crude oil from seven different countries have been added to the crude processing basket during the year. Also, two new grades of crude oil were processed in our refineries. We continued to source crude oil from USA and have finalised import of nine million barrels of crude oil from USA for Visakh refinery.

HPCL has entered into a Contract of Affreightment with an Indian ship owner, ensuring support to Indian shipping tonnage and security for our crude transportation requirements.

The vessels deployed for crude transportation comply with all extant International and Domestic Maritime regulations.

HPCL 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.

Pipeline is a cost effective, energy efficient, safe and environment friendly mode of transportation of petroleum products. HPCL has pipelines for transportation of petroleum products for their availability to consumers and public through its facilities.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

a. 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.

Various vendors' meets were conducted with focus on MSEs, SC/ST MSEs and Women MSEs. Ensured compliance of Public procurement Policy and extended the benefits like exemption of EMD, allowed to supply a portion quoting within +15% on matching L1 rates and up to 25% of requirement etc. Regular order including developmental order/trial order were also released to improve capacity and capability of local vendors including MSEs. HPCL has also been fully abiding by the policy related to boost the local content under Make in India .

HPCL has achieved 30.47% of procurement of goods & services (other than Crude Oil, Petroleum Products, Logistics (Marine, Railway & Pipeline)) from Micro and Small Enterprises (MSEs) in FY 2019-20 against a target of 25%.

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, Company has mechanism to recycle products and waste. Percentage of recycling of products is <5%. Mainly off spec products (slop) generated during crude oil refining as well as during product handling are recycled back. This slop generated is reprocessed for converting to products on a regular basis.

Effluent water streams are also recycled after processing. Effluent water is treated and recycled back as Boiler feed water and for other usages.

Some examples of waste recycling and processing are:

a) Processing and treatment of effluents and sewage through effluent treatment plants, sewage treatment plants and phytoremediation units

b) Minimisation of flared gases by utilising them internally towards fuel gas requirement in refineries by employing Flare Gas Recovery systems.

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

1. Please indicate the Total number of employees.

9,696 permanent employees as on March 31, 2020.

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 engaged in different locations/units of HPCL under various contractors is 42,397 during FY 2019-20; 15 workmen are on casual basis.

3. Please indicate the Number of permanent women employees

919 as on March 31, 2020.

4. Please indicate the Number of permanent employees with disabilities

156 as on March 31, 2020.

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

Yes. The Company has 13 recognised 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 recognised employee association?

94.37% of non-management employees are members of recognised 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	1	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?

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

Contract workmen are provided basic safety trainings, use of personal protective equipment and trade specific safety trainings before engagement in the working locations.

Mandays of training given to various employees in FY 2019-20 are as follows:

- Permanent Employees (Management and Non Management) : 42,077
- Permanent Women Employees : 4,940
- Employees with Disabilities : 18

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

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   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 & marginalised stakeholders?**

   Yes. HPCL has identified disadvantaged, vulnerable and marginalised stakeholders. Various activities/ programs/ initiatives have been undertaken for the welfare of these stakeholders to bring about holistic and sustainable development. The CSR policy of the Corporation has provision that the CSR projects/ activities shall be undertaken for the welfare of SC, ST, people with disabilities and other weaker sections. In addition, initiatives have been undertaken for the welfare of communities in Aspirational districts identified by NITI Aayog.

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

   Initiatives have been undertaken for the empowerment, upliftment and overall development of communities and society at large. These include provision of sanitation, educational and health infrastructure in rural areas, scholarships to meritorious students from socially and economically weaker sections of society, etc. These efforts of the Corporation have contributed to effective societal development.

   For various specialised procurement, factors like social, ethical and environmental performance are considered for selection of supplier e.g. In Transportation tenders - age of truck, reservation for SC/ST, Micro and Small Enterprises (MSE) women entrepreneurs etc.

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?**

   Policies addressing human rights cover only HPCL. The joint ventures / subsidiaries have their independent policies.

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

   During the FY 2019-20, no complaints related to Human rights was received from the employees.

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.**

   The Policy related to principle 6 cover only the company. Joint ventures / subsidiaries are governed by their own 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 aware of its responsibility as responsible Corporate Citizen towards caring for the environment and striving to reduce its carbon footprint. HPCL does this by incorporating the 'green' perspective in its key organisational processes, while pursuing its own growth aspirations towards Customer delight. HPCL has adopted a 'Climate Change Policy' which can be accessed through the following link: https://hindustanpetroleum.com/documents/pdf/HPCL_Climate_Change_policy.pdf

   The strategies/initiatives being adopted by HPCL to address global environmental issues such as climate change, global warming etc. have been enlisted in its annual sustainability reports, which are based on GRI Standards and assured by third party.

   HPCL sustainability reports can be accessed through the following link: https://hindustanpetroleum.com/CSRPolicys

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

Yes, HPCL has a well-defined process for managing its risks on an ongoing basis. HPCL participated in a comprehensive study on 'Climate Change Risks and Preparedness for Oil and Gas Sector in India'. The outcomes of the study have provided direction for incorporating adaptation and mitigation measures to counter probable impacts of climate change on its infrastructure, operations as well as upcoming projects. HPCL's Mumbai and Visakh Refineries are ISO-14001:2015 certified and have identified and assessed potential environmental risks in the form of ISO 14001 IER (Initial Environment Review) or the Aspect/Impact Register.

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 of 2019-20.

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 workplace and enrichment of the quality of life of employees, customers and the community. Established systems and procedures are timely revisited across operations for continual improvement to achieve the higher standards of safety, occupational health and environment protection.

Some of the green initiatives are:

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 PSUs are actively participating into this process. Monitoring and verification Audit completed by BEE and both refineries will be issued respective Energy saving certificates (Escerts) by BEE.

b) Energy savings of 10,617 SRFT and 14,969 SRFT were achieved in Mumbai and Visakh Refineries respectively during FY 2019-20 by implementing energy conservation measures.

The specific energy consumption at refineries is as follows:

Refinery	Specific Energy consumption MMBTU/Barrel/ NRGF(MBN) FY 2019-20	Specific Energy consumption MMBTU/Barrel/ NRGF (MBN) FY 2018-19
Mumbai	84.53	82.82
Visakh	84.15	77.29

Higher MBN at Mumbai and Visakh Refinery is attributed to shutdown taken in these refineries for upgrading to BS-VI grade of MS and HSD fuels.

c) Various energy conservation measures are implemented at refineries as given below:

Mumbai Refinery:

- Ceramic coating in HGU Reformer
- HGU-installation of E-17 exchanger
- Power consumption optimisation in PDU compressor (C302)
- Improvement in furnace efficiency of Solvent Extraction Unit in Lube Refinery
- Power Recovery thru Back Pressure Steam Generator

Visakh Refinery:

- Integration of Merox Amine Regeneration Units (ARU) & MS Block ARU was commissioned
- APH repairs in CDU and VDU Furnaces
- Hot separators in DHT implemented as part of revamping of DHT unit
- Addition of rows in the convection section of NHT heaters
- Amipur system installed in MS Block units

d) Blending of Biofuels with Fossil Fuels - During 2019-20, HPCL has procured 46 Crore litre of Ethanol which resulted into an overall Ethanol Blending Percentage of 4.9 %. In addition, HPCL recorded the blending of highest ever quantity (5 Crore Litre) of Biodiesel during 2019-20.

e) During FY 2019-20, HPCL released Letters of Intent (LOIs) for setting up 40 Compressed Bio-Gas (CBG) Plants with a capacity of 55 TMTPA, taking the cumulative to 51 LOIs with capacity of 76 TMTPA, across the country to increase usage of biofuels in the energy and transportation sectors.

f) Replacing conventional lighting with LED lights across locations towards Energy conservation.

g) Leveraging wind and solar energy sources to reduce the carbon footprint across the value chain and continuously expanding the renewable power generation capacities. During FY 2019-20, HPCL has installed about 10 MWp Capacity of Solar PV power plants across the country at different installations in the value chain. This has brought the cumulative Renewable Energy installed capacity to 100.9 MW Wind power and 32.6 MWp Solar Power as on March 31, 2020. The wind power plants generated about 18.6 Crore kWh in the FY 2019-20 while the solar plants led to substantial savings in terms of electricity purchase cost for various depots, LPG plants, Pipeline Locations and Retail outlets.

h) HPCL installed Stage I vapor recovery systems at all outlets and Stage II vapour recovery systems at 525 outlets in NCR towards reduction of polluting emissions to atmosphere making the outlets more eco-friendly.

i) Installed rain water harvesting systems at various locations.

HPCL's various 'Green' initiatives have been elaborated in Annual Sustainability Reports which can be accessed through the following link: https://hindustanpetroleum.com/CSRPolicys

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 emissions/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.

1) Case: Before NGT Charudatt Koli & Anr Vs. Sealord Containers & Others

The petitioners alleged that Industries in Mahul, Mumbai are polluting and creating health hazard to the nearby residents. NGT Pune on 18.12.2015 directed MPCB to prepare action plan to control pollution and conduct health assessment study; etc. HPCL has complied with the directions of MPCB, issued pursuant to NGT Orders. In Execution Application filed by petitioners, NGT directed amount of ₹ 2.5 Crore to be deposited with CPCB for restoration of environment. On challenge, the Supreme Court vide order dated 08.05.2019 dispensed with this amount and directed CPCB to consider the explanation of HPCL before it arrives at its conclusion. As per NGT directives, HPCL submitted detailed action plan to improve environment beyond compliance. NGT directed CPCB to carry out environment damage assessment study through expert agencies. Accordingly, NEERI submitted its final report to CPCB which in turn to NGT. Further hearing is pending.

2) Details of case regarding Vapour Recovery Systems:

CPCB issued circular dated 12.02.2016 directing OMCs to install Vapour Recovery System (VRS) at all retail outlets with capacity of 300 KL/M or more, in cities with million plus population. Petition filed before NGT for directions to MOP&NG and OMCs to install VRS at all fuel stations, distribution centers, terminals, railway loadings/ unloading facilities and airports in NCR region. NGT disposed the matter by order dated 28.09.2018 directing OMCs to ensure installation of VRS giving timelines. OMCs filed Civil Appeal before Hon'ble Supreme Court of India and the Supreme Court vide its Order dated 14.02.2019 extended the timelines for installation of VRS up to 31.03.2020 for Outlets selling > 300 KL/M and upto 30.09.2020 for Outlets selling < 300 KL/M. While VRS has been installed at Outlets, the pre-commissioning and testing checks on VRS at Installations involving Foreign Parties could not take place due to COVID-19 restrictions. Hence, an application was moved before the Hon'ble Supreme Court for time extension and on 08.04.2020, the Hon'ble Supreme Court allowed HPCL's application and granted further 6 months' time to complete the activities.

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) Federation of Indian Petroleum Industry (FIPI)

   e) Global Compact Network India (GCNI)

   f) 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 participates in consultative committee meetings for setting up policy framework as and when asked by Government or regulatory departments. In-addition, HPCL also contributes by providing its opinion to Ministry of Petroleum & Natural Gas and other bodies such as Oil Industry Safety Directorate (OISD), Petroleum and Natural Gas Regulatory Board (PNGRB), Centre 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 programs/ initiatives/ projects in pursuit of the policy related of Principle 8. Details of various CSR projects undertaken are provided in the section on CSR activities, which is a part of the Annual Report.

2. **Are the programs/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

   The CSR programs/ activities/ initiatives are implemented either directly by HPCL or through external agencies including Governmental and Non-Governmental organisations.

3. **Have you done any impact assessment of your initiative?**

   Yes, major CSR projects undertaken by HPCL undergo third party impact assessment in line with CSR policy.

4. **What is your company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken.**

   HPCL's contribution to community development projects during FY 2019-20 has been ₹ 182.24 Crore. Details of various CSR projects undertaken are provided in the section on CSR activities, which is a part of the Annual Report.

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.**

   The CSR activities are carried out by our locations with the active participation of communities. Prior to implementation, need assessment is carried out which helps to understand the needs of the communities. This helps to effectively design and implement initiatives for the welfare of communities.

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 2,68,268 complaints, out of which 2,64,203 (98.48%) have been resolved and remaining 4,065 (1.52%) cases shall be addressed within 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 laws to display product information on its product labels where feasible.

   HPCL's 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 on alleged Anti-competitive behaviour are pending:

Complaints	No. of cases filed in the last five years	No. of cases pending as on end of FY 2019-20
Unfair Trade Practice	0	0
Irresponsible Advertising	0	0
Anti-Competitive Behaviour	7	6

Details of cases regarding Anti-competitive behaviour are as follows:

1. RIL, Essar & Shell filed a complaint before PNGRB against PSU OMCs and upstream companies alleging collusion, cartelization and predatory pricing for MS and HSD. Matter is sub judice.

2. Reliance Industries Ltd. filed a complaint before the Competition Commission of India alleging cartelization and misuse of dominant position in the ATF tender issued by Air India. Matter is sub judice.

3. CCI initiated an enquiry on its own against OMCs regarding possible cartelization in fixing petrol price. Preliminary objection was taken by OMCs that CCI does not have jurisdiction as PNGRB is the sectoral regulator and has requisite powers. However, CCI ordered investigation by DG. This was challenged before Delhi High Court by a WP and Delhi High Court vide order dated 22.11.2013 ordered stay in the proceedings. Matter is sub judice.

4. North East India Petroleum Dealers Association filed Case no. 95/2013 alleging unfair terms in Dealership Agreements for a) Not allowing to use petroleum products of other OMCs and b) Reserving Dealer land just for selling of Company products, etc. CCI dismissed matter on 11.02.2014 refusing to investigate and Assn. filed Appeal. COMPAT set aside CCI Order and asked DG to investigate. The matter is pending investigation.

5. India Glycols Ltd. & Eastern India Chemicals Ltd. filed Cases 21 & 29 of 2013 against Sugar Manufacturers Association, alleging that they have quoted similar/ identical prices for ethanol in tender of OMCs and also alleged that OMCs are in cartel. CCI decided case in favour of OMCs on 18.09.2018 holding that there is no cartelization by OMCs. Against this, these 2 companies who are interested in procuring ethanol have filed appeals before NCLAT. The matter is pending.

6. Competition Appeal no. 48/2018 – India Glycol v. ISMA & Ors. – This has been filed by India Glycols against orders dated 11.05.2018 passed by CCI in Case no. 94 of 2014, wherein CCI dismissed the

allegation of India Glycol that the Sugar Manufacturers are pressurising OMCs to procure ethanol at artificially high prices. The appeal is pending.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

We engage with our customers both directly and indirectly through various channels of communications and interactions to understand their expectations and perceived opportunities for improvement in delivery, which we resolve through timely interventions. Few of the customer surveys taken up in the reporting year are:

Retail:

HPCL Retail strategic business unit has leveraged the Customer Relationship Management (CRM) information technology and analytics based Customer Feedback Score metric, for monitoring satisfaction levels amongst the motorists fueling at HPCL retail outlets. The feedback score given by the individual customers in the CRM system are reflective of the high consumer satisfaction levels. A similar consumer satisfaction level amongst HPCL customers also emerges from the Government of India Centralised Public Grievance Redress And Monitoring System (CPGRAMS) portal, and the government has also been appreciative of HPCL in this regard.

LPG:

LPG SBU has developed HP GAS domestic customer feedback application, which can be used by customers to provide feedback. Upon receipt of refill delivery, SMS with a link to provide feedback in the application is sent to the customers. The customer is prompted to provide feedback on various services offered by distributors and provide overall satisfaction rating on the performance of distributor. During FY 2019-20, a total of 13,229 customers have rated services of HP Gas distributors at level 4 * or 5 * (5* Excellent category). Apart from this, LPG SBU has received feedback from 13,941 customers through CRM portal. The feedbacks are noted and used for improvement in services. Basis the customer feedback, LPG SBU has enabled multiple options for refill booking apart from IVRS, missed call, online booking and cashless payment through the various app based applications like HPPay, BBPS, UMANG, BHIM, e-wallets (PayTm, GPay), credit/debit card etc. The SBU has also enabled digital payment options at the doorstep of customers through HP Vitaran App available with the LPG delivery staff. The SBU is in the process for development of geo coordinate based delivery route optimisation for gas delivery staff, which will enhance the delivery efficiency.

ABBREVIATIONS:

ALDS	Auto LPG Dispensing Station	KPI	Key Performance Indicator
ASSOCHAM	Associated Chambers of Commerce and Industry of India	LDO	Light Diesel Oil
ATF	Aviation Turbine Fuel	LED	Light Emitting Diode
BEE	Bureau of Energy Efficiency	LOI	Letter of Intent
BIS	Bureau of Indian Standards	LPG	Liquefied Petroleum Gas
BR	Business Responsibility	MBN	MMBTU/Barrel/NRGF
BRR	Business Responsibility Report	MPCB	Maharashtra Pollution Control Board
BS-IV	Bharat Stage IV	MS	Motor Spirit
BSE	Bombay Stock Exchange	MSE	Micro and Small Enterprises
BS-VI	Bharat Stage VI	MW	Mega Watt
CBG	Compressed Bio-Gas	MWp	Mega Watt Peak
CCI	Competition Commission of India	NCR	National Capital Region
CDA	Conduct, Discipline and Appeal	NCT	National Capital Territory
CDM	Clean Development Mechanism	n.e.c	Not Elsewhere Classified
CFA	Clearing and Forwarding Agent	NGO	Non-Governmental Organisation
CHT	Centre for High Technology	NGT	National Green Tribunal
CII	Confederation of Indian Industry	NSE	National Stock Exchange
CNG	Compressed Natural Gas	NVG	National Voluntary Guidelines
COD	Contractor Operated Depot	OISD	Oil Industry Safety Directorate
COLD	Contractor Operated Lube Depot	OMC	Oil Marketing Company
CPCB	Central Pollution Control Board	OPEC	Organisation of the Petroleum Exporting Countries
CPGRAMS	Centralised Public Grievance Redress and Monitoring System	PAT	Perform, Achieve and Trade
CRM	Customer Relationship Management	PMO	Prime Minister's Office
CSR	Corporate Social Responsibility	PNGRB	Petroleum and Natural Gas Regulatory Board
DARPG	Department of Administrative Reforms and Public Grievances	POL	Petroleum, Oil and Lubricants
EMD	Earnest Money Deposit	PSU	Public Sector Undertaking
Escerts	Energy Saving Certificates	PV	Photo Voltaic
FICCI	Federation of Indian Chambers of Commerce & Industry	RMG	Residual Marine Grade
FIPI	Federation of Indian Petroleum Industry	SCOPE	Standing Conference of Public Enterprises
FZCO	Free Zone Company	SEBI	Securities and Exchange Board of India
GCNI	Global Compact Network India	SKO	Superior Kerosene Oil
GRI	Global Reporting Initiative	SPCB	State Pollution Control Board
HMEL	HPCL- Mittal Energy Limited	SRFT	Standard Refinery Fuel Tonnage
HSD	High Speed Diesel	TOP	Tap Off Point
IER	Initial Environment Review	UNGC	United Nations Global Compact
IMO	International Maritime Organisation	VLSFO	Very Low Sulphur Fuel Oil
ISO	International Organisation for Standardisation	VRS	Vapour Recovery System
IVRS	Interactive Voice Response System		

Independent Auditors' Report

TO THE MEMBERS OF HINDUSTAN PETROLEUM CORPORATION LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Indian Accounting Standard ("Ind AS") financial statements of Hindustan Petroleum Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements"), in which are included the Ind-AS financial statements for the year ended on that date audited by the branch auditor of the Visakh Refinery Located at Visakhapatnam.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We invite attention to the following:

a) Note No. 59 regarding provision for impairment made to the extent of ₹ 227.40 Crore towards loans given to consumers under Prime Minister Ujjwala Yojna (PMUY) out of the total outstanding loans of ₹ 1,966.21 Crore, the above impairment has been computed based on the estimates of default as assessed by the management.

b) Note No. 62 regarding the outbreak of COVID-19 pandemic and the assessment made by the management on its business and financials for the year ended March 31, 2020, this assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods.

c) Note No. 3 regarding reduced depreciation due to changes in the estimates of residual value of the catalyst on account of precious metal content and Note No. 61 regarding restating the values of precious metal contents in respect of certain catalysts which have already been charged to Profit & Loss Account. The assessment of recovery of the precious metal out of the catalyst and resultant change in the estimate is as made by the management.

d) Note No. 68 A & 68 H regarding provision towards shortfall in the Provident Fund Trust and Post Retirement Medical Benefit Fund Trust to the extent of ₹ 180.14 Crore & ₹ 69.65 Crore respectively arising out of the default over interest obligations and probable principal amounting to ₹ 243 Crore & ₹ 99.50 Crore respectively in the case of Non-convertible Debentures of certain companies which includes IL&FS & DHFL, basis best available estimate of the management. The estimate is dependent upon the outcome of matters pending with judicial authorities and recognition of Company's claim in these matters.

Our opinion is not modified in respect of above matters.

Key Audit Matters

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

1. Evaluation of uncertain indirect tax positions

The Company has material uncertain indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. The Company has disputes pending at various levels of tax authorities over the past several years. As on March 31,2020, the company has total such disputed demands amounting to ₹ 9,571.95 Crore (Refer Note No. 2.16 and para (vii) (b) Annexure I of this report).

Auditors' Responses

Principal Audit Procedures

- We have evaluated the appropriateness of the design and tested the operating effectiveness of the management's controls over the tax litigation matters.

- Perused details of completed tax assessments and demands for the year ended March 31, 2020 from management.

- We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. The legal precedences and other rulings were considered in evaluating management's position on these uncertain tax positions.

- We have perused the applications made and discharge certificates obtained during the year by the Company under 'Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019'.

- Further we have relied upon the management judgements and estimates for possible outflow and opinion of internal experts of the Company in relations to such disputed tax positions.

2. Evaluation of Direct Tax position and opting under of New Tax Regime

The company has open direct tax positions including matters under dispute for different assessment years and the matters are at different stages with Tax Authorities/Courts. During the year, the company has decided to opt for Vivad Se Vishwas Scheme (VSVS) for which a tax liability of ₹ 764.87 Crore has been assessed by the management. The said amount net of , provision already held and the provision towards disputed tax matters not considered necessary as assessed by the management, has been provided for. The Company has also decided to opt for New Tax regime and thereby excess of deferred tax liability ₹ 2,012.50 Crore has been reversed due to re-measurement in accordance with Ind AS 12. [Refer Note No. 44(e)]

Auditors' Responses

Principal Audit Procedures

- Obtained details of completed tax assessments and demands upto the year ended March 31, 2020 from management.
- We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. The legal precedences and other rulings were considered in evaluating management's position on these direct tax positions.
- Additionally, we considered the effect of the outcomes of the Appellate Orders received during the year in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.
- We have reviewed the management data compiled to offer the disputed liabilities towards VSVS scheme and the basis at which these are considered as eligible for settlement under the scheme.
- We have been explained that requisite declaration and documentation as required under the VSVS scheme shall be completed by the management within the prescribed timelines. We have also advised the management to obtain suitable opinion in the matters where provision has been reversed and keep on records.
- In the case of Company's decision to opt for new tax regime, we have reviewed the computation of re-measurement of net deferred tax liabilities and reviewed the management assessment towards reversal of the provision no longer required. We have been informed that the management will do necessary compliance of intimating the tax department for such option before the due date thereof.
- We have verified the orders from tax and appellate authorities for the previous years and relied on management judgments in evaluating the tax provisions for the Current Financial Year.

3. Recoverability of pre-deposits relating to tax and non tax matters and balances with Customs and Excise

As at March 31, 2020, the Company has non-current assets i.e. pre-deposits pertaining to various tax and non-tax matters namely VAT ,excise duty, custom duty etc. with adjudicating authorities amounting to ₹ 445.29 Crore that are pending for/ relating to cases pending for more than 3 years and there are receivables from Customs and Excise department amounting to ₹ 107.26 Crore pending for more than 3 years , for which there are no balance confirmations from the respective authorities available on records.

Auditors' Responses

Principal Audit Procedures

- We have evaluated the appropriateness of the design for recording and tracking the recoverability of pre-deposits pertaining to the old tax and non-tax cases.
- We have discussed and reviewed the nature of the amounts recoverable vis-à-vis the underlying cases. We further discussed the sustainability of the cases on a sample basis and the likelihood of recoverability or otherwise upon final resolution from the respective authorities.
- We enquired with the management about these cases vis-à-vis the current position and the efforts taken by the management to recover the deposits placed or obtaining the balance confirmations from the respective authorities.
- We have also advised the management to approach and continue to pursue with the Custom Authorities for early settlement of receivable claims pending for earlier years . (Refer Note No. 10.1).
- Further, we have relied on the management estimations and judgements with reference to inherent uncertainties involved while determining the outcome of these cases.

4. Evaluation of disputed claims against the company under various non-tax matters

The company has disputed claims against it which are pending at various courts/ forums and are at various stages in the judicial process. The management has exercised significant judgement in assessing the possible outflow in such matters and accordingly an amount of ₹ 1,100.40 Crore has been disclosed for which the company is contingently liable while possibility of any outflow in matters having claims amounting to ₹ 431.01 Crore has been considered remote. (Refer Note No. 52).

Auditors' Responses

Principal Audit Procedures

- Read and analysed select key correspondences, internal/ external legal opinions/ consultations by management for key disputed non tax matters.
- Reviewed and verified other legal pronouncements wherever available in similar matters in the case of the company/ other corporates.
- Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the provisions.
- Assessed management's estimate of the possible outcome of the disputed cases and relied on the management judgements in such cases.

5. Assessment for impairment of Investment in Wholly Owned Subsidiary and various financial assistance provided to them

The Company has wholly owned subsidiary named Prize Petroleum Corporation Ltd. (PPCL). PPCL has a wholly owned subsidiary namely Prize Petroleum International Pte Ltd. (the Step-Down Subsidiary/ PPIPL), incorporated in Singapore. The Company has an equity investment of ₹ 248.07 Crore in its 100% subsidiary, Prize Petroleum Company Limited. The management has carried out impairment assessment for the investment and a total amount of ₹ 162.98 Crore stands provided for towards the investment. The assessment has been made by the management based on future cash flow assumptions. HPCL has also given Corporate guarantee on behalf of PPIPL for obtaining borrowings from a consortium of banks. Due to uncertainty in the exploration and production of oil and gas with reference to its reserves and gas prices, there is a possibility of the corporate guarantee being invoked and a provision of ₹ 318.00 Crore has been made in the accounts towards such probable obligation based on management assumptions as estimates. (Refer Note no.57 & 58).

Auditors' Responses

Principal Audit Procedures

- We reviewed the process followed by the Company to assess the valuation of investments and the consistency of such process over the years.
- We analysed impairment tests performed by the management and verified that the criteria used to perform these tests are consistent with those established in applicable reporting regulations and relied on management estimates.
- In estimating the impairment of investments, we have reviewed that management has followed the discounting of future cash flows of the revenue streams of PPCL .
- We reviewed the management estimates and assumptions, especially on Production Profile Scenarios and Gas Prices, in respect of impairment of the Corporate Guarantee, in case of Prize Petroleum International Pte Ltd.

- Further, we made enquiries with the technical expert (petroleum engineer) of the subsidiary to substantiate the production profiles of the production blocks running over the future periods.
- We considered the provision made by the company and adequacy of the disclosures in the financial statements in respect of this matter.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditors' report thereon. The Other information as above is expected to be made available to us after the date of this Auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

Other Matters

a) We did not audit the financial statements of one branch viz. Visakh Refinery included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 20,994.15 Crore as at 31st March 2020 and the total revenue of ₹ 41,259.62 Crore for the year ended on that date, as considered in the Branch's financial statements. The financial statements of this branch have been audited by the branch auditor whose report dated 05/06/2020 has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

b) We refer to Note No. 49 in respect of 21 unincorporated Joint Operations involved in exploration activities, of which majority are under relinquishment. The standalone financial statements include Company's proportionate share in Assets and Liabilities as on March 31, 2020, Income and Expenditure for the year ended March 31, 2020 amounting to ₹ 7.65 Crore and ₹ 37.63 Crore, ₹ 8.07 Crore and ₹ 31.09 Crore respectively. In respect of these Joint Operations, the financial information has been incorporated based on data received from the respective operators. Our opinion in respect thereof is solely based on the management certified information.

We have placed reliance on technical/ commercial evaluation by the management in respect of categorization of wells, allocation of cost incurred on them, liability for decommissioning costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme.

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 under section 143(5) of the Act, based on our audit as aforesaid, we give in the **Annexure II**, a report on the directions including additional directions issued by the Comptroller and Auditor General of India ('C&AG'), action taken thereon and its impact on the accounts and standalone financial statements of the company.

3. As required by Section 143(3) of the Act, based on our audit, 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us.

   c) The report on the accounts, dated June 05, 2020 of the Visakh refinery of the company audited under section 143(8) of the Act by the branch auditors has been provided to us and has been properly dealt with by us in preparing this report.

   d) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   e) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements comply with the Indian Accounting Standard specified under section 133 of the Act, read with 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 of the 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 and the operating effectiveness of such controls, refer to our separate Report in "**Annexure III**".

h) With respect to the other matters to be included in the auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended: 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 and hence we are not required to report as to whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i) 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 financial statements - Refer Note No. 52 to the standalone Financial Statements read with Para 1, 2 and 4 of Key Audit Matters here in above.

   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 - Refer Note No.52 to the standalone Financial Statements.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **R. Devendra Kumar & Associates**
Chartered Accountants
Firm Regn. No. 114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392
UDIN: 20074392AAAAAF3488

For **M.P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Sd-
Anagha Thatte
Partner
Membership No. 105525
UDIN: 20105525AAAAEA4545

Place: Mumbai
Date: June 16, 2020

Annexure I to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Hindustan Petroleum Corporation Limited)

i. In respect of the Company's fixed assets:

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 (PPE) of the Company, other than LPG cylinders and pressure regulators with customers, are physically verified by the Management in a phased program of three 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) On the basis of the information to the extent compiled by the Company pending the reconciliation of the available records, title deeds/lease deeds for immovable properties held as Property Plant & Equipment are not available with the Company in the case of 4 properties with Gross block ₹ 0.03 Crore and in the case of 14 properties with Gross block ₹ 2.27 Crore where property tax receipts are held by the Company to substantiate the title to such properties. In other cases, based on verification of records on random basis, the title deeds are held in the name of the Company. For the purpose of reporting under this clause, where ever title deeds of immovable properties were not available, we have relied on other substantive evidences like allotment letters, noting in municipal/revenue records conveying title to the Company over the property.

ii. According to the information and explanations given to us, 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 regard 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. According to the information and explanations given to us , 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 or complete.

vii. (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, 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, 2020 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:

(₹ / Crore)

Statute	Forum pending	Period to which amount relates	Total
Customs	Tribunal*	1998-2009	0.92
Customs Total			**0.92**
Central Excise	Appellate Authority**	2000-2018	7.89
	High Court	1994-2015	18.12
	Supreme Court	2003-2011	211.38
	Tribunal*	1996-2017	1,711.69
Central Excise Total			**1,949.08**
Sales Tax/Entry Tax/Octroi	Appellate Authority**	1976-2017	3,205.40
	High Court	1981-2017	787.53
	Supreme Court	1998-2003	1.64
	Tribunal*	1988-2015	3,535.34
	Assessing Authority***	1996-2016	2.51
Sales Tax/Entry Tax/Octroi Total			**7,532.42**
Service Tax	Appellate Authority**	2010-2015	2.76
	High Court	2004-2006	0.60
	Supreme Court	2004-2012	3.25
	Tribunal*	2002-2015	82.92
Service Tax Total			**89.53**
Grand Total			**9,571.95**

* Tribunal represents Sales Tax Appellate Tribunal, Central Excise and Service Tax Appellate Tribunal (CESTAT).

** Appellate Authority represents Deputy Commissioner (A), Joint Commissioner (A), Additional Commissioner (A), Commissioner (A).

*** Assessing Authority represents Assessing officer, Assistant Commissioner, Deputy Commissioner.

viii. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, government or dues to debenture holders.

ix. The Company has not raised money by way of Initial Public Offer or Further Public Offer (including debt instruments). According to the information and explanations given to us and on the basis of the records examined by us, the Company has prima facie applied the term loan for the purpose for which it was obtained.

x. During the course of our examination of the books and records of the 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 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. According to the information and explanations given to us, 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 **R. Devendra Kumar & Associates**
Chartered Accountants
Firm Regn. No.114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392
UDIN: 20074392AAAAAF3488

For **M.P. Chitale & Co.**
Chartered Accountants
Firm Regn. No.101851W

Sd-
Anagha Thatte
Partner
Membership No. 105525
UDIN: 20105525AAAAEA4545

Place: Mumbai
Date: June 16, 2020

Annexure II to the Independent Auditors' Report

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of Hindustan Petroleum Corporation Limited)

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/ Additional directions issued by the Comptroller and Auditor General of India in terms of the section 143(5) of the Act.

Sr. No.	Directions under section 143(5) of the Act	Auditors' Comments
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanations furnished to us, the company has an Enterprise Resource Planning ERP system in the name of "JD Edwards (JDE) " to process the accounting transactions. There are large number of other applications including workflow applications and portals to address specific requirements. Most of these applications/ modules have real time integration with ERP (JDE) system for smooth accounting/ recording of transactions. As a part of our general review of IT controls, we have carried out the review of major controls in existence in the applications with regard to integrity of data flowing to JDE. Basis our sample verification, nothing significant has come to our attention that causes us to believe that there are material gaps pertaining to IT controls. Further, we have also relied on the exercise conducted by the management with the help of consultant to check the design of internal controls, and its operating effectiveness including the IT systems and control. Further management has conducted the system audit with the help of the consultants which has not reported any significant gaps. Apart from above there are few other accounting process being undertaken through excel spreadsheet like inventory valuation, interest calculation of treasury funding activities, matching of open credits in the case of Trade accounts receivables, matching of suppliers accounts wherein sufficient controls for data integrity have been observed in our review of general IT controls. There is however a need of automation of such processes to ensure complete data integrity.
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	No such instances have been noticed during the financial year 2019-20.

Sr. No.	Directions under section 143(5) of the Act	Auditors' Comments
3.	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per the information and explanations furnished to us, the funds received/receivable by the company for specific schemes from Central/State agencies to the extent these are recorded in the books of accounts and records produced before us, were properly accounted. We are informed that in the case of schemes of Central Government i.e. PMUY, DBTL, other subsidies etc. claims for reimbursements duly certified by Chartered Accountants are filed with Petroleum Planning and Analysis Cell (PPAC) for reimbursement and hence these are not considered as Grants and no utilisation certificates are filed. In the case of certain state specific scheme, utilisation certificates are furnished by the Company separately to the respective agencies. During the course of our test checks of the records available at Head Office of the Company in respect of such claims for reimbursement recorded in the books which are approved by PPAC, nothing has come to our notice that causes us to believe that there has been any violation of terms and conditions in relation to these claims. The separate audit of these claims filed with PPAC is carried out by separate firms of Chartered Accountants.

Additional directions issued by C&AG as applicable to Hindustan Petroleum Corporation Limited for the year 2019-20

Sr. No.	Additional Directions under section 143(5) of the Act	Auditors' Comments
1.	Whether any investments have been made by HPCL's Provident fund and Post-Retirement Medical Benefit (PRMB) trust in IL&FS? if so, the exposure and liabilities of the company in the capacity of Principal Employer and probability of liabilities in future years with regard to exposure for investments made in IL&FS or group companies by HPCL PF trust and HPCL PRMB trust may be elaborated.	HPCL Provident Fund Trust and Post Retirement Benefit Trust have investments in the Non convertible debentures of IL&FS amounting to ₹ 45.00 Crore & ₹ 50.00 Crore respectively. Based on best estimates of the management, the probable liability to the company as employer towards shortfall in interest and principal obligation has been assessed by the management and an amount of ₹ 31.50 Crore & ₹ 35.00 Crore respectively has been provided for during the year. Reference is also invited to observation in Para (d) of Emphasis of Matter of our audit report and Note no. 68 A & 68 H of the Standalone Financial Statements.

For **R. Devendra Kumar & Associates**
Chartered Accountants
Firm Regn. No.114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392
UDIN: 20074392AAAAAF3488

For **M.P. Chitale & Co.**
Chartered Accountants
Firm Regn. No.101851W

Sd-
Anagha Thatte
Partner
Membership No. 105525
UDIN: 20105525AAAAEA4545

Place: Mumbai
Date: June 16, 2020

Annexure III to the Independent Auditors' Report

(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, 2020 in conjunction with our audit of the standalone Ind As financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to standalone 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 Act.

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 and the Standards on Auditing, issued by ICAI and as 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 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 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 at March 31, 2020, 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 in so far as it relates to 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 **R. Devendra Kumar & Associates**
Chartered Accountants
Firm Regn. No.114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392
UDIN: 20074392AAAAAF3488

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No.101851W

Sd-
Anagha Thatte
Partner
Membership No. 105525
UDIN: 20105525AAAAEA4545

Place: Mumbai
Date: June 16, 2020

Balance Sheet as on 31st March, 2020

(₹ / Crore)

	Notes	31.03.2020	31.03.2019
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	47,746.94	40,523.20
(b) Capital Work-in-Progress	4	17,143.69	9,495.89
(c) Intangible Assets	5	543.47	456.11
(d) Financial Assets			
(i) Investment in Subsidiaries, Joint Ventures and Associates	6	6,936.81	6,236.87
(ii) Other Investments	7	229.93	498.00
(iii) Loans	8	1,415.77	1,141.40
(iv) Other Financial Assets	9	6.29	4.72
(e) Other Non-Current Assets	10	2,695.36	2,265.11
Total Non-Current Assets		**76,718.26**	**60,621.30**
(2) Current Assets			
(a) Inventories	11	19,141.19	20,193.42
(b) Financial Assets			
(i) Investments	12	5,344.86	5,083.76
(ii) Trade Receivables	13	3,922.72	5,653.00
(iii) Cash and Cash Equivalents	14	95.04	76.20
(iv) Bank Balances other than cash and cash equivalents	15	18.11	19.41
(v) Loans	16	407.84	958.10
(vi) Other Financial Assets	17	7,936.86	10,540.84
(c) Other Current Assets	18	415.88	684.69
		37,282.50	**43,209.42**
(d) Assets classified as held for Sale/Disposal		10.07	8.24
Total Current Assets		**37,292.57**	**43,217.66**
Total Assets		**1,14,010.83**	**1,03,838.96**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	19	1,524.21	1,524.21
(b) Other Equity	20	27,438.15	26,650.61
Total Equity		**28,962.36**	**28,174.82**
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	22,287.17	11,317.22
(ii) Other Financial Liabilities	22	0.70	0.51
(b) Provisions	23	50.20	55.30
(c) Deferred Tax Liabilities (Net)	44	5,491.53	7,164.75
(d) Other Non-Current Liabilities	24	211.48	123.68
Total Non-Current Liabilities		**28,041.08**	**18,661.46**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	16,145.80	13,793.11
(ii) Trade Payables:			
Outstanding dues of micro enterprises and small enterprises	51	105.56	82.15
Outstanding dues of creditor other than micro and small enterprises		11,189.66	16,874.52
(iii) Other Financial Liabilities	26	23,338.74	19,472.04
(b) Other Current Liabilities	27	2,912.22	3,714.50
(c) Provisions	28	2,948.44	2,235.09
(d) Current Tax Liabilities (Net)	29	366.97	831.27
Total Current Liabilities		**57,007.39**	**57,002.68**
Total Equity and Liabilities		**1,14,010.83**	**1,03,838.96**
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-
R Kesavan
Director Finance
DIN - 08202118

Sd-
V Murali
Company Secretary

Place: Mumbai
Date: June 16, 2020

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392

For M. P. Chitale & Co.
Chartered Accountants
FRN - 101851W

Sd-
Anagha Thatte
Partner
Membership No. 105525

Statement of Profit and Loss for the year ended 31st March, 2020

(₹ / Crore)

	Notes	2019-20	2018-19
INCOME			
Revenue From Operations			
Gross Sale of Products	30	2,86,250.27	2,95,712.56
Other Operating Revenues	31	1,166.66	1,233.75
		2,87,416.93	**2,96,946.31**
Other Income	32	1,838.17	1,675.01
Total Income		**2,89,255.10**	**2,98,621.32**
EXPENSES			
Cost of Materials Consumed	33	59,750.69	69,631.27
Purchases of Stock-in-Trade		1,87,233.94	1,80,570.51
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	34	(418.49)	(2,166.52)
Excise Duty		18,650.52	21,731.64
Employee Benefits Expense	35	3,193.46	2,936.91
Finance Costs	36	1,081.72	725.94
Depreciation and Amortization Expense	3&5	3,304.39	3,012.61
Other Expenses	37	13,883.35	12,840.30
Total Expenses		**2,86,679.58**	**2,89,282.66**
Profit/ (Loss) Before Exceptional Items and Tax		**2,575.52**	**9,338.66**
Exceptional Items - Income/ (Expenses)	62	(1,002.93)	-
Profit/ (Loss) Before Tax		**1,572.59**	**9,338.66**
Tax expense:	44		
Current tax		166.95	2,727.65
Deferred tax		316.50	561.95
Provision for tax for earlier years written back (net)	44(e)	(1,548.12)	20.40
Total Tax Expenses		**(1,064.67)**	**3,310.00**
Profit/ (loss) for the year		**2,637.26**	**6,028.66**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Fair value changes on Equity Instruments through other comprehensive income		(274.61)	(80.15)
Re-measurements of the defined benefit plans		(211.20)	24.39
Income tax relating to items that will not be reclassified to profit or loss		53.15	(8.52)
Items that will be reclassified to profit or loss:			
Effective Portion of Gains/ (loss) in a Cash Flow Hedge		(24.11)	-
Income tax relating to items that will be reclassified to profit or loss		6.07	-
Other Comprehensive Income for the year (net of tax)		**(450.70)**	**(64.28)**
Total Comprehensive Income for the year (net of tax)		**2,186.56**	**5,964.38**
Basic and Diluted Earnings per Equity Share (₹)	45	17.31	39.56
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-
R Kesavan
Director Finance
DIN - 08202118

Sd-
V Murali
Company Secretary

Place: Mumbai
Date: June 16, 2020

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392

For M. P. Chitale & Co.
Chartered Accountants
FRN - 101851W

Sd-
Anagha Thatte
Partner
Membership No. 105525

Statement of Changes in Equity

for the year ended 31st March, 2020

A. Statement of Changes in Equity

	No. of Share	(₹ / Crore)
Balance as on 31st March, 2018	**1,52,38,22,625**	**1,524.21**
Changes in Equity Share Capital	-	-
Balance as on 31st March, 2019	**1,52,38,22,625**	**1,524.21**
Changes in Equity Share Capital	-	-
Balance as on 31st March, 2020	**1,52,38,22,625**	**1,524.21**

B. Other Equity

(₹ / Crore)

	Reserves & Surplus				Cash Flow Hedge Reserve	Equity Instruments through OCI	Total Other Equity
	General Reserve	Debenture Redemption Reserve	FCMITDA	Retained Earnings			
Balance as on 31st March 2018	**1,777.65**	**-**	**(0.64)**	**20,632.77**	**-**	**14.23**	**22,424.01**
Profit/ (Loss) for the year	-	-	-	6,028.66	-	-	6,028.66
Other Comprehensive income (OCI) for the year (net of tax)	-	-	-	15.87	-	(80.15)	(64.28)
Final Dividend for 2017 - 18 (₹ 2.50 per share)	-	-	-	(380.96)	-	-	(380.96)
Dividend Distribution Tax on above	-	-	-	(78.31)	-	-	(78.31)
Interim Dividend 2018 - 19 (₹ 6.50 per share)	-	-	-	(990.48)	-	-	(990.48)
Dividend Distribution Tax on above	-	-	-	(203.59)	-	-	(203.59)
Transition impact of Ind AS 115 (net of tax)	-	-	-	(82.17)	-	-	(82.17)
Net addition/ amortization in FCMITDA	-	-	(2.27)	-	-	-	(2.27)
Balance as on 31st March, 2019	**1,777.65**	**-**	**(2.91)**	**24,941.79**	**-**	**(65.92)**	**26,650.61**
Profit/ (Loss) for the year	-	-	-	2,637.26	-	-	2,637.26
Reversal of Tax Expense on exercising option under section 115BAA of Income-tax Act, 1961 (refer note 44)	-	-	-	324.89	-	-	324.89
Other Comprehensive income (OCI) for the year (net of tax)	-	-	-	(158.05)	(18.04)	(274.61)	(450.70)
Transfer to Debenture Redemption Reserve	-	625.00	-	(625.00)	-	-	-
Final Dividend for 2018 - 19 (₹ 9.40 per share)	-	-	-	(1,432.39)	-	-	(1,432.39)
Dividend Distribution Tax on above	-	-	-	(294.43)	-	-	(294.43)
Net addition/ amortization in FCMITDA	-	-	2.91	-	-	-	2.91
Balance as on 31st March, 2020	**1,777.65**	**625.00**	**-**	**25,394.07**	**(18.04)**	**(340.53)**	**27,438.15**

Statement of Changes in Equity

for the year ended 31st March, 2020

Notes:

General Reserve: Forms part of the Retained Earnings and available for distribution to shareholders.

Debenture Redemption Reserve: The reserve is created on Non-Convertible Debentures (totalling to ₹ 2,500 Crore) issued till 15th August 2019 under Companies Act, 2013.

Foreign Currency Monetary Item Translation Difference Account (FCMITDA): Represents exchange rate variation on loan taken for acquisition of non-depreciable assets, amortized over loan period.

Retained Earnings: The balance represents accumulated retained profits and available for distribution to shareholders.

Cash flow Hedge Reserve: Represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges. The cumulative gain or loss on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged item occurs/ affects statement of profit and loss or on termination, if any.

Equity instruments through OCI: The Corporation has chosen to recognise the subsequent changes in the fair value of certain investments in equity instrument through other comprehensive income. These changes are accumulated within 'Equity instruments through OCI'.

FOR AND ON BEHALF OF THE BOARD

Sd-
Mukesh Kumar Surana
Chairman & Managing Director
DIN - 07464675

Sd-
R Kesavan
Director Finance
DIN - 08202118

Sd-
V Murali
Company Secretary

Place: Mumbai
Date: June 16, 2020

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392

For M. P. Chitale & Co.
Chartered Accountants
FRN - 101851W

Sd-
Anagha Thatte
Partner
Membership No. 105525

Cash Flow Statement

for the year ended 31st March, 2020

(₹ / Crore)

		2019-20	2018-19
A.	**Cash Flow From Operating Activities**		
	Profit/ (Loss) before Tax	**1,572.59**	**9,338.66**
	Adjustments for:		
	Depreciation and Amortization Expense	3,304.39	3,012.61
	Interest income from HBL Preference Shares	-	(12.37)
	(Gain)/ Loss on sale/ write off of property, plant and equipment, Capital work-in-progress, Assets classified held for sale/ disposal	(18.01)	(8.97)
	Gain/ (Loss) on Remeasurement of Defined benefit plans	(158.05)	15.87
	Effective Portion of Gains/ (loss) in a Cash Flow Hedge	(18.04)	-
	Impairment in Value of Non-current Investments	229.73	38.00
	Fair value gain on Current Investments carried at FVTPL	(262.66)	(84.39)
	Finance Costs	1,081.72	725.94
	Foreign Currency Transaction and Translation	909.23	392.83
	Provision for Doubtful Debts, Loans & Receivables	218.22	170.80
	Bad Debts written off	0.21	15.17
	Interest Income on current Investments	(366.30)	(367.62)
	Dividend Received	(183.59)	(233.16)
	Other Non-Cash items	6.12	6.24
	Operating Profit before Changes in Assets & Liabilities {Sub Total - (i)}	**6,315.56**	**13,009.61**
	Change in Assets and Liabilities:		
	Decrease/ (Increase) Trade Receivables	1,717.30	(128.90)
	Decrease/ (Increase) Loans and Other Assets	2,613.72	(5,827.52)
	Decrease/ (Increase) Inventories	1,049.81	(1,775.18)
	(Decrease)/ Increase Trade and Other Payables	(4,520.12)	5,254.02
	Sub Total - (ii)	**860.71**	**(2,477.58)**
	Cash Generated from Operations (i) + (ii)	**7,176.27**	**10,532.03**
	Less: Direct Taxes paid (Net)	1,722.94	2,082.29
	Net Cash Flow generated from/ (used in) Operating Activities (A)	**5,453.33**	**8,449.74**
B.	**Cash Flow From Investing Activities**		
	Purchase of Property, Plant and Equipment (including Capital Work in Progress/ excluding interest capitalised)	(13,833.45)	(11,321.95)
	Sale of Property, Plant & Equipment	48.76	64.82
	Purchase of Investments (Including share application money pending allotment/ Advance towards Equity)	(931.91)	(738.69)
	Interest received	367.30	379.31
	Dividend received	183.59	233.16
	Net Cash Flow generated from/ (used in) Investing Activities (B)	**(14,165.71)**	**(11,383.35)**

Cash Flow Statement

for the year ended 31st March, 2020

(₹ / Crore)

	2019-20	2018-19
C. Cash Flow From Financing Activities		
Proceeds from Long term borrowings	12,002.41	4,134.38
Repayment of Long term borrowings and leasing liabilities	(2,250.96)	(1,567.46)
Proceeds/ (repayment) of Short term borrowings	1,682.54	2,566.70
Finance Cost paid	(1,230.62)	(789.54)
Dividend paid (including dividend distribution tax)	(1,725.11)	(1,653.34)
Net Cash Flow generated from/ (used in) Financing Activities (C)	**8,478.26**	**2,690.74**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	**(234.12)**	**(242.87)**
Cash and cash equivalents at the beginning of the year	**(2,672.41)**	**(2,429.54)**
Cash and cash equivalents at the end of the year	**(2,906.53)**	**(2,672.41)**
Details of cash and cash equivalents at the end of the year:		
Cash and cash equivalents as on	**31.03.2020**	**31.03.2019**
Balances with Banks:		
- on current accounts	93.19	67.44
- on non-operative current accounts	0.01	0.01
Cheques awaiting deposit	-	0.01
Cash on hand	1.84	8.74
Less: Cash Credit	(3,001.57)	(2,748.61)
Cash and cash equivalents at the end of the year	**(2,906.53)**	**(2,672.41)**

FOR AND ON BEHALF OF THE BOARD

Sd-
Mukesh Kumar Surana
Chairman & Managing Director
DIN - 07464675

Sd-
R Kesavan
Director Finance
DIN - 08202118

Sd-
V Murali
Company Secretary

Place: Mumbai
Date: June 16, 2020

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392

For M. P. Chitale & Co.
Chartered Accountants
FRN - 101851W

Sd-
Anagha Thatte
Partner
Membership No. 105525

Notes to Financial Statements

for the year ended 31st March, 2020

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 16th June, 2020.

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 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 off to the nearest Crore (₹ Crore), except where otherwise stated.

1.2. Use of Judgement and Estimates

The preparation of the 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 affecting the financial statements of future periods. The Corporation continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies; and
- Evaluation of recoverability of deferred tax assets;

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

2. Significant Accounting Policies

2.1. Property, Plant and Equipment

2.1.1. Freehold lands are carried at cost. All other items of Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

2.1.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes); any costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; initial estimated present value of any of any contractual decommissioning obligation; and borrowing cost for qualifying assets (i.e., assets that necessarily take a substantial period of time to get ready for their intended use).

2.1.3. Technical know-how/ licence fee relating to plants/ facilities are capitalized as part of cost of the underlying asset.

2.1.4. Expenditure during construction period: Direct expenses incurred during construction period on capital projects are capitalised.

2.1.5. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Corporation.

2.1.6. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.

2.1.7. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal; or when the Property, Plant 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 during each financial year and changes are accounted for as 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 Corporation 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:

Useful Life:

Plant and Machinery relating to Retail Outlets (other than Storage tanks and related equipment)	15 years
Cavern Structure	60 years
LPG cylinders & regulators (excluding cylinders held for sale)	15 years

Residual Value:

In cases of LPG Cylinders & pressure regulators and Catalysts having Precious Metals, with due consideration to expected realization, a higher residual value is considered.

2.2.2. The Corporation 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 (excluding cylinders held for sale) which are depreciated over a useful life of 15 years based on the technical assessment.

2.2.4. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

2.2.5. Depreciation is charged on additions/ deletions on pro-rata monthly basis including the month of addition/ deletion.

2.3. Intangible assets

2.3.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Corporation has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

2.3.2. Assets where entire output generated is committed to be sold to a public sector entity (including Government body) for almost entire useful life of the asset are classified as intangible assets as per the requirements of Ind AS and are amortised (after retaining the residual value, if applicable) over their useful life.

2.3.3. In cases where, the Corporation has constructed assets and the Corporation has only a preferential right to use, these assets are classified as intangible assets and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

2.3.4. The useful lives of intangible assets are assessed as either finite or indefinite.

2.3.5. Intangible assets with finite lives are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the statement of Profit & Loss.

2.3.6. Intangible assets with indefinite useful lives, such as 'right of way' which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

2.3.7. Technical know-how/ license fee relating to production process and process design are recognized as Intangible Assets.

2.3.8. Estimated lives of intangible assets (acquired) are as follows:

- Software: 2 to 4 years
- Technical know-how/ license fees: 2 to 10 years
- Right to use – wind mills: 22 years

2.3.9. The Corporation has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e., 1st April 2015 as deemed cost.

2.4. Borrowing Cost

2.4.1. Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange rate variation to the extent regarded as an adjustment to interest cost.

2.4.2. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for intended use. All other borrowing costs are expensed in the period in which they are incurred.

