



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड वार्षिक रिपोर्ट 2018-19

Hindustan Petroleum Corporation Limited
Annual Report 2018-19



Delivering Happiness...

Life is a bouquet of cherished moments and treasured memories which stay with us forever. These are also the moments that give us true happiness.

Happiness is the fragrance that emanates from the wet earth on the onset of rains. Happiness is the blooming of flowers, the return of foliage, the change in weather and the rush of the wind.

It is in the joy of a mother seeing her child finishing the meals, in the pride of a father on return of his daughter after graduating and in the pleasure of driving with friends to explore new destinations.

Over the years, we at HPCL, have strived to be an integral part of these moments.

Best journeys have no destinations, only milestones. The only thing that is more joyful than being happy is the ability to make others happy along the way. As you cover more milestones on your journey, we promise to keep **Delivering Happiness.**



2018-19 Highlights



Turnover
₹ 2,95,713
Crore



Profit After Tax
₹ 6,029
Crore



Market Sales
38.71
MMT



Refining Thruput
18.44
MMT



Pipeline Thruput
21.53
MMT

Contents

Chairman's Message	02
Board of Directors	06
Key Performance Indicators	08
Senior Management Team	09
Offices, Auditors & Bankers	11
Notice of Annual General Meeting	12
Route Map	23
Performance Profile	24
Directors' Report	30
Annexures to Directors' Report	39
Management Discussion & Analysis Report	74
Business Responsibility Report	96
Standalone Financial Statements	110
Auditors' Report	111
Balance Sheet	124
Statement of Profit & Loss	125
Cash Flow Statement	128
Notes to Financial Statements	130
C&AG's Comments	188
Consolidated Financial Statements	189
Notes to Consolidated Financial Statements	204
Financial Details of Subsidiaries	271
Human Resource Accounting	276
Joint Venture Companies	277
Corporate Governance Report	280





HINDUSTAN PETROLEUM CORPORATION LIMITED

Chairman's Message

The outstanding performance of 2018-19 is testimony of your Company's ability to adapt to the changing business environment and deliver superior results amidst challenges

Dear Shareholder,

It gives me great pleasure to present the 67th Annual Report on the performance of your Company for the year 2018-19. Your company continues to "Deliver Happiness" by fuelling the nation's energy needs and enriching the lives of millions. Our sustained efforts during the year have seen your Company ascend new peaks of success & register several 'best ever' milestones and significant achievements across all facets of business. It gives me immense pride to convey that your Company recorded highest ever Refining throughput and Market sales during 2018-19 and exceeded ₹ 6,000 Crore mark in Net Profit for the third consecutive year.

The excellent performance of 2018-19 was wide-ranging, encompassing stellar physical and financial performance across all functions. During 2018-19, your Company registered the highest ever gross sales of ₹ 2,95,713 Crore with an impressive growth of about 22% over historical. HPCL's refineries at Mumbai and Visakhapatnam achieved the highest ever combined refining throughput of 18.44 Million Metric Tonnes (MMT) with a capacity utilization of 117% and recorded the lowest ever combined specific energy consumption during the year. Your Company continued the fast-paced growth in downstream marketing and recorded an excellent performance with highest ever sales volume of 38.7 MMT achieving a growth of 4.9%. The Profit after Tax (PAT) was ₹ 6029 Crore on standalone basis. The superior performance of your Company was widely recognized through several prestigious awards including 'Oil Marketing Company of the Year' award by Federation of Indian Petroleum Industry (FIPI) for the third consecutive year. Your Company achieved 'Excellent' rating for the 11th consecutive year with a score of 96.95 in terms of the Memorandum of Understanding (MOU) for the year 2017-18.

Your company continued to command strong and stable credit ratings both from international agencies like Moody's, Fitch and national agencies like CRISIL, ICRA and India Rating and Research Limited. Continued strengthening of balance sheet and cash flows has enabled your Company to return greater value to its shareholders consistently.

M. K. SURANA
Chairman and Managing Director



The Board of your Company has proposed the payment of a final dividend of ₹ 9.40 per share in addition to an interim dividend of ₹ 6.50 per share paid in February 2019, which would result in a total dividend payout of ₹ 15.90 per share for the financial year 2018-19.

The outstanding performance of 2018-19 is testimony of your Company's ability to adapt to the changing business environment and deliver superior results amidst challenges. Volatility in crude oil prices, lower product cracks for all major products (except Diesel and Fuel Oil) and depreciation of Indian rupee were major challenges faced by downstream Oil industry during the year. Oil Marketing Companies witnessed inventory losses and exchange rate variation losses during substantial part of the year. Various factors including economic sanctions on Iran, political instability in Venezuela & Libya, production cuts by major OPEC & Non-OPEC countries, trade tensions between USA and China and signals of slowdown in global economic growth have significantly impacted the supply demand scenario resulting in substantial volatility in crude oil prices ranging from US\$ 50/bbl. to US\$ 86/bbl. during the year. In addition to the externalities of global market, Oil Industry in India witnessed increased competition in downstream marketing.

Various policy initiatives were undertaken by Government of India to strengthen the growth of hydrocarbon sector and enable shift towards a low carbon economy. To enhance the penetration of Natural Gas in urban areas, two CGD bidding rounds were launched by PNGRB during the year for development of CGD networks in 136 geographical areas of the country. National Policy on Biofuels-2018 was notified by Government of India to give boost to the Biofuel program. Sustainable Alternative Towards Affordable Transportation (SATAT) program was initiated by Government of India to promote Compressed Bio Gas (CBG) production and use. To address environmental concerns, supply of BS VI grade auto fuels was already commenced in National Capital Territory (NCT) of Delhi and will be rolled out on pan India basis effective 1st April 2020. Large scale implementation of Pradhan Mantri Ujjwala Yojana (PMUY) and other LPG programs were continued during the year which helped in increasing the LPG coverage in the country to over 94%. To increase reach and ensure supply of motor fuels across the country, PSU Oil Marketing Companies have advertised for setting up several new retail outlets spread across 35 states & union territories.

Petroleum product consumption in the country increased by over 5 MMT to reach about 212 MMT during 2018-19 registering a growth of 2.7%. Petroleum products excluding Kerosene and Fuel Oil (FO) registered positive growth during 2018-19. Strong demand growth of petroleum products was driven by increasing consumer demand, infrastructure growth and rising per capita income of Indian population. Transport and residential sectors continued to lead the incremental demand of petroleum products with transportation fuels



Hon'ble Vice President, Shri Venkaiah Naidu, presenting Rajbhasha Kirti Award to C&MD, Shri M. K. Surana

Our sustained efforts during the year have seen your Company ascend new peaks of success & register several 'best ever' milestones and significant achievements across all facets of business

and cooking fuels (Petrol, Diesel, ATF & LPG) recording largest share in total incremental demand during 2018-19 over previous year. Diesel consumption continued to increase with a growth of 3% on account of increase in commercial vehicle sales and infrastructure sector growth. Petrol consumption increased with a growth rate of 8.1% over previous year on the back of preference for petrol driven vehicles and increased movement by road due to improved road connectivity. LPG consumption recorded a growth of 6.8% over 2017-18 on account of increased LPG penetration in country due to implementation of PMUY and other

LPG programs initiated by Government of India. Aviation Turbine Fuel (ATF) consumption registered a strong growth of 9.1% which was spurred by strong growth in air passenger traffic and expansion of aviation infrastructure & regional connectivity. Kerosene consumption continued to decline with a degrowth of 10.1% over 2017-18 mainly due to increased substitution with LPG, leading to low household consumption of Kerosene. Fuel Oil consumption recorded a degrowth of over 3% mainly due to reduced demand from fertilizer, steel and general trade sector and regulatory restriction on FO consumption in some states. After witnessing a marginal growth during last 2 years, Bitumen consumption increased with a strong growth of 8.7% on the back of accelerated expansion and enhancements of road & highway network in the country. Naphtha consumption which recorded degrowth during last 2 years, increased with an impressive growth of 9.1% mainly due to increased demand from petrochemical sector. India is the world's third-largest oil consumer and is poised to be the major contributor to future growth of global oil demand.

To meet the growing demand of petroleum products, your company maximized crude processing and recorded highest ever crude throughput at Mumbai and Visakhapatnam refineries with highest ever combined production of LPG, Bitumen & Lube Oil Base Stock during the year. Specific thrust on energy efficiency helped both refineries to achieve significant reduction in Energy Intensity Index (EII).



HINDUSTAN PETROLEUM CORPORATION LIMITED



Committee of Functional Directors and CVO-HPCL at 'HP ICON Award' ceremony

Your Company recorded robust growth in sales across all business lines during 2018-19 on the back of a wide array of customer centric initiatives supported by strong supply chain network. In motor fuel sales (Petrol & Diesel), your Company recorded a growth of 3.6% and achieved market share gain of 0.17% amongst PSU OMCs. In LPG sales, your Company continued to be the second largest marketer in India with a strong sales growth of 7.1% over previous year. Strong focus on key accounts and SME sector helped your Company to register sales volume of over 1 MMT in Bulk-Diesel, Fuel Oil and Bitumen product lines for the fourth consecutive year. In the highly competitive lubricants business, your Company continued to be India's largest lube marketer for 6th consecutive year with an impressive growth of about 8% in total lubricant sales. Your Company continued to excel in Aviation fuel sales by registering an excellent growth of 20% on the back of expansion of business footprints to new airports and addition of new airline customers. Your Company has also expanded global footprints by marketing lubricants in 11 countries.

Your Company continues to lay strong emphasis on operational efficiency of marketing operations and recorded significant gains in overall throughput performance and productivity across the network of depots & terminals, LPG bottling plants and petroleum product pipelines. Highest ever pipeline throughput of 21.5 MMTPA was recorded during the year.

To ensure seamless and cost efficient delivery of petroleum 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 ₹ 12,000 Crore during 2018-19. Project for capacity expansion of Ramanmandi Bahadurgarh Pipeline (RBPL) from 4.71 MMTPA to 7.11 MMTPA was completed during the year. POL supply network was strengthened with commissioning of new railway tank wagon gantry at Visakh black oil terminal, revamp of the existing tank wagon facility at Jabalpur depot and commissioning of new aviation service facilities at Amritsar, Bhubaneswar, Raipur and Kolhapur airports. LPG supply infrastructure was augmented with commissioning of a new LPG bottling plant at Warangal (Telangana) with bottling capacity of 60 TMTA and additional bottling capacity augmentation of 330 TMTA at existing LPG plants. Last mile delivery to customers was enhanced with commissioning of 478 new retail outlets and 1,018 new LPG distributorships during 2018-19 taking the number of total retail outlets to

15,440 and number of total LPG distributors to 5,866 as of 31st March, 2019.

The business portfolio is being expanded by enhancing presence in natural gas. During 2018-19, a joint venture company, HPOIL Gas Pvt. Ltd. was formed to set up CGD networks in geographical areas of Kolhapur (Maharashtra) & Ambala-Kurukshetra (Haryana). In addition, PNGRB authorization was received for setting up CGD networks on standalone basis in geographical areas of Jind & Sonipat (excluding areas already authorized) districts in Haryana. I am happy to share that in the 10th CGD bidding round by PNGRB, HPCL has been authorized for development of CGD networks in 9 new geographical areas which is one of the highest number of geographical areas allotted to a single entity in the bidding round. Your Company now has authorization for CGD networks in 20 geographical areas across 9 states on its own and through its JV companies. Environmental clearance for development of 5 MMTPA JV LNG regasification terminal at Chhara port in Gujarat was received. To harness renewable energy both for power generation and consumption, captive solar power plants were installed at various locations during the year, taking the total renewable power capacity to over 123 MW which includes wind power farms of 101 MW capacity.

Continued focus in enhancing R&D capabilities for development of new products, processes and technologies in energy sector enabled your Company receive 12 patents during the year including 6 international patents.

Your Company is extensively leveraging various technologies to create customer value and improve operational efficiencies. Enabling digital payment facilities at customer touch points, implementation of 'SMART' terminals for ensuring seamless automation at supply locations were key focus areas. Your Company is also promoting 15 startups under 'HPCL Startup India' scheme to implement technology centric projects across various business areas.

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 and renewable energy etc. Towards reduction of carbon intensity in transportation sector, your Company is actively participating in Ethanol Blending program and has recorded the highest ever overall Ethanol Blending Percentage (EBP) of 5.5% in Petrol during 2018-19. Your Company has built a safety-oriented culture in operations and continues to strengthen its safety performance through sustained efforts.

Your Company is continuing its contribution towards nation building through effective implementation of various socio economic development programmes initiated by Government of India. Your Company has enabled clean energy access to about 2 Crore low income households by providing new LPG connections under PMUY. To facilitate safe and sustained usage of LPG, your Company has conducted over 27,000 LPG panchayats across the country. To achieve the vision of 'Clean India', HPCL has constructed over 2,300 new school toilets under Swachh Bharat Abhiyaan and has provided toilet facilities at all the active retail outlets. During 2018-19, HPCL has enriched lives of thousands of less privileged people through various CSR initiatives with an overall CSR spend of about ₹ 160 Crore.

The outstanding overall performance of 2018-19 is built on the edifice of your Company's vision and well-crafted strategy. The 5-year strategic plan, T20 is being actively implemented to keep your Company ahead of performance curve with focus on creating customer value, achieving cost leadership, technology adoption, infrastructure expansion and strategic foray into new businesses & new geographies. Your Company is leveraging the integrated margin management approach to maximize Net Corporate Realization. To establish Petrochemical business as a new lever for future growth a robust marketing strategy has been formulated. Your Company is also developing a Strategy to leverage new digital technologies across various spheres of business.

During 2018-19, Subsidiaries and Joint ventures of your Company have recorded robust growth in their respective areas of business which helped HPCL record a strong consolidated performance. The wholly owned overseas subsidiary company, 'HPCL Middle East FZCO' has commenced business operations in UAE which is expected to give a fillip to the Corporation's plans in establishing its presence in various markets of Middle East and Africa.

Strong commitment and competence of over 10,000 employees of your Company have been pivotal in delivering the excellent business performance in 2018-19. 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 the future growth and to cater to the increasing energy demand. Visakh Refinery Modernization Project and Mumbai Refinery Expansion Project are progressing at full swing. Project activities for 9 MMTPA Refinery cum Petrochemical Complex of HPCL Rajasthan Refinery Ltd (HRRL) at Pachpadra in Barmer

are in progress. For Rajasthan Refinery project, Technology selection is completed for all the 13 process units, engineering activities are in progress and the site construction activities have commenced. Financial closure has also been achieved for this project.

Marketing supply infrastructure is being augmented with over 1,000 km of additional cross country pipeline network. In addition, a number of new POL depots/terminals, LPG Plants & aviation service stations are under different stages of development along with upgradation of existing facilities at supply locations.

The global economic growth is estimated to moderate in the near term & then pick up modestly by 2020. Emerging markets and developing economies are likely to be major drivers of global growth. India has become a major economic force in world and is expected to remain the world's fastest-growing large economy in next decade. In tandem with the economic growth, India's hydrocarbon demand is likely to expand rapidly.

However, geopolitical uncertainty and crude price volatility is likely to continue posing a concern for downstream oil economics. With regulatory thrust on increasing the penetration of low carbon energy, domestic consumption of natural gas and other clean fuels is expected to increase. Your company is fully geared to mitigate the risks and leverage the new opportunities.

Your Company has been at the forefront to meet the growing energy demand of the nation and consistently create value for all stakeholders through safe and efficient operations, innovative & customer centric initiatives, adoption of technology and stewardship in social and environmental responsibility. With a proven performance record, Your Company will continue to demonstrate excellence in its core business areas of Refining & Marketing and capitalize on the growth potential in the new business lines of Petrochemicals,

Natural Gas & Renewables. Your Company will further leverage its strengths in expanding its footprints in overseas geographies.

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

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

Thank you

Mukesh Kumar Surana

To ensure seamless and cost efficient delivery of petroleum 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 ₹ 12,000 Crore during 2018-19



Hon'ble President, Shri Ram Nath Kovind, presenting Vigilance Excellence Award to C&MD, Shri M. K. Surana and CVO-HPCL, Shri U. Krishna Murty



HINDUSTAN PETROLEUM CORPORATION LIMITED

Board of Directors

WHOLE-TIME DIRECTORS



Centre:

Shri. Mukesh Kumar Surana

Chairman and Managing Director

From Left to Right:

Shri J. Ramaswamy

Director – Finance
(Upto: 28.02.2019)

Shri S. Jeyakrishnan

Director – Marketing
(Upto: 30.06.2019)

Shri Pushp Kumar Joshi

Director – Human Resources

Shri Vinod S. Shenoy

Director – Refineries

GOVERNMENT NOMINEE DIRECTORS



Shri Sunil Kumar

Ex-Officio Director
(From: 30.05.2019)



Shri Subhash Kumar

Part-Time Director
Representative of ONGC
(From: 22.05.2018)



Shri Sandeep Poundrik

Ex-Officio Director
(Upto: 01.05.2019)



Ms. Sushma Taishete

Ex-Officio Director
(Upto: 07.05.2018)

INDEPENDENT DIRECTORS



Shri Ram Niwas Jain



Smt. Asifa Khan



Shri G. V. Krishna



Dr. T. N. Singh



Shri Amar Sinha



Shri Siraj Hussain



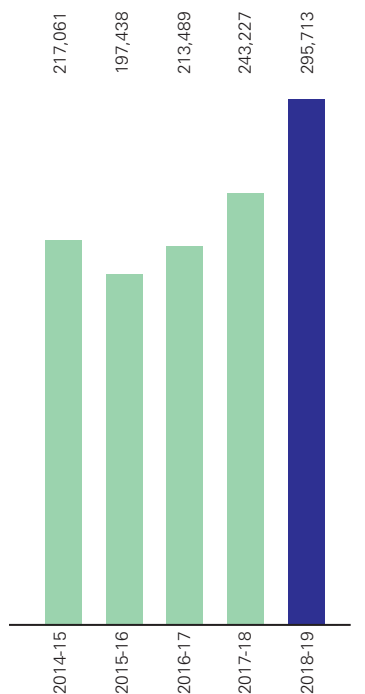
Shri G. Rajendran Pillai
(From: 15.07.2019)



Key Performance Indicators

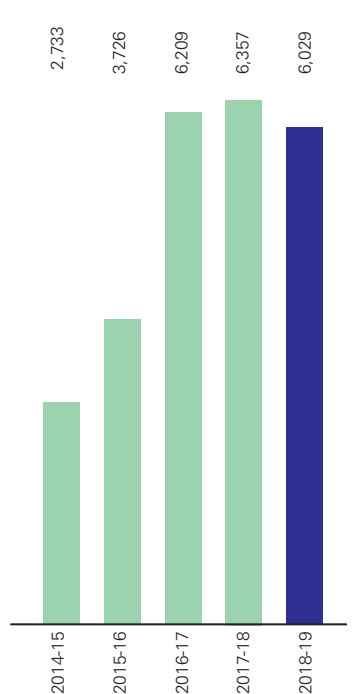
Turnover (₹ / Crore)

CAGR: 6.38%
YOY : 21.58%



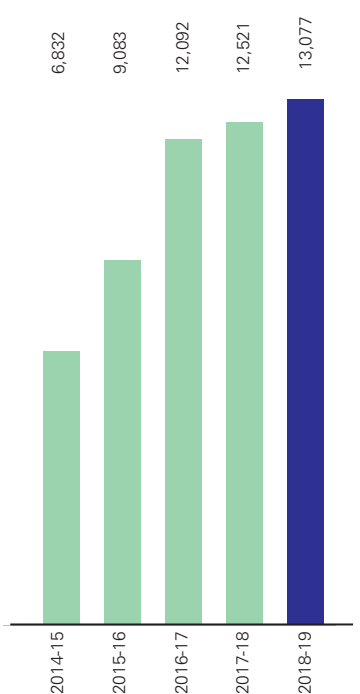
Profit After Tax (₹ / Crore)

CAGR: 17.14%
YOY : -5.17%



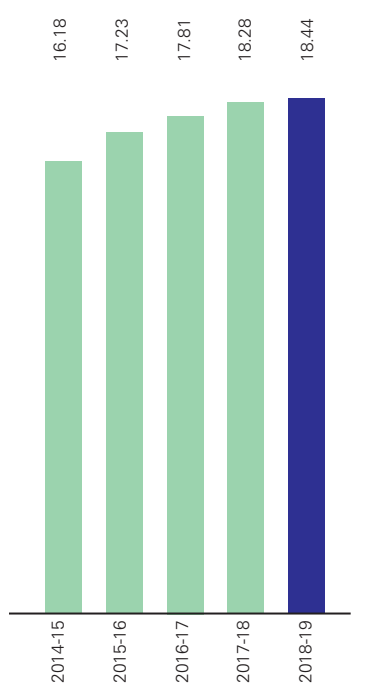
EBITDA (₹ / Crore)

CAGR: 13.87%
YOY : 4.44%



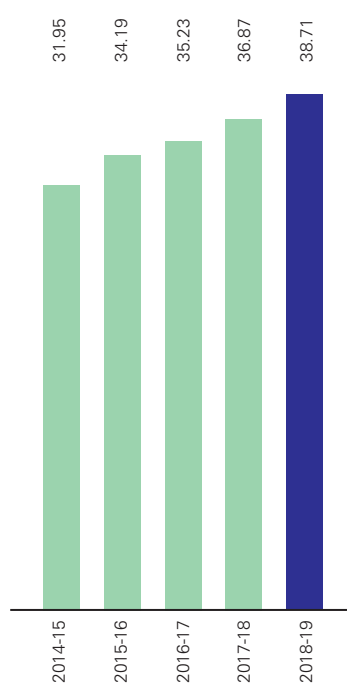
Refining Thruput (MMT)

CAGR: 2.65%
YOY : 0.88%



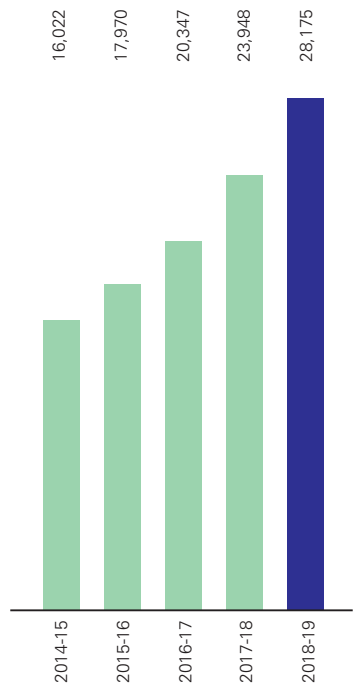
Market Sales (MMT)

CAGR: 3.91%
YOY : 4.99%



Net Worth (₹ / Crore)

CAGR: 11.95%
YOY : 17.65%





Senior Management Team (Positions as on 30-06-2019)

Shri U Krishna Murty	Chief Vigilance Officer
Shri G Sriganesh	Executive Director - Corporate R & D
Shri A Pande	Executive Director – Operations, Distribution & Engineering
Shri Rakesh Misri	Executive Director - LPG
Shri Ajit Singh	Executive Director - Direct Sales
Shri V K Jain	Executive Director - Treasury
Shri R Radhakrishnan	Executive Director - Information Systems (Functional)
Shri R Kesavan	Executive Director - Corporate Finance & Chief Financial Officer
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 - Pipelines
Shri Rajnish Mehta	Executive Director - Corporate Strategy & Planning & Business Development
Shri S Raja	Executive Director - Visakh Refinery Modernisation Project
Shri L Venugopal	Executive Director - Mumbai Refinery
Shri K Radhakrishnan	Chief Executive Officer - Hindustan Colas Private Limited *
Shri G S V Prasad	Executive Director - Retail
Shri D K Pattanaik	Executive Director - Gas & Renewables
Shri K Rajeswara Rao	Adviser in EAC to The Honble PM *
Shri T R Sundararaman	Executive Director - Aviation
Shri Abhishek Datta	Executive Director - Human Resources
Shri S K Suri	Executive Director - Co-ordination & EA to C & MD
Shri R Sudheendranath	Executive Director - Lubes
Shri Rajneesh Narang	Executive Director - Marketing Finance
Shri S Biswas	Chief General Manager - Information Systems (Operations & Distribution)
Shri K Ananda Rao	Chief General Manager - HSE
Shri Vikram Gulati	Director (Finance) - PP & AC, New Delhi *
Shri A V Narayana Rao	Chief General Manager - Audit
Shri C Ramakrishnan	Chief General Manager - Engineering & Facilities Planning
Shri Rajiv Chandra	Chief General Manager - I/C Information Systems
Shri Shyam Mustyalwar	Chief General Manager - LPG (Sales & Marketing)
Shri K Srinivas	Chief General Manager - I & C
Shri V S Agashe	Chief General Manager - Operations, Mumbai Refinery
Shri R Sridhar	Chief General Manager - Joint Ventures
Shri Iyer H Narayanan	Chief General Manager - Legal
Shri M Selvakumar	MD - Petronet MHB *
Shri D N Vijayendrakumar	Chief General Manager-Information Systems (Tech.), Development & Data Centre
Shri Nandi Sukumar	Chief General Manager - LPG Operations
Shri Sanjay Kumar	Chief General Manager - Business Development
Shri Amitabh Kumar Jain	Chief General Manager - R & D, (Marketing)
Shri Anuj Kumar Jain	Chief General Manager - Pipelines Projects
Shri P Veerabhadra Rao	Chief General Manager – Maintenance, Visakh Refinery
Shri Subodh Batra	Chief General Manager – Retail, North Zone
Shri Alok Kumar Gupta	Chief General Manager – Retail, East Zone
Shri V Ratanraj	Chief General Manager (I/C), Visakh Refinery
Shri M S Yadav	Chief General Manager – LPG, North Zone
Shri Swapan Kumar Chowdhury	Chief General Manager - RTI & Public Grievance
Shri P Raman	Chief General Manager - S & P, Risk, C & T
Shri Shrikant Ramchandra Hasyagar	Chief General Manager - Tax
Shri Suresh Varma	Chief General Manager - HSE, (Marketing)
Shri S Subbarao	Chief General Manager - Corporate Social Responsibility
Ms. G Anuradha	Chief General Manager - Information Systems (Functional)
Shri Praful Chandra Agrawal	Chief General Manager - Petrochemical Marketing
Shri R Elango	Chief General Manager - Employee Relations
Shri Sushanta Dhar	Chief General Manager - Administration & Real Estate



Ms. Uma Deb	Chief General Manager - Audit
Shri Yelisetty Sriramulu	Chief General Manager - Tech. (Minor Projects, CES & Inspection), Visakh Refinery
Shri R P Bhan	Chief General Manager - Technical (Minor Projects & Inspection), Mumbai Refinery
Shri A B Chattopadhyay	Chief General Manager - Technical (Process), Mumbai Refinery
Shri D Ravichandran	Chief General Manager - Retail Engineering
Shri P K Bansal	Assistant Director General - UIDAI *
Shri P S Murty	Chief General Manager - Pipeline Projects
Shri N Ramachandran	Chief General Manager - Finance, Visakh Refinery
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 S K Wadhwa	Chief General Manager - Information Systems (Refineries), Mumbai Refinery
Shri K Sreenivasa Rao	Chief General Manager - Operations, Pipelines
Shri Baldev Bhatia	Chief General Manager - Quality Assurance
Shri N Baladhandayuthapani	Chief General Manager - Projects, Rajasthan Refinery Project
Shri Vijay Katne	Chief General Manager - Maint. (Electrical & Instrumentation), Mumbai Refinery
Ms. Sujata S Londhe	Chief General Manager - Treasury
Shri Jayant Gupta	Chief General Manager - Information Systems (Technical), Infrastructure & Security
Shri Vikas Kumar Yadav	Chief General Manager - Vigilance
Shri C Madhusudan	Chief General Manager - 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 West Zone
Shri Shuvendu Gupta	Chief General Manager - Operations
Shri V K Maheshwari	Chief General Manager - Integrated Margin Management
Shri Kamalakar Rajaram Vikhar	Chief General Manager - 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 - Materials, Mumbai Refinery
Ms. Gummalla Rama	Chief General Manager - Materials, Visakh Refinery
Shri Gurramkonda Ugra Narasimhulu	Chief General Manager - Visakh Refinery Modernisation Project
Shri K S Shetty	Chief General Manager - HR (Marketing)
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 - Project Finance, Mumbai 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 Engineering, East Zone
Shri Sukanta Banerjee	Chief General Manager - Product Supply & Logistics
Shri Krushna Mahapatra	Chief General Manager - Commercial, O & D SBU
Shri S Balachandar	Chief General Manager - Corporate Accounts
Shri K Vinod	Chief General Manager - Commercial, LPG SBU
Shri Ramanathan Ramakrishnan	Chief General Manager - 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 Projects
Shri Sandeep Maheshwari	Chief General Manager - Retail, South Zone
Shri Sudhakar P Donadkar	Chief General Manager - MRA&P
Shri V Murali	Company Secretary

* On deputation



Offices, Auditors & Bankers

Registered Office & Headquarters Office

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

Marketing Headquarters

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

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

North Central Retail Zone

TC-13, V/V, Vibhuti Khand,
Gomati Nagar,
Lucknow – 226 001 (U.P.)