2.5. Non-current 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

Wherever a Contract conveys the right to control the Use of an identified Asset by either of the PARTIES for a period of time and in exchange for consideration, there arises a Lease Contract. At inception of every Contract, the Corporation examines the existence to the lease elements in a Contract and thereafter carries out appropriate accounting either as Lessor or Lessee.

2.6.1 **Lessee:**

At the commencement of the lease, the Corporation recognises right-of-use asset and lease liability, with an exception of short-term leases or lease of low-value underlying assets. The right-of-use asset is measured at cost, made up of the initial measurement of the lease liability, initial direct costs, an estimate of dismantling cost including removal of the asset at the end of the lease and any lease payments on or before commencement (net of any incentives received) of the lease.

The lease liability is measured at Present Value of the lease payments to be made during the course of the lease by using incremental borrowing rate that prevail at the beginning of each quarterly period for a similar tenure (such as AAA Corporate Bond rates for varying tenures of 5, 10 & 15 years) for all of the contracts executed in that period. The variable lease payments, which do not depend on an index or a rate, are excluded from the measurement of lease liability.

The Corporation has elected not to separate non-lease components in a contract and account as one unified lease contract covering all underlying assets by using the practical expedient prescribed in the Standard.

On re-measurement of lease liability, the right-of-use asset is suitably readjusted unless such readjustment lead to a restatement of carrying value below zero, in which case, the resultant amount is directly routed through Statement of Profit & Loss Account.

2.6.2. **Lessor:**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. In all other cases, it is treated as operating lease.

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 is recognised when:

a) the Corporation satisfies a performance obligation by transferring control of a promised goods/ services to a customer;

b) Transaction price is allocated on each performance obligation and is recognised as and when the particular performance obligation is satisfied either at a point in time or over a period of time;

c) The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer including excise duties, as applicable 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 trade discounts or rebates, as applicable;

d) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

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 Revenue is recognised on a net basis.

Claims, including subsidy on Liquified 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.

2.11.3. **Termination benefits**

Expenditure on account of Voluntary Retirement Schemes, are charged to Statement of Profit & Loss, as and when incurred.

2.12. Foreign currency transactions

2.12.1. **Monetary items**

Transactions in foreign currencies are initially recorded at the respective exchange rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognised in Statement of Profit and Loss either as 'Exchange Rate Variation' or as 'finance costs' (to the extent regarded as an adjustment to borrowing costs), as the case maybe.

In case of long term foreign currency monetary items outstanding as of 31st March 2016, foreign exchange differences arising on settlement or translation of long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in case of other long term foreign currency monetary items, if any, accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance period of the asset/ liability.

2.12.2. **Non – Monetary items**

Non-monetary items, other than those measured at fair value, denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

2.13. Investment in Subsidiary, Associates and Joint Ventures

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each reporting date.

The Corporation has chosen the carrying value of the Investment in Subsidiaries, Associates and Joint Ventures existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.14. Government Grants

2.14.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

2.14.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

2.14.3. When the grant relates to property, plant and equipment, the cost of property, plant and equipment is shown at gross value and grant thereon is treated as liability (deferred income) and are credited to statement of profit and loss on a systematic basis over the useful life of the asset.

2.15. Exploration & production expenditure

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

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

2.15.2. Cost of acquisition, drilling and development are treated as Capital Work-in-Progress when incurred and are capitalised when the well is ready to commence commercial production.

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

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

2.16. Provisions and contingent liabilities

2.16.1. Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.16.2. If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.16.3. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Corporation, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

2.16.4. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

2.16.5. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

2.16.6. Contingent Liabilities are considered only when show-cause notice is converted into demand.

2.17. Fair value measurement

2.17.1. Fair value is the price that would be received/ paid to sell an asset or to transfer a liability, as the case may be, in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Corporation has access at that date. The fair value of a liability also reflects its non-performance risk.

2.17.2. While measuring the fair value of an asset or liability, the Corporation uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

Financial Instruments

2.18. Financial Assets

2.18.1. Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

2.18.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Corporation classifies financial assets (other than equity instruments) as under:

(a) subsequently measured at amortised cost;

(b) fair value through other comprehensive income; or

(c) fair value through profit or loss

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial recognition, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method and such amortization is recognised in the Statement of Profit and Loss.

Debt instruments at Fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for measurement of debt instruments.

After initial measurement, any fair value changes including any interest income, impairment loss and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Corporation decides to classify the same either as at FVOCI or FVTPL. The Corporation makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

Equity instruments included within the FVTPL category are measured at fair value with all fair value changes being recognized in the Statement of Profit and Loss.

2.18.3. **Impairment of financial assets**

In accordance with Ind-AS 109, the Corporation applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date.

2.19. Financial Liabilities

2.19.1. **Initial recognition and measurement**

All financial liabilities (not measured subsequently at fair value through profit or loss) are recognised initially at fair value net of transaction costs that are directly attributable to the respective financial liabilities.

2.19.2. **Subsequent measurement**

The Corporation classifies all financial liabilities as subsequently measured at amortised cost by using the Effective Interest Rate Method ("EIR") and such amortisation is recognised in the Statement of Profit and Loss.

2.20. Financial guarantees

Financial guarantee contracts are recognised initially at fair value. Subsequently on each reporting date, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

2.21. Derivative financial instruments

The Corporation uses derivative financial instruments, such as forward contracts, interest rate swaps to mitigate its foreign currency risk, interest risk and commodity price risk arising out of highly probable forecast transactions and are presented in Financial Statements, either as Financial Assets or Financial liabilities as the case may be.

2.21.1. **Derivatives Contracts designated as hedging instruments:**

Wherever Hedge Accounting is undertaken, at the inception of a hedge relationship, the Corporation formally designates and documents a) the hedge relationship to which it wishes to apply hedge accounting and b) the risk management objective and strategy. In such cases, the derivative financial instruments are recognized at fair value with due assessment to effectiveness of the hedge instrument. By following Cash Flow Hedges, the effective portion of changes in the fair value is recognized in Other Comprehensive Income (OCI) and accumulated under Cash Flow Hedge Reserve within Other Equity whereas the ineffective portion, if any, is recognized immediately in the Statement of Profit and Loss and presented under Other Income or Other Expenses, as the case may be. The effective portion, previously recognized in OCI and accumulated as Cash Flow Hedge Reserve is reclassified to the Statement of Profit and Loss in the subsequent period, during which, the hedged expected future cash flows affect profit or loss and further guided to the same line item to which the underlying is accounted. Further, in case of previously recognized forecasted transaction, upon the knowledge of its non-occurrence, the effective portion of cumulative gain or loss is forthwith recognized by transferring from Cash Flow Hedge Reserve to the Statement of Profit and Loss. If the amount accumulated in Cash Flow Hedge Reserve is a loss and Corporation expects that all or a portion of that loss will not be recovered in one or more future period, the Corporation immediately reclassifies the amount that is not expected to be recovered into profit or loss as a reclassification adjustment. The hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

2.21.2. **Derivatives Contracts not designated as hedging instruments**

The derivative financial instruments are accounted at fair value through Profit or Loss and presented under Other Income or Other Expenses, as the case may be.

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.

3. Property, Plant and Equipments:

The following are the carrying values of Property, Plant & Equipments:

(₹ / Crore)

Particulars	Land - Freehold	Right-of-Use Assets#	Buildings	Plant & Equipment	Furniture & Fixtures	Transport Equipment	Office Equipment	Roads and Culverts	Railway Siding & Rolling Stock	E&P Assets	Total
Gross Block											
As on 01.04.2019	**948.06**	**76.31**	**6,050.99**	**37,174.18**	**238.75**	**130.40**	**2,979.13**	**2,984.27**	**405.51**	**5.77**	**50,993.37**
Additions pursuant to initial application of Ind AS 116	-	2,784.86	-	-	-	-	-	-	-	-	2,784.86
Additions/ Reclassifications	94.99	582.14	708.73	5,399.36	42.80	15.55	511.55	343.98	65.43	-	7,764.53
Deductions/ Reclassifications	0.20	-	15.96	464.21	9.55	1.05	18.39	3.42	0.79	-	513.57
As on 31.03.2020	**1,042.85**	**3,443.31**	**6,743.76**	**42,109.33**	**272.00**	**144.90**	**3,472.29**	**3,324.83**	**470.15**	**5.77**	**61,029.19**
Depreciation/ Amortisation											
As on 01.04.2019	**-**	**0.46**	**578.25**	**7,114.64**	**79.29**	**48.08**	**1,249.48**	**1,307.37**	**91.87**	**0.73**	**10,470.17**
For the year	-	171.63	175.96	2,097.70	26.68	14.38	399.23	364.86	30.28	0.34	3,281.06
Deductions/ Reclassifications	-	-	7.38	438.27	3.98	0.68	16.51	1.37	0.79	-	468.98
As on 31.03.2020	**-**	**172.09**	**746.83**	**8,774.07**	**101.99**	**61.78**	**1,632.20**	**1,670.86**	**121.36**	**1.07**	**13,282.25**
Net Block as on 01.04.2019	**948.06**	**75.85**	**5,472.74**	**30,059.54**	**159.46**	**82.32**	**1,729.65**	**1,676.90**	**313.64**	**5.04**	**40,523.20**
Net Block as on 31.03.2020	**1,042.85**	**3,271.22**	**5,996.93**	**33,335.26**	**170.01**	**83.12**	**1,840.09**	**1,653.97**	**348.79**	**4.70**	**47,746.94**

refer note 41

Notes:

1. Includes assets costing ₹ 0.007 Crore/- (31.03.2019: ₹ 0.007 Crore) of erstwhile Kosan Gas Company that have not been handed over to the Corporation. Though Kosan Gas Company was to give up their claim, in view of the tenancy right sought by third party, the matter is under litigation.

2. Includes ₹ 799.55 Crore (31.03.2019: ₹ 465.15 Crore) towards Land, Building, Plant & Equipment, Furniture & Fixtures, Transport equipments, Office Equipments, Pipelines, Railway Sidings, etc. representing Corporation's Share of Assets, jointly owned with other Companies.

3. Includes ₹ 32.35 Crore (31.03.2019: ₹ 32.39 Crore) towards Roads & Culverts, Transformers & Transmission lines, Railway Sidings & Rolling Stock for which though ownership does not vest with the Company, operational control over such assets is exercised. These assets are amortized as per useful life specified in Schedule II of Companies Act, 2013.

4. a) Includes following assets used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against which financial assistance had been provided by Oil Industry Development Board:

Description	Original Cost (₹ / Crore)	
	31.03.2020	**31.03.2019**
Roads & culverts	0.13	0.13
Buildings	1.62	1.62
Plant & Equipment	2.09	2.37
Total	**3.84**	**4.12**

b) Includes following assets held under PAHAL (DBTL) scheme against which financial assistance had been provided by Ministry of Petroleum & Natural Gas, Government of India.

Description	Original Cost (₹ / Crore)	
	31.03.2020	**31.03.2019**
Computer Software	7.49	7.49
Computers/ End use devices	5.65	5.65
Office Equipment	0.01	0.01
Automation, Servers & Networks	1.55	1.55
Total	**14.70**	**14.70**

5. Assets held for sale consists of items such as Plant and equipment, office equipment, transport equipment, buildings, furnitures and fixtures and roads and culverts which have been identified for disposal due to replacement/ obsolescence of assets which happens in the normal course of business. These assets are expected to be disposed off within the next twelve months. On account of classification of these assets as 'Asset held for sale', an loss of ₹ 17.97 Crore during the year (2018-19: ₹ 30 Crore) has been recognised in the statement of profit and loss.

6. Includes Right of Use Assets having Gross value ₹ 27.57 Crore (31.03.2019: ₹ 27.57 Crore) for land acquired on lease-cum-sale basis from Karnataka Industrial Area Development Board (KIADB), that has not been amortized over the period of lease in view of freehold title that would vest upon fulfilment of certain terms and conditions, as per allotment letter.

7. Includes adjustment to Cost of Assets pursuant to exchange differences arising on long term foreign currency monetary items, which, in accordance with Para 7AA of Ind AS 21 read with Para D13AA of Ind AS 101 are capitalized and depreciated over the balance useful life of the assets.

8. The Corporation has considered pipeline assets laid within the boundary limit of its premises as integral part of Tanks/ Other Plant and Machinery and have been depreciating such assets based on the useful life of associated Plant & Equipment, in line with the Schedule II of the Companies Act, 2013.

9. Includes reduction in depreciation for the year by ₹ 37.65 Crore(2018-19: NIL) in respect of 'Catalysts having Precious Metals' (Plant & Equipment), arising pursuant to change in accounting estimate towards residual value of the precious metal content which is now estimated at the cost of precious metal less estimated allowance for extraction process as against 5% as per schedule II to Companies Act, 2013 followed hitherto, in the backdrop of these precious metals commanding high valuation even after retiring from active use, as established through an Industry experience factor. Further, depreciation is additionally charged for the year by ₹ 7.16 Crore (2018-19: NIL) in respect of 'Catalysts not having Precious Metals' (Plant & Equipment), arising pursuant to change in accounting estimate over revision in residual value to NIL.

10. Includes reduction in depreciation for the year by ₹ 127.60 Crore (2018-19: NIL) in respect of LPG cylinders and pressure regulators, arising pursuant to change in accounting estimate over increase in residual value from 5% to 15% of Original Cost effective 01.04.2019. The revised estimate is based on historical data.

11. Includes assets of ₹ 1.20 Crore (31.03.2019: ₹ 1.30 Crore) forming part of Plant & Equipment, Buildings & Roads & Culverts, wherein though Infrastructure Facilities were provided at Railway Premises, no sales transactions were entered into during current financial year.

12. Assets of ₹ 0.03 Crore (31.03.2019: ₹ 0.29 Crore) comprising 4 number of properties (31.03.2019: 6) towards which title deeds for freehold/ leasehold are not available and further for assets of ₹ 2.27 Crore (31.03.2019: ₹ 2.50 Crore) comprising of 14 number of properties (31.03.2019: 19) for which property tax receipts are available.

13. The process of capitalization in respect of Property, Plant and Equipment including accounting of Capital Work-in-Progress is under continuous review and updation, wherever required, is being carried out on a regular basis.

(₹ / Crore)

		31.03.2020	31.03.2019
4. Capital Work-in-Progress			
Unallocated Capital Expenditure and Materials at Site		15,398.97	8,628.87
Capital Stores lying with Contractors		494.25	42.17
Capital goods in-transit		17.34	206.18
	A	**15,910.56**	**8,877.22**
Construction period expenses pending apportionment (Net of recovery):			
Opening balance		618.67	304.47
Add: Expenditure during the year			
Establishment charges including Salaries & Wages		238.18	200.07
Interest		760.16	233.50
Loss/ (gain) on foreign currency transactions and translations		206.79	224.22
Others		0.13	0.02
		1,823.93	**962.28**
Less: Allocated to assets capitalised/ charged off during the year		590.80	343.61
Closing balance pending allocation	**B**	**1,233.11**	**618.67**
	A + B	**17,143.69**	**9,495.89**

5. Intangible Assets

The following are the carrying values of Intangible assets:

(₹ / Crore)

Particulars	Right of Way	Technical/ Process Licenses	Software	Wind Energy	Total
Gross Block					
As on 01.04.2019	**236.50**	**62.19**	**108.40**	**188.56**	**595.65**
Additions/ Reclassifications	111.49	5.18	8.94	-	125.61
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2020	**347.99**	**67.37**	**117.34**	**188.56**	**721.26**
Depreciation/ Amortisation					
As on 01.04.2019	**-**	**37.47**	**61.07**	**41.00**	**139.54**
For the year	0.05	6.60	21.19	10.41	38.25
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2020	**0.05**	**44.07**	**82.26**	**51.41**	**177.79**
Net Block as on 01.04.2019	**236.50**	**24.72**	**47.33**	**147.56**	**456.11**
Net Block as on 31.03.2020	**347.94**	**23.30**	**35.08**	**137.15**	**543.47**

Note: Includes ₹ 77.14 Crore (31.03.2019: ₹ 73.85 Crore) towards Right of Way representing Company's Share of Assets, jointly owned with other Companies.

(₹ / Crore)

	31.03.2020	31.03.2019
6. Investments in Subsidiaries, Joint Ventures and Associates		
Investments in Equity Instruments		
Subsidiaries		
Un - Quoted		
HPCL - Biofuels Ltd.		
62,51,71,511 (31.03.2019: 62,51,71,511) Equity Shares of ₹ 10 each fully paid up	395.16	395.16
Less: Provision for Impairment (refer note 56)	395.16	199.00
Prize Petroleum Company Ltd.		
24,50,00,000 (31.03.2019: 24,50,00,000) Equity Shares of ₹ 10 each fully paid up	248.07	247.17
Less: Provision for Impairment (refer note 57)	162.98	129.41
HPCL Middle East FZCO		
3,107 (31.03.2019: 520) Shares of AED 1000 each fully paid up	5.92	1.00
Associates		
Quoted		
Mangalore Refinery and Petrochemicals Ltd.		
29,71,53,518 (31.03.2019: 29,71,53,518) Equity Shares of ₹ 10 each fully paid up	471.68	471.68
Un - Quoted		
GSPL India Transco Ltd.		
5,41,20,000 (31.03.2019: 4,19,10,000) Equity Shares of ₹ 10 each fully paid up	54.12	41.91
GSPL India Gasnet Ltd.		
10,36,22,128 (31.03.2019: 5,08,22,128) Equity Shares of ₹ 10 each fully paid up	103.62	50.82

(₹ / Crore)

	31.03.2020	31.03.2019
Joint Ventures		
Un - Quoted		
HPCL Rajasthan Refinery Ltd. (refer note 6.1) 129,87,37,000 (31.03.2019: 89,04,05,000) Equity Shares of ₹ 10 each fully paid-up	1,298.74	890.41
HPCL Shapoorji Energy Pvt. Ltd. 17,50,00,000 (31.03.2019: 2,40,00,000) Equity Shares of ₹ 10 each fully paid up	175.00	24.00
HPCL-Mittal Energy Ltd. (refer note 6.1) 3,93,95,55,200 (31.03.2019: 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 (31.03.2019: 47,25,000) Equity Shares of ₹ 10 each fully paid up	4.73	4.73
Petronet India Ltd. (refer note 6.2) 1,60,00,000 (31.03.2019: 1,60,00,000) Equity Shares of ₹ 0.10 each fully paid up	0.16	0.16
Petronet MHB Ltd. 27,43,33,672 (31.03.2019: 17,95,11,020) Equity Shares of ₹ 10 each fully paid up	369.31	183.93
South Asia LPG Company Pvt. Ltd. 5,00,00,000 (31.03.2019: 5,00,00,000) Equity Shares of ₹ 10 each fully paid up	50.00	50.00
Bhagyanagar Gas Ltd. 4,36,50,000 (31.03.2019: 4,36,50,000) Equity Shares of ₹ 10 each fully paid up	128.25	128.25
Aavantika Gas Ltd. 2,95,57,038 (31.03.2019: 2,95,57,038) Equity Shares of ₹ 10 each fully paid up	50.02	50.02
Mumbai Aviation Fuel Farm Facility Pvt. Ltd. 4,82,88,750 (31.03.2019: 4,82,88,750) Equity Shares of ₹ 10 each fully paid up	48.29	48.29
Godavari Gas Pvt. Ltd. 1,60,74,643 (31.03.2019: 81,90,000) Equity Shares of ₹ 10 each fully paid up	16.07	8.19
Ratnagiri Refinery and Petrochemicals Ltd. 5,00,00,000 (31.03.2019: 2,50,00,000) Equity shares of ₹ 10 each fully paid up	50.00	25.00
HPOIL Gas Pvt Ltd. 6,00,00,000 (31.03.2019: 50,00,000) Equity shares of ₹ 10 each fully paid up	60.00	5.00
IHB Pvt. Ltd. 2,62,50,000 Equity shares of ₹ 10 each fully paid up	26.25	-
	6,936.81	**6,236.87**

(₹ / Crore)

	31.03.2020	31.03.2019
Disclosure towards Cost/ Market Value/ Impairment		
a. Aggregate amount of Quoted Investments (Market Value)	686.42	2,207.85
b. Aggregate amount of Quoted Investments (Cost)	471.68	471.68
c. Aggregate amount of Unquoted Investments (Cost)	7,023.27	6,093.60
d. Aggregate amount of Provision for impairment	558.14	328.41

6.1. 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 Corporation 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 Corporation has calculated the limit of 30% investment in joint ventures and wholly owned subsidiaries, by excluding these investments. As per financial position as on 31st March 2020, the investments in joint ventures and wholly owned subsidiaries are well within the said 30% limit.

6.2. Petronet India Ltd. is in the process of Voluntary winding up w.e.f. August 30, 2018.

(₹ / Crore)

	31.03.2020	31.03.2019
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 (31.03.2019: 2,67,50,550) Equity Shares of ₹ 10 each fully paid up	221.23	495.82
Scooters India Ltd.(refer note 7.1)		
10,000 (31.03.2019:10,000) Equity Shares of ₹ 10 each fully paid up	0.02	0.03
Investment in Equity Instruments carried at fair value through profit or loss		
Un - Quoted		
Woodlands Multispecialty Hospital Limited of face value of ₹ 0.21 lakhs		
2,110 (31.03.2019:2,110) Equity shares of ₹ 10 each fully paid	0.00	0.00
Shushrusha Citizen Co-operative Hospital Limited of the face value of ₹ 0.10 lakhs		
100 (31.03.2019: 100) Equity Shares of ₹ 100/- each fully paid	0.00	0.00
Total Investments in Equity Instruments	**221.25**	**495.85**
Investments in Preference Shares carried at fair value through profit or loss		
Others		
Un - Quoted		
Compulsorily Convertible Preference shares in Start-Up Companies (refer note 7.2)	8.68	2.10
Total Investments in Preference Shares	**8.68**	**2.10**
Other Investments carried at fair value through profit or loss		
Structured Entities		
Un - Quoted		
Petroleum India International (Association of Persons) Contribution towards Seed Capital (refer note 7.3)	-	0.05
Total Investments in Structured Entities	**-**	**0.05**
	229.93	**498.00**

7.1. The Corporation intends to hold these Investments for long term strategic purposes and accordingly designated them at fair value through Other Comprehensive Income. No strategic investments were disposed off during the financial year.

7.2. In view that these start-up are in the stage of their development and are mostly in traction and refinement stages, the carrying value of these start-ups is considered as a reasonable approximation of their fair value.

7.3. The Members in Petroleum India International (AOP) are: Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd., Engineers India Ltd., Indian Oil Corporation Ltd., Reliance Industries Ltd., Chennai Petroleum Corporation Ltd., Oil and Natural Gas Corporation Limited and Oil India Ltd. The total capital is ₹ 0.55 Crore of which share of every member is ₹ 0.05 Crore each except share of Indian Oil Corporation Limited & Bharat Petroleum Corporation Ltd. which are ₹ 0.15 Crore & ₹ 0.10 Crore respectively. During the current financial year, upon refund of the remaining amount, lying in Members' account by the AOP, Members have executed a Termination Agreement dated March 18, 2020 bringing an end to the MOU, entered into between them on 01/03/1986, to be effective, upon fulfilling residual obligations by the AOP, including filing of Return under Income tax laws for the year, to be filed in early part of next financial year 2020-21.

(₹ / Crore)

	31.03.2020	31.03.2019
Disclosure towards Cost/ Market Value/ Impairment		
a. Aggregate amount of Quoted Investments (Market Value)	221.25	495.85
b. Aggregate amount of Quoted Investments (Cost)	561.77	561.77
c. Aggregate amount of Unquoted Investments (Cost)	8.68	2.15
d. Aggregate amount of Provision for Impairment	-	-

(₹ / Crore)

	31.03.2020	31.03.2019
8. Loans		
Secured		
Employee loans and advances and Interest thereon, considered good	346.32	326.97
Unsecured		
Deposits, considered good	146.80	101.00
Loans to related parties which have significant increase in credit risk (refer note 43)	69.50	-
Other Loans, considered good (refer note 8.1)	911.75	692.40
Loan Receivables which have significant increase in credit risk (refer note 8.1)	153.54	62.53
Loan Receivables – credit impaired (refer note 8.1)	13.34	2.00
Less: Provision for Impairment (refer note 8.2)	225.48	43.50
	1,415.77	**1,141.40**

8.1. Includes Loan given to Pradhan Mantri Ujjwala Yojana (PMUY) consumers of ₹ 1,027.10 Crore before impairment (31.03.2019: ₹ 708.95 Crore)

8.2. Includes Provision towards Loan given to Pradhan Mantri Ujjwala Yojana (PMUY) consumers of ₹ 162.43 Crore (31.03.2019: ₹ 43.50 Crore)

(₹ / Crore)

	31.03.2020	31.03.2019
9. Other Financial Assets		
Share application money pending allotment	0.35	3.75
Bank Deposit with more than 12 months maturity (refer note 9.1)	4.97	0.97
Lease Receivables	0.97	-
	6.29	**4.72**

9.1. Earmarked with various authorities.

(₹ / Crore)

	31.03.2020	31.03.2019
10. Other Non-Current Assets		
Balances with Excise, Customs, etc. (refer note 10.1)	479.20	532.33
Deposits	130.17	131.62
Advance tax (net of provisions)	1,381.51	205.37
Capital advances	207.61	347.12
Prepaid Employee Cost	176.28	146.15
Prepaid Lease Rental	0.30	706.54
Others Prepaid Expenses (Including advance)	320.29	195.98
	2,695.36	**2,265.11**

10.1. Includes an amount of ₹ 80.56 Crore has been carried in the books as receivable towards Custom Duty refund claims filed relating to the period 1992-1997. As per the assessment made by the management, the refund is legally tenable, management is continuing to pursue the matter with Authorities for early settlement of these claims.

(₹ / Crore)

	31.03.2020	31.03.2019
11. Inventories		
Raw materials (Including in-transit 31.03.2020: ₹ 1,020.42 Crore; 31.03.2019: ₹ 1,182.03 Crore)	2,950.06	3,462.25
Work-in-progress	914.72	775.86
Finished goods (Including in-transit 31.03.2020: ₹ 88.17 Crore; 31.03.2019: ₹ 150.13 Crore)	5,994.32	6,760.31
Stock-in-trade (Including in-transit 31.03.2020: ₹ 1,251.37 Crore; 31.03.2019: ₹ 1,322.23 Crore)	8,755.55	8,712.86
Stores and spares (Including in-transit 31.03.2020: ₹ 32.02 Crore; 31.03.2019: ₹ 3.73 Crore)	500.02	453.75
Less: Provision for Stores and Spares	7.68	7.68
Packages	34.20	36.07
	19,141.19	**20,193.42**

11.1. The write-down including reversals, if any, of Inventories to net realisable value during the financial year amounted to ₹ 1,002.93 Crore (31.03.2019: ₹ 79.05 Crore). The write downs and reversal are included in cost of materials consumed, changes in Inventories of finished goods, stock-in-trade and work in progress. For the write down of inventories considered as exceptional items - refer Note 62.

(₹ / Crore)

	31.03.2020	31.03.2019
12. Investments		
Investments carried at fair value through profit or loss		
Quoted - Government Securities		
6.90% Oil Marketing Companies' GOI Special Bonds, 2026 17,36,36,000 (31.03.2019:17,36,36,000) Bonds of ₹ 100 each face value	1,767.79	1,672.47
8.00% Oil Marketing Companies' GOI Special Bonds, 2026 24,41,000 (31.03.2019:24,41,000) Bonds of ₹ 100 each face value	26.18	24.94
8.20% Oil Marketing Companies' GOI Special Bonds, 2024 1,23,49,000 (31.03.2019:1,23,49,000) Bonds of ₹ 100 each face value	132.76	127.53
6.35% Oil Marketing Companies' GOI Special Bonds, 2024 18,32,33,000 (31.03.2019:18,32,33,000) Bonds of ₹ 100 each face value	1,834.06	1,735.59
7.59% Government of India, G - Sec Bonds, 2026 1,85,00,000 (31,03.2019: 1,85,00,000) Bonds of ₹ 100 each face value (refer note 12.1)	196.19	187.87
7.72% Government of India, G - Sec Bonds, 2025 8,36,00,000 (31,03.2019: 8,36,00,000) Bonds of ₹ 100 each face value (refer note 12.1)	892.01	858.40
8.33% Government of India, G - Sec Bonds, 2026 1,80,00,000 (31,03.2019: 1,80,00,000) Bonds of ₹ 100 each face value (refer note 12.1)	196.92	189.72
8.15% Government of India, G - Sec Bonds, 2026 2,75,00,000 (31,03.2019: 2,75,00,000) Bonds of ₹ 100 each face value (refer note 12.1)	298.95	287.24
	5,344.86	**5,083.76**

12.1. Bonds valuating ₹ 1,476 Crore (31.03.2019: ₹ 1,476 Crore) comprising 7.59 % G - Sec Bonds of ₹ 185 Crore (31.03.2019: ₹ 185 Crore), 7.72 % G - Sec Bonds of ₹ 836 Crore (31.03.2019:₹ 836 Crore), 8.33 % G - Sec Bonds of ₹ 180 Crore (31.03.2019:₹ 180 Crore) and 8.15 % G - Sec Bonds of ₹ 275 Crore (31.03.2019:₹ 275 Crore), have been pledged with Clearing Corporation of India Limited against Triparty Repo Dealing System Loan.

(₹ / Crore)

	31.03.2020	31.03.2019
Disclosures towards Cost/ Market Value/ Impairment		
a. Aggregate amount of Quoted Investments (Market Value)	5,344.86	5,083.76
b. Aggregate amount of Quoted Investments (Cost)	5,267.26	5,267.26
c. Aggregate amount of Unquoted Investments (Cost)	-	-
d. Aggregate amount of Provision for impairment	-	-

(₹ / Crore)

	31.03.2020	31.03.2019
13. Trade Receivables		
Unsecured, considered good	3,943.31	5,661.69
Doubtful	159.33	158.45
Less: Allowances for Bad and Doubtful Debts	159.33	158.45
Less: Impairment Provision (Expected Credit Loss Model)	20.59	8.69
	3,922.72	**5,653.00**

(₹ / Crore)

	31.03.2020	31.03.2019
14. Cash and Cash Equivalents		
Balances with Scheduled Banks:		
- on Current Accounts	93.19	67.44
- on Non-Operative Current Accounts	0.01	0.01
Cheques Awaiting Deposit	-	0.01
Cash on hand	1.84	8.74
	95.04	**76.20**

(₹ / Crore)

	31.03.2020	31.03.2019
15. Bank Balances other than cash and cash equivalents		
Earmarked balances with banks for unpaid dividend	17.70	15.99
Fixed Deposits with 3 - 12 months maturity (refer note 15.1)	0.41	3.42
	18.11	**19.41**

15.1: Earmarked with various authorities.

(₹ / Crore)

	31.03.2020	31.03.2019
16. Loans		
Secured		
Employee loans and advances and Interest thereon, considered good	45.16	32.60
Unsecured		
Loans to related parties which have significant increase in credit risk (refer note 43)	70.50	115.20
Other Loans, considered good (refer note 16.1)	354.35	785.06
Loan Receivables which have significant increase in credit risk (refer note 16.1)	61.42	75.04
Loan Receivables – credit impaired (refer note 16.1)	17.34	14.40
Less: Provision for Impairment (refer note 16.2)	140.93	64.20
	407.84	**958.10**

16.1. Includes Loan given to Pradhan Mantri Ujjwala Yojana(PMUY) consumers of ₹ 410.84 Crore before impairment (31.03.2019: ₹ 850.74 Crore)

16.2. Includes Provision towards Loan given to Pradhan Mantri Ujjwala Yojana(PMUY) consumers of ₹ 64.97 Crore (31.03.2019: ₹ 52.20 Crore)

(₹ / Crore)

	31.03.2020	31.03.2019
17. Other Financial Assets		
Amounts recoverable under subsidy schemes	432.63	810.17
Interest accrued on Investments	88.34	89.34
Derivative Assets	16.04	107.58
Delayed payment charges receivable from customers	282.93	370.92
Less: Provision for doubtful delayed payment charges receivables	121.87	119.30
Receivables from Govt. of India towards Pradhan Mantri Ujjwala Yojana (PMUY)	371.35	1,070.92
Less: Provision for doubtful receivables from Govt. of India towards PMUY	-	64.29
Receivables from Govt. of India towards Direct Benefit Transfer of LPG (DBTL)	5,576.35	7,049.63
Balance with Life Insurance Corporation of India	1,041.76	964.97
Other Receivables	276.60	279.72
Less: Provision for doubtful other receivables	27.27	18.82
	7,936.86	**10,540.84**

(₹ / Crore)

	31.03.2020	31.03.2019
18. Other Current Assets		
Advance recoverable other than cash	32.51	31.52
Balances with Excise, Customs, etc.	34.72	202.80
Deposits	5.81	-
Prepaid Employee Cost	15.56	13.99
Prepaid Lease Rental	10.96	44.28
Other Prepaid Expenses	292.92	307.01
Gold Coins in Hand	7.40	5.83
Other Current Assets	16.00	79.26
	415.88	**684.69**

(₹ / Crore)

	31.03.2020	31.03.2019
19. Equity Share capital		
A. Authorised:		
2,49,92,50,000 (31.03.2019: 2,49,92,50,000) Equity Shares of ₹ 10/- each	2,499.25	2,499.25
75,000 (31.03.2019: 75,000) Cumulative Redeemable Preference Shares of ₹ 100/- each	0.75	0.75
	2,500.00	**2,500.00**
B. Issued & Subscribed:		
1,52,45,25,375 (31.03.2019: 1,52,45,25,375) Equity Shares of ₹ 10/- each	1,524.53	1,524.53
C. Fully Paid up:		
1,52,38,22,625 (31.03.2019: 1,52,38,22,625) Equity Shares of ₹ 10/- each	1,523.82	1,523.82
D. Shares Forfeited:		
7,02,750 (31.03.2019: 7,02,750) Shares Forfeited (money received)	0.39	0.39
	1,524.21	**1,524.21**

	31.03.2020	31.03.2019
E. Reconciliation of number of Equity Shares		
Outstanding at the beginning of the year	1,52,38,22,625	1,52,38,22,625
Equity shares allotted as fully paid bonus shares	-	-
Outstanding at the end of the year	**1,52,38,22,625**	**1,52,38,22,625**

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 share held by each shareholder, holding more than 5% shares in the company:

Name of shareholders	31.03.2020	
	% Holding	No. of Shares
Oil and Natural Gas Corporation Limited	51.11	77,88,45,375

Name of shareholders	31.03.2019	
	% Holding	No. of Shares
Oil and Natural Gas Corporation Limited	51.11	77,88,45,375

H. In the period of five years immediately preceding 31st March, 2020:

The Company had issued Bonus Shares during Financial Years 2017-18 and 2016-17 in the ratio of 1:2 and 2:1 respectively by capitalization of Reserves. The total number of Bonus Shares issued during Financial Years 2017-18 and 2016-17 are 50,79,40,875 and 67,72,54,500 equity shares respectively, having face value of ₹ 10 each.

(₹ / Crore)

		31.03.2020	31.03.2019
20. Other Equity			
Debenture Redemption Reserve	(i)	625.00	-
Foreign Currency Monetary Item Translation Difference Account	(ii)	-	(2.91)
General Reserve	(iii)	1,777.65	1,777.65
Retained Earnings	(iv)	25,394.07	24,941.79
Equity Instruments through Other Comprehensive Income	(v)	(340.53)	(65.92)
Cash Flow Hedge Reserve	(vi)	(18.04)	-
		27,438.15	**26,650.61**
(i) Debenture Redemption Reserve			
As per last Balance Sheet		-	-
Add: Transfer from Retained Earnings (refer note 20.1)		625.00	-
		625.00	**-**

(₹ / Crore)

	31.03.2020	31.03.2019
20.1. The reserve is created on Non-Convertible Debentures (totalling to ₹ 2,500 Crore) issued till 15th August 2019 under Companies Act, 2013.		
(ii) Foreign Currency Monetary Item Translation Difference Account (refer note 20.2)		
As per last Balance Sheet	(2.91)	(0.64)
Add: Additions during the year	(0.79)	(6.58)
Less: Amortised during the year	(3.70)	(4.31)
	-	**(2.91)**
20.2. Represents exchange rate variation on loan taken for acquisition of non-depreciable assets, amortized over loan period.		
(iii) General Reserve		
As per last Balance Sheet	1,777.65	1,777.65
	1,777.65	**1,777.65**
(iv) Retained Earnings		
As per last Balance Sheet	24,941.79	20,632.77
Add: Profit/ (Loss) for the year	2,637.26	6,028.66
Add: Reversal of Tax Expense on exercising option under Section 115BAA of Income-tax Act, 1961 (refer note 44)	324.89	-
Less: Transfer to Debenture Redemption Reserve	625.00	-
Less: Transition impact of Ind AS 115 (net of tax)	-	82.17
Less: Profit appropriated to Interim/ Final Dividend	1,432.39	1,371.44
Less: Profit appropriated to Tax on Distributed Profits	294.43	281.90
Less: Remeasurement (Gain)/ Loss on Defined Benefit Plans	158.05	(15.87)
	25,394.07	**24,941.79**
(v) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	(65.92)	14.23
Add: Additions during the year	(274.61)	(80.15)
	(340.53)	**(65.92)**
(vi) Cash Flow Hedge Reserve		
As per last Balance Sheet	-	-
Add: Effective Portion of Gains/ (loss) in a Cash Flow Hedge	(18.04)	-
	(18.04)	**-**
	27,438.15	**26,650.61**

(₹ / Crore)

	31.03.2020	31.03.2019
21. Borrowings		
Bonds and Debentures (refer note 21.1)		
Un - secured		
Foreign Currency Bonds	3,771.95	3,446.62
8.00% Non-Convertible Debentures	499.75	-
7.00% Non-Convertible Debentures	1,999.76	-
6.80% Non-Convertible Debentures	2,999.77	-
6.38% Non-Convertible Debentures	599.75	-
7.03% Non-Convertible Debentures	1,399.76	-
Term loans		
Secured		
Oil Industry Development Board (refer note 21.2)	2,931.19	692.38
Un - secured		
Syndicated Loans from Foreign Banks (repayable in foreign currency) (refer note 21.3)	10,180.01	9,307.59
Others		
Un - secured		
Lease Liability (under Ind AS 116)	2,493.11	-
	26,875.05	**13,446.59**
Less: Current Maturities of Long Term Borrowings	4,331.26	2,129.37
Less: Current Maturities of Lease Liabilities	256.62	-
	22,287.17	**11,317.22**

21.1. Bonds and Debentures

Particulars of Bond/ Debenture	Coupon Rate of Interest	Date of Maturity/ Redemption
7.03% Non-Convertible Debentures	7.03% p.a. payble Annually	12th April 2030
USD 500 million bonds	4.00% p.a. payble Half Yearly	12th July 2027
7.00% Non-Convertible Debentures	7.00% p.a. payble Annually	14th August 2024
8.00% Non-Convertible Debentures	8.00% p.a. payble Annually	25th April 2024
6.38% Non-Convertible Debentures	6.38% p.a. payble Annually	12th April 2023
6.80% Non-Convertible Debentures	6.80% p.a. payble Annually	15th December 2022

21.2. Term Loans from Oil Industry Development Board

Repayable during	₹ in Crore		Range of Interest Rate as on	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
2019-20	-	61.19	-	7.86%-9.11%
2020-21	181.19	181.19	7.72%-8.28%	7.72%-8.09%
2021-22	725.00	150.00	6.53%-8.28%	7.72%-8.28%
2022-23	725.00	150.00	6.53%-8.28%	7.72%-8.28%
2023-24	725.00	150.00	6.53%-8.28%	7.72%-8.28%
2024-25	575.00	-	6.53%-7.96%	-
Total	**2,931.19**	**692.38**		

The loan has been secured with first charge on the facilities of Vishakh Refinery Modernisation Project, Mumbai Refinery Expansion Project, Awa Salawas Pipeline, Manglore Hassan Mysore LPG Pipeline, Uran-Chakan/ Shikarpur LPG Pipeline & Rewari Mathura Kanpur Pipeline for a value of ₹ 15,815.87 Crore (31.03.2019: ₹ 8,087.03 Crore). Of the loan amount ₹ 181.19 Crore (31.03.2019: ₹ 61.19 Crore) is repayable within one year and the same has been included in 'Current Maturities of Long Term Borrowings' under Note # 26.

21.3. Syndicated Loans from Foreign Banks (repayable in foreign currency)

The Corporation has availed Syndicated Loans from foreign Banks at 3 months floating LIBOR plus spread (spread range: 65 to 155 basis point p.a.). These loans are taken for the period up to 5 years. Of the loan amount ₹ 4,150.07 Crore (31.03.2019: ₹ 2,068.18 Crore) is repayable within one year and the same has been included in 'Current Maturities of Long Term Borrowings' under Note # 26.

(₹ / Crore)

	31.03.2020	31.03.2019
22. Other Financial Liabilities		
Other Liabilities	0.70	0.51
	0.70	**0.51**

(₹ / Crore)

	31.03.2020	31.03.2019
23. Provisions		
Provision for employee benefits	50.20	55.30
	50.20	**55.30**

(₹ / Crore)

	31.03.2020	31.03.2019
24. Other Non-Current Liabilities		
Capital Grant	1.01	1.87
Other liabilities	210.47	121.81
	211.48	**123.68**

(₹ / Crore)

	31.03.2020	31.03.2019
25. Borrowings		
Loans repayable on demand		
Secured		
from banks		
Cash Credit (Secured by hypothecation of Inventories in favour of Banks on *pari passu* basis)	3,001.57	2,748.61
from other parties		
Triparty Repo Dealing System Loan (refer Note 25.1)	1,399.94	1,389.73
Un-secured		
from banks		
Clean Loans	3,056.02	3,500.00
Short term loans	6,246.11	3,866.04
from other parties		
Commercial papers	2,442.16	2,288.73
	16,145.80	**13,793.11**

25.1. Bonds valuating ₹ 1,476 Crore (31.03.2019: ₹ 1,476 Crore) comprising 7.59 % G - Sec Bonds of ₹ 185 Crore (31.03.2019: ₹ 185 Crore), 7.72 % G - Sec Bonds of ₹ 836 Crore (31.03.2019:₹ 836 Crore), 8.33 % G - Sec Bonds of ₹ 180 Crore (31.03.2019:₹ 180 Crore) and 8.15 % G - Sec Bonds of ₹ 275 Crore (31.03.2019:₹ 275 Crore), have been pledged with Clearing Corporation of India Limited against Triparty Repo Dealing System Loan.

(₹ / Crore)

	31.03.2020	31.03.2019
26. Other Financial Liabilities		
Current maturities of Long Term Borrowings (refer note 26.1)	4,331.26	2,129.37
Current maturities of Lease Liabilities	256.62	-
Interest accrued but not due on loans	249.91	54.13
Unpaid Dividend (refer note 26.2)	17.70	15.99
Derivative Liability	79.51	12.52
Deposits from Dealers/ Consumers/ Suppliers (refer note 26.3)	15,436.10	14,451.63
Liability towards Capital Expenditures:		
Outstanding dues of micro enterprises and small enterprises (refer note 51)	339.55	342.61
Outstanding dues of creditor other than micro and small enterprises	1,643.81	1,577.41
Other Financial Deposits	10.77	11.61
Other Liabilities	973.51	876.77
	23,338.74	**19,472.04**

26.1. Includes loans repayable within one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 4,150.07 Crore (31.03.2019: ₹ 2,068.18 Crore); Loan from Oil Industry and Development Board ₹ 181.19 Crore (31.03.2019: ₹ 61.19 Crore).

26.2. Dues as at the end of the year for credit to Investors' Education and Protection Fund is ₹ NIL (31.03.2019: NIL).

26.3. Includes deposits received towards Rajiv Gandhi Gramin LPG Vitrak Yojana ₹ 241.89 Crore (31.03.2019: ₹ 241.89 Crore) and Prime Minister Ujjwala Yojana of ₹ 3,020.91 Crore (31.03.2019: ₹ 2,675.09 Crore). These deposits have been either made by Government of India or created out of CSR fund.

(₹ / Crore)

	31.03.2020	31.03.2019
27. Other Current Liabilities		
Revenue received in advance	1,046.95	915.94
Capital Grant	0.91	2.16
Statutory Payables	1,706.01	2,642.33
Other Liabilities	158.35	154.07
	2,912.22	**3,714.50**

(₹ / Crore)

	31.03.2020	31.03.2019
28. Provisions		
Provision for Employee Benefits	1,903.31	1,211.02
Provisions for probable obligations (refer note 53)	1,045.13	1,024.07
	2,948.44	**2,235.09**

(₹ / Crore)

	31.03.2020	31.03.2019
29. Current Tax Liabilities (Net)		
Provision for tax (net of advance tax) (refer note 44)	366.97	831.27
	366.97	**831.27**

(₹ / Crore)

	2019-20	2018-19
30. Gross Sale of Products		
Sale of Products	2,85,904.90	2,94,699.81
Recovery under Subsidy Schemes	345.37	1,012.75
	2,86,250.27	**2,95,712.56**

30.1. Net of discount of ₹ 2,348.47 Crore (2018-19: ₹ 2,598.66 Crore).

30.2. Includes Subsidy on PDS Kerosene and Domestic Subsidized LPG from State Governments amounting to ₹ 63.95 Crore (2018-19: ₹ 55.63 Crore).

30.3. Includes Budgetary Support amounting to ₹ 281.41 Crore (2018-19: ₹ 957.12 Crore) under 'Recovery under Subsidy Schemes' towards under-recovery on sale of PDS SKO.

30.4. Disaggregation of revenue as required under Ind AS 115:

(₹ / Crore)

	2019-20	2018-19
Exports	6,203.38	2,705.29
Other than export	2,80,046.89	2,93,007.27
	2,86,250.27	**2,95,712.56**

(₹ / Crore)

	2019-20	2018-19
31. Other Operating Revenues		
Rent Recoveries	827.02	834.33
Net Recovery for LPG Filling Charges	0.63	0.96
Miscellaneous Operating Income	339.01	398.46
	1,166.66	**1,233.75**

(₹ / Crore)

	2019-20	2018-19
32. Other Income		
Interest Income on Financial Assets carried at amortized cost:		
On Deposits	0.40	0.53
On Staff Loans	41.72	33.48
On Customers' Accounts	272.62	262.70
Interest On Current Investments carried at fair value through Profit or Loss	366.30	367.62
Interest on Other Financial Assets carried at amortized cost	312.44	221.03
	993.48	**885.36**
Dividend Income from Joint Venture/ Associate Companies	154.83	207.75
Dividend Income from non-current equity instruments at FVOCI	28.76	25.41
Fair value gain on Derivative instruments carried at FVTPL	-	45.42
Fair value gain on Current Investments carried at FVTPL	262.66	84.39
Profit on Sale of Current Investment	0.55	4.61
Profit on Sale/ write off of Property Plant & Equipments/ Capital Work in Progress/ Assets classified as held for Sale/ Disposal (net)	18.01	8.97
Share of Profit from Petroleum India International (AOP)	0.34	0.02
Miscellaneous Income	379.54	413.08
	844.69	**789.65**
	1,838.17	**1,675.01**

(₹ / Crore)

	2019-20	2018-19
33. Cost of Materials Consumed		
Cost of Raw Materials Consumed	59,430.19	69,284.77
Packages Consumed	320.50	346.50
	59,750.69	**69,631.27**

(₹ / Crore)

	2019-20	2018-19
34. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (Increase)/ Decrease		
(A) Closing Stock:		
Work-in-progress	914.72	775.86
Finished Goods	5,994.32	6,760.31
Stock-in-trade	8,755.55	8,712.86
	15,664.59	**16,249.03**
(B) Opening Stock:		
Work-in-progress	775.86	735.94
Finished Goods	6,760.31	5,776.32
Stock-in-trade	8,712.86	7,570.25
	16,249.03	**14,082.51**
(C) Write down of inventories considered under Exceptional Items (refer note 62)	1,002.93	-
(B-A-C)	**(418.49)**	**(2,166.52)**

(₹ / Crore)

	2019-20	2018-19
35. Employee Benefits Expense		
Salaries, Wages, Bonus, etc.	2,258.15	2,274.47
Contribution to Provident Fund (refer note 68)	329.90	149.31
Pension, Gratuity and Other Employee Benefits	266.04	195.59
Employee Welfare Expenses	339.37	317.54
	3,193.46	**2,936.91**

(₹ / Crore)

	2019-20	2018-19
36. Finance costs		
Interest	717.19	501.14
Exchange differences regarded as an adjustment to borrowing costs	345.32	160.26
Other borrowing costs (refer note 36.1)	19.21	64.54
	1,081.72	**725.94**

36.1. Includes interest u/s 234B/ 234C of Income Tax Act, 1961 for an amount NIL (2018-19: ₹ 39.78 Crore).

(₹ / Crore)

	2019-20	2018-19
37. Other Expenses		
Transportation Expenses	6,139.80	6,098.07
Consumption of Stores, Spares and Chemicals	285.75	282.05
Power and Fuel	2,714.75	3,291.47
Less: Consumption of fuel out of own production	2,223.37	2,775.80
Power and fuel consumed (net)	491.38	515.67
Repairs and Maintenance - Buildings	59.73	57.43
Repairs and Maintenance - Plant and Machinery	1,183.88	1,055.87
Repairs and Maintenance - Other Assets	486.80	417.35
Insurance	74.31	55.41
Rates and Taxes	92.70	79.12
Irrecoverable Taxes and Other Levies	416.38	515.53
Equipment Hire Charges	2.32	2.05
Rent	289.60	323.32
Travelling and Conveyance	235.72	239.64
Printing and Stationery	19.52	20.92
Electricity and Water	831.11	874.01
Corporate Social Responsibility (CSR) Expenses	182.24	159.81
Stores and spares written off	2.42	1.95
Impairment in value of Non - Current Investments	229.73	38.00
Provision for Doubtful Receivables/ Loans (After adjusting provision no longer required written back ₹ NIL , 2018-19: ₹ 0.58 Crore)	205.43	136.80
Provision for Doubtful Debts (After adjusting provision no longer required written back ₹ NIL, 2018-19: ₹ 0.02 Crore)	12.78	34.00
Bad Debts written off	0.21	15.17
Security Charges	280.57	266.39
Advertisement and Publicity	155.59	198.31
Sundry Expenses and Charges (Not otherwise classified)	1,187.95	754.58
Consultancy and Technical Services	67.18	69.72
Loss on Foreign Currency Transaction and Translation (net)	873.50	624.35
Fair value Loss on Derivative instruments carried at FVTPL (net)	44.75	-
Exploration cost	30.75	3.78
Payments to the auditors for:		
- Audit Fees	0.72	0.62
- Other Services	0.39	0.25
- Reimbursement of expenses	0.14	0.13
	13,883.35	**12,840.30**

38. Fair Value Measurements:

38.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 Fair value through Profit or Loss (FVTPL), Fair Value through Other Comprehensive Income (FVTOCI) and Amortized Cost:

(₹ / Crore)

	31.03.2020			31.03.2019		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
- Investment in Equity Instruments	0.00	221.25	-	0.00	495.85	-
- Investment in Preference Shares	8.68	-	-	2.10	-	-
- Investment in Debt Instruments	5,344.86	-	-	5,083.76	-	-
- Others	-	-	-	0.05	-	-
Loans						
- Employee Loans	-	-	391.48	-	-	359.57
- Other loans	-	-	1,432.13	-	-	1,739.93
Trade receivables	-	-	3,922.72	-	-	5,653.00
Cash and cash equivalents	-	-	95.04	-	-	76.20
Other Bank Balances	-	-	18.11	-	-	19.41
Derivative Assets	16.04	-	-	107.58	-	-
Amounts recoverable under subsidy schemes	-	-	432.63	-	-	810.17
Others	-	-	7,494.48	-	-	9,627.81
Total	**5,369.58**	**221.25**	**13,786.59**	**5,193.49**	**495.85**	**18,286.09**
Financial liabilities						
Borrowings						
- Foreign Currency Bonds	-	-	3,771.95	-	-	3,446.62
- Non Convertible Debentures	-	-	7,498.79	-	-	-
- Oil Industry Development Board	-	-	2,931.19	-	-	692.38
- Syndicated Loans from Foreign Banks	-	-	10,180.01	-	-	9,307.59
- Cash Credit	-	-	3,001.57	-	-	2,748.61
- Short term loans from banks	-	-	6,246.11	-	-	3,866.04
- Clean Loans	-	-	3,056.02	-	-	3,500.00
- Triparty Repo Dealing System Loan	-	-	1,399.94	-	-	1,389.73
- Commercial papers	-	-	2,442.16	-	-	2,288.73
Lease Liabilities	-	-	2,493.11	-	-	-
Trade Payables	-	-	11,295.22	-	-	16,956.67
Deposits from Consumers	-	-	15,436.10	-	-	14,451.63
Derivative Liability	79.51	-	-	12.52	-	-
Others	-	-	3,235.95	-	-	2,879.03
Total	**79.51**	**-**	**72,988.12**	**12.52**	**-**	**61,527.03**

38.B. Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair value of the Financial Assets and Financial Liabilities that are recognised and measured at fair value and 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 Policies.

(₹ / Crore)

	31.03.2020			31.03.2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments						
- Investment in Equity Instruments	221.25	-	-	495.85	-	-
- Investment in Debt Instruments	5,344.86	-	-	5,083.76	-	-
- Others	-	-	-	-	0.05	-
Loans						
- Employee Loans	-	391.48	-	-	359.57	-
- Other loans	-	1,437.94	-	-	1,559.69	-
Derivative Assets	-	16.04	-	-	107.58	-
Total	**5,566.11**	**1,845.46**	**-**	**5,579.61**	**2,026.89**	**-**
Financial liabilities						
Borrowings						
- Foreign Currency Bonds	-	3,435.78	-	-	3,393.49	-
- Non Convertible Debentures	-	7,640.55	-	-	-	-
- Oil Industry Development Board Loan	-	3,011.98	-	-	704.67	-
Derivative Liability	-	79.51	-	-	12.52	-
Total	**-**	**14,167.82**	**-**	**-**	**4,110.68**	**-**

38.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.
Derivative instruments - 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.