North West Retail Zone

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

South Zone

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

South Central Zone

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

West Zone

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

Statutory Auditors

M.P. Chitale & Co.

Chartered Accountants, Mumbai

R. Devendra Kumar & Associates

Chartered Accountants, Mumbai

Branch Auditors

A Ramachandra Rao & 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
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

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

website: www.hindustanpetroleum.com E-mail: corphqo@hpcl.in Tel: (022) 22863900 Fax: (022) 22872992
(CIN: L23201MH1952GOI008858)

NOTICE

NOTICE is hereby given that the **67th ANNUAL GENERAL MEETING** of the Members of Hindustan Petroleum Corporation Limited will be held on Wednesday, August, 21, 2019 at 11.00 A.M. at Y.B. Chavan Auditorium, Yashwantrao Chavan Pratishthan, General Jagannathrao Bhosale Marg, Mumbai – 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 and Reports of the Board of Directors and Auditors thereon.
2. To confirm Interim Equity Dividend declared for Financial Year 2018-2019 and to approve Final Equity Dividend for the Financial Year 2018-2019.
3. To appoint a Director in place of Shri Vinod S. Shenoy (DIN 07632981), who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Shri Subhash Kumar (DIN 07905656), who retires by rotation and being eligible, offer himself for re-appointment.

SPECIAL BUSINESS:

5. Appointment of Shri Sunil Kumar (DIN 08467559) as Government Nominee 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 and the 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 Sunil Kumar who has been nominated by the Government of India as a Director of the Company and was appointed as an Additional Director (Nominee Director) of the Company by the Board of Directors with effect from May 30, 2019

and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for the Financial Year 2018-2019 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

6. Appointment of Shri G. Rajendran Pillai (DIN 08510332) as an Independent 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 and the 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 Rajendran Pillai who has been appointed by the Government of India as an Independent Director of the Company and was appointed as an Additional Director of the Company by the Board of Directors with effect from July 15, 2019 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for the Financial Year 2018-2019 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation.



Notice of Annual General Meeting

7. Payment of Remuneration to Cost Auditors for Financial Year 2019-2020:

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 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other permissions as may be necessary, the payment of the 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, 2020, 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 2020-21 & revision in amount of Material Related Party Transactions for Financial Year 2019-20.

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 (HMEI), for the Financial Year 2020-2021 for a value of ₹ 51,755.89 Crore (Rupees Fifty One Thousand Seven Hundred Fifty Five Crore and Eighty Nine Lakhs only) and for revising the value of Material Related Party Transactions from ₹ 47,954.44 Crore (Rupees Forty Seven Thousand Nine Hundred Fifty Four Crore and Forty Four Lakhs Only) to ₹ 50,194.80 Crore (Rupees Fifty Thousand One Hundred Ninety Four Crore and Eighty Lakhs Only) for the Financial Year 2019-2020 and that the Board of Directors of the Company or any other person(s) authorized by the Board, be and is hereby authorized to perform and execute all such deeds, matters and things including delegation of such authority as may be deemed necessary or

expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.

By the Order of the Board,

V. Murali
Company Secretary

Date : July 24, 2019

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be valid and effective must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. As per the relevant provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member.
4. Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting are requested to forward a certified copy of Board Resolution authorizing their representative to attend and vote at the Annual General Meeting either to the Company in advance or submit the same at the venue of the Meeting.
5. **Appointment / Re-appointment of Directors:**
At the ensuing Annual General Meeting, Shri Vinod S. Shenoy & Shri Subhash Kumar retire by rotation and being eligible, offer themselves for re-appointment.
6. Details of Directors seeking appointment / re-appointment at the 67th Annual General Meeting in pursuance of provisions of the Companies Act, 2013 & Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are given as an Annexure to the Notice.



Notice of Annual General Meeting

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

8. Book Closure for Final Dividend:

The Company has announced Book Closure from June 10, 2019 to June 14, 2019 (both days inclusive) and accordingly, Final Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year 2018-2019, if approved at the meeting, will be payable to those eligible members whose names appeared:

- (1) As Beneficial Owners, as on June 08, 2019 as per the list to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in Dematerialized form and
- (2) As Members in the Register of Members of the Company as on June 08, 2019 in respect of shares held in Physical Form.

9. Dematerialization of Shares:

SEBI vide notification dated June 08, 2018 has proposed amendment to Regulation 40 of the SEBI (LODR) Regulations, 2015. As per the said amendment effective December 05, 2018, except in cases of transmission or transposition, transfer of securities of the company cannot be processed unless the securities are held in dematerialized form with a Depository. The time limit for compliance was further extended till March 31, 2019.

The implication of this amendment is that securities of the company which are held in physical form cannot be transferred except in case of transmission & transposition of shares.

View above, we request the Members holding shares in Physical Form to kindly dematerialize their equity shareholding in HPCL.

10. Nomination:

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

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

11. Members' holding shares in Multiple Folios:

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

12. Non-Resident Members:

Non Resident Indian Members are requested to inform Registrar and Transfer Agents/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, 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.

13. Green Initiative:

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

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

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

16. e-Voting: NSDL:

In compliance with the provisions of Section 108 of the Companies Act, 2013, the Companies (Management and Administration) Amendment Rules, 2015 made thereunder, regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

Notice of Annual General Meeting

Members are provided with the facility to cast their vote electronically, through the remote e-Voting platform provided by National Securities Depository Limited (NSDL) on all the resolutions set forth in this notice. The e-Voting shall commence on August 16, 2019 at 4.00 p.m. (IST) and shall end on August 20, 2019 at 5.00 p.m. (IST). The e-Voting module shall be disabled by NSDL for e-Voting thereafter. During this period, all the Members of the Company holding shares either in physical form or in dematerialized form as on August 14, 2019 may cast their vote electronically.

The voting results along with Scrutinizer Report shall be placed on the Company's website www.hindustanpetroleum.com and also on the website of NSDL within 48 hours of conclusion of the Meeting and will also be communicated to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) where the shares of the company are listed.

e-Voting Procedure:

Step 1: Login to website

A. Members whose email IDs are registered:

- Open the e-Voting website of NSDL by typing the following URL:
<https://www.evoting.nsdl.com> on their computers/mobiles.
- Click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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*****.
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*****.

For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if EVEN is 101456 and folio number is 001*** and then user ID is 101456001***
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- Your password details are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - 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.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. 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'.
 - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - 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
 - Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
 - 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.



Notice of Annual General Meeting

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

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

B. Members whose email IDs are not registered:

In such cases, physical copy of the Notice of AGM will be forwarded including the Admission-cum-Proxy Form which provides the E-Voting Event Number (EVEN), User ID and Password.

C. Members registered with NSDL eservices:

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login.

Step 2: Casting the evote

1. After successful login, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click 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.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members:

1. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned

copy (pdf/jpg format) of the relevant Board Resolution / Authority Letter etc. with attested specimen signatures of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to evoting@nsdl.co.in

2. It is strongly recommended that you do not 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 the 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
3. In case of any query, you may refer to the Frequently Asked Questions (FAQs) for Members 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 or contact Ms. Pallavi Mhatre, Manager, National Securities Depository Limited, Trade World, A Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013, at the designated email address: evoting@nsdl.co.in or at telephone No. (022) 24994600, who will also address grievances connected with voting by electronic means.

17. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date of August 14, 2019.

18. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 14, 2019 may obtain the login ID and password by sending a request at helpdesk.evoting@nsdl.co.in or to Shri B.B. Shirodkar, Chief Manager Shares, Shares Department, 2nd Floor, Petroleum House, Churchgate, Mumbai -400 020, Telephone No.: (022) 22863208 (email ID: bbshirodkar@hpcl.in)

Alternatively, if you are already registered with NSDL/CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com

19. A member may participate in the AGM even after exercising his right to vote through remote e-Voting but

Notice of Annual General Meeting

shall not be entitled to vote again at the Annual General Meeting.

20. A person, whose name is recorded in the Register of Members or in the register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM.
21. The facility for voting shall be made available at the AGM and in such case, the members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the meeting.
22. Shri Upendra Shukla, Practising Company Secretary (PCS), (Membership No. FCS 1654) has been appointed as the Scrutinizer to scrutinize the voting and remote e-Voting process in a fair and transparent manner.
23. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer for all those members who are present at the Annual General Meeting but who have not cast their votes earlier by availing the remote e-Voting facility.
24. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
25. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hindustanpetroleum.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to NSE & BSE.

26. Change of Address:

- (a) Members Holding Shares in Physical Form:

Members holding shares in physical form are requested to advise immediately change in their address and also inform their valid E-mail ID, if any, quoting their Folio number(s), to M/s. Link Intime India Pvt. Ltd., R & T Agents at their address given in Serial No. 30.

- (b) Members Holding Shares in Dematerialised Form:

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

27. Bank Mandates:

- (a) In terms of Regulation 12 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, SEBI has advised all the listed companies to use electronic mode of payment facility approved by the Reserve Bank of India (RBI) for making payment viz. dividends, interest, redemption or repayment amounts to the investors. In cases where it is not possible to use electronic mode of payment, payable-at-par warrants or cheques may be issued. Further where it is not possible to effect electronic payment, SEBI has advised to print bank details on the dividend warrant instruments issued to members. However, in case of Members, whose bank details are not available, the company shall mandatorily print the address of the investors on such payment instruments.
- (b) In order to facilitate the Members who are holding the shares in Physical form, the Company has hosted various forms including e-payment mandate form on its website www.hindustanpetroleum.com under the menu "Investors" & Sub-Menu "Investors Guide". Members can download the requisite form, fill it as per the instruction given therein and forward the same to the R&T Agents at the address given below along with supporting documents. The form can also be obtained from the R&T Agents.

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

28. Investors Education and Protection Fund:

Members are hereby informed that Dividends which have remain unclaimed / unencashed over a period of seven



Notice of Annual General Meeting

years from the dates it became due for payments have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 125 of the Companies Act, 2013.

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

Dates of Declaration of Dividend	Dividend for the Financial Year	Proposed Month and Year of Transfer to the Fund
18.09.2012	2011-12 (Final)	Oct.2019
05.09.2013	2012-13 (Final)	Oct.2020
05.09.2014	2013-14 (Final)	Oct.2021
10.09.2015	2014-15 (Final)	Oct. 2022
01.02.2016	2015-16 (1st Interim)	Mar.2023
11.03.2016	2015-16 (2nd Interim)	Apr.2023
08.09.2016	2015-16 (Final)	Oct.2023
13.02.2016	2016-17 (1st Interim)	Mar.2024
23.03.2017	2016-17 (2nd Interim)	Apr.2024
15.09.2017	2016-17 (Final)	Oct.2024
09-02-2018	2017-18 (Interim)	Mar.2025
30-08-2018	2017-18 (Final)	Sept.2025
20-02-2019	2018-19 (Interim)	Mar.2026

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

Pursuant to Section 124 (6) of Companies Act, 2013 read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the shares in respect of which dividend is unclaimed for a period of seven consecutive years or more are required to be transferred by the company to IEPF Authority.

In view of aforesaid provisions of the Companies Act 2013, members are requested to kindly ensure updation of their bank details and also encash their dividend warrants.

29. Unclaimed Dividends:

Members who are yet to encash/not received the earlier dividend(s) are advised to send requests for

duplicate dividend warrants for any of the above mentioned financial years and/or send for revalidation, the unencashed Dividend Warrants still held by them to the Registrars and Transfer Agents of the Company.

30. Registrar and Transfer Agents:

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

M/s. LINK INTIME INDIA PVT. LTD.

Unit: HINDUSTAN PETROLEUM CORPORATION LTD.

C101, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli West,

Mumbai – 400 083

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

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

Bonds.helpdesk@linkintime.co.in

31 AGM Live Webcasting:

In Compliance of provisions of Regulation 44 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, since HPCL is among top 100 listed companies by Market Capitalization as on March 31, 2019, the Members are informed that the Company will be providing a facility to view the live streaming of the AGM Webcast on the NSDL website. You may access the same at <https://www.evoting.nsdl.com> by using your remote e-voting credentials. The link will be available in shareholder login where the EVEN of Company will be displayed.

The Webcast facility will be available from 11.00 a.m. onwards on August 21, 2019.

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

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 Sunil Kumar (DIN 08467559) as Government Nominee Director of the Company.

The Government of India has nominated Shri Sunil Kumar, Joint Secretary (Refineries), Ministry of Petroleum & Natural Gas (MoP&NG) as a Director on



Notice of Annual General Meeting

the Board of the Company. Accordingly, Shri Sunil Kumar was appointed by HPCL Board as an Additional Director (Nominee Director) with effect from May 30, 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 Sunil Kumar, as an Additional Director, holds office upto the date of this Annual General Meeting.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the Rules made thereunder, a person who is not a retiring Director in terms of Section 152 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 Hands/ Remote voting/Ballot/e-Voting or on poll on such Resolution. The requirement of deposit of Rupees One Lakh shall not apply in case of appointment of an Independent Director or a Director recommended by the Nomination and Remuneration Committee, if any, constituted under sub-section (1) of Section 178 or a Director recommended by the Board of Directors of the Company, in the case of company not required to constitute Nomination and Remuneration Committee.

Accordingly, the Company has received a notice in writing from a Member along with requisite deposit proposing candidature of Shri Sunil Kumar, for the Office of Director in terms of provision of Section 160 of the Companies Act, 2013.

Shri Sunil Kumar is Joint Secretary (Refineries) in the Ministry of Petroleum and Natural Gas (MoP&NG)

of Government of India. He does not hold shares of HPCL.

Relevant documents in respect of the said item are open for inspection by the Members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. 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 G. Rajendran Pillai (DIN 08510332) as an Independent Director of the Company.**

Shri G. Rajendran Pillai was appointed by the Board as an Additional Director of the Company with effect from July 15, 2019 consequent to his appointment as Independent Director of the Company by the Government of India in terms of provisions of Section 161 of the Companies Act, 2013, rules made there under and also in terms of Articles 112 and 121 of Articles of Association of the Company. As per the provisions contained under Section 161 of the Companies Act, 2013, the Additional Director so appointed 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 Rajendran Pillai 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



Notice of Annual General Meeting

elected as a Director or gets more than twenty-five percent of total valid votes cast either on Show of Hands/Remote voting/Ballot/e-Voting or on poll on such Resolution. The requirement of deposit of rupees one lakh shall not apply in case of appointment of an Independent Director or a Director recommended by the Nomination and Remuneration Committee, if any, constituted under sub-section (1) of Section 178 or a Director recommended by the Board of Directors of the Company, in the case of company not required to constitute Nomination and Remuneration Committee. Since Rajendran Pillai is an Independent Director of the Company, there is no requirement of submission of requisite deposit.

Accordingly, the Company has received a notice in writing from a Member proposing candidature of Shri G. Rajendran Pillai, for the Office of Director in terms of provision of Section 160 of the Companies Act, 2013.

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. He does not hold shares of HPCL.

Relevant documents in respect of the said item are open for inspection by the Members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. 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 2019-2020:

The Board on the recommendation 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, 2020 as per the following details: -

Sr. No.	Name of the Unit	Name & Address of the Cost Auditors	Audit Fees
1.	Mumbai Refinery & Visakh Refinery	M/s. ABK & Associates, 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, 4, Shrikrushna Bhavan, 1st Floor, Prashant Nagar, Behind Naupada Police Station, Naupada, Thane (West) – 400 064	₹ 2,00,000 *

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

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, 2020.

Relevant documents referred in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. 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 2020-21 & revision in amount of Material Related Party Transactions for Financial Year 2019-20.

M/s. HPCL Mittal Energy Limited (H MEL), 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.



Notice of Annual General Meeting

Hindustan Petroleum Corporation Limited is proposing to enter into certain business transactions with HMEL during Financial Year 2020-2021. The nature of transactions is in the form of purchase / sale of Petroleum Products, Employee Deputations, Infrastructure Charges etc. from / by HMEL.

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 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 2020-21 are estimated to be ₹ 51,755.89 (Rupees Fifty-One Thousand Seven Hundred Fifty-Five Crore and Eighty-Nine Lakhs Only) and which are likely to exceed ten percent of the estimated Annual Consolidated Turnover of the Company for the Financial Year 2019-20.

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 2020-21 are "Material" and therefore, requires approval of the Company by way of passing of an Ordinary Resolution.

Further, Members of the Company through the process of Postal Ballot have passed on February 15, 2019 an Ordinary Resolution for entering into Material Related Party Transactions with HMEL for Financial Year 2019-20 for a value of ₹ 47,954.44 Crore (Rupees Forty Seven Thousand Nine Hundred Fifty Four Crore and Forty Four Lakhs Only). However, in addition to the transactions for which approvals are already in place, sale/purchase of Crude is expected

during the Financial Year 2019-20 and accordingly, total amount of transactions with HMEL is expected to increase from ₹ 47,954.44 Crore (Rupees Forty Seven Thousand Nine Hundred Fifty Four Crore and Forty Four Lakhs Only) to ₹ 50,194.80 Crore (Rupees Fifty Thousand One Hundred Ninety Four Crore and Eighty Lakhs Only). Accordingly, approval of the Members is also sought by passing of an Ordinary Resolution for revising the amount of Transactions to be entered into with HMEL for Financial Year 2019-20 from ₹ 47,954.44 Crore (Rupees Forty Seven Thousand Nine Hundred Fifty Four Crore and Forty Four Lakhs Only) to ₹ 50,194.80 Crore (Rupees Fifty Thousand One Hundred Ninety Four Crore and Eighty Lakhs Only).

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 2020-21. Approval of the Members of the Company is also required by way of Passing of an Ordinary Resolution for revising the amount of Material Related Party Transactions to be entered for Financial Year 2019-20.

Relevant Document(s) referred to in respect of the said item is/are open for inspection by the Members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. 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 : July 24, 2019
Regd. Office : 17, Jamshedji Tata Road,
Churchgate,
Mumbai – 400 020.



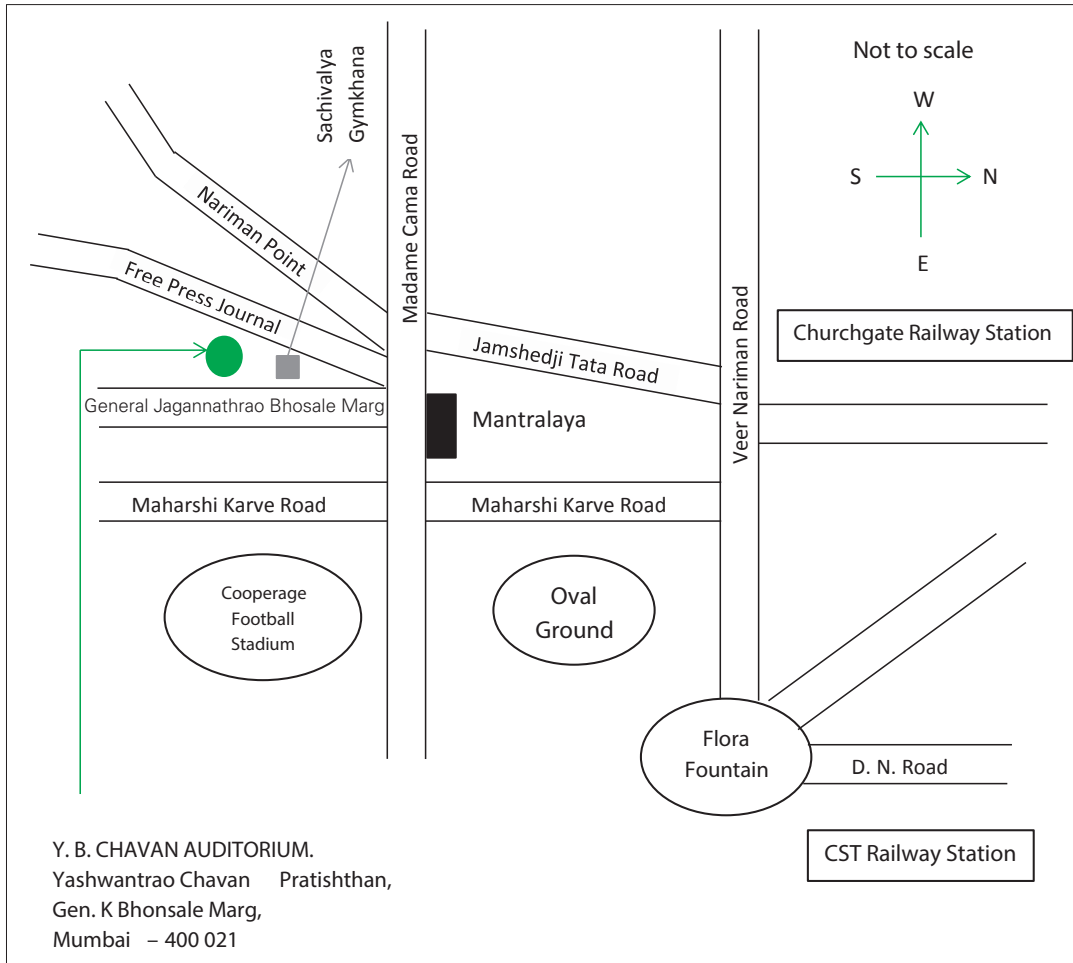
Notice of Annual General Meeting

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

Details of Directors seeking appointment/re-appointment at the 67th Annual General Meeting in pursuance of provisions of the Companies Act, 2013 Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Name of the Director	Shri Vinod S. Shenoy	Shri Subhash Kumar	Shri Sunil Kumar	Shri G. Rajendran Pillai
Date of Birth	09.09.1962	01.01.1962	16.08.1970	03.05.1960
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board	01.11.2016	22.05.2018	30.05.2019	15.07.2019
Qualifications	B.E. (Chemical)	M.Com, Fellow ICAI, ACS	IRAS, Bachelor of Technology, Financial Management, Master in Business Administration, Diploma in Public Administration.	B.A., M.A., LLB.
List of Directorship in other Listed Companies as on July 24, 2019	Mangalore Refinery and Petrochemicals Limited	1. Oil and Natural Gas Corporation Limited 2. Mangalore Refinery and Petrochemicals Limited	-	-
Membership of the Committees of the Board in Listed Entities as on July 24, 2019	Member, Audit Committee and Stakeholders' Relationship Committee Mangalore Refinery and Petrochemicals Limited	Member, Stakeholders' Relationship Committee Oil and Natural Gas Corporation Limited	-	-
Shareholding in HPCL	Nil	Nil	Nil	Nil
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 Areas	A Bachelor in Chemical Engineering from IIT Mumbai, Shri Vinod Shenoy started his career with HPCL in June 1985. During his career spanning over 33 years, Shri Shenoy has held various positions in the Refinery Divisions and Corporate Departments of HPCL and has wide exposure to the Petroleum Industry.	Mr Subhash Kumar is Director (Finance) of ONGC effective 31st January 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.	As Joint Secretary (Refineries), Shri Sunil Kumar looks 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 G. Rajendran Pillai hails from Kollam district. He has completed his B.A. and M.A. from SN college, Kollam and LLB in 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.

ROUTE MAP TO THE VENUE OF THE 67TH ANNUAL GENERAL MEETING ON WEDNESDAY, AUGUST 21, 2019 AT 11.00 A.M.





Performance Profile

FINANCIAL	2018-19	2018-19	2017 - 18	2016 - 17	2015 - 16	2014 - 15
	US \$ Million	₹ / Crores	₹ / Crores			
Sales / Income from Operations	42,757.74	2,95,712.56	2,43,226.66	2,13,488.95	1,97,437.53	2,17,061.11
Earnings before Interest, Depreciation and tax	1,890.86	13,077.21	12,521.39	12,091.77	9,083.45	6,831.86
Depreciation	435.60	3,012.61	2,752.75	2,535.28	2,653.21	1,971.15
Interest Expenses	104.97	725.94	566.71	535.65	653.60	706.59
Tax including Deferred Tax	478.60	3,310.00	2,844.86	2,812.04	2,050.48	1,420.86
Net Profit	871.70	6,028.66	6,357.07	6,208.80	3,726.16	2,733.26
Dividend	198.30	1,371.44	2,321.29	3,477.70	1,456.10	829.64
Tax on distributed profits	40.76	281.90	472.56	707.98	296.43	168.89
Retained earnings	632.64	4,375.32	3,563.22	2,023.12	1,973.63	1,734.73
INTERNAL RESOURCES GENERATED	1,149.49	7,949.88	6,735.53	5,534.65	5,421.69	3,901.05
VALUE ADDED	3,526.88	24,391.90	22,632.43	22,127.55	19,311.59	14,830.76
WHAT CORPORATION OWNS						
Gross PPE's & Intangible Assets	7,460.56	51,597.26	45,694.56	41,164.67	35,735.30	48,174.91
Less: Depreciation	1,534.08	10,609.71	7,719.36	5,032.79	2,627.73	19,112.10
Net PPE's & Intangible Assets	5,926.48	40,987.55	37,975.20	36,131.88	33,107.58	29,062.81
Capital work-in-progress (including capital advances)	1,423.22	9,843.01	4,144.12	2,030.72	1,875.80	3,634.04
Investments (including current investments)						
JVCs & Subsidiary	901.80	6,236.87	5,352.40	5,052.27	5,018.56	5,300.73
Others	807.08	5,581.76	5,752.70	5,866.32	5,559.99	5,945.76
Net current/non current assets	(10.11)	(69.92)	(1,716.13)	(1,588.49)	(1,505.31)	(3,482.31)
Total	9,048.48	62,579.27	51,508.29	47,492.70	44,056.62	40,461.03
WHAT CORPORATION OWES						
Net Worth						
Share capital	220.49	1,524.91	1,524.91	1,016.97	339.71	339.71
Share forfeiture	(0.10)	(0.70)	(0.70)	(0.70)	(0.70)	(0.70)
Reserves	3,853.47	26,650.61	22,424.01	19,331.14	17,630.79	15,683.08
Total	4,073.86	28,174.82	23,948.22	20,347.41	17,969.80	16,022.09
Borrowings	3,938.65	27,239.70	20,990.88	21,249.70	21,167.47	20,335.34
Deferred tax liability	1,035.97	7,164.75	6,569.19	5,895.59	4,919.35	4,103.60
Total	9,048.48	62,579.27	51,508.29	47,492.70	44,056.62	40,461.03
PHYSICAL (MMT)						
CRUDE THRUPUT		18.44	18.28	17.81	17.23	16.18
Mumbai Refinery		8.67	8.64	8.51	8.01	7.41
Visakh Refinery		9.77	9.64	9.30	9.22	8.77
PIPELINE THRUPUT		21.53	20.14	17.91	17.61	14.91
MARKET SALES		38.71	36.87	35.23	34.19	31.95

Notes:

1. Previous year figures have been regrouped / reclassified wherever necessary.
2. 1 US\$ = ₹ 69.16 (Exchange rate as on 31.03.2019).
3. The Figures from the FY 2015-16 to FY 2018-19 are as per Financial statements prepared under Ind AS.



Performance Profile

FINANCIAL	2018-19	2018-19	2017 - 18	2016 - 17	2015 - 16	2014 - 15
	US \$ Million	₹ / Crores	₹ / Crores			
FUND FLOW STATEMENT						
Sources of Funds						
Profit after tax	871.70	6,028.66	6,357.07	6,208.80	3,726.16	2,733.26
Other Comprehensive Income	(9.29)	(64.28)	37.79	160.12	(191.16)	
Depreciation	435.60	3,012.61	2,752.75	2,535.28	2,653.21	1,971.15
Deposits from Dealers/LPG Consumers	294.20	2,034.70	1,420.10	1,599.06	1,143.92	1,081.37
Borrowings (net)	857.99	5,933.85	(957.88)	579.04	(620.51)	(11,282.31)
Redemption of Oil bonds	-	-	84.27	104.47	401.20	(249.92)
Amortisation of capital grant received from OADB & amortisation of FCMITDA*	0.62	4.31	0.36	354.38	248.82	35.58
Provision for deferred tax	86.11	595.56	673.60	976.25	794.85	195.17
Adjustment on account of sale/deletion of assets, provision for diminution in investment & others	(4.53)	(31.33)	41.38	(169.64)	284.81	306.87
Total	2,532.40	17,514.08	10,409.43	12,347.76	8,441.30	(5,208.83)
Utilisation of Funds						
Dividend	198.30	1,371.44	2,321.29	3,477.70	1,456.10	829.64
Tax on distributed profits	40.76	281.90	472.56	707.98	296.43	168.89
Capital expenditures	1,702.85	11,776.90	6,722.45	5,756.86	5,361.30	4,806.29
Increase/(decrease) in net current / non-current assets	462.60	3,199.37	593.00	2,363.10	925.99	(11,107.37)
Investment in JVCs & Subsidiaries and Others (Including advance towards equity & share application money pending allotment)	127.89	884.47	300.13	42.12	401.49	93.73
Total	2,532.40	17,514.08	10,409.43	12,347.76	8,441.30	(5,208.83)
CONTRIBUTION TO EXCHEQUER						
Excise duty	3,153.09	21,806.74	24,742.53	26,197.76	19,324.84	10,820.00
Customs duty	464.54	3,212.75	2,204.52	822.62	525.71	242.49
Sales tax / VAT / GST	6,465.85	44,717.82	39,096.58	34,050.62	28,762.41	27,126.63
Service tax	-	-	129.30	342.18	280.63	212.04
Income tax	354.70	2,453.12	2,490.74	2,912.75	1,246.54	788.83
Others	167.71	1,159.90	1,087.85	3,125.94	2,094.60	1,562.43
Total	10,605.89	73,350.33	69,751.52	67,451.87	52,234.73	40,752.42
RATIOS						
EBITDA/Sales (%)		4.42%	5.15%	5.66%	4.60%	3.15%
Net profit/Sales (%)		2.04%	2.61%	2.91%	1.89%	1.26%
Earnings per share (₹)		39.56	41.72	40.74	24.45	17.94
Cash earnings per share (₹)		63.02	62.54	61.51	46.70	33.71
Avg. sales/Employee (₹ / Crores)		28.78	23.42	20.36	18.57	19.87
Avg. net profit/Employee (₹ / Crores)		0.59	0.61	0.60	0.35	0.26
Debt equity ratio (long term debt to equity)		0.48 : 1	0.43 : 1	0.51 : 1	0.96 : 1	1.13 : 1
MANPOWER (NOs.)		10,239	10,352	10,422	10,538	10,634

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

1. EPS for earlier periods have been re-calculated in accordance with Ind AS 33.

2. The Figures from the FY 2015-16 to FY 2018-19 are as per Financial statements prepared under Ind AS.



Performance Profile

FINANCIAL	2018-19	2018-19	2017 - 18	2016 - 17	2015 - 16	2014 - 15
	US \$ Million	₹ / Crores	₹ / Crores			
HOW VALUE IS ADDED						
Income						
Sales / income from operations	42,757.74	2,95,712.56	2,43,226.66	2,13,488.95	1,97,437.53	2,17,061.11
Add: Increase/(decrease) in inventory	313.26	2,166.52	(804.54)	4,454.06	(90.86)	(3,749.44)
	43,071.01	2,97,879.08	2,42,422.12	2,17,943.01	1,97,346.67	2,13,311.67
Cost of Raw materials						
Raw material consumption	10,014.93	69,263.29	50,937.67	44,879.42	40,523.83	56,158.44
Purchases for resale	26,095.14	1,80,474.02	1,42,455.74	1,22,731.74	1,15,948.43	1,29,278.36
Packages	50.10	346.50	248.63	258.24	287.81	231.40
Stores & spares	40.78	282.05	244.34	296.22	223.72	244.20
Utilities	200.94	1,389.68	1,150.79	870.56	1,008.09	848.41
	36,401.90	2,51,755.54	1,95,037.17	1,69,036.18	1,57,991.88	1,86,760.81
Duties applicable to products						
Duties	3,142.23	21,731.64	24,752.52	26,779.28	20,043.20	11,720.10
Total value added	3,526.88	24,391.90	22,632.43	22,127.55	19,311.59	14,830.76
HOW VALUE IS DISTRIBUTED						
Operations						
Operating & service costs	1,211.14	8,376.21	7,252.52	7,089.70	7,906.82	5,584.25
Employees' benefits	424.88	2,938.48	2,858.52	2,946.08	2,321.32	2,414.66
Providers of capital						
Interest on borrowings	104.97	725.94	566.71	535.65	653.60	706.59
Dividend	239.06	1,653.34	2,793.85	4,185.68	1,752.53	998.53
Income tax/fringe benefit tax	478.60	3,310.00	2,844.86	2,812.04	2,050.48	1,420.86
Re-deployment in business						
Retained profit	632.64	4,375.32	3,563.22	2,023.12	1,973.63	1,734.73
Depreciation	435.60	3,012.61	2,752.75	2,535.28	2,653.21	1,971.15
Total value distributed	3,526.88	24,391.90	22,632.43	22,127.55	19,311.59	14,830.76

* The Figures from the FY 2015-16 to FY 2018-19 are as per Financial statements prepared under Ind AS.



Performance Profile

'000 Tonnes

SALES VOLUME *	2018-19	2017 - 18	2016 - 17	2015 - 16	2014 - 15
Light Distillates					
Liquified petroleum gas	6,596.34	6,149.73	5,682.76	5,108.70	4,707.00
Naphtha	732.75	639.08	595.75	735.25	1,014.04
Motor spirit	6,967.26	6,491.70	6,034.45	5,607.25	4,999.61
Hexane	24.78	24.54	20.98	18.93	15.52
Propylene	62.13	55.84	43.81	42.81	13.93
Sub-total	14,383.26	13,360.88	12,377.75	11,512.94	10,750.10
Middle Distillates					
Mineral turpentine oil	85.88	71.72	55.20	53.58	41.24
Aviation turbine fuel	874.56	728.93	691.44	609.68	505.53
Superior kerosene oil	654.87	721.20	1,003.82	1,250.04	1,294.87
High speed diesel	18,114.92	17,735.46	16,984.80	16,841.05	15,834.33
JBO/WO	6.23	7.61	6.22	3.97	3.79
Light diesel oil	230.75	209.58	197.25	182.41	161.19
Sub-total	19,967.21	19,474.50	18,938.74	18,940.71	17,840.95
Lubes & Greases	635.23	596.34	583.04	532.07	442.72
Heavy Ends					
Furnace oil	1,702.33	1,801.16	1,695.53	1,549.10	1,459.34
Low sulphur heavy stock	59.58	39.12	49.79	61.47	177.52
Bitumen	1,553.11	1,234.12	1,233.95	1,245.25	976.47
Others	405.02	364.81	348.27	346.45	304.20
Sub-total	3,720.04	3,439.21	3,327.55	3,202.27	2,917.54
Total	38,705.74	36,870.93	35,227.07	34,187.99	31,951.30

* Including Exports

Sales volume from FY 2015-16 to FY 2018-19 are in line with Ind AS.

MARKETING NETWORK (Nos.)	2018-19	2017 - 18	2016 - 17	2015 - 16	2014 - 15
Regional offices	133	128	119	106	100
Terminals/Installations/TOPs	42	41	42	37	36
Depots (including exclusive lube depots)	68	68	62	73	91
LPG bottling plants	49	48	47	46	45
ASFs	43	41	37	37	35
Retail outlets	15,440	15,062	14,412	13,802	13,233
SKO/LDO dealers	1,638	1,638	1,638	1,638	1,638
LPG distributors	5,866	4,849	4,532	4,278	3,952
LPG customers (in Crore)	8.15	6.93	6.17	5.29	4.77



Performance Profile

'000 Tonnes

PRODUCTION VOLUME - MUMBAI REFINERY	2018-19	2017 - 18	2016 - 17	2015 - 16	2014 - 15
Light distillates					
Liquified petroleum gas	479.12	450.63	438.02	405.48	378.70
Naphtha	430.81	425.61	406.10	353.17	499.46
Motor spirit	1,563.52	1,539.11	1,497.50	1,376.60	1,296.91
Hexane	11.00	14.53	9.45	13.94	8.21
Solvent 1425	1.84	3.47	4.84	6.60	3.12
Sub-total	2,486.30	2,433.35	2,355.91	2,155.79	2,186.41
Middle distillates					
Mineral turpentine oil	32.29	47.59	39.98	41.80	37.68
Aviation turbine fuel	503.65	458.06	418.59	447.91	408.78
Superior kerosene oil	158.34	203.35	208.81	223.87	190.86
High speed diesel	2,973.40	2,994.36	3,082.57	2,708.12	2,504.49
Light diesel oil	103.64	112.74	81.96	94.62	69.55
Sub-total	3,771.31	3,816.10	3,831.91	3,516.32	3,211.36
LOBS/TOBS	472.81	438.64	430.86	422.59	294.61
Heavy ends					
Furnace oil	718.29	726.13	580.75	619.67	665.01
Low sulphur heavy stock	-	-	-	-	(10.60)
Bitumen	599.83	563.50	595.95	610.28	522.40
Others (including input of BH gas)	8.01	32.48	111.21	90.28	95.52
Sub-total	1,326.13	1,322.11	1,287.92	1,320.23	1,272.33
Total	8,056.55	8,010.20	7,906.60	7,414.93	6,964.71
Intermediate stock differential	17.20	13.94	6.66	(21.32)	(23.94)
Fuel & loss	614.10	620.57	613.69	627.80	556.19
Grand total	8,687.85	8,644.71	8,526.94	8,021.41	7,496.95



Performance Profile

'000 Tonnes

PRODUCTION VOLUME - VISAKH REFINERY	2018-19	2017 - 18	2016 - 17	2015 - 16	2014 - 15
Light Distillates					
Liquified petroleum gas	417.43	381.96	401.62	419.19	428.73
Naphtha	295.16	199.31	223.13	353.51	518.69
Motor spirit	1,760.79	1,802.81	1,788.66	1,655.40	1,545.43
Propylene	62.70	55.47	43.28	43.38	14.40
Sub-total	2,536.08	2,439.55	2,456.68	2,471.48	2,507.25
Middle Distillates					
Mineral turpentine oil	2.17	1.37	2.04	0.37	0.33
Aviation turbine fuel	136.83	126.78	117.51	97.51	76.73
Superior kerosene oil	162.61	189.97	315.21	550.81	614.42
High speed diesel	4,302.78	4,306.22	3,876.65	3,759.91	3,616.88
JBO	5.47	8.04	7.45	4.38	2.79
Light diesel oil	136.71	108.43	106.82	95.52	88.85
Sub-total	4,746.57	4,740.81	4,425.69	4,508.50	4,400.00
Heavy Ends					
Furnace oil	1,049.18	1,040.62	1,083.66	955.11	722.82
Low sulphur heavy stock	45.10	9.70	21.70	(2.36)	197.32
Bitumen	667.49	626.97	619.80	587.47	384.35
Others	50.80	33.30	(20.79)	25.95	1.51
Sub-total	1,812.57	1,710.59	1,704.37	1,566.18	1,306.00
Total	9,095.22	8,890.95	8,586.75	8,546.17	8,213.26
Intermediate stock differential	(38.74)	56.21	37.30	(32.88)	(94.97)
Fuel & loss	716.65	687.84	679.83	705.93	652.15
Grand total	9,773.13	9,635.00	9,303.87	9,219.21	8,770.43



Directors' Report

DEAR MEMBERS

On behalf of the Board of Directors, it gives me immense pleasure in presenting to you the sixty-seventh Annual Report on the Performance of the Corporation, together with the Audited Financial Statements for the financial year ended March 31, 2019.

HIGHLIGHTS

(₹ / Crores)

	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
FINANCIAL PERFORMANCE				
Sales/Income from Operations	2,95,986.87	2,43,399.40	2,95,712.56	2,43,226.66
Profit before Depreciation, Interest and Tax (PBDIT)	13,910.14	13,562.42	13,077.21	12,521.39
Depreciation & Amortization Expenses	(3,085.30)	(2,834.40)	(3,012.61)	(2,752.75)
Finance Cost	(785.64)	(617.88)	(725.94)	(566.71)
Profit before Tax (PBT)	10,039.20	10,110.14	9,338.66	9,201.93
Tax Expenses	(3,348.57)	(2,891.86)	(3,310.00)	(2,844.86)
Profit after Tax (PAT)	6,690.63	7,218.28	6,028.66	6,357.07
Balance brought forward from previous year	21,973.01	17,415.73	20,632.77	16,747.75
Amount available for Appropriation				
Appropriations / Others:				
Debenture Redemption Reserve (net)	(17.34)	75.78	-	265.13
Dividend	(1,371.44)	(2,321.29)	(1,371.44)	(2,321.29)
Tax on distributed profits	(281.90)	(472.55)	(281.90)	(472.56)
Other Comprehensive Income that will not be reclassified to profit or loss (Net of tax)	12.60	57.06	15.87	56.67
Other Appropriations	(82.17)	-	(82.17)	-
Balance carried forward	26,923.39	21,973.01	24,941.79	20,632.77
SHAREHOLDERS' VALUE (₹)				
Earnings per Share	43.91	47.37	39.56	41.72
Cash Earnings per Share	68.09	69.03	63.02	62.54
Book Value per Share	199.50	167.56	184.90	157.16

PHYSICAL PERFORMANCE (MMT)	2018-19	2017-18
Market Sales (including Exports)#	38.72	36.89
Crude Thruput:		
Mumbai Refinery	8.67	8.64
Visakh Refinery	9.77	9.64
Total Crude Thruput	18.44	18.28

#Market Sales (including exports) as per Ind AS is 38.71 MMT for FY 2018-19 and 36.87 MMT for FY 2017-18.



SALES/INCOME FROM OPERATIONS

Your Corporation has achieved Sales/Income from operations of ₹ 2,95,712.56 Crore in 2018-19 as compared to ₹ 2,43,226.66 Crore in 2017-18 on standalone basis.

PROFIT

Your Corporation has earned Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) of ₹ 13,077.21 Crore in 2018-19 as against ₹ 12,521.39 Crore in 2017-18 and profit after tax of ₹ 6,028.66 Crore in 2018-19 as compared to ₹ 6,357.07 Crore in 2017-18 on standalone basis.

DIVIDEND

The Board, in its meeting held on February 05, 2019 declared an interim equity dividend of ₹ 6.50 per share.

The Board of Directors, after taking into account the Financial Results of the Corporation during the year, have recommended final equity dividend of ₹ 9.40 per share (2017-18: ₹ 2.50 per share). The total dividend for the year 2018-19 works out to ₹ 15.90 per share as against ₹ 17.00 per share for the year 2017-18.

The amount of proposed dividend totaling to ₹ 1,726.82 Crore, inclusive of ₹ 294.43 Crore for Corporate Dividend Tax on distributed profits, shall be dispensed from the profit after tax for the year.

INTERNAL RESOURCES GENERATION

The Internal Resources generated during the year were ₹ 7,949.88 Crore in 2018-19 as compared to ₹ 6,735.53 Crore in 2017-18 on standalone basis.

CONTRIBUTION TO EXCHEQUER

Your Corporation has contributed a sum of ₹ 73,350.33 Crore to the exchequer during the year by way of duties and taxes, as compared to ₹ 69,751.52 Crore in 2017-18 on standalone basis.

REFINERY PERFORMANCE

Your Corporation's refineries have been showing sustained improvement in physical performance for the fifth consecutive year by achieving highest ever throughput in 2018-19 with a combined refining throughput of 18.4 MMT surpassing previous year's throughput of 18.28 MMT that translates into capacity utilization of 117%.

On product front, LPG, Bitumen and LOBS production reached their best ever performance. Mumbai Refinery added a new lube grade Elasto 710 – R in its product pool.

While aspiring for best ever performances, the refineries have never diluted their thrust on safety which brought another laurel to its feathers - best ever safety record for MR since its inception with 24.59 Million Safe Man Hours.

To continue with its commitment towards environment protection, your Corporation has undertaken several revamp/project activities in both the refineries for compliance to BS-VI regulations. In addition, both refineries have taken up ambitious augmentation initiative to increase Mumbai Refinery capacity from 7.5 to 9.5 MMTPA and Visakh Refinery from 8.33 to 15 MMTPA along with state-of-art complexity enhancements including bottom upgradation facilities. Field activities for both these projects have already started.

HPCL Rajasthan Refinery Ltd., the green field refinery cum petrochemical project initiative of your Corporation, is steadily progressing with completion of licensor selection of all process units, BDEP and agreements for 10 units. The financial closure of ₹ 28,753 Crore. towards debt component of the project was achieved during Feb. 2019. PESO approval received for Overall Plot Plan.

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

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

Operating Performance of Refineries (Refinery-wise):

Parameter	Unit	Mumbai Refinery	Visakh Refinery
Crude Thruput	TMT	8,671	9,773
Capacity utilization	%	115.6	117.7
Distillate yield	%	77.6	74.5
Fuel & Loss	%	7.08	7.33
Specific Energy Consumption	MBTU/BBL/ NRGF	82.82	77.29
Gross Refinery Margin	\$/bbl	5.79	4.31

MARKETING PERFORMANCE

During 2018-19 your Corporation has achieved excellent performance in all marketing verticals - Retail, LPG, Direct Sales, Lubes, Aviation, Natural Gas and Renewable Energy. Your Corporation continues to cross new milestones and achieving the best physical performance in 2018-19 with sales Volume of 38.7 Million Tonnes (including exports), a volume gain of 1.8 Million Tonnes compared to the previous year 2017-18.

In Domestic Sales Segment, your Corporation recorded the best sales volume of 37.97 Million tonnes with 4.7 per cent growth over the previous year. With a market share gain of 0.11 per cent, your Corporation increased its market share amongst PSU companies to 21.03 per cent during 2018-19.

In the Motor-Fuel segment, your Corporation has achieved the highest ever sales volume of 24.54 Million Tonnes as



against 23.76 Million Tonnes during 2017-18. Your Corporation commissioned 478 new retail outlets during the year with network totalling to 15,440. Your Corporation commissioned 68 new CNG stations in its fold this year, which is highest in recent years. Promoting Digital India initiative, your Corporation recorded 31.3 per cent of the total transactions at retail outlets via digital mode in March 2019, surpassing the target set by Government of India. Your Corporation also achieved 100 per cent automation at all feasible retail outlets, and also replaced 100 per cent old dispensing units with new units.

In LPG business, your Corporation achieved new heights. A record number of 1,018 new distributorships was commissioned during the year, taking the total number of LPG distributorships to 5866. An enrolment of 123.7 Lakhs new Domestic customers has been completed during the year, in which a major share of 101.2 Lakhs customers enrolled under Pradhan Mantri Ujjwala Yojana during 2018-19. The domestic LPG customer base now stands at a robust 808.7 Lakhs, wherein the domestic fuel quantity supplied during the financial year 2018-19 stands at 5.68 Million Tonnes. Your Corporation commissioned LPG plant in Warangal with a bottling capacity of 60 TMTPA.

In the Aviation Business Line, your Corporation achieved a sales volume of 875 TMT with a remarkable growth of 20 per cent and 0.96 per cent market share gain amongst PSU companies. Aviation Service Facilities was augmented by setting up new fixed facilities at Amritsar, Bhubaneshwar, Raipur and Regional Connectivity Scheme (RCS) location at Kolhapur.

Your Corporation continues to deliver exceptional performance in the profitable Lubricants business segment in the Indian market, which is highly competitive with participation from MNC segment, private sector and public sector. Landmark total Lubricants sales of 652 TMT with 8 per cent growth over the previous year, by which it has retained its No. 1 position for the sixth consecutive year and crossed 600 TMT for the third year in succession. In value added lubes category, your Corporation recorded its highest ever sales of 489 TMT with 12 % growth over the previous year, widening the gap further with the second largest player.

In Natural Gas business, your Corporation emerged as one of the most successful bidders during the 10th round of CGD bidding concluded in Feb 2019. PNGRB awarded authorisation to your Corporation for setting up CGD network in nine geographical areas during the 10th round and one geographical area during the 9th round of CGD bidding. Environmental Clearances granted by MoEF for setting up 5 MMTPA LNG Regasification Terminal at Chhara.

Your Corporation continued to focus on enhancing the efficiency and reliability in operations at all operative locations, which has helped to register the highest ever throughput of 52 MMT through its POL installations. Towards leveraging

technology in operations, SMART Terminal initiative was rolled out in many locations which would increase efficiency, transparency and safety. To cater to the demand for defence forces, a new Depot at Leh was commissioned.

Maximising Pipeline transportation, your Corporation has achieved an all-time high pipeline thruput of 21.5 MMT during the year against 20.4 MMT over the previous year. Pipeline capacity and network expansion remain a significant focus area for your Corporation. Several expansion projects are underway with an investment outlay of ₹ 5,916 Crore. increasing the mainline capacity to 33.73 MMTPA and pipeline network extension by 1100 Km.