39. Financial risk management:

39.A. Risk management framework

The Corporation has established an Enterprise Risk Management (ERM) framework under the Corporation's Risk Management Charter and Policy 2007, which is embedded at the forefront of business strategies and focuses on the stronger, deeper and trust-based relationship with the stakeholders. It provides necessary support to the business to steer through the continuously evolving risk terrain through dynamic risk management approach that embraces disruption and enhances resiliency and trust. The Risk Management Steering Committee (RMSC) receives regular insights on risk exposures faced by the Corporation along with the mitigation & treatment plans, thereby enabling it to provide prompt interventions. The Board is also updated regularly on the risk assessment and mitigation procedures. Technology is enabled to support the Enterprise Risk Management processes with a focus on optimizing risk exposures and automating risk reporting across the Corporation. Reputed professional external consultants have also been engaged to establish a mechanism to bring the outside view to effectively enhance the visibility of external business risks and support the change management in the transformation of existing ERM processes.

39.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:

39.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 their contractual obligations. The risk arises principally from the Company's Receivables from Customers and so also from Investment Securities. The risk is managed through credit approval, establishing credit limits and continuous monitoring of the creditworthiness of Customers to whom the Corporation extends credit terms in the normal course of business. The Corporation recognizes a loss allowance towards Doubtful Debts by estimating its expected losses in respect of Trade Receivables, Investments and Other Receivables.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount

Note: Refer Note 59 regarding loans given to consumers under Pradhan Mantri Ujjwala Yojna (PMUY).

Trade receivables:

The Corporation's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

As at 31.03.2020, the Corporation's most significant customer accounted for ₹ 843.34 Crore of the Trade Receivables (31.03.2019: ₹ 1,085.54 Crore).

The Corporation uses an allowance matrix to measure the expected credit losses on trade receivables that are considered good. The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) on such trade receivables:

(₹ / Crore)

Past due	31.03.2020			31.03.2019		
	Gross carrying amount	Weighed average loss rate	Loss allowance	Gross carrying amount	Weighed average loss rate	Loss allowance
0-90 days	3,599.85	0.03%	1.25	5,383.40	0.03%	1.56
91-360 days	292.03	1.17%	3.42	273.20	2.95%	8.07
More than 360 days	210.76	83.15%	175.25	163.54	96.31%	157.51
	4,102.64		**179.92**	**5,820.14**		**167.14**

The movement in loss allowance on trade receivables is as follows:

(₹ / Crore)

Balance as at 01.04.2018	**133.15**
Add: Loss allowance recognised	45.61
Less: Amounts written off	11.62
Balance as at 31.03.2019	**167.14**
Add: Loss allowance recognised	12.99
Less: Amounts written off	0.21
Balance as at 31.03.2020	**179.92**

The amounts written off relates to customers who have defaulted payments and are not expected to be expected to pay their outstanding balances, mainly due to economic circumstances.

Cash and Cash Equivalents:

The Corporation held cash and cash equivalents of ₹ 95.04 Crore as on 31.03.2020 (31.03.2019: ₹ 76.20 Crore). The cash and cash equivalents (other than cash on hand) are held with scheduled banks. The Corporation invests its surplus funds for short duration in fixed deposit with banks, Govt. of India T-bills and liquid Schemes of Mutual Funds, all of which carry no mark to market risks as the Corporation is exposed only to low credit risk.

Derivatives:

The forex and interest rate derivatives are entered into with banks having an investment grade rating. Commodity derivatives are entered with reputed Counterparties in the OTC (Over-the-Counter) Market. The exposure to counter-parties are closely monitored and kept within the approved limits.

Investment in Debt Securities:

Investment are made in government securities or bonds which do not carry any credit risk, being sovereign in nature.

39.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, TREPS loan, 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.

(ii) Maturities of financial liabilities:

The amounts disclosed in the table below are the contractual undiscounted cash flow:

(₹ / Crore)

	Contractual cash flows					
	31.03.2020			31.03.2019		
	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	21,646.77	6,417.08	17,639.15	16,480.71	4,888.95	8,365.50
Trade payables	11,295.22	-	-	16,956.67	-	-
Other financial liabilities	3,235.25	-	15,436.80	2,879.54	-	14,452.14
Financial guarantee contracts	-		609.10	-	-	570.57
Total	**36,177.24**	**6,417.08**	**33,685.05**	**36,316.92**	**4,888.95**	**23,388.21**
Derivative financial liabilities/ (Assets)						
Interest rate swaps	(4.35)	-	-	(35.48)	(21.36)	-
Commodity contracts (net settled)	60.44	-	-	(48.23)	-	-
Forward exchange contracts (Gross settled)						
- Inflows	-	-	-	(2,004.06)	-	-
- Outflows	-	-	-	2,008.90	-	-
Total	**56.09**	**-**	**-**	**(78.87)**	**(21.36)**	**-**

* Outstanding loan of one of the step down subsidiary, guaranteed by the Corporation by way of providing 'Corporate Guarantee', payable in the event of default by the step down subsidiary on its repayment obligation. As of the Reporting date, there has been no default by the step down subsidiary and hence the Corporation does not have any present obligation in relation to such guarantee.

39.B.3. **Market Risk - Market Risk is further categorised in (i) Currency risk , (ii) Interest rate risk & (iii) Commodity risk:**

39.B.3.1. **Currency risk:**

The Corporation is exposed to currency risk, primarily on account of its repayment obligations of loans taken in foreign currency and imports, to be paid in foreign currency. The exposure is mainly denominated in U.S.Dollar. The Corporation has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Corporation uses 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 does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instrument to hedge the foreign exchange risk as of dates:

Category	Instrument	Currency	Cross Currency	31.03.2020	31.03.2019	Buy/ Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	-	$ 300.65 mn	Buy
				-	$ 12.92 mn	Sell

Exposure to currency risk - The currency profile of financial assets and financial liabilities is as below:

(₹ / Crore)

	31.03.2020		31.03.2019	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial assets				
Non-current investments	229.93	-	498.00	-
Current investments	5,344.86	-	5,083.76	-
Long-term loans	1,415.77	-	1,141.40	-
Short-term loans	407.84	-	958.10	-
Trade receivables	3,748.44	174.28	5,474.43	178.57
Cash and Cash Equivalents	95.04	-	76.20	-
Other Bank Balances	18.11	-	19.41	-
Others Non Current Financial Assets	6.29	-	4.72	-
Others Current Financial Assets	7,920.82	16.04	10,433.26	107.58
Exposure for assets - A	**19,187.10**	**190.32**	**23,689.28**	**286.15**
Financial liabilities				
Long term borrowings & Lease Liabilities	12,923.09	13,951.96	692.38	12,754.21
Short term borrowings	9,899.69	6,246.11	9,927.07	3,866.04
Trade Payables	7,154.42	4,140.80	9,947.29	7,009.38
Other Financial Liabilities	18,655.29	96.27	17,330.66	12.52
	48,632.49	**24,435.14**	**37,897.40**	**23,642.15**
Less: Foreign currency forward exchange contracts	-	-	-	1,989.92
Exposure for liabilities - B	**48,632.49**	**24,435.14**	**37,897.40**	**21,652.23**
Net exposure (Assets - Liabilities)(A - B)	**(29,445.39)**	**(24,244.82)**	**(14,208.12)**	**(21,366.08)**

The following exchange rates have been applied during the year:

INR	31.03.2020	31.03.2019
USD 1	75.67	69.16

Sensitivity analysis:

The table below shows sensitivity of open forex exposure of the Corporation to USD/ INR currency movement. The impact of exposure to a currency movement in the range of 1% (+/-) change, increase denoting appreciation in USD Vs. INR & vice versa is explained through the said Table. The indicative 1% movement is directional and does not reflect management's forecast on currency movement.

Effect in INR	Impact on profit or (loss) due to % increase/ Decrease in currency (₹ / Crore)			
	Increase	Decrease	Increase	Decrease
	31.03.2020		31.03.2019	
1% movement	1%		1%	
USD	(242.45)	242.45	(213.66)	213.66

39.B.3.2. **Interest rate risk:**

The Corporation has long-term foreign currency syndicated loans with floating rate of interest, which exposes the Corporation to cash flow interest rate risk. The borrowings at floating rate are denominated in USD. The Corporation manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under this, 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. The 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) that actively reviews the forex and interest rate exposures. The Corporation does not use derivative financial instruments for trading or speculative purposes.

The Corporation's borrowings, contracted at fixed rate are carried at amortised cost. These are not impacted to interest rate risk as defined in Ind AS 107 as neither the carrying amount nor the future cash flows will fluctuate in the event of a change in market interest rates.

The derivative financial instrument used in hedging the interest rate risk is as under:

(₹ / Crore)

Category	Instrument	Currency	Cross Currency	31.03.2020	31.03.2019
Hedges of floating rate foreign currency loans ($ 250 mn) (31.03.2019: $ 500 mn)	Interest rate swaps	USD	INR	1,891.63	3,458.00

Interest rate risk exposure:

The Corporation's interest rate risk arises mainly from borrowings. The profile of the Corporation's interest-bearing financial instruments at period end is as follows:

(₹ / Crore)

	Carrying amount	
	31.03.2020	31.03.2019
Fixed-rate instruments		
Financial assets	5,425.68	5,150.96
Financial liabilities	24,101.62	14,066.07
Variable-rate instruments		
Financial assets	2,656.78	2,903.73
Financial liabilities	16,426.12	13,173.63

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at Reporting Date would have impacted profit or loss [increased/ (decreased)] 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 rate remaining constant.

	Impact on Profit or (loss) (₹ / Crore)			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2020		31.03.2019	
Floating rate borrowings	(28.25)	28.25	(22.87)	22.87
Interest rate swaps (notional principal amount)	4.14	(4.14)	6.94	(6.94)
Cash flow sensitivity (net)	**(24.11)**	**24.11**	**(15.93)**	**15.93**

39.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. The 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 which are Outstanding as at Balance Sheet date is given below:

	Quantity (in Mn Barrels)	
	31.03.2020	31.03.2019
Crude/ Product Swaps	4.23	2.11

The sensitivity to a reasonable possible change of 10% in the price of crude/ product swaps on the outstanding Commodity derivative/ paper contracts 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.

	Effect on Profit before Tax (₹ / Crore)			
	10% Increase	10% Decrease	10% Increase	10% Decrease
	31.03.2020		31.03.2019	
Crude/ Product Swaps	2.80	(2.80)	(13.00)	13.00

Derivatives & Hedging

The Corporation enters into derivative contracts for hedging purpose, to mitigate the commodity price risk, on Highly probable forecast transactions as detailed above. Effective 01 January 2020, the Corporation has applied Hedge Accounting on commodity derivative transactions entered subsequent to 01 January 2020 as per Ind AS 109 (Financial Instruments). Consequent to this a Mark to Market debit amounting to ₹ 24.11 Crore has been accounted in Other Comprehensive Income which will be recycled to Statement of Profit and Loss in subsequent period on settlement of respective contracts.

All these hedges are accounted for as Cash Flow Hedges.

Hedge Effectiveness:

The Corporation has established a hedge ratio of 1:1 for the hedging relationship as the underlying risk of the commodity forward contracts are identical to the hedged risk component. Hedge item and the hedging instruments have economic relationship as the terms of the commodity forward contracts match with the terms of hedge items. Considering the economic relationship and characteristics of the hedging instrument being aligned to the hedged item, the fair value changes in the hedging instrument reasonably approximates the fair value changes in the hedged Item (in absolute amounts).

Source of Hedge Effectiveness:

The Corporation has identified the following sources of hedge ineffectiveness which are not expected to be material:

a. Counterparty Credit Risk impacting the fair value of the hedge instrument and hedge item.

b. Difference in the timing of the cash flows of the hedged items and the hedge instruments

c. Different indexes used to hedge risk of the hedged item.

d. Changes to forecasted amounts of cash flows of hedged items and hedging instruments.

Disclosures of effects of Cash Flow Hedge Accounting:

The Corporation has applied Hedge Accounting prospectively for the highly probable forecast transactions as stated above, entered after 01 January 2020. Consequently, disclosure is made only for the transactions designated for Hedge Accounting.

The Corporation is holding the following derivative contracts:

(₹ / Crore)

As at March 31, 2020	Maturities					
	Less than 1 Month	1-3 Months	3-6 Months	6-12 Months	More than 12 Months	Total
Commodity Forward Contracts						
Nominal Volume (Quantity in Mn Barrels)	-	0.45	0.38	0.15	-	0.98
Nominal amount (₹ / Crore)	-	24.06	15.85	10.47	-	50.38

The Impact of Hedging Instruments in Balance sheet is as under:

(₹ / Crore)

As at March 31, 2020	Commodity forward contract- Margin Hedging
Nominal Amount	50.38
Carrying Amount	(24.11)
Line item in Balance sheet that include Hedge Instrument	Other Financial Assets/ Other Financial Liabilities

The Impact of Cash flow Hedge in the statement of Profit and Loss and Other comprehensive Income (OCI):

(₹ / Crore)

As at March 31, 2020	Highly Probable Forcast Transaction
Hedging Gain/ (Loss) recognised in OCI*	(24.11)
Income tax on Above	6.07
Net amount recognised in Cash flow Hedge Reserve	**(18.04)**
Line item in the Statement of Profit and Loss that includes the reclassification adjustment	Revenue/ Purchases

* The corporation expects that the amount of Loss recognised in cash flow hedge reserve through Other comprehensive income (OCI) will be recovered in future period through gains in underlying transactions.

39.B.3.4. **Price risk:**

The Corporation's exposure to equity investment has price risk. Such investments are designated at fair value through Other Comprehensive Income, as these investments are held for long-term strategic purposes.

Sensitivity

The table below summarises the impact of increase/ decrease in price:

	Equity Instruments through OCI (In ₹ Crore)			
	1% Increase	1% Decrease	1% Increase	1% Decrease
	31.03.2020		31.03.2019	
Equity Investment in Oil India Ltd.	2.21	(2.21)	4.96	(4.96)

39.C.1. **Offsetting:**

The financial instruments that are otherwise eligible for offset and other similar arrangements but are not offset, as at period end. The column 'net amount' shows the impact on the balance sheet if all set-off rights are exercised.

(₹ / Crore)

	Effect of offsetting on the Balance Sheet			Related amounts not offset	
	Gross amounts (A)	Gross amounts set off in the balance sheet (B)	Net amounts presented in the Balance Sheet (C) (A-B)	Amounts not Offset (D) (Other than (B))	Net Amount (E) (C-D)
As on Mar 31, 2020					
Financial assets					
Trade Receivables	7,720.43	(3,797.71)	3,922.72	(138.22)	3,784.50
Financial liabilities					
Trade Payables	15,092.93	(3,797.71)	11,295.22	-	11,295.22
Other Current Financial Liabilities	23,338.74	-	23,338.74	(138.22)	23,200.52
As on 31st March, 2019					
Financial assets					
Trade Receivables	6,422.93	(769.93)	5,653.00	(241.36)	5,411.64
Financial liabilities					
Trade Payables	17,726.60	(769.93)	16,956.67	-	16,956.67
Other Current Financial Liabilities	19,472.04	-	19,472.04	(241.36)	19,230.68

40. Revenue from Contracts with Customers:

The revenue is recognised only upon satisfaction of performance obligation and whenever there are remaining performance obligations, the same is recognised as revenue, a) in case of amount received in advance from a Customer, when the product is delivered to the Customer, b) in case of loyalty points earned by Customer, when such points are redeemed/ expire. Such remaining obligations, termed as Contract Liability under the IND-AS 115 'Revenue Recognition' at period end together with Trade Receivable is as under:

(₹ / Crore)

	31.03.2020	31.03.2019
Trade Receivables	3,922.72	5,653.00
Liabilities under contractual obligation	1,046.95	915.94

During the financial year, the Corporation recognized revenue of ₹ 836.60 Crore (2018-19:₹ 538.69 Crore) arising from opening unearned revenue.

41. Disclosures as per Ind AS 116 'Leases' are as follows:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases, replacing the existing Standard Ind AS 17, to be effective from Accounting Period beginning with April 01, 2019. The adoption of Standard calls for recognition of 'Lease Liability' & 'Right-of-use Assets', wherever the term of lease is in excess of 12 months, unless the underlying Asset is of low value. Applicable for Lessees, this Standard removes distinctive recognition, measurement and disclosure requirements between Operating Lease & Finance lease, hitherto prevalent. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of sales) are excluded from measurement. On transition to the new Standard, usage of either a full retrospective or a modified retrospective approach is permitted with options to use certain practical expedients.

The Corporation enters into lease arrangements for underlying assets such as land, office premises, staff quarters. The Corporation had chosen modified retrospective approach and accordingly comparatives for the year ending March 31, 2019 are not separately presented. Further, measurement of 'Lease Liability' & 'Right-of-use Assets' have been made prospective as though the lease term is deemed to begin with the current Accounting Period.

The Corporation has used the following practical expedients:

1. Applying a single discount rate to a portfolio of leases with similar remaining lease term.
2. Not applying the transition requirements to leases for which the lease term ends within 12 months of the date of initial application i.e. April 01, 2019.

A. Maturity analysis of lease liabilities:

The amounts disclosed in the table below are the contractual undiscounted cash flow:

(₹ / Crore)

	31.03.2020
Less than one year	269.44
Between one and three years	512.72
More than three years	5,092.03
	5,874.19

B. Other Disclosures

(₹ / Crore)

Particulars	31.03.2020
a) Expense relating to short-term leases	781.06
b) Expense relating to leases of low-value assets	4.89
c) Expense relating to variable lease payments not included in the measurement of lease liabilities	4,512.62
d) Income from sub-leasing of 'right-of-use'	60.64
e) Interest expense on lease liabilities	201.72
f) Total cash outflow for leases	264.05

C. The following are the carrying values of Right of use ("ROU") assets:

(₹ / Crore)

Particulars	Class of Underlying Asset		
	Land	Buildings	Total
Gross Block			
As on 01.04.2019#	76.31	-	76.31
Right Of Use asset recognised on initial application of Standard*	2,742.63	42.23	2,784.86
Additions/ Reclassifications	570.42	11.72	582.14
As on 31.03.2020	**3,389.36**	**53.95**	**3,443.31**
Depreciation/ Amortisation			
As on 01.04.2019#	0.46	-	0.46
For the year	157.59	14.04	171.63
As on 31.03.2020	**158.05**	**14.04**	**172.09**
Net Block as on 31.03.2020	**3,231.31**	**39.91**	**3,271.22**

"Finance Leases" under the erstwhile standard Ind AS 17, has now become "Right-to-use Assets" under Ind AS 116.

* See, 'D. Transition Impact', below.

D. Transition impact

As on transition date i.e. April 01, 2019, the Corporation has recognized 'Right-of-use assets' of ₹ 2,784.86 Crore towards:

- The prepaid expenses of ₹ 731.68 Crore (Non-Current: ₹ 706.78 Crore; Current ₹ 24.90 Crore) with respect to leases recognised in the Balance Sheet as on March 31, 2019; and
- The lease liability of ₹ 2,053.18 Crore (Non-Current: ₹ 1,978.99 Crore; Current ₹ 74.19 Crore) is recognised on transition date for leases previously classified as operating lease with the exception of short-term leases and leases of low-value underlying assets as under:

(₹ / Crore)

Particulars	
Operating lease commitments at March 31, 2019	**2,177.12**
Adjustment for:	
Effect of discounting (using weighted average incremental borrowing rate at 8.69%)	(311.15)
In-elligible GST on Operating Lease commitment not considered in lease Liability	(205.82)
Net effect on account of restatement of Liability	(829.94)
Prepaid Operating Leases included in 'Lease commitments'	(499.11)
Lease Recognised on implementation of Ind AS 116	1,722.08
Total lease liabilities at April 1, 2019	**2,053.18**

The nature of expenses in respect of certain leases hitherto classified under "Lease Rental" has been rechristen to "Depreciation and amortisation expense" and "Finance Cost", thus, not comparable with the previous year.

Pursuant to the adoption of this Standard, had the leases been accounted for as per erstwhile Standard the 'Depreciation and Amortisation Expenses' would be lower by ₹ 170.79 Crore, 'Finance Cost' would be lower by ₹ 201.72 Crore and 'Other Expenditure' would be higher by ₹ 247.67 Crore. Net decrease in Profit Before Tax on account of implementation of this Standard during the current financial year is ₹ 124.84 Crore.

42. Related Party Disclosure:

A. Name of the Related Party and the nature of the relationship:

1. Holding Company, Subsidaries, Jointly controlled entities and Associates (Govt. related entities, except otherwise mentioned):

(a) Holding Company

i. Oil & Natural Gas Corporation Ltd.

(b) Subsidiaries

i. HPCL Biofuels Ltd.

ii. Prize Petroleum Company Ltd. (PPCL)

iii. Prize Petroleum International Pte. Ltd. (a wholly owned subsidiary of PPCL)

iv. HPCL Middle East FZCO

(c) Jointly controlled entities

i. HPCL Rajasthan Refinery Ltd.

ii. Bhagyanagar Gas Ltd.

iii. Petronet MHB Ltd.

iv. Mumbai Aviation Fuel Farm Facility Pvt. Ltd.

v. Godavari Gas Pvt. Ltd.

vi. Aavantika Gas Ltd.

vii. Ratnagiri Refinery & Petrochemicals Ltd.

viii. Ujjwala plus foundation

ix. HPOIL Gas Pvt. Ltd.

x. IHB Pvt. Ltd. (incorporated on 09th July 2019)

(d) Jointly controlled entities (Other than Govt. related entities)

i. HPCL-Mittal Energy Ltd.

ii. Hindustan Colas Pvt. Ltd.

iii. South Asia LPG Company Pvt. Ltd.

iv. Petronet India Ltd. (in process of voluntary winding up w.e.f. 30th August 2018)

v. HPCL Shapoorji Energy Pvt. Ltd.

(e) Associates

i. GSPL India Gasnet Ltd.

ii. GSPL India Transco Ltd.

iii. Mangalore Refinery and Petrochemicals Ltd.

(f) Fellow Subsidiaries

i. ONGC Mangalore Petrochemicals Ltd.

ii. ONGC Petro Additives Ltd.

2. Key Management Personnel

i. Shri Mukesh Kumar Surana, Chairman and Managing Director

ii. Shri Pushp Kumar Joshi, Director - Human Resources

iii. Shri Vinod S. Shenoy, Director - Refineries

iv. Shri R. Kesavan, Director - Finance (effective 05th September 2019)

v. Shri Rakesh Misri, Director - Marketing (effective 17th October 2019)

vi. Shri S. Jeyakrishnan, Director - Marketing (upto 30th June 2019)

vii. Shri R. Kesavan, Chief Finance Officer

viii. Shri V. Murali, Company Secretary

3. Independent Directors

i. Shri Ram Niwas Jain (upto 19th November 2019)

ii. Smt. Asifa Khan (upto 12th February 2020)

iii. Shri G.V. Krishna (upto 12th February 2020)

iv. Dr. Trilok Nath Singh (upto 19th March 2020)

v. Shri Amar Sinha

vi. Shri Siraj Hussain

vii. Shri G. Rajendran Pillai (effective 15th July 2019)

4. Government Nominee Directors

i. Shri Sunil Kumar (effective 30th May 2019)

ii. Shri Subhash Kumar

iii. Shri Sandeep Poundrik (upto 01st May 2019)

Note: The disclosure requirements in respect of transactions with 'Govt. related entities', being exempted under Ind AS 24, the rest of Related Party Disclosures (i.e. Parties named in '1(d)' above) are furnished as under:

B. Details of transactions with related parties

(₹ / Crore)

No.	Nature of Transactions	2019-20	2018-19
(i)	**Sale of goods**		
	HPCL-Mittal Energy Ltd.	132.63	112.80
	Hindustan Colas Pvt. Ltd.	482.38	414.58
	South Asia LPG Company Pvt. Ltd.	0.20	0.26
		615.21	**527.64**
(ii)	**Purchase of goods**		
	HPCL-Mittal Energy Ltd.	38,168.16	41,262.49
	Hindustan Colas Pvt. Ltd.	82.58	62.43
		38,250.74	**41,324.92**
(iii)	**Dividend income**		
	HPCL-Mittal Energy Ltd.	50.03	49.97
	Hindustan Colas Pvt. Ltd.	18.90	23.63
	South Asia LPG Company Pvt. Ltd.	55.00	45.00
		123.93	**118.60**
(iv)	**Services provided (Manpower Supply Service)**		
	HPCL-Mittal Energy Ltd.	0.67	0.76
	Hindustan Colas Pvt. Ltd.	2.73	3.19
	South Asia LPG Company Pvt. Ltd.	0.66	0.98
	HPCL Shapoorji Energy Pvt. Ltd.	0.30	0.46
		4.36	**5.39**
(v)	**Lease rental income**		
	HPCL-Mittal Energy Ltd.	1.20	1.20
	Hindustan Colas Pvt. Ltd.	0.26	0.24
	South Asia LPG Company Pvt. Ltd.	1.16	1.10
		2.62	**2.54**
(vi)	**Other Income (Services provided)**		
	HPCL-Mittal Energy Ltd.	18.91	22.00
	Hindustan Colas Pvt. Ltd.	3.61	6.23
		22.52	**28.23**
(vii)	**Others Expenses (Services availed)**		
	HPCL-Mittal Energy Ltd.	16.16	17.98
	Hindustan Colas Pvt. Ltd.	4.23	11.35
	South Asia LPG Company Pvt. Ltd.	91.03	83.76
		111.42	**113.09**

(₹ / Crore)

No.	Nature of Transactions	2019-20	2018-19
(viii)	**Investment in equity shares**		
	HPCL Shapoorji Energy Pvt. Ltd.	151.00	4.00
		151.00	**4.00**
		31.03.2020	**31.03.2019**
(ix)	**Receivables**		
	HPCL-Mittal Energy Ltd.	6.72	10.93
	South Asia LPG Company Pvt. Ltd.	0.11	0.05
	HPCL Shapoorji Energy Pvt. Ltd.	0.13	0.11
		6.96	**11.09**
(x)	**Payables**		
	HPCL-Mittal Energy Ltd.	1,363.04	2,403.87
	Hindustan Colas Pvt. Ltd.	29.37	27.11
	South Asia LPG Company Pvt. Ltd.	8.47	11.78
		1,400.88	**2,442.76**

C. Transactions with other Government-Controlled Entities

The Company is a Government related entity, engaged in the business of refining of crude oil and marketing of petroleum products. The Company also deals on regular basis with entities directly or indirectly controlled by the Central/ State Governments through its Government authorities, agencies, affiliations and other organizations (collectively referred as "Government related entities").

Apart from transactions with Companys' group Companies, the Company has transactions with other Government related entities, including but not limited to the followings:

- sale and purchase of products;
- rendering and receiving services;
- leasing of assets;
- depositing and borrowing money; and
- use of public utilities

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government related.

D. Remuneration paid to Key Management Personnel (KMP)*

(₹ / Crore)

No.	Description	2019-20	2018-19
(i)	Short - Term Employee Benefits	4.28	6.14
(ii)	Post - Employment Benefits	0.46	0.65
		4.74	**6.79**

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

E. Amount due from Key Management Personnel

(₹ / Crore)

No.	Description	2019-20	2018-19
(i)	Shri Mukesh Kumar Surana	0.08	0.09
(ii)	Shri Pushp Kumar Joshi	0.16	0.22
(iii)	Shri Vinod S Shenoy	0.06	0.07
(iv)	Shri R. Kesavan	-	-
(v)	Shri Rakesh Misri	0.07	-
(vi)	Shri S Jeyakrishnan	-	0.30
(vii)	Shri V. Murali	0.11	0.12
		0.48	**0.80**

F. Sitting Fee paid to Non-Executive Directors

(₹ / Crore)

Details of Meeting	Shri Ram Niwas Jain	Smt. Asifa Khan	Shri G.V. Krishna	Dr Trilok Nath Singh	Shri Amar Sinha	Shri Siraj Hussain	Shri G. Rajendran Pillai
Board	0.03	0.04	0.04	0.04	0.04	0.04	0.03
Audit Committee	0.02	-	0.02	0.02	0.02	0.01	-
Nomination & Remuneration Committee	-	0.00	-	0.00	-	0.00	-
Stakeholders Relationship Committee	-	0.01	0.01	-	-	0.01	-
Investment Committee	0.01	0.01	0.00	-	0.02	0.01	-
CSR & SD Committee	0.01	0.00	0.02	0.02	0.02	-	-
Independent Directors Meeting	-	-	-	0.00	0.00	0.00	0.00
Total Sitting Fees	**0.07**	**0.06**	**0.09**	**0.08**	**0.10**	**0.07**	**0.03**

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

(₹ / Crore)

No.	Particulars	Balance as on		Maximum amount outstanding during the year	
		31.03.2020	31.03.2019	2019-20	2018-19
(a)	Loans and advances in the nature of loans to subsidiary Companies (by name and amount):				
	Inter Corporate Loan to HPCL-Biofuels Ltd.	140.00	115.20	150.00	123.60
(b)	Loans and advances in the nature of loans to joint ventures (by name and amount)	-	-	-	-
(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	-	-	-	-

44. Tax expense:

(a) Amount recognised in Statement of Profit and Loss:

(₹ / Crore)

	2019-20	2018-19
Current tax expense		
Current year	166.95	2,727.65
Changes in estimates relating to prior years	103.92	(50.62)
Deferred tax expense		
Origination and reversal of temporary differences	316.50	561.95
Changes in estimates relating to prior years	(1,652.04)	71.02
Tax expense recognised	**(1,064.67)**	**3,310.00**

(b) Amount recognised in Other Comprehensive Income:

(₹ / Crore)

	2019-20			2018-19		
	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	(211.20)	53.15	(158.05)	24.39	(8.52)	15.87
Items that will be reclassified to profit or loss:						
Effective Portion of Gains/ (loss) in a Cash Flow Hedge	(24.11)	6.07	(18.04)	-	-	-

(c) Reconciliation of effective tax rate

	31.03.2020		31.03.2019	
	%	(₹ / Crore)	%	(₹ / Crore)
Profit before tax		**1,572.59**		**9,338.66**
Tax as per Corporate Tax Rate	**25.168%**	**395.79**	**34.944%**	**3,263.30**
Tax effect of:				
Non-deductible tax expenses	8.375%	131.70	1.061%	99.04
Tax-exempt income	-2.070%	(32.56)	-0.719%	(67.11)
Interest expense u/s 234B/C not deductible for tax purposes	0.000%	-	0.149%	13.90
Deduction for research and development expenditure	0.000%	-	-0.209%	(19.53)
Adjustments recognised in current year in relation to the current tax of prior years	-98.443%	(1,548.11)	0.218%	20.40
Others	-0.731%	(11.49)	0.000%	-
Income Tax Expense	**-67.702%**	**(1,064.67)**	**35.444%**	**3,310.00**

(d) Movement in deferred tax balances

(₹ / Crore)

	Net balance 01.04.2019	Recognised in Profit or Loss	Recognised in OCI	Net balance 31.03.2020
Deferred tax Asset				
Provision for Employee Benefits	159.72	(23.99)	(0.98)	134.75
Current investments	70.37	(85.92)	-	(15.55)
Provision for Doubtful Debts & Receivables	166.98	8.06	-	175.04
Disallowance u/s 43B	89.65	(73.51)	-	16.14
Others	101.18	(0.03)	6.07	107.22
	587.90	**(175.39)**	**5.09**	**417.60**
Deferred Tax Liabilities				
Property, plant and equipment	7,736.71	(1,827.58)	-	5,909.13
Others	15.94	(15.94)	-	-
	7,752.65	**(1,843.52)**	**-**	**5,909.13**
Deferred Tax (assets)/ Liabilities	**7,164.75**	**(1,668.13)**	**(5.09)**	**5,491.53**

	Net balance 01.04.2018	Recognised in Profit or Loss	Recognised in OCI	Net balance 31.03.2019
Deferred tax Asset				
Provision for Employee Benefits	156.37	10.07	(6.72)	159.72
Current investments	99.20	(28.83)	-	70.37
Provision for Doubtful Debts & Receivables	107.04	59.94	-	166.98
Disallowance u/s 43B	222.72	(133.07)	-	89.65
Others	24.34	76.84	-	101.18
	609.67	**(15.05)**	**(6.72)**	**587.90**
Deferred Tax Liabilities				
Property, plant and equipment	7,162.92	573.79	-	7,736.71
Others	15.94	-	-	15.94
	7,178.86	**573.79**	**-**	**7,752.65**
Deferred Tax (assets)/ Liabilities	**6,569.19**	**588.84**	**6.72**	**7,164.75**

(e) Provision for tax for earlier years written back (net) ₹ 1,548.11 Crore (2018-19: ₹ 20.40 Crore) comprise of net additional provision towards current tax of ₹ 103.92 Crore (2018-19: ₹ (50.62) Crore) and reversal of excess provision towards deferred Tax amounting to ₹ 1,652.03 Crore (2018-19: ₹ (71.02) Crore), as under:

i) The Corporation has decided to opt for Vivad Se Vishwas Scheme, 2020 in respect of all eligible income tax disputes. Tax liability amounting to ₹ 764.87 Crore has been estimated towards which a provision of ₹ 141.86 Crore was being carried in the Books. Further, a net amount of ₹ 519.09 Crore representing excess provision no longer required due to favourable orders in tax disputes, changes in tax positions based on the management assessment and other consequential adjustments, has since been reversed. Thus, a net tax current tax expense of ₹ 103.92 Crore has been recognized in the Statement of Profit and Loss towards the aforesaid scheme.

ii) The Corporation has opted for new tax regime and tax rate under Section 115BAA of the Income Tax Act, 1961 have been considered to determine the tax liability (net). In accordance with Ind As 12, the carried balance of deferred tax liabilities (net) has therefore been re-measured basis tax rates that have been enacted on the reporting date. Accordingly an amount of ₹ 2,012.50 Crore being excess amount of deferred tax liability (net) has been reversed. Out of the above ₹ 324.89 Crore has been transferred to Retained earnings in 'Other Equity' since the amount was originally routed through reserves and the balance of ₹ 1,687.61 Crore net of other consequential adjustments in deferred tax asset amounting to ₹ 35.58 Crore equaling to ₹ 1,652.03 Crore has been credited to Statement of Profit and Loss.

45. Earnings per share (EPS):

Basic EPS is derived by way of dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year, whereas Diluted EPS factors the effects of all dilutive potential ordinary shares.

(₹ / Crore)

	2019-20	2018-19
Profit attributable to equity holders for basic and diluted earnings per share (A)	2,637.26	6,028.66
Weighted average number of shares for basic and diluted earnings per shares (B)	1,52,38,22,625	1,52,38,22,625
Basic and Diluted Earnings per Equity Share (₹) (A/B)	17.31	39.56

46. 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 Company's debt to equity ratio, used for monitoring capital management is as follows:

(₹ / Crore)

	31.03.2020	31.03.2019
Long Term Borrowings (refer note # 21)	26,875.05	13,446.59
Total Equity (refer note # 19 and 20)	28,962.36	28,174.82
Debt to Equity ratio	**0.93**	**0.48**

47. Dividends

(₹ / Crore)

		31.03.2020	31.03.2019
(i)	**Dividends paid during the year**		
	Final dividend per fully paid share for the year ended 31.03.2019: ₹ 9.40 (31.03.2018: ₹ 2.50) This amount includes Dividend distribution tax of ₹ 294.43 Crore (31.03.2018: ₹ 78.31 Crore).	1,726.82	459.27
	Interim dividend per fully paid share for the year ended 31.03.2020: ₹ NIL (31.03.2019 ₹ 6.50). This amount includes Dividend distribution tax of ₹ NIL (31.03.2019: ₹ 203.60 Crore).	-	1,194.08
(ii)	**Dividends to be paid, not recognised at the end of the reporting period**		
	The Board have recommended a final dividend of ₹ 9.75 per fully paid equity share (31.03.2019: ₹ 9.40), subject to the approval of shareholders in the ensuing annual general meeting.	1,485.73	1,432.39
	Dividend distribution tax on above	-	294.43

48. In compliance of Ind AS-27 'Separate Financial Statements', the required information is as under:

Name of Company	Country of Incorporation	Nature of Investments	Percentage of ownership interest as on	
			31.03.2020	**31.03.2019**
HPCL - Biofuels Ltd.	India	Subsidiary	100.00	100.00
Prize Petroleum Company Ltd.	India	Subsidiary	100.00	100.00
HPCL Middle East FZCO	Dubai	Subsidiary	100.00	100.00
HPCL Rajasthan Refinery Ltd.	India	Joint Venture	74.00	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	49.99	49.99
Petronet MHB Ltd.	India	Joint Venture	50.00	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	25.00
HPOIL Gas Pvt. Ltd.	India	Joint Venture	50.00	50.00
IHB Pvt. 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

* 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 Crore as Advance against Equity/ Share application money (totalling to ₹ 44.98 Crore) 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. 2018-19).

** IHB Private Limited, was incorporated on 09th July 2019 having shareholding in the ratio 50:25:25 between with Indian Oil Corporation Limited, Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Limited respectively to set-up LPG pipeline between Kandla-Gorakhpur.

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.

49. The Corporation has entered into production sharing Oil & Gas exploration contracts in India in consortium with other body corporates. The details are as under:

Name of the Block	Participating Interest of HPCL in%	
	31.03.2020	31.03.2019
In India		
Under NELP IV		
KK- DWN-2002/2	20.00	20.00
KK- DWN-2002/3	20.00	20.00
CB- ONN-2002/3	15.00	15.00
Under NELP V		
AA-ONN-2003/3	15.00	15.00
Under NELP VI		
CY-DWN-2004/1	10.00	10.00
CY-DWN-2004/2	10.00	10.00
CY-DWN-2004/3	10.00	10.00
CY-DWN-2004/4	10.00	10.00
CY-PR-DWN-2004/1	10.00	10.00
CY-PR-DWN-2004/2	10.00	10.00
KG-DWN-2004/1	10.00	10.00
KG-DWN-2004/2	10.00	10.00
KG-DWN-2004/3	10.00	10.00
KG-DWN-2004/5	10.00	10.00
KG-DWN-2004/6	10.00	10.00
MB-OSN-2004/1	20.00	20.00
MB-OSN-2004/2	20.00	20.00
RJ-ONN-2004/1	22.22	22.22
RJ-ONN-2004/3	15.00	15.00
Under NELP IX		
MB-OSN-2010/2	30.00	30.00
Cluster - 7	60.00	60.00

(i) 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. Production from SE#3/4 wells of the Block is in progress, which had started during FY 2017-18. The share of the assets, liabilities, income and expenditure is considered based on the Management certified financials for the FY 2019-20.

(ii) In respect of Cluster – 7, the matter is under litigation (refer Note No. 52.1). The share of the assets, liabilities, income and expenditure is considered based on the Management Certified financials for FY 2019-20.

(iii) Other than (i) & (ii) above, the remaining blocks are in the process of relinquishment/ under relinquishment and the share of the assets, liabilities, income and expenditure, if any, is considered based on information received from these blocks.

50. During the financial year 2019-20, Corporation has spent ₹ 182.24 Crore (2018-19: ₹ 159.81 Crore) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 182.13 Crore (2018-19: ₹ 158.86 Crore):

(₹ / Crore)

Head of Expenses	2019-20	2018-19
1 Promoting Education	39.58	29.93
2 Promoting Health Care	25.03	12.75
3 Empowerment of Socially and Economically Backward groups	6.64	2.33
4 Promotion of Nationally recognized and Para-Olympic Sports	0.88	0.78
5 Imparting Employment by Enhancing Vocation Skills	41.27	20.23
6 Swachh Bharat Abhiyaan	27.22	56.82
7 Environment Sustainability	36.80	34.21
8 Others	4.82	2.76
	182.24	**159.81**

Amount spent during the Financial year 2019-20 on:

(₹ / Crore)

Details	In cash	Yet to be paid in cash	Total
(i) Construction/ Acquisition of an assets	-	-	-
(ii) On purpose other than (i) above	162.69	19.55	182.24

Amount spent during the Financial year 2018-19 on:

(₹ / Crore)

Details	In cash	Yet to be paid in cash	Total
(i) Construction/ Acquisition of an assets	-	-	-
(ii) On purpose other than (i) above	154.19	5.62	159.81

51. 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:

(₹ / Crore)

	31.03.2020		31.03.2019	
	Liability towards Capital Expenditure	Trade Payables	Liability towards Capital Expenditure	Trade Payables
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:				
- Principal	339.55	105.56	342.61	82.15
- Interest	-	-	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:				
- Principal	-	-	-	-
- Interest	-	-	-	-

(₹ / Crore)

	31.03.2020		31.03.2019	
	Liability towards Capital Expenditure	Trade Payables	Liability towards Capital Expenditure	Trade Payables
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

52. Contingent Liabilities and Commitments*:

(₹ / Crore)

I. Contingent Liabilities	31.03.2020	31.03.2019
A. Disputed demands/ claims subject to appeals/ representations filed by the Corporation		
i. Income Tax	-	88.03
ii. Sales Tax/ Octroi	1,880.18	2,178.96
iii. Excise/ Customs	378.46	409.10
iv. Land Rentals & Licence Fees	224.97	219.48
v. Others	87.37	26.03
	2,570.98	**2,921.60**
B. Disputed demands/ claims subject to appeals/ representations filed against the Corporation		
i. Sales Tax/ Octroi	0.77	0.77
ii. Employee Benefits/ Demands (to the extent quantifiable)	212.88	258.55
iii. Claims against the Corporation not acknowledged as Debts (refer note 52.1)	430.20	341.50
iv. Others	144.98	138.20
	788.83	**739.02**

* Contingent Liabilities considered as 'remote' as per Ind AS 37 are not included.

(₹ / Crore)

	2019-20	2018-19
II. Guarantees given to others	1,888.43	1,969.00

52.1. 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 ₹ 276.25 Crore (36.51 Million USD @ Exchange rate of 1 USD = ₹ 75.665) was made by M3nergy on termination of such service contract. This amount is not included above. The matter was referred to Arbitration.

The Arbitral Tribunal passed 3 Awards. The 1st Partial Award, the 2nd Partial Award and the Final Award. All three were in favour of HPCL and PPCL. The 1st partial arbitration award held that M3nergy has committed breach of the contract and hence their claims were disallowed and the Arbitral Tribunal held that HPCL and PPCL are entitled for damages, which will be quantified later. The 2nd Partial Award dated 27/09/2017 allowed 2 claims of HPCL/ PPCL in the ratio of 6:1, viz., (1) A claim of USD 91.3 million (equivalent ₹ 444.44 Crore) towards loss of profit (by a majority Award) and (2) a claim of recovery of damages by way of money lost due to encashment of Bank Guarantees of ₹ 41.6 Crore (by a unanimous Award). Both amounts were allowed with interest as specified.

All three Awards were challenged by M3nergy before the Bombay High Court in the previous year. Hence, HPCL/ PPCL filed applications for (a) Mareva Injunction and (b) Enforcement of the Award before the Courts in Malaysia.

By Orders dated 10th January, 2019 the Bombay High Court set aside all partial Arbitration Awards. As the Awards were set aside, on 28.02.2019 the Malaysian High Court at Kuala Lumpur allowed the application of M3nergy to set aside the enforcement order with liberty to file fresh proceedings, if HPCL/ PPCL succeed later. Meanwhile, HPCL and PPCL have filed Appeals against the setting aside order before the Division Bench of the Bombay High Court. After hearing, on 16th of October, 2019 the Bombay High Court set aside the Single Judge's Order and remanded all the 3 matters back to the Single Judge of the High Court, to decide the matter afresh on merits. This Order was challenged by M3nergy before the Supreme Court by an SLP which, after brief arguments, was dismissed as withdrawn on 31st January 2020. The matter is to come up for hearing before the Single Judge of High court to decide the matter afresh on merits.

As a result, the award amount which is approximate ₹ 416.61 Crore (78.26 Million USD @ exchange rate of ₹ 48.68 for a US Dollar prevailing on January 6, 2009 plus ₹ 35.66 Crore) and interest thereon has not been recognized on a conservative basis. Similarly, the claim raised by M3Energy is also not included above.

(₹ / Crore)

III. Commitments	31.03.2020	31.03.2019
Estimated amounts of contracts remaining to be executed on capital account not provided for	22,278.25	20,633.66

52.2. Corporation 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 Corporation is committed to purchase the said petroleum products over the tenure of the agreement.

52.3. In respect of certain Joint Venture/ Associate Companies, the Corporation and other joint venture partners have committed that they would jointly hold at least 51 % of share capital of such Joint Venture/ Associate till the repayment of certain bank loans/ bonds.

IV. Corporation's Share in aggregate of Contingent Liabilities of Jointly Controlled Operations (refer Note No.49):

(₹ / Crore)

Jointly controlled Operations	31.03.2020	31.03.2019
Contingent Liabilities	276.25	252.50

53. In compliance of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets', the requisite information with respect to movement in balance is as under:

(₹ / Crore)

Particulars	Opening Balance as on 01.04.2019	Additions	Utilization	Reversals	Closing Balance as on 31.03.2020
Excise	0.59	-	0.50	0.09	-
Sales Tax/ Octroi/ Entry Tax	438.04	1.40	95.27	133.82	210.35
Service Tax	13.50	0.26	6.28	7.48	-
Others	571.94	322.56	0.88	58.84	834.78
Total	**1,024.07**	**324.22**	**102.93**	**200.23**	**1,045.13**

Particulars	Opening Balance as on 01.04.2018	Additions	Utilization	Reversals	Closing Balance as on 31.03.2019
Excise	0.59	-	-	-	0.59
Sales Tax/ Octroi/ Entry Tax	382.04	62.82	3.53	3.29	438.04
Service Tax	12.59	1.40	-	0.49	13.50
Others	601.71	117.82	9.97	137.62	571.94
Total	**996.93**	**182.04**	**13.50**	**141.40**	**1,024.07**

Note: The above provisions are made based on estimates and expected timing of outflows is not ascertainable at this stage.

54. (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) Customer's 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.

55. 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.

56 The Corporation has an equity investment of ₹ 395.16 Crore in its 100% subsidiary, HPCL Biofuels Ltd. (HBL). The net worth of HPCL Biofuels Ltd. (HBL) has completely eroded during the current Financial year. During the financial year, an incremental provision for impairment in the value of investment of ₹ 196.16 Crore (2018-19: ₹ 38 Crore) is made. The total amount of impairment thus made towards the carrying value of the investment stands at ₹ 395.16 Crore (31.03.2019: ₹ 199 Crore). The Corporation has also made a provision for loss allowance of ₹ 127.00 Crore (2018-19: NIL) towards the loans given to HBL. The said impairment/ Loss allowance has been carried out in line with the requirement of Ind AS 36/109 and is based on the estimated future cash flow projections from continuing use of its Property, Plant and Equipment in the entity. The Corporation has also assessed the reasonableness of the assumptions used for such cash flow projections. On a prudent basis, these assumptions do not include the intended Capital Expenditure during the immediate future years and the consequential benefits which are likely to arise from such capital expenditure. In the opinion of the management, the current level of impairment is appropriate considering the intricacies involved in the Sugar Industry. Though the Corporation has provided for in entirety towards impairment, by following a conservative principle, the management would continue to monitor the investments in future.

57. The Corporation has an equity investment of ₹ 248.07 Crore in its 100% subsidiary, Prize Petroleum Company Limited. During the financial year, an incremental provision for impairment in the value of investment of ₹ 33.57 Crore (2018-19: NIL) is made. The total amount of impairment thus made towards the carrying value of the investment stands at ₹ 162.98 Crore (31.03.2019: ₹ 129.41 Crore). The said impairment has been carried out in line with the requirement of Ind AS 36 and is based on the estimated future cash flow projections from continuing use of its Property, Plant and Equipment in the entity. The Corporation has also assessed the reasonableness of the assumptions used for such cash flow projections. On a prudent basis, these assumptions do not include the intended Capital Expenditure during the immediate future years and the consequential benefits which are likely to arise from such capital expenditure. In the opinion of the management, the current level of impairment is appropriate.

58. The Corporation's 100% step-down subsidiary, Prize Petroleum International Pte Ltd. (a wholly owned subsidiary of Prize Petroleum Company Ltd.), incorporated in Singapore had taken a bank loan of $86m during the financial year 2016-17. The step-down subsidiary is engaged in the business of exploration & production of hydrocarbons. The said bank loan is backed by a Corporate Guarantee from the ultimate holding company, Hindustan Petroleum Corporation Ltd. The carrying value of the Corporate Guarantee has been re-measured in accordance with Ind AS 109 and accordingly a loss allowance of ₹ 165 Crore (2018-19: ₹ 15 Crore) has been made during the year (under 'Sundry Expenses and Charges'), arising primarily on account of decline in crude oil prices and depreciation of Indian Rupee from previous year. The total amount of loss allowance thus made towards the carrying value of the Corporate Guarantee stands at ₹ 318 Crore (31.03.2019: ₹ 153 Crore).

59. The loans disbursed to Consumers under Pradhan Mantri Ujjwala Yojna (PMUY), since inception till date is ₹ 2,963.75 Crore (31.03.19: ₹ 2,589.70 Crore) and of this, the amount outstanding at period end is ₹ 1,966.21 Crore (31.03.2019: ₹ 1,937.42 Crore). The loan gets repaid out of the subsidy amount accruing to the consumer from the subsequent refill of cylinders. The overall consumer base is 2.15 Crore (31.03.2019: 1.91 Crore) and the consumption pattern of LPG is still evolving. In the backdrop of available data on consumption pattern and effort of Management to encourage usage of LPG, the population of those consumers enrolled into the scheme as of 31.03.2019 & who haven't taken refills during 2019-20 have been segregated into various age buckets, basis their consumption till date and a probability (between 100% to 50%) is assigned under each age bucket towards potential lack of usage of LPG and consequential default of loan. Accordingly, provision of ₹ 198.70 Crore towards impairment in respect of loans outstanding as on 31.03.2019 has been estimated. With regard to the population of fresh connections issued during 2019-20, even in the absence of data points on consumption pattern, a default in loan is estimated at ₹ 28.70 Crore, in the same ratio as estimated in case of loans disbursed till 31.03.2019. Computed in this manner an aggregate additional net provision of ₹ 131.69 Crore (2018-19: ₹ 95.71 Crore) has been recognized, taking the cumulative provision since inception to ₹ 227.40 Crore (31.03.2019: ₹ 95.71 Crore). The expected credit loss estimate is reasonable.

60. The Corporation implements various Government of India schemes such as PMUY, Direct benefit Transfer scheme wherein the amount is either received in advance or subsequently reimbursed from Central Government. At period end, there are amounts pending to be reimbursed, due, on an average, anywhere between 6 months to 3 years, amounting to ₹ 2,518.00 Crore (31.03.2019: ₹ 2,781.00 Crore). These being due from Government, no provision has been considered necessary.

61. Consequent to establishing the disposal procedures of certain catalysts having precious metals, such catalysts that had earlier been charged off to Statement of Profit and Loss on consumption, are now recognized in Balance sheet, basis original cost of precious metals or Net realizable value whichever is less, having an impact of ₹ 11.31 Crore (2018-19: NIL) in the Financial Statement.

62. The COVID-19 pandemic is globally inflicting high economic and human costs causing slowdown of economic activity. Specific to the Corporation, it did not have any significant impact on the Sales and Operations of the Company for the financial year 2019-20, though it impacted the profitability to a large extent, consequent upon a part of inventory holding on reporting date that needed to have been valued at net realizable value at which the same is either sold or is expected to be sold, thereby even lower than cost. Being essential commodity, there have been no major disruption in our supply chain during the lockdown period of last few days of March 2020. Moving into financial year 2020-21, the sourcing of Crude Oil imports do not have any major disruption neither there is suspension or closure of Refining Operations though the situation called for regulated production. The finished product inventory are managed and the market requirements of the products are met. Thus, by and large, supply side disruptions are minimal. Whereas, on demand side, there have been slow down in financial year 2020-21, especially in April & May 2020. The impact assessment of pandemic is a continuing process given the uncertainties associated with its nature and duration. In the assessment of management, the disruption on account of COVID-19 could have near term impact, the situation would demand constant management attention and with the phased opening up of various sectors of economy, impact of Government economic initiatives etc. the operations could gradually move back towards normalcy. Thus the Corporation, using the principles of prudence in applying judgements and estimates, expects no significant impact on the continuity of operations of the business on long term basis and expects to recover carrying amount of assets, investments, loans, trade receivable etc. On the Capex front, the Corporation expects to go ahead with the same with possible time extension and cost escalations in few cases. The Corporation has adequate fund based limits with consortium as well as non-consortium banks for meeting its working capital requirements. There are adequate domestic resources that could be readily tapped for raising substantial fund for meeting any working capital needs and therefore there are no liquidity concerns.

With due consideration to the requirements of the Accounting Standards, the Corporation has determined the write down of inventories due to drastic fall in oil prices accompanied with reduced movement in inventory and the same has been disclosed as Exceptional Items in the Financial Statement having an impact of ₹ 1,002.93 Crore (Net of tax: ₹ 750.51 Crore) for the year ended Mar 2020 (F.Y. 2018-19: Nil).