TREASURY MANAGEMENT

The year 2018-19 was a challenging year from Treasury management perspective. Indian Rupee (INR) started on a weak note in April 2018 by depreciating over 2% in the first month of FY 2018-19. INR depreciation continued through the fiscal with depreciation against the USD touching a high of 15% before a series of measures were introduced. With regard to interest rates, the year witnessed two successive hikes of 25 bps each in the Policy Repo Rates by RBI in June 2018 & August 2018 which led to overall hardening of the lending rates by Banks. These were followed by a cut of 25 bps in Policy Repo Rates by RBI in Feb 2019 on the back of rising Global uncertainties and trade tensions. The year also witnessed increase in LIBOR rates due to monetary tightening by US Federal Reserve. The challenges posed by the above factors were proactively and effectively managed to moderate the impact on borrowing cost.

Leveraging your Corporation's reputation and image in the international market, your Corporation successfully raised a USD 500 million ECB loan at a very competitive rate.

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

Temporary surplus of funds was invested at best rates deriving commensurate income on such investment. These funds were invested in term deposits with approved public sector banks, Collateralized Borrowing and Lending Obligation (CBLO) with CCI, debt schemes of public sector mutual funds and Treasury Bills.

Your Corporation continued to command international long term issuer rating of "Baa2" with "Stable" outlook from M/s. Moody's Investors Services and "BBB-" rating with "stable" outlook from Fitch Ratings. Both ratings are at par with sovereign rating. Your Corporation is maintaining



highest domestic rating for long term ("AAA" with "stable" outlook) and short term ("A1+") facilities from CRISIL, India Rating and Research Limited and ICRA.

INTERNAL FINANCIAL CONTROLS

Your Corporation has adequate Internal Financial Controls for ensuring orderly and efficient conduct of its business, including adherence to the Corporation's policies; the safeguarding of its assets; the prevention and detection of frauds and errors; the accuracy and completeness of the accounting records; and the timely preparation of reliable information, which is commensurate with the operation of your Corporation. As part of this exercise, the design of internal controls and its operating effectiveness, for the key business processes is tested by independent expert. Based on the review carried out, independent expert has stated 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 per your Corporation's Risk Management Charter and Policy 2007, a robust governance structure has been developed and implemented across the organisation in its journey towards risk intelligence. The Risk Management Steering Committee (RMSC) constituted under the Risk Management Charter and Policy 2007, guides and monitors the Risk management process across the organization. Periodical reviews are held to ensure that risks are controlled through a properly defined framework. The Board is appraised about the risk assessment and mitigation procedures.

The Enterprise Risk Management (ERM) process is aimed at creating a risk culture wherein 'risk consciousness' is embedded in the decision-making process across the organisation. Technology has been used to integrate and manage the entire process of ERM.

Your Corporation has engaged the services of an independent expert to assist in continued implementation of effective Risk Management framework for providing a holistic view of risks and to facilitate more informed decision-making.

VIGILANCE

Your Corporation has a full-fledged Vigilance Department headed by a Chief Vigilance Officer. The Department functions under the guidelines formulated by Central Vigilance Commission.

Based on the Vigilance Awareness Week's theme for this year "Eradicate Corruption-Build a new India" and also to promote Preventive Vigilance, various outreach activities were organised to spread awareness among the masses. Large number of citizens took e-Integrity Pledge across the country at various functions organized by Vigilance Department during the year.

Your Corporation has been conferred with the prestigious 'Vigilance Excellence Award-2018' instituted by Central Vigilance Commission under 'Outstanding' category for 'Best Institutional Practices including IT Initiatives for Fighting Corruption in the Organization' by Hon'ble President of India.

Vigilance department coordinated with various agencies like CVC, CBI, MOP&NG etc. Surprise inspections were carried out and systemic improvements were suggested by Vigilance, wherever necessary.

INDUSTRIAL RELATIONS

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

Career Development Policy (CDP) settlements for Visakh Refinery and Mumbai Refinery were signed in April'18 and May'18 respectively and implemented successfully within the time frame agreed.

In order to attract contractors who are in position to provide better services and higher productivity through engaging experienced and efficient workman, your Corporation introduced "Travelling Allowance" payable to the contract workmen engaged under respective contractor(s) at Corporation's location basis the actual attendance. Your Corporation also took proactive steps to ensure that all the contract workmen were covered under Pradhan Mantri Jan Dhan Yojana and Prime Minister Suraksha Beema Yojana. To promote Digital India and cashless economy, it was ensured that all Contract Labours deployed across the Corporation are paid their wages thru' NEFT. Further, various programs across the Corporation were organized for Contract workmen so that they can use various modes of cashless payments.

At your Corporation, we believe that safety and wellbeing of all stake holders including Contract Workmen is of paramount importance. Under the Perna program, a unique initiative of the Corporation to imbibe safe work culture and improve well-being of contract workmen, 185 Perna Programs covering 9,194 Contract workmen were conducted during year 2018-19.

OFFICIAL LANGUAGE IMPLEMENTATION

Your Corporation gives significant importance towards implementation of Official Language. Keeping in mind the harmony, encouragement and motivation, necessary



compliance of constitutional provisions pertaining to Official Language is ensured by using Hindi as a business language. By using modern technology use of Hindi is ensured in the field of Information Technology.

Through, All India Hindi Mahotsav, Official Language Conferences, competitions and Hindi workshops, your Corporation creates awareness among its employees for progressive use of Hindi. Your Corporation has headed Mumbai (PSU) Town Official Language Implementation Committee since 1983. Thus, your Corporation has been leading 65 offices of Central PSU's at Mumbai through its regular meetings/conduct of programs which have been appreciated by Secretary-OL, GOI & other senior dignitaries from time to time.

In the year 2018-19, your Corporation has bagged 57 awards in Official Language Implementation, including "Rajbhasha Kirti Pratham Puraskar" and Petroleum and Natural Gas OL Shield for last two consecutive years thus maintaining a lead position in the entire Oil Industry.

CORPORATE SOCIAL RESPONSIBILITY

Your Corporation has always believed in creating shared value and being a catalyst of transformation through its CSR endeavors. Your Corporation is committed to delivering happiness by making meaningful changes in the lives of people thereby fulfilling its social commitment. Continuing its efforts to create a healthy, educated and empowered nation, various initiatives in the focus areas of Child care, Education, Health care, Skill Development, Sports, Environment and Community Development were undertaken for holistic societal development in collaboration with community/local administration.

Being a responsible corporate citizen, the constant effort is to maximize positive impact of the initiatives by integrating and internalizing CSR into the core of business operations. National Development Policies, Sustainable Development Goals and flagship schemes of Government of India have been the contributing factors to the CSR initiatives. Your Corporation has always believed in adopting strategies aimed at 'Bridging the Gaps' by identifying gaps in the existing system and narrowing them rather than creating new parallel systems.

Your Corporation undertook various development initiatives in FY 2018-19 which helped to reach out to large sections of marginalized society. Driven by the sheer passion and altruism of the committed employees, the focused efforts of the Corporation through innovative, value-driven and well-designed CSR projects have been able to transform the lives of marginalized and less privileged.

Special focus was laid on supporting development initiatives in Aspirational Districts identified by NITI Aayog / Department of Public Enterprises and creation of sanitation infrastructure and other initiatives under Swachh Bharat Abhiyan.

The projects under Education focus area viz. Nanhi Kali, Unnati, Akshayapatra and Agastya have been able to impact the lives of school going children by supporting their educational pursuits.

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

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

Various activities were undertaken under Swachh Bharat Abhiyan focusing on creation of sanitation infrastructure in schools and community, provision of clean drinking water facilities etc. More than 850 toilets in school, IHHL and community have been constructed under Swachh Bharat Abhiyan. In addition to being associated with Swachh Iconic Places initiative (Golden Temple, Amritsar), Open Defecation (ODF) project was also undertaken in association with Municipal Corporation, Amritsar.

In order to strengthen the 'Skill India' initiatives of the Government of India, contribution was made to six Skill Development Institutes at Rae Bareilly, Ahmedabad, Visakhapatnam, Kochi, Guwahati and Bhubaneswar for the promotion of higher education and employability skills. Other unique initiatives were also undertaken which included long term skilling of differently abled youth and learning labs for differently abled youth in Khordha district, Setting up of Modular furniture skill development-cum-production center in YSR Kadapa district in association with Andhra Pradesh Prison Department.

To empower academic talent, scholarships amounting to ₹ 6.21 Crore were distributed to meritorious SC, ST, OBC and PWD students. Contribution was also made to Armed Forces Flag Day Fund for welfare of ex-servicemen, war-widows and their dependents and the institutions involved in their rehabilitation.

The employees at business locations across the length and breadth of the country actively participated in Swachhta Pakhwada and 'Swachhta Hi Sewa' campaigns and took up various innovative activities in association with local administration, institutes, community and society at large. Various innovative initiatives through radio, virtual campaigns etc. were undertaken to promote sanitation and cleanliness among masses. For the first time, International Day of Persons with Disabilities (3rd Dec.) was observed in the Corporation to promote inclusivity and generate awareness



among stakeholders. The 16th edition of Tata Mumbai Marathon saw an enthusiastic participation of more than 200 employees who came forward to support differently-abled children in “Champions with Disability” and other race categories.

Your Corporation also contributed ₹ 31.77 Crore towards Pradhan Mantri Ujjwala Yojana (PMUY) which aims to safeguard health of women and young children by providing them clean cooking fuel.

These untiring CSR efforts of your Corporation were recognized with awards and accolades at various forums. Your Corporation was ranked among top three best performing CPSEs (Oil & Gas) for its contribution towards Swachhta Pakhwada by MoP&NG. Other notable awards included Energy and Environment Foundation Global CSR Award 2019, Apex India CSR Excellence Award, Swachh Bharat Award in the category of ‘Sanitation – Infrastructure Building’.

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

CORPORATE GOVERNANCE

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

PROCUREMENT OF GOODS & SERVICES FROM MSEs

In line with the Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 and amendment order 2018, for the year 2018-19 against the set target of 25%, your Corporation has achieved 32.87% (₹ 4,315.20 Crore) procurement of goods and services from Micro & Small Enterprises (MSEs).

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company 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. In view of the reassignments and superannuation/separation/completion of 3 years from the appointment of some of the ICC committee members in respect of various zones/refineries, the committees were reconstituted. Various workshops were organized across Corporation to educate employees on the subject.

MANAGEMENT’S DISCUSSION & ANALYSIS REPORT

The Management’s Discussion and Analysis (MDA) Report, as required under Corporate Governance Guideline, has also been incorporated as a separate section forming part of the Annual Report.

FINANCIAL STATEMENTS OF SUBSIDIARIES

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

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

COST AUDIT

Maintenance of Cost Records as specified by the Central Government under section 148(1) of the Companies Act 2013 is required by the Company and accordingly, such accounts and records are made and maintained. The Cost Audit for the financial year 2017-18 was carried out and the Cost Audit Reports were filed with the Ministry of Corporate Affairs before the stipulated date of filing.

DIRECTORS

Your Corporation’s Board presently comprises of 12 Directors. The Whole Time Directors are Shri Mukesh Kumar Surana (Chairman & Managing Director & additional charge of Director Finance), Shri Pushp Kumar Joshi (Director – Human Resources), Shri S. Jeyakrishnan (Director – Marketing) and Shri Vinod S. Shenoy (Director – Refineries).

The Government Nominee Director is Shri Subhash Kumar. Shri Sandeep Poundrik was an Ex-officio Director on the Board till May 01, 2019. The Part Time Non Official Directors (Independent) are Shri Ram Niwas Jain, Smt. Asifa Khan, Shri G.V. Krishna, Dr. T. N. Singh, Shri Amar Sinha and Shri Siraj Hussain.

As per the provisions of Section 152 of the Companies Act, 2013, Shri Vinod S. Shenoy 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 YEAR

Appointment:

- Shri Subhash Kumar was appointed as a Government Nominee Director, by Government of India (representative of Oil and Natural Gas Corporation Limited) (ONGC) as Part-Time Director with effect from May 22, 2018.
- Shri Ram Niwas Jain was re-appointed as an Independent Director on the Board of your Corporation effective November 20, 2018 for a period of one year from the date of completion of his existing tenure i.e. November 19, 2018.
- Shri R. Kesavan, Executive Director – Corporate Finance was appointed as Chief Financial Officer (CFO) of the Corporation with effect from March 01, 2019.
- Shri V. Murali, Dy. Company Secretary was appointed as Company Secretary of the Corporation with effect from December 01, 2018.

Cessationship:

- Ms. Sushma Taishete, Government Nominee Director has ceased to be Director of the Corporation with effect from May 07, 2018.
- Shri J. Ramaswamy, Director Finance and also Chief Financial Officer (CFO) of the Corporation superannuated from the services of the Corporation on February 28, 2019 and hence ceased to be Director & CFO of the Company with effect from March 01, 2019.
- Shri Sandeep Poundrik, Government Nominee Director has ceased to be Director of the Corporation with effect from May 01, 2019 on ceasing to be an official of the administrative ministry i.e. Ministry of Petroleum and Natural Gas (MOP&NG)
- Shri Shrikant M. Bhosekar, Company Secretary superannuated from the services of the Corporation on November 30, 2018.

The Board places on record its sincere appreciation for the valuable services rendered by Ms. Sushma Taishete, Shri J. Ramaswamy and Shri Sandeep Poundrik as Directors during their tenure in the Corporation.

NUMBER OF MEETINGS OF THE BOARD

During the year, 13 Board meetings were held. The details of the Board Meetings are given in Corporate Governance Report.

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

Your Corporation, being a Govt. Company, is exempted to furnish information under Section 197 of Companies Act,

2013 vide Ministry of Corporate Affairs (MCA) Notification dated 05.06.2015.

There was a reference by C&AG during review of accounts with regard to payment of shift allowance. In pursuance of the same, payment of shift allowance has been kept in abeyance and the Corporation has represented the matter for reconsideration by Competent Authority.

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

Group	Total No. of Employees	No. of Women Employees	% of Women Employees
Management	6,187	720	11.64%
Non-Management	4,052	249	6.15%
TOTAL	10,239	969	9.46%

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Your Corporation being a Government Company, the performance evaluation of the Performance of the Company, its Board and indirectly its Committee is carried out by the Administrative Ministry i.e. Ministry of Petroleum and Natural Gas (MOP&NG) through the process of Memorandum of Understanding in each Financial Year. Further there is also performance evaluation of Functional Directors by MOP&NG.

Compliance of Section 134 (3) (p) is exempted 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 & Disclosure Requirements) Regulations, 2015. Statement of declaration required under Section 149(7) have been obtained from the Independent Directors for the Financial Year 2019-20

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

POLICY FOR REMUNERATION OF KEY MANAGERIAL PERSON AND OTHER EMPLOYEE

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



AUDIT COMMITTEE

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

Sl. No.	Name	Category
1.	Shri Ram Niwas Jain	Independent Director - Chairman
2.	Shri G.V. Krishna	Independent Director - Member
3.	Dr. T. N. Singh	Independent Director - Member
4.	Shri Amar Sinha	Independent Director - Member
5.	Shri Mukesh Kumar Surana (holding additional charge of Director Finance effective March 01, 2019)	Whole Time Director - Member

The recommendations made by the Audit Committee during the year were accepted by the board.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s Dholakia & Associates LLP, Practising Company Secretary to undertake the Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report is annexed herewith as Annexure IV. There is no qualification, reservation or adverse remark made by the Practising Company Secretary in his Secretarial Audit Report except that the Company did not have Independent Directors on its Board as required under regulation 17(1)(b) of SEBI LODR, 2015 for the period from April 01, 2018 to February 20, 2019.

In this regard the company has confirmed 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 the terms and conditions of appointment vest with the Government of India. The matter regarding appointment of required number of Independent Directors have been taken up with MOP&NG from time to time and the Government is seized of the matter.

COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

The Company 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.

EXTRACT OF ANNUAL RETURN

Persuant to Section 92(3) of the Company's Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules 2014, an extract of the Annual Report is annexed as Annexure VI. The same is also hosted on the website of the Company www.hindustanpetroleum.com

RELATED PARTY TRANSACTIONS

The details of transactions entered into with the Related Parties during the year 2018-19 are enclosed as Annexure V.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

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

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

Joint Venture company incorporated during 2018-19:

One Joint Venture Company HPOIL Gas Private Limited (HOGPL) was incorporated on 30.11.2018 with Hindustan Petroleum Corporation Ltd (HPCL) and Oil India Ltd (OIL) holding 50% equity each. The JV was set up for City Gas Distribution network in Ambala – Kurukshetra (Haryana) and Kolhapur (Maharashtra)

Joint Venture company dissolved during 2018-19:

One Joint Venture of HPCL Petronet India Limited (PIL) has commenced voluntary winding up on 30.08.2018. Hindustan Petroleum Corporation Ltd. (HPCL) holds an equity of 16% in PIL.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the Financial Year 2018-19, there is no Order or Direction of any Court or Tribunal or Regulator which either affects your Corporation's status as a going concern or which substantially or significantly affects your Corporation's business operations.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

Your Corporation has a Whistle Blower Policy approved by the Board and the same is placed on the website of the



Corporation. Weblink of whistle blower policy is stated herein below:

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

DETAILS OF DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and the profit and loss of the company for that period.
- 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.
- The Directors have prepared the Annual Accounts on a going concern basis.
- 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.

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

ACKNOWLEDGEMENTS

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

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

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

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

For and on behalf of the Board of Directors

Sd/-
MUKESH KUMAR SURANA
Chairman & Managing Director

Date: 20th May, 2019



Annexure to Directors' Report for the year 2018-19

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

The major component of Refineries operating cost is energy cost and refineries accord highest priority to energy conservation. Accordingly, both Mumbai and Visakh refineries have taken proactive role in the area of energy conservation and achieved significant improvement by continuously improving operating practices and implementing energy conservation projects. The major energy conservation measures undertaken during 2018-19 are as follows:

The energy conservation measures undertaken by your Corporation's refineries during the year 2018-19 have resulted in a savings of ~ 30,710 SRFT/year (standard refinery fuel tonnage per year).

Mumbai Refinery:

Mumbai Refinery undertook various energy saving initiatives that resulted following savings in energy:

- Optimization of CCR at more than 3 % level in NFCCU operation for more steam generation
- DIU operation @ 5000 T/D with sustained recycling by P-20 for hydrogen conservation
- Effective Flare Gas Recovery thereby minimizing flare loss
- Commissioned BPSTG (back pressure steam turbine generator)
- Introduction of lift gas to riser in NFCCU to reduce steam
- Optimizing consumption of power in PDU compressor
- Single boiler operation thus ensuring efficient asset utilisation
- Integration of LR VPS TPA-PDU DWO solution heat transfer
- Energy saving thru reducing CDU-1 overhead pressure from 1.8 to 1.6 kg/cm²g
- Ceramic coating application on walls of PDA furnace
- Revamp of SEU-1 furnace

The above energy conservation measures undertaken by MR during 2018-19 resulted in a savings of ~13,116 SRFT/year (standard refinery fuel tonnage per year).

Visakh Refinery:

Energy improvement measures taken up by Visakh refinery resulted in following savings:

- Dry ice blasting of HRS tubes
- Switching reformer fuel from naphtha to fuel gas in DHT HGU
- Commissioning of new schemes - CDU-II Slop cut steam generator, Tempered water coolers, two additional hot well off gas burners, continuous Capacity Controller on CCR Net Gas Compressor
- Cleaning of fouled preheat exchangers in CDU II
- Repair of damaged insulations
- Optimization of stripping steam in CDU-I & II
- Replacement of magnetic resonators in GTG III yielded

The above energy conservation measures undertaken by Visakh Refinery during the year 2018-19 have resulted in a savings of ~ 17594 SRFT/Year (standard refinery fuel tonnage per year).

Capital investments on energy conservation equipment:

Capital investment on energy conservation equipment during financial year 2018-19 is ₹ 15 Crore for MR and ₹ 8.72 Crore for VR.

B). TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

Mumbai Refinery:

1. SEU-I furnace revamp with split flow technology implemented with efficiency enhancement from 77% to 83.6% and increase in feed by 5 m³/hr
2. LOUP recycle gas compressor equipped with step-less control technology
3. Industrial oil hydrofiner reactors loaded with spare DHT catalyst to improve sulphur reduction utilizing idling asset
4. Aviation Fuel storage tanks – DGCA compliant internal coating system, introduced conforming to Energy Institute Std 1541.



5. New insulation system for hot and cryogenic services introduced
6. Introduced Unified Reliability Tracking System (RTS)
7. Application of infrared enabled drone technology for assessment of Flare / Stacks.
8. Under water inspection introduced by using Remote Operated Vehicle
9. HTHA (High Temperature Hydrogen Attack) assessment carried out for LR IOH reactor using advanced technologies, TOFD & Phased array and Back Scatter, Velocity Ratio and amplitude attenuation.

Visakh Refinery:

1. HPCL R&D developed FurnoKare system (online heater cleaning) is in use to sustain heater performance.
2. HPCL R&D developed dispersant chemical HPDUCER is in use in DHDS to address high pressure drop issue in reactor.
3. DHT-PSA & CCR PSA adsorbant replacement carried out with R&D developed adsorbent.
4. ATF reactor catalyst replacement with new generation catalyst for improving Mercaptan removal and high feed rate operation.
5. Gamma scanning of reactors and Tracer study of exchanger network in DHT was carried out as a part of troubleshooting activity.
6. Sustained the operation of DHT-PDS and maximized High Sulfur Heavy Naphtha processing.

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

Technology Imported	Year of Import	Whether fully absorbed or not	If not absorbed, Reasons
---------------------	----------------	-------------------------------	--------------------------

Mumbai Refinery :

Flare Gas Recovery (FGR) Facility 2016 Yes

Split pass flow technology- SEU III/ II furnace 2016/2017 Yes

Visakh Refinery:

Technology Imported	Year of Import	Whether fully absorbed or not	If not absorbed, Reasons
Flare Gas Recovery (FGR) Facility	2016	Yes	
FCCU-I reactor stripper internal replacement with Modgrid packing	2017	Yes	
2nd HDS (finishing) reactor in FCC-NHT	2017	Yes	
Debutanizer in DHT	2017	Yes	

iii. Expenditure incurred on Research & Development.

(₹ / Crore)

Particulars	2018-19	2017-18
Capital	124.48	132.62
Revenue	129.37	100.16

C) FOREIGN EXCHANGE EARNING AND OUTGO:

- a. Activities relating to exports

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

- b. Total Foreign Exchange used and earned

(₹ / Crore)

Particulars	2018-19	2017-18
Expenditure in Foreign Exchange	51,984.26	38,223.04
Earnings in Foreign Exchange	5,287.95	2,512.74



Annexure to Directors' Report for the year 2018-19

ANNEXURE-II

Environmental Protection measures:

Pollution Control Measures initiated & other environment initiatives undertaken by refineries during 2018-19

MUMBAI REFINERY:

A. Pollution control measures initiated

- 1) Fence Line Monitoring system (2 Nos) paths are installed and commissioned
- 2) Dynamic Emission Limits successfully set for six furnaces and communication established to CPCB/ MPCB

B. Other activities undertaken

- 1) 743385 KL of water recycled in 2018-19 thereby saving equivalent quantity of natural resources
- 2) 3167 m3 of sludge processed from Tk-113 & Tk-119 in year 2018-19
- 3) Low oily sludge of approx. 2000m3 is under bioremediation by OTBL
- 4) Disposed approx. 1966 MT of hazardous waste and 87.7 MT of metal bearing spent catalyst
- 5) Processed 10270 weathered bitumen drums and upgraded 1608.3 KL bitumen to 2053.6 KL IFO

VISAKH REFINERY

A. Pollution control measures initiated

- 1) Dynamic emissions limit tags for all the dual fired furnaces / boilers are created in DCS of respective units for continuous monitoring of dynamic limits by operations and all the tags are incorporated in Process Information Network (PIN).
- 2) Implemented dynamic emissions limits for all the stacks of dual fired furnaces / boilers as per CPCB directives ahead of the scheduled date of 30.09.2018.
- 3) New order was placed on M/s Yokogawa India Limited and Data Acquisition Software (DAS) has been upgraded to facilitate Remote Calibration

of analyzers. The field execution jobs completed and remote calibration facility testing jobs are in progress.

- 4) Field execution jobs completed for real time data transfer of stack emission, liquid effluent and CAAMS to CPCB and APPCB websites.
- 5) Oil Spill response equipment for SPM and F&S were procured.
- 6) As part of "Vanam Manam" Program initiated by Andhra Pradesh Government, plantation of 10,000 saplings has been carried out by HPCL-VR in and around Visakhapatnam.

B. Other activities undertaken

- 1) ETP – I major equipment turn around was carried out.
- 2) Submitted Online Continuous Emission Monitoring System (OCEMS) compliance protocol data to CPCB.
- 3) 6008 m3 of oily sludge was processed during the year.
- 4) Disposed of around 739 MT of various hazardous waste materials.
- 5) Leak Detection and Repair (LDAR) program was carried out for monitoring & controlling the hydrocarbon emission in the refinery.
- 6) World Environment day was celebrated on 5th June 2018. Various programs like workshop on reduction and handling of waste, beach cleaning drive, free Pollution Under Control (PUC) check camp for creating awareness in public, flash mob, competitions for employees on environmental awareness, distribution of 20,000 cloth bags in public places and distribution of saplings to employees were taken up.
- 7) ISO 14001 re-certification audit was successfully carried out and ISO 14001: 2015 certificate obtained from M/s DNV GL with a validity of 3 years. Internal audits, surveillance audits & Management Review Meetings (MRMs) were conducted as per annual plan.



Annexure to Directors' Report for the year 2018-19

ANNEXURE-III

REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

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

Your Corporation believes in shared value creation and interdependency of business and stakeholders. In line with this, the revised CSR policy of the Corporation pens down the philosophy of CSR, defines the ambit of CSR and brings uniformity in various operations and functionalities of the structure and its activities. During 2018-19, the Corporation spent ₹ 159.81 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>

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

2. The composition of the CSR Committee as on 31st March, 2019:
 - i. Shri G. V. Krishna: Independent Director (Chairman, CSR and SD Committee)
 - ii. Shri Ram Niwas Jain: Independent Director (Member, CSR and SD Committee)
 - iii. Shri Dr. T. N. Singh: Independent Director (Member, CSR and SD Committee)
 - iv. Shri Amar Sinha: Independent Director (Member, CSR and SD Committee)
 - v. Shri P. K. Joshi: Director - Human Resources (Member, CSR & SD Committee)
 - vi. Shri S. Jeyakrishnan: Director - Marketing (Member, CSR & SD Committee)
 - vii. Shri Vinod S. Shenoy: Director - Refineries (Member, CSR & SD Committee)
3. Average Net Profit of the company for last 3 financial years (2015-18) = ₹ 7,942.93 Crore
4. Prescribed CSR expenditure (2% of amount) = ₹ 158.86 Crore
5. Details of CSR activities/projects undertaken during the year:
 - a) Total amount to be spent for the financial year = ₹ 158.86 Crore
 - b) Amount un-spent, 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), Jammu & Kashmir (Jammu), Jharkhand (Ranchi), Karnataka (Bengaluru (Bangalore) Rural), Kerala (Ernakulam), Madhya Pradesh (Indore), Maharashtra (Mumbai Suburban, Nagpur, Raigad, Sindhudurg, Solapur), Odisha (Dhenkanal, Gajapati, Khordha), Tamil Nadu (Nagapattinam)	6.41	6.41	6.41	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc.

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 *
	Ensuring Environment Sustainability and Conservation of Natural Resources	Local Area Bihar (Aurangabad), Maharashtra (Mumbai City), Rajasthan (Pali), Uttar Pradesh (Ambedkar Nagar, Etah, Faizabad, Shravasti)				
	Promoting Gender Equality and Empowering Women	Local Area Odisha (Cuttack)				
	Rural Development Projects	Local Area Kerala (Kasaragod), Maharashtra (Pune), Punjab (Bathinda), Telangana (Jagtial)				
Interventions in Healthcare	Promoting health care including preventive health care	Local Area Andhra Pradesh (East Godavari, Visakhapatnam), Bihar (Aurangabad, Banka, Bhojpur, Buxar, Gaya, Gopalganj, Jamui, Kaimur (Bhabua), Katihar, Khagaria, Madhepura, Madhubani, Munger (Monghyr), Muzaffarpur, Nalanda, Nawada, Patna, Purnia, Rohtas, Saran, Siwan, West Champaran), Chandigarh (UT) (Chandigarh), Chhattisgarh (Raipur), Delhi (NCT) (New Delhi, West Delhi), Gujarat (Anand, Bharuch, Kutch, Mehsana, Navsari, Rajkot, Surat, Vadodara, Valsad), Haryana (Bhiwani, Faridabad, Hisar, Kaithal, Sirsa), Jammu & Kashmir (Samba), Jharkhand (Bokaro, Garhwa, Giridih, Godda, Hazaribag, Palamu, Ramgarh, Ranchi, Seraikela-Kharsawan), Karnataka (Bengaluru (Bangalore) Rural, Bengaluru (Bangalore) Urban, Kodagu, Tumakuru (Tumkur), Kerala (Ernakulam), Madhya Pradesh (Alirajpur, Ashoknagar, Bhind, Bhopal, Dhar, Indore, Jabalpur, Jhabua, Khandwa, Kargone, Mandsaur, Ratlam, Sagar, Satna, Sehore, Seoni, Shahdol, Sidhi, Singrauli, Ujjain, Vidisha), Maharashtra (Ahmednagar, Hingoli, Mumbai Suburban, Ratnagiri, Satara), Odisha (Balasore, Bhadrak, Cuttack, Deogarh, Dhenkanal, Gajapati, Ganjam, Jagatsinghapur, Jajpur, Jharsuguda, Kalahandi, Kandhamal, Kendrapara, Kendujhar (Keonjhar), Khordha, Mayurbhanj, Puri, Sambalpur), Punjab (Fazilka, Ferozpur, Ludhiana), Rajasthan (Ajmer, Alwar, Banswara, Barmer, Bharatpur, Bhilwara,	12.75	12.75	12.75	



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*
		Bikaner, Chittorgarh, Churu, Dausa, Hanumangarh, Jaipur, Jalore, Jhunjhunu, Jodhpur, Kota, Nagaur, Pali, Rajsamand, Sawai Madhopur, Sikar, Sirohi, Sri Ganganagar, Tonk, Udaipur), Sikkim (East Sikkim, South Sikkim), Tamil Nadu (Krishnagiri), Telangana (Hyderabad), Uttar Pradesh (Ambedkar Nagar, Ballia, Chandauli, Deoria, Etawah, Faizabad, Firozabad, Ghazipur, Gorakhpur, Hamirpur, Jalaun, Kanpur Dehat, Kaushambi, Kushinagar (Padrauna), Lalitpur, Lucknow, Mahoba, Mathura, Mau, Mirzapur, Pratapgarh, Prayagraj, Sant Kabir Nagar, Shravasti, Varanasi), West Bengal (Bankura, Birbhum, Darjeeling, Hooghly, Howrah, Jalpaiguri, Kolkata, Malda, Murshidabad, Nadia, North 24 Parganas, Paschim (West) Burdwan (Bardhaman), Paschim Medinipur (West Medinipur), Purba Medinipur (East Medinipur), Purulia, South 24 Parganas, Uttar Dinajpur (North Dinajpur)				
Promotion of Sports	Promotion of Nationally Recognised and Paralympic Sports	Local Area Maharashtra (Mumbai City, Mumbai Suburban)	0.78	0.78	0.78	
Scholarships for economically backward SC/ST/OBC/PWD Students in Local Areas of Operation Locations	Promoting Education	Local Area Andhra Pradesh (East Godavari, Visakhapatnam, Krishna), Chandigarh (UT) (Chandigarh), Delhi (NCT) (New Delhi, North East Delhi), Gujarat (Aravalli, Patan, Surat), Haryana (Jind, Palwal), Himachal Pradesh (Bilaspur, Shimla), Madhya Pradesh (Bhopal), Maharashtra (Ahmednagar, Akola, Chandrapur, Dhule, Gadchiroli, Gondia, Jalgaon, Kolhapur, Mumbai City, Mumbai Suburban, Nagpur, Nashik, Palghar, Pune, Raigad, Ratnagiri, Sindhudurg, Solapur, Wardha), Mizoram (Mamit), Punjab (Hoshiarpur), Tamil Nadu (Ariyalur), Uttar Pradesh (Ghaziabad)	6.21	6.21	6.21	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*
School Infrastructure and Amenities	Promoting Education	Local Area	23.72	23.72	23.72	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc.
		Andhra Pradesh (East Godavari, Visakhapatnam, Krishna), Arunachal Pradesh (Lower Dibang Valley, Papum Pare), Assam (Darrang, Goalpara), Bihar (Aurangabad, Gaya, Madhubani, Nawada, Patna), Chhattisgarh (Raipur), Gujarat (Kutch), Jammu & Kashmir (Srinagar), Jharkhand (Bokaro, Giridih, Ranchi), Karnataka (Ballari (Bellary), Dakshina Kannada, Hassan, Tumakuru (Tumkur), Yadgir), Kerala (Kozhikode, Wayanad), Madhya Pradesh (Sagar), Maharashtra (Mumbai City, Mumbai Suburban, Raigad, Sangli, Thane), Meghalaya (East Khasi Hills), Mizoram (Mamit), Odisha (Balangir, Cuttack, Deogarh, Dhenkanal, Mayurbhanj, Nabarangpur, Puri), Rajasthan (Alwar, Baran, Barmer, Bharatpur, Jaipur, Jodhpur, Pali, Sirohi), Tamil Nadu (Chennai, Coimbatore, Kanchipuram, Perambalur), Telangana (Hyderabad, Medchal, Rangareddi), Tripura (West Tripura), Uttar Pradesh (Chandauli, Etawah, Lucknow, Siddharth Nagar), Uttarakhand (Dehradun, Uttarkashi), West Bengal (Birbhum, Malda, Murshidabad, Nadia)				
Skill Development for enhancing employability	Imparting Employment Enhancing Vocation Skills	Local Area	20.23	20.23	20.23	
		Andhra Pradesh (Visakhapatnam, Vizianagaram, YSR District, Kadapa (Cuddapah), Assam (Dhubri, Kamrup Metropolitan), Chhattisgarh (Dantewada (South Bastar), Sukma), Delhi (NCT) (New Delhi), Gujarat (Ahmedabad, Dahod, Narmada (Rajpipla), Jammu & Kashmir (Baramulla, Kupwara), Jharkhand (Ranchi, Simdega), Kerala (Ernakulam), Madhya Pradesh (Rewa), Maharashtra (Nandurbar), Odisha (Khordha), Punjab (Moga), Rajasthan (Barmer, Jaisalmer), Uttar Pradesh (Fatehpur, Rae Bareilly), Uttarakhand (Dehradun, Haridwar), West Bengal (Birbhum, Darjeeling)				



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*
Swachh Bharat Abhiyan	Ensuring Environment Sustainability and Conservation of Natural Resources	Local Area Delhi (NCT) (New Delhi), Gujarat (Vadodara), Haryana (Panchkula), Maharashtra (Mumbai City), Odisha (Deogarh), Rajasthan (Jodhpur), Uttar Pradesh (Etah, Etawah, Lucknow, Meerut)	56.82	56.82	56.82	
	Promoting Education	Local Area Andhra Pradesh (East Godavari, Krishna, Prakasam, Visakhapatnam, West Godavari), Bihar (Samastipur, Vaishali), Chandigarh (UT) (Chandigarh), Delhi (NCT) (New Delhi), Gujarat (Ahmedabad, Amreli, Banaskantha (Palanpur), Bhavnagar, Dahod, Devbhoomi Dwarka, Kutch, Patan, Valsad), Haryana (Faridabad, Gurgaon, Hisar, Jhajjar, Palwal, Rohtak), Jammu & Kashmir (Jammu, Pulwama), Jharkhand (Deoghar, Hazaribag, Khunti), Karnataka (Bengaluru (Bangalore) Rural, Dharwad, Mysuru (Mysore), Tumakuru (Tumkur), Yadgir), Kerala (Ernakulam, Kozhikode), Madhya Pradesh (Sagar), Maharashtra (Akola, Jalgaon, Mumbai Suburban, Nagpur, Nashik, Pune, Sindhudurg, Solapur), Punjab (Bathinda, Ferozepur), Rajasthan (Ajmer, Alwar, Baran, Barmer, Bharatpur, Jaipur, Jodhpur, Kota, Nagaur), Tamil Nadu (Chennai, Dharmapuri, Dindigul, Thoothukudi (Tuticorin), Tirunelveli, Tiruvallur), Telangana (Yadadri Bhuvanagiri), Uttar Pradesh (Ballia, Chandauli, Kanpur Dehat, Unnao), Uttarakhand (Chamoli, Dehradun, Tehri Garhwal, Uttarkashi), West Bengal (Purba Burdwan (Bardhaman), Purba Medinipur (East Medinipur), South 24 Parganas)				
	Promoting health care including preventive health care and Sanitation	Local Area				
		Andhra Pradesh (Visakhapatnam, YSR District, Kadapa (Cuddapah), Bihar (Begusarai, West Champaran), Delhi (NCT) (East Delhi, New Delhi), Gujarat (Ahmedabad, Narmada (Rajpipla), Haryana (Jhajjar), Jharkhand (East Singhbhum), Karnataka				

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*
		(Chamarajanagar, Dakshina Kannada, Mysuru (Mysore), Kerala (Ernakulam), Madhya Pradesh (Bhopal, Indore, Rajgarh, Sagar), Maharashtra (Aurangabad, Beed, Latur, Mumbai City, Mumbai Suburban, Nagpur, Pune, Raigad, Sindhudurg, Thane), Punjab (Amritsar, Hoshiarpur, Ludhiana, Sangrur), Rajasthan (Ajmer, Jaipur), Tamil Nadu (Ariyalur, Chennai, Madurai), Telangana (Adilabad, Hyderabad, Yadadri Bhuvanagiri), Uttar Pradesh (Azamgarh, Ballia, Etawah, Kanpur Dehat, Kaushambi, Lucknow, Sant Kabir Nagar, Sitapur), West Bengal (Kolkata)				
	Rural Development Projects	Local Area				
		Gujarat (Patan)				
Contribution to Armed Forces Flag Day Fund	Measures for benefit of armed force veterans, war widows and their dependents	Delhi (NCT) (New Delhi)	0.75	0.75	0.75	Direct
Pradhan Mantri Ujjwala Yojna	Promoting Health Care Ensuring Environmental Sustainability	Pan India (Pan India)	31.77	31.77	31.77	Through Specialised Implementing Agencies like NGOs, Voluntary Organisations,
Administrative Overheads	Administrative Overheads	Pan India (Pan India)	0.37	0.37	0.37	Community Based Organisations etc.
TOTAL			159.81	159.81	159.81	

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

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



During the year 2018-19, Your Corporation has adopted the CSR Policy approved by the Board of Directors which allocated a budget of ₹ 158.86 Crore. CSR activities were undertaken in line with the plans drawn through CSR Policy under the focus areas of Child care and Education, Health care, Skill Development, Sports and Environment and Community Development. CSR Activities were monitored through a two tier monitoring structure as laid down in the approved CSR policy.

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

Sd/-

Chairman & Managing Director

Sd/-

Chairman - CSR Committee



Annexure to Directors' Report for the year 2018-19

ANNEXURE-IV

SECRETARIAL AUDIT REPORT

FORTHE FINANCIAL YEAR ENDED 31st MARCH, 2019

[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 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, 2019. 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 record 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, 2019, 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, 2019 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 (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 (Buyback of Securities) Regulations, 1998; (up to 10th September, 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September, 2018).
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (up to 9th November, 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 10th November, 2018) and
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- VI. Guidelines on Corporate Governance for Central Public Sector Enterprises 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 Conservation 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 required number of Independent Directors on its Board as required under Regulation 17 of LODR for the period from 01.04.2018 to 28.02.2019;
- 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 has not been able to appoint requisite number of Independent Directors as required under Regulation 17 of LODR 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 Members at the 66th Annual General Meeting held on 30th August, 2018 has passed the Special Resolution for approval of borrowing of funds by issue of unsecured/secured/redeemable non-convertible bonds/debentures up to ₹ 12,000 Crore on private placement basis.
 2. The Company has entered into various Joint-Venture Agreements (JVs) during FY 2018-19 agreeing to make contribution for the sum aggregating to ₹ 947 Crore towards its share of Equity Capital in the JVs.
 3. During the year 41,96,50,000 Preference Shares of ₹ 10/- each of HPCL Biofuels Ltd amounting to ₹ 419.65 Crore were converted into equivalent number of equity shares.
 4. None of the following events has taken place except for those mentioned above:
 - (a) Public/Rights/Preferential Issue of Shares/ Debentures/Sweat equity etc
 - (b) Redemption/ Buy Back of securities.
 - (c) Merger/Amalgamation/Reconstruction, etc.
 - (d) Foreign Technical Collaboration.

For DHOLAKIA & ASSOCIATES LLP
(Company Secretaries)

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

Place : Mumbai
Date : May 20, 2019



Annexure to Directors' Report for the year 2018-19

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)

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

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Contract/Arrangement/Transactions	Duration of the Contract/Arrangement/Transactions	Salient terms of Contracts Arrangements/Transactions	Transaction Values. (₹/ Crore)	Date of Board Approval	Amount paid as advance
1.	Oil & Natural Gas Corporation Ltd. (ONGC)	Holding Company	Purchase of Goods	2018-19	Purchase of Crude Oil and other Petroleum Products from ONGC	17,224.05		Nil
2.	Oil & Natural Gas Corporation Ltd. (ONGC)	Holding Company	Sale of Goods	2018-19	Sale of Petroleum Products to ONGC	376.85		Nil
3.	Petronet MHB Ltd. (PMHBL)	Joint Venture	Receiving of Service	2018-19	Freight Charges paid for pipeline services provided by PMHBL	53.18		Nil
4.	South Asia LPG Co. Pvt. Ltd. (SALPG)	Joint Venture	Receiving of Service	2018-19	Terminaling Charges paid for storage services provided by SALPG	83.76		Nil
5.	Hindustan Colas Pvt Ltd. (HINCOL)	Joint Venture	Sale of Goods	2018-19	Sale of Bitumen to HINCOL	414.58		Nil
6.	HPCL Mittal Energy Ltd. (HMEL)	Joint Venture	Purchase of Goods	2018-19	Purchase of Petroleum Products from HMEL	41,262.49		Nil
7.	HPCL Mittal Energy Ltd. (HMEL)	Joint Venture	Sale of Goods	2018-19	Sales of Petroleum Products to HMEL	112.80		Nil
8.	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	Associate	Purchase of Goods	2018-19	Purchase of Petroleum Products from MRPL	11,929.95		Nil

For and on behalf of the Board of Directors

Sd/-

Mukesh Kumar Surana
Chairman & Managing Director

Place: New Delhi

Date: 20th May, 2019



Annexure to Directors' Report for the year 2018-19

ANNEXURE-VI

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN (Revised)

As on the Financial Year ended on 31.03.2019

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L23201MH1952GOI008858
ii.	Registration Date	05-07-1952
iii.	Name of the Company	Hindustan Petroleum Corporation Limited
iv.	Category/Sub-category of the Company	Public Company Limited by Shares/Government Company
v.	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
vi.	Whether listed company	Yes
vii.	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	24.12 %
2	High Speed Diesel (HSD)	192	52.40 %
3	Liquefied Petroleum Gas (LPG)	192	12.55 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:

Sr. No.	Name and Address of the Company	CIN/GIN	Holding / Subsidiary / Associate	% of Shares	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)



HINDUSTAN PETROLEUM CORPORATION LIMITED

Sr. No.	Name and Address of the Company	CIN/GIN	Holding / Subsidiary / Associate	% of Shares	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 House No.271, Road No.3E, Holding No. 437 & 438, Ward No. 22, New Patliputra Colony, Patna – 800 013 Bihar	U24290BR2009GOI014927	Subsidiary	100	2 (87)
4	HPCL Rajasthan Refinery Limited Tel Bhawan, Sahkar Marg, Lal Kothi Vistar Jyoti Nagar, Jaipur - 302 005 Rajasthan	U23201RJ2013GOI043865	Subsidiary	74	2 (87)
5	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)



Sr. No.	Name and Address of the Company	CIN/GIN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
11	Petronet India Limited ** BPCL Sewree A/K Installation, Sewree Fort Road, Sewree East, Mumbai – 400 015 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	32.72	2 (6)
13	Bhagyanagar Gas Limited Parishram Bhawan, Basheerbag, Hyderabad – 500 004 Telangana	U40200TG2003PLC041566	Associate	49.97	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)
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	Associate	26	2 (6)



Sr. No.	Name and Address of the Company	CIN/GIN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
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)

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

** Under liquidation.

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

i) Category-wise Shareholding:

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% 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)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (Specify)									
	Sub Total (A)(1)	778845375	0	778845375	51.11	778845375	0	778845375	51.11	0.00
[2] Foreign										
(a)	Individuals (Non-Resident Individuals / Foreign 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 Promoters (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	147054760	5175	147059935	9.65	184706823	5175	184711998	12.12	2.47
(b)	Central Government	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

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Alternate Investment Funds	485530	0	485530	0.03	823542	0	823542	0.05	0.02
(e)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Portfolio Investors	356468985	800	356469785	23.39	283368928	800	283369728	18.60	-4.80
(g)	Financial Institutions / Banks	49941440	3950	49945390	3.28	74913689	3950	74917639	4.92	1.64
(h)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign Bank	675	0	675	0.00	675	0	675	0.00	0.00
	Sub Total (B)(1)	553951390	9925	553961315	36.35	543813657	9925	543823582	35.69	-0.67
[2]	Non-Institutions									
(a)	Bodies Corporate									
	(i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
	(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	66902700	4745815	71648515	4.70	72333938	4189941	76523879	5.02	0.32
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	34331315	294889	34626204	2.27	30606220	294889	30901109	2.03	-0.24
(b)	NBFCs registered with RBI	0	0	0	0.00	2678395	0	2678395	0.18	0.18
(c)	Trust Employee	0	0	0	0.00	7255	0	7255	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Trusts	1585749	0	1585749	0.10	2839776	0	2839776	0.19	0.08
	Hindu Undivided Family	4036457	0	4036457	0.26	4548209	0	4548209	0.30	0.03
	Non Resident Indians	4285687	902178	5187865	0.34	4296337	805103	5101440	0.33	-0.00
	Directors	6540	0	6540	0.00	4365	0	4365	0.00	-0.00
	Employees	0	806445	806445	0.05	0	686383	686383	0.05	-0.00
	Overseas Bodies Corporates	450	0	450	0.00	450	0	450	0.00	0.00
	Clearing Member	1895764	0	1895764	0.12	15347355	0	15347355	1.01	0.88
	Bodies Corporate	71072534	25166	71097700	4.67	62336969	23816	62360785	4.09	-0.57
	IEPF	122306	0	122306	0.00	154267	0	154267	0.01	0.00
	Foreign Nationals	1940	0	1940	0.00	0	0	0	0.00	-0.00
	Sub Total (B)(2)	184241442	6774493	191015935	12.54	195153536	6000132	201153668	13.20	0.67
	Total Public Shareholding(B)=(B)(1)+(B)(2)	738192832	6784418	744977250	48.89	738967193	6010057	744977250	48.89	0.00
	Total (A)+(B)	1517038207	6784418	1523822625	100.00	1517812568	6010057	1523822625	100.00	0.00
(C)	Shares held by Custodians for GDRs & ADRs									
	Total (A)+(B)+(C)	1517038207	6784418	1523822625	100.00	1517812568	6010057	1523822625	100.00	



ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change in shareholding during the year
		No. of shares held	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares held	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	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 (01.04.2018)		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	No. of shares held	% of total shares of the company
1	At the beginning of the year				
	Central Government (President of India)	0	0.00	0	0.00
	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. allotment/transfer/bonus/sweat equity etc.)	There is no change in Promoters shareholding between 01.04.2018 to 31.03.2019			
	At the end of the year				
	Central Government (President of India)	0	0.00	0	0.00
	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 (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of Shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
1	Life Insurance Corporation of India	33052696	2.17				
	Market Purchase			11-May-18	3183092	36235788	2.34
	Market Purchase			18-May-18	458218	36694006	2.41
	Market Purchase			25-May-18	4066687	40760693	2.67
	Market Purchase			01-Jun-18	4322112	45082805	2.96
	Market Purchase			08-Jun-18	3613936	48696741	3.20
	Market Purchase			15-Jun-18	3373330	52070071	3.42
	Market Purchase			22-Jun-18	4525162	56595233	3.71
	Market Purchase			30-Jun-18	430623	57025856	3.74
	Market Purchase			06-Jul-18	2200	57028056	3.74
	Market Purchase			19-Oct-18	18000	57046056	3.74
	At the end of the year					57046056	3.74
2	HDFC Trustee Company Limited A/C. HDFC Balanced Advantage Fund	13013394	0.85				
	Market Purchase			06-Apr-18	2223	13015617	0.85
	Market Purchase			13-Apr-18	944	13016561	0.85
	Market Purchase			20-Apr-18	63144	13079705	0.86

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Purchase			27-Apr-18	354665	13434370	0.88
	Market Purchase			04-May-18	414	13434784	0.88
	Market Purchase			11-May-18	452	13435236	0.88
	Market Purchase			18-May-18	3170455	16605691	1.09
	Market Purchase			25-May-18	939249	17544940	1.15
	Market Purchase			01-Jun-18	474	17545414	1.15
	Market Purchase			08-Jun-18	52242	17597656	1.15
	Market Purchase			15-Jun-18	66628	17664284	1.16
	Market Purchase			22-Jun-18	518	17664802	1.16
	Market Purchase			30-Jun-18	344	17665146	1.16
	Market Sale			06-Jul-18	-737	17664409	1.16
	Market Sale			13-Jul-18	-10340	17654069	1.16
	Market Purchase			20-Jul-18	705	17654774	1.16
	Market Sale			27-Jul-18	-3169	17651605	1.16
	Market Purchase			03-Aug-18	7039	17658644	1.16
	Market Purchase			10-Aug-18	726	17659370	1.16
	Market Purchase			17-Aug-18	263	17659633	1.16
	Market Purchase			24-Aug-18	788	17660421	1.16
	Market Sale			31-Aug-18	-7891	17652530	1.16
	Market Purchase			07-Sep-18	2506	17655036	1.16
	Market Sale			14-Sep-18	-1393	17653643	1.16
	Market Purchase			21-Sep-18	484807	18138450	1.19
	Market Purchase			29-Sep-18	1891918	20030368	1.31
	Market Purchase			05-Oct-18	2580156	22610524	1.48
	Market Purchase			12-Oct-18	15763723	38374247	2.52
	Market Purchase			19-Oct-18	4844897	43219144	2.84
	Market Purchase			26-Oct-18	936250	44155394	2.90
	Market Purchase			02-Nov-18	447216	44602610	2.92
	Market Purchase			09-Nov-18	645	44603255	2.93
	Market Purchase			16-Nov-18	24279	44627534	2.93
	Market Purchase			23-Nov-18	642	44628176	2.93
	Market Purchase			30-Nov-18	3645	44631821	2.93
	Market Purchase			07-Dec-18	743	44632564	2.93
	Market Sale			14-Dec-18	-155397	44477167	2.92
	Market Purchase			21-Dec-18	1451	44478618	2.92
	Market Purchase			28-Dec-18	1406430	45885048	3.01
	Market Purchase			31-Dec-18	1463	45886511	3.01
	Market Purchase			04-Jan-19	456	45886967	3.01
	Market Purchase			11-Jan-19	2508	45889475	3.01
	Market Purchase			18-Jan-19	1249	45890724	3.01
	Market Purchase			25-Jan-19	820	45891544	3.01
	Market Purchase			01-Feb-19	2892	45894436	3.01
	Market Purchase			08-Feb-19	175833	46070269	3.02
	Market Purchase			15-Feb-19	788	46071057	3.02
	Market Purchase			22-Feb-19	2265	46073322	3.02
	Market Purchase			01-Mar-19	2134	46075456	3.02
	Market Purchase			08-Mar-19	897	46076353	3.02