(₹ / Crore)

		2019-20	2018-19
63.	Expenditure incurred on Research and Development		
	- Capital	127.27	124.48
	- Revenue	130.65	129.37
64.	Interest on borrowings capitalized (weighted average cost of borrowing rate used for capitalization of general borrowing is 5.96% (2018-19: 6.95%).	760.16	233.51
65.	Exchange Differences adjusted in the carrying amount of Assets during the accounting period.	206.79	224.22

66. There are no reportable segments other than downstream petroleum, as per Ind AS - 108 on Segment Reporting.

67. Threshold limits adopted in respect of financial statements is given below:

Threshold item	Unit of Measurement	Threshold Limit
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
Income/ expenditure pertaining to prior year (s)	₹ Crore	175.00 (2018-19: 75.00)
Prepaid expenses	₹ Lakhs	5.00
Disclosure of contingent liabilities	₹ Lakhs	5.00
Disclosure of capital commitments	₹ Lakhs	5.00 (2018-19: 1.00)

68. Employee benefit obligations:

A. Provident Fund:

The long term employee benefit of Provident Fund is administered through a separate Trust, established for this purpose in accordance with The Employee Provident Fund and Miscellaneous Provisions Act, 1952. The Corporation's contribution to the Provident Fund is remitted to this trust based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. During the year, the Corporation has recognized ₹ 146.30 Crore (2018-19: ₹ 148.44 Crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss. Under the Statute, the shortfall, if any, in the interest obligation, in comparison to minimum rate of return, declared by Government of India will have to be made good by the Employer and therefore, for the financial year 2019-20, an amount of ₹ 10.04 Crore (2018-19: NIL) has been provided and charged to Statement of Profit and Loss. The shortfall has arisen primarily due to default over interest obligations on Non-convertible Debentures of certain Companies wherein the Trust has made its investments at a time when these Companies were having highest credit rating. In anticipation of probable principal default as well in these NCDs amounting to ₹ 243 Crore, basis best available estimate, the Provident Fund Trust has marked down the investments by 70% in its Books to reflect the true & fair valuation. Correspondingly, considering the Employer's obligation to make good the loss in value of these investments under the Provident Fund regulations, the Corporation determined its probable liability in the future amounting to ₹ 170.10 (2018-19: NIL), which has been provided during the year and charged to Statement of Profit & Loss.

The present value of benefit obligation at period end is ₹ 4,372.13 Crore (31.03.2019: ₹ 4,082.85 Crore). The fair value of the assets of Provident Fund Trust as of Balance Sheet date is greater than the present value of benefit obligation.

B. Superannuation Fund

The Corporation has Superannuation - Defined Contribution Scheme (DCS) maintained by 'Superannuation Benefit Fund Scheme (SBFS) Trust' wherein Employer makes a monthly contribution of a certain percentage of 'Basic Salary & Dearness Allowance(DA)', out of 30%, earmarked for various Superannuation benefits. This is in accordance with Department of Public Enterprises (DPE) guidelines. These contributions are credited to individual Employee's Account maintained either with Life Insurance Corporation of India (LIC) or an optional National Pension Scheme (NPS) Account. For the financial year 2019-20, the Corporation has made an overall contribution of ₹ 162.89 Crore (2018 - 19: ₹ 181.07 Crore) towards Superannuation - DCS [including ₹ 50.76 Crore (2018-19: ₹ 20.96 Crore) to NPS] by charging it to the statement of Profit and Loss. Further, for the financial year 2019-20, Corporation has made a provision of ₹ 52.15 Crore (2018-19: ₹ NIL) by charging to Statement of Profit & Loss towards increase in liabilities in case of Superannuation – Defined Benefit Scheme (DBS) determined based on actuarial valuation.

C. The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ / Crore)

Sr. No.	Particulars	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance
1.	**Present value of projected benefit obligation**					
	Present value of Benefit Obligation at the beginning of the period	828.66	773.83	21.32	24.31	11.51
		848.67	*712.05*	*41.11*	*27.31*	*11.75*
	Interest Cost	64.30	60.20	1.59	1.82	0.89
		65.22	*55.26*	*3.11*	*2.10*	*0.93*
	Current Service Cost	13.36	58.79	-	-	2.65
		14.37	*56.95*	-	-	*2.64*
	Past Service Cost	-	-	-	-	-
		-	-	-	-	-
	Benefit paid	(106.41)	(52.73)	(3.46)	(4.88)	(3.42)
		(70.71)	*(49.98)*	*(3.67)*	*(5.26)*	*(2.48)*
	Actuarial (gains)/ losses on obligations - due to change in financial assumptions	42.90	106.82	0.45	0.58	0.68
		5.47	*(1.94)*	*0.07*	*0.15*	*0.09*
	Actuarial (gains)/ losses on obligations - due to experience	26.46	(39.37)	(1.12)	0.09	(0.64)
		(34.36)	*1.49*	*(19.30)*	*0.01*	*(1.42)*
	Present value of Benefit Obligation at the end of the period	869.27	907.54	18.78	21.92	11.67
		828.66	*773.83*	*21.32*	*24.31*	*11.51*
2.	**Changes in fair value of plan assets**					
	Fair value of Plan Assets at the beginning of the period	818.26	768.30	NA	NA	NA
		506.02	*703.62*	*NA*	*NA*	*NA*
	Interest income	63.50	59.77	NA	NA	NA
		64.09	*54.60*	*NA*	*NA*	*NA*
	Contributions by the employer	10.40	5.53	NA	NA	NA
		342.63	*8.82*	*NA*	*NA*	*NA*
	Contributions by the employee	-	0.81	NA	NA	NA
		-	*2.84*	*NA*	*NA*	*NA*
	Benefit paid	(106.41)	-	NA	NA	NA
		(70.71)	-	*NA*	*NA*	*NA*
	Return on plan assets, excluding interest income	(2.36)	(85.24)	NA	NA	NA
		(23.77)	*(1.58)*	*NA*	*NA*	*NA*
	Fair value of Plan Assets at the end of the period	783.39	749.17	NA	NA	NA
		818.26	*768.30*	*NA*	*NA*	*NA*
3.	**Included in Statement of Profit and Loss**					
	Current Service Cost	13.36	58.79	-	-	2.65
		14.37	*56.95*	-	-	*2.64*
	Past Service Cost	-	-	-	-	-
		-	-	-	-	-
	Net interest cost	0.80	0.43	1.59	1.82	0.89
		1.13	*0.66*	*3.11*	*2.10*	*0.93*
	Contributions by the employee	-	(0.81)	-	-	-
		-	*(2.84)*	-	-	-
	Total amount recognised in Statement of Profit and Loss	14.16	58.41	1.59	1.82	3.54
		15.50	*54.77*	*3.11*	*2.10*	*3.57*
4.	**Remeasurements**					
	Return on plan assets, excluding interest income	2.36	85.24	-	-	-
		23.77	*1.58*	-	-	-
	(Gain)/ loss from change in demographic assumptions	-	-	-	-	-
		-	-	-	-	-
	(Gain)/ loss from change in financial assumptions	42.90	106.82	0.45	0.58	0.68
		5.47	*(1.94)*	*0.07*	*0.15*	*0.09*
	Experience (gains)/ losses	26.46	(39.37)	(1.12)	0.09	(0.64)
		(34.36)	*1.49*	*(19.30)*	*0.01*	*(1.42)*
	Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-
		-	-	-	-	-
	Total amount recognised in other comprehensive income	71.72	152.69	(0.67)	0.67	0.04
		(5.12)	*1.13*	*(19.23)*	*0.16*	*(1.33)*

D. Amount recognised in the Balance Sheet

(₹ / Crore)

	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance
Present value of benefit obligation as on 31.03.2020	869.27	907.54	18.78	21.92	11.67
Fair value of plan assets as on 31.03.2020	783.39	749.17	-	-	-
Net Liability/ (Asset) recognised in Balance Sheet	**85.88**	**158.37**	**18.78**	**21.92**	**11.67**

	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance
Present value of benefit obligation as on 31.03.2019	828.66	773.83	21.32	24.31	11.51
Fair value of plan assets as on 31.03.2019	818.26	768.30	-	-	-
Net Liability/ (Asset) recognised in Balance Sheet	**10.40**	**5.53**	**21.32**	**24.31**	**11.51**

E. Plan assets

(₹ / Crore)

	31.03.2020		31.03.2019	
	Gratuity	PRMBS	Gratuity	PRMBS
Plan assets comprise the following:				
Insurance fund	783.39	749.17	818.26	768.30
	783.39	**749.17**	**818.26**	**768.30**

F. Significant estimates (actuarial assumptions and sensitivity):

(i) The significant actuarial assumptions were as follows:

31.03.2020	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	6.87%	6.81%	NA	NA	NA
Rate of Discounting	6.87%	6.81%	6.82%	6.59%	6.87%
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 Mortality Rate After Employment	Actuary has considered Indian Assured Lives Mortality Table 2006-08, being the latest unisex table issued by Institute of Actuaries of India				

31.03.2019	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.76%	7.78%	NA	NA	NA
Rate of Discounting	7.76%	7.78%	7.47%	7.48%	7.76%
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 Mortality Rate After Employment	Actuary has considered Indian Assured Lives Mortality Table 2006-08, being the latest unisex table issued by Institute of Actuaries of India				

(ii) Sensitivity analysis

(₹ / Crore)

31.03.2020	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(47.85)	(109.81)	(0.69)	(0.65)	(0.76)
Delta effect of -1% Change in Rate of Discounting	55.06	139.91	0.75	0.70	0.88
Delta effect of +1% Change in Future Benefit cost inflation	-	140.35	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(110.68)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	12.88	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(15.16)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	14.11	-	-	-	(0.83)
Delta effect of -1% Change in Rate of Employee Turnover	(15.93)	-	-	-	0.97

31.03.2019	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(43.14)	(87.09)	(0.77)	(0.72)	(0.70)
Delta effect of -1% Change in Rate of Discounting	49.03	109.33	0.84	0.78	0.81
Delta effect of +1% Change in Future Benefit cost inflation	-	110.08	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(88.02)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	13.54	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(15.13)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	15.07	-	-	-	(0.78)
Delta effect of -1% Change in Rate of Employee Turnover	(16.86)	-	-	-	0.90

G. The expected maturity analysis of undiscounted benefits is as follows:

(₹ / Crore)

	Less than 1 year	1 - 2 year	3 - 5 year	6 - 10 year & above
31.03.2020				
Gratuity	120.48	75.22	328.27	1,002.22
PRMBS	42.00	45.89	163.86	276.71
Pension	2.79	2.76	8.10	12.66
Ex - Gratia	4.05	3.99	11.61	17.76
Resettlement Allowance	1.31	0.72	4.18	16.29
Total	**170.63**	**128.58**	**516.02**	**1,325.64**

(₹ / Crore)

	Less than 1 year	1 - 2 year	3 - 5 year	6 - 10 year & above
31.03.2019				
Gratuity	111.22	74.30	324.82	1,008.81
PRMBS	38.96	42.43	151.36	263.46
Pension	3.18	3.15	9.20	14.33
Ex - Gratia	4.43	4.37	12.69	19.40
Resettlement Allowance	1.24	0.73	4.29	17.13
Total	**159.03**	**124.98**	**502.36**	**1,323.13**

H. Notes:

I. **Gratuity:** Each employee rendering continuous service of 5 Years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed years of service subject to maximum of ₹ 0.20 Crore at the time of separation from the Corporation. Besides the ceiling of gratuity increases by 25% whenever IDA rises by 50%. The long term employee benefit of Gratuity is administered through a Trust, established under The Payment of Gratuity Act, 1972. The Board of Trustees comprises of representatives from the Employer who are also plan participants in accordance with the plans regulation. The liability towards gratuity is funded with Life Insurance Corporation of India (LIC). Pending declaration of interest rate by LIC for the financial year, it is estimated at 8% (2018-19: 8.15%) and accounted.

II. **Pension:** The employees covered by the Pension Plan of the Corporation are entitled to receive monthly pension for life. However, none of the current serving employees are covered under Pension Plan of the Corporation.

III. **Post Retirement Medical Benefit (PRMBS):** Post Retirement Benefit medical scheme provides medical benefit to retired employees and eligible dependent family members. This long term employee benefit is administered through a Trust. The liability towards Post-Retirement Medical Benefit for employees is ascertained, yearly, based on the actuarial valuation and funded to the Trust. During the year, there has been default over interest obligations (& default in principal obligations in a case) on Non-convertible Debentures of certain Companies amounting to ₹ 99.50 Crore, wherein the Trust has made its investments at a time when these Companies were having highest credit rating. Basis best available estimate, the Trust has marked down these investments by 70% in its Books to reflect the true & fair valuation. This diminution in these Trust Investments amounting to ₹ 69.65 Crore [2018-19: Nil], has been duly considered in the Actuarial Valuation while ascertaining the liability for the Corporation. The Corporation has provided for the above liability during the year and charged to Statement of Profit & Loss in compliance with Ind AS 19.

IV. **Ex-gratia:** The ex-employees of Corporation are covered under the Scheme, entitling to get ex-gratia, determined based on their salary grade at the time of their superannuation. The benefit is paid to eligible employees till their survival, and thereafter till the survival of their spouse. However, none of the current serving employees are covered under this Plan.

V. **Resettlement Allowance:** Upon superannuation from the services of the Corporation, there are employees who permanently settle down at a place other than the location of the last posting. Such employees are provided with resettlement allowance as per policy of the Corporation.

VI. **Interest rate on funds retained in LIC:** The employees of the Corporation are entitled to certain leave as per policy. The liability of the Corporation is determined annually through actuarial valuation and funded with Life Insurance Corporation of India (LIC). Pending declaration of interest rate by LIC for the financial year, it is estimated at 8% (2018-19: 8.15%) and accounted.

VII. **Others:** The expected return on plan assets is based on market expectation over the entire life of the related obligation. The actuarial assumption with regard to future salary escalation takes into consideration, the factors such as inflation, seniority, promotion, demand & supply in the employment market.

VIII. Figures in italics represent last year figures

69. Previous periods figures are regrouped/ reclassified 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 2020

The preparation of financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March 2020 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) is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March 2020 under section 143(6)(a) of the Act. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors‘ report under section 143(6)(b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit, Mumbai

Place: Mumbai
Date: 19 August 2020

Independent Auditors' Report

TO THE MEMBERS OF HINDUSTAN PETROLEUM CORPORATION LIMITED

Report on Audit of Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Indian Accounting Standard ("Ind AS") financial statements of Hindustan Petroleum Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), of its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit And Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

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 joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('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, of its associates and joint ventures as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

a) Note No. 57 regarding provision for impairment made to the extent of ₹ 227.40 Crore towards loans given to consumers under Prime Minister Ujjwala Yojna (PMUY) out of the total outstanding loans of ₹ 1,966.21 Crore, the above impairment has been computed based on the estimates of default as assessed by the management.

b) We invite attention to Note No. 1.3.4 which describes the reasons for considering joint venture interest lower than the percentage of shareholding in a joint venture known as Bhagyanagar Gas Limited.

c) We invite attention to Note No. 52.3 which describes the case towards claim of ₹ 19.81 Crore being defended by one of the component HPCL Biofuels Limited. The outcome of the matter is uncertain as on the Balance Sheet date.

d) Note No. 60 regarding the outbreak of COVID-19 pandemic and the assessment made by the management on its business and financials for the year ended March 31, 2020, this assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods.

e) Note No. 3 regarding reduced depreciation due to changes in the estimates of residual value of the catalyst on account of precious metal content and Note No. 59 regarding restating the values of precious metal contents in respect of certain catalysts which have already been charged to Profit & Loss Account. The assessment of recovery of the precious metal out of the catalyst and resultant change in the estimate is as made by the management.

f) Note No. 64 A & 64 H regarding provision towards shortfall in the Provident Fund Trust and Post Retirement Medical Benefit Fund Trust to the extent of ₹ 180.14 Crore & ₹ 69.65 Crore respectively arising out of the default over interest obligations and probable principal amounting to ₹ 243 Crore & ₹ 99.50 Crore respectively in the case of Non-convertible Debentures of certain companies which includes IL&FS & DHFL, basis best available estimate of the management. The estimate is dependent upon the outcome of matters pending with judicial authorities and recognition of Company's claim in these matters.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report with reference to the Key Audit Matters identified by the Principal Auditors along with the Key Audit Matters reported by the respective component auditors which, in our opinion, are material.

1. Evaluation of uncertain indirect tax positions

The Holding Company has material uncertain indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. The Company has disputes pending at various levels of tax authorities over the past several years. As on March 31,2020, the company has total such disputed demands amounting to ₹ 9,571.95 Crore. (Refer Note No. 2.16)

Auditors' Responses

Principal Audit Procedures

- We have evaluated the appropriateness of the design and tested the operating effectiveness of the management's controls over the tax litigation matters.
- Perused details of completed tax assessments and demands for the year ended March 31, 2020 from management.
- We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. The legal precedences and other rulings were considered in evaluating management's position on these uncertain tax positions.
- We have perused the applications made and discharge certificates obtained during the year by the Company under 'Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019'.
- Further we have relied upon the management judgements and estimates for possible outflow and opinion of internal experts of the Company in relations to such disputed tax positions.

2. Evaluation of Direct Tax position and opting under of New Tax Regime

The Holding Company has open direct tax positions including matters under dispute for different assessment years and the matters are at different stages with Tax Authorities/Courts. During the year, the company has decided to opt for Vivad Se Vishwas Scheme (VSVS) for which a tax liability of ₹ 764.87 Crore has been assessed by the management. The said amount net of , provision already held and the provision towards disputed tax matters not considered necessary as assessed by the management, has been provided for. The Company has also decided to opt for New Tax regime and thereby excess of deferred tax liability ₹ 2,012.50 Crore has been reversed due to re-measurement in accordance with Ind AS 12. [Refer Note No. 40(e)]

Auditors' Responses

Principal Audit Procedures

- Obtained details of completed tax assessments and demands upto the year ended March 31, 2020 from management.
- We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. The legal precedences and other rulings were considered in evaluating management's position on these direct tax positions.
- Additionally, we considered the effect of the outcomes of the Appellate Orders received during the year in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.
- We have reviewed the management data compiled to offer the disputed liabilities towards VSVS scheme and the basis at which these are considered as eligible for settlement under the scheme.
- We have been explained that requisite declaration and documentation as required under the VSVS scheme shall be completed by the management within the prescribed timelines. We have also advised the management to obtain suitable opinion in the matters where provision has been reversed and keep on records.
- In the case of Company's decision to opt for new tax regime, we have reviewed the computation of re-measurement of net deferred tax liabilities and reviewed the management assessment towards reversal of the provision no longer required. We have been informed that the management will do necessary compliance of intimating the tax department for such option before the due date thereof.
- We have verified the orders from tax and appellate authorities for the previous years and relied on management judgments in evaluating the tax provisions for the Current Financial Year.

3. Recoverability of pre-deposits relating to tax and non tax matters and balances with Customs and Excise

As at March 31, 2020, the Holding Company has non-current assets i.e. pre-deposits pertaining to various tax and non-tax matters namely VAT ,excise duty, custom duty etc. with adjudicating authorities amounting to ₹ 445.29 Crore that are pending for/relating to cases pending for more than 3 years and there are receivables from Customs and Excise department amounting to ₹ 107.26 Crore pending for more than 3 years , for which there are no balance confirmations from the respective authorities available on records.

Auditors' Responses

Principal Audit Procedures

- We have evaluated the appropriateness of the design for recording and tracking the recoverability of pre-deposits pertaining to the old tax and non-tax cases.

- We have discussed and reviewed the nature of the amounts recoverable vis-à-vis the underlying cases. We further discussed the sustainability of the cases on a sample basis and the likelihood of recoverability or otherwise upon final resolution from the respective authorities.

- We enquired with the management about these cases vis-à-vis the current position and the efforts taken by the management to recover the deposits placed or obtaining the balance confirmations from the respective authorities.

- We have also advised the management to approach and continue to pursue with the Custom Authorities for early settlement of receivable claims pending for earlier years. (Refer Note No. 10.1)

- Further, we have relied on the management estimations and judgements with reference to inherent uncertainties involved while determining the outcome of these cases.

4. Evaluation of disputed claims against the company under various non-tax matters

The Holding Company has disputed claims against it which are pending at various courts/forums and are at various stages in the judicial process. The management has exercised significant judgement in assessing the possible outflow in such matters and accordingly an amount of ₹ 1,100.40 Crore has been disclosed for which the company is contingently liable while possibility of any outflow in matters having claims amounting to ₹ 431.01 Crore has been considered remote. (Refer Note No. 52)

Auditors' Responses

Principal Audit Procedures

- Read and analysed select key correspondences, internal/external legal opinions/consultations by management for key disputed non tax matters.

- Reviewed and verified other legal pronouncements wherever available in similar matters in the case of the company/other corporates.

- Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the provisions.

- Assessed management's estimate of the possible outcome of the disputed cases and relied on the management judgements in such cases.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditors' report thereon. The Other information as above is expected to be made available to us after the date of this Auditors' report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Joint Ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and Joint Ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and Joint Ventures are responsible for assessing the ability of the Group and of its associates and Joint Ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and Joint Ventures are responsible for overseeing the financial reporting process of the Group and of its associates and Joint Ventures.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group, its associates and Joint Ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

a) We did not audit the financial statements of 3 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,054.84 Crore as at 31st March 2020 and the total revenues (before consolidation adjustments) of ₹ 379.74 Crore, net (loss) after tax (before consolidation adjustments) and total comprehensive income/(loss) (before consolidation adjustments) of ₹ (122.12) Crore and ₹ (157.24) Crore respectively and Net cash inflow/(outflow) of (12.57) Crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of net loss of ₹ 457.52 Crore for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 3 associates and 12 Joint Ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements , in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of section 143(3) of the Act, insofar as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

One of the subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their country and which have been audited by other auditor under generally accepted auditing standards applicable in their country. The Subsidiary's management has converted the financial statements of subsidiary located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India and certified by their auditors. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the Subsidiary management and certified by their auditors.

b) The consolidated financial statements also include the Group's share of net loss of ₹ 0.65 Crore for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of one Joint Venture, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Joint Venture, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid Joint Venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated 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 certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Act, based on our audit as aforesaid, we give in the **Annexure I**, a report on the directions including additional directions issued by the Comptroller and Auditor General of India (C&AG) , action taken thereon and its impact on the accounts and consolidated financial statements of the company.

2. 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 joint ventures, 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 Financial Statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (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 Financial Statements;

d) In our opinion, the aforesaid Consolidated 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 joint ventures incorporated in India other than Government companies, none of the directors of the Group Companies, its associates companies and joint ventures companies incorporated in India is disqualified as on March 31, 2020 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 joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in **Annexure II**; 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 joint ventures, as noted in the 'Other matter' paragraph:

    i. The consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures – Refer note 52 to the consolidated Financial Statements read with Para 1, 2 and 4 of Key Audit Matters here in above;

    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 - Refer note 52 to the consolidated Financial Statements; and

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

For **R. Devendra Kumar & Associates**
Chartered Accountants
Firm Regn. No. 114207W

Sd/-
Neeraj Golas
Partner
Membership No. 074392
UDIN: 20074392AAAAAG3589

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Sd/-
Anagha Thatte
Partner
Membership No. 105525
UDIN: 20105525AAAAEB3052

Place: Mumbai
Date: June 16, 2020

Annexure I to the Independent Auditors' Report

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of Hindustan Petroleum Corporation Limited)

Based on the comments in the Auditors' Reports of the Holding company and the subsidiaries, its associates and Joint ventures companies, to the extent provisions of section 143(5) of the Act applicable to these companies, we give below a report on the directions/ Additional directions issued by the Comptroller and Auditor General of India in terms of the section 143(5) of the Act.

Sr. No.	Directions under section 143(5) of the Act	Auditors' Comments
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	**Holding company:** As per the information and explanations furnished to us, the Holding company has an Enterprise Resource Planning ERP system in the name of "JD Edwards (JDE) " to process the accounting transactions. There are large number of other applications including workflow applications and portals to address specific requirements. Most of these applications/ modules have real time integration with ERP (JDE) system for smooth accounting / recording of transactions. As a part of our general review of IT controls, we have carried out the review of major controls in existence in the applications with regard to integrity of data flowing to JDE. Basis our sample verification, nothing significant has come to our attention that causes us to believe that there are material gaps pertaining to IT controls. Further, we have also relied on the exercise conducted by the management with the help of consultant to check the design of internal controls, and its operating effectiveness including the IT systems and control. Further management has conducted the system audit with the help of the consultants which has not reported any significant gaps. Apart from above there are few other accounting process being undertaken through excel spreadsheet like inventory valuation, interest calculation of treasury funding activities, matching of open credits in the case of Trade accounts receivables, matching of suppliers accounts wherein sufficient controls for data integrity have been observed in our review of general IT controls. There is however a need of automation of such processes to ensure complete data integrity.

Sr. No.	Directions under section 143(5) of the Act	Auditors' Comments
		Subsidiaries **HPCL Biofuels Limited:** The company has ERP system in place at HO and two plants (Sugauli and Lauriya) to process all the accounting transactions through IT system. However, the integration of the accounting data related to plants and HO are compiled manually at HO. **Prize Petroleum Company Limited*:** The Company has system in place for processing all the accounting transactions. **Joint Ventures / Associate Companies** **Bhagyanagar Gas Ltd.** The company is having existing system of accounting under Tally ERP through which all the accounting transactions are taken place. However, the material/inventory management is separately tracked and accounted in tally. The company has started the process for the development of the system based on CGD Industry customization. Billing and collection software development has been taken up by the company for resolving issues to process all the accounting transactions through IT systems and the same will be integrated to SAP in future period. **Petronet MHB Limited** The Company uses an IT-ERP system viz. Microsoft Navision to process accounting transaction. No accounting transaction are processed outside IT system, except payroll for which separate software is used. In respect of payroll processes, the integrity of the account is ensured with adequate internal controls. **Aavantika Gas Limited** The Company has proper system in place to process all the accounting transactions through IT System. Any transaction which is held outside the IT System is properly accounted in the IT system, as per the information provided by Management. **HPCL Rajasthan Refinery Limited** The Company maintains its accounts in Tally. ERP accounting Package. All financial accounting transactions are completely entered/captured into the accounts through this accounting package. Several related working are maintained in supporting systems which are not automatically integrated into Tally. ERP accounting package but passed through Voucher entries. However, upon checking, no cases of discrepancies or mismatch were observed while integrating the transactions / workings maintained in supporting systems into the Tally. ERP accounting package . There is however a need of automation of such processes to ensure complete data integrity.

Sr. No.	Directions under section 143(5) of the Act	Auditors' Comments
		Mumbai Aviation Farm Fuel Facilities Ltd. The company has system in place to process all the accounting transactions through IT system though all the systems are not completely integrated to each other within the system. We are integrated manually under appropriate precautions and guidelines. Thus, as reviewed by us, there are no adverse financial implications. **HPOIL Gas Private Limited** Based on the information, explanation and representation provided, the company has system in place to process all the accounting transactions through IT system, there are no processing of accounting transaction outside IT system **Ratnagiri Refinery and Petrochemicals Limited** Company has a robust ERP System (SAP) (from January 1, 2020 till March 31, 2020) and Tally ERP 9 (from April 1, 2019 till December 31, 2019), to process all the accounting transaction through IT system and there are no accounting transactions outside the purview of IT system. **IHB Private Limited** Company has outsourced the accounting work, who is uses tally for accounting, 2nd do not process any accounting transaction outside the IT system. **Mangalore Refinery & Petrochemicals Ltd.** The company processes all the accounting transaction through IT system. As there were no accounting transaction processed outside the IT system for the year ended 31 March 2020 closure, no financial implications arise to impact the integrity of accounts **GSPL India Gasnet Limited** The company is using "SAP ECC 6.0" for accounting of all accounting transactions through IT systems. **GSPL India Transco Limited** During the current year, company has incorporated Ind AS related adjustments in SAP ERP Accounting system.
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	**Holding company:** No such instances have been noticed during the financial year 2019-20. **Subsidiaries** **HPCL Biofuels Limited:** No

Sr. No.	Directions under section 143(5) of the Act	Auditors' Comments
		Prize Petroleum Company Limited*: No case of restructuring of any loans during the financial year 2019-20. **Joint Ventures / Associates Companies** **Bhagyanagar Gas Ltd.** There is no case of restructuring of existing loan, waiver / write-off of debts/loans/interest etc. **Petronet MHB Limited** There is no restructuring of existing loan or cases of waiver / write-off of debts/loans/interest etc. made by the lender to the company due to the company's ability to repay loan **Aavantika Gas Limited** There is no restructuring of any existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan. **HPCL Rajasthan Refinery Limited** There has been no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. by a lender to the company due to the company's inability to repay the loan. **Mumbai Aviation Farm Fuel Facilities Ltd.** There has been no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. by a lender to the company due to the company's inability to repay the loan. **HPOIL Gas Limited** Based on the discussions and explanation provided by management, there are no cases of waiver/write off debts/ loans/interest, etc. as at 31st March, 2020. **Ratnagiri Refinery and Petrochemicals Limited** There are no cases of restructuring of any loan or cases of waiver/write off of debts/loans/interest etc. made by the lender due to company's inability to repay the loan. **IHB Private Limited** The company has not taken any loan and hence not applicable to the company **Mangalore Refinery & Petrochemicals Ltd.** There is no restructuring of existing loan or cases of waiver / write-off of debts/loans/interest etc. made by the lender to the company due to the company's inability to repay the loan.

Sr. No.	Directions under section 143(5) of the Act	Auditors' Comments
		GSPL India Gasnet Limited The repayment of the loan is not started during the year. There is no restructuring of existing loan or case of waiver/write off of debts/loans/interest etc. due to Company's inability to repay the loan. **GSPL India Transco Limited** It is conveyed to us that there is no restructuring of loan during the period covered under Audit. Hence, not applicable.
3.	Whether funds received/receivable for specific schemes from Central/ State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	**Holding company:** As per the information and explanations furnished to us, the funds received /receivable by the Holding company for specific schemes from Central/State agencies to the extent these are recorded in the books of accounts and records produced before us, were properly accounted. We are informed that in the case of schemes of Central Government i.e. PMUY,DBTL, other subsidies, etc. claims for reimbursements duly certified by Chartered Accountants are filed with Petroleum Planning and Analysis cell (PPAC) for reimbursement and hence these are not considered as Grants and no utilisation certificates are filed. In the case of certain state specific scheme, utilisation certificates are furnished by the company separately to the respective agencies. During the course of our test checks of the records available at Head Office of the Holding company in respect of such claims for reimbursement recorded in the books which are approved by PPAC, nothing has come to our notice that causes us to believe that there has been any violation of terms and conditions in relation to these claims. The separate audit of these claims filed with PPAC is carried out by separate firms of Chartered Accountants. **Subsidiaries** **HPCL Biofuels Limited:** Yes **Prize Petroleum Company Limited*:** No funds received by the company from Central / State agencies during the financial year 2019-20. **Joint Ventures / Associates Companies** **Bhagyanagar Gas Limited** As per information, explanation and records produced for verification, there are no funds received/receivable for any specific schemes from central government/state agencies

Sr. No.	Directions under section 143(5) of the Act	Auditors' Comments
		Petronet MHB Limited No funds received/receivable for any specific schemes from central government were properly accounted for/ utilized as per terms of conditions. **Aavantika Gas Limited** The company has not received any funds for specific schemes from Central/State agencies during the year. **HPCL Rajasthan Refinery Limited** Based on discussions and explanations provided by management, there are no funds have been received/are receivable for specific schemes from Central/State agencies and thus the accounting/utilization for the same is not applicable. **Mumbai Aviation Farm Fuel Facilities Ltd.** No funds have been received/are receivable for specific schemes from Central/State agencies. **HPOIL Gas Private Limited** Based on discussions and explanation provided by Management, there are no funds received/ receivable for specific schemes from Central/State agencies. **Ratnagiri Refinery and Petrochemicals Limited** The Company has not received any funds for specific scheme from Central/State agencies. **IHB Limited** No fund has been received for specific schemes from Central/ State agencies. **Mangalore Refinery & Petrochemicals Ltd.** Government grants in the form of interest free loans received from the State Government have been properly accounted and utilized as per terms and conditions. Government grants in the form of export incentives received by the subsidiary company in the form of MEIS scrips have been properly accounted as per the terms and conditions. **GSPL India Gasnet Limited** The Company has not received any fund for specific schemes from Central/State agencies. **GSPL India Transco Limited** It is conveyed to us that no funds have been received from Central/State Agencies hence not applicable.

* As per Standalone Financial Statements

Additional directions issued by C&AG for the year 2019-20

Sr. No.	Additional Directions under section 143(5) of the Act	Auditors' Comments
Holding Company:		
1.	Whether any investments have been made by HPCL's Provident fund and Post -Retirement Medical Benefit (PRMB) trust in IL&FS? if so, the exposure and liabilities of the company in the capacity of Principal Employer and probability of liabilities in future years with regard to exposure for investments made in IL&FS or group companies by HPCL PF trust and HPCL PRMB trust may be elaborated.	HPCL Provident Fund Trust and Post Retirement Benefit Trust have investments in the Non convertible debentures of IL&FS amounting to ₹ 45.00 Crore & ₹ 50.00 Crore respectively. Based on best estimates of the management, the probable liability to the company as employer towards shortfall in interest and principal obligation has been assessed by the management and an amount of ₹ 31.50 Crore & ₹ 35.00 Crore respectively has been provided for during the year. Reference is also invited to observation in Para (f) of Emphasis of Matter of our audit report and Note no. 64 A & 64 H of the Consolidated Financial Statements.
Associates:		
1.	Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the company is encroached, under litigation, not put to use or declared surplus? Details may be provided.	**GSPL India Gasnet Limited** The Company has taken adequate measures to prevent encroachment and there is no encroachment to the land owned by the company. **GSPL India Transco Limited** It is conveyed to us that the Company has done fencing of lands purchased for SV stations & IPL. Wherever encroachment is noticed necessary steps have been taken including litigation.
2.	Whether the system in vogue for identification of projects to be taken up under public-private partnership is in line with the guidelines/policies of the Government? comment on deviations if any	**GSPL India Gasnet Limited** The company does not have any project to be taken up under Public Private Partnership. **GSPL India Transco Limited** No project is conveyed to have been taken up under Public Private Partnership hence not applicable.
3.	Whether system for monitoring the execution of works vis-a-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation. If any revenues/losses from contracts etc. have been properly accounted for in the books.	**GSPL India Gasnet Limited** System for monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/losses from contracts, etc., have been properly accounted for in the books. **GSPL India Transco Limited** We have not come across any discrepancy in this regard.
4.	Whether funds received/receivable for specific schemes from Central/ State agencies were properly accounted for/utilized? List the cases of deviations.	**GSPL India Gasnet Limited** The company has not received any fund for specific schemes from central/State agencies. **GSPL India Transco Limited** It is conveyed to us that no funds have been received from Central / State Agencies hence not applicable.
5.	Whether the bank guarantees have been revalidated in time?	**GSPL India Gasnet Limited** Bank guarantees have been revalidated in timely manner. **GSPL India Transco Limited** We have not come across any discrepancies in this regard.

Sr. No.	Additional Directions under section 143(5) of the Act	Auditors' Comments
6.	Comment on the confirmation of balances of trade receivables trade payables term deposits bank accounts and cash obtained.	**GSPL India Gasnet Limited** The confirmation of Balances has been obtained in majority of the cases. **GSPL India Transco Limited** Mails are sent and replies are also received from many.
7.	The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.	**GSPL India Gasnet Limited** During the year 2019-20, the company has not abandoned any project. **GSPL India Transco Limited** It is conveyed to us that project is being implemented in Phased manner, Phase I is implemented and balance work is under review of Management and final decision related to continuation is pending.
8.	Whether company pricing policy absorbs all fixed and variable cost of production and overheads allocated at the time of fixation of price?	**GSPL India Gasnet Limited** The company's pricing is determined based on tariff approved by Petroleum and Natural Gas Regulatory Board.
9.	Whether Company recovers commission for work executed on behalf of Government / other organization that is properly recorded in books of accounts? Whether company has efficient system for billing and collection of revenue.	**GSPL India Gasnet Limited** The company does not execute work on behalf of Government/ other organizations. The company has efficient system for billing and collection of revenue.
10.	Whether Company regularly monitors timely receipt of subsidy from Government and properly recorded them in its books.	**GSPL India Gasnet Limited** The company has not received any subsidy from Government.
11.	Whether interest earned on parking of funds received for specific projects from Government was properly accounted for?	**GSPL India Gasnet Limited** The company has not received any fund for specific projects from Government.
12.	Whether company has entered into Memorandum of Understanding with its Administrative Ministry, if so, whether impact thereof has been properly dealt with in financial statements?	**GSPL India Gasnet Limited** The company has not entered into Memorandum of Understanding with its Administrative Ministry.

For **R. Devendra Kumar & Associates**
Chartered Accountants
Firm Regn. No. 114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392
UDIN: 20074392AAAAAG3589

Place: Mumbai
Date: June 16, 2020

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Sd-
Anagha Thatte
Partner
Membership No. 105525
UDIN: 20105525AAAAEB3052

Annexure II to the Independent Auditors' Report

(Referred to in paragraph (f) 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 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, 2020, 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 Joint Ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and Joint Ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control 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 statements 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 auditors' 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 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 subsidiary companies, its associate companies and joint ventures, 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, 2020, 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 10 joint ventures, 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 overseas subsidiary where Internal Financial Controls with reference to Financial Statements are not applicable.

For **R. Devendra Kumar & Associates**
Chartered Accountants
Firm Regn. No. 114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392
UDIN: 20074392AAAAAG3589

For **M.P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Sd-
Anagha Thatte
Partner
Membership No. 105525
UDIN: 20105525AAAAEB3052

Place: Mumbai
Date: June 16, 2020

Consolidated Balance Sheet

as on 31st March, 2020

(₹ / Crore)

	Notes	31.03.2020	31.03.2019
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	48,391.57	41,168.63
(b) Capital Work-in-Progress	4	17,144.10	9,495.91
(c) Goodwill on Consolidation		16.69	16.69
(d) Other Intangible Assets	5	543.52	456.18
(e) Intangible Assets under development	5a	25.66	22.82
(f) Investment in Joint Ventures and Associates	6	8,820.82	8,715.69
(g) Financial Assets			
(i) Other Investments	7	229.93	498.00
(ii) Loans	8	1,409.35	1,141.43
(iii) Other Financial Assets	9	6.29	1.67
(h) Other Non-Current Assets	10	2,700.45	2,339.46
Total Non-Current Assets		**79,288.38**	**63,856.48**
(2) Current Assets			
(a) Inventories	11	19,325.99	20,443.62
(b) Financial Assets			
(i) Investments	12	5,344.86	5,083.76
(ii) Trade Receivables	13	3,934.19	5,667.79
(iii) Cash and Cash Equivalents	14	204.76	198.74
(iv) Bank Balances other than cash and cash equivalents	15	18.36	19.76
(v) Loans	16	409.86	850.83
(vi) Other Financial Assets	17	7,968.49	10,540.11
(c) Other Current Assets	18	401.24	677.15
		37,607.75	**43,481.76**
(d) Assets classified as held for Sale/Disposal		10.07	8.24
Total Current Assets		**37,617.82**	**43,490.00**
Total Assets		**1,16,906.20**	**1,07,346.48**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	19	1,524.21	1,524.21
(b) Other Equity	20	29,456.41	28,876.45
Total Equity		**30,980.62**	**30,400.66**
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	23,109.63	12,127.80
(ii) Other Financial Liabilities	22	0.70	0.51
(b) Provisions	23	54.62	58.41
(c) Deferred Tax Liabilities (Net)	40	5,491.44	7,396.25
(d) Other Non-Current Liabilities	24	224.83	152.95
Total Non-Current Liabilities		**28,881.22**	**19,735.92**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	16,276.12	13,908.68
(ii) Trade Payables:			
Outstanding dues of micro enterprises and small enterprises	47	113.75	83.96
Outstanding dues of creditor other than micro and small enterprises		11,355.04	17,049.41
(iii) Other Financial Liabilities	26	23,385.91	19,534.61
(b) Other Current Liabilities	27	2,916.01	3,719.79
(c) Provisions	28	2,630.56	2,082.18
(d) Current Tax Liabilities (Net)	29	366.97	831.27
Total Current Liabilities		**57,044.36**	**57,209.90**
Total Equity and Liabilities		**1,16,906.20**	**1,07,346.48**
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-
R Kesavan
Director Finance
DIN - 08202118

Sd-
V Murali
Company Secretary

Place: Mumbai
Date: June 16, 2020

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392

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, 2020

(₹ / Crore)

	Notes	2019-20	2018-19
INCOME			
Revenue From Operations			
Gross Sale of Products	30	2,86,574.27	2,95,986.87
Other Operating Revenues	31	1,167.78	1,235.41
		2,87,742.05	**2,97,222.28**
Other Income	32	1,681.62	1,453.12
Total Income		**2,89,423.67**	**2,98,675.40**
EXPENSES			
Cost of Materials Consumed	33	59,906.49	69,808.71
Purchases of Stock-in-Trade		1,87,234.13	1,80,570.52
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	34	(354.51)	(2,224.24)
Excise Duty		18,650.52	21,731.64
Employee Benefits Expense	35	3,224.06	2,971.24
Finance Costs	36	1,138.85	785.64
Depreciation and Amortization Expense	3&5	3,369.87	3,085.30
Other Expenses	37	13,418.87	12,837.12
Total Expenses		**2,86,588.28**	**2,89,565.93**
Profit/ (Loss) Before share in profit of Joint Ventures and Associates, Exceptional Items and Tax		**2,835.39**	**9,109.47**
Share in Profit/ (Loss) of Joint Ventures and Associates		(458.17)	929.73
Profit/ (Loss) Before Exceptional Items and Tax		**2,377.22**	**10,039.20**
Exceptional Items - Income/ (Expenses)	60	(1,002.93)	-
Profit/ (Loss) Before Tax		**1,374.29**	**10,039.20**
Tax expense:	40		
Current tax		166.95	2,727.65
Deferred tax		116.73	600.52
Provision for tax for earlier years written back (net)	40(e)	(1,548.12)	20.40
Total Tax Expenses		**(1,264.44)**	**3,348.57**
Profit/ (loss) for the year		**2,638.73**	**6,690.63**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Re-measurements of the defined benefit plans		(211.73)	24.28
Fair value changes on Equity Instruments through other comprehensive income		(274.61)	(80.15)
Share in Other comprehensive Income of Joint Ventures and Associates		(2.93)	(3.16)
Income tax relating to items that will not be reclassified to profit or loss		53.15	(8.52)
		(436.12)	**(67.55)**
Items that will be reclassified to profit or loss:			
Effective Portion of Gains/ (loss) in a Cash Flow Hedge		**(24.11)**	**-**
Share in Other comprehensive Income of Joint Ventures and Associates		**(169.07)**	**-**
Foreign Currency Translation Reserve		**(34.59)**	**(19.05)**
Income tax relating to items that will be reclassified to profit or loss		**6.07**	**-**
		(221.70)	**(19.05)**
Other Comprehensive Income for the year (net of tax)		**(657.82)**	**(86.60)**
Total Comprehensive Income for the year (net of tax)		**1,980.91**	**6,604.03**
Basic and Diluted Earnings per Equity Share (₹)	43	17.32	43.91
Significant Accounting Policies	1 & 2		

Significant Accounting Policies and Notes Forming Part of Accounts are integral part of the Consolidated Financial Statements

FOR AND ON BEHALF OF THE BOARD

Sd-
Mukesh Kumar Surana
Chairman & Managing Director
DIN - 07464675

Sd-
R Kesavan
Director Finance
DIN - 08202118

Sd-
V Murali
Company Secretary

Place: Mumbai
Date: June 16, 2020

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392

For M. P. Chitale & Co.
Chartered Accountants
FRN - 101851W

Sd-
Anagha Thatte
Partner
Membership No. 105525

Statement of Changes in Equity

for the year ended 31st March, 2020

A. Statement of Changes in Equity

	No. of Share	(₹ / Crore)
Balance as on 31st March, 2018	**1,52,38,22,625**	**1,524.21**
Changes in Equity Share Capital	-	-
Balance as on 31st March, 2019	**1,52,38,22,625**	**1,524.21**
Changes in Equity Share Capital	-	-
Balance as on 31st March, 2020	**1,52,38,22,625**	**1,524.21**

B. Other Equity

(₹ / Crore)

	Reserves & Surplus						Cash Flow Hedge Reserve	Equity Instruments through OCI	Foreign Currency Translation Reserve	Total Other Equity
	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Capital Reserve	FCMITDA				
Balance as on 31st March 2018	**21,973.01**	**1.56**	**189.35**	**1,827.75**	**0.65**	**(0.64)**	**-**	**14.23**	**2.32**	**24,008.23**
Profit/ (Loss) for the year	6,690.63	-	-	-	-	-	-	-	-	6,690.63
Other Comprehensive income (OCI) for the year (net of tax)	12.60	-	-	-	-	-	-	(80.15)	(19.05)	(86.60)
Total comprehensive income for the year	**6,703.23**	**-**	**-**	**-**	**-**	**-**	**-**	**(80.15)**	**(19.05)**	**6,604.03**
Interim/ Final Dividend	(1,371.44)	-	-	-	-	-	-	-	-	(1,371.44)
Dividend Distribution Tax (DDT)	(281.90)	-	-	-	-	-	-	-	-	(281.90)
Transfers/ Additions (Net of amortisation)	(99.51)	-	19.25	-	0.06	(2.27)	-	-	-	(82.47)
Balance as on 31st March, 2019	**26,923.39**	**1.56**	**208.60**	**1,827.75**	**0.71**	**(2.91)**	**-**	**(65.92)**	**(16.73)**	**28,876.45**
Profit/ (Loss) for the year	2,638.73	-	-	-	-	-	-	-	-	2,638.73
Reversal of Tax Expense on exercising option under section 115BAA of Income-tax Act, 1961 (refer note 40)	324.89	-	-	-	-	-	-	-	-	324.89
Other Comprehensive income (OCI) for the year (net of tax)	(161.50)	-	-	-	-	-	(187.11)	(274.61)	(34.60)	(657.82)
Total comprehensive income for the year	**2,802.12**	**-**	**-**	**-**	**-**	**-**	**(187.11)**	**(274.61)**	**(34.60)**	**2,305.80**
Interim/ Final Dividend	(1,432.39)	-	-	-	-	-	-	-	-	(1,432.39)
Dividend Distribution Tax (DDT)	(294.43)	-	-	-	-	-	-	-	-	(294.43)
Transfers/ Additions (Net of amortisation)	(513.46)	-	511.53	-	-	2.91	-	-	-	0.98
Balance as on 31st March, 2020	**27,485.23**	**1.56**	**720.13**	**1,827.75**	**0.71**	**-**	**(187.11)**	**(340.53)**	**(51.33)**	**29,456.41**

Statement of Changes in Equity

for the year ended 31st March, 2020

Notes:

General Reserve: Forms part of the Retained Earnings and available for distribution to shareholders.

Debenture Redemption Reserve: The reserve is created on Non-Convertible Debentures under Companies Act, 2013.

Foreign Currency Monetary Item Translation Difference Account (FCMITDA): Represents exchange rate variation on loan taken for acquisition of non-depreciable assets, amortized over loan period.

Retained Earnings: The balance represents accumulated retained profits and available for distribution to shareholders.

Cash flow Hedge Reserve: Represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges. The cumulative gain or loss on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged item occurs/ affects statement of profit and loss or on termination, if any.

Equity Instruments through OCI: The Group has chosen to recognise the subsequent changes in the fair value of certain investments in equity instrument through other comprehensive income. These changes are accumulated within 'Equity instruments through OCI'

Capital Redemption Reserve: Created on redemption of preference share capital during earlier financial years

Capital Reserve: Created on account of consolidation.

Foreign Currency Translation 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-
R Kesavan
Director Finance
DIN - 08202118

Sd-
V Murali
Company Secretary

Place: Mumbai
Date: June 16, 2020

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392

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, 2020

(₹ / Crore)

		2019-20	2018-19
A.	**Cash Flow From Operating Activities**		
	Profit/ (Loss) before Tax	1,374.29	10,039.20
	Adjustments for:		
	Depreciation and Amortization Expense	3,369.87	3,085.31
	(Gain)/ Loss on sale/ write off of property, plant and equipment, Capital work-in-progress, Assets classified held for sale/ disposal	(19.41)	(8.58)
	Gain/ (Loss) on Remeasurement of Defined benefit plans	(158.58)	15.76
	Effective Portion of Gains/ (loss) in a Cash Flow Hedge	(18.04)	-
	Fair value gain on Current Investments carried at FVTPL	(262.66)	(84.39)
	Finance Costs	1,138.85	785.65
	Foreign Currency Transaction and Translation	874.64	373.78
	Provision for Doubtful Debts, Loans & Receivables	82.76	163.06
	Bad Debts written off	0.21	15.17
	Interest Income on current Investments	(373.48)	(374.76)
	Dividend Received	(28.76)	(25.41)
	Share of Profit from Associate and Joint Venture companies	458.17	(929.73)
	Other Non-Cash items	11.85	6.64
	Operating Profit before Changes in Assets and Liabilities {Sub Total - (i)}	**6,449.71**	**13,061.70**
	Change in Assets and Liabilities:		
	Decrease/ (Increase) Trade Receivables	1,733.20	(130.17)
	Decrease/ (Increase) Loans and Other Assets	2,599.94	(5,748.11)
	Decrease/ (Increase) Inventories	1,115.11	(1,833.35)
	(Decrease)/ Increase Trade and Other Payables	(4,705.78)	5,286.25
	Sub Total - (ii)	**742.47**	**(2,425.38)**
	Cash Generated from Operations (i) + (ii)	**7,192.18**	**10,636.32**
	Less: Direct Taxes paid (Net)	1,722.94	2,082.29
	Net Cash Flow generated from/ (used in) Operating Activities (A)	**5,469.24**	**8,554.03**
B.	**Cash Flow From Investing Activities**		
	Purchase of Property, Plant & Equipment (including Capital Work in Progress/ excluding interest capitalised)	(13,856.51)	(11,338.02)
	Sale of Property, Plant & Equipment	62.44	71.34
	Purchase of Investments (Including share application money pending allotment/ Advance towards Equity)	(931.91)	(734.65)
	Interest received	374.50	386.44
	Dividend received from Associate and Joint Venture companies	154.83	207.74
	Dividend received - others	28.76	25.41
	Net Cash Flow generated from/ (used in) Investing Activities (B)	**(14,167.89)**	**(11,381.74)**

Consolidated Cash Flow Statement
for the year ended 31st March, 2020

(₹ / Crore)

	2019-20	2018-19
C. Cash Flow From Financing Activities		
Proceeds from Long term borrowings	11,933.40	4,090.44
Repayment of Long term borrowings and leasing liabilities	(2,167.74)	(1,557.95)
Proceeds/ (repayment) of Short term borrowings	1,697.54	2,566.70
Finance Cost paid	(1,286.13)	(847.64)
Dividend paid (including dividend distribution tax)	(1,725.11)	(1,653.34)
Net Cash Flow generated from/ (used in) Financing Activities (C)	**8,451.96**	**2,598.21**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	**(246.69)**	**(229.50)**
Cash and cash equivalents at the beginning of the year	**(2,665.44)**	**(2,435.94)**
Cash and cash equivalents at the end of the year	**(2,912.13)**	**(2,665.44)**
Details of cash and cash equivalents at the end of the year:		
Cash and cash equivalents as on	**31.03.2020**	**31.03.2019**
Balances with Banks:		
- on current accounts	109.54	72.86
- on non-operative current accounts	0.01	0.01
Cheques awaiting deposit	-	0.01
Cash on hand	1.84	8.74
Balances with other banks	93.37	117.12
Less: Cash Credit	(3,116.89)	(2,864.18)
Cash and cash equivalents at the end of the year	**(2,912.13)**	**(2,665.44)**

FOR AND ON BEHALF OF THE BOARD

Sd-
Mukesh Kumar Surana
Chairman & Managing Director
DIN - 07464675

Sd-
R Kesavan
Director Finance
DIN - 08202118

Sd-
V Murali
Company Secretary

Place: Mumbai
Date: June 16, 2020

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W

Sd-
Neeraj Golas
Partner
Membership No. 074392

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, 2020

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 Corporation and its Subsidiaries are together referred to as "Group" which is mainly engaged 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 Consolidated Financial Statements

The Consolidated Financial Statements were authorized for issue in accordance with a resolution of the directors on 16th June, 2020.

1. Basis of preparation:

1.1. The Consolidated Financial Statements (CFS) relates to parent company, Hindustan Petroleum Corporation Limited (HPCL), its subsidiary companies and its interest in Joint Ventures and Associates.

The Consolidated 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 Consolidated 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 Crore (₹ Crore), except where otherwise indicated.

Use of Judgement and Estimates

The preparation of the Consolidated 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 Group 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 Consolidated Financial Statements are as below:

- Assessment of functional currency;
- 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 Consolidated Financial Statements in the period in which the estimates are revised and in any future periods affected.

1.2. Principles of Consolidation

The Consolidated Financial Statements 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 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 Consolidated Financial Statements comprise the Audited Financial Statements (except as mentioned otherwise) of HPCL, its Subsidiaries, Joint ventures and Associates for the year ended 31st March 2020, which are as under;

	Name of the Company	Country of Incorporation	HPCL's Ownership Interest	
			31.03.2020	31.03.2019
(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)	**Dubai**	**100.00%**	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) (refer note no 1.3.6)	**India**	**26.00%**	26.00%
	Petronet India Ltd. (PIL) (refer note no 1.3.8)	**India**	**16.00%**	16.00%
	Petronet MHB Ltd. (PMHBL) (refer note no. 1.3.7)	**India**	**50.00%**	32.72%
	Aavantika Gas Ltd. (AGL)	**India**	**49.99%**	49.99%
	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.	**India**	**25.00%**	25.00%
	HPOIL Gas Pvt. Ltd. (HOGPL)	**India**	**50.00%**	50.00%
	IHB Pvt. Ltd. (IHBPL) (refer note no. 1.3.3)	**India**	**25.00%**	-
(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%

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 in Middle East and Africa.