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Purchase			15-Mar-19	1454	46077807	3.02
	Market Purchase			22-Mar-19	3417	46081224	3.02
	Market Sale			29-Mar-19	-342016	45739208	3.00
	At the end of the year					45739208	3.00
3	Reliance Capital Trustee Co. Limited - A/C. Reliance Tax Saver (Elss) Fund	1114305	0.07				
	Market Purchase			06-Apr-18	551745	1666050	0.12
	Market Sale			13-Apr-18	-132458	1533592	0.10
	Market Purchase			20-Apr-18	131477	1665069	0.11
	Market Purchase			27-Apr-18	465554	2130623	0.14
	Market Purchase			04-May-18	1758981	3889604	0.26
	Market Sale			11-May-18	-599	3889005	0.26
	Market Sale			18-May-18	-1029890	2859115	0.19
	Market Purchase			25-May-18	2829	2861944	0.19
	Market Sale			01-Jun-18	-263855	2598089	0.17
	Market Sale			08-Jun-18	-151209	2446880	0.16
	Market Purchase			15-Jun-18	54836	2501716	0.16
	Market Purchase			22-Jun-18	276114	2777830	0.18
	Market Purchase			30-Jun-18	548610	3326440	0.22
	Market Purchase			06-Jul-18	235289	3561729	0.23
	Market Purchase			13-Jul-18	3931124	7492853	0.49
	Market Purchase			20-Jul-18	897417	8390270	0.55
	Market Sale			27-Jul-18	-47870	8342400	0.55
	Market Purchase			03-Aug-18	2081959	10424359	0.68
	Market Sale			10-Aug-18	-5480	10418879	0.68
	Market Purchase			17-Aug-18	48874	10467753	0.69
	Market Sale			24-Aug-18	-750	10467003	0.69
	Market Purchase			31-Aug-18	1242	10468245	0.69
	Market Sale			07-Sep-18	-1676	10466569	0.69
	Market Purchase			14-Sep-18	28365	10494934	0.69
	Market Purchase			21-Sep-18	710207	11205141	0.73
	Market Purchase			29-Sep-18	764893	11970034	0.79
	Market Purchase			05-Oct-18	154831	12124865	0.79
	Market Purchase			12-Oct-18	845163	12970028	0.85
	Market Purchase			19-Oct-18	9520545	22490573	1.48
	Market Purchase			26-Oct-18	1100827	23591400	1.55
	Market Purchase			02-Nov-18	211728	23803128	1.56
	Market Purchase			09-Nov-18	8025	23811153	1.56
	Market Sale			16-Nov-18	-217966	23593187	1.55
	Market Sale			23-Nov-18	-421447	23171740	1.52
	Market Sale			30-Nov-18	-1005397	22166343	1.45
	Market Purchase			07-Dec-18	1547558	23713901	1.56
	Market Purchase			14-Dec-18	248786	23962687	1.57
	Market Purchase			21-Dec-18	734286	24696973	1.62
	Market Sale			28-Dec-18	-477870	24219103	1.59



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Purchase			31-Dec-18	1165576	25384679	1.67
	Market Sale			04-Jan-19	-297869	25086810	1.65
	Market Sale			11-Jan-19	-28447	25058363	1.64
	Market Sale			18-Jan-19	-77684	24980679	1.64
	Market Sale			25-Jan-19	-934747	24045932	1.58
	Market Purchase			01-Feb-19	37496	24083428	1.58
	Market Purchase			08-Feb-19	2823882	26907310	1.77
	Market Purchase			15-Feb-19	521216	27428526	1.80
	Market Purchase			22-Feb-19	1773996	29202522	1.93
	Market Purchase			01-Mar-19	429619	29632141	1.94
	Market Purchase			08-Mar-19	129891	29762032	1.95
	Market Purchase			15-Mar-19	941694	30703726	2.01
	Market Sale			22-Mar-19	-768123	29935603	1.96
	Market Sale			29-Mar-19	-229400	29706203	1.95
	At the end of the year					29706203	1.95
4	National Westminster Bank Plc as trustee of The Jupiter India Fund	18867886	1.24				
	Market Sale			21-Sep-18	-142097	18725789	1.23
	Market Sale			29-Sep-18	-32605	18693184	1.23
	Market Purchase			16-Nov-18	326057	19019241	1.25
	At the end of the year					19019241	1.25
5	Franklin Templeton Mutual Fund A/C. Franklin India Equity Fund	9265219	0.61				
	Market Purchase			06-Apr-18	198932	9464151	0.62
	Market Purchase			13-Apr-18	259531	9723682	0.64
	Market Purchase			20-Apr-18	450000	10173682	0.67
	Market Purchase			27-Apr-18	205484	10379166	0.68
	Market Purchase			04-May-18	300000	10679166	0.70
	Market Purchase			25-May-18	129831	10808997	0.71
	Market Purchase			08-Jun-18	1465998	12274995	0.81
	Market Sale			15-Jun-18	-441	12274554	0.81
	Market Purchase			30-Jun-18	200000	12474554	0.82
	Market Sale			06-Jul-18	-107	12474447	0.82
	Market Purchase			20-Jul-18	300000	12774447	0.84
	Market Purchase			10-Aug-18	587847	13362294	0.88
	Market Purchase			17-Aug-18	5	13362299	0.88
	Market Purchase			31-Aug-18	25000	13387299	0.88
	Market Purchase			07-Sep-18	255069	13642368	0.90
	Market Purchase			29-Sep-18	22428	13664796	0.90
	Market Sale			05-Oct-18	-276	13664520	0.90
	Market Purchase			12-Oct-18	1201795	14866315	0.98
	Market Purchase			19-Oct-18	500354	15366669	1.01
	Market Purchase			26-Oct-18	200000	15566669	1.02
	Market Sale			02-Nov-18	-1082	15565587	1.02
	Market Sale			09-Nov-18	-177	15565410	1.02



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Purchase			16-Nov-18	451509	16016919	1.05
	Market Purchase			07-Dec-18	782063	16798982	1.10
	Market Purchase			14-Dec-18	1316	16800298	1.10
	Market Purchase			21-Dec-18	172	16800470	1.10
	Market Purchase			28-Dec-18	801260	17601730	1.16
	Market Purchase			31-Dec-18	98000	17699730	1.16
	Market Purchase			04-Jan-19	509032	18208762	1.19
	Market Purchase			11-Jan-19	431170	18639932	1.22
	Market Purchase			18-Jan-19	300000	18939932	1.24
	Market Purchase			08-Feb-19	45	18939977	1.24
	Market Sale			08-Mar-19	-1336	18938641	1.24
	Market Sale			29-Mar-19	-41175	18897466	1.24
	At the end of the year					18897466	1.24
6	Motilal Oswal Multicap 35 Fund	16906352	1.11				
	Market Sale			06-Apr-18	-60	16906292	1.11
	Market Purchase			13-Apr-18	134836	17041128	1.12
	Market Sale			20-Apr-18	-91	17041037	1.12
	Market Purchase			18-May-18	162000	17203037	1.13
	Market Purchase			01-Jun-18	345574	17548611	1.15
	Market Sale			15-Jun-18	-91	17548520	1.15
	Market Sale			22-Jun-18	-627746	16920774	1.11
	Market Sale			30-Jun-18	-368019	16552755	1.09
	Market Sale			06-Jul-18	-375000	16177755	1.06
	Market Sale			13-Jul-18	-365137	15812618	1.04
	Market Purchase			20-Jul-18	75000	15887618	1.04
	Market Sale			03-Aug-18	-180	15887438	1.04
	Market Sale			10-Aug-18	-343816	15543622	1.02
	Market Sale			29-Sep-18	-23	15543599	1.02
	Market Purchase			05-Oct-18	59910	15603509	1.02
	Market Purchase			19-Oct-18	65000	15668509	1.03
	Market Sale			09-Nov-18	-423953	15244556	1.00
	Market Purchase			14-Dec-18	216183	15460739	1.01
	Market Sale			31-Dec-18	-290170	15170569	1.00
	Market Purchase			04-Jan-19	130000	15300569	1.00
	Market Purchase			25-Jan-19	355000	15655569	1.03
	Market Sale			01-Feb-19	-14000	15641569	1.03
	Market Purchase			01-Mar-19	663024	16304593	1.07
	Market Sale			08-Mar-19	-397074	15907519	1.04
	Market Sale			15-Mar-19	-370799	15536720	1.02
	Market Purchase			22-Mar-19	20000	15556720	1.02
	Transfer			29-Mar-19	-3315	15553405	1.02
	At the end of the year					15553405	1.02
7	ICICI Prudential Life Insurance Company Limited	7710132	0.51				
	Market Purchase			06-Apr-18	39430	7749562	0.51

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Purchase			13-Apr-18	98920	7848482	0.52
	Market Purchase			20-Apr-18	247317	8095799	0.53
	Market Purchase			27-Apr-18	536606	8632405	0.57
	Market Purchase			04-May-18	680	8633085	0.57
	Market Purchase			11-May-18	20011	8653096	0.57
	Market Purchase			18-May-18	62549	8715645	0.57
	Market Sale			25-May-18	-328604	8387041	0.55
	Market Purchase			01-Jun-18	223404	8610445	0.57
	Market Sale			08-Jun-18	-1654321	6956124	0.46
	Market Sale			15-Jun-18	-280979	6675145	0.44
	Market Sale			22-Jun-18	-39444	6635701	0.44
	Market Sale			30-Jun-18	-497450	6138251	0.40
	Market Sale			06-Jul-18	-427308	5710943	0.37
	Market Purchase			13-Jul-18	64106	5775049	0.38
	Market Purchase			20-Jul-18	611407	6386456	0.42
	Market Purchase			27-Jul-18	107345	6493801	0.43
	Market Sale			03-Aug-18	-31786	6462015	0.42
	Market Sale			10-Aug-18	-2430	6459585	0.42
	Market Sale			17-Aug-18	-279540	6180045	0.41
	Market Purchase			24-Aug-18	95	6180140	0.41
	Market Sale			31-Aug-18	-647	6179493	0.41
	Market Sale			14-Sep-18	-67049	6112444	0.40
	Market Sale			21-Sep-18	-215087	5897357	0.39
	Market Purchase			29-Sep-18	1811526	7708883	0.51
	Market Purchase			05-Oct-18	5654	7714537	0.51
	Market Sale			12-Oct-18	-1241179	6473358	0.42
	Market Purchase			19-Oct-18	295082	6768440	0.44
	Market Sale			26-Oct-18	-447022	6321418	0.41
	Market Purchase			02-Nov-18	48398	6369816	0.41
	Market Sale			09-Nov-18	-42604	6327212	0.42
	Market Purchase			16-Nov-18	1434249	7761461	0.51
	Market Purchase			30-Nov-18	168204	7929665	0.52
	Market Purchase			07-Dec-18	176063	8105728	0.53
	Market Sale			14-Dec-18	-67249	8038479	0.53
	Market Purchase			21-Dec-18	66927	8105406	0.53
	Market Sale			28-Dec-18	-23452	8081954	0.53
	Market Purchase			31-Dec-18	5128	8087082	0.53
	Market Purchase			04-Jan-19	76303	8163385	0.54
	Market Sale			11-Jan-19	-31090	8132295	0.53
	Market Purchase			18-Jan-19	4649	8136944	0.53
	Market Purchase			25-Jan-19	291805	8428749	0.55
	Market Sale			01-Feb-19	-134367	8294382	0.54
	Market Purchase			08-Feb-19	276488	8570870	0.56
	Market Purchase			15-Feb-19	943049	9513919	0.62
	Market Purchase			22-Feb-19	77752	9591671	0.63
	Market Purchase			01-Mar-19	399983	9991654	0.66
	Market Purchase			08-Mar-19	1371163	11362817	0.75



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Purchase			15-Mar-19	2413164	13775981	0.90
	Market Purchase			22-Mar-19	5099	13781080	0.90
	Market Sale			29-Mar-19	-331653	13449427	0.88
	At the end of the year					13449427	0.88
8	SBI Blue Chip Fund	20595085	1.35				
	Market Purchase			06-Apr-18	71180	20666265	1.36
	Market Purchase			13-Apr-18	64932	20731197	1.36
	Market Purchase			20-Apr-18	46462	20777659	1.36
	Market Purchase			27-Apr-18	132176	20909835	1.37
	Market Purchase			04-May-18	1114389	22024224	1.45
	Market Purchase			11-May-18	68526	22092750	1.45
	Market Purchase			18-May-18	230715	22323465	1.47
	Market Sale			25-May-18	-47828	22275637	1.46
	Market Purchase			01-Jun-18	181577	22457214	1.47
	Market Purchase			08-Jun-18	88911	22546125	1.48
	Market Sale			15-Jun-18	-54511	22491614	1.47
	Market Sale			22-Jun-18	-152773	22338841	1.47
	Market Purchase			30-Jun-18	638369	22977210	1.51
	Market Purchase			06-Jul-18	37615	23014825	1.51
	Market Purchase			13-Jul-18	895231	23910056	1.57
	Market Purchase			20-Jul-18	422965	24333021	1.60
	Market Purchase			27-Jul-18	184858	24517879	1.61
	Market Purchase			03-Aug-18	142574	24660453	1.62
	Market Purchase			10-Aug-18	57544	24717997	1.62
	Market Purchase			17-Aug-18	18100	24736097	1.62
	Market Purchase			24-Aug-18	47260	24783357	1.63
	Market Sale			31-Aug-18	-293098	24490259	1.61
	Market Sale			07-Sep-18	-600370	23889889	1.57
	Market Purchase			14-Sep-18	62312	23952201	1.57
	Market Purchase			21-Sep-18	148859	24101060	1.58
	Market Sale			29-Sep-18	-17791	24083269	1.58
	Market Sale			05-Oct-18	-1027366	23055903	1.51
	Market Sale			12-Oct-18	-2837032	20218871	1.33
	Market Purchase			19-Oct-18	25956	20244827	1.33
	Market Purchase			26-Oct-18	53486	20298313	1.33
	Market Purchase			02-Nov-18	317528	20615841	1.35
	Market Purchase			09-Nov-18	34217	20650058	1.36
	Market Purchase			16-Nov-18	404901	21054959	1.38
	Market Purchase			23-Nov-18	32612	21087571	1.38
	Market Purchase			30-Nov-18	26883	21114454	1.39
	Market Sale			07-Dec-18	-8918	21105536	1.39
	Market Sale			14-Dec-18	-46887	21058649	1.38
	Market Purchase			21-Dec-18	43322	21101971	1.38
	Market Sale			28-Dec-18	-410096	20691875	1.36
	Market Purchase			31-Dec-18	12345	20704220	1.36
	Market Purchase			04-Jan-19	78957	20783177	1.36
	Market Purchase			11-Jan-19	85878	20869055	1.37



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Purchase			18-Jan-19	68474	20937529	1.37
	Market Purchase			25-Jan-19	75234	21012763	1.38
	Market Purchase			01-Feb-19	81408	21094171	1.38
	Market Purchase			08-Feb-19	69483	21163654	1.39
	Market Purchase			15-Feb-19	43243	21206897	1.39
	Market Purchase			22-Feb-19	47997	21254894	1.39
	Market Purchase			01-Mar-19	99301	21354195	1.40
	Market Purchase			08-Mar-19	72333	21426528	1.41
	Market Purchase			15-Mar-19	100099	21526627	1.41
	Market Purchase			22-Mar-19	75560	21602187	1.42
	Market Sale			29-Mar-19	-8257480	13344707	0.88
	At the end of the year					13344707	0.88
9	ICICI Prudential Balanced Advantage Fund	12201721	0.80				
	Market Sale			06-Apr-18	-1197	12200524	0.80
	Market Purchase			13-Apr-18	97	12200621	0.80
	Market Sale			20-Apr-18	-2962	12197659	0.80
	Market Sale			27-Apr-18	-1428816	10768843	0.71
	Market Sale			04-May-18	-4563	10764280	0.71
	Market Purchase			11-May-18	1659371	12423651	0.82
	Market Purchase			18-May-18	201209	12624860	0.83
	Market Purchase			25-May-18	1560533	14185393	0.93
	Market Sale			01-Jun-18	-211	14185182	0.93
	Market Sale			08-Jun-18	-451604	13733578	0.90
	Market Sale			15-Jun-18	-1711066	12022512	0.79
	Market Purchase			22-Jun-18	306481	12328993	0.81
	Market Purchase			30-Jun-18	46245	12375238	0.81
	Market Purchase			06-Jul-18	604948	12980186	0.85
	Market Purchase			13-Jul-18	397	12980583	0.85
	Market Purchase			20-Jul-18	100431	13081014	0.86
	Market Purchase			27-Jul-18	200002	13281016	0.87
	Market Sale			03-Aug-18	-1242144	12038872	0.79
	Market Purchase			10-Aug-18	553427	12592299	0.83
	Market Purchase			17-Aug-18	2430264	15022563	0.99
	Market Sale			24-Aug-18	-7433	15015130	0.99
	Market Purchase			31-Aug-18	247594	15262724	1.00
	Market Purchase			07-Sep-18	1740556	17003280	1.12
	Market Purchase			14-Sep-18	468	17003748	1.12
	Market Purchase			21-Sep-18	222989	17226737	1.13
	Market Purchase			29-Sep-18	1527756	18754493	1.23
	Market Purchase			05-Oct-18	303683	19058176	1.25
	Market Sale			12-Oct-18	-512075	18546101	1.22
	Market Purchase			19-Oct-18	307171	18853272	1.23
	Market Purchase			26-Oct-18	387489	19240761	1.26
	Market Purchase			02-Nov-18	96390	19337151	1.27
	Market Purchase			09-Nov-18	316004	19653155	1.29



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Sale			16-Nov-18	-813190	18839965	1.24
	Market Sale			23-Nov-18	-194317	18645648	1.22
	Market Sale			30-Nov-18	-1947269	16698379	1.10
	Market Purchase			07-Dec-18	1340699	18039078	1.18
	Market Purchase			14-Dec-18	2311	18041389	1.18
	Market Purchase			21-Dec-18	1371	18042760	1.18
	Market Sale			28-Dec-18	-1422535	16620225	1.09
	Market Purchase			31-Dec-18	732	16620957	1.09
	Market Purchase			04-Jan-19	1099	16622056	1.09
	Market Purchase			11-Jan-19	673	16622729	1.09
	Market Purchase			18-Jan-19	101315	16724044	1.10
	Market Sale			25-Jan-19	-106584	16617460	1.09
	Market Sale			01-Feb-19	-1622141	14995319	0.98
	Market Purchase			08-Feb-19	156530	15151849	0.99
	Market Sale			15-Feb-19	-16487	15135362	0.99
	Market Sale			22-Feb-19	-7935	15127427	0.99
	Market Sale			01-Mar-19	-254421	14873006	0.98
	Market Sale			08-Mar-19	-86861	14786145	0.97
	Market Purchase			15-Mar-19	872	14787017	0.97
	Market Sale			22-Mar-19	-3233826	11553191	0.76
	Market Sale			29-Mar-19	-234081	11319110	0.74
	At the end of the year					11319110	0.74
10	Aditya Birla Sun Life Trustee Private Limited A/C. Aditya Birla Sun Life Frontline Equity Fund	27108179	1.78				
	Market Sale			06-Apr-18	-219638	26888541	1.76
	Market Purchase			13-Apr-18	91300	26979841	1.77
	Market Sale			20-Apr-18	-401007	26578834	1.74
	Market Purchase			27-Apr-18	83500	26662334	1.75
	Market Purchase			04-May-18	500000	27162334	1.78
	Market Purchase			11-May-18	550000	27712334	1.82
	Market Sale			18-May-18	-1142875	26569459	1.74
	Market Purchase			25-May-18	85236	26654695	1.75
	Market Purchase			01-Jun-18	1317000	27971695	1.84
	Market Purchase			08-Jun-18	249217	28220912	1.85
	Market Sale			15-Jun-18	-60500	28160412	1.85
	Market Purchase			22-Jun-18	169100	28329512	1.86
	Market Sale			30-Jun-18	-1512100	26817412	1.76
	Market Purchase			06-Jul-18	34600	26852012	1.76
	Market Purchase			13-Jul-18	33725	26885737	1.76
	Market Sale			20-Jul-18	-267850	26617887	1.75
	Market Sale			27-Jul-18	-145000	26472887	1.73
	Market Sale			10-Aug-18	-2484	26470403	1.73
	Market Purchase			17-Aug-18	549087	27019490	1.77
	Market Sale			24-Aug-18	-309895	26709595	1.75
	Market Sale			31-Aug-18	-225000	26484595	1.73

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Sale			14-Sep-18	-504750	25979845	1.70
	Market Purchase			21-Sep-18	481000	26460845	1.74
	Market Sale			29-Sep-18	-1323367	25137478	1.65
	Market Sale			05-Oct-18	-89520	25047958	1.64
	Market Sale			12-Oct-18	-13039850	12008108	0.79
	Market Sale			19-Oct-18	-224480	11783628	0.77
	Market Purchase			26-Oct-18	1389260	13172888	0.86
	Market Purchase			02-Nov-18	351950	13524838	0.89
	Market Purchase			16-Nov-18	1262850	14787688	0.97
	Market Purchase			23-Nov-18	1420000	16207688	1.06
	Market Sale			07-Dec-18	-217725	15989963	1.05
	Market Sale			14-Dec-18	-199650	15790313	1.03
	Market Sale			21-Dec-18	-1113000	14677313	0.96
	Market Sale			04-Jan-19	-20000	14657313	0.96
	Market Sale			11-Jan-19	-662000	13995313	0.92
	Market Sale			18-Jan-19	-760000	13235313	0.87
	Market Sale			25-Jan-19	-559542	12675771	0.83
	Market Purchase			22-Feb-19	67200	12742971	0.84
	Market Sale			01-Mar-19	-741200	12001771	0.79
	Market Sale			08-Mar-19	-155900	11845871	0.78
	Market Sale			15-Mar-19	-170100	11675771	0.77
	Market Sale			29-Mar-19	-458465	11217306	0.74
	At the end of the year					11217306	0.74
11	Government of Singapore	15327958	1.01				
	Market Purchase			06-Apr-18	5700	15333658	1.01
	Market Sale			20-Apr-18	-1408389	13925269	0.91
	Market Sale			27-Apr-18	-1788463	12136806	0.80
	Market Sale			04-May-18	-6301	12130505	0.80
	Market Purchase			11-May-18	335	12130840	0.80
	Market Sale			18-May-18	-17277	12113563	0.79
	Market Sale			25-May-18	-3988	12109575	0.79
	Market Sale			01-Jun-18	-44962	12064613	0.79
	Market Purchase			08-Jun-18	338577	12403190	0.81
	Market Purchase			15-Jun-18	254031	12657221	0.83
	Market Purchase			22-Jun-18	55099	12712320	0.83
	Market Purchase			13-Jul-18	44331	12756651	0.83
	Market Purchase			20-Jul-18	67287	12823938	0.84
	Market Sale			27-Jul-18	-4900	12819038	0.84
	Market Sale			03-Aug-18	-6178	12812860	0.84
	Market Sale			10-Aug-18	-34587	12778273	0.84
	Market Purchase			24-Aug-18	153373	12931646	0.85
	Market Purchase			31-Aug-18	356282	13287928	0.87
	Market Purchase			07-Sep-18	195870	13483798	0.88
	Market Purchase			14-Sep-18	141426	13625224	0.89
	Market Purchase			21-Sep-18	125896	13751120	0.90
	Market Sale			05-Oct-18	-186021	13565099	0.89



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Sale			12-Oct-18	-4063387	9501712	0.62
	Market Purchase			19-Oct-18	37205	9538917	0.62
	Market Purchase			02-Nov-18	20528	9559445	0.63
	Market Sale			16-Nov-18	-634	9558811	0.63
	Market Purchase			23-Nov-18	71552	9630363	0.63
	Market Purchase			30-Nov-18	2048425	11678788	0.77
	Market Purchase			07-Dec-18	220872	11899660	0.78
	Market Sale			14-Dec-18	-164	11899496	0.78
	Market Purchase			21-Dec-18	1312774	13212270	0.87
	Market Purchase			28-Dec-18	293948	13506218	0.89
	Market Purchase			04-Jan-19	61158	13567376	0.89
	Market Sale			11-Jan-19	-44896	13522480	0.89
	Market Sale			01-Feb-19	-321432	13201048	0.89
	Market Sale			08-Feb-19	-1223498	11977550	0.79
	Market Sale			15-Feb-19	-841882	11135668	0.73
	Market Purchase			22-Feb-19	48973	11184641	0.73
	Market Sale			01-Mar-19	-688494	10496147	0.69
	Market Sale			08-Mar-19	-195698	10300449	0.68
	Market Purchase			22-Mar-19	59191	10359640	0.68
	Market Purchase			29-Mar-19	655958	11015598	0.72
	At the end of the year					11015598	0.72
12	DSP Equity Opportunities Fund	15982021	1.05				
	Market Purchase			06-Apr-18	67153	16049174	1.05
	Market Sale			13-Apr-18	-55980	15993194	1.05
	Market Purchase			20-Apr-18	168	15993362	1.05
	Market Purchase			27-Apr-18	132648	16126010	1.06
	Market Purchase			04-May-18	12102	16138112	1.06
	Market Sale			11-May-18	-1820679	14317433	0.94
	Market Purchase			18-May-18	565193	14882626	0.98
	Market Sale			25-May-18	-829593	14053033	0.92
	Market Purchase			01-Jun-18	42480	14095513	0.92
	Market Sale			08-Jun-18	-38350	14057163	0.92
	Market Sale			15-Jun-18	-364	14056799	0.92
	Market Sale			22-Jun-18	-191295	13865504	0.91
	Market Purchase			30-Jun-18	178834	14044338	0.92
	Market Purchase			06-Jul-18	143383	14187721	0.93
	Market Sale			13-Jul-18	-10955	14176766	0.93
	Market Purchase			20-Jul-18	87475	14264241	0.94
	Market Sale			27-Jul-18	-97030	14167211	0.93
	Market Sale			03-Aug-18	-186798	13980413	0.92
	Market Purchase			10-Aug-18	498937	14479350	0.95
	Market Sale			17-Aug-18	-1931819	12547531	0.82
	Market Purchase			24-Aug-18	619685	13167216	0.86
	Market Purchase			31-Aug-18	215775	13382991	0.88
	Market Sale			07-Sep-18	-36023	13346968	0.88
	Market Sale			14-Sep-18	-220	13346748	0.88