1.3.2. Consolidated Financial Statements have been considered for consolidation of the following:

a) Mangalore Refinery and Petrochemical Limited has one subsidiary namely ONGC Mangalore Petrochemicals limited (MRPL is holding 51%) and one joint venture namely Shell MRPL Aviation Fuels and Services Limited (MRPL is holding 50%).

b) Prize Petroleum Company Limited has wholly owned subsidiary namely Prize Petroleum International PTE Limited.

c) HPCL – Mittal Energy Limited has a 100% subsidiary namely HPCL – Mittal Pipelines Limited.

1.3.3. Companies incorporated/ dissolved during the year:

IHB Pvt. Ltd., was incorporated on 09th July 2019 having shareholding in the ratio 50 : 25 : 25 between with Indian Oil Corporation Limited, Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Limited respectively to set-up LPG pipeline between Kandla-Gorakhpur.

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 Crore as Advance against Equity/ Share application money (totalling to ₹ 44.98 Crore) 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. 2018-19).

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. Ujjwala Plus Foundation has not been considered for consolidation being a not-for-profit company.

1.3.6. Unaudited Financial Statements have been considered.

1.3.7. The Corporation has entered into a share purchase agreement dated February 27, 2020, with consortium of 8 nationalised banks, who hold equity shares in Petronet MHB Ltd., for acquisition of 9.48 Crore equity shares aggregating to 17.28 per cent of the paid-up equity share capital at a price of ₹ 19.55 per share. Post-acquisition the shareholding of HPCL in Petronet MHB is about 49.996 per cent. The consolidated profit of the Group do not include incremental share of profit earned consequent upon the acquisition of additional shares till the date of acquisition, i.e. till February 28, 2020.

1.3.8. Petronet India Ltd. in which HPCL holds 16% stake is in the process of winding up w.e.f. 30th August 2018. In the absence of financial statements of the Company, PIL has not been considered for Group consolidation for FY 2019-20.

2. Significant Accounting Policies

2.1. Property, Plant and Equipment

2.1.1. Freehold lands are carried at cost. All other items of Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

2.1.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes); any costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; initial estimated present value of any of any contractual decommissioning obligation; and borrowing cost for qualifying assets (i.e., assets that necessarily take a substantial period of time to get ready for their intended use).

2.1.3. Technical know-how/ licence fee relating to plants/ facilities are capitalized as part of cost of the underlying asset.

2.1.4. Expenditure during construction period: Direct expenses incurred during construction period on capital projects are capitalised.

2.1.5. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Corporation.

2.1.6. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.

2.1.7. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal; or when the Property, Plant 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 during each financial year and changes are accounted for as 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 Corporation 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:

Useful Life:

Plant and Machinery relating to Retail Outlets (other than Storage tanks and related equipment)	15 years
Cavern Structure	60 years
LPG cylinders & regulators (excluding cylinders held for sale)	15 years

Residual Value:

In cases of LPG Cylinders & pressure regulators and Catalysts having Precious Metals, with due consideration to expected realization, a higher residual value is considered.

2.2.2. The Corporation 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 (excluding cylinders held for sale) which are depreciated over a useful life of 15 years based on the technical assessment.

2.2.4. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

2.2.5. Depreciation is charged on additions/ deletions on pro-rata monthly basis including the month of addition/ deletion.

2.3. Intangible assets

2.3.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Corporation has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

2.3.2. Assets where entire output generated is committed to be sold to a public sector entity (including Government body) for almost entire useful life of the asset are classified as intangible assets as per the requirements of Ind AS and are amortised (after retaining the residual value, if applicable) over their useful life.

2.3.3. In cases where, the Corporation has constructed assets and the Corporation has only a preferential right to use, these assets are classified as intangible assets and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

2.3.4. The useful lives of intangible assets are assessed as either finite or indefinite.

2.3.5. Intangible assets with finite lives are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the statement of Profit & Loss.

2.3.6. Intangible assets with indefinite useful lives, such as 'right of way' which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

2.3.7. Technical know-how/ license fee relating to production process and process design are recognized as Intangible Assets.

2.3.8. Estimated lives of intangible assets (acquired) are as follows:

- Software: 2 to 4 years
- Technical know-how/ license fees: 2 to 10 years
- Right to use – wind mills: 22 years

2.3.9. The Corporation has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e., 1st April 2015 as deemed cost.

2.4. Borrowing Cost

2.4.1. Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange rate variation to the extent regarded as an adjustment to interest cost.

2.4.2. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for intended use. All other borrowing costs are expensed in the period in which they are incurred.

2.5. Non-current 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

Wherever a Contract conveys the right to control the Use of an identified Asset by either of the PARTIES for a period of time and in exchange for consideration, there arises a Lease Contract. At inception of every Contract, the Corporation examines the existence to the lease elements in a Contract and thereafter carries out appropriate accounting either as Lessor or Lessee.

2.6.1. **Lessee:**

At the commencement of the lease, the Corporation recognises right-of-use asset and lease liability, with an exception of short-term leases or lease of low-value underlying assets. The right-of-use asset is measured at cost, made up of the initial measurement of the lease liability, initial direct costs, an estimate of dismantling cost including removal of the asset at the end of the lease and any lease payments on or before commencement (net of any incentives received) of the lease.

The lease liability is measured at Present Value of the lease payments to be made during the course of the lease by using incremental borrowing rate that prevail at the beginning of each quarterly period for a similar tenure (such as AAA Corporate Bond rates for varying tenures of 5, 10 & 15 years) for all of the contracts executed in that period. The variable lease payments, which do not depend on an index or a rate, are excluded from the measurement of lease liability.

The Corporation has elected not to separate non-lease components in a contract and account as one unified lease contract covering all underlying assets by using the practical expedient prescribed in the Standard.

On re-measurement of lease liability, the right-of-use asset is suitably readjusted unless such readjustment lead to a restatement of carrying value below zero, in which case, the resultant amount is directly routed through Statement of Profit & Loss Account.

2.6.2 **Lessor:**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. In all other cases, it is treated as operating lease.

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 is recognised when:

a) the Corporation satisfies a performance obligation by transferring control of a promised goods/ services to a customer;

b) Transaction price is allocated on each performance obligation and is recognised as and when the particular performance obligation is satisfied either at a point in time or over a period of time;

c) The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer including excise duties, as applicable 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 trade discounts or rebates, as applicable;

d) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

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 Revenue is recognised on a net basis.

Claims, including subsidy on Liquified 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.

2.11.3. **Termination benefits**

Expenditure on account of Voluntary Retirement Schemes, are charged to Statement of Profit & Loss, as and when incurred.

2.12. Foreign currency transactions

2.12.1. **Monetary items**

Transactions in foreign currencies are initially recorded at the respective exchange rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognised in Statement of Profit and Loss either as 'Exchange Rate Variation' or as 'finance costs' (to the extent regarded as an adjustment to borrowing costs), as the case maybe.

In case of long term foreign currency monetary items outstanding as of 31st March 2016, foreign exchange differences arising on settlement or translation of long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in case of other long term foreign currency monetary items, if any, accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance period of the asset/ liability.

2.12.2. **Non – Monetary items**

Non-monetary items, other than those measured at fair value, denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

2.13. Investment in Subsidiary, Associates and Joint Ventures

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each reporting date.

The Corporation has chosen the carrying value of the investment in Subsidiaries, Associates and Joint Ventures existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.14. Government Grants

2.14.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

2.14.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

2.14.3. When the grant relates to property, plant and equipment, the cost of property, plant and equipment is shown at gross value and grant thereon is treated as liability (deferred income) and are credited to statement of profit and loss on a systematic basis over the useful life of the asset.

2.15. Exploration & production expenditure

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

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

2.15.2. Cost of acquisition, drilling and development are treated as Capital Work-in-Progress when incurred and are capitalised when the well is ready to commence commercial production.

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

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

2.16. Provisions and contingent liabilities

2.16.1. Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.16.2. If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.16.3. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Corporation, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

2.16.4. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

2.16.5. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

2.16.6. Contingent Liabilities are considered only when show-cause notice is converted into demand.

2.17. Fair value measurement

2.17.1. Fair value is the price that would be received/ paid to sell an asset or to transfer a liability, as the case may be, in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Corporation has access at that date. The fair value of a liability also reflects its non-performance risk.

2.17.2. While measuring the fair value of an asset or liability, the Corporation uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

Financial Instruments

2.18. Financial Assets

2.18.1. **Initial recognition and measurement**

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

2.18.2. **Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Corporation classifies financial assets (other than equity instruments) as under:

(a) subsequently measured at amortised cost;

(b) fair value through other comprehensive income; or

(c) fair value through profit or loss

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial recognition, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method and such amortization is recognised in the Statement of Profit and Loss.

Debt instruments at Fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for measurement of debt instruments.

After initial measurement, any fair value changes including any interest income, impairment loss and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Corporation decides to classify the same either as at FVOCI or FVTPL. The Corporation makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

Equity instruments included within the FVTPL category are measured at fair value with all fair value changes being recognized in the Statement of Profit and Loss.

2.18.3. **Impairment of financial assets**

In accordance with Ind-AS 109, the Corporation applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date.

2.19. Financial Liabilities

2.19.1. **Initial recognition and measurement**

All financial liabilities (not measured subsequently at fair value through profit or loss) are recognised initially at fair value net of transaction costs that are directly attributable to the respective financial liabilities.

2.19.2. **Subsequent measurement**

The Corporation classifies all financial liabilities as subsequently measured at amortised cost by using the Effective Interest Rate Method ("EIR") and such amortisation is recognised in the Statement of Profit and Loss.

2.20. Financial guarantees

Financial guarantee contracts are recognised initially at fair value. Subsequently on each reporting date, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

2.21. Derivative financial instruments

The Corporation uses derivative financial instruments, such as forward contracts, interest rate swaps to mitigate its foreign currency risk, interest risk and commodity price risk arising out of highly probable forecast transactions and are presented in Financial Statements, either as Financial Assets or Financial liabilities as the case may be.

2.21.1. **Derivatives Contracts designated as hedging instruments:**

Wherever Hedge Accounting is undertaken, at the inception of a hedge relationship, the Corporation formally designates and documents a) the hedge relationship to which it wishes to apply hedge accounting and b) the risk management objective and strategy. In such cases, the derivative financial instruments are recognized at fair value with due assessment to effectiveness of the hedge instrument. By following Cash Flow Hedges, the effective portion of changes in the fair value is recognized in Other Comprehensive Income (OCI) and accumulated under Cash Flow Hedge Reserve within Other Equity whereas the ineffective portion, if any, is recognized immediately in the Statement of Profit and Loss and presented under Other Income or Other Expenses, as the case may be. The effective portion, previously recognized in OCI and accumulated as Cash Flow Hedge Reserve is reclassified to the Statement of Profit and Loss in the subsequent period, during which, the hedged expected future cash flows affect profit or loss and further guided to the same line item to which the underlying is accounted. Further, in case of previously recognized forecasted transaction, upon the knowledge of its non-occurrence, the effective portion of cumulative gain or loss is forthwith recognized by transferring from Cash Flow Hedge Reserve to the Statement of Profit and Loss. If the amount accumulated in Cash Flow Hedge Reserve is a loss and Corporation expects that all or a portion of that loss will not be recovered in one or more future period, the Corporation immediately reclassifies the amount that is not expected to be recovered into profit or loss as a reclassification adjustment. The hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

2.21.2. **Derivatives Contracts not designated as hedging instruments**

The derivative financial instruments are accounted at fair value through Profit or Loss and presented under Other Income or Other Expenses, as the case may be.

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.

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.

3. Property, Plant and Equipments:

The following are the carrying values of Property, Plant & Equipments:

(₹ / Crore)

Particulars	Land - Freehold	Right-of-Use Assets #	Buildings	Plant & Equipment	Furniture & Fixtures	Transport Equipment	Office Equipment	Roads and Culverts	Railway Siding & Rolling Stock	E&P Assets	Total
Gross Block											
As on 01.04.2019	**948.26**	**76.31**	**6,095.39**	**37,781.11**	**239.62**	**130.41**	**2,979.55**	**2,984.26**	**405.51**	**609.11**	**52,249.53**
Additions pursuant to initial application of Ind AS 116	-	2,844.40	-	-	-	-	-	-	-	-	2,844.40
Additions/ Reclassifications	95.00	582.52	708.89	5,411.86	42.87	15.55	511.59	343.98	65.43	56.18	7,833.87
Deductions/ Reclassifications	0.20	-	15.96	478.90	9.55	1.05	18.39	3.42	0.79	1.37	529.63
As on 31.03.2020	**1,043.06**	**3,503.23**	**6,788.32**	**42,714.07**	**272.94**	**144.91**	**3,472.75**	**3,324.82**	**470.15**	**663.92**	**62,398.17**
Depreciation/ Amortisation											
As on 01.04.2019	**-**	**0.45**	**585.15**	**7,242.50**	**79.85**	**48.08**	**1,249.75**	**1,307.36**	**91.87**	**475.89**	**11,080.90**
For the year	-	172.91	177.71	2,133.54	26.82	14.38	399.26	364.86	30.29	29.19	3,348.96
Deductions/ Reclassifications	-	-	7.38	437.64	3.99	0.68	16.51	1.37	0.79	(45.10)	423.26
As on 31.03.2020	**-**	**173.36**	**755.48**	**8,938.40**	**102.68**	**61.78**	**1,632.50**	**1,670.85**	**121.37**	**550.18**	**14,006.60**
Net Block as on 01.04.2019	**948.26**	**75.86**	**5,510.24**	**30,538.61**	**159.77**	**82.33**	**1,729.80**	**1,676.90**	**313.64**	**133.22**	**41,168.63**
Net Block as on 31.03.2020	**1,043.06**	**3,329.87**	**6,032.84**	**33,775.67**	**170.26**	**83.13**	**1,840.25**	**1,653.97**	**348.78**	**113.74**	**48,391.57**

refer note 42

Notes:

1. Includes assets costing ₹ 0.007 Crore/- (31.03.2019: ₹ 0.007 Crore) of erstwhile Kosan Gas Company that have not been handed over to the Corporation. Though Kosan Gas Company was to give up their claim, in view of the tenancy right sought by third party, the matter is under litigation.
2. Includes ₹ 799.55 Crore (31.03.2019: ₹ 465.15 Crore) towards Land, Building, Plant & Equipment, Furniture & Fixtures, Transport equipments, Office Equipments, Pipelines, Railway Sidings, etc. representing Company's Share of Assets, jointly owned with other Companies.
3. Includes ₹ 32.35 Crore (31.03.2019: ₹ 32.39 Crore) towards Roads & Culverts, Transformers & Transmission lines, Railway Sidings & Rolling Stock for which though ownership does not vest with the Company, operational control over such assets is exercised. These assets are amortized as per useful life specified in Schedule II of Companies Act, 2013.
4. a) Includes following Assets which are used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against which financial assistance provided by OIDB:

Description	Original Cost (₹ / Crore)	
	31.03.2020	**31.03.2019**
Roads & culverts	0.13	0.13
Buildings	1.62	1.62
Plant & Equipment	2.09	2.37
Total	**3.84**	**4.12**

   b) Includes following assets held under PAHAL (DBTL) scheme against which financial assistance had been provided by Ministry of Petroleum & Natural Gas, Government of India.

Description	Original Cost (₹ / Crore)	
	31.03.2020	**31.03.2019**
Computer Software	7.49	7.49
Computers/ End use devices	5.65	5.65
Office Equipment	0.01	0.01
Automation, Servers & Networks	1.55	1.55
Total	**14.70**	**14.70**

5. Assets held for sale consists of items such as Plant and equipment, office equipment, transport equipment, buildings, furnitures and fixtures and roads and culverts which have been identified for disposal due to replacement/ obsolescence of assets which happens in the normal course of business. These assets are expected to be disposed off within the next twelve months. On account of classification of these assets as ' Asset held for sale', a loss of ₹ 17.97 Crore during the year (2018-19: ₹ 30 Crore) has been recognised in the statement of profit and loss.

6. Includes Right of Use Assets having Gross value ₹ 27.57 Crore (31.03.2019: ₹ 27.57 Crore) for land acquired on lease-cum-sale basis from Karnataka Industrial Area Development Board (KIADB), that has not been amortized over the period of lease in view of freehold title that would vest upon fulfilment of certain terms and conditions, as per allotment letter.

7. Includes adjustment to Cost of Assets pursuant to exchange differences arising on long term foreign currency monetary items, which, in accordance with Para 7AA of Ind AS 21 read with Para D13AA of Ind AS 101 are capitalized and depreciated over the balance useful life of the assets.

8. The Group has considered pipeline assets laid within the boundary limit of its premises as integral part of Tanks/ Other Plant and Machinery and have been depreciating such assets based on the useful life of associated Plant & Equipment, in line with the Schedule II of the Companies Act, 2013.

9. Includes reduction in depreciation for the year by ₹ 37.65 Crore(2018-19: NIL) in respect of 'Catalysts having Precious Metals' (Plant & Equipment), arising pursuant to change in accounting estimate towards residual value of the precious metal content which is now estimated at the cost of precious metal less estimated allowance for extraction process as against 5% as per schedule II to Companies Act, 2013 followed hitherto, in the backdrop of these precious metals commanding high valuation even after retiring from active use, as established through an Industry experience factor. Further, depreciation is additionally charged for the year by ₹ 7.16 Crore (2018-19: NIL) in respect of 'Catalysts not having Precious Metals' (Plant & Equipment), arising pursuant to change in accounting estimate over revision in residual value to NIL.

10. Includes reduction in depreciation for the year by ₹ 127.60 Crore (2018-19: NIL) in respect of LPG cylinders and pressure regulators, arising pursuant to change in accounting estimate over increase in residual value from 5% to 15% of Original Cost effective 01.04.2019. The revised estimate is based on historical data.

11. Includes assets of ₹ 1.20 Crore (31.03.2019: ₹ 1.30 Crore) forming part of Plant & Equipment, Buildings & Roads & Culverts, wherein though Infrastructure Facilities were provided at Railway Premises, no sales transactions were entered into during current financial year.

12. Assets of ₹ 0.03 Crore (31.03.2019: ₹ 0.29 Crore) comprising 4 number of properties (31.03.2019: 6) towards which title deeds for freehold/ leasehold are not available and further for assets of ₹ 2.27 Crore (31.03.2019: ₹ 2.50 Crore) comprising of 14 number of properties (31.03.2019: 19) for which property tax receipts are available.

13. The process of capitalization in respect of Property, Plant and Equipment including accounting of Capital Work-in-Progress is under continuous review and updation, wherever required, is being carried out on a regular basis.

(₹ / Crore)

		31.03.2020	31.03.2019
4. Capital Work-in-Progress			
Unallocated Capital Expenditure and Materials at Site		15,399.40	8,628.89
Capital Stores lying with Contractors		494.25	42.17
Capital goods in-transit		17.34	206.18
	A	**15,910.99**	**8,877.24**
Construction period expenses pending apportionment (Net of recovery):			
Opening balance		618.67	304.48
Add: Expenditure during the year			
Establishment charges including Salaries & Wages		238.18	200.07
Interest		760.16	233.50
Loss/ (gain) on foreign currency transactions and translations		206.79	224.22
Others		0.11	0.01
		1,823.91	**962.28**
Less: Allocated to assets capitalised/ charged off during the year		590.80	343.61
Closing balance pending allocation	**B**	**1,233.11**	**618.67**
	A+B	**17,144.10**	**9,495.91**

5. Intangible Assets

The following are the carrying values of Intangible Assets:

(₹ / Crore)

Particulars	Right of Way	Technical / Process Licenses	Software	Wind Energy	Total
Gross Block					
As on 01.04.2019	**236.51**	**62.20**	**108.73**	**188.56**	**596.00**
Additions/ Reclassifications	111.49	5.18	8.94	-	125.61
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2020	**348.00**	**67.38**	**117.67**	**188.56**	**721.61**
Depreciation/ Amortisation					
As on 01.04.2019	**-**	**37.48**	**61.34**	**41.00**	**139.82**
For the year	0.05	6.60	21.21	10.41	38.27
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2020	**0.05**	**44.08**	**82.55**	**51.41**	**178.09**
Net Block as on 01.04.2019	**236.51**	**24.72**	**47.39**	**147.56**	**456.18**
Net Block as on 31.03.2020	**347.95**	**23.30**	**35.12**	**137.15**	**543.52**

Note: Includes ₹ 77.14 Crore (31.03.2019: ₹ 73.85 Crore) towards Right of Way representing Company's Share of Assets, jointly owned with other Companies.

(₹ / Crore)

	31.03.2020	31.03.2019
5a. Intangible Assets Under Development*		
ONGC onshore marginal fields	1.36	1.36
Discovered Field (Permit T/18P)	21.56	19.71
Yolla Field (License: T/L 1)	2.74	1.75
	25.66	**22.82**

* Pertains to wholly owned subsidiary Prize Petroleum Company Limited (PPCL)

(₹ / Crore)

	31.03.2020	31.03.2019
6. Investments in Joint Ventures and Associates		
Investments in Equity Instruments		
Associates		
Quoted		
Mangalore Refinery and Petrochemicals Ltd. 29,71,53,518 (31.03.2019: 29,71,53,518) Equity Shares of ₹ 10 each fully paid up	1,078.57	1,683.68
Un - Quoted		
GSPL India Transco Ltd. 5,41,20,000 (31.03.2019: 4,19,10,000) Equity Shares of ₹ 10 each fully paid up	50.19	42.77
GSPL India Gasnet Ltd. 10,36,22,128 (31.03.2019: 5,08,22,128) Equity Shares of ₹ 10 each fully paid up	97.29	48.47
Joint Ventures		
Un - Quoted		
HPCL Rajasthan Refinery Ltd. (refer note 6.1) 129,87,37,000 (31.03.2019: 89,04,05,000) Equity Shares of ₹ 10 each fully paid up	1,289.72	880.05

(₹ / Crore)

	31.03.2020	31.03.2019
HPCL Shapoorji Energy Pvt. Ltd. 17,50,00,000 (31.03.2019: 2,40,00,000) Equity Shares of ₹ 10 each fully paid up	172.93	22.71
HPCL-Mittal Energy Ltd. (refer note 6.1) 3,93,95,55,200 (31.03.2019: 3,93,95,55,200) Equity Shares of ₹ 10 each fully paid up	4,849.16	5,152.62
Hindustan Colas Pvt. Ltd. 47,25,000 (31.03.2019: 47,25,000) Equity Shares of ₹ 10 each fully paid up	194.81	148.53
Petronet India Ltd. (refer note 6.2) 1,60,00,000 (31.03.2019: 1,60,00,000) Equity Shares of ₹ 0.10 each fully paid up	0.42	0.42
Petronet MHB Ltd. 27,43,33,672 (31.03.2019: 17,95,11,020) Equity Shares of ₹ 10 each fully paid up	477.57	261.94
South Asia LPG Company Pvt. Ltd. 5,00,00,000 (31.03.2019: 5,00,00,000) Equity Shares of ₹ 10 each fully paid up	120.74	125.17
Bhagyanagar Gas Ltd. 4,36,50,000 (31.03.2019: 4,36,50,000) Equity Shares of ₹ 10 each fully paid up	150.34	145.56
Aavantika Gas Ltd. 2,95,57,038 (31.03.2019: 2,95,57,038) Equity Shares of ₹ 10 each fully paid up	117.50	98.01
Mumbai Aviation Fuel Farm Facility Pvt. Ltd. 4,82,88,750 (31.03.2019: 4,82,88,750) Equity Shares of ₹ 10 each fully paid up	87.05	77.02
Godavari Gas Pvt. Ltd. 1,60,74,643 (31.03.2019: 81,90,000) Equity Shares of ₹ 10 each fully paid up	14.93	7.70
Ratnagiri Refinery & Petrochemical Limited 5,00,00,000 (31.03.2019: 2,50,00,000) Equity shares of ₹ 10 each fully paid up	36.28	16.27
HPOIL Gas Pvt. Ltd. 6,00,00,000 (31.03.2019: 50,00,000) Equity shares of ₹ 10 each fully paid up	58.37	4.77
IHB Pvt. Ltd. 2,62,50,000 Equity shares of ₹ 10 each fully paid up	24.95	-
	8,820.82	**8,715.69**

(₹ / Crore)

	31.03.2020	31.03.2019
Disclosure towards Cost/ Market Value		
a. Aggregate amount of Quoted Investments (Market Value)	686.42	2,207.85
b. Aggregate amount of Quoted Investments (Cost)	471.68	471.68
c. Aggregate amount of Unquoted Investments (Cost)	6,374.12	5,450.27

6.1. 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 these investments. As per financial position as on 31st March 2020, the investments in joint ventures and wholly owned subsidiaries are well within the said 30% limit.

6.2. Petronet India Ltd. is in the process of Voluntary winding up w.e.f. August 30, 2018.

(₹ / Crore)

	31.03.2020	31.03.2019
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 (31.03.2019: 2,67,50,550) Equity Shares of ₹ 10 each fully paid up	221.23	495.82
Scooters India Ltd.(refer note 7.1)		
10,000 (31.03.2019:10,000) Equity Shares of ₹ 10 each fully paid up	0.02	0.03
Investment in Equity Instruments carried at fair value through profit or loss		
Un - Quoted		
Woodlands Multispecialty Hospital Limited of face value of ₹ 0.21 lakhs		
2,110 (31.03.2019:2,110) Equity shares of ₹ 10 each fully paid	0.00	0.00
Shushrusha Citizen Co-operative Hospital Limited of the face value of ₹ 0.10 lakhs		
100 (31.03.2019: 100) Equity Shares of ₹ 100/- each fully paid	0.00	0.00
Total Investments in Equity Instruments	**221.25**	**495.85**
Investments in Preference Shares carried at fair value through profit or loss		
Others		
Un - Quoted		
Compulsorily Convertible Preference shares in Start-Up Companies (refer note 7.2)	8.68	2.10
Total Investments in Preference Shares	**8.68**	**2.10**
Other Investments carried at fair value through profit or loss		
Structured Entities		
Un - Quoted		
Petroleum India International (Association of Persons) Contribution towards Seed Capital (refer note 7.3)	-	0.05
Total Investments in Structured Entities	**-**	**0.05**
	229.93	**498.00**

7.1. The Group intends to hold these Investments for long term strategic purposes and accordingly designated them at fair value through Other Comprehensive Income. No strategic investments were disposed off during the financial year.

7.2. In view that these start-up are in the stage of their development and are mostly in traction and refinement stages, the carrying value of these start-ups is considered as a reasonable approximation of their fair value.

7.3. The Members in Petroleum India International (AOP) are: Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd., Engineers India Ltd., Indian Oil Corporation Ltd., Reliance Industries Ltd., Chennai Petroleum Corporation Ltd., Oil and Natural Gas Corporation Limited and Oil India Ltd. The total capital is ₹ 0.55 Crore of which share of every member is ₹ 0.05 Crore each except share of Indian Oil Corporation Limited & Bharat Petroleum Corporation Ltd. which are ₹ 0.15 Crore & ₹ 0.10 Crore respectively. During the current financial year, upon refund of the remaining amount, lying in Members' account by the AOP, Members have executed a Termination Agreement dated March 18, 2020 bringing an end to the MOU, entered into between them on 01/03/1986, to be effective, upon fulfilling residual obligations by the AOP, including filing of Return under Income tax laws for the year, to be filed in early part of next financial year 2020-21.

(₹ / Crore)

	31.03.2020	31.03.2019
Disclosures towards Cost/ Market Value/ Impairment		
a. Aggregate amount of Quoted Investments (Market Value)	221.25	495.85
b. Aggregate amount of Quoted Investments (Cost)	561.77	561.77
c. Aggregate amount of Unquoted Investments (Cost)	8.68	2.15
d. Aggregate amount of Provision for Impairment	-	-

(₹ / Crore)

	31.03.2020	31.03.2019
8. Loans		
Secured		
Employee loans and advances and Interest thereon, considered good	346.32	326.97
Unsecured		
Deposits, considered good	146.82	101.03
Other Loans, considered good (refer note 8.1)	911.76	692.40
Loan Receivables which have significant increase in credit risk (refer note 8.1)	153.54	62.53
Loan Receivables – credit impaired (refer note 8.1)	13.34	2.00
Less: Provision for Impairment (refer note 8.2)	162.43	43.50
	1,409.35	**1,141.43**

8.1 Includes Loan given to Pradhan Mantri Ujjwala Yojana (PMUY) consumers of ₹ 1,027.10 Crore before impairment (31.03.2019: ₹ 708.95 Crore).

8.2 Includes Provision towards Loan given to Pradhan Mantri Ujjwala Yojana (PMUY) consumers of ₹ 162.43 Crore (31.03.2019: ₹ 43.50 Crore)

(₹ / Crore)

	31.03.2020	31.03.2019
9. Other Financial Assets		
Share application money pending allotment	0.35	0.70
Bank Deposit with more than 12 months maturity (refer note 9.1)	4.97	0.97
Lease Receivables	0.97	-
	6.29	**1.67**

9.1. Earmarked with various authorities.

(₹ / Crore)

	31.03.2020	31.03.2019
10. Other Non-Current Assets		
Balances with Excise, Customs, etc. (refer note 10.1)	480.01	533.18
Deposits	130.26	131.70
Advance tax (net of provisions)	1,385.70	205.37
Capital advances	207.61	347.12
Prepaid Employee Cost	176.28	146.15
Prepaid Lease Rental	0.30	779.96
Others Prepaid Expenses (Including advance)	320.29	195.98
	2,700.45	**2,339.46**

10.1. Includes an amount of ₹ 80.56 Crore has been carried in the books as receivable towards Custom Duty refund claims filed relating to the period 1992-1997. As per the assessment made by the management, the refund is legally tenable, management is continuing to pursue the matter with Authorities for early settlement of these claims.

(₹ / Crore)

	31.03.2020	31.03.2019
11. Inventories		
Raw materials (Including in-transit 31.03.2020: ₹ 1,020.42 Crore; 31.03.2019: ₹ 1,182.03 Crore)	2,950.06	3,462.25
Work-in-progress	922.39	781.79
Finished goods (Including in-transit 31.03.2020: ₹ 88.76 Crore; 31.03.2019: ₹ 150.42 Crore)	6,164.24	6,995.33
Stock-in-trade (Including in-transit 31.03.2020: ₹ 1,251.37 Crore; 31.03.2019: ₹ 1,322.23 Crore)	8,755.55	8,713.48
Stores and spares (Including in-transit 31.03.2020: ₹ 32.02 Crore; 31.03.2019: ₹ 3.73 Crore)	506.88	461.94
Less: Provision for Stores and Spares	7.68	7.68
Packages	34.55	36.51
	19,325.99	**20,443.62**

11.1. The write-down including reversals, if any, of Inventories to net realisable value during the financial year amounted to ₹ 1,002.93 Crore (31.03.2019: ₹ 79.05 Crore) for the Corporation. The write downs and reversal are included in cost of materials consumed, changes in Inventories of finished goods, stock-in-trade and work in progress. For the write down of inventories considered as exceptional items - refer Note 60.

(₹ / Crore)

	31.03.2020	31.03.2019
12. Investments		
Investments carried at fair value through profit or loss		
Quoted - Government Securities		
6.90% Oil Marketing Companies' GOI Special Bonds, 2026 17,36,36,000 (31.03.2019:17,36,36,000) Bonds of ₹ 100 each face value	1,767.79	1,672.47
8.00% Oil Marketing Companies' GOI Special Bonds, 2026 24,41,000 (31.03.2019:24,41,000) Bonds of ₹ 100 each face value	26.18	24.94
8.20% Oil Marketing Companies' GOI Special Bonds, 2024 1,23,49,000 (31.03.2019:1,23,49,000) Bonds of ₹ 100 each face value	132.76	127.53
6.35% Oil Marketing Companies' GOI Special Bonds, 2024 18,32,33,000 (31.03.2019:18,32,33,000) Bonds of ₹ 100 each face value	1,834.06	1,735.59
7.59% Government of India, G - Sec Bonds, 2026 1,85,00,000 (31,03.2019: 1,85,00,000) Bonds of ₹ 100 each face value (refer note 12.1)	196.19	187.87
7.72% Government of India, G - Sec Bonds, 2025 8,36,00,000 (31,03.2019: 8,36,00,000) Bonds of ₹ 100 each face value (refer note 12.1)	892.01	858.40
8.33% Government of India, G - Sec Bonds, 2026 1,80,00,000 (31,03.2019: 1,80,00,000) Bonds of ₹ 100 each face value (refer note 12.1)	196.92	189.72
8.15% Government of India, G - Sec Bonds, 2026 2,75,00,000 (31,03.2019: 2,75,00,000) Bonds of ₹ 100 each face value (refer note 12.1)	298.95	287.24
	5,344.86	**5,083.76**

12.1. Bonds valuating ₹ 1,476 Crore (31.03.2019: ₹ 1,476 Crore) comprising 7.59 % G - Sec Bonds of ₹ 185 Crore (31.03.2019: ₹ 185 Crore), 7.72 % G - Sec Bonds of ₹ 836 Crore (31.03.2019: ₹ 836 Crore), 8.33 % G - Sec Bonds of ₹ 180 Crore (31.03.2019: ₹ 180 Crore) and 8.15 % G - Sec Bonds of ₹ 275 Crore (31.03.2019: ₹ 275 Crore), have been pledged with Clearing Corporation of India Limited against Triparty Repo Dealing System Loan.

(₹ / Crore)

		31.03.2020	31.03.2019
	Disclosure towards Cost/ Market Value		
a	Aggregate amount of Quoted Investments (Market Value)	5,344.86	5,083.76
b	Aggregate amount of Quoted Investments (Cost)	5,267.26	5,267.26
c	Aggregate amount of Unquoted Investments (Cost)	-	-
d	Aggregate amount of Provision for impairment	-	-

(₹ / Crore)

	31.03.2020	31.03.2019
13. Trade Receivables		
Unsecured, considered good	3,954.78	5,676.48
Doubtful	159.33	158.45
Less: Allowances for Bad and Doubtful Debts	159.33	158.45
Less: Impairment Provision (Expected Credit Loss Model)	20.59	8.69
	3,934.19	**5,667.79**

(₹ / Crore)

	31.03.2020	31.03.2019
14. Cash and Cash Equivalents		
Balances with Scheduled Banks:		
- on Current Accounts	109.54	72.86
- on Non-Operative Current Accounts	0.01	0.01
Cheques Awaiting Deposit	-	0.01
Cash on hand	1.84	8.74
Fixed Deposits with original maturity less than 3 months	93.37	117.12
	204.76	**198.74**

(₹ / Crore)

	31.03.2020	31.03.2019
15. Bank Balances other than cash and cash equivalents		
Earmarked balances with banks	17.95	16.34
Fixed Deposits with 3 - 12 months maturity (refer note 15.1)	0.41	3.42
	18.36	**19.76**

15.1. Earmarked with various authorities.

(₹ / Crore)

	31.03.2020	31.03.2019
16. Loans		
Secured		
Employee loans and advances and Interest thereon, considered good	45.18	32.62
Unsecured		
Deposits	0.03	0.03
Other Loans, considered good (refer note 16.1)	362.86	792.94
Loan Receivables which have significant increase in credit risk (refer note 16.1)	61.42	75.04
Loan Receivables – credit impaired (refer note 16.1)	17.34	14.40
Less: Provision for Impairment (refer note 16.2)	76.97	64.20
	409.86	**850.83**

16.1. Includes Loan given to Pradhan Mantri Ujjwala Yojana (PMUY) consumers of ₹ 410.84 Crore before impairment (31.03.2019: ₹ 850.74 Crore).

16.2. Includes Provision towards Loan given to Pradhan Mantri Ujjwala Yojana(PMUY) consumers of ₹ 64.97 Crore (31.03.2019: ₹ 52.20 Crore)

(₹ / Crore)

	31.03.2020	31.03.2019
17. Other Financial Assets		
Amounts recoverable under subsidy schemes	464.65	821.33
Interest accrued on Investments	93.98	93.54
Derivative Assets	16.04	107.58
Delayed payment charges receivable from customers	282.93	370.92
Less: Provision for doubtful delayed payment charges receivables	121.87	119.30
Receivables from Govt. of India towards Pradhan Mantri Ujjwala Yojana (PMUY)	371.35	1,070.92
Less: Provision for doubtful receivables from Govt. of India towards PMUY	-	64.29
Receivables from Govt. of India towards Direct Benefit Transfer of LPG (DBTL)	5,576.35	7,049.63
Balance with Life Insurance Corporation of India	1,041.76	964.97
Other Receivables	254.68	256.19
Less: Provision for doubtful other receivables	11.38	11.38
	7,968.49	**10,540.11**

(₹ / Crore)

	31.03.2020	31.03.2019
18. Other Current Assets		
Advance recoverable other than cash	7.05	3.29
Balances with Excise, Customs, etc.	42.59	219.75
Deposits	5.81	-
Prepaid Employee Cost	15.56	13.99
Prepaid Lease Rental	10.96	46.04
Other Prepaid Expenses	295.86	308.92
Gold Coins in Hand	7.40	5.83
Other Current Assets	16.01	79.33
	401.24	**677.15**

(₹ / Crore)

	31.03.2020	31.03.2019
19. Equity Share capital		
A. Authorised:		
2,49,92,50,000 (31.03.2019: 2,49,92,50,000) Equity Shares of ₹ 10/- each	2,499.25	2,499.25
75,000 (31.03.2019: 75,000) Cumulative Redeemable Preference Shares of ₹ 100/- each	0.75	0.75
	2,500.00	**2,500.00**
B. Issued & Subscribed:		
1,52,45,25,375 (31.03.2019: 1,52,45,25,375) Equity Shares of ₹ 10/- each	1,524.53	1,524.53
C. Fully Paid up:		
1,52,38,22,625 (31.03.2019: 1,52,38,22,625) Equity Shares of ₹ 10/- each	1,523.82	1,523.82
D. Shares Forfeited:		
7,02,750 (31.03.2019: 7,02,750) Shares Forfeited (money received)	0.39	0.39
	1,524.21	**1,524.21**

		31.03.2020	31.03.2019
E.	**Reconciliation of number of Equity Shares**		
	Outstanding at the beginning of the year	1,52,38,22,625	1,52,38,22,625
	Equity shares allotted as fully paid bonus shares	-	-
	Outstanding at the end of the year	**1,52,38,22,625**	**1,52,38,22,625**

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 share held by each shareholder holding more than 5% shares in the company:

Name of shareholders	31.03.2020	
	% Holding	No. of Shares
Oil and Natural Gas Corporation Limited	51.11	77,88,45,375

Name of shareholders	31.03.2019	
	% Holding	No. of Shares
Oil and Natural Gas Corporation Limited	51.11	77,88,45,375

H. In the period of five years immediately preceding 31st March, 2020:

The Corporation had issued Bonus Shares during Financial Years 2017-18 and 2016-17 in the ratio of 1:2 and 2:1 respectively by capitalization of Reserve. The total number of Bonus Shares issued during Financial Years 2017-18 and 2016-17 are 50,79,40,875 and 67,72,54,500 equity shares respectively, having face value of ₹ 10 each.

(₹ / Crore)

		31.03.2020	31.03.2019
20. Other Equity			
Capital Redemption Reserve	(i)	1.56	1.56
Debenture Redemption Reserve	(ii)	720.13	208.60
Capital Reserve	(iii)	0.71	0.71
Foreign Currency Monetary Item Translation Difference Account	(iv)	-	(2.91)
General Reserve	(v)	1,827.75	1,827.75
Retained Earnings	(vi)	27,485.23	26,923.39
Equity Instruments through Other Comprehensive Income	(vii)	(340.53)	(65.92)
Foreign Currency Translation Reserve	(viii)	(51.33)	(16.73)
Cash Flow Hedge Reserve	(ix)	(187.11)	-
		29,456.41	**28,876.45**

(₹ / Crore)

	31.03.2020	31.03.2019
(i) Capital Redemption Reserve		
As per last Balance Sheet	**1.56**	**1.56**
(ii) Debenture Redemption Reserve		
As per last Balance Sheet	208.60	189.35
Add: Transfer from Retained Earnings (refer note 20.1)	625.00	19.25
Less: Transfer to Retained Earnings	113.47	-
	720.13	**208.60**
20.1. The reserve is created consequent on Non-Convertible Debentures, issued under Companies Act, 2013.		
(iii) Capital Reserve		
As per last Balance Sheet	0.71	0.65
Add: Transfer during the year	-	0.06
	0.71	**0.71**
(iv) Foreign Currency Monetary Item Translation Difference Account (refer note 20.2)		
As per last Balance Sheet	(2.91)	(0.64)
Add: Additions during the year	(0.79)	(6.58)
Less: Amortised during the year	(3.70)	(4.31)
	-	**(2.91)**
20.2. Represents exchange rate variation on loan taken for acquisition of non-depreciable assets, amortized over loan period.		
(v) General Reserve		
As per last Balance Sheet	1,827.75	1,827.75
	1,827.75	**1,827.75**
(vi) Retained Earnings		
As per last Balance Sheet	26,923.39	21,973.01
Add: Profit/(Loss) for the year	2,638.73	6,690.63
Add: Transfer from Debenture Redemption Reserve	111.54	-
Less: Transfer to Debenture Redemption Reserve	625.00	17.34
Add: Reversal of Tax Expense on exercising option under Section 115BAA of Income-tax Act, 1961 (refer note 40)	324.89	-
Less: Profit appropriated to Interim/ Final Dividend	1,432.39	1,371.44
Less: Profit appropriated to Tax on Distributed Profits	294.43	281.90
Less: Transition impact of Ind AS 115 (net of tax)	-	82.17
Add: Share in Other comprehensive Income of equity accounted investees	(2.93)	(3.16)
Less: Remeasurement (Gain)/Loss on Defined Benefit Plans	158.57	(15.76)
	27,485.23	**26,923.39**

(₹ / Crore)

	31.03.2020	31.03.2019
(vii) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	(65.92)	14.23
Add: Additions during the year	(274.61)	(80.15)
	(340.53)	**(65.92)**
(viii) Foreign Currency Translation Reserve		
As per last Balance Sheet	(16.73)	2.32
Add: Additions during the year	(34.60)	(19.05)
	(51.33)	**(16.73)**
(ix) Cash Flow Hedge Reserve		
As per last Balance Sheet	-	-
Add: Effective Portion of Gains/(loss) in a Cash Flow Hedge	(187.11)	-
	(187.11)	**-**
	29,456.41	**28,876.45**

(₹ / Crore)

	31.03.2020	31.03.2019
21. Borrowings		
Bonds and Debentures (refer note 21.1)		
Un - secured		
Foreign Currency Bonds	3,771.95	3,446.62
8.00% Non-Convertible Debentures	499.75	-
7.00% Non-Convertible Debentures	1,999.76	-
6.80% Non-Convertible Debentures	2,999.77	-
6.38% Non-Convertible Debentures	599.75	-
7.03% Non-Convertible Debentures	1,399.76	-
Term loans		
Secured		
Oil Industry Development Board (refer note 21.2)	2,931.19	692.38
Other Loans (refer note 21.4)	246.49	272.26
Un - secured		
Syndicated Loans from Foreign Banks (repayable in foreign currency) (refer note 21.3)	10,783.50	9,871.60
Others		
Un - secured		
Lease Liability (under Ind AS 116)	2,493.45	-
	27,725.37	**14,282.86**
Less: Current Maturities of Long Term Borrowings	4,359.02	2,155.06
Less: Current Maturities of Lease Liabilities	256.72	-
	23,109.63	**12,127.80**

21.1. Bonds and Debentures

Particulars of Bond/Debenture	Coupon Rate of Interest	Date of Maturity/Redemption
7.03% Non-Convertible Debentures	7.03% p.a. payble Annually	12th April 2030
USD 500 million bonds	4.00% p.a. payble Half Yearly	12th July 2027
7.00% Non-Convertible Debentures	7.00% p.a. payble Annually	14th August 2024
8.00% Non-Convertible Debentures	8.00% p.a. payble Annually	25th April 2024
6.38% Non-Convertible Debentures	6.38% p.a. payble Annually	12th April 2023
6.80% Non-Convertible Debentures	6.80% p.a. payble Annually	15th December 2022

21.2. Term Loans from Oil Industry Development Board

Repayable during	₹ in Crore		Range of Interest Rate as on	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
2019-20	-	61.19	-	7.86%-9.11%
2020-21	181.19	181.19	7.72%-8.28%	7.72%-8.09%
2021-22	725.00	150.00	6.53%-8.28%	7.72%-8.28%
2022-23	725.00	150.00	6.53%-8.28%	7.72%-8.28%
2023-24	725.00	150.00	6.53%-8.28%	7.72%-8.28%
2024-25	575.00	-	6.53%-7.96%	-
Total	**2,931.19**	**692.38**		

The loan has been secured with first charge on the facilities of Vishakh Refinery Modernisation Project, Mumbai Refinery Expansion Project, Awa Salawas Pipeline, Manglore Hassan Mysore LPG Pipeline, Uran-Chakan/ Shikarpur LPG Pipeline & Rewari Mathura Kanpur Pipeline for a value of ₹ 15,815.87 Crore (31.03.2019: ₹ 8,087.03 Crore). Of the loan amount ₹ 181.19 Crore (31.03.2019: ₹ 61.19 Crore) is repayable within one year and the same has been included in 'Current Maturities of Long Term Borrowings' under Note # 26.

21.3. Syndicated Loans from Foreign Banks (repayable in foreign currency)

With respect to Loan taken by Hindustan Petroleum Corporation Ltd.

The Group has availed Syndicated Loans from foreign Banks at 3 months floating LIBOR plus spread (spread range: 65 to 155 basis point p.a.). These loans are taken for the period up to 5 years. Of the loan amount ₹ 4,150.07 Crore (31.03.2019: ₹ 2,068.18 Crore) is repayable within one year and the same has been included in 'Current Maturities of Long Term Borrowings' under Note # 26.

With respect to Loan taken by Prize Petroleum International Pte Ltd. (PPIPL)

The secured bank loan bears interest at 1.2% + 6-month LIBOR per annum (2018-19: 1.2% + 6-month LIBOR per annum), which ranged from 3.82% to 3.13% p.a. (2018-19: 3.72% to 3.97% p.a.).The bank loan is repayable on the 7th anniversary of the utilization date on 28th October 2023. Shares of the Group in PPIPL have been pledged in favour of the lender.

21.4. Other Loans

With respect to Loan taken by HPCL Biofuels Ltd. (HBL)

Government Of Bihar (GOB) Soft Loan of ₹ 16.48 Crore availed through SBI during F.Y.15-16 with interest subvention to the extent of 10%. Four Installments amounting to ₹ 3.52 Crore was paid during F.Y. 2019-20 (2018-19: ₹ 3.30 Crore). The Balance of GOB Soft Loan as on 31.03.2020 was ₹ 3.07 Crore (31.03.2019: ₹ 6.57 Crore). Term Loan of ₹ 308.80 Crore was availed through SBI during F.Y. 2014-15. Four installments amounting to ₹ 15.44 Crore paid during F.Y. 2019-20 (2018-19: ₹ 15.44 Crore). The Balance of Term loan as on 31.03.2020 was ₹ 243.43 Crore (31.03.2019: ₹ 265.69 Crore).

The term loan as well as the soft loans under GOI and GOB schemes are secured by equitable mortgage of Land, Building & Fixed Assets.

Of the loan amount ₹ 27.76 Crore (31.03.2019: ₹ 25.69 Crore) is repayable within one year and the same has been included in 'Current Maturities of Long Term Borrowings' under Note # 26)

(₹ / Crore)

	31.03.2020	31.03.2019
22. Other Financial Liabilities		
Other Liabilities	0.70	0.51
	0.70	**0.51**

(₹ / Crore)

	31.03.2020	31.03.2019
23. Provisions		
Provision for employee benefits	54.54	58.33
Others	0.08	0.08
	54.62	**58.41**

(₹ / Crore)

	31.03.2020	31.03.2019
24. Other Non-Current Liabilities		
Capital Grant	14.36	16.12
Other liabilities	210.47	136.83
	224.83	**152.95**

(₹ / Crore)

	31.03.2020	31.03.2019
25. Borrowings		
Loans repayable on demand		
Secured		
from banks		
Cash Credit (Secured by hypothecation of Inventories in favour of Banks on *pari passu* basis)	3,116.89	2,864.18
from other parties		
Triparty Repo Dealing System Loan (refer Note 25.1)	1,399.94	1,389.73
Un-secured		
from banks		
Clean Loans	3,056.02	3,500.00
Short term loans	6,261.11	3,866.04
from other parties		
Commercial papers	2,442.16	2,288.73
	16,276.12	**13,908.68**

25.1. Bonds valuating ₹ 1,476 Crore (31.03.2019: ₹ 1,476 Crore) comprising 7.59 % G - Sec Bonds of ₹ 185 Crore (31.03.2019: ₹ 185 Crore), 7.72 % G - Sec Bonds of ₹ 836 Crore (31.03.2019: ₹ 836 Crore), 8.33 % G - Sec Bonds of ₹ 180 Crore (31.03.2019:₹ 180 Crore) and 8.15 % G - Sec Bonds of ₹ 275 Crore (31.03.2019:₹ 275 Crore), have been pledged with Clearing Corporation of India Limited against Triparty Repo Dealing System Loan.

(₹ / Crore)

	31.03.2020	31.03.2019
26. Other Financial Liabilities		
Current maturities of Long Term Borrowings (refer note 26.1)	4,359.02	2,155.06
Current maturities of Lease Liabilities	256.72	-
Interest accrued but not due on loans	262.47	67.87
Unpaid Dividend (refer note 26.2)	17.70	15.99
Derivative Liability	79.51	12.52
Deposits from Dealers/ Consumers/ Suppliers (refer note 26.3)	15,436.10	14,451.63
Liability towards Capital Expenditures:		
Outstanding dues of micro enterprises and small enterprises (refer note 47)	339.55	342.61
Outstanding dues of creditor other than micro and small enterprises	1,643.81	1,577.41
Other Financial Deposits	11.91	12.60
Other Liabilities	979.12	898.92
	23,385.91	**19,534.61**

26.1. Includes loans repayable within one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 4,150.07 Crore (31.03.2019: ₹ 2,068.18 Crore); Loan from Oil Industry and Development Board ₹ 181.19 Crore (31.03.2019: ₹ 61.19 Crore) and Other Loans ₹ 27.76 Crore (31.03.2019: ₹ 25.69 Crore).

26.2. Dues as at the end of the year for credit to Investors' Education and Protection Fund is ₹ NIL (31.03.2019: NIL).

26.3. Includes deposits received towards Rajiv Gandhi Gramin LPG Vitrak Yojana ₹ 241.89 Crore (31.03.2019: ₹ 241.89 Crore) and Prime Minister Ujjavala Yojana of ₹ 3,020.91 Crore (31.03.2019: ₹ 2,675.09 Crore).These deposits have been either made by Government of India or created out of CSR fund.

(₹ / Crore)

	31.03.2020	31.03.2019
27. Other Current Liabilities		
Revenue received in advance	1,046.95	915.94
Capital Grant	1.82	3.06
Statutory Payables	1,708.89	2,646.36
Other Liabilities	158.35	154.43
	2,916.01	**3,719.79**

(₹ / Crore)

	31.03.2020	31.03.2019
28. Provisions		
Provision for employee benefits	1,903.43	1,211.11
Provisions for probable obligations (refer note 56)	727.13	871.07
	2,630.56	**2,082.18**

(₹ / Crore)

	31.03.2020	31.03.2019
29. Current Tax Liabilities (Net)		
Provision for tax (net of advance tax) (refer note 40)	366.97	831.27
	366.97	**831.27**

(₹ / Crore)

	2019-20	2018-19
30. Gross Sale of Products		
Sale of Products	2,86,199.40	2,94,963.99
Recovery under Subsidy Schemes	374.87	1,022.88
	2,86,574.27	**2,95,986.87**

30.1. Net of discount of ₹ 2,348.47 Crore (2018-19: ₹ 2,598.66 Crore).

30.2. Includes Subsidy on PDS Kerosene and Domestic Subsidized LPG from State Governments amounting to ₹ 63.95 Crore (2018-19: ₹ 55.63 Crore) and Subsidy on Sugar (pertaining to HPCL Biofuels Ltd.) from GOI of ₹ 29.51 Crore (2018-19: ₹ 10.13 Crore).

30.3. Includes Budgetary Support amounting to ₹ 281.41 Crore (2018-19: ₹ 957.12 Crore) under ‘Recovery under Subsidy Schemes’ towards under-recovery on sale of PDS SKO.

30.4. Disaggregation of revenue as required under Ind AS 115:

(₹ / Crore)

	2019-20	2018-19
Exports	6,203.38	2,790.09
Other than export	2,80,370.89	2,93,196.78
	2,86,574.27	**2,95,986.87**

(₹ / Crore)

	2019-20	2018-19
31. Other Operating Revenues		
Rent Recoveries	828.13	834.89
Net Recovery for LPG Filling Charges	0.63	0.96
Miscellaneous Operating Income	339.02	399.56
	1,167.78	**1,235.41**

(₹ / Crore)

	2019-20	2018-19
32. Other Income		
Interest Income on Financial Assets carried at amortized cost:		
On Deposits	0.40	0.53
On Staff Loans	41.72	33.48
On Customers' Accounts	272.62	262.70
Interest On Current Investments carried at fair value through Profit or Loss	373.11	374.99
Interest on Other Financial Assets carried at amortized cost	303.41	200.87
	991.26	**872.57**
Dividend Income from non-current equity instruments at FVOCI	28.76	25.41
Fair value gain on Derivative instruments carried at FVTPL	-	45.42
Fair value gain on Current Investments carried at FVTPL	262.66	84.39
Profit on Sale of Current Investment	0.55	4.61
Profit on Sale/write off of Property Plant & Equipments/ Capital Work in Progress/ Assets classified as held for Sale/Disposal (net)	19.41	8.58
Share of Profit/ (Loss) from Petroleum India International (AOP)	0.34	0.02
Miscellaneous Income	378.64	412.12
	690.36	**580.55**
	1,681.62	**1,453.12**

(₹ / Crore)

	2019-20	2018-19
33. Cost of Materials Consumed		
Cost of Raw Materials Consumed	59,583.73	69,459.48
Packages Consumed	322.76	349.23
	59,906.49	**69,808.71**

(₹ / Crore)

	2019-20	2018-19
34. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (Increase)/ Decrease		
(A) Closing Stock:		
Work-in-progress	922.39	781.79
Finished Goods	6,164.24	6,995.33
Stock-in-trade	8,755.55	8,713.48
	15,842.18	**16,490.60**
(B) Opening Stock:		
Work-in-progress	781.79	740.15
Finished Goods	6,995.33	5,955.96
Stock-in-trade	8,713.48	7,570.25
	16,490.60	**14,266.36**
(C) Write down of inventories considered under Exceptional Items (refer note 60)	1,002.93	-
(B-A-C)	**(354.51)**	**(2,224.24)**

(₹ / Crore)

	2019-20	2018-19
35. Employee Benefits Expense		
Salaries, Wages, Bonus, etc.	2,276.29	2,298.70
Contribution to Provident Fund (refer note 64)	334.13	151.38
Pension, Gratuity and Other Employee Benefits	267.50	197.33
Employee Welfare Expenses	346.14	323.83
	3,224.06	**2,971.24**

(₹ / Crore)

	2019-20	2018-19
36. Finance costs		
Interest	772.61	559.16
Exchange differences regarded as an adjustment to borrowing costs	345.32	160.26
Other borrowing costs (refer note 36.1)	20.92	66.22
	1,138.85	**785.64**

36.1 Includes interest u/s 234B/ 234C of Income Tax Act, 1961 for an amount ₹ NIL Crore (2018-19: ₹ 39.78 Crore).

(₹ / Crore)

	2019-20	2018-19
37. Other Expenses		
Transportation Expenses	6,141.13	6,098.79
Consumption of Stores, Spares and Chemicals	290.02	286.46
Power and Fuel	2,722.42	3,296.94
Less: Consumption of fuel out of own production	2,223.37	2,775.80
Power and fuel consumed (net)	499.05	521.14
Repairs and Maintenance - Buildings	60.06	57.59
Repairs and Maintenance - Plant and Machinery	1,189.75	1,063.08
Repairs and Maintenance - Other Assets	487.41	417.77
Insurance	75.47	56.25
Rates and Taxes	93.17	79.23
Irrecoverable Taxes and Other Levies	416.38	515.53
Equipment Hire Charges	2.32	2.05
Rent	291.81	327.09
Travelling and Conveyance	236.71	240.85
Printing and Stationery	19.71	21.13
Electricity and Water	831.34	874.24
Corporate Social Responsibility (CSR) Expenses	182.24	159.81
Stores and spares written off	2.42	1.95
Provision for Doubtful Receivables/Loans (After adjusting provision no longer required written back ₹ NIL Crore, 2018-19: ₹ 0.58 Crore)	69.98	129.06
Provision for Doubtful Debts (After adjusting provision no longer required written back ₹ NIL Crore, 2018-19: ₹ 0.02 Crore)	12.78	34.00
Bad Debts written off	0.21	15.17
Security Charges	282.73	268.25
Advertisement and Publicity	155.66	198.36
Sundry Expenses and Charges (Not otherwise classified)	1,064.67	774.21
Consultancy and Technical Services	61.50	64.02
Loss on Foreign Currency Transaction and Translation (net)	875.44	626.13
Fair value Loss on Derivative instruments carried at FVTPL (net)	44.75	-
Exploration Cost	30.75	3.78
Payments to the auditor for:		
- Audit Fees	0.74	0.79
- Other Services	0.39	0.25
- Reimbursement of expenses	0.28	0.14
	13,418.87	**12,837.12**

38. Fair Value Measurements:

38.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 or Loss (FVTPL), Fair value through other comprehensive Income (FVTOCI) and Amortized Cost:

(₹ / Crore)

	31.03.2020			31.03.2019		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
- Investment in Equity Instruments	0.00	221.25	-	0.00	495.85	-
- Investment in Preference Shares	8.68	-	-	2.10	-	-
- Investment in Debt Instruments	5,344.86	-	-	5,083.76	-	-
- Others	-	-	-	0.05	-	-
Loans & Advances						
- Employee Loans	-	-	391.50	-	-	359.59
- Other loans	-	-	1,427.71	-	-	1,632.67
Trade receivables	-	-	3,934.19	-	-	5,667.79
Cash and cash equivalents	-	-	204.76	-	-	198.74
Other Bank Balances	-	-	18.36	-	-	19.76
Derivative Assets	16.04	-	-	107.58	-	-
Amounts recoverable under subsidy schemes	-	-	464.65	-	-	821.33
Others	-	-	7,494.09	-	-	9,612.87
Total	**5,369.58**	**221.25**	**13,935.26**	**5,193.49**	**495.85**	**18,312.75**
Financial liabilities						
Borrowings						
- Foreign Currency Bonds	-	-	3,771.95	-	-	3,446.62
- Non Convertible Debentures	-	-	7,498.79	-	-	-
- Oil Industry Development Board	-	-	2,931.19	-	-	692.38
- Syndicated Loans from Foreign Banks	-	-	10,783.50	-	-	9,871.60
- Long term loans from banks	-	-	246.49	-	-	272.26
- Cash Credit	-	-	3,116.89	-	-	2,864.18
- Short term loans from banks	-	-	6,261.11	-	-	3,866.04
- Clean Loans	-	-	3,056.02	-	-	3,500.00
- Triparty Repo Dealing System Loan	-	-	1,399.94	-	-	1,389.73
- Commercial papers	-	-	2,442.16	-	-	2,288.73
Lease Liabilities	-	-	2,493.45	-	-	-
Trade Payables	-	-	11,468.79	-	-	17,133.37
Deposits from Consumers	-	-	15,436.10	-	-	14,451.63
Derivative Liability	79.51	-	-	12.52	-	-
Others	-	-	3,255.26	-	-	2,915.91
Total	**79.51**	**-**	**74,161.64**	**12.52**	**-**	**62,692.45**

38.B. Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair value of the Financial Assets and Financial Liabilities that are recognised and measured at fair value and 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.

(₹ / Crore)

	31.03.2020			31.03.2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments						
- Investment in Equity Instruments	221.25	-	-	495.85	-	-
- Investment in Debt Instruments	5,344.86	-	-	5,083.76	-	-
- Others	-	-	-	-	0.05	-
Loans						
- Employee Loans	-	391.50	-	-	359.59	-
- Other loans	-	1,437.94	-	-	1,559.69	-
Derivative Assets	-	16.04	-	-	107.58	-
Total	**5,566.11**	**1,845.48**	**-**	**5,579.61**	**2,026.91**	**-**
Financial liabilities						
Borrowings						
- Foreign Currency Bonds	-	3,435.78	-	-	3,393.49	-
- Non Convertible Debentures	-	7,640.55	-	-	-	-
- Oil Industry Development Board Loan	-	3,011.98	-	-	704.67	-
Derivative Liability	-	79.51	-	-	12.52	-
Total	**-**	**14,167.82**	**-**	**-**	**4,110.68**	**-**

38.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.
Derivative instruments - 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.

39. Financial risk management:

39.A. Risk management framework

The Corporation has established an Enterprise Risk Management (ERM) framework under the Corporation's Risk Management Charter and Policy 2007, which is embedded at the forefront of business strategies and focuses on the stronger, deeper and trust-based relationship with the stakeholders. It provides necessary support to the business to steer through the continuously evolving risk terrain through dynamic risk management approach that embraces disruption and enhances resiliency and trust. The Risk Management Steering Committee (RMSC) receives regular insights on risk exposures faced by the Corporation along with the mitigation & treatment plans, thereby enabling it to provide prompt interventions. The Board is also updated regularly on the risk assessment and mitigation procedures. Technology is enabled to support the Enterprise Risk Management processes with a focus on optimizing risk exposures and automating risk reporting across the Corporation. Reputed professional external consultants have also been engaged to establish a mechanism to bring the outside view to effectively enhance the visibility of external business risks and support the change management in the transformation of existing ERM processes.

39.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:

39.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 their contractual obligations. The risk arises principally from the Group's Receivables from Customers and so also from Investment Securities. The risk is managed through credit approval, establishing credit limits and continuous monitoring of the creditworthiness of Customers to whom the Group extends credit terms in the normal course of business. The Group recognizes a loss allowance towards Doubtful Debts by estimating its expected losses in respect of Trade Receivables, Investments and Other Receivables. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Note: Refer Note 57 regarding loans given to consumers under Pradhan Mantri Ujjwala Yojna (PMUY).

Trade receivables:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

As at 31.03.2020, the Group's most significant Customer accounted for ₹ 843.34 Crore of the trade receivables (31.03.2019: ₹ 1,085.54 Crore).

The Group uses an allowance matrix to measure the expected credit losses of Trade Receivables that are considered good. The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) on trade receivables:

(₹ / Crore)

Past due	31.03.2020			31.03.2019		
	Gross carrying amount	Weighed average loss rate	Loss allowance	Gross carrying amount	Weighed average loss rate	Loss allowance
0-90 days	3,611.32	0.03%	1.25	5,398.19	0.03%	1.56
91-360 days	292.03	1.17%	3.42	273.20	2.95%	8.07
More than 360 days	210.76	83.15%	175.25	163.54	96.31%	157.51
	4,114.11		**179.92**	**5,834.93**		**167.14**

The movement in loss allowance on trade receivables is as follows:

	(₹ / Crore)
Balance as at 01.04.2018	**133.15**
Add: Loss allowance recognised	45.61
Less: Amounts written off	11.62
Balance as at 31.03.2019	**167.14**
Add: Loss allowance recognised	12.99
Less: Amounts written off	0.21
Balance as at 31.03.2020	**179.92**

The amounts written off relates to customers who have defaulted payments and are not expected to be expected to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents:

The Group held cash and cash equivalents of ₹ 204.76 Crore as at 31.03.2020 (31.03.2019: ₹ 198.74 Crore). The cash and cash equivalents (other than cash on hand) are held with Scheduled banks. The Group invests its surplus funds for short duration in fixed deposit with banks, Govt. of India T-bills and liquid Schemes of Mutual Funds, all of which carry no mark to market risks as the Group is exposed only to low credit risk.

Derivatives:

The forex and interest rate derivatives are entered into with banks having an investment grade rating. Commodity derivatives are entered with reputed Counterparties in the OTC (Over-the-Counter) Market. The exposure to counter-parties are closely monitored and kept within the approved limits.

Investment in debt securities:

Investment are made in government securities or bonds which do not carry any credit risk, being sovereign in nature.

39.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, TREPS loan, commercial paper, non-convertible debentures, buyer's credit loan, clean loan etc. Group taps domestic as well as foreign debt markets from time to time to ensure appropriate funding mix and diversification of geographies.

(ii) Maturities of financial liabilities:

The amounts disclosed in the table below are the contractual undiscounted cash flow:

(₹ / Crore)

	Contractual cash flows					
	31.03.2020			31.03.2019		
	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	21,911.15	6,595.60	18,441.59	16,775.73	5,010.78	9,181.93
Trade payables	11,489.23	-	-	17,148.62	-	-
Other financial liabilities	3,246.59	-	15,436.80	2,911.98	-	14,452.14
Total	**36,646.97**	**6,595.60**	**33,878.39**	**36,836.33**	**5,010.78**	**23,634.07**
Derivative financial liabilities						
Interest rate swaps	(4.35)	-	-	(35.48)	(21.36)	-
Commodity contracts (net settled)	60.44	-	-	(48.23)	-	-
Forward exchange contracts (Gross settled)	-	-	-	-	-	-
- Inflows	-	-	-	(2,004.06)	-	-
- Outflows	-	-	-	2,008.90	-	-
Total	**56.09**	**-**	**-**	**(78.87)**	**(21.36)**	**-**

39.B.3. **Market Risk-Market Risk is further categorised in (i) Currency risk , (ii) Interest rate risk & (iii) Commodity risk:**

39.B.3.1. **Currency risk:**

The Group is exposed to currency risk, primarily on account of its repayment obligations of loans taken in foreign currency and imports, to be paid in foreign currency. The exposure is mainly denominated in U.S.Dollar. The Group has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Group uses 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 does not use derivative financial instruments for trading or speculative purposes.

The following are the derivative financial instrument to hedge the currency risk:

Category	Instrument	Currency	Cross Currency	31.03.2020	31.03.2019	Buy/ Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	-	$ 300.65 mn	Buy
				-	$ 12.92 mn	Sell

Exposure to currency risk - The currency profile of financial assets and financial liabilities is as below:

(₹ / Crore)

	31.03.2020		31.03.2019	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial assets				
Non-current investments	229.93	-	498.00	-
Current investments	5,344.86	-	5,083.76	-
Long-term loans	1,409.35	-	1,141.43	-
Short-term loans	409.86	-	850.83	-
Trade receivables	3,759.91	174.28	5,489.22	178.57
Cash and Cash Equivalents	204.76	-	198.74	-
Other Bank Balances	18.36	-	19.76	-
Others Non Current Financial Assets	6.29	-	1.67	-
Others Current Financial Assets	7,952.45	16.04	10,432.53	107.58
Exposure for assets - A	**19,335.77**	**190.32**	**23,715.94**	**286.15**
Financial liabilities				
Long term borrowings & Lease Liabilities	13,169.92	14,555.45	964.64	13,318.22
Short term borrowings	10,030.01	6,246.11	10,042.64	3,866.04
Trade Payables	7,327.99	4,140.80	10,123.99	7,009.38
Other Financial Liabilities	18,674.60	96.27	17,367.54	12.52
	49,202.52	**25,038.63**	**38,498.81**	**24,206.16**
Less: Foreign currency forward exchange contracts	-	-	-	1,989.92
Exposure for liabilities - B	**49,202.52**	**25,038.63**	**38,498.81**	**22,216.24**
Net exposure (Assets - Liabilities)(A - B)	**(29,866.75)**	**(24,848.31)**	**(14,782.87)**	**(21,930.09)**

The following exchange rates have been applied during the year:

INR	31.03.2020	31.03.2019
USD 1	75.67	69.16

Sensitivity analysis:

The table below shows sensitivity of open forex exposure of the Group to USD/ INR currency movement. The impact of exposure to a currency movement in the range of 1% (+/-) change, increase denoting appreciation in USD Vs. INR & vice versa is explained through the said Table. The indicative 1% movement is not directional and does not reflect management's forecast on currency movement.

Effect in INR	Impact on profit or (loss) due to 1 % increase/ decrease in currency (₹ / Crore)			
	Increase	Decrease	Increase	Decrease
	31.03.2020		31.03.2019	
1% movement	1%		1%	
USD	(248.48)	248.48	(219.30)	219.30

39.B.3.2. **Interest rate risk:**

The Group has long-term foreign currency syndicated loans with floating rate of interest, which exposes the Group to cash flow interest rate risk. The borrowings at floating rate are denominated in USD. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under this, 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. The 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) that actively reviews the forex and interest rate exposures. The Group does not use derivative financial instruments for trading or speculative purposes.

The Group's borrowings, contracted at fixed rate are carried at amortised cost. These are not impacted to interest rate risk as defined in Ind AS 107 as neither the carrying amount nor the future cash flows will fluctuate in the event of a change in market interest rates.

The derivative financial instrument used in hedging the interest rate risk is as under:

(₹ / Crore)

Category	Instrument	Currency	Cross Currency	31.03.2020	31.03.2019
Hedges of floating rate foreign currency loans ($ 250 mn) (31.03.2019: $ 500 mn)	Interest rate swaps	USD	INR	1,891.63	3,458.00

Interest rate risk exposure:

The Group's interest rate risk arises mainly from borrowings. The profile of the Group's interest-bearing financial instruments at period end is as follows:

(₹ / Crore)

	Carrying amount	
	31.03.2020	31.03.2019
Fixed-rate instruments		
Financial assets	5,514.08	5,267.11
Financial liabilities	24,216.94	14,181.64
Variable-rate instruments		
Financial assets	2,652.33	2,796.43
Financial liabilities	17,291.10	14,009.90

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at Reporting Date would have impacted profit or loss [increased/ (decreased)] 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 rate remaining constant.

(₹ / Crore)

	Impact on Profit or (loss)			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2020		31.03.2019	
Floating rate borrowings	(29.47)	29.47	(24.06)	24.06
Interest rate swaps (notional principal amount)	4.14	(4.14)	6.94	(6.94)
Cash flow sensitivity (net)	**(25.33)**	**25.33**	**(17.12)**	**17.12**

39.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 which are Outstanding as at Balance Sheet date is given below:

	Quantity (in Mn Barrels)	
	31.03.2020	**31.03.2019**
Crude/ Product Swaps	4.23	2.11

The sensitivity to a reasonable possible change of 10% in the price of crude/ product swaps on the outstanding Commodity derivative/ paper contracts 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:

(₹ / Crore)

	Effect on Profit before Tax			
	10% Increase	**10% Decrease**	**10% Increase**	**10% Decrease**
	31.03.2020		**31.03.2019**	
Crude/ Product Swaps	2.80	(2.80)	(13.00)	13.00

Derivatives & Hedging

The Group enters into derivative contracts for hedging purpose, to mitigate the commodity price risk, on Highly probable forecast transactions as detailed above. Effective 01 January 2020, the Corporation has applied Hedge Accounting on commodity derivative transactions entered subsequent to 01 January 2020 as per Ind AS 109 (Financial Instruments). Consequent to this a Mark to Market debit amounting to ₹ 24.11 Crore has been accounted in Other Comprehensive Income which will be recycled to Statement of Profit and Loss in subsequent period on settlement of respective contracts.

All these hedges are accounted for as Cash Flow Hedges.

Hedge Effectiveness:

The Corporation has established a hedge ratio of 1 : 1 for the hedging relationship as the underlying risk of the commodity forward contracts are identical to the hedged risk component. Hedge item and the hedging instruments have economic relationship as the terms of the commodity forward contracts match with the terms of hedge items. Considering the economic relationship and characteristics of the hedging instrument being aligned to the hedged item, the fair value changes in the hedging instrument reasonably approximates the fair value changes in the hedged Item (in absolute amounts).

Source of Hedge Effectiveness:

The Group has identified the following sources of hedge ineffectiveness which are not expected to be material:

a. Counterparty Credit Risk impacting the fair value of the hedge instrument and hedge item.

b. Difference in the timing of the cash flows of the hedged items and the hedge instruments

c. Different indexes used to hedge risk of the hedged item.

d. Changes to forecasted amounts of cash flows of hedged items and hedging instruments.

Disclosures of effects of Cash Flow Hedge Accounting:

The Group has applied Hedge Accounting prospectively for the highly probable forecast transactions as stated above, entered after 01 January 2020. Consequently, disclosure is made only for the transactions designated for Hedge Accounting.

The Group is holding the following derivative contracts:

(₹ / Crore)

As at March 31, 2020	Maturities					
	Less than 1 Month	1-3 Months	3-6 Months	6-12 Months	More than 12 Months	Total
Commodity Forward Contracts						
Nominal Volume (Quantity in Mn Barrels)	-	0.45	0.38	0.15	-	0.98
Nominal amount (₹ / Crore)	-	24.06	15.85	10.47	-	50.38

The Impact of Hedging Instruments in Balance sheet is as under:

(₹ / Crore)

As at March 31, 2020	Commodity forward contract- Margin Hedging
Nominal Amount	50.38
Carrying Amount	(24.11)
Line item in Balance sheet that include Hedge Instrument	Other Financial Assets/ Other Financial Liabilities

The Impact of Cash flow Hedge in the statement of Profit and Loss and Other comprehensive Income (OCI):

(₹ / Crore)

As at March 31, 2020	Highly Probable Forcast Transaction
Hedging Gain/ (Loss) recognised in OCI*	(24.11)
Income tax on Above	6.07
Net amount recognised in Cash flow Hedge Reserve	**(18.04)**
Line item in the Statement of Profit and Loss that includes the reclassification adjustment	Revenue/ Purchases

* The Corporation expects that the amount of Loss recognised in cash flow hedge reserve through Other comprehensive income (OCI) will be recovered in future period through gains in underlying transactions.

39.B.3.4. **Price risk:**

The Group's exposure to equity investment has price risk. Such investments are designated at fair value through Other Comprehensive Income, as these investments are held for long-term strategic purposes.

Sensitivity

The table below summarises the impact of increase/ decrease in price:

	Equity Instruments through OCI (In ₹ Crore)			
	1% Increase	1% Decrease	1% Increase	1% Decrease
	31.03.2020		31.03.2019	
Equity Investment in Oil India Ltd.	2.21	(2.21)	4.96	(4.96)

39.B.3.5. **Offsetting:**

The financial instruments that are otherwise eligible for offset and other similar arrangements but are not offset, as at period end. The column 'net amount' shows the impact on the Group's balance sheet if all set-off rights are exercised.

(₹ / Crore)

	Effect of offsetting on the Balance Sheet			Related amounts not offset	
	Gross amounts (A)	Gross amounts set off in the balance sheet (B)	Net amounts presented in the Balance Sheet (C) (A-B)	Amounts not Offset (D) (Other than (B))	Net Amount (E) (C-D)
31st March, 2020					
Financial assets					
Trade Receivables	7,731.90	(3,797.71)	3,934.19	(138.22)	3,795.97
Financial liabilities					
Trade Payables	15,266.50	(3,797.71)	11,468.79	-	11,468.79
Other Current Financial Liabilities	23,385.91	-	23,385.91	(138.22)	23,247.69
31st March, 2019					
Financial assets					
Trade Receivables	6,437.72	(769.93)	5,667.79	(241.36)	5,426.43
Financial liabilities					
Trade Payables	17,903.30	(769.93)	17,133.37	-	17,133.37
Other Current Financial Liabilities	19,534.61	-	19,534.61	(241.36)	19,293.25

40. Tax expense:

(a) Amount recognised in Statement of Profit and Loss:

(₹ / Crore)

	2019-20	2018-19
Current tax expense		
Current year	166.95	2,727.65
Changes in estimates relating to prior years	103.92	(50.62)
Deferred tax expense		
Origination and reversal of temporary differences	116.73	600.52
Changes in estimates relating to prior years	(1,652.04)	71.02
Tax expense recognised	**(1,264.44)**	**3,348.57**

(b) Amount recognised in Other Comprehensive Income:

(₹ / Crore)

	2019-20			2018-19		
	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	(211.73)	53.15	(158.58)	24.28	(8.52)	15.76
Items that will be reclassified to profit or loss:						
Effective Portion of Gains/ (loss) in a Cash Flow Hedge	(24.11)	6.07	(18.04)	-	-	-

(c) Reconciliation of effective tax rate

	31.03.2020		31.03.2019	
	%	(₹ / Crore)	%	(₹ / Crore)
Profit before tax		**1,374.29**		**10,039.20**
Tax as per Corporate Tax Rate	**25.168%**	**345.88**	**34.944%**	**3,508.10**
Tax effect of:				
Non-deductible tax expenses	-0.236%	(3.25)	0.773%	77.57
Tax-exempt income	0.466%	6.41	0.055%	5.48
Interest expense u/s 234B/C not deductible for tax purposes	0.000%	-	0.138%	13.90
Deduction for research and development expenditure	0.000%	-	-0.195%	(19.53)
Share in profit/ loss of equity accounted investees	8.379%	115.15	-3.234%	(324.71)
Losses of Subsidiary not available for set-off in Group profit	2.237%	30.74	0.287%	28.79
Deferred tax assets on Unrealised profits	0.619%	8.51	-0.072%	(7.27)
Deferred tax Liability on Undistributed earnings	-15.155%	(208.28)	0.457%	45.84
Adjustments recognised in current year in relation to the current tax of prior years	-112.648%	(1,548.11)	0.203%	20.40
Others	-0.836%	(11.49)	0.000%	-
Income Tax Expense	**-92.007%**	**(1,264.44)**	**33.355%**	**3,348.57**

(d) Movement in deferred tax balances

(₹ / Crore)

	Net balance 01.04.2019	Recognised in Profit or Loss	Recognised in OCI	Net balance 31.03.2020
Deferred tax Asset				
Provision for Employee Benefits	159.73	(23.99)	(0.98)	134.76
Current investments	70.37	(85.92)	-	(15.55)
Provision for Doubtful Debts & Receivables	166.98	8.06	-	175.04
Disallowance u/s 43B	89.65	(73.51)	-	16.14
Others	109.78	(8.55)	6.07	107.30
	596.51	**(183.91)**	**5.09**	**417.69**
Deferred Tax Liabilities				
Property, plant and equipment	7,736.71	(1,827.58)	-	5,909.13
Undistributed earnings	240.10	(240.10)	-	-
Others	15.95	(15.95)	-	-
	7,992.76	**(2,083.63)**	**-**	**5,909.13**
Deferred Tax (assets)/ Liabilities	**7,396.25**	**(1,899.72)**	**(5.09)**	**5,491.44**

	Net balance 01.04.2018	Recognised in Profit or Loss	Recognised in OCI	Net balance 31.03.2019
Deferred tax Asset				
Provision for Employee Benefits	156.38	10.07	(6.72)	159.73
Current investments	99.20	(28.83)	-	70.37
Provision for Doubtful Debts & Receivables	107.04	59.94	-	166.98
Disallowance u/s 43B	222.72	(133.07)	-	89.65
Others	25.67	84.11		109.78
	611.01	**(7.78)**	**(6.72)**	**596.51**
Deferred Tax Liabilities				
Property, plant and equipment	7,162.92	573.79	-	7,736.71
Undistributed earnings	236.97	3.13	-	240.10
Others	15.95	-	-	15.95
	7,415.84	**576.92**	**-**	**7,992.76**
Tax assets (Liabilities)	**6,804.83**	**584.70**	**6.72**	**7,396.25**

(e) Provision for tax for earlier years written back (net) ₹ 1,548.11 Crore (2018-19: ₹ 20.40 Crore) comprise of net additional provision towards current tax of ₹ 103.92 Crore (2018-19: ₹ (50.62) Crore) and reversal of excess provision towards deferred Tax amounting to ₹ 1,652.03 Crore (2018-19: ₹ (71.02) Crore), as under:

i) The Corporation has decided to opt for Vivad Se Vishwas Scheme, 2020 in respect of all eligible income tax disputes. Tax liability amounting to ₹ 764.87 Crore has been estimated towards which a provision of ₹ 141.86 Crore was being carried in the Books. Further, a net amount of ₹ 519.09 Crore representing excess provision no longer required due to favourable orders in tax disputes, changes in tax positions based on the management assessment and other consequential adjustments, has since been reversed. Thus, a net tax current tax expense of ₹ 103.92 Crore has been recognized in the Statement of Profit and Loss towards the aforesaid scheme.

ii) The Corporation has opted for new tax regime and tax rate under Section 115BAA of the Income Tax Act, 1961 have been considered to determine the tax liability (net). In accordance with Ind AS 12, the carried balance of deferred tax liabilities (net) has therefore been re-measured basis tax rates that have been enacted on the reporting date. Accordingly an amount of ₹ 2,012.50 Crore being excess amount of deferred tax liability (net) has been reversed. Out of the above ₹ 324.89 Crore has been transferred to Retained earnings in 'Other Equity' since the amount was originally routed through reserves and the balance of ₹ 1,687.61 Crore net of other consequential adjustments in deferred tax asset amounting to ₹ 35.58 Crore equaling to ₹ 1,652.03 Crore has been credited to Statement of Profit and Loss.

41. Revenue from Contracts with Customers:

The revenue is recognised only upon satisfaction of performance obligation and whenever there are remaining performance obligations, the same is recognised as revenue, a) in case of amount received in advance from a Customer, when the product is delivered to the Customer, b) in case of loyalty points earned by Customer, when such points are redeemed/ expire. Such remaining obligations, termed as Contract Liability under the IND-AS 115 'Revenue Recognition' at period end together with Trade Receivable is as under:

(₹ / Crore)

	2019-20	2018-19
Trade Receivables	3,934.19	5,667.79
Liabilities under contractual obligation	1,046.95	915.94

During the financial year, the Group recognized revenue of ₹ 836.60 Crore (2018-19: ₹ 538.69 Crore) arising from opening unearned revenue as of April 1, 2019.

42. Disclosures as per Ind AS 116 'Leases' are as follows:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases, replacing the existing Standard Ind AS 17, to be effective from Accounting Period beginning with April 01, 2019. The adoption of Standard calls for recognition of 'Lease Liability' & 'Right-of-Use Assets', wherever the term of lease is in excess of 12 months, unless the underlying Asset is of low value. Applicable for Lessees, this Standard removes distinctive recognition, measurement and disclosure requirements between Operating Lease & Finance lease, hitherto prevalent. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of sales) are excluded from measurement. On transition to the new Standard, usage of either a full retrospective or a modified retrospective approach is permitted with options to use certain practical expedients.

The Group enters into lease arrangements for underlying assets such as land, office premises, staff quarters. The Group had chosen modified retrospective approach and accordingly comparatives for the year ending March 31, 2019 are not separately presented. Further, measurement of 'Lease Liability' & 'Right-of-Use Assets' have been made prospective as though the lease term is deemed to begin with the current Accounting Period.

The Group has used the following practical expedients:

1. Applying a single discount rate to a portfolio of leases with similar remaining lease term.
2. Not applying the transition requirements to leases for which the lease term ends within 12 months of the date of initial application i.e. April 01, 2019.

A. Maturity analysis of lease liabilities:

The amounts disclosed in the table below are the contractual undiscounted cash flow:

(₹ / Crore)

	31.03.2020
Less than one year	269.54
Between one and three years	512.92
More than three years	5,092.23
	5,874.69

B. Other Disclosures

(₹ / Crore)

Particulars	31.03.2020
a) Expense relating to short-term leases	781.06
b) Expense relating to leases of low-value assets	4.89
c) Expense relating to variable lease payments not included in the measurement of lease liabilities	4,512.62
d) income from sub-leasing of 'right-of-use'	60.95
e) Interest expense on lease liabilities	203.69
f) Total cash outflow for leases	267.78

C. The following are the carrying values of Right Of Use ("ROU") assets:

(₹ / Crore)

Particulars	Class of Underlying Asset		
	Land	Buildings	Total
Gross Block			
As on 01.04.2019#	76.31	-	76.31
Right Of Use asset recognised on initial application of Standard*	2,802.17	42.23	2,844.40
Additions/ Reclassifications	570.42	12.10	582.52
As on 31.03.2020	**3,448.90**	**54.33**	**3,503.23**
Depreciation/ Amortisation			
As on 01.04.2019#	0.45	-	0.45
For the year	158.82	14.09	172.91
As on 31.03.2020	**159.27**	**14.09**	**173.36**
Net Block as on 31.03.2020	**3,289.63**	**40.24**	**3,329.87**

"Finance Lease" under the erstwhile standard Ind AS 17, has now become "Right-to-use Assets" under Ind AS 116.

* See, 'D. Transition Impact', below.

D. Transition impact

As on transition date i.e. April 01, 2019, the Group has recognized 'Right-of-use assets' of ₹ 2,844.40 Crore towards:

- The prepaid expenses of ₹ 791.21 Crore (Non-Current: ₹ 765.08 Crore; Current ₹ 26.13 Crore) with respect to leases recognised in the Balance Sheet as on March 31, 2019; and

- The lease liability of ₹ 2,053.18 Crore (Non-Current: ₹ 1,978.99 Crore; Current ₹ 74.19 Crore) is recognised on transition date for leases previously classified as operating lease with the exception of short-term leases and leases of low-value underlying assets as under:

(₹ / Crore)

Particulars	
Operating lease commitments at March 31, 2019	2,177.12
Adjustment for:	
Effect of discounting (using weighted average incremental borrowing rate at 8.69%)	(311.15)
In-elligible GST on Operating Lease commitment not considered in lease Liability	(205.82)
Net effect on account of restatement of Liability	(829.94)
Amortization of Prepaid Operating Leases included in 'Lease commitments'	(499.11)
Lease Recognised on implementation of Ind AS 116	1,722.08
Total lease liabilities at April 1, 2019	**2,053.18**

The nature of expenses in respect of certain leases hitherto classified under "Lease Rental" has been rechristen to "Depreciation and amortisation expense" and "Finance Cost", thus, not comparable with the previous year.

Pursuant to the adoption of this standard, had the leases been accounted for as per erstwhile standard, the 'Depreciation and amortisation Expenses' would be lower by ₹ 172.34 Crore, 'Finance Cost' would be lower by ₹ 201.72 Crore and 'Other Expenditure' would be higher by ₹ 249.22 Crore. Net decrease in profit before tax on account of implementation of Ind AS 116 during the current financial year is ₹ 124.84 Crore.

43. Earnings per share (EPS):

Basic EPS is derived by way of dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year, whereas Diluted EPS factors the effects of all dilutive potential ordinary shares.

(₹ / Crore)

	2019-20	2018-19
Profit attributable to equity holders for basic and diluted earnings per share (A)	2,638.73	6,690.63
Weighted average number of shares for basic and diluted earnings per shares (B)	1,52,38,22,625	1,52,38,22,625
Basic and Diluted Earnings per Equity Share (₹) (A/B)	17.32	43.91

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's debt to equity ratio, used for monitoring capital management is as follows:

(₹ / Crore)

	31.03.2020	31.03.2019
Long Term Borrowings (refer note # 21)	27,725.37	14,282.86
Total Equity (refer note # 19 and 20)	30,980.62	30,400.66
Debt to Equity ratio	**0.89**	**0.47**

45. Dividends

(₹ / Crore)

		31.03.2020	31.03.2019
(i)	**Dividends paid during the year**		
	Final dividend per fully paid share for the year ended 31.03.2019: ₹ 9.40 (31.03.2018: ₹ 2.50). This amount includes Dividend distribution tax of ₹ 294.43 Crore (31.03.2018: ₹ 78.31 Crore).	1,726.82	459.27
	Interim dividend per fully paid share for the year ended 31.03.2020: ₹ NIL (31.03.2019 ₹ 6.50). This amount includes Dividend distribution tax of ₹ NIL Crore (31.03.2019: ₹ 203.60 Crore).	-	1,194.08
(ii)	**Dividends to be paid, not recognised at the end of the reporting period**		
	The Board have recommended a final dividend of ₹ 9.75 per fully paid equity share (31.03.2019 – ₹ 9.40), subject to the approval of shareholders in the ensuing annual general meeting.	1,485.73	1,432.39
	Dividend distribution tax on above	-	294.43

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) Customer's 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:

(₹ / Crore)

Particulars		31.03.2020		31.03.2019	
		Liability towards Capital Expenditure	Trade Payables	Liability towards Capital Expenditure	Trade Payables
(a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:				
	- Principal	339.55	113.75	342.61	83.96
	- Interest	-	-	-	-
(b)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:				
	- Principal	-	-	-	-
	- Interest	-	-	-	-
(c)	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-	-
(d)	the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
(e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

48. Related Party Disclosure:

A. Name of the Related Party and the nature of the relationship:

1. Holding Company, Subsidiaries, Jointly controlled entities and Associates (Govt. related entities, except otherwise mentioned):

(a) Holding Company

i. Oil & Natural Gas Corporation Ltd.

(b) Subsidiaries

i. HPCL Biofuels Ltd.

ii. Prize Petroleum Company Ltd. (PPCL)

iii. Prize Petroleum International Pte. Ltd. (a wholly owned subsidiary of PPCL)

iv. HPCL Middle East FZCO

(c) Jointly controlled entities

i. HPCL Rajasthan Refinery Ltd.

ii. Bhagyanagar Gas Ltd.

iii. Petronet MHB Ltd.

iv. Mumbai Aviation Fuel Farm Facility Pvt. Ltd.

v. Godavari Gas Pvt. Ltd.

vi. Aavantika Gas Ltd.

vii. Ratnagiri Refinery & Petrochemicals Ltd.

viii. Ujjwala plus foundation

ix. HPOIL Gas Pvt. Ltd.

x. IHB Pvt. Ltd. (incorporated on 09th July 2019)

(d) Jointly controlled entities (Other than Govt. related entities)

i. HPCL-Mittal Energy Ltd.

ii. Hindustan Colas Pvt. Ltd.

iii. South Asia LPG Company Pvt. Ltd.

iv. Petronet India Ltd. (in process of voluntary winding up w.e.f. 30th August 2018)

v. HPCL Shapoorji Energy Pvt. Ltd.

(e) Associates

i. GSPL India Gasnet Ltd.

ii. GSPL India Transco Ltd.

iii. Mangalore Refinery and Petrochemicals Ltd.

(f) Fellow Subsidiaries

i. ONGC Mangalore Petrochemicals Ltd.

ii. ONGC Petro Additives Ltd.

2. Key Management Personnel

i. Shri Mukesh Kumar Surana, Chairman and Managing Director

ii. Shri Pushp Kumar Joshi, Director - Human Resources

iii. Shri Vinod S. Shenoy, Director - Refineries

iv. Shri R. Kesavan, Director - Finance (effective 05th September 2019)

v. Shri Rakesh Misri, Director - Marketing (effective 17th October 2019)

vi. Shri S. Jeyakrishnan, Director - Marketing (upto 30th June 2019)

vii. Shri R. Kesavan, Chief Finance Officer

viii. Shri V. Murali, Company Secretary

3. Independent Directors

i. Shri Ram Niwas Jain (upto 19th November 2019)

ii. Smt. Asifa Khan (upto 12th February 2020)

iii. Shri G.V. Krishna (upto 12th February 2020)

iv. Dr. Trilok Nath Singh (upto 19th March 2020)

v. Shri Amar Sinha

vi. Shri Siraj Hussain

vii. Shri G. Rajendran Pillai (effective 15th July 2019)

4. Government Nominee Directors

i. Shri Sunil Kumar (effective 30th May 2019)

ii. Shri Subhash Kumar

iii. Shri Sandeep Poundrik (upto 01st May 2019)

Note: The disclosure requirements in respect of transactions with 'Govt. related entities', being exempted under Ind AS 24, the rest of Related Party Disclosures (i.e. Parties named in '1(d)' above) are furnished as under:

B. Details of transactions with related parties

(₹ / Crore)

Nature of Transactions	2019-20	2018-19
(i) Sale of goods		
HPCL-Mittal Energy Ltd.	132.63	112.80
Hindustan Colas Pvt. Ltd.	482.38	414.58
South Asia LPG Company Pvt. Ltd.	0.20	0.26
	615.21	**527.64**
(ii) Purchase of goods		
HPCL-Mittal Energy Ltd.	38,168.16	41,262.49
Hindustan Colas Pvt. Ltd.	82.58	62.43
	38,250.74	**41,324.92**

(₹ / Crore)

Nature of Transactions	2019-20	2018-19
(iii) Dividend income		
HPCL-Mittal Energy Ltd.	50.03	49.97
Hindustan Colas Pvt. Ltd.	18.90	23.63
South Asia LPG Company Pvt. Ltd.	55.00	45.00
	123.93	**118.60**
(iv) Services provided (Manpower Supply Service)		
HPCL-Mittal Energy Ltd.	0.67	0.76
Hindustan Colas Pvt. Ltd.	2.73	3.19
South Asia LPG Company Pvt. Ltd.	0.66	0.98
HPCL Shapoorji Energy Pvt. Ltd.	0.30	0.46
	4.36	**5.39**
(v) Lease rental income		
HPCL-Mittal Energy Ltd.	1.20	1.20
Hindustan Colas Pvt. Ltd.	0.26	0.24
South Asia LPG Company Pvt. Ltd.	1.16	1.10
	2.62	**2.54**
(vi) Other Income (Services provided)		
HPCL-Mittal Energy Ltd.	18.91	22.00
Hindustan Colas Pvt. Ltd.	3.61	6.23
	22.52	**28.23**
(vii) Others Expenses (Services availed)		
HPCL-Mittal Energy Ltd.	16.16	17.98
Hindustan Colas Pvt. Ltd.	4.23	11.35
South Asia LPG Company Pvt. Ltd.	91.03	83.76
	111.42	**113.09**
(viii) Investment in equity shares		
HPCL Shapoorji Energy Pvt. Ltd.	151.00	4.00
	151.00	**4.00**
(ix) Receivables as on	**31.03.2020**	**31.03.2019**
HPCL-Mittal Energy Ltd.	6.72	10.93
South Asia LPG Company Pvt. Ltd.	0.11	0.05
HPCL Shapoorji Energy Pvt. Ltd.	0.13	0.11
	6.96	**11.09**
(x) Payables as on		
HPCL-Mittal Energy Ltd.	1,363.04	2,403.87
Hindustan Colas Pvt. Ltd.	29.37	27.11
South Asia LPG Company Pvt. Ltd.	8.47	11.78
	1,400.88	**2,442.76**

C. Transactions with other Government-Controlled Entities

The Group is a Government related entity mainly engaged 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").

Apart from transactions with Corporations' group companies, 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;
- Leasing 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 (KMP)*

(₹ / Crore)

Description	2019-20	2018-19
(i) Short - Term Employee Benefits	4.28	6.14
(ii) Post - Employment Benefits	0.46	0.65
	4.74	**6.79**

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

E. Amount due from Key Management Personnel

(₹ / Crore)

Description	2019-20	2018-19
(i) Shri Mukesh Kumar Surana	0.08	0.09
(ii) Shri Pushp Kumar Joshi	0.16	0.22
(iii) Shri Vinod S Shenoy	0.06	0.07
(iv) Shri R. Kesavan	-	-
(v) Shri Rakesh Misri	0.07	-
(vi) Shri S Jeyakrishnan	-	0.30
(vii) Shri V. Murali	0.11	0.12
	0.48	**0.80**

F Sitting Fee paid to Non-Executive Directors

(₹ / Crore)

Details of Meeting	Shri Ram Niwas Jain	Smt. Asifa Khan	Shri G.V. Krishna	Dr Trilok Nath Singh	Shri Amar Sinha	Shri Siraj Hussain	Shri G. Rajendran Pillai
Board	0.03	0.04	0.04	0.04	0.04	0.04	0.03
Audit Committee	0.02	-	0.02	0.02	0.02	0.01	-
Nomination & Remuneration Committee	-	0.00	-	0.00	-	0.00	-
Stakeholders Relationship Committee	-	0.01	0.01	-	-	0.01	-
Investment Committee	0.01	0.01	0.00	-	0.02	0.01	-
CSR & SD Committee	0.01	0.00	0.02	0.02	0.02	-	-
Independent Directors Meeting	-	-	-	0.00	0.00	0.00	0.00
Total Sitting Fees	**0.07**	**0.06**	**0.09**	**0.08**	**0.10**	**0.07**	**0.03**

49. The Group has entered into production sharing Oil & Gas exploration contracts in India in consortium with other body corporates. The details are as under:

Name of the Block	Participating Interest of Group in %	
	31.03.2020	31.03.2019
In respect of HPCL		
In India		
Under NELP IV		
KK- DWN-2002/2	20.00	20.00
KK- DWN-2002/3	20.00	20.00
CB- ONN-2002/3	15.00	15.00
Under NELP V		
AA-ONN-2003/3	15.00	15.00
Under NELP VI		
CY-DWN-2004/1	10.00	10.00
CY-DWN-2004/2	10.00	10.00
CY-DWN-2004/3	10.00	10.00
CY-DWN-2004/4	10.00	10.00
CY-PR-DWN-2004/1	10.00	10.00
CY-PR-DWN-2004/2	10.00	10.00
KG-DWN-2004/1	10.00	10.00
KG-DWN-2004/2	10.00	10.00
KG-DWN-2004/3	10.00	10.00
KG-DWN-2004/5	10.00	10.00
KG-DWN-2004/6	10.00	10.00
MB-OSN-2004/1	20.00	20.00
MB-OSN-2004/2	20.00	20.00
RJ-ONN-2004/1	22.22	22.22
RJ-ONN-2004/3	15.00	15.00
Under NELP IX		
MB-OSN-2010/2	30.00	30.00
Cluster - 7	60.00	60.00
In respect of PPCL		
In India		
SR ONN 2004/1	10.00	10.00
AA ONN 2010/1	20.00	20.00
Sanganpur Field	50.00	50.00
Outside India		
Yolla Field (Australia) Licence T/L-1	11.25	11.25
Trefoil Field (Australia) Permit T/18P	9.75	9.75

a) In respect of HPCL

(i) 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. Production from SE#3/4 wells of the Block is in progress, which had started during FY 2017-18. The share of the assets, liabilities, income and expenditure is considered based on the Management certified financials for the FY 2019-20.

(ii) In respect of Cluster – 7, the matter is under litigation (refer Note No.52.1). The share of the assets, liabilities, income and expenditure is considered based on the Management Certified financials for FY 2019-20.

(iii) Other than (i) & (ii) above, the remaining blocks are in the process of relinquishment/ under relinquishment and the share of the assets, liabilities, income and expenditure, if any, is considered based on information received from these blocks.

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 2020 and the Income and expenditure for the year in respect of above joint venture is as follows:

(₹ / Crore)

Particulars	2019-20	2018-19
A. Property, Plant & Equipment (Gross)	9.99	9.98
B. Intangible asset under development	1.36	1.36
C. Other Net Non-Current Assets	0.24	0.03
D. Net Current Assets (*)	3.45	1.58
E. Income	0.83	0.91
F. Expenditure	1.61	1.22

(*) Includes receivable from joint venture amounting to ₹ 2.74 Crore (2018-19: ₹ 1.57 Crore.).

1.2. Sanganpur Field

The Company acquired 50% participating interest in Sanganpur field from M/s Hydrocarbon Development Company Pvt. Ltd. (HDCPL) effective 1st September, 2004. Accumulated amount prior to acquisition of Sanganpur field amounting ₹ 1.18 Crore have been included in Sanganpur field Assets. The Company has accounted its proportionate share in the Sanganpur field based on estimated un-Audited accounts as at 31st March, 2017.

In FY 2014-15 , the operator of the block M/s HDCPL has committed default in the payment to its contractor. The petition was filed by contractor ETA Star Golding limited for non-payment of its invoices by M/s HDCPL in their another asset wherein Bombay High Court vide order dated 14th Nov, 2014 in Company Petition 550 of 2013 had passed order for appointment of liquidator for assets and business of Company M/s HDCPL. However, as per Production Sharing contract (PSC), the ownership of underlying hydrocarbon lies with GoI, hence Sanganpur field was not attached and operations in the field were continued. Further, MoP&NG vide its letter dated June 02, 2017 has terminated the PSC and all operations in the field were called off. Since the appointment of official liquidator, the bank account of HDCPL were seized, HDCPL has neither raised any invoice to IOCL for transfer of crude nor raised any cash call to PPCL for operation in the field. The payment of Royalty and Cess to concerned authorities are also pending since then.

Said order of Bombay High Court was challenged by HDCPL before its Division Bench and is still pending before the Court. In the meantime, HDCPL had initiated an arbitration proceeding against MoPNG for termination of PSC. However, PPCL is not a part of it. Under Section 9 of Arbitration and Conciliation Act, Directorate General of hydrocarbon (DGH) on behalf of MoP&NG has initiated proceeding for possession of the field.

MoP&NG vide its letter dated June 02, 2017 has terminated the PSC. Accordingly, Company had created a 'Provision for Write-off of Sanganpur Assets' of ₹ 6.65 Crore in FY 2017-18 (FY 19-20 – NIL) The Company's share of assets and liabilities as at 31st March 2020 and the Income, expenditure for the year in respect of above joint venture is as follows:

(₹ / Crore)

Particulars	2019-20	2018-19
A. Property, Plant & Equipment (Gross)	-	-
B. Other Net Non-Current Assets	(0.02)	(0.02)
C. Net Current Assets (*)	(0.10)	(0.10)
D. Income	-	-
E. Expenditure	-	-

(*) Includes payable to joint venture amounting to ₹ 0.04 Crore (2018-19: ₹ 0.04 Crore).

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 02nd 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. 05, 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 South Rewa Block has standing inventory of ₹ 3.76 Crore in which the company has share of 10%. The company is in the process of carrying out elaborate valuation of the inventory for further disposal. The same has been recorded at cost.

The Company's share of assets and liabilities as at 31st March, 2020 in respect of above joint venture is as follows:

(₹ / Crore)

Particulars	2019-20	2018-19
A. Property, Plant & Equipment (Gross)	0.00	0.00
B. Intangible asset under development	-	-
C. Other Net Non-Current Assets	0.01	0.01
D. Net Current Assets (*)	3.07	3.08
E. Expenditure	0.00	0.00

(*) Includes receivables from joint venture amounting to ₹ 2.70 Crore (2017-18: ₹ 2.70 Crore)

2. Estimated Hydrocarbon Proven Reserves as on 31st March, 2020 in the Oil fields as follows:

a) Domestic Operations (Hirapur - On-shore Marginal Fields)

Particulars	2019-20		2018-19	
	MM BBLS	MMT	MM BBLS	MMT
Recoverable Reserves (*)	2.13	0.286	2.14	0.288

(*) The Company Share is 50% of total.

b) International Operations (Yolla Field, Australia – License T/L 1 – Offshore Field)

Particulars	2019-20	2018-19
	MM BoE	MM BoE
Recoverable Reserves (*)	1.237	1.609

(*) For respective share of the Company

3. Quantitative Particulars of Petroleum:

Total Dry Crude Production	2019-20	2018-19
	BoE	BoE
Hirapur Field (*)	14,101	15,633
Yolla Field (T/L1) Australia	2,87,559	4,29,541
Total Dry Crude Production	**3,01,660**	**4,45,174**

50. 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.

51. During the financial year 2019-20, Group has spent ₹ 182.24 Crore (2018-19: ₹ 159.81 Crore) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 182.13 Crore (2018-19: ₹ 158.86 Crore):

(₹ / Crore)

	Head of Expenses	2019-20	2018-19
1	Promoting Education	39.58	29.93
2	Promoting Health Care	25.03	12.75
3	Empowerment of Socially and Economically Backward groups	6.64	2.33
4	Promotion of Nationally recognized and Para-Olympic Sports	0.88	0.78
5	Imparting Employment by Enhancing Vocation Skills	41.27	20.23
6	Swachh Bharat Abhiyaan	27.22	56.82
7	Environment Sustainability	36.80	34.21
8	Others	4.82	2.76
		182.24	**159.81**

Amount spent during the Financial year 2019-20 on:

(₹ / Crore)

Details	In cash	Yet to be paid in cash	Total
(i) Construction/ Acquisition of an assets	-	-	-
(ii) On purpose other than (i) above	162.69	19.55	182.24

Amount spent during the Financial year 2018-19 on:

(₹ / Crore)

Details	In cash	Yet to be paid in cash	Total
(i) Construction/ Acquisition of an assets	-	-	-
(ii) On purpose other than (i) above	154.19	5.62	159.81

52. Contingent Liabilities and Commitments*:

(₹ / Crore)

	I. Contingent Liabilities	31.03.2020	31.03.2019
A.	**Disputed demands/ claims subject to appeals/ representations filed by the Group**		
i.	Income Tax	2.17	138.84
ii.	Sales Tax/ Octroi	1,887.20	2,188.91
iii.	Excise/ Customs	519.01	541.39
iv.	Land Rentals & Licence Fees	224.97	219.48
v.	Others	87.37	26.21
		2,720.72	**3,114.83**
B.	**Disputed demands/ claims subject to appeals/ representations filed against the Group**		
i.	Income Tax	3.11	1.18
ii.	Sales Tax/ Octroi	11.36	18.31
iii.	Excise/ customs	328.36	70.89
iv.	Employee Benefits/ Demands (to the extent quantifiable)	212.88	258.55
v.	Claims against the Group not acknowledged as Debts(refer note 52.1)	559.78	464.91
vi.	Others	293.68	294.45
		1,409.17	**1,108.29**

* contingent Liabilities considered as 'remote' as per Ind AS 37 are not included.

(₹ / Crore)

	31.03.2020	31.03.2019
II. Guarantees given to others	1,662.62	1,761.03

(Includes ₹ 791.51 Crore (31.03.19: ₹ 596.94 Crore) towards share of jointly controlled entities and associates)

(Includes ₹ 276.25 Crore (31.03.19: ₹ 252.50 Crore) towards share of jointly controlled operations)

52.1. The Group with a Participating Interest (PI) of 70% along with 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. 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 ₹ 322.33 Crore (42.60 Million USD @ Exchange rate of 1 USD = ₹ 75.665) was made by M3nergy on termination of such service contract. The matter was referred to Arbitration.

The Arbitral Tribunal passed 3 Awards. The 1st Partial Award, the 2nd Partial Award and the Final Award. All three were in favour of the Group. The 1st partial arbitration award held that M3nergy has committed breach of the contract and hence their claims were disallowed and the Arbitral Tribunal held that Group is entitled for damages, which will be quantified later. The 2nd Partial Award dated 27/09/2017 allowed 2 claims of the Group, viz., (1) A claim of USD 91.3 million (equivalent INR 444.44 Crore) towards loss of profit (by a majority Award) and (2) a claim of recovery of damages by way of money lost due to encashment of Bank Guarantees of ₹ 41.60 Crore (by a unanimous Award). Both amounts were allowed with interest as specified.