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Purchase			21-Sep-18	176	13346924	0.88
	Market Purchase			29-Sep-18	762236	14109160	0.93
	Market Purchase			05-Oct-18	496026	14605186	0.96
	Market Sale			12-Oct-18	-1894071	12711115	0.83
	Market Sale			19-Oct-18	-622286	12088829	0.79
	Market Purchase			26-Oct-18	811250	12900079	0.85
	Market Purchase			02-Nov-18	61503	12961582	0.85
	Market Purchase			09-Nov-18	31658	12993240	0.85
	Market Sale			16-Nov-18	-2038711	10954529	0.72
	Market Sale			30-Nov-18	-1038785	9915744	0.65
	Market Purchase			07-Dec-18	6300	9922044	0.65
	Market Purchase			14-Dec-18	713	9922757	0.65
	Market Purchase			21-Dec-18	55459	9978216	0.65
	Market Sale			28-Dec-18	-43768	9934448	0.65
	Market Purchase			31-Dec-18	487	9934935	0.65
	Market Purchase			04-Jan-19	1855	9936790	0.65
	Market Sale			11-Jan-19	-12235	9924555	0.65
	Market Purchase			18-Jan-19	40002	9964557	0.65
	Market Purchase			25-Jan-19	55995	10020552	0.66
	Market Sale			01-Feb-19	-131662	9888890	0.65
	Market Purchase			08-Feb-19	1106921	10995811	0.72
	Market Purchase			15-Feb-19	324534	11320345	0.74
	Market Purchase			22-Feb-19	925399	12245744	0.80
	Market Purchase			01-Mar-19	2570	12248314	0.80
	Market Purchase			08-Mar-19	465085	12713399	0.83
	Market Sale			15-Mar-19	-1524940	11188459	0.73
	Market Sale			22-Mar-19	-201810	10986649	0.72
	Market Sale			29-Mar-19	-518510	10468139	0.69
	At the end of the year					10468139	0.69
13	Stichting Depository APG Emerging Markets Equity Pool	17821567	1.17				
	Market Sale			06-Apr-18	-21653	17799914	1.17
	Market Sale			13-Apr-18	-40461	17759453	1.17
	Market Purchase			27-Apr-18	119378	17878831	1.17
	Market Sale			18-May-18	-29775	17849056	1.17
	Market Sale			25-May-18	-796975	17052081	1.12
	Market Sale			01-Jun-18	-400797	16651284	1.09
	Market Purchase			08-Jun-18	1360764	18012048	1.18
	Market Purchase			15-Jun-18	120772	18132820	1.19
	Market Sale			22-Jun-18	-132840	17999980	1.18
	Market Purchase			30-Jun-18	515558	18515538	1.21
	Market Purchase			06-Jul-18	1081451	19596989	1.29
	Market Sale			20-Jul-18	-461169	19135820	1.26
	Market Sale			27-Jul-18	-454573	18681247	1.23
	Market Sale			10-Aug-18	-607691	18073556	1.19
	Market Sale			17-Aug-18	-480300	17593256	1.15
	Market Sale			24-Aug-18	-1006371	16586885	1.09



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2018)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Sale			31-Aug-18	-820142	15766743	1.03
	Market Sale			14-Sep-18	-550289	15216454	1.00
	Market Sale			29-Sep-18	-111168	15105286	0.99
	Market Sale			05-Oct-18	-67635	15037651	0.99
	Market Purchase			12-Oct-18	1180268	16217919	1.06
	Market Purchase			19-Oct-18	8242	16226161	1.06
	Market Sale			02-Nov-18	-408984	15817177	1.03
	Market Sale			09-Nov-18	-264854	15552323	1.02
	Market Sale			16-Nov-18	-674235	14878088	0.98
	Market Sale			23-Nov-18	-154914	14723174	0.97
	Market Sale			30-Nov-18	-739682	13983492	0.92
	Market Purchase			14-Dec-18	789144	14772636	0.97
	Market Purchase			21-Dec-18	447708	15220344	1.00
	Market Sale			18-Jan-19	-71759	15148585	0.99
	Market Sale			01-Feb-19	-1919043	13229542	0.87
	Market Sale			08-Feb-19	-4566482	8663060	0.57
	Market Sale			15-Feb-19	-2698088	5964972	0.39
	Market Purchase			22-Feb-19	37266	6002238	0.39
	Market Sale			01-Mar-19	-1289524	4712714	0.31
	Market Purchase			29-Mar-19	570472	5283186	0.35
	At the end of the year					5283186	0.35

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No		Shareholding at the beginning of the year (01.04.2018)		Shareholding at the end of the year (31.03.2019)	
		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	1125	0.00
4	J. Ramaswamy *	225	0.00	N.A.	N.A.
5	R. Kesavan **	N.A.	N.A.	0	0.00
6	V. Murali ***	N.A.	N.A.	3467	0.00
7	Shrikant M. Bhosekar ****	1950	0.00	N.A.	N.A.
	TOTAL :	6540		7832	

* Superannuated from the services of the Company on February 28, 2019 and hence shareholding is not included as on March 31, 2019. The shareholding as on February 28, 2019 is 225 shares.

** Appointed as Chief Financial Officer (CFO) (KMP) of the Company with effect from March 01, 2019 and hence shareholding is not included as on April 01, 2018. The shareholding as on March 01, 2019 is "Nil"

*** Appointed as Company Secretary (KMP) of the Company with effect from December 01, 2018 and hence shareholding is not included as on April 01, 2018. The shareholding as on December 01, 2018 is 3467 shares.

**** Superannuated from the services of the Company with effect from November 30, 2018 and hence shareholding is not included as on March 31, 2019. The shareholding as on November 30, 2018 is 4500 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	4117.75	16,873.13	0.00	20,990.88
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	44.48	0.00	44.48
Total (i+ii+iii)	4117.75	16,917.61	0.00	21,035.36
Change in Indebtedness during the financial year				
Addition	4,738.34	37,601.61	0.00	42,339.95
Reduction	4,025.38	32,065.76	0.00	36,091.14
Net Change	712.97	5,535.85	0.00	6,248.82
Indebtedness at the end of the financial year				
i) Principal Amount	4,830.72	22,408.98	0.00	27,239.70
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	54.13	0.00	54.13
Total (i+ii+iii)	4,830.72	22,463.11	0.00	27,293.83

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	Names of the Directors including Chairman & Managing Director					Total Amount
		Mukesh Kumar Surana	Pushp Kumar Joshi	J. Ramaswamy*	S. Jeyakrishnan	Vinod S. Shenoy	
1	Gross salary	88.19	107.73	145.55	85.48	75.11	502.06
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	76.31	92.53	129.34	73.12	74.62	445.92
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11.88	15.2	16.21	12.36	0.49	56.14
	(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 Persquisite Tax, Company Contribution to PF, Superannuation Rebate upto Rs.1 lac)	11.84	13.13	10.64	10.97	6.13	52.71
	Total (A)	100.03	120.86	156.19	96.45	81.24	554.77
	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.					

* Ceased to be Director of the Company effective March 01, 2019 on account of superannuation from the services of the Company.



B. Remuneration to other directors

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Names of the Directors						Total Amount
		Ram Niwas Jain	Asifa Khan	G.V. Krishna	T. N. Singh	Amar Sinha	Siraj Hussain	
1	Independent Directors							
	Fee for attending board committee meetings	4.40	5.20	4.80	4.00	5.20	4.80	28.40
	Commission	-	-	-	-	-	-	-
	Others, please specify (Fees for attending Board Sub Committee Meetings)	7.80	3.90	5.40	4.80	7.50	3.60	33.00
	Total (1)	12.20	9.10	10.20	8.80	12.70	8.40	61.40
-	Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	12.20	9.10	10.20	8.80	12.70	8.40	61.40
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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 R. Kesavan *	Company Secretary Shrikant M. Bhosekar **	Company Secretary V. Murali ***	
1	Gross salary	-	2.82	91.01	15.15	108.98
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	0.64	5.04	1.41	7.09
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(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	-	0.89	4.59	2.53	8.01
	Total	-	4.35	100.64	19.09	124.08

* Appointed as Chief Financial Officer of the Company effective March 01, 2019.

** Ceased to be Company Secretary of the Corporation effective November 30, 2018 on attaining the age of superannuation.

*** Appointed as Company Secretary of the Corporation effective December 01, 2018.



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	-	-	-	-	-

It may be noted that HPCL has received letters from BSE Limited and National Stock Exchange of India Limited informing levy of Penalty for non-compliance of provisions of Regulation 17 (1) (b) of SEBI (LODR) Regulations i.e. for not having required number of Independent Directors on the Board (considering Chairperson of the Board being Executive Director) for the quarter ended September 2018, December 2018 & for the period Jan-February 2019. In this regard the Company has requested the Stock Exchanges for waiver of fine levied, as HPCL being a Government Company, the power to appoint Directors (including Independent Directors) and terms and conditions of appointments etc. vests with Government of India and such non-compliance is not due to any negligence/default by the Company.



Management Discussion & Analysis Report 2018-19

A. DEVELOPMENTS IN THE PETROLEUM SECTOR AND INDIAN ECONOMY

INDIAN ECONOMY

India continues to be one of the fastest growing economies of the world. Indian economy registered a growth rate of 6.8% during 2018-19 as per provisional estimates of the Central Statistical Office (CSO). Gross Value Added (GVA) in industry sector registered a growth of 6.9% during 2018-19 as compared to 5.9% achieved in 2017-18 on the back of higher growth rates in manufacturing and construction sectors. Services sector, which has a share of more than 50% in the economy, registered a robust growth of 7.5% during the year. GVA growth in agriculture sector was 2.9% in 2018-19 as against 5% in 2017-18. On the demand side, private consumption expenditure with 57% share in GDP (at constant prices), remains the mainstay of aggregate demand. The share of Gross Fixed Capital Formation (GFCF) in GDP improved to 32.3% in 2018-19 from 31.4% in previous year signalling an emergent pick-up in investment demand. The growth was supported by increased construction activity as government boosted spending on road sector and affordable housing.

Average inflation rate as measured by CPI was 3.4% in 2018-19 as compared to 3.6% in 2017-18. Inflation declined sharply since middle of year 2018, driven by sustained fall in food inflation and sharp fall in fuel inflation due to softness in international energy prices.

The nominal exchange rate of Indian Rupee vis-à-vis US Dollar averaged about ₹ 70 for 2018-19 as compared to about ₹ 64 for 2017-18. The Rupee came under sustained pressure during August-September 2018 period as a result of strengthening of US dollar across major currencies, widening of trade and current account deficits due to higher crude oil prices, portfolio outflows and risk aversion among portfolio investors towards emerging market. However, in the later part of 2018-19, the Rupee appreciated from October 2018 level, buoyed by the steady revival of portfolio flows as monetary policy in advanced economies turned dovish, softening of crude oil prices and lower domestic inflation.

CRUDE OIL SUPPLY

Crude oil production increased to 100.1 million barrels per day (mbpd) during 2018 as compared to 97.40 mbpd in 2017. Crude oil supply from USA grew by 2.2 mbpd during 2018 and exceeded the market estimates. This additional supply helped global market to offset supply

losses from countries including Venezuela, Iran and few other Asian countries. As compared to supply growth, global oil demand registered a lower growth and increased to 99.2 mbpd in 2018 as compared to 97.9 mbpd in 2017. USA and China registered a strong demand growth and accounted for more than two third of global demand growth. India also registered a strong growth of 4.6% in oil demand during 2018.

CRUDE OIL PRICES

During 2018-19, crude oil prices have witnessed high volatility with the price of Brent crude recording a peak at US\$ 86 per barrel in October 2018, dropping to a low of US\$ 50 per barrel in December 2018, and recovering to range of US\$ 65 per barrel to US\$ 70 per barrel in March 2019. Production discipline by OPEC and Non-OPEC countries, decline of Venezuelan production and announcement by USA in May 2018 to reimpose sanctions on Iran were major factors to drive upward movement of crude prices during the first half of 2018-19. However, grant of waivers by US to major Iranian customers, signals of slowdown in global economic growth, increase in production by OPEC countries and surging US production helped crude oil prices record a significant drop during last quarter of year 2018. Crude oil market was rebalanced during initial period of year 2019 on the back of decrease in production by OPEC and Non-OPEC countries along with lower crude oil supply from Venezuela and Iran. On overall basis, average Brent crude prices increased to US\$ 70.1 per barrel during 2018-19 from US\$ 57.5 per barrel during 2017-18.

The quarter wise trends are as under:

- Beginning of financial year 2018-19 saw Brent crude prices at over US\$ 67 per barrel level with total petroleum inventories in countries within Organization for Economic Development (OECD) reaching below (5) Five year average. Crude oil prices were further strengthened by fresh sanctions on export of Iranian crude oil. This helped crude oil price exceed US\$ 80 per barrel level in May 2018. Brent crude prices reached to US\$ 76.65 per barrel level at the end of June 2018 and averaged at US\$ 74.35 per barrel during Q1 against US\$ 66.76 per barrel in previous quarter (Jan-Mar 2018).
- To counter the increase in crude oil prices, OPEC and Non-OPEC producers, in June 2018, announced to increase production from 1st July, 2018 which was capped during previous 18 months for balancing the market. However,

despite the announcement of production increase, there was huge volatility in crude oil prices in view of concerns for slowdown in global economic growth. Crude price volatility came down after middle of August 2018 with news of lesser exports of Iranian oil and shutdown of some offshore crude oil platforms in Gulf of Mexico on account of tropical storm. Brent crude prices reached to US\$ 84.69 per barrel level at the end of September 2018 and averaged at US\$ 75.27 per barrel during Q2.

- At the beginning of Q3, Brent crude prices saw significant increase on daily basis and finally reached four year high of US\$ 86.16 per barrel on 3rd October, 2018. Prices surged due to expectation of substantial reduction in Iranian oil imports by major buyer countries including Japan, South Korea, China and India. However, Brent prices declined during October 2018 to November 2018 due to increased indications of a global economic slowdown as well as higher than expected global supply on the back of highest ever production from USA, Saudi Arabia and Russia. Brent crude prices declined to US\$ 50.21 per barrel at the end of December 2018 and averaged at US\$ 67.76 per barrel during the quarter.
- After consecutive months of decline during Q3, average monthly crude oil prices increased throughout January 2019 to March 2019 as global oil supplies declined. OPEC and Non-OPEC agreement of production cut by 1.2 mbpd (effective from 1st January, 2019) got support from supply outage in Libya along with higher than committed production cuts by Saudi Arabia. In addition, sanctions on Venezuela's state owned oil company Petróleos de Venezuela S.A. (PDVSA) by USA along with low OECD petroleum inventories (lower than five-year average) in January 2019 further helped in countering the crude oil oversupply and strengthening of crude oil prices. Brent crude prices reached to US\$ 69.81 per barrel level at the end of March 2019 and averaged at US\$ 63.20 per barrel during Q4.

INDIAN CRUDE BASKET

Due to rise in international crude oil prices, Indian crude oil basket prices increased rapidly from April 2018 to June 2018 and averaged at US\$ 72.68 per barrel during Q1 of 2018-19 against the previous quarter (January – March 2018) average of US\$ 64.79 per barrel. During Q2 of 2018-19, Indian crude oil basket price further increased to an average of US\$ 74.64 per barrel due to continued upward trend in international crude oil prices. Indian crude oil basket prices saw a huge decline during Q3 of 2018-19 and averaged at US\$

67.66 per barrel. The weakness in international crude oil prices persisted during Q4 of 2018-19 also and Indian crude oil basket prices averaged at US\$ 63.49 per barrel, achieving the lowest quarterly average during 2018-19.

BENCHMARK REFINING MARGINS

During Q1 of 2018-19, benchmark Singapore refining margins declined to an average of US\$ 5.99 per barrel against average of US\$ 6.96 per barrel during previous quarter. The decrease in refining margins was due to sharp increase in crude oil prices which weakened all product cracks across the barrel. Asian refinery run was about 1.3 mbpd higher as compared to previous year as refiners were trying to capture strong middle distillate refining margins which were sustaining above US\$ 15.0 per barrel. However, the additional refinery runs led to oversupply of light distillate inventory across major storage locations which resulted into average Gasoline (Petrol) cracks at US\$ 9.66 per barrel during Q1. The increase in crude oil prices impacted Fuel Oil (FO) cracks till May 2018 which averaged at US\$ (-6.11) per barrel during Q1.

Despite increase in crude oil prices, Singapore refining margins strengthened during Q2 with an average of US\$ 6.10 per barrel. The margins were supported by Gasoil (Diesel) and FO cracks. Gasoil cracks were strengthened due to strong demand from Europe and some unexpected secondary unit outages in India which helped these cracks to average at US\$ 15.45 per barrel during Q2. Gasoline cracks remained under pressure due to low demand & surplus supply across the world and touched the five-year lowest level of US\$ 6.12 per barrel in June 2018. FO cracks saw a sharp recovery due to decline in product flows from Iran and Venezuela to Asia and averaged at US\$ (-3.49) per barrel during Q2.

Singapore margins further weakened in Q3 and averaged at US\$ 4.30 per barrel. Gasoline cracks came down to negative level during Q3 while FO cracks remained positive during most of the quarter. Light distillates inventory remained at 10% higher than the average of previous five (5) years due to weaker demand in Asia, which led to Gasoline cracks averaging at US\$ 2.76 per barrel during Q3. FO cracks improved during November 2018 on the back of continued reduction in production of FO at the refineries along with low Iranian exports. For the first time in 2018-19, FO cracks averaged at positive level with US\$ 0.80 per barrel value. Gasoil cracks averaged at US\$ 15.76 per barrel during Q3.

Q4 of 2018-19 saw the weakest Singapore refinery margins in last five (5) years as all the product cracks were weakened. During Q4, Singapore refinery margins averaged at US\$ 3.20 per barrel against previous five (5) years average of US\$ 7.17 per barrel.



Light distillate cracks touched negative levels during January 2019 and February 2019. However, some unplanned turnarounds in March 2019 supported the light distillate cracks leading to average Gasoline cracks at US\$ 5.9 per barrel during March 2019. Gasoil cracks remained range bound during Q4 and averaged at US\$ 14.0 per barrel during Q4. FO cracks improved during Q4 due to higher arbitrage volume in January 2019 amid subdued demand and averaged at US\$ (-0.1) per barrel.

Refining margins for HPCL have been discussed under the section on Financial Performance.

CONSUMPTION OF PETROLEUM PRODUCTS

During 2018-19, petroleum product consumption in the country increased by over 5 Million Metric Tonnes (MMT) to reach about 212 MMT and registered a growth of 2.7%. All petroleum products excluding Kerosene, Fuel Oil (FO), lubricants & greases and Petroleum Coke registered positive growth during 2018-19. Strong demand growth of petroleum products was driven by rapidly growing services and manufacturing sectors, increasing consumer demand, infrastructure growth and rising per capita income of Indian population. Transport and residential sectors continued to lead the incremental demand of petroleum products with transportation fuels and cooking fuels (Petrol, Diesel, ATF & LPG) recording largest share in total incremental demand during 2018-19 over previous year. Diesel consumption continued to increase with a robust growth of 3% on account of increased manufacturing activities, infrastructure growth and high growth in commercial vehicle sales. Petrol consumption increased with a growth rate of 8.1% over previous year on the back of increase in two wheeler and passenger vehicle sales. LPG consumption recorded a growth of 6.8% over 2017-18 on account of increased LPG penetration in country due to implementation of PMUY and other LPG programs initiated by Government of India. Aviation Turbine Fuel (ATF) consumption registered a strong growth of 9.1% which was spurred by strong growth in air passenger traffic and expansion of aviation infrastructure & regional connectivity. After witnessing a positive growth for 7 consecutive years, Petroleum Coke consumption saw a decline during 2018-19 with degrowth of 20% over previous year, mainly due to regulatory restriction on usage of Petroleum Coke as a fuel. Kerosene consumption continued to decline with a degrowth of 10.1% over 2017-18 mainly due to increased substitution with LPG, leading to low household consumption of Kerosene. Fuel Oil consumption recorded a degrowth of over 3% mainly due to reduced demand from fertilizer, steel and general trade sector and regulatory restriction on FO consumption in some states. After witnessing a marginal growth during last 2 years, Bitumen consumption increased with

a strong growth of 8.7% on the back of accelerated expansion and enhancements of road & highway network in the country. Naphtha consumption which recorded degrowth during last 2 years, increased with an impressive growth of 9.1% mainly due to increased demand from petrochemical sector. Consumption of lubricants & greases registered a marginal degrowth of 0.4% during 2018-19.

B. FINANCIAL PERFORMANCE

For the year 2018-19, HPCL has achieved Profit After Tax (PAT) of ₹ 6,029 Crore resulting in earnings per share of ₹ 39.56.

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

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

GROSS SALES

Gross sales of the Corporation (inclusive of excise duty) for the year ended 31st March, 2019 was ₹ 2,95,713 Crore as compared to ₹ 2,43,227 Crore in the previous year. The total sale of products for the year 2018-19 was 38.71 MMT as against 36.87 MMT during 2017-18.

PROFIT BEFORE TAX

The Corporation has earned a Profit Before Tax (PBT) of ₹ 9,339 Crore in 2018-19 as compared to ₹ 9,202 Crore in 2017-18.

PROVISION FOR TAXATION

An amount of ₹ 3,310 Crore has been provided towards income tax for 2018-19 as against ₹ 2,845 Crore provided during 2017-18.

PROFIT AFTER TAX

The Corporation has earned a Profit After Tax (PAT) of ₹ 6,029 Crore during 2018-19 as compared to ₹ 6,357 Crore in 2017-18.

DEPRECIATION AND AMORTISATION

Depreciation for the year 2018-19 was ₹ 3,013 Crore as against ₹ 2,753 Crore for the year 2017-18.

BORROWINGS

The Borrowings of the Corporation were ₹ 27,240 Crore as on 31st March, 2019 as compared to ₹ 20,991 Crore as on 31st March, 2018. Borrowings during the year were mainly met through short term foreign currency loans, Collateralized Borrowing and Lending Obligations (CBLO)/Tri-partite Repo System (TREPS), Commercial paper and other short term rupee loans. Foreign currency loans continued to form substantial portion of borrowings. The long term debt to equity ratio stands at 0.48 as on 31st March, 2019 as against 0.43 as on 31st March, 2018 and on overall borrowing basis (long term and short term) the debt to equity ratio stands at 0.97 as on 31st March, 2019 as against 0.88 as on 31st March, 2018.

CAPITAL ASSETS

Net fixed assets (including capital work in progress) increased to ₹ 50,475 Crore as on 31st March, 2019 from ₹ 41,957 Crore as on 31st March, 2018.

INVESTMENTS

Investments as on 31st March, 2019 were ₹ 11,819 Crore as compared to ₹ 11,105 Crore as on 31st March, 2018.

GROSS REFINING MARGINS (GRMs)

The Gross Refining Margin for HPCL averaged at US\$ 5.01 per barrel during 2018-19 as against US\$ 7.40 per barrel for the year 2017-18.

Gross Refining Margin of Mumbai Refinery averaged at US\$ 5.79 per barrel during the year as against US\$ 8.35 per barrel for the year 2017-18.

Gross Refining Margin of Visakh Refinery averaged at US\$ 4.31 per barrel during the year as against US\$ 6.55 per barrel for the year 2017-18.

EARNINGS PER SHARE (EPS)

Earnings per share for the year 2018-19 is ₹ 39.56 as compared to ₹ 41.72 in 2017-18.

DIVIDEND

The Board, in the meeting held on 5th February, 2019 declared an interim dividend of ₹ 6.50 per share. Further, the Board of Directors have proposed a final dividend of ₹ 9.40 per share, thereby taking the total dividend for the year 2018-19 to ₹ 15.90 per share.

This would result in total payout of ₹ 2,921 Crore, including Dividend Distribution Tax of ₹ 498 Crore.

KEY FINANCIAL RATIOS

Key financial ratios for the Corporation are provided as under :

Description	2018-19	2017-18
Debtor Turnover Ratio (No. of days)	7	7
Inventory Turnover Ratio (No. of days)	28	35
Interest Coverage Ratio (Times)	13.86	17.24
Current Ratio	0.76	0.77
Long term Debt Equity Ratio	0.48	0.43

C. STRATEGY

HPCL formulated a 5-year strategy termed as 'T20' in 2016-17 for navigating through future challenges, creating value in forthcoming opportunities and prepare the Company to compete with both knowns and unknowns. HPCL is actively implementing number of strategic initiatives towards meeting the overall objectives of T20 strategy. The major elements of T20 strategy include expansion of footprints in new business lines and new geographies, capacity augmentation in core business areas of refining and marketing, consistent focus on leveraging technology & cost leadership across the entire business value chain. Thrust is to build on the excellent performance recorded in recent years and create new levers for future growth.

To ensure effective execution of T20 action plan, a multi-layer review structure has been created for monitoring & evaluation of implementation progress with focus on continuity of ongoing initiatives, identification of new initiatives, facilitation of implementation process through necessary resources etc. A number of implementation managers across senior, middle and junior management levels are driving the execution process with clearly defined roles, responsibilities and ownerships. The Key Performance Indicators (KPIs) have been aligned to T20 objectives and the progress is being monitored.

HPCL is continuously advancing its ability to meet the India's energy demand by strengthening the existing businesses of refining and marketing and incorporation of new business lines including petrochemicals & natural gas. 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.

Towards achieving this goal, HPCL is expanding its refineries and marketing infrastructure through green field and brownfield augmentation and expansion projects. Petrochemicals has been identified as a key lever of future growth and efforts are underway to establish a strong presence of HPCL in petrochemicals



business in future. Large scale investments are planned for building the petrochemical manufacturing capacities and a well calibrated marketing strategy has been developed to enable HPCL's foray in petrochemical marketing. Investments are also planned to expand natural gas portfolio.