All three Awards were challenged by M3nergy before the Bombay High Court in the previous year. Hence, Group filed applications for (a) Mareva Injunction and (b) Enforcement of the Award before the Courts in Malaysia. By Orders dated 10th January, 2019 the Bombay High Court set aside all partial Arbitration Awards holding that there was no concluded Arbitration Agreement. As the Awards were set aside, on 28.02.2019 the Malaysian High Court at Kuala Lumpur allowed the application of M3nergy to set aside the enforcement order with liberty to file fresh proceedings, if the Group succeed later. Meanwhile, Group have filed Appeals against the setting aside order before the Division Bench (DB) of the Bombay High Court. After hearing, on 16th of October, 2019 the Bombay High Court set aside the Single Judge's Order and remanded all the 3 matters back to the Single Judge of the High Court, to decide the matter afresh on merits. This Order was challenged by M3nergy before the Supreme Court by an SLP which, after brief arguments, was dismissed as withdrawn on 31st January 2020. The matter is to come up for hearing before the Single Judge of High court to decide the matter afresh on merits. As a result, the award amount which is approximate ₹ 444.45 Crore (91.30 Million USD @ exchange rate of ₹ 48.68 for a US Dollar prevailing on January 6, 2009 plus ₹ 41.60 Crore) and interest thereon has not been recognized on a conservative basis. Similarly, the claim raised by M3Energy is also not included above.

52.2. **In respect of PPCL**

Company was awarded an Exploration block AA ONN 2010/1 in Tripura under NELP IX in consortium with ABG Energy Ltd. (ABG). The Product Sharing Contract (PSC) was signed with Government of India (GOI) by the consortium on August 30, 2012. Company has 20% PI (Participating Interest) and ABG 80% PI. As per the Joint Bidding agreement, ABG will carry Company during the exploration phase i.e. Company's share of 20% expenditure during exploration phase shall be borne by ABG. In case of any discovery, 10% of Company's share paid by ABG will be recovered by them out of profit petroleum and 10% will be paid by them anyway. As per discussions before signing of PSC and written confirmation, ABG was to submit back up guarantee to Company to enable Company to submit bank guarantee to GOI for their share of 20%. The value of bank guarantee to be submitted by ABG to Company is USD 1.801 Million. ABG did not submit bank guarantee of their 80% share by due date to GOI. Also since back up guarantee was not submitted by ABG to Company, Company also could not submit the bank guarantee for their 20% share to GOI.

In view of non-submission, GOI terminated the PSC dated 30th August 2012 vide letter dated 15th October 2013 and has imposed liquidated damages of USD 9,142,500 vide letter dated 06th Feb 2015 as per Article 5.6 of PSC. Company has kept ABG on notice that it is their responsibility to pay the entire quantum of liquidated damages, including the share of Company, if Company is compelled to pay its share of liquidated damages by the GOI, and if such payment is made, then company will have to claim this money from ABG. Company had invoked arbitration against ABG in the matter on 10th October 2016. After appointment of arbitrator on behalf of ABG by Delhi High Court Order dated 22nd September 2017, three-member tribunal has been constituted. The first preliminary sitting of the Arbitral Tribunal was held at New Delhi on 06.04.2018. On 30.10.2019 Arbitral Tribunal has passed award for an amount of USD 18,01,000/- with interest in favor of PPCL along with costs of proceedings subject to the condition that on receipt of the amount by PPCL from ABG, the said amount shall be passed on by PPCL to GOI within a period of three months from the date of receipt of the amount.

52.3. **In respect of HBL:**

a) **EPCC Vendors – NCLT case:** In the month of Oct 2018, one of the EPCC vendor has filed petition against HBL in NCLT, Kolkata Bench under IBC Code 2016 in which party has raised a claim of ₹ 19.81 Crore in lieu of unpaid operational debt, interest on alleged debt and legal expenses. On 12.02.2020, order against HBL was passed by NCLT, Kolkata accepting application/ petition of Vendor and thereby NCLT appointed Insolvency Resolution Professional (IRP). However, being aggrieved, against the NCLT Kolkata Order, Management sought stay against execution of NCLT Kolkata order and Hon'ble Supreme court granted interim stay against the impugned order on 06.03.2020. The next date of hearing in the matter was 05.05.2020. However, the hearing was adjourned due to COVID-19 and next date is yet to be fixed.

b) Central Pollution Control Board (CPCB) has vide their letter dated 28.05.2019 to HBL Sugauli unit imposed penalty of ₹ 0.91 Crore for the period 07.03.2018 to 04.04.2018 and 05.12.2018 to 21.04. 2019 in lieu of Environmental Compensation Cost as per the recent directives of National Green Tribunal. As the plants of HBL are in Gangetic Basin and due to National Mission for clean Ganga, CPCB is very strict in implementation of pollution norms. The Management had given various representation to CPCB for seeking waiver from the said charges, however no reprieve was allowed therefore after obtaining relevant legal opinion, the company has paid the penalty ₹ 0.94 lacs on 09.09.2019 and the same is reflected under Other Expenses.

(₹ / Crore)

III. Commitments	31.03.2020	31.03.2019
Estimated amount of contracts remaining to be executed on Capital Account not provided for	37,647.90	28,564.96

(Includes ₹ 15,281.67 Crore (31.03.19: ₹ 7,930.71 Crore) towards share of jointly controlled entities and associates)

Note: The above are made based on estimates and expected timing of outflows is not ascertainable at this stage.

(₹ / Crore)

		2019-20	2018-19
53.	Expenditure incurred on Research and Development		
	- Capital	127.27	124.48
	- Revenue	130.65	129.37

(₹ / Crore)

		2019-20	2018-19
54.	Interest on borrowings capitalized (weighted average cost of borrowing rate used for capitalization of general borrowing is 5.96% (2018-19: 6.95%).	760.16	233.51

(₹ / Crore)

		2019-20	2018-19
55.	Exchange Differences adjusted in the carrying amount of Assets during the accounting period	206.79	224.22

56. In compliance of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets', the requisite information with respect to movement in balance is as under:

(₹ / Crore)

Particulars	Opening Balance as on 01.04.2019	Additions	Utilization	Reversals	Closing Balance as on 31.03.2020
Excise	0.59	-	0.50	0.09	-
Sales Tax	428.31	1.40	95.27	133.82	200.62
Service Tax	13.50	0.26	6.28	7.48	-
Others	428.75	157.56	0.88	58.84	526.59
Net	**871.15**	**159.22**	**102.93**	**200.23**	**727.21**

Particulars	Opening Balance as on 01.04.2018	Additions	Utilization	Reversals	Closing Balance as on 31.03.2019
Excise	0.59	-	-	-	0.59
Sales Tax	378.77	56.36	3.53	3.29	428.31
Service Tax	12.59	1.40	-	0.49	13.50
Others	467.06	109.28	9.97	137.62	428.75
Net	**859.01**	**167.04**	**13.50**	**141.40**	**871.15**

The above provisions are made based on estimates and expected timing of outflows is not ascertainable at this stage.

57. The loans disbursed to Consumers under Pradhan Mantri Ujjwala Yojna (PMUY), since inception till date is ₹ 2,963.75 Crore (31.03.2019: ₹ 2,589.70 Crore) and of this, the amount outstanding at period end is ₹ 1,966.21 Crore (31.03.2019: ₹ 1,937.42 Crore). The loan gets repaid out of the subsidy amount accruing to the consumer from the subsequent refill of cylinders. The overall consumer base is 2.15 Crore (31.03.2019: 1.91 Crore) and the consumption pattern of LPG is still evolving. In the backdrop of available data on consumption pattern and effort of Management to encourage usage of LPG, the population of those consumers enrolled into the scheme as of 31.03.2019 & who haven't taken refills during 2019-20 have been segregated into various age buckets, basis their consumption till date and a probability (between 100% to 50%) is assigned under each age bucket towards potential lack of usage of LPG and consequential default of loan. Accordingly, provision of ₹ 198.70 Crore towards impairment in respect of loans outstanding as on 31.03.2019 has been estimated. With regard to the population of fresh connections issued during 2019-20, even in the absence of data points on consumption pattern, a default in loan is estimated at ₹ 28.70 Crore, in the same ratio as estimated in case of loans disbursed till 31.03.2019. Computed in this manner an aggregate additional net provision of ₹ 131.69 Crore (2018-19: ₹ 95.71 Crore) has been recognized, taking the cumulative provision since inception to ₹ 227.40 Crore (31.03.2019: ₹ 95.71 Crore). The expected credit loss estimate is reasonable.

58. The Group implements various Government of India schemes such as PMUY, Direct benefit Transfer scheme wherein the amount is either received in advance or subsequently reimbursed from Central Government. At period end, there are amounts pending to be reimbursed, due, on an average, anywhere between 6 months to 3 years, amounting to ₹ 2,518.00 Crore (31.03.2019: ₹ 2,781.00 Crore). These being due from Government, no provision has been considered necessary.

59. Consequent to establishing the disposal procedures of certain catalysts having precious metals, such catalysts that had earlier been charged off to Statement of Profit and Loss on consumption, are now recognized in Balance sheet, basis original cost of precious metals or Net realizable value whichever is less, having an impact of ₹ 11.31 Crore (2018-19: NIL) in the Financial Statement.

60. The COVID-19 pandemic is globally inflicting high economic and human costs causing slowdown of economic activity. Specific to the Group, it did not have any significant impact on the Sales and Operations of the Group for the financial year 2019-20, though it impacted the profitability to a large extent, consequent upon a part of inventory holding on reporting date that needed to have been valued at net realizable value at which the same is either sold or is expected to be sold, thereby even lower than cost. Being essential commodity, there have been no major disruption in our supply chain during the lockdown period of last few days of March 2020.

Moving into financial year 2020-21, the sourcing of Crude Oil imports do not have any major disruption neither there is suspension or closure of Refining Operations though the situation called for regulated production. The finished product inventory are managed and the market requirements of the products are met. Thus, by and large, supply side disruptions are minimal. Whereas, on demand side, there have been slow down in financial year 2020-21, especially in April & May 2020. The impact assessment of pandemic is a continuing process given the uncertainties associated with its nature and duration. In the assessment of management, the disruption on account of COVID-19 could have near term impact, the situation would demand constant management attention and with the phased opening up of various sectors of economy, impact of Government economic initiatives etc. the operations could gradually move back towards normalcy. Thus the Group, using the principles of prudence in applying judgements and estimates, expects no significant impact on the continuity of operations of the business on long term basis and expects to recover carrying amount of assets, investments, loans, trade receivable etc. On the Capex front, the Group expects to go ahead with the same with possible time extension and cost escalations in few cases. The Group has adequate fund based limits with consortium as well as non-consortium banks for meeting its working capital requirements. There are adequate domestic resources that could be readily tapped for raising substantial fund for meeting any working capital needs and therefore there are no liquidity concerns.

With due consideration to the requirements of the Accounting Standards, the Group has determined the write down of inventories due to drastic fall in oil prices accompanied with reduced movement in inventory and the same has been disclosed as Exceptional Items in the Financial Results having an impact of ₹ 1,002.93 Crore (Net of tax: ₹ 750.51 Crore) for the quarter and year ended Mar 2020 (F.Y. 2018-19: Nil).

61. Threshold limits adopted in respect of financial statements is given below:

Threshold item	Unit of Measurement	Threshold Limit
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
Income/ expenditure pertaining to prior year (s)	₹ Crore	175.00 (2018-19: 75.00)
Prepaid expenses	₹ Lakhs	5.00
Disclosure of contingent liabilities	₹ Lakhs	5.00
Disclosure of capital commitments	₹ Lakhs	5.00 (2018-19: 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. Accordingly, basis of segmentation by the Group is as under:

(i) Downstream Petroleum, engaged in Refining and Marketing of Petroleum products.

(ii) All other segments, engaged in Exploration & Production of hydrocarbons, manufacturing sugar and ethanol.

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:

(₹ / Crore)

For the year ended 31.03.2020	Reportable segments				
Particulars	**Downstream Petroleum**	**All other**	**Total Segments**	**Adjustments & Eliminations**	**Consolidated**
Revenue					
External Customers	2,87,417.20	324.85	2,87,742.05	-	2,87,742.05
Inter-segment	1.20	42.64	43.84	(43.84)	-
Total Revenue	**2,87,418.40**	**367.49**	**2,87,785.89**	**(43.84)**	**2,87,742.05**
Segment profit/ (loss) [EBIT]	**1,689.31**	**(88.26)**	**1,601.05**	**379.00**	**1,980.05**
Interest Income/ (expenses):					
Interest Income					991.26
Interest expense					(1,138.85)
Profit before tax and share of Profit in equity accounted investees					**1,832.46**
Share of profit of equity accounted investees					(458.17)
Profit before tax (PBT)					**1,374.29**
Income tax expense					1,264.44
Profit after Tax (PAT)					**2,638.73**
Other Comprehensive Income (Net of Tax)					(657.82)
Total Comprehensive Income					**1,980.91**
Segment assets	**1,15,839.76**	**1,066.44**	**1,16,906.20**		**1,16,906.20**
Segment liabilities	**84,730.64**	**1,194.94**	**85,925.58**		**85,925.58**
Other disclosures:					
Depreciation and amortization	3,304.40	65.74	3,370.14	(0.27)	3,369.87
Investment in equity accounted investees					8,820.82
Material non-cash items other than depreciation and amortisation					960.04
Capital Expenditure					15,468.16

(₹ / Crore)

For the year ended 31.03.2019	Reportable segments				
Particulars	Downstream Petroleum	All other	Total Segments	Adjustments & Eliminations	Consolidated
Revenue					
External Customers	2,96,944.92	277.36	2,97,222.28	-	2,97,222.28
Inter-segment	1.39	48.83	50.22	(50.22)	-
Total Revenue	**2,96,946.31**	**326.19**	**2,97,272.50**	**(50.22)**	**2,97,222.28**
Segment profit/ (loss) [EBIT]	**9,183.02**	**62.69**	**9,245.71**	**(223.17)**	**9,022.54**
Interest Income/ (expenses):					
Interest Income					872.57
Interest expense					(785.64)
Profit before tax and share of Profit in equity accounted investees					**9,109.47**
Share of profit of equity accounted investees					929.73
Profit before tax (PBT)					**10,039.20**
Income tax expense					(3,348.57)
Profit after Tax (PAT)					**6,690.63**
Other Comprehensive Income (Net of Tax)					(86.60)
Total Comprehensive Income					**6,604.03**
Segment assets	**1,06,154.24**	**1,192.24**	**1,07,346.48**		**1,07,346.48**
Segment liabilities	**75,742.65**	**1,203.17**	**76,945.82**		**76,945.82**
Other disclosures:					
Depreciation and amortization	3,012.61	72.69	3,085.30	-	3,085.30
Investment in equity accounted investees					8,715.69
Material non-cash items other than depreciation and amortisation					633.75
Capital Expenditure					11,822.47

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.

(₹ / Crore)

Geography	For the year ended 31.03.2020	For the year ended 31.03.2019
(i) Revenue		
India	2,81,538.67	2,94,432.19
Other Countries	6,203.38	2,790.09
Total Revenue	**2,87,742.05**	**2,97,222.28**
(ii) Non-Current Assets*		
India	77,476.55	62,029.90
Other Countries	166.26	185.48
Total Non-Current Assets	**77,642.81**	**62,215.38**

* 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 Group, approximately 15% of the revenues are derived from customers under common control.

63. Summarised financial information for Joint Ventures and Associates

I. Summarised financial information for Joint Ventures and Associates that are material to the reporting entity as per Ind AS 112*:

(₹ / Crore)

Particulars	HMEL		MRPL	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Assets:				
Non-Current Assets	39,790.88	31,896.28	23,956.47	22,543.13
Current Assets				
Cash and Cash equivalents	1,681.30	147.60	1.80	4.67
Other Current Assets (excluding cash and cash equivalents)	7,329.93	9,692.56	5,961.25	9,902.83
Total (A)	**48,802.11**	**41,736.44**	**29,919.52**	**32,450.63**
Liabilities:				
Non-Current Liabilities				
Non-Current Financial Liabilities (excluding Trade/ Other Payables and Provisions)	27,990.70	21,172.21	12,590.82	3,935.75
Other Non-Current Liabilities	2,911.87	798.93	471.50	678.94
Current Liabilities				
Current Financial Liabilities (excluding Trade/ Other Payables and Provisions)	2,292.10	2,701.99	6,158.13	12,549.76
Other Current Liabilities	5,709.66	6,546.19	4,337.70	5,355.89
Total (B)	**38,904.33**	**31,219.32**	**23,558.15**	**22,520.34**
Net Assets included in Financial Statement of Joint Venture/ Associate	**9,897.77**	**10,517.12**	**6,361.37**	**9,930.30**
Ownership Interest	48.99%	48.99%	16.96%	16.96%
Carrying amount of Interest in Joint Venture/ Associate	**4,849.16**	**5,152.62**	**1,078.57**	**1,683.68**
Quoted Market Value of Shares	N.A.	N.A.	686.42	2,207.85

* The information provided above is after considering adjustment due to alignment of accounting policies and inter-company eliminations.

(₹ / Crore)

Other Information:	HMEL		MRPL	
	2019-20	2018-19	2019-20	2018-19
Revenue	58,005.29	62,378.03	59,980.00	73,494.08
Interest Income	54.00	8.80	27.58	103.72
Interest Expenses	1,305.10	1,339.90	1,241.15	1,058.73
Depreciation	1,131.67	1,211.00	1,085.79	1,047.52
Income tax expenses	(361.90)	455.89	(1,359.28)	300.10
Profit/ (Loss) for the year	(148.29)	1,424.58	(3,337.69)	346.88
Other Comprehensive Income (Net of Tax)	(347.81)	(4.90)	(8.73)	(5.26)
Total Comprehensive Income for the year	(496.10)	1,419.68	(3,346.42)	341.62
Dividend Received from the material Joint Venture/ Associate	50.03	49.97	29.72	89.15

II. Details of all individually immaterial equity accounted investees:

(₹ / Crore)

	Joint Ventures		Associates	
	2019-20	2018-19	2019-20	2018-19
Carrying amount of Investment in equity accounted investees	2,745.61	1,788.15	147.48	91.24
Group's Share of Profit or Loss from Continuing Operations	189.11	175.93	(8.72)	(2.95)
Group's share in other comprehensive income	(0.07)	0.14	(0.05)	(0.01)
Group's share in Total Comprehensive Income	189.04	176.07	(8.77)	(2.96)

64. Employee benefit obligations

A. Provident Fund:

The long term employee benefit of Provident Fund is administered through a separate Trust, established for this purpose in accordance with The Employee Provident Fund and Miscellaneous Provisions Act, 1952. The Group's contribution to the Provident Fund is remitted to this trust based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. During the year, the Group has recognized ₹ 146.30 Crore (2018-19: ₹ 148.44 Crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss. Under the Statute, the shortfall, if any, in the interest obligation, in comparison to minimum rate of return, declared by Government of India will have to be made good by the Employer and therefore, for the financial year 2019-20, an amount of ₹ 10.04 Crore (2018-19: NIL) has been provided and charged to Statement of Profit and Loss. The shortfall has arisen primarily due to default over interest obligations on Non-convertible Debentures of certain Companies wherein the Trust has made its investments at a time when these Companies were having highest credit rating. In anticipation of probable principal default as well in these NCDs amounting to ₹ 243 Crore, basis best available estimate, the Provident Fund Trust has marked down the investments by 70% in its Books to reflect the true & fair valuation. Correspondingly, considering the Employer's obligation to make good the loss in value of these investments under the Provident Fund regulations, the Company determined its probable liability in the future amounting to ₹ 170.10 (2018-19: NIL), which has been provided during the year and charged to Statement of Profit & Loss.

The present value of benefit obligation at period end is ₹ 4,372.13 Crore (31.03.2019: ₹ 4,082.85 Crore). The fair value of the assets of Provident Fund Trust as of Balance Sheet date is greater than the present value of benefit obligation.

B. Superannuation Fund

The Group has Superannuation - Defined Contribution Scheme (DCS) maintained by 'Superannuation Benefit Fund Scheme (SBFS) Trust' wherein Employer makes a monthly contribution of a certain percentage of 'Basic Salary & Dearness Allowance(DA)', out of 30%, earmarked for various Superannuation benefits. This is in accordance with Department of Public Enterprises (DPE) guidelines. These contributions are credited to individual Employee's Account maintained either with Life Insurance Corporation of India (LIC) or an optional National Pension Scheme (NPS) Account. For the financial year 2019-20, the Group has made an overall contribution of ₹ 162.89 Crore (2018-19: ₹ 181.07 Crore) towards Superannuation - DCS [including ₹ 50.76 Crore (2018-19: ₹ 20.96 Crore) to NPS] by charging it to the statement of Profit and Loss.

Further, for the financial year 2019-20, Group has made a provision of ₹ 52.15 Crore (2018-19: ₹ NIL) by charging to Statement of Profit & Loss towards increase in liabilities in case of Superannuation – Defined Benefit Scheme (DBS) determined based on actuarial valuation.

C. **The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:**

(₹ / Crore)

Sr. No.		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	828.66	773.83	21.32	24.31	11.51	2.28
		848.67	*712.05*	*41.11*	*27.31*	*11.75*	*1.72*
	Interest Cost	64.30	60.20	1.59	1.82	0.89	0.18
		65.22	*55.26*	*3.11*	*2.10*	*0.93*	*0.14*
	Current Service Cost	13.36	58.79	-	-	2.65	0.36
		14.37	*56.95*	-	-	*2.64*	*0.32*
	Past Service Cost	-	-	-	-	-	-
		-	-	-	-	-	-
	Benefit paid	(106.41)	(52.73)	(3.46)	(4.88)	(3.42)	(0.02)
		(70.71)	*(49.98)*	*(3.67)*	*(5.26)*	*(2.48)*	*(0.02)*
	Actuarial (gains)/ losses on obligations - due to change in financial assumptions	42.90	106.82	0.45	0.58	0.68	0.46
		5.47	*(1.94)*	*0.07*	*0.15*	*0.09*	*0.03*
	Actuarial (gains)/ losses on obligations - due to experience	26.46	(39.37)	(1.12)	0.09	(0.64)	0.07
		(34.36)	*1.49*	*(19.30)*	*0.01*	*(1.42)*	*0.08*
	Present value of Benefit Obligation at the end of the period	869.27	907.54	18.78	21.92	11.67	3.32
		828.66	*773.83*	*21.32*	*24.31*	*11.51*	*2.27*
2	**Changes in fair value of plan assets**						
	Fair value of Plan Assets at the beginning of the period	818.26	768.30	NA	NA	NA	NA
		506.02	*703.62*	*NA*	*NA*	*NA*	*NA*
	Interest income	63.50	59.77	NA	NA	NA	NA
		64.09	*54.60*	*NA*	*NA*	*NA*	*NA*
	Contributions by the employer	10.40	5.53	NA	NA	NA	NA
		342.63	*8.82*	*NA*	*NA*	*NA*	*NA*
	Contributions by the employee	-	0.81	NA	NA	NA	NA
		-	*2.84*	*NA*	*NA*	*NA*	*NA*
	Benefit paid	(106.41)	-	NA	NA	NA	NA
		(70.71)	-	*NA*	*NA*	*NA*	*NA*
	Return on plan assets, excluding interest income	(2.36)	(85.24)	NA	NA	NA	NA
		(23.77)	*(1.58)*	*NA*	*NA*	*NA*	*NA*
	Fair value of Plan Assets at the end of the period	783.39	749.17	NA	NA	NA	NA
		818.26	*768.30*	*NA*	*NA*	*NA*	*NA*
3	**Included in Statement of Profit and Loss**						
	Current Service Cost	13.36	58.79	-	-	2.65	0.36
		14.37	*56.95*	-	-	*2.64*	*0.32*
	Past Service Cost	-	-	-	-	-	-
		-	-	-	-	-	-
	Net interest cost	0.80	0.43	1.59	1.82	0.89	0.18
		1.13	*0.66*	*3.11*	*2.10*	*0.93*	*0.14*
	Contributions by the employee	-	(0.81)	-	-	-	-
		-	*(2.84)*	-	-	-	-
	Total amount recognised in Statement of Profit and Loss	14.16	58.41	1.59	1.82	3.54	0.54
		15.50	*54.77*	*3.11*	*2.10*	*3.57*	*0.46*
4	**Remeasurements**						
	Return on plan assets, excluding interest income	2.36	85.24	-	-	-	-
		23.77	*1.58*	-	-	-	-
	(Gain)/ loss from change in demographic assumptions	-	-	-	-	-	-
		-	-	-	-	-	-
	(Gain)/ loss from change in financial assumptions	42.90	106.82	0.45	0.58	0.68	0.46
		5.47	*(1.94)*	*0.07*	*0.15*	*0.09*	*0.03*
	Experience (gains)/ losses	26.46	(39.37)	(1.12)	0.09	(0.64)	0.07
		(34.36)	*1.49*	*(19.30)*	*0.01*	*(1.42)*	*0.08*
	Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-	-
		-	-	-	-	-	-
	Total amount recognised in other comprehensive income	71.72	152.69	(0.67)	0.67	0.04	0.53
		(5.12)	*1.13*	*(19.23)*	*0.16*	*(1.33)*	*0.11*

D. Amount recognised in the Balance Sheet

(₹ / Crore)

	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance	Gratuity Unfunded
Present value of benefit obligation as on 31.03.2020	869.27	907.54	18.78	21.92	11.67	3.32
Fair value of plan assets as on 31.03.2020	783.39	749.17	-	-	-	-
Net Liability/ (Asset) recognised in Balance Sheet	**85.88**	**158.37**	**18.78**	**21.92**	**11.67**	**3.32**

	Gratuity	PRMBS	Pension	Ex-Gratia	Resettlement Allowance	Gratuity Unfunded
Present value of benefit obligation as on 31.03.2019	828.66	773.83	21.32	24.31	11.51	2.27
Fair value of plan assets as on 31.03.2019	818.26	768.30	-	-	-	-
Net Liability/ (Asset) recognised in Balance Sheet	**10.40**	**5.53**	**21.32**	**24.31**	**11.51**	**2.27**

E. Plan assets

(₹ / Crore)

	31.03.2020		31.03.2019	
	Gratuity	PRMBS	Gratuity	PRMBS
Plan assets comprise the following:				
Insurance fund	783.39	749.17	818.26	768.30
	783.39	**749.17**	**818.26**	**768.30**

F. Significant estimates (actuarial assumptions and sensitivity):

F (i) The significant actuarial assumptions were as follows:

31.03.2020	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	6.87%	6.81%	NA	NA	NA
Rate of Discounting	6.87%	6.81%	6.82%	6.59%	6.87%
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	Actuary has considered Indian Assured Lives Mortality Table 2006-08, being the latest unisex table issued by Institute of Actuaries of India				
Mortality Rate After Employment					

31.03.2019	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.76%	7.78%	NA	NA	NA
Rate of Discounting	7.76%	7.78%	7.47%	7.48%	7.76%
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	Actuary has considered Indian Assured Lives Mortality Table 2006-08, being the latest unisex table issued by Institute of Actuaries of India				
Mortality Rate After Employment					

F (ii) Sensitivity analysis

(₹ / Crore)

31.03.2020	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(47.85)	(109.81)	(0.69)	(0.65)	(0.76)
Delta effect of -1% Change in Rate of Discounting	55.06	139.91	0.75	0.70	0.88
Delta effect of +1% Change in Future Benefit cost inflation	-	140.35	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(110.68)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	12.88	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(15.16)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	14.11	-	-	-	(0.83)
Delta effect of -1% Change in Rate of Employee Turnover	(15.93)	-	-	-	0.97

31.03.2019	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(43.14)	(87.09)	(0.77)	(0.72)	(0.70)
Delta effect of -1% Change in Rate of Discounting	49.03	109.33	0.84	0.78	0.81
Delta effect of +1% Change in Future Benefit cost inflation	-	110.08	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(88.02)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	13.54	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(15.13)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	15.07	-	-	-	(0.78)
Delta effect of -1% Change in Rate of Employee Turnover	(16.86)	-	-	-	0.90

G. The expected maturity analysis of undiscounted benefits is as follows:

(₹ / Crore)

	Less than 1 year	1 - 2 year	3 - 5 year	6 - 10 year
31.03.2020				
Gratuity	120.48	75.22	328.27	1,002.22
PRMBS	42.00	45.89	163.86	276.71
Pension	2.79	2.76	8.10	12.66
Ex - Gratia	4.05	3.99	11.61	17.76
Resettlement Allowance	1.31	0.72	4.18	16.29
Total	**170.63**	**128.58**	**516.02**	**1,325.64**

(₹ / Crore)

	Less than 1 year	1 - 2 year	3 - 5 year	6 - 10 year
31.03.2019				
Gratuity	111.22	74.30	324.82	1,008.81
PRMBS	38.96	42.43	151.36	263.46
Pension	3.18	3.15	9.20	14.33
Ex - Gratia	4.43	4.37	12.69	19.40
Resettlement Allowance	1.24	0.73	4.29	17.13
Total	**159.03**	**124.98**	**502.36**	**1,323.13**

H. Notes:

I. **Gratuity:** Each employee rendering continuous service of 5 Years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed years of service subject to maximum of ₹ 0.20 Crore at the time of separation from the company. Besides the ceiling of gratuity increases by 25% whenever IDA rises by 50%. The long term employee benefit of Gratuity is administered through a Trust, established under The Payment of Gratuity Act, 1972. The Board of Trustees comprises of representatives from the Employer who are also plan participants in accordance with the plans regulation. The liability towards gratuity is funded with Life Insurance Corporation of India (LIC). Pending declaration of interest rate by LIC for the financial year, it is estimated at 8% (2018-19: 8.15%) and accounted.

II. **Pension:** The employees covered by the Pension Plan of the Group are entitled to receive monthly pension for life. However, none of the current serving employees are covered under Pension Plan of the Corporation.

III. **Post Retirement Medical Benefit (PRMBS):** Post Retirement Benefit medical scheme provides medical benefit to retired employees and eligible dependent family members. This long term employee benefit is administered through a Trust. The liability towards Post-Retirement Medical Benefit for employees is ascertained, yearly, based on the actuarial valuation and funded to the Trust.

During the year, there has been default over interest obligations (& default in principal obligations in a case) on Non-convertible Debentures of certain Companies amounting to ₹ 99.50 Crore, wherein the Trust has made its investments at a time when these Companies were having highest credit rating. Basis best available estimate, the Trust has marked down these investments by 70% in its Books to reflect the true & fair valuation. This diminution in these Trust Investments amounting to ₹ 69.65 Crore [2018-19: ₹ Nil], has been duly considered in the Actuarial Valuation while ascertaining the liability for the Group. The Group has provided for the above liability during the year and charged to Statement of Profit & Loss in compliance with Ind AS 19.

IV. **Ex-gratia:** The ex-employees of Corporation are covered under the Scheme, entitling to get ex-gratia, determined based on their salary grade at the time of their superannuation. The benefit is paid to eligible employees till their survival, and thereafter till the survival of their spouse. However, none of the current serving employees are covered under this Plan.

V. **Resettlement Allowance:** Upon superannuation from the services of the Group, there are employees who permanently settle down at a place other than the location of the last posting. Such employees are provided with resettlement allowance as per policy of the Group.

VI. **Interest rate on funds retained in LIC:** The employees of the Corporation are entitled to certain leave as per policy. The liability of the Corporation is determined annually through actuarial valuation and funded with Life Insurance Corporation of India (LIC). Pending declaration of interest rate by LIC for the financial year, it is estimated at 8% (2018-19: 8.15%) and accounted.

VII. **Others:** The expected return on plan assets is based on market expectation over the entire life of the related obligation. The actuarial assumption with regard to future salary escalation takes into consideration, the factors such as inflation, seniority, promotion, demand & supply in the employment market.

VIII. Figures in italics represent last year figures.

65. Previous periods figures are reclassified/ regrouped wherever necessary.

Schedule III - Additional Disclosure on Consolidated Financial Statements as on 31.03.2020 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 (₹ / Crore)	As a % of Consolidated profit or loss	Amount (₹ / Crore)	As a % of Consolidated Other Comprehensive Income	Amount (₹ / Crore)	As a % of Consolidated Total comprehensive Income	Amount (₹ / Crore)
Hindustan Petroleum Corporation Limited	72.76%	22,542.67	120.00%	3,166.54	68.51%	(450.70)	137.10%	2,715.84
Subsidiaries								
Prize Petroleum Company Ltd.	-1.00%	(308.35)	-1.30%	(34.31)	5.29%	(34.83)	-3.49%	(69.14)
HPCL Biofuels Ltd.	-0.11%	(34.50)	-3.24%	(85.55)	0.08%	(0.52)	-4.34%	(86.07)
HPCL Middle East FZCO	0.01%	2.80	-0.09%	(2.26)	-0.03%	0.23	-0.10%	(2.03)
Joint Ventures								
Hindustan Colas Pvt. Ltd.	0.63%	195.01	2.62%	69.07	0.01%	(0.06)	3.48%	69.01
HPOIL Gas Pvt. Ltd.	0.19%	58.36	-0.05%	(1.40)	0.00%	-	-0.07%	(1.40)
HPCL Rajasthan Refinery Ltd.	4.16%	1,289.72	0.05%	1.34	0.00%	-	0.07%	1.34
South Asia LPG Co. Pvt. Ltd.	0.39%	120.74	2.34%	61.80	-0.01%	0.08	3.12%	61.88
HPCL Shapoorji Energy Pvt. Ltd.	0.56%	172.93	-0.01%	(0.17)	0.00%	0.03	-0.01%	(0.14)
HPCL - Mittal Energy Ltd.	15.84%	4,905.79	-1.22%	(32.12)	25.90%	(170.39)	-10.22%	(202.51)
Petronet MHB Ltd.	1.43%	442.21	1.67%	44.13	0.01%	(0.05)	2.23%	44.08
Godavari Gas Pvt. Ltd.	0.05%	14.93	-0.02%	(0.65)	0.00%	-	-0.03%	(0.65)
Petronet India Ltd.	0.00%	0.42	0.00%	-	0.00%	-	0.00%	-
Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	0.28%	86.84	0.38%	10.01	0.00%	-	0.51%	10.01
Aavantika Gas Ltd.	0.38%	116.95	0.80%	21.02	0.01%	(0.08)	1.06%	20.94
Bhagyanagar Gas Ltd.	0.28%	86.79	0.18%	4.77	0.00%	-	0.24%	4.77
Ratnagiri Refinery & Petrochemical Ltd.	0.12%	36.28	-0.19%	(4.99)	0.00%	-	-0.25%	(4.99)
IHB Pvt. Ltd.	0.08%	24.95	-0.05%	(1.30)	0.00%	-	-0.07%	(1.30)
Associates								
Mangalore Refinery and Petrochemicals Ltd.	3.48%	1,078.57	-21.54%	(568.49)	0.22%	(1.48)	-28.77%	(569.97)
GSPL India Gasnet Ltd.	0.31%	97.30	-0.15%	(3.96)	0.00%	(0.01)	-0.20%	(3.97)
GSPL India Transco Ltd.	0.16%	50.21	-0.18%	(4.75)	0.01%	(0.04)	-0.24%	(4.79)
Total	**100.00%**	**30,980.62**	**100.00%**	**2,638.73**	**100.00%**	**(657.82)**	**100.00%**	**1,980.91**

FOR AND ON BEHALF OF THE BOARD

Sd/-
Mukesh Kumar Surana
Chairman & Managing Director
DIN - 07464675

Sd/-
R Kesavan
Director Finance
DIN - 08202118

Sd/-
V Murali
Company Secretary

Date: June 16, 2020
Place: Mumbai

For R. Devendra Kumar & Associates
Chartered Accountants
Firm No. 114207W

Sd/-
Neeraj Golas
Partner
Membership No. 074392

For M. P. Chitale & Co.
Chartered Accountants
Firm No. 101851W

Sd/-
Anagha Thatte
Partner
Membership No. 105525

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures

Part “A”: Subsidiaries

(₹ / Crore)

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	28.10.1998	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.	-	-	20.60	-
4	Share capital	625.17	245.00	5.92	1,298.74
5	Reserves & surplus	(659.67)	(553.35)	(3.12)	(9.02)
6	Total assets	737.68	312.16	5.00	2,628.20
7	Total Liabilities	772.18	620.51	2.20	1,338.48
8	Investments	-	-	-	-
9	Turnover	300.23	66.14	1.46	-
10	Profit before taxation	(85.55)	(34.31)	(2.26)	1.34
11	Provision for taxation	-	-	-	-
12	Profit after taxation	(85.55)	(34.31)	(2.26)	1.34
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 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 - Nil

FOR AND ON BEHALF OF THE BOARD

Sd/-
Mukesh Kumar Surana
Chairman & Managing Director
DIN - 07464675

Sd/-
R Kesavan
Director Finance
DIN - 08202118

Sd/-
V Murali
Company Secretary

Date: June 16, 2020
Place: Mumbai

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "A" (₹ / Crore)

	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.^	HPOIL Gas Pvt. Ltd.	Godavari Gas Pvt. Ltd.
1	**Latest audited Balance Sheet date**	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2018	31.03.2020	31.03.2019
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	30.11.2018	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	27,43,33,672	4,36,50,000	1,60,00,000	6,00,00,000	1,60,74,643
	Amount of Investment in Joint Venture/ Associate	4.73	3,939.56	50.00	369.31	128.25	0.16	60.00	16.07
	Extent of Holding %	50.00%	48.99%	50.00%	50.00%	24.99%	16.00%	50.00%	26.00%
4	**Description of how there is significant influence**	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
5	**Reason why the Joint Venture/ Associate is not consolidated**	-	-	-	-	-	The Company is in the process of winding up.	-	-
6	**Networth attributable to Shareholding as per latest audited Balance Sheet***	195.01	4,905.79	120.74	442.21	86.79	0.42	58.36	14.93
7	**Profit/ Loss for the year 2019-20***								
	i. Considered in Consolidation	69.08	(32.12)	61.80	44.13	4.77	-	(1.40)	(0.65)
	ii. Not Considered in Consolidation	-	-	-	-	-	-	-	-

Figures based on Consolidated Financial Statements of the Company

^ Petronet India Ltd. is in the process of voluntary winding up w.e.f. August 30,2018. Networth presented above is as per management accounts as of August 30, 2018

* 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/-
R Kesavan
Director Finance
DIN - 08202118

Sd/-
V Murali
Company Secretary

Date: June 16, 2020
Place: Mumbai

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "B" (₹ / Crore)

	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.	IHB Pvt. Ltd.
1	**Latest audited Balance Sheet date**	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020
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	09.07.2019
3	**Shares of Joint Ventures/ Associate held by the Company on the year end**								
	Nos.	2,95,57,038	29,71,53,518	17,50,00,000	4,82,88,750	10,36,22,128	5,41,20,000	5,00,00,000	2,62,50,000
	Amount of Investment in Joint Venture/ Associate	50.02	471.68	175.00	48.29	103.62	54.12	50.00	26.25
	Extent of Holding %	49.99%	16.96%	50.00%	25.00%	11.00%	11.00%	25.00%	25.00%
4	**Description of how there is significant influence**	Shareholding	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***	116.95	1,078.57	172.93	86.84	97.30	50.21	36.28	24.95
7	**Profit/ Loss for the year 2019-20***								
	i. Considered in Consolidation	21.02	(568.49)	(0.17)	10.01	(3.96)	(4.75)	(4.99)	(1.30)
	ii. 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) HPCL Shapoorji Energy Pvt. Ltd.
   b) Ratnagiri Refinery & Petrochemicals Ltd.
   c) IHB Pvt. 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/-
R Kesavan
Director Finance
DIN - 08202118

Sd/-
V Murali
Company Secretary

Date: June 16, 2020
Place: Mumbai

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 2020

The preparation of consolidated financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 June 2020.

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 2020. 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 and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6) (b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit, Mumbai

Place: Mumbai
Date: 19 August 2020

Annexure I

Audit Conducted:

(A) Subsidiaries:

1. HPCL Biofuels Ltd. (HBL)

(B) Joint Ventures

1. Bhagyanagar Gas Ltd. (BGL)
2. Petronet MHB Ltd. (PMHBL)
3. Mumbai Aviation Fuel Farming Facility Pvt. Ltd. (MAFFFL)
4. HPCL Rajasthan Refinery Ltd. (HRRL)
5. HPOIL Gas Pvt. Ltd. (HOGPL)
6. Ratnagiri Refinery Petrochemicals Limited (RRPCL)
7. IHB Private Ltd. (IHBPL)

(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:

1. Prize Petroleum Company Ltd. (PPCL)

(B) Joint Ventures

1. Godavari Gas Pvt. Ltd. (GGPL)
2. Aavantika Gas Ltd. (AGL) (Non-review certificate issued)

(C) Associates:

NIL

Annexure III

Audit not applicable

(A) Subsidiaries:

1. HPCL Middle East FZCO (HMEFZCO)

(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

Note: Ujjwala Plus Foundation (a not for profit organization formed by IOCL, HPCL and BPCL) has not been considered for consolidation of the HPCL accounts, hence not indicated above.

Human Resource Accounting

The Human Resource is by far the best of the available resource to any Company. The Corporation considers Human dimension as the key to Organization's success. Several initiatives for development of Human Resource to meet new challenges in the competitive business environment have gained momentum. HPCL recognizes the value of Human Resource, as its employees are committed to achieve excellence in all spheres. The Corporation has a mix of energetic youth and experienced seniors who harmonize the efforts to achieve the Corporation's goals.

Over the years, the Corporation has been using 'Lev & Schwartz' model to compute the value of Human Resource. Basis this model, the value of Human Resource, which is immense, is measured at ₹ 38,318 Crore (2018-19: ₹ 34,794 Crore). The following assumptions have been factored in this computation:–

1. Employees' compensation is 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. Such future earnings are discounted @ 6.87% (2018-19: 7.76%).

Tables showing the value of Human Resource as of 31/03/2020 by using 'Lev & Schwartz' model

- **Age - Bucket Matrix**

Particulars	Age-buckets				Total
	18-30	31-40	41-50	Above 50	
No. of Employees	2,145	1,928	1,406	4,217	9,696
Management	1,884	1,652	806	1,556	5,898
Non-Management	261*	276	600	2,661	3,798
Average Age	26	35	47	55	44

*Includes 6 employees between the age of 18-20 years.

- **Accounting Human Resource**

(₹ / Crore)

Particulars	2019-20	2018-19#
Value of Human Resource		
Management Employees	31,535	28,175
Non-Management Employees	6,783	6,619
Total Human Resource	**38,318**	**34,794**
Human Resource vis-à-vis Total Resources		
Value of Human Resource	38,318	34,794
Net Operating Assets	39,377	35,904
Investments	12,512	11,819
Total Resources	**90,207**	**82,517**
Employee Cost	**3,193**	**2,937**
Profit before Tax (PBT)	**1,573**	**9,339**
Ratios (in %)		
Employee Cost to Human Resource	8.33	8.44
Human Resource to Total Resources	42.48	42.17
PBT to Human Resource	4.11	26.84

#Previous year's figures are regrouped/ reclassified, wherever necessary.

Joint Venture Companies as per Ind AS

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31st March, 2020		Nature of Operations
1.	HPCL-Mittal Energy Ltd.	13-12-2000	HPCL	48.99%	Refining of crude oil and manufacturing of petroleum products.
			Mittal Investments S.A.R.L.	48.99%	
			Indian Financial Institutions	2.02%	
2.	Hindustan Colas Pvt. Ltd.	17-07-1995	HPCL	50.00%	Manufacture and marketing of Bitumen Emulsions & Modified Bitumen.
			Colasie SA	50.00%	
3.	South Asia LPG Company Pvt. Ltd.	16-11-1999	HPCL	50.00%	Storage of LPG in underground cavern and associated receiving and dispatch facilities at Visakhapatnam.
			Total Holding India	50.00%	
4.	Petronet India Ltd.	26-05-1997	HPCL	16.00%	To act as nodal agency for developing identified and prioritized petroleum product pipelines in the Country. The company has commenced voluntary winding up on 30-08-2018.
			BPCL	16.00%	
			IOCL	18.00%	
			Financial / Strategic Investors	50.00%	
5.	Petronet MHB Ltd.	31-07-1998	HPCL	49.996%	Operation and maintenance of petroleum product pipeline between Mangalore-Hassan-Bengaluru.
			ONGC	49.996%	
			Others	0.008%	
6.	Bhagyanagar Gas Ltd.	22-08-2003	HPCL	48.73%	City Gas Distribution network in Hyderabad, Vijayawada and Kakinada in the state of Andhra Pradesh/ Telangana.
			GAIL	48.73%	
			Andhra Pradesh Industrial Infrastructure Corporation Ltd.	2.49%	
			Kakinada Seaports Limited	0.05%	
7.	Aavantika Gas Ltd.	07-06-2006	HPCL	49.99%	City Gas Distribution network in Indore, Ujjain and Gwalior in the state of Madhya Pradesh.
			GAIL	49.99%	
			Financial Institutions	0.02%	
8.	HPCL Shapoorji Energy Pvt. Ltd.	15-10-2013	HPCL	50.00%	To set up and operate an LNG Re-gasification Terminal at the greenfield port at Chhara (Gujarat).
			SP Ports Pvt. Limited	50.00%	
9.	Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	26-02-2010	HPCL	25.00%	To design, develop, construct and operate the aviation fuel facility at Chhatrapati Shivaji International Airport, Mumbai.
			IOCL	25.00%	
			BPCL	25.00%	
			Mumbai International Airport Pvt. Limited	25.00%	

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31st March, 2020		Nature of Operations
10.	Godavari Gas Pvt. Ltd.	27-09-2016	APGDC HPCL	74.00% 26.00%	City Gas Distribution network 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.	HPOIL Gas Pvt. Ltd.	30-11-2018	HPCL OIL	50.00% 50.00%	City Gas Distribution network in Ambala and Kurukshetra in the state of Haryana and Kolhapur in the state of Maharashtra.
14.	IHB Pvt. Ltd.	09-07-2019	IOCL BPCL HPCL	50.00% 25.00% 25.00%	To set up and operate cross country Kandla-Gorakhpur LPG Pipeline.

Associate Companies as per Ind AS

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31st March, 2020		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 and marketing 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 (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 31st March, 2020		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	100.00%	Trading in Lubricants & Grease, Petrochemicals and Refined Oil Products in Middle East and Africa.

Not for Profit Private Company Limited by Guarantee without Share Capital

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31st March 2020		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 Liquefied Petroleum Gas (LPG) connections to the women from the poor households and economically weaker section of the Society not covered under “Pradhan Mantri Ujwala Yojana” (“PMUY”) scheme of the Govt. of India.

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.

The Company has, inter-alia, a well-defined Policy framework for effective implementation of the Corporate Governance practices. These policies framework comprise the following:

a. Code of Conduct for Directors and Senior Management Personnel

b. Integrity Pact to enhance transparency in business operations

c. Public Grievance Redressal Mechanism

d. Whistle Blower Policy

e. Limits of Authority Manual

f. Procurement Manual

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 31-03-2020:

Category & Name of Director	Nos.
Whole Time Directors including C & MD Shri Mukesh Kumar Surana Shri Pushp Kumar Joshi Shri Vinod S Shenoy Shri R Kesavan Shri Rakesh Misri	5
Government Nominee Directors (Ex-Officio/Representative of ONGC) Shri Sunil Kumar Shri Subhash Kumar	2
Independent Directors Shri Amar Sinha Shri Siraj Hussain Shri G Rajendran Pillai	3

- Shri Sandeep Poundrik, has ceased to be Government Nominee Director of the Company effective 01-05-2019 on ceasing to be an Official of Administrative Ministry i.e. Ministry of Petroleum & Natural Gas.
- Shri Sunil Kumar, was appointed as Government Nominee Director of the Company effective 30-05-2019.
- Shri S Jeyakrishnan, has ceased to be Director - Marketing (Whole Time Director) of the Company effective 01-07-2019 on attaining the age of superannuation.
- Shri G Rajendran Pillai, was appointed as Independent Director of the Company effective 15-07-2019.
- Shri R Kesavan, was appointed as Director - Finance (Whole Time Director) of the Company effective 05-09-2019.
- Shri Rakesh Misri, was appointed as Director - Marketing (Whole Time Director) of the Company effective 17-10-2019.
- Smt. Asifa Khan & Shri G V Krishna, have ceased to be Independent Directors of the Company effective 13-02-2020, on completion of their tenure of office of 3 years on 12-02-2020.
- Dr. Trilok Nath Singh, has ceased to be Independent Director of the Company effective 20-03-2020, on completion of his tenure of office of 3 years on 19-03-2020.

2.2 Board Meetings:

Ten Board Meetings were held during the Financial Year 2019-2020, on the following dates:

22-04-2019	20-05-2019	25-06-2019
07-08-2019	04-09-2019	23-09-2019
17-10-2019	07-11-2019	12-01-2020
05-02-2020		

2.3 Particulars of Directors including their attendance at the Board/Shareholders Meeting & their Directorship in other Companies/Membership in Committees during the Financial Year 2019-2020:

Name of Director	Academic Qualification	No. of Board Meeting(s) held	No. of Board Meeting(s) attended	Attendance at the last AGM	Number of Directorship in other Companies (Note 1)	Details of Directorship in other Listed Companies (Regulation 17 A) of SEBI (LODR) Regulations, 2015	Details of Membership held in Audit / Stakeholders Relationship Committee including this Listed Entity Regulation 26 of the SEBI (LODR) Regulations, 2015 (Note 2)
WHOLE TIME DIRECTORS:							
Shri Mukesh Kumar Surana (DIN: 07464675)	B.E. (Mechanical), Masters in Financial Management	10	10	Yes	5	Nil	Nil
Shri Pushp Kumar Joshi (DIN: 05323634)	B.A., LLB, PG (PM&IR), XLRI Jamshedpur	10	08	Yes	2	Nil	Nil
Shri Vinod S Shenoy (DIN: 07632981)	B.E. (Chemical)	10	10	Yes	6	Mangalore Refinery and Petrochemicals Limited (Non-Executive Nominee Director)	Nil

Name of Director	Academic Qualification	No. of Board Meeting(s) held	No. of Board Meeting(s) attended	Attendance at the last AGM	Number of Directorship in other Companies (Note 1)	Details of Directorship in other Listed Companies (Regulation 17 A) of SEBI (LODR) Regulations, 2015	Details of Membership held in Audit / Stakeholders Relationship Committee including this Listed Entity Regulation 26 of the SEBI (LODR) Regulations, 2015 (Note 2)
Shri R Kesavan (Note 3) (DIN: 08202118)	ACA	05	05	NA	6	Nil	**Member, Audit Committee,** Hindustan Petroleum Corporation Limited **Member, Stakeholders Relationship Committee,** Hindustan Petroleum Corporation Limited
Shri Rakesh Misri (Note 4) (DIN: 07340288)	B.E. (Civil)	03	03	NA	4	Nil	Nil
Shri S Jeyakrishnan (Note 5) (DIN: 07234397)	B.A.	03	03	NA	3	Nil	Nil
NON-EXECUTIVE GOVERNMENT NOMINEE DIRECTORS:							
Shri Sunil Kumar (Note 6) (DIN: 08467559)	IRAS, Bachelor of Technology (Petroleum Energy) from IIT, Masters in Business Administration etc.	08	05	No	2	1. Mangalore Refinery and Petrochemicals Limited (Non-Executive Nominee Director) 2. Engineers India Limited (Non-Executive -Nominee Director)	Nil
Shri Subhash Kumar (DIN: 07905656)	M.Com, ICMAI, ACS	10	06	Yes	6	1. Oil and Natural Gas Corporation Limited (Executive Director) 2. Mangalore Refinery and Petrochemicals Limited (Non-Executive-Nominee Director)	**Member, Stakeholders Relationship Committee** Oil and Natural Gas Corporation Limited
Shri Sandeep Poundrik (Note 7) (DIN: 01865958)	B.E. (Electrical) IAS	01	01	NA	NA	Engineers India Limited (Non-Executive -Nominee Director)	Nil
INDEPENDENT DIRECTORS:							
Shri Amar Sinha (DIN: 07915597)	IFS	10	10	Yes	1	Nil	**Member, Audit Committee** Hindustan Petroleum Corporation Limited

Name of Director	Academic Qualification	No. of Board Meeting(s) held	No. of Board Meeting(s) attended	Attendance at the last AGM	Number of Directorship in other Companies (Note 1)	Details of Directorship in other Listed Companies (Regulation 17 A) of SEBI (LODR) Regulations, 2015	Details of Membership held in Audit / Stakeholders Relationship Committee including this Listed Entity Regulation 26 of the SEBI (LODR) Regulations, 2015 (Note 2)
Shri Siraj Hussain (DIN: 05346215)	IAS	10	09	Yes	2	Nil	**Member, Audit Committee** Hindustan Petroleum Corporation Limited **Member, Stakeholders Relationship Committee** Hindustan Petroleum Corporation Limited
Shri G Rajendran Pillai (Note 8) (DIN: 08510332)	B.A., M.A, LLB.	07	07	NA	Nil	Nil	**Member, Stakeholders Relationship Committee** Hindustan Petroleum Corporation Limited
Shri Ram Niwas Jain (Note 9) (DIN: 00671720)	B.E. (Mechanical)	08	08	Yes	Nil	Nil	**Chairman Audit Committee,** Hindustan Petroleum Corporation Limited
Smt. Asifa Khan (Note 10) (DIN: 07730681)	M.A. (English Literature)	10	09	Yes	Nil	Nil	**Chairman, Stakeholders Relationship Committee** Hindustan Petroleum Corporation Limited
Shri G V Krishna (Note 10) (DIN: 01640784)	B.Com, FCA	10	10	Yes	Nil	Nil	**Chairman, Audit Committee** Hindustan Petroleum Corporation Limited **Member, Stakeholders Relationship Committee** Hindustan Petroleum Corporation Limited
Dr. Trilok Nath Singh (Note 11) (DIN: 07767209)	Ph.D (IIT, BHU)	10	10	No		Nil	**Member, Audit Committee** Hindustan Petroleum Corporation Limited

Note 1: The Directorship held by Directors in other Companies as mentioned above includes Public and Private Limited Companies but do not include Companies registered under Section 8 of the Companies Act, 2013.

Note 2: The Chairmanship/Membership of Committee is considered only for Audit Committee and Stakeholders Relationship Committee.

Note 3: Shri R Kesavan was appointed as Director – Finance, Whole Time Director on the Board of the Company effective 05-09-2019. He was also appointed as Member of the Audit Committee and Stakeholders Relationship Committee effective 23-09-2019.

Note 4: Shri Rakesh Misri was appointed as Director – Marketing, Whole Time Director on the Board of the Company effective 17-10-2019.

Note 5: Shri S Jeyakrishnan, has ceased to be Director – Marketing, Whole Time Director of the Company effective 01-07-2019 on attaining the age of superannuation.

Note 6: Shri Sunil Kumar was appointed as Government Nominee Director on the Board of the Company effective 30-05-2019.

Note 7: Shri Sandeep Poundrik has ceased to be Government Nominee Director on the Board of the Company effective 01-05-2019 on ceasing to an official of Administrative Ministry i.e. MOP&NG.

Note 8: Shri G Rajendran Pillai was appointed as Independent Director on the Board of the Company effective 15-07-2019. He was also appointed as Member of the Stakeholders Relationship Committee effective 08-01-2020.

Note 9: Shri Ram Niwas Jain has ceased to be Independent Director of the Company effective 20-11-2019 on completion of term of re-appointment of 1 year on 19-11-2020. Consequently, he has also ceased to be Chairman of Audit Committee.

Note 10: Smt. Asifa Khan and Shri G V Krishna have ceased to be Independent Directors of the Company effective 13-02-2020 on completion of term of appointment of 3 years on 12-02-2020. Consequently, Smt. Asifa Khan has ceased to be Chairman, Stakeholders Relationship Committee & Shri G V Krishna has ceased to be Chairman of Audit Committee and Member of Stakeholders Relationship respectively.

Note 11: Dr. Trilok Nath Singh has ceased to be Independent Director of the Company effective 20-03-2020 on completion of term of appointment of 3 years on 19-03-2020. Consequently, he has also ceased to be Member of Audit Committee.

2.4 Shareholding of Non-Executive Directors:

None of the Non-Executive Directors are holding any shares or Convertible Instruments in the Company.

2.5 Profile of Directors:

Shri Mukesh Kumar Surana - (DIN 07464675)

Shri Mukesh Kumar Surana is Chairman & Managing Director of the Company 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 Masters Degree in Financial Management, Mr. Surana joined HPCL in the year 1982. During his career spanning over 38 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, Company 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 Director – Human Resources of the Company 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. Shri Pushp Joshi is a Doctorate in Human Resource Management, Post Graduate in Human Resource Management from XLRI, Jamshedpur and Bachelor of Law from Andhra University.

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. With over three decades of past experience in Human Resource and Industrial Relations, Shri Joshi has played a pivotal role in leading key transformational and strategic initiatives across HPCL such as Project Akshay, Akshaypath etc.

Shri Joshi has spearheaded Human Resource practices at HPCL with strong business focus and contemporary approaches for leadership development, capability building and productivity enhancement by leveraging technology. He helped in the development and shaping the Company's Culture and Values aligned to the Vision and provided support to the business and finance functions in the critical area of Human Resources.

Shri Vinod S Shenoy – (DIN 07632981)

Shri Vinod S Shenoy is Director – Refineries of the Company 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 34 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 are the tasks ahead.

Shri R Kesavan – (DIN 08202118) – From 05-09-2019

Shri R Kesavan took over as Director – Finance of the Company effective September 05, 2019. He is also the Chief Financial Officer (CFO) of the Company. Prior to his appointment as Director – Finance, Shri R Kesavan was Executive Director – Corporate Finance of the Company for over 4 years. He is an Associate Member of the Institute of Chartered Accountants of India (ICAI).

Shri Kesavan brings rich experience of over 3 decades in handling various areas of Finance covering Corporate Accounts, Audit, Treasury Management, Risk Management, Budgeting, Pricing, Corporate Strategy & Margin Management, Heads of Commercial in various Marketing SBUs etc.

He has various academic distinctions to his credit and is a key technical speaker in In-house Capability Building seminars & workshops. He has contributed articles of corporate interest in various publications.

Shri Rakesh Misri – (DIN 07340288) – From 17-10-2019

Shri Rakesh Misri took over as Director-Marketing of the Company on October 17, 2019. Prior to his appointment as Director-Marketing, Shri Misri was Executive Director-Marketing Co-ordination of the Company.

A Gold Medalist in Civil Engineering from REC Srinagar (now NIT Srinagar), Shri Misri has a rich and varied professional exposure of over 36 years in the Company. He has held various senior level positions in the organization as Head North Zone Retail, Executive Director-Direct Sales, Executive Director-Human Resources, Executive Director-Corporate Strategy & Business Development, and Executive Director-LPG.

He has various academic distinctions to his credit and is a key technical speaker in In-house Capability Building seminars and workshops.

Shri S Jeyakrishnan – (DIN 07234397) – Till 30-06-2019.

Shri S Jeyakrishnan was Director – Marketing of the Company till June 30, 2019. Prior to this, he was Executive Director – (Retail) of HPCL.

An alumni of Madras University, Mr. S Jeyakrishnan had joined HPCL in 1981 and has a rich and varied experience across the spectrum of Petroleum Marketing. He was known for his participative leadership style and believes in leading his teams from the front, consistently delivering high performance despite all odd situations.

During a career spanning over 36 years, he had 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 Programme of the Harvard Business School.

Shri Sunil Kumar - (DIN 08467559) – From 30-05-2019

Shri Sunil Kumar is a Government Nominee Director of the Company from May 30, 2019. He is IRAS (1995 batch) and is presently posted as Joint Secretary (Refineries), Ministry of Petroleum & Natural Gas, New Delhi since May 2019. He is a Bachelor of Technology (Petroleum Energy) from IIT(ISM), Dhanbad, Financial Management from NIFM, Faridabad, Masters in Business Administration from BI, School of Management, Oslo, Norway, Executive European MBA from ESCP-EAP, Paris, France, Masters Diploma in Public Administration from IIPA, New Delhi and Logistic Simulation and Planning from Beijing Jiaotong University, Beijing, China.

As Joint Secretary (Refineries), he is looking after the matters related to Refineries, Auto Fuel Policy, Petrochemicals, Import/export of crude oil and other petroleum products; Bio Fuels, Renewable Energy and Conservation, Integrated Energy Policy; Climatic Change & National Clean Energy Policy. Before joining MoP&NG, he has worked with Indian Railways in various capacities including Director Finance-Expenditure in Railway Board and Chief Project Manager of Accounting Reform Project of Indian Railways.

Shri Subhash Kumar - (DIN 07905656)

Shri Subhash Kumar is a Part-Time Director on the Board of the Company, nominated by Government of India as representative of ONGC from May 22, 2018. Mr. Subhash Kumar is Director (Finance) of ONGC effective January 31, 2018.

Prior to joining as Director (Finance), ONGC, Mr. Kumar served a brief stint with Petronet LNG Limited where he joined as Director (Finance) in August 2017.

Mr. Kumar is a Fellow Member of ICMAI and also Associate Member of ICSI. He is an alumni of Punjab University, Chandigarh, where he obtained his Bachelors degree and Masters degree in Commerce with Gold Medal.

Mr. Kumar joined ONGC in 1985 as Finance & Accounts Officer (F&AO). After initially working in Jammu and Dehradun, he had a long stint at ONGC Videsh, the overseas arm of ONGC. During his tenure with ONGC Videsh, Mr. Kumar was associated with key acquisitions and expansion of company's footprint from single asset company in 2001 into a company with global presence in 17 countries with 37 assets. He played a key role in evaluation and acquisition of many assets abroad by ONGC Videsh.

Shri Sandeep Poundrik – (DIN 01865958) – Till 01-05-2019

Shri Sandeep Poundrik was a Government Nominee Director on the Board of the Company effective October 16, 2014 and has ceased to be Director of the Company effective May 01, 2019.

As Joint Secretary (Refineries), Mr. Sandeep Poundrik was 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 Medal in B.E. (Electrical) and Masters in Public Administration in International Development from Harvard University. His publications include "Group Disaster Risk Financing: Case studies" & "Improving the resilience of livelihoods to natural disaster" published by the World Bank and "Leadership and Institutional Change in the Public Provision of Transport Infrastructure" "An analysis of India's Bihar" in the Journal of Development Studies.

Shri Amar Sinha – (DIN 07915597)

Shri Amar Sinha was appointed as an Independent Director on the Board of the Company 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 Minister 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) and Afghanistan (2013 to 2016).

During his last tenure in India (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 agencies such as UNCTAD, APTA, BIMSTEC, G20, IBSA, BRICS etc.

He retired from the Ministry of External Affairs, New Delhi in June 2017 where he was serving Secretary (Economic Relations) and oversaw all work related to India's economic relations and development partnership besides relations with countries in Africa, Gulf and West Asia.

He currently also serves as an Independent Director on the Board of IFFCO Tokio General Insurance and was appointed a Member of the National Security Advisory Board on January 01, 2019.

Shri Siraj Hussain - (DIN 05346215)

Shri Siraj Hussain was appointed as an Independent Director on the Board of the Company effective September 21, 2017.

He joined the IAS in 1979 and was allotted Uttar Pradesh Cadre. He served the Government of Uttar Pradesh in various capacities including Managing Director, UP State Industrial Development Corporation and Managing Director, UP Agro Industries Corporation. He was also posted in the State Secretariat in the Departments of Energy, Education and Panchayati Raj. For a brief while, he was Secretary to Chief Minister of UP.

In the Union Government, he was Joint Secretary and Additional 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.

He has also served as Union Secretary in the Ministry of Food Processing Industries and Agriculture, Cooperation and Farmers Welfare.

He retired from Government Service in January 2016.

Presently he is a Visiting Senior Fellow with ICRIER where he has been researching and writing on issues confronting Indian Agriculture. He publishes articles in the Indian Express, Financial Express, Mint, DNA, Firstpost, Business Today, Business World, the Wire, the Print and Down to Earth. He has published several research papers on Indian Agriculture.

Shri G Rajendran Pillai – (DIN 08510332) – From 15-07-2019

Shri G Rajendran Pillai was appointed as an Independent Director on the Board of the Company effective July 15, 2019.

Shri Rajendran Pillai hails from Kollam district. He has completed his B.A. and M.A. from SN College, Kollam and LLB from SP College of Chandrapur under Nagpur University.

He has worked with Income Tax Department and is currently practising as an Advocate in District Court of Kollam.

Shri Ram Niwas Jain – (DIN 00671720) – Till 19-11-2019

Shri Ram Niwas Jain has ceased to be an Independent Director of the Company effective November 20, 2019 on completion of term of re-appointment of one year on November 19, 2019.

Mr. Jain was B.E. (Mechanical) from Motilal Nehru Regional Engineering College, Allahabad. He was 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 for fighter aircrafts mainly, indigenization work for Indian Airforce and various Divisions of Hindustan Aeronautics Ltd. for more than 35 years. M/s. B.P. Engineers Pvt. Ltd., has been awarded "Excellence in Aerospace Indigenization" from SAITI. He was an Independent Director on the Board of two nationalized banks, Allahabad Bank and UCO Bank. He was an Independent Director in M/s. Universal Sompo General Insurance Co. Ltd. He was president of Entrepreneurs' Association of Scooters India Ancillary Units, Amausi, Lucknow. Mr. Jain was doing a lot of social work in the field of Leprosy, welfare and rehabilitation of Tribal children.

Smt. Asifa Khan – (DIN 07730681) – Till 12-02-2020

Smt. Asifa Khan has ceased to be an Independent Director of the Company effective February 13, 2020 on completion of term of appointment of 3 years on February 12, 2020.

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) – Till 12-02-2020

Shri G V Krishna has ceased to be an Independent Director of the Company effective February 13, 2020 on completion of term of appointment of 3 years on February 12, 2020.

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 over 3 decades including many large Private organizations and Public Sector Banking entities. Shri G V Krishna is also a Founder Trustee of the Forward Foundation which focusses 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) – Till 19-03-2020

Dr. Trilok Nath Singh has ceased to be an Independent Director of the Company effective March 20, 2020 on completion of term of appointment of 3 years on March 19, 2020.

Dr. Trilok Nath Singh is Institute Geoscience Chair Professor in IIT, Bombay. He has made innovative and substantial contribution in several fields of Geosciences. He is well known in the area of Engineering Geology, Rock mechanics on account of his pioneer work in Rock-Mechanics and Petrophysics, 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 among the earth scientists and engineers. He has made prominent contribution to the design of blast for improved fragmentation. He has established Equivalent Material Modelling technique for simulating various Geo-mining problems to resolve some of the outstanding problem for optimum resource recovery.

He has received several 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 from reputed publishers from India and abroad. He is a Member of various Government Committees set up by the Department of Science & Technology, BARC, Ministry of Commerce, Ministry of Railways etc.

2.6 A Chart or a matrix setting out the skills/ expertise / competence of the Board of Directors specifying the following:

Hindustan Petroleum Corporation Limited, being a Government Company, under the administrative control of Ministry of Petroleum & Natural Gas (MOP&NG), the power to appoint Directors (including Independent Directors) vests with Government of India. The Functional Directors having specified skills/expertise/ competencies in the context of Company's business and sector to function effectively are selected by Public Enterprises Selection

Board (PESB), a high powered body constituted by Government of India and appointed by Ministry of Petroleum & Natural Gas as duly approved by Appointments Committee of Cabinet. Independent Directors are selected by Search Committee constituted by Government of India from a mix of eminent personalities having requisite expertise & experience in diverse fields. In view thereof, the list of core skills / expertise / competencies required by a Director in the context of company's business, as required under SEBI (LODR) has not been identified separately.

2.7 It is hereby confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management. Being a Government Company, all the Directors on the Board of the Company are appointed by the Government.

2.8 No Independent Director has resigned during the Financial Year 2019-2020 before the expiry of his tenure.

2.9 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 on March 16, 2020.

2.10 The Company is nominating Independent Directors to the Familiarization Programs and other Corporate Programs from time to time. The details of familiarization programs provided to the Independent Directors are also hosted on the website of the Company. Web link where details of familiarization programs imparted to Independent Directors:

http://www.hindustanpetroleum.com/stock_exchange2019

2.11 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.

COMMITTEES OF THE BOARD:

There are 6 Board Sub-Committees as on March 31, 2020 which comprises 5 Statutory Committees and 1 Non Statutory Committee, details of which are as follows:

3. AUDIT COMMITTEE:

The Audit Committee comprises Independent Directors and Whole Time Director as Members.

The Composition, Attendance of Members of the Audit Committee: (From 01-04-2019 onwards):

Sr. No.	Name of the Director	Designation	Type of Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
1.	Shri G V Krishna (Note 1)	Member/ Chairman	Independent Director	8	8	100
2.	Dr. Trilok Nath Singh (Note 2)	Member	Independent Director	8	8	100
3.	Shri Amar Sinha (Note 3)	Member/ Chairman	Independent Director	8	8	100
4.	Shri Siraj Hussain (Note 4)	Member	Independent Director	2	2	100
5.	Shri R Kesavan (Note 5)	Member	Whole Time Director	4	4	100
6.	Shri Mukesh Kumar Surana (Note 6)	Member	Whole Time Director	4	4	100
7.	Shri Ram Niwas Jain (Note 7)	Chairman	Independent Director	6	6	100

Note 1 : Earlier Member of the Audit Committee, appointed as Chairman of the Committee effective 08-01-2020. Ceased to be Director of the Company and consequently Chairman of the Committee effective 13-02-2020.

Note 2 : Ceased to be Director of the Company and consequently Member of the Committee effective 20-03-2020.

Note 3 : Earlier Member of the Committee, appointed as Chairman of the Committee effective 19-05-2020.

Note 4 : Appointed as Member of the Committee effective 08-01-2020.

Note 5 : Appointed as Member of the Committee effective 23-09-2019. In addition, also attended 4 Meetings being an Invitee as CFO effective 01-03-2019.

Note 6: Ceased to be Member of the Committee effective 23-09-2019.

Note 7: Ceased to be Director of the Company and consequently Chairman of the Committee effective 20-11-2019.

The terms of reference of the Audit Committee are as provided under Section 177 of the Companies Act, 2013 and under Part C of Schedule II of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable DPE guidelines on Corporate Governance applicable to Central Public Sector Enterprises (CPSE).

The Committee at the Meeting held on 15-06-2020 reviewed the Financial Statements for the Financial Year 2019-2020 before the said Financial Statements were adopted by the Board.

Dates of Audit Committee Meetings held during Financial Year 2019-2020:

20-05-2019	25-06-2019	07-08-2019	23-09-2019
21-10-2019	06-11-2019	24-01-2020	05-02-2020

4. NOMINATION AND REMUNERATION COMMITTEE:

The Board has constituted the Nomination and Remuneration Committee to look into various aspects including Remuneration as well as Compensation and Benefits for the employees. The terms of reference of Nomination and Remuneration Committee is as prescribed under Section 178 of the Companies Act, 2013 except to the extent of exemptions granted to Government Companies and as provided under Part D of Schedule II of Regulation 19 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The remuneration of the Whole Time Functional Directors and other officers is fixed by the Government of India in view of the fact that the Company is a Government Company as per Section 2 (45) of the Companies Act, 2013.

The Composition, Attendance of Members of the Nomination and Remuneration Committee : (From 01-04-2019 onwards):

Sr. No.	Name of the Director	Designation	Type of Director	No. of Meeting Held	No. of Meeting attended	% of Attendance
1.	Dr. Trilok Nath Singh (Note 1)	Chairman	Independent Director	1	1	100
2.	Smt. Asifa Khan (Note 2)	Member	Independent Director	1	1	100
3.	Shri G Rajendran Pillai (Note 3)	Member/ Chairman	Independent Director	NA	NA	NA
4.	Shri Pushp Kumar Joshi	Permanent Invitee	Whole Time Director	1	1	100
5.	Shri Siraj Hussain (Note 4)	Member	Independent Director	1	1	100

Note 1: Ceased to be Director of the Company and consequently Chairman of the Committee effective 20-03-2020.

Note 2: Ceased to be Director of the Company and consequently Member of the Committee effective 13-02-2020.

Note 3: Appointed as Member of the Committee effective 08-01-2020 and also Chairman of the Committee effective 19-05-2020.

Note 4: Ceased to be Member of the Committee effective 08-01-2020.

Date of Nomination and Remuneration Committee Meeting(s) held during Financial Year 2019-2020:

16-10-2019

5. RISK MANAGEMENT COMMITTEE:

The Board has constituted the Risk Management Steering Committee (RMSC), to review the Risk Management and minimization procedure in the Company.

The Composition, Attendance of Members of the Risk Management Committee: (From 01-04-2019 onwards):

Sr. No.	Name of the Director	Designation	Type of Director	No. of Meeting Held	No. of Meeting attended	% of Attendance
1.	Shri Mukesh Kumar Surana	Chairman	Whole Time Director	1	1	100
2.	Shri Pushp Kumar Joshi	Member	Whole Time Director	1	1	100
3.	Shri Vinod S Shenoy	Member	Whole Time Director	1	1	100
4.	Shri R Kesavan (Note 1)	Member	Whole Time Director	1	1	100
5.	Shri Rakesh Misri (Note 2)	Member	Whole Time Director	1	1	100

Note 1: Appointed as Director Finance and also as Member of the Committee effective 05-09-2019.

Note 2: Appointed as Director Marketing and also as Member of the Committee effective 17-10-2019.

Date(s) of Risk and Management Committee Meeting(s) held during Financial Year 2019-2020:

27-05-2020

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholders Relationship Committee comprising Independent Directors and Whole Time Director as Members. The Company Secretary is the Compliance Officer.

The Role of the Committee shall be such as provided in Part D of Schedule II forming part of Regulation 20 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition, Attendance of Members of the Stakeholders Relationship Committee: (From 01-04-2019 onwards):

Sr. No.	Name of the Director	Designation	Type of Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
1.	Smt. Asifa Khan (Note 1)	Chairman	Independent Director	2	2	100

Sr. No.	Name of the Director	Designation	Type of Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
2.	Shri Siraj Hussain (Note 2)	Member/ Chairman	Independent Director	2	2	100
3.	Shri G Rajendran Pillai (Note 3)	Member	Independent Director	NA	NA	NA
4.	Shri R Kesavan (Note 4)	Member	Whole Time Director	1	1	100
5.	Shri Mukesh Kumar Surana (Note 5)	Member	Whole Time Director	1	1	100
6.	Shri G V Krishna (Note 6)	Member	Independent Director	2	2	100

Note 1 : Ceased to be Director of the Company and consequently Chairman of the Committee effective 13-02-2020.

Note 2 : Earlier Member of the Committee, appointed as Chairman of the Committee effective 19-05-2020.

Note 3 : Appointed as Member of the Committee effective 08-01-2020.

Note 4 : Appointed as Member of the Committee effective 23-09-2019. In addition, also attended one Meeting being Invitee, as CFO, effective 01-03-2019.

Note 5 : Ceased to be Member of the Committee effective 23-09-2019.

Note 6 : Ceased to be Member of the Committee effective 08-01-2020.

The Committee also reviews the status of Investors' Grievances and other important matters of investors' interest.

Dates of Stakeholders Relationship Committee Meeting(s) held during Financial Year 2019-2020:

25-06-2019	07-11-2019

7. 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 Independent Director 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, Attendance of Members of the CSR & SD Development Committee : (From 01-04-2019 onwards):

Sr. No.	Name of the Director	Designation	Type of Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
1.	Shri Amar Sinha (Note 1)	Member/ Chairman	Independent Director	5	5	100
2.	Smt. Asifa Khan (Note 2)	Member	Independent Director	1	1	100
3.	Shri G V Krishna (Note 3)	Chairman/ Member	Independent Director	5	5	100
4.	Dr. Trilok Nath Singh (Note 4)	Member	Independent Director	5	5	100
5.	Shri Pushp Kumar Joshi	Member	Whole Time Director	5	3	60
6.	Shri Vinod S Shenoy	Member	Whole Time Director	5	5	100

Sr. No.	Name of the Director	Designation	Type of Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
7.	Shri Rakesh Misri (Note 5)	Member	Whole Time Director	1	1	100
8.	Shri Ram Niwas Jain (Note 6)	Member	Independent Director	4	4	100
9.	Shri S Jeyakrishnan (Note 7)	Member	Whole Time Director	2	2	100

Note 1: Earlier Member, appointed as Chairman of the Committee effective 08-01-2020.

Note 2: Appointed as Member of the Committee effective 08-01-2020. Ceased to be Director of the Company and consequently Member of the Committee effective 13-02-2020.

Note 3: Ceased to be Director of the Company and consequently Member of the Committee effective 13-02-2020.

Note 4: Ceased to be Director of the Company and consequently Member of the Committee effective 20-03-2020.

Note 5: Appointed as Member of the Committee effective 07-11-2019.

Note 6: Ceased to be Director of the Company and consequently Member of the Committee effective 20-11-2019.

Note 7: Ceased to be Director of the Company and consequently Member of the Committee effective 01-07-2019.

Dates of CSR & SD Committee Meeting(s) held during Financial Year 2019-2020:

20-05-2019	25-06-2019	23-09-2019	06-11-2019
24-01-2020			

8. INVESTMENT COMMITTEE:

The Board has constituted an Investment Committee comprising Independent Directors and Whole Time Director as Members to review the investment in the projects of higher value before seeking approval of the Board.

The Composition, Attendance of Members of the Investment Committee: (From 01-04-2019 onwards):

Sr. No.	Name of the Director	Designation	Type of Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
1.	Shri Siraj Hussain (Note 1)	Member/ Chairman	Independent Director	5	5	100
2.	Shri G V Krishna (Note 2)	Member	Independent Director	1	1	100
3.	Shri Amar Sinha	Member	Independent Director	5	5	100
4.	Shri R Kesavan (Note 3)	Member	Whole Time Director	2	2	100
5.	Shri Ram Niwas Jain (Note 4)	Chairman	Independent Director	4	4	100
6.	Shri Mukesh Kumar Surana (Note 5)	Member	Whole Time Director	3	3	100
7.	Smt. Asifa Khan (Note 6)	Member	Independent Director	5	4	80

Note 1: Earlier Member, appointed as Chairman of the Committee effective 08-01-2020.

Note 2: Appointed as Member of the Committee effective 08-01-2020. Ceased to be Director of the Company and also as Member of the Committee effective 13-02-2020.

Note 3: Appointed as Member of the Committee effective 23-09-2019. In addition, also attended 3 Meetings as an Invitee, being CFO, from 01-03-2019.

Note 4: Ceased to be Director of the Company and also as Chairman of the Committee effective 20-11-2019.

Note 5: Ceased to be a Member of the Committee effective 23-09-2019.

Note 6: Ceased to be a Member of the Committee effective 08-01-2020.

Dates of Investment Committee Meeting(s) held during Financial Year 2019-2020:

20-05-2019	07-08-2019	16-09-2019	06-11-2019
11-01-2020			

9. 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 Board 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 2019-2020 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	Vinod S Shenoy	R Kesavan (Note 1)	Rakesh Misri (Note 2)	S Jeyakrishnan (Note 3)	
1	Gross Salary	75.44	64.90	62.37	38.04	35.41	81.92	358.07
	(a) Salary as per provisions contained in Sec. 17(1) of the Income Tax Act, 1961	65.57	55.68	61.03	30.60	35.01	71.70	319.60
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	9.87	9.22	1.34	7.44	0.40	10.22	38.47
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-

Sr. No.	Particulars of Remuneration	Name of Chairman & Managing Director / Whole Time Directors						Total
		Mukesh Kumar Surana	Pushp Kumar Joshi	Vinod S Shenoy	R Kesavan (Note 1)	Rakesh Misri (Note 2)	S Jeyakrishnan (Note 3)	
4	Commission - as % of profit (Others, specify)	-	-	-	-	-	-	-
5	Others: (PF, DCS, House Perks tax etc.)	9.11	8.72	6.48	4.11	2.58	2.27	33.28
	Total	84.55	73.62	68.85	42.15	37.99	84.19	391.35
	Ceiling as per the Act	Provisions of Section 197 of the Companies Act 2013 with respect to overall maximum Managerial Remuneration is not applicable to the Company, being a Government Company as per MCA Notification dated June 5, 2015.						

Note 1: Appointed as Director of the Company effective 05-09-2019. Hence, remuneration shown is for the period from 05-09-2019 to 31-03-2020.

Note 2: Appointed as Director of the Company effective 17-10-2019. Hence, remuneration shown is for the period from 17-10-2019 to 31-03-2020.

Note 3: Ceased to be Director of the Company from 01-07-2019. Hence, remuneration shown is for the period from 01-04-2019 to 30-06-2019, which includes retirement benefits.

Notes:

1. Performance linked incentives are payable to the Whole Time Directors as employees of the Company as per the policy applicable to all executives of the Company.
2. During the year, no Stock Options were issued by the Company to Whole Time Directors.
3. The terms of appointment of the Whole Time Directors, as issued by the Government of India, provides for 3 months notice period or salary in lieu thereof for severance of service.

10. SITTING FEES FOR THE FINANCIAL YEAR 2019-2020:

The details of Sitting Fees paid to Independent Directors for the Financial Year 2019-2020 for attending the Board / Board Sub-Committees Meetings are given below:

(In ₹ Lakh)

	Ram Niwas Jain	Asifa Khan	G V Krishna	Trilok Nath Singh	Amar Sinha	Siraj Hussain	G Rajendran Pillai
Details of Meeting							
Board	3.20	3.60	4.00	4.00	4.00	3.60	2.80
Audit Committee	1.80	-	2.40	2.40	2.40	0.60	-
Nomination & Remuneration Committee	-	0.30	-	0.30	-	0.30	-
Stakeholders Relationship Committee	-	0.60	0.60	-	-	0.60	-
Investment Committee	1.20	1.20	0.30	-	1.50	1.50	-
CSR & SD Committee	1.20	0.30	1.50	1.50	1.50	-	-
Independent Directors	-	-	-	0.30	0.30	0.30	0.30
Total Sitting Fees Paid	**7.40**	**6.00**	**8.80**	**8.50**	**9.70**	**6.90**	**3.10**

11. REFERENCES & INVESTORS COMPLAINTS RECEIVED AND REPLIED DURING 2019-2020:

Sr. No.	Nature of Correspondence	References	Complaints	Total
1.	Number of Shareholders references / complaints received	3749	27	3776
2.	Number not solved to the satisfaction of Shareholders	0	0	0
3.	Number of pending references / complaints as on March 31, 2020	39	0	39

12. 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 Company including 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:

a) All Whole-Time Directors

b) All Non-Whole Time Directors including Independent Directors and

c) Senior Management Personnel.

This code would be read in conjunction with the Conduct, Discipline & Appeal Rules for Officers applicable to Whole Time Directors and Senior Management Personnel.

All the Board Members and Senior Management Personnel have provided the Annual Compliance Certificate duly signed by them as on March 31, 2020.

13. RIGHT TO INFORMATION ACT, 2005:

The Right to Information Act, 2005 (RTI) which became effective October 12, 2005, is complied with by the Company. The Company has hosted detailed information on its website www.hindustanpetroleum.com and update the same from time to time. Officers across the country, representing different departments, have been appointed as Public Information Officers and Appellate Authorities to deal with the queries received from the Indian Citizens under RTI.

14. INTEGRITY PACT:

The Company 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 Company effective September 01, 2007 for contracts of ₹ 1 Crore and above. The Integrity Pact has now become a part of tender documents to be signed by the Company and by the vendor(s) / bidder (s).

The references received from the Vendors are placed before the Independent External Monitors (IEM) for their review and recommendation of their decision to the Management for compliance. Meetings of the IEMs are also held to brief on the Purchase Processes followed by the Company.

15. SHARES DEPARTMENT ACTIVITIES:

The Company has a Shares Department reporting to the Company Secretary. The Department monitors the activities of R&T Agents M/s. Link Intime India Pvt. Ltd., and looks into the issues of shareholders such as Share Transfers, Demat, Remat, Issue of Duplicate Share Certificate, Transmission and other important matters which are approved by the Share Transfer Committee. The Department also carries various activities in-house such as Compliances under IEPF Rules, 2016, Dividend Reconciliation, Dividend Audits, Filing On-line Statutory Compliances on BSE Limited ("BSE")/National Stock Exchange of India Limited ('NSE"), Responding to Grievances of shareholders received through statutory bodies, etc.

The Company has 2,54,887 shareholders as on 31-03-2020. It regularly interacts with the shareholders through e-mails, letters, during AGM, Investors' Meets, wherein the activities of the Company, its performance and its plans are shared with the Shareholders.

The Company has been taking appropriate steps to ensure that Shareholders' queries are given top priority and all references / representations are resolved at the earliest which are received through various modes like emails received from hpclinvestors, Corporate HQO, direct emails from shareholders, day to day physical letters etc.

The quarterly results are published in English and Vernacular newspapers. The Financial and other details are also posted on the Company's website viz. www.hindustanpetroleum.com

The Company Secretary of the Company is the Compliance Officer in terms of the requirements of Stock Exchanges.

16. GENERAL BODY MEETINGS:

16.1 Location and time of the last three Annual General Meetings held:

Year	Location	Date	Time
2018-2019	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratisthan, Gen. Jagannatharao Bhosale Marg, Mumbai – 400 021	21-08-2019	11.00 a.m.
2017-2018	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratisthan, Gen. Jagannatharao Bhosale Marg, Mumbai – 400 021	30-08-2018	11.00 a.m.
2016-2017	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratisthan, Gen. Jagannatharao Bhosale Marg, Mumbai – 400 021	15-09-2017	11.00 a.m.

16.2 Whether any Special Resolutions passed in the previous 3 AGM ?

At the 65th Annual General Meeting which was held on September 15, 2017, one Special Resolution was passed approving Borrowing of Funds upto ₹ 6,000 Crores through Issue of Debentures / Bonds etc.

At the 66th Annual General Meeting which was held on August 30, 2018, one Special Resolution was passed for approving Borrowing of Funds upto ₹ 12,000 Crores through issue of Debentures / Bonds / Notes etc.

At the 67th Annual General Meeting which was held on August 21, 2019, no Special Resolution was passed.

16.3 Whether any Special Resolutions passed last year through Postal Ballot?

No Approval of Shareholders was sought by means of Postal Ballot during the Financial Year 2019-2020.

16.4 Person who conducted the Postal Ballot Exercise:

Not Applicable

16.5 Whether any special resolution is proposed to be conducted through Postal Ballot:

For the year 2020-2021, Special Resolution through Postal Ballot if any, will be passed 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. 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 and Yearly Financial Results:**

The quarterly unaudited financial results and 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 IDs for e-communications.

ii) **Website:**

The Company's Corporate Website www.hindustanpetroleum.com provides separate sections 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 www.hindustanpetroleum.com

iv) **Annual Report:**

Annual Report for 2019-20 is circulated to shareholders and other members entitled thereto. The Management Discussion & Analysis Report is part of the Annual Report.

v) **E-mails:**

The Annual Reports, ECS Intimations on credit of the Dividends, E-Voting / Postal Ballot communications are sent through e-mail to the shareholders who have registered their e-mail IDs for e-communications.

vi) **Correspondence 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 Final Dividend of 2018-2019 were sent.
- Inland Letters were sent to shareholders for claiming their unpaid / unclaimed dividends of last seven years.

Unclaimed Dividend and Shares transferred to IEPF Authority:

As per Section 124 (5) of the Companies Act, 2013, the unpaid/unclaimed dividend in the "Unpaid Dividend Account", for a period of 7 years, has to be transferred, to "Investor Education & Protection Fund" (IEPF) established by Government. The dividend declared @ 85% for the year 2011-12 on 18-09-2012 became due to be transferred to IEPF this year. Accordingly, unclaimed/unpaid dividend amount of the year 2011-12 was transferred to IEPF Authority.

Pursuant to Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 as amended from time to time, the shares in respect of which dividend has not been paid or claimed for a period of seven consecutive years or more are required to be transferred by the Company to IEPF Authority. Accordingly, as prescribed under MCA Notifications, all the required actions were taken and the shares were transferred to IEPF Authority as summarised below :

Category	No. of Records	No. of Shares transferred
NSDL Account	69	5233
CDSL Account	32	472
Physical Account	95	19375
Total	**196**	**25080**

18. GENERAL SHAREHOLDER INFORMATION:

18.1 68th Annual General Meeting:

Date and Time : September 16, 2020 at 11.00 A.M.

Venue : Through Video Conferencing

18.2 Financial Calendar for FY 2020-21:

Financial Reporting for Quarter ending 30-06-2020 - End July / Mid-August 2020

Financial Reporting for Quarter ending 30-09-2020 - End October / Mid November 2020

Financial Reporting for Quarter ending 31-12-2020 - End January / Mid February 2021

Financial Reporting for Quarter ending 31-03-2021 - End May 2021

Annual General Meeting for year ending 31-03-2021 - August 2021

18.3 Book Closure Date(s) for Final Equity Dividend: July 06, 2020 to July 10, 2020 (Both days inclusive).

18.4 Dividend Payment Date:

The Final Dividend of ₹ 9.75 per Equity Share (97.5%) as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible Members/Beneficial Owners within the stipulated period of 30 days after the AGM, as provided under the Companies Act, 2013.

18.5 Listing on Stock Exchanges as of 31-03-2020:

i. BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

ii. National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra East,
Mumbai – 400 051

18.6 Listing Fees: Listing Fees for Financial Year 2020-2021 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
2019-20	333.45	155.00	333.50	150.00
2018-19	370.00	163.45	370.00	163.00
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

Performance in Comparison to Broad Based Indices

AS ON	HPCL Share (₹)	BSE SENSEX	NSE NIFTY
31-03-2020	190.15	29468.49	8597.75
31-03-2019	283.50	38672.91	11623.90
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

HPCL Share Price Monthly Data

BSE LIMITED					NATIONAL STOCK EXCHANGE OF INDIA LIMITED				
Month	High (₹)	Low (₹)	Close (₹)	Volume (Qty)	Month	High (₹)	Low (₹)	Close (₹)	Volume (Qty)
Apr-19	294.75	246.10	290.35	7,656,566	Apr-19	294.85	246.00	291.25	134,468,677
May-19	331.75	259.95	324.15	8,629,777	May-19	332.00	260.00	324.25	166,499,878
Jun-19	333.45	283.45	289.85	4,675,564	Jun-19	333.50	283.35	290.05	94,870,189
Jul-19	301.05	250.00	266.05	5,931,102	Jul-19	301.25	249.95	266.05	103,459,751
Aug-19	268.95	223.95	260.10	5,694,078	Aug-19	269.20	223.75	260.15	87,447,509
Sep-19	312.50	244.35	301.10	10,789,802	Sep-19	312.70	244.25	301.70	168,132,499
Oct-19	329.25	298.00	325.15	7,460,158	Oct-19	328.75	298.15	325.25	127,162,428
Nov-19	327.25	280.65	282.35	6,295,765	Nov-19	327.45	280.55	282.60	96,747,385
Dec-19	283.80	258.00	264.45	4,460,335	Dec-19	283.95	257.85	264.50	63,925,349
Jan-20	270.45	231.20	232.45	4,822,491	Jan-20	270.65	231.35	232.45	104,702,192
Feb-20	244.90	194.60	197.60	3,734,520	Feb-20	245.00	194.50	197.55	79,461,572
Mar-20	226.60	155.00	190.15	7,440,685	Mar-20	226.85	150.00	190.10	178,445,607

Per Share and Related Data:

		2019-20	2018-19	2017-18	2016-17	2015-16
Per Share Data	Unit					
EPS (Note)	₹	17.31	39.56	41.72	40.74	24.45
CEPS (Note)	₹	30.23	63.02	62.54	61.51	46.70
Dividend	₹	9.40	9.00	15.60	44.90	43.00
Book Value	₹	190.06	184.90	157.16	200.29	530.66
Share Related Data	Unit					
Dividend Payout	%	54.31	22.75	36.52	56.01	39.08
Price to Earning *	Multiple	10.99	7.17	8.25	12.90	32.13
Price to Cash Earning *	Multiple	6.29	4.50	5.50	8.54	16.82
Price to Book Value	Multiple	1.00	1.53	2.19	2.62	1.48
* Based on March 31, closing price (BSE)		190.15	283.50	344.15	525.45	785.55

Note : EPS for earlier periods presented have been recalculated in accordance with Ind AS 33 "Earnings Per Share".

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 despatched within stipulated period from the date of receipt.

The number of shares transferred during the last two financial years:

2019-2020: 1,06,252 Shares

2018-2019: 1,68,625 Shares

The Securities and Exchange Board of India vide gazette notification dated June 8, 2018 and vide its press release dated December 3, 2018, amended Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has mandated that the transfer of securities would be carried out in dematerialised form only w.e.f. April 1, 2019. Further, SEBI vide its press release dated March 27, 2019 clarified that the transfer deeds lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 1, 2019.

18.11 Dematerialisation of Shares and Liquidity:

The total number of shares dematerialised as on 31-03-2020 is 151,83,27,612 representing 99.64% of paid up equity share capital. Trading in Equity Shares of the Company is permitted only in dematerialised 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.

18.13 Plant Locations:

The Corporation has 02 Refineries located at Mumbai and Visakhapatnam. It has 133 Regional Offices, 43 Terminals/Tap Off Points, 41 Depots, 50 LPG Bottling Plants, 06 Lube Blending Plants, 16476 Retail Outlets, 44 ASFs, 1638 SKO/LDO Dealers, 6110 LPG Distributors located all over the country.

18.14 The Company commands international long term issuer rating of "BBB" with "Stable" outlook from Fitch Ratings, and "Baa2" with "Negative" outlook from Moody's Investors Services. Both ratings are at par with sovereign rating. During the year, Moody's Investors Services revised its outlook on India's "Baa2" sovereign rating from "Stable" to "Negative"; since the rating of the Company is aligned to India's sovereign rating, Moody's Investors Services, while maintaining the rating of Company at "Baa2", revised the outlook on Company's rating from "Stable" to "Negative" in line with its changed outlook on India.

The Company continues to command highest domestic rating for long term ("AAA" with "Stable" outlook) and short term ("A1+") facilities from CRISIL, India Rating and Research Limited and ICRA.

18.15 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

18.16 Distribution Schedule as on 31-03-2020

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	1657	421779	211393	25691849	213050	26113628	83.59	1.71
501-1000	3509	2316266	18600	13685870	22109	16002136	8.67	1.05
1001-5000	1384	2335985	15161	30906271	16545	33242256	6.49	2.18
5001-10000	20	132758	1440	10168190	1460	10300948	0.57	0.68
10001 & above	2	288225	1721	1437875432	1723	1438163657	0.68	94.38
TOTAL	**6572**	**5495013**	**248315**	**1518327612**	**254887**	**1523822625**	**100.00**	**100.00**

18.17 Shareholding Pattern:

CATEGORY	As on 31-03-2020			As on 31-03-2019		
	No. of Holders	Shares held	% of total issued shares	No. of Holders	Shares held	% of total issued shares
Oil and Natural Gas Corporation Ltd.	1	778845375	51.11	1	778845375	51.11
Financial Institutions	28	51952904	3.41	30	70846608	4.65

CATEGORY	As on 31-03-2020			As on 31-03-2019		
	No. of Holders	Shares held	% of total issued shares	No. of Holders	Shares held	% of total issued shares
FII/OCBs	615	270026078	17.72	615	283370853	18.60
Banks	10	2658733	0.17	13	4071031	0.27
Mutual Funds (Includes Alternate Investment Funds)	191	231226883	15.17	153	185535540	12.18
Foreign Nationals (includes NRI, NRI-Repat, Individuals)	7041	5038285	0.33	6632	5101440	0.33
Employees (Physical)	365	607271	0.04	398	686383	0.04
Others	246636	183467096	12.05	246230	195365395	12.82
TOTAL	**254887**	**1523822625**	**100.00**	**254072**	**1523822625**	**100.00**

19. OTHER DISCLOSURES:

19.1 During the Financial Year 2019-2020, 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 these Directors.

19.2 As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company 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 2019-2020 were approved by the Audit Committee/Board.

19.3 As required under 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Dividend Distribution Policy and the same is hosted on the website of the Company and can be accessed with the following link http://www.hindustanpetroleum.com/Policies

19.4 It may be noted that effective 20-11-2019, HPCL is non-compliant of provisions of Regulation 17 (1) (b) of SEBI (LODR) Regulations, 2015 i.e. not having required number of Independent Directors on the Board (considering Chairperson of the Board being Executive Director). Further, effective 13-02-2020, there is also a non-compliance of Regulation 17 (1) (b) of requirement of having at least one Woman Independent Director on the Board. The non-compliance of provision of said Regulation has been reported by the Company in the Corporate Governance Reports filed for the Quarters ended December 2019 and March 2020.

Being a Government Company, the power to appoint Directors (including Independent Directors) and the terms and conditions of their appointments etc., vests with Government of India. The matter regarding appointment of requisite number of Independent Directors have been taken up regularly with the Government of India (GOI) and the GOI is seized of the matter. Such non-compliance is not due to any negligence/ default of the Company.

19.5 The Company 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 Company 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.

With regard to appointment of required number of Independent Directors & also Independent Woman Director on the Board of HPCL to comply with 17 (1) (a) & (b) of the SEBI (LODR) Regulations, 2015 and Clause 3.1.4. of the DPE Guidelines on Corporate Governance, the Corporation has taken up the same with its Administrative Ministry i.e. Ministry of Petroleum & Natural Gas.

19.7 With regard to SEBI Circular regarding implementation of certain recommendations on the Committee of Corporate Governance, it may be noted that HPCL is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013. In the case of Government Companies which are also listed, the compliance of Section 134 (3) (p) of the Companies Act, 2013 is exempted by virtue of Ministry of Corporate Affairs Notification dated June 5, 2015 as in the case of Government Companies, the annual evaluation of the Performance of the Board, its Committees and of Individual Directors are carried out by the Administrative Ministry i.e. Ministry of Petroleum and Natural Gas (MOP&NG) as per its own evaluation methodology.

Further as far as applicability of SEBI (LODR) Regulation 17 (10) i.e. Performance Evaluation of Independent Directors is concerned, the matter has been referred to SEBI for seeking clarifications on its applicability for the Government Companies since the same is exempted for Government Companies under the Companies Act, 2013. It is also understood that the Department of Public Enterprises, has taken up with SEBI through the Department of Economic Affairs, Ministry of Finance to make suitable amendments to SEBI LODR Regulation in line with provisions under the Companies Act, 2013.

As far as SEBI Circular dated May 10, 2018 on the point of Group Governance Unit in the cases of "large number of Unlisted Subsidiaries" is concerned, HPCL has only 5 subsidiary companies. The Board minutes, important matters pertaining to subsidiary companies are regularly placed for information of the HPCL Board. The requirement on Medium term and Long term strategy is already covered in the MDA.

19.8 Web link for accessing Policy for Determining Material Subsidiaries is

http://www.hindustanpetroleum.com/Policies

19.9 Web link for accessing Policy on dealing with Related Party Transactions

http://www.hindustanpetroleum.com/Policies

19.10 The Company has framed "The Code for prohibition of Insider Trading in the Securities of HPCL" and the same is hosted on the website of the Company. The link for accessing this Code is http://www.hindustanpetroleum.com/Policies

19.11 CEO / CFO Certification:

Chairman & Managing Director and Director (Finance) of the Company have given "CEO/CFO Certification" to the Board in compliance of Regulation 33 of the SEBI (LODR) Regulations, 2015.

19.12 The Disclosure in compliance of relevant provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 with respect to Complaints under Sexual Harassment of Women at Workplace for Financial Year 2019-2020 is given below:

Number of Complaints filed during the Financial Year : 1

Number of Complaints disposed of during the Financial Year: 1

Number of Complaints pending as on end of the Financial Year : 0

19.13 In Compliance of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has undertaken Secretarial Audit and Secretarial Audit Report given by a Practising Company Secretary, M/s. Dholakia and Associates LLP is annexed to the Directors' Report.

19.14 The Corporation has received a certificate from Shri Upendra Shukla, Practising Company Secretary that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such Statutory Authorities.

19.15 The recommendation made from time to time by the Sub-Committees of the Board are broadly accepted by the Board.

19.16 Total Fees paid by HPCL and its subsidiaries to respective Statutory Auditors of the Companies on Consolidated basis is as follows:

Payment to the Auditor for	2019-20 (In ₹ Crore)
Audit Fees	0.74
Other Services	0.39
Reimbursement of Expenses	0.28

19.17 The Board has taken on record the declaration and confirmation submitted by the Independent Directors under Regulation 25 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

19.18 Disclosure regarding commodity price risk and Hedging activities:

1. **Company's Risk management policy w.r.t. commodities and its hedging:**
   The Company is exposed to various commodity price risks such as variation in refining margins, i.e. the difference between refined product price and crude price, risk of reduction in inventory valuation due to price variation, risk of higher crude prices on crude consumed in refining system and risk of price variations on import of petroleum products, etc.

   The Company assesses these risks and appropriate hedging positions are executed using hedging instruments permitted under laws in India to monitor and manage risks.

   The Company has a Board approved policy for the risk management covering the exposure towards commodities, commodity risk and hedged exposure.

2. **Exposure to commodity and commodity risks faced throughout the year:**

   A. **Total estimated exposure of the Company to commodities price risk in INR:**
   The value of total Inventory held by the Company for Raw Material, Work in Process, Finished Goods (including Stock in Trade) as on 31-03-2020 was ₹ 18,615 Crore. The Refinery margins for the Financial Year 2019-20 was ₹ 977 Crore (approx.).

   B. **Exposure of the Company to material commodities:**

Commodity Name	Exposure in INR towards the particular commodity*	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
	₹ Crore	In MMT					
Refinery Margin	98	17.18	Nil	Nil	11.04	Nil	11.04
Inventory as on 31-03-20:							
- Raw Material (mainly Crude)	295	1.25	Nil	Nil	Nil	Nil	Nil

Commodity Name	Exposure in INR towards the particular commodity*	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
	₹ Crore	In MMT					
- Work in progress	91	0.38	Nil	Nil	Nil	Nil	Nil
- Finished Goods (incl. Stock in Trade)	1,475	3.03	Nil	Nil	Nil	Nil	Nil

* impact for each 10% variation in exposure has been given for the particular commodity.

C. **Commodity risks faced by the Company during the year and how it has been managed:**

The primary commodity risk faced by the Company is the risk around price movement in Crude oil and refined products. Any adverse movement in commodity prices may affect the margin. Similarly, any favourable movement in prices can also allow margins to rise. Hedging activities are targeted to reduce uncertainties / volatilities in future cash flows.

20. 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 appointment of required number of Independent Directors effective 20-11-2019 and Independent Woman Director effective 13-02-2020 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. The discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) 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, 2020.

Mukesh Kumar Surana
Chairman & Managing Director

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members of
Hindustan Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Hindustan Petroleum Corporation Limited ("the Company") for the year ended on March 31, 2020, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("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.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, as carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on our examination of the relevant records and in our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has 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 and D of Schedule V to the Listing Regulations for the year ended March 31, 2020 as well the Guidelines issued by the DPE subject to the following:

a) The company has not complied with Regulation 17 (1) (b) & 19 of the Listing Regulations and clause 3.1 & 5.1 of the DPE Guidelines regarding the minimum number of Independent Directors in the composition of Board of Directors & Nomination and Remuneration Committee of the Company for the period November 20, 2019 to March 31, 2020 & February 13, 2020 to March 31, 2020 respectively.

b) The company has not complied with Regulation 17 (1) (a) of the Listing Regulations regarding having at least one Woman Independent Director on the Board for the period February 13, 2020 to March 31, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For R. Devendra Kumar & Associates
Chartered Accountants
Firm Regn. No. 114207W

Neeraj Golas
Partner
Membership No. 074392
UDIN: 20074392AAAAAN4469

For M.P. Chitale & Co.
Chartered Accountants
Firm Regn. No. 101851W

Anagha Thatte
Partner
Membership No. 105525
UDIN: 20105525AAAAEY1625

Place: Mumbai
Date: July 22, 2020

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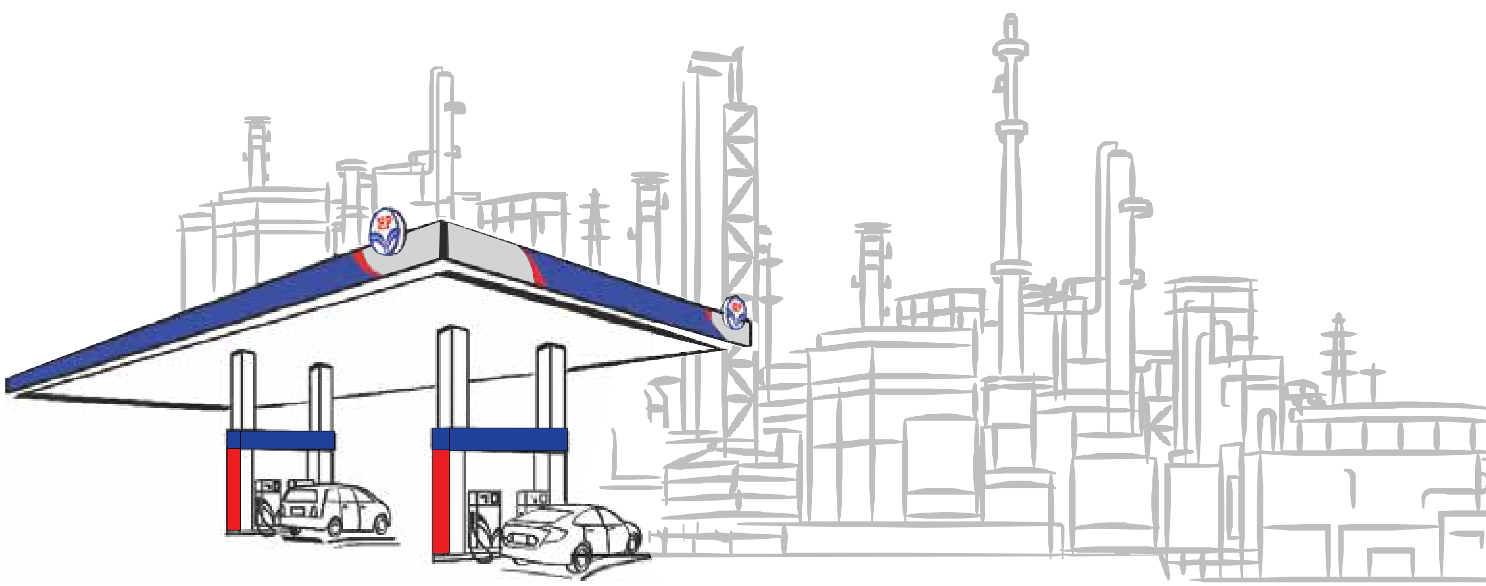
आपने हमें अपनी खुशियों का हिस्सा बनाया,
इसके लिए आभार...
इन खुशियों ने हमें रत्नों से नवाज़ा,
इसके लिए आभार...

हम हैं हिन्दुस्तान पेट्रोलियम...
अब एक महारत्न!



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड

Hindustan Petroleum Corporation Limited

पेट्रोलियम हाउस, 17 जमशेदजी टाटा मार्ग, चर्चगेट, मुंबई - 400020

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