HPCL is leveraging new business opportunities including participation in Electric Vehicle (EV) ecosystem and capturing new avenues of value creation through collaboration with technology start-ups. In addition, HPCL has commenced incubation of 15 Start-ups with project funding support under 'HPCL Start-up India' initiative.

To leverage technology for business transformation and harness the opportunities associated with 4th industrial revolution i.e. Industry 4.0, HPCL plans to extensively leverage the current advances in digital technologies. An Information Systems (IS) strategy group has been created to drive technology led transformation initiatives. These initiatives will enable HPCL to create significant value by strengthening of existing IT processes and leveraging the emerging digital technologies including Artificial Intelligence (AI), Internet of Things (IoT), robotics, virtual & augmented reality, machine learning and advanced analytics across all facets of business activities.

D. REFINERIES

CRUDE OIL IMPORTS

HPCL procured 4.18 MMT crude oil from indigenous sources and imported 14.01 MMT crude oil during 2018-19 as compared to imports of 13.83 MMT during 2017-18. Out of total crude oil import of 14.01 MMT, 11.51 MMT high sulphur crude oil was imported through term contracts from Middle East countries, while 2.50 MMT low sulphur crude oil was imported through spot purchases. Free on Board (FOB) cost of imported crude oil amounted to US\$ 7,267.50 million (₹ 51,096.51 Crore) during 2018-19 as compared to US\$ 5,748 million (₹ 37,115 Crore) in 2017-18. The average cost of crude oil import stood at US\$ 70.20 per barrel for 2018-19 as compared to US\$ 56.17 per barrel for 2017-18. The average exchange rate was ₹ 70.31/US\$ for 2018-19 as compared to ₹ 64.56/US\$ for 2017-18.

REFINING PERFORMANCE

During 2018-19, both HPCL refineries at Mumbai and Visakh continued to enhance the overall physical performance with increase in crude throughput for the Sixth consecutive year. The excellent refining performance of 2018-19 was outcome of consistent thrust on refinery processes and implementation of various improvement initiatives.

During 2018-19, HPCL refineries have recorded the highest ever refining throughput of 18.4 MMT as compared to 18.3 MMT during previous year and achieved a capacity utilization of 117%. Mumbai Refinery (MR) recorded best ever crude throughput of 8.671 MMT surpassing the previous high of 8.641 MMT achieved during 2017-18. Visakh Refinery (VR) also recorded best ever crude throughput of 9.773 MMT exceeding the previous high of 9.635 MMT achieved during 2017-18. Maximization of crude processing in refineries helped HPCL achieve the highest ever production of LPG, Bitumen and Lube Oil Base Stock (LOBS) during 2018-19. This stellar performance was achieved with robust planning of crude sourcing, crude mix optimization, speedy evacuation of products from the refineries, improved refinery reliability and strict adherence to safety & operating processes.

During 2018-19, both refineries recorded robust performance in the area of energy consumption which resulted into lowest ever combined specific energy consumption.

To increase the share of low carbon electricity in total power consumption, Mumbai Refinery sourced 8 MW of power from wind power farms and Visakh refinery installed a captive solar power plant of 1.6 MWp capacity during 2018-19.

Maximizing asset utilization and reliability improvement are key focus areas for HPCL refineries. During 2018-19, Mumbai Refinery and Visakh Refinery completed scheduled planned turnarounds for some of the units within the stipulated time.

To achieve continued operational excellence, both HPCL refineries are participating in performance benchmarking study conducted by M/s. Solomon Associates, USA for the fourth successive biannual period. The recommendations are under implementation. In addition, HPCL refineries are also undertaking Refinery Performance Improvement Program (RPIP) for process optimization and energy consumption improvement.

Refineries continue to accord highest priority to workplace safety, occupational health & environmental preservation and sustainable development across all spheres of activities. Mumbai Refinery recorded the best ever safety performance by achieving 24.6 million man-hours of safe operation as of 31st March, 2019.

HPCL refineries have formulated time bound plans to comply with guidelines notified by Government of India for roll out of BS VI grade auto fuels with effect from 1st April, 2020. Projects for upgradation of the facilities for production of BS VI grade auto fuels are under advanced stage of implementation at both the refineries.



Visakh Refinery Modernisation 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 advance stage of execution.

To 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. Financial closure for total debt requirement of ₹ 28,753 Crore for the project has been achieved and technology selection has been completed for all the 13 process units of HRRL refinery. Engineering work is in progress at various offices. Works are also in progress at project site for construction of boundary wall, internal roads, water reservoir etc.

E. MARKETING

During 2018-19, HPCL has recorded an outstanding marketing performance and exceeded various milestones achieved during previous years. All marketing SBUs viz. Retail, LPG, Direct Sales (Industrial & Consumer sales), Lubes, Aviation, Natural Gas & Renewables recorded excellent physical performance across their respective spheres of business which helped HPCL to achieve the best ever overall sales volume of 38.7 MMT during 2018-19 compared to sales volume of 36.9 MMT achieved during 2017-18.

In domestic sales, HPCL recorded a growth of 4.7% over previous year. HPCL has a market share of over 21% amongst the public sector Oil Marketing Companies (OMCs) as on 31st March, 2019.

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

RETAIL

HPCL's Retail business line continued the performance momentum of previous years and achieved total sales volume of 24.54 MMT with a growth of 3.3% over historical. HPCL recorded higher growth of 3.6% in Total Motor Fuel (Petrol & Diesel) sales against the backdrop of intense competition in fuel retailing market.

To enhance the customer value, a number of unique customer centric initiatives were undertaken during the year. HPCL commissioned 478 new retail outlets during the year taking the number of total retail outlets to 15,440 as of 31st March, 2019. To further expand the retail outlet network, HPCL advertised in November 2018 for setting up additional new retail outlets across the country. In addition to strategic expansion of

network, improvement of sales volume of the existing network is the key focus area for achieving effective network utilization.

To increase operational efficiency and customer experience, strong thrust was laid on automation of retail network. During 2018-19, 6,844 retail outlets were automated, taking the total number of automated outlets to 14,744 as of 31st March, 2019. This also marked the highest number of retail outlets automated by HPCL in a financial year. To ensure effective use of automation system, VSAT facilities were provided at 11,458 outlets during the year taking the total number of outlets with VSATs to 13,171 as of 31st March, 2019.

In the quest to continuously upgrade retail outlet network, HPCL has embarked on a large scale plan to phase out all Dispensing Units (DUs) procured prior to 2010. A total of 25,336 DUs have been replaced during the last 3 years.

During 2018-19, thrust was laid on digital enablement of retail outlet network. With digital payment facilities at 100% of the network through Drive Track (DT) Plus terminals, Bank POS terminals, wallets, HP Re-Fuel app etc., the focus has been on increasing the adoption of digital modes of payment by customers. Total Motor Fuels (TMF) sales through digital modes increased to 31.3% of total TMF sales during March 2019. In addition, loyalty and payment program, 'HP Re-Fuel', recorded an increase of 20 times in the transactions (by value) and achieved the milestone of having over 4 million customers on the platform.

To improve profitability and enhance customer loyalty, specific focus was on maximizing the sales of branded fuels which resulted in strong sales growth of branded Petrol, 'poWer' and branded Diesel, 'TurboJet'. The availability of super premium branded petrol, 'poWer 99' for high-end cars & two-wheelers was scaled up by making it available at 18 outlets across 14 cities.

HPCL has built a profitable non-fuel business (allied retail business) with a wide range of facilities for the customers including ATMs, take away food counters, 'C' stores, vehicle accessories etc. through tie-ups with leading banks, food brands & Original Equipment Manufacturers (OEMs). During the year, HPCL launched its own packaged drinking water brand 'Reminero', marketed through company's retail outlet network in the cities of Hyderabad, Bangalore and Mysore. Another new initiative undertaken was marketing of 'Adblue' (Diesel exhaust fluid) through HPCL retail outlet network.

To support Swachh Bharat Abhiyan, New toilet blocks, christened 'Sugam' having separate facilities for male, female & divyangs were constructed at 1,639 retail outlets during the year.



In May 2018, mobile fuel dispenser 'HP Fuel Connect' to supply Diesel to select customers at their premises was commissioned.

In line with HPCL's commitment to contribute towards a low carbon economy, solar power panels were installed at 737 outlets during the year and energy efficient LED bulbs were marketed through the retail outlet network. In addition, Electric Vehicle (EV) charging stations have been commissioned at Seven (7) HPCL retail outlets, as of 31st March, 2019.

To establish presence in overseas markets, HPCL has signed an MoU with the State Trading Corporation of Bhutan for setting up retail outlets in Bhutan.

LPG

'HP Gas', the LPG brand of HPCL serves over 8 Crore consumers. During 2018-19, HPCL achieved highest ever LPG sales of 6.55 MMT, registering a growth of 7.1 % over previous year. During 2018-19, HP Gas has enrolled over 1.2 Crore new customers which is about 18% of total LPG customer base of HPCL. 1,018 new LPG distributorships were commissioned during the year, taking the total number of HP Gas distributors to 5,866. During 2018-19, HPCL maximized production from LPG bottling plants and recorded highest ever bottling of 6.42 MMT.

During 2016-17, Government of India launched Pradhan Mantri Ujjwala Yojana (PMUY) 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 has further been revised to 8 Crore LPG connections by the year 2020. During 2018-19, more than 1 Crore new LPG connections were provided by HPCL under PMUY, taking the total number of PMUY beneficiaries enrolled with HPCL to 1.97 Crore.

As of 31st March, 2019, HPCL has sensitized over 34 lakh people about safe and sustainable usage of LPG by conducting over 27,000 Pradhan Mantri LPG Panchayats across the country. In addition, about 60,000 safety clinics were also organized during the year to educate over 29 lakh customers about safe usage of LPG.

An array of initiatives to enhance customer service and increase customer loyalty were undertaken. HPCL is the first OMC to provide digital payment facility for its LPG consumers through Google Pay (Tej) and Paytm apps.

HPCL is the first OMC to own LPG rakes under Liberalized Wagon Investment Scheme (LWIS) of Ministry of Railways for transportation of LPG from source to bottling plants and has procured 4 LPG rakes during 2018-19. The initiative has helped HPCL reduce logistics cost and ensure safe & easy availability of

LPG. HPCL has also signed an operating agreement with Haldia LPG import terminal which has improved availability of LPG in Eastern part of the country.

HPCL continued its focus on augmenting the bottling capacity in tandem with growing LPG demand. During the year, a new LPG bottling plant was commissioned at Warangal in Telangana with bottling capacity of 60 TMTA. In addition, bottling capacity augmentation projects were completed at LPG bottling plants in Chakan (Maharashtra), Jamshedpur (Jharkhand), Madurai (Tamil Nadu), Gorakhpur (Uttar Pradesh), Nashik & Aurangabad (Maharashtra) with total capacity addition of 330 TMTA during the year. Storage capacity augmentation projects were completed at LPG bottling plants in Mysore (Karnataka) and Patna (Bihar) during the year. To improve productivity and operational efficiency of LPG locations, downstream bottling facilities were upgraded at 44 LPG bottling plants and LPG filling carousals with 24 heads were replaced with higher capacities at 7 LPG bottling plants. Work has commenced for setting up LPG bottling plants at Harsidhi (Bihar) and Rayagada (Odisha) with planned bottling capacities of 120 TMTA and 60 TMTA respectively. To further enhance the LPG storage capacity, an underground LPG cavern project with estimated capacity of 80,000 MT has been planned at Mangalore.

In keeping with the Corporation's policy of highest safety standards, 275 fire training programs were conducted for employees, security staff and contract labour during 2018-19. Onsite and offsite Disaster Control Management Plan (DCMP) fire drills were conducted at all LPG bottling plants involving mutual aid members, district authorities, health department and other civil and defence officials.

To enhance safety & security at LPG locations, biometric access control system has been installed at 40 LPG bottling plants. Flame-proof cameras have been installed in LPG Filling shed of 35 LPG bottling plants along with upgradation of existing CCTV system having facility of online monitoring from zonal offices and Headquarter Office (HQO). To promote sustainable development, HPCL has installed over 13,000 LED lights and solar power capacity of 2.6 MWp at LPG bottling plants during the year.

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 2018 with industrial and automotive lubricants accounting for about 52% and 48% share in total lubricant demand respectively.

HPCL has recorded excellent growth of 7.8% in Lubes during 2018-19 with overall sales volume of 646 TMT



which helped HPCL maintain the position of India's largest lube marketer for sixth consecutive year. A well calibrated business strategy adopted for both segments viz. automotive and industrial lubricants led to superior performance during 2018-19. During 2018-19, HPCL also recorded highest ever value added lubes volume with 12% growth over previous year, which helped HPCL continue the market leadership in value added lubricant segment in PSU category.

HPCL is 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 base oil production strength in terms of flexibility in manufacturing of wide range of products at lube blending plants. Quality Control (QC) continues to be a focal point in lubricant business.

During 2018-19, HPCL continued to put strong focus on OEM sector with renewal of partnerships with various reputed OEMs. A cornerstone for OEM business development was the close interactions between R&D teams of HPCL and OEMs enabling MNC OEMs acknowledging HPCL's strengths and capabilities thereby creating more partnership opportunities for the future.

During 2018-19, HPCL rolled out and completed a project aimed at increasing Bazaar and MSME penetration by effectively leveraging the channel network strength. In addition, several retailer loyalty schemes were implemented during the year for creating a larger customer base and better brand awareness for HP Lubricants in Bazaar market. Market activation campaign, 'BANDHAN' was continued during the year and various activities were conducted at important markets for promotion of various products under HP Lubricants amongst retailers & mechanics. Enhanced visibility and promotion campaigns were carried out throughout the year for creating a top of mind recall among various stakeholders. Extensive outdoor branding helped to further enhance the brand visibility of HP Lubricants.

With a vision of being a global lubricant player, HPCL has been exploring the opportunities for lubricants business in the growing markets of Asia, Middle East & Africa. During 2018-19, HPCL's wholly owned subsidiary, HPCL Middle East FZCO commenced business operations in UAE. HPCL exported lubes to Nepal, Bangladesh, Bhutan, Sri Lanka, Myanmar, Vietnam, South Korea, UAE, Democratic Republic of Congo (Africa) and Ecuador (South America). HP Lubricants was the first Indian brand to mark its presence in Vietnam & Ecuador. New lubricant distributorships were commissioned in Bangladesh, Bhutan, Vietnam, UAE & Democratic Republic of Congo during 2018-19.

Lube R&D continued its meticulous activities during the year with development of new products for government and private sector customers. Close interaction with customers enabled a number of approvals for new product development and supply.

DIRECT SALES (INDUSTRIAL & CONSUMER SALES)

HPCL's Industrial & Consumer (I&C) business line, caters to demand of bulk fuels, Bitumen, Naphtha and specialties to institutional customers in both private and government sectors and also carries out exports of these products to various overseas markets.

During 2018-19, HPCL's Industrial & Consumer (I&C) business line surpassed 5 MMT sales mark for the third year in succession and recorded total domestic sales volume of 5.34 MMT with a growth of 5.7% over previous year. 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 fourth year in succession.

HPCL supplies bulk Diesel to various public and private entities, including Indian Railways, State Transport Undertakings (STUs), defence units and industrial consumers. During 2018-19, HPCL recorded the bulk diesel sales of 1,372 TMT and commissioned 50 new consumer pump facilities across the country for consolidation of bulk Diesel business.

Strong focus on large Bitumen customers and partnerships with major infrastructure players enabled HPCL to record highest ever Bitumen sales of 1,546 TMT during 2018-19 with an impressive growth of 26.4% over historical and a market share gain of 2.7%. HPCL also made strong inroads in the Bitumen market of North India by commencing Bitumen sales from HMEL facility at Bathinda.

HPCL is supplying bunkering fuels like FO 380 and high flash Diesel to the shipping industry. HPCL has gained market share in FO sales during the year with a sales volume of 1,339 TMT.

During 2018-19, HPCL recorded highest ever sales of 402 TMT in speciality products with a growth of 8.1% over historical which includes Mineral Turpentine Oil (MTO), Solvent 1425, Jute Batch oil (JBO), Industrial SKO, Sulphur, and Propylene. HPCL consolidated the Hexane business by becoming a major supplier to solvent extraction plants, pharmaceutical companies and petrochemical companies.

Large and strategic key accounts play a pivotal role in growth of I&C business. In addition to Indian Army, HPCL has signed MOUs with the four paramilitary forces and Border Roads Organisation (BRO) during 2018-19 for supply of fuels and Bitumen for the year 2019-20. HPCL is committed to further strengthen its relations with the key accounts through various customer centric initiatives.



HPCL has looked beyond traditional products and has forayed into new and innovative products with significant demand potential. HPCL has successfully developed and commercialised products namely HP-FurnOKare – for descaling and maintenance of furnaces, and HP-CORMIT, a corrosion inhibitor which significantly reduces the effect of corrosion in cross country product pipelines. These products will help HPCL generate additional revenue and save precious foreign exchange for the country being import substitutes.

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 2018-19, HPCL has achieved ATF Sales volume of 875 TMT with growth of 20% against historical and market share gain of 0.94%.

HPCL continues to be the major supplier of ATF to SpiceJet across India and also has entered into business agreement with Indigo at various new airports during 2018-19. In addition, a number of international airlines were added to the existing customer portfolio during the year.

Aviation fuel network was strengthened with commissioning of new ASFs at Amritsar, Bhubaneswar, Raipur and Kolhapur airports during the year. Additional tankages were set up at Srinagar and Tirupati ASFs to enhance ATF storage capacity at these airports. An agreement has been signed for commencement of ATF supplies at Kannur international airport in Kerala.

To promote sustainable development, Phytoremediation based waste treatment plants were set up at Visakh and Dumdum ASFs and a solar power plant of 12 KWp capacity was installed at Calicut ASF during 2018-19.

NATURAL GAS

To create a gas based economy, Government of India has envisaged to increase the share of natural gas in India's primary energy mix from current level of 6.2% to 15%. HPCL has also undertaken several initiatives to expand presence in Natural gas sector by increasing footprints in midstream and downstream gas market in India.

Currently, HPCL is operating City Gas Distribution (CGD) networks in 8 Geographical Areas (GAs) in the states of Andhra Pradesh, Telangana and Madhya Pradesh through Joint Venture companies Aavantika Gas Limited (AGL), Bhagyanagar Gas Limited (BGL) and Godavari Gas Pvt. Limited (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 a joint venture company HPOIL Gas Pvt. Limited (HOGPL) and in GAs of Sonapat (except areas already authorized) & Jind districts in Haryana on standalone basis. In 10th round of CGD bidding by PNGRB, HPCL has emerged as one of the most successful bidders and has received authorization for setting up CGD networks in 9 GAs in the states of Uttar Pradesh, Uttarakhand and West Bengal. After allotment of CGDs in 10th round of bidding, HPCL has the authorisation to increase its CGD presence to 34 districts in India covering 9 states (Andhra Pradesh, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Telangana, Uttar Pradesh, Uttarakhand and West Bengal)

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

To promote Bio Gas in Transportation sector, HPCL is actively participating in Government of India's SATAT (Sustainable Alternative Towards Affordable Transportation) initiative and has 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 2018-19, HPCL has released Letter of Intents (LOIs) for setting up 11 CBG plants in 4 states (Gujarat, Maharashtra, Punjab and West Bengal) with total estimated production capacity of 20.6 TMTA.

OPERATIONS, DISTRIBUTION & ENGINEERING (OD&E)

HPCL is focussed on seamless product movement from the supply source to the end consumer in stipulated time with assured Quality and Quantity (Q&Q). Effective supply chain management using optimisation tools has helped HPCL achieve significant reduction in transportation cost of major petroleum products along with better utilization of pipeline network. Robust control and monitoring at supply locations has resulted into optimization of inventory and effective management of working capital.



HPCL is scaling up technology implementation across the supply network to enhance productivity and achieve minimum manual intervention in Tank Lorry Filling (TLF) operations. Terminal Automation System (TAS) comprising of tank truck loading and unloading operation, Tank Farm Management System (TFMS) and safety systems have been installed and are under operation at all major locations. During 2018-19, some strategic locations have been declared as 'SMART' terminal with automation and seamless integration of various processes. SMART terminal initiative is expected to help HPCL achieve significant gains in terms of operational efficiency, cost efficiency, safety and stakeholder convenience. Vehicle Tracking System (VTS) has been implemented for the entire fleet of trucks which has enabled real time tracking of truck movement by Corporation and channel partners.

During 2018-19, supply infrastructure was strengthened with completion of various infrastructure projects including storage & distribution depot at Leh, new wagon gantry at Visakh black oil terminal and revamp of the existing tank wagon facility at Jabalpur depot.

HPCL continues to lay strong thrust on environmental preservation and has undertaken various sustainability measures at POL locations. In this direction, retailing of BSVI grade transportation fuels was commenced in some areas of the country within the timelines notified by Government of India. Several initiatives including energy efficient lightings and grid-interactive captive solar power plants have been implemented at supply locations to reduce carbon footprints and energy consumption.

HPCL is actively participating in Ethanol blending program of Government of India and has procured highest ever volume of ethanol (55.73 Crore litre) during the year which resulted into an overall Ethanol Blending Percentage (EBP) of 5.5% during 2018-19 as compared to 2.11% during the previous year. In addition, highest ever procurement (2.68 Crore Litre) of Biodiesel was recorded during 2018-19 for sale of Biodiesel blended Diesel. Storage capacity for keeping 15 days of Ethanol inventory has been provided at all storage locations of HPCL.

Capability building and skill development continue to be key focus areas for OD&E vertical. In this regard, a new technical training facility has been conceptualized and commissioned at Talegaon in Maharashtra. This training centre is helping HPCL in scaling up of technical capability of employees for handling of various equipment at depots and terminals. A total of 244 officers have been trained during 2018-19 at the Institute.

PIPELINES

HPCL's large of Pipelines continues to be key strength in the product supply chain. HPCL lays strong thrust

on scaling up the capabilities for effective and efficient management of pipeline network and its further augmentation.

HPCL is currently operating petroleum product pipeline network of 3,370 km with mainline capacity of 24.93 MMTPA & branch line capacity of 11.07 MMTPA. Highest ever pipeline throughput of 21.5 MMT was recorded during 2018-19.

Pipeline network expansion remains a major focus area for HPCL and a number of large scale expansion projects are underway with an estimated investment of ₹ 5,916 Crore. These projects are expected to increase HPCL's mainline capacity to 33.7 MMTPA & network length to about 4,500 km and significantly strengthen HPCL's position in key markets. During 2018-19, Pipeline project for capacity expansion of Ramanmandi Bahadurgarh Pipeline (RBPL) from 4.71 to 7.11 MMTPA was mechanically completed as per the scheduled timelines.

HPCL's major ongoing pipeline infrastructure projects include (i) Capacity expansion of Mundra Delhi Pipeline (MDPL) from 5 MMTPA to 6.9 MMTPA along with extension of branch pipeline from Palanpur to Vadodara (235 km) and construction of green field marketing terminal at Vadodara, (ii) Capacity expansion of Visakh Vijayawada Secunderabad Pipeline (VVSPL) from 5.38 MMTPA to 7.7 MMTPA (iii) Extension of VVSPL from Vijayawada to Dharmapuri (697 km) and construction of marketing terminal at Dharmapuri and (iv) Uran Chakan Shikrapur LPG Pipeline (168 km) of 1 MMTPA capacity. HPCL is also participating in development of India's longest LPG pipeline from Kandla to Gorakhpur (2,757 km) along with IOCL and BPCL.

F. INTEGRATED MARGIN MANAGEMENT

To maximize Net Corporate Realization (NCR), various initiatives like maximization of crude throughput and production of value added products in refineries, effective utilization 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), to manage and execute various ideas generated across the Corporation has been strengthened during the year.

Activities for hedging of refinery margins were scaled up during 2018-19 as compared to previous years by concluding derivate deals in the international OTC (Over-the-Counter) market.

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 worth ₹ 103.75 Crore discounted through this platform.

H. RESEARCH AND DEVELOPMENT

Hindustan Petroleum Green Research & Development Centre (HPGRDC) has been set up at Bengaluru with an objective to provide advanced technological support to marketing SBUs and refineries, 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 build-up area of 3 lakh square feet in a sprawling campus of 120 acres.

During 2018-19, a number of technologies including HP2 FCC technology, crude to petrochemicals technology, HP-ASAP and Slurry Hydro Cracking (SHC) technology have been developed and plans are underway for setting up Demonstration units. In addition, some of the existing technologies including H2 PSA technology, HP-DUCER, HP-CORMIT and SprayMax FCC Feed Nozzle were further improved and upgraded.

In addition to the various technologies, HPGRDC successfully developed and launched several products during the year including HP-NEUTMAX, HP-THERMPRO and HP-BIOREMEDIA. Two products viz. HP-FurnOKare and HP-BioActiva were successfully commercialized.

During 2018-19, HPGRDC filed Eleven (11) patents taking the total number of filed patents to Eighty-nine (89), as of 31st March, 2019. Twelve (12) patents were granted to HPGRDC during the year taking the total number of patents granted to Sixteen (16), as of 31st March, 2019. Out of the Twelve (12) patents granted during the year, six (6) 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, depots/

terminals and LPG bottling plants in compliance with the revised Marketing Discipline Guidelines (MDG) & HQO directives.

During 2018-19, Quality Assurance (QA) cell carried out inspections at 3,094 retail outlets, 67 Kerosene (PDS) distributorships, 529 LPG distributorships and 30 LPG bottling plants. Establishment of robust QA systems has enabled HPCL set high customer service benchmarks for supply locations & channel partners and in providing high quality products to customers.

J. HEALTH, SAFETY & ENVIRONMENT

HPCL conducts the business with strong focus on Health, Safety & Environment (HSE) aspects of the operations and with robust Sustainability Development (SD) Model & Framework. Safe operations and implementation of health and environmental initiatives continue to be at core of all business activities. HPCL has been making continuous improvements in the systems & procedures to enhance HSE performance across all spheres of business activities. In addition, a number of unique HSE initiatives including 'Suraksha Parishad' and 'Safety On Wheel' (SOW) have been pioneered for stakeholder sensitization and effective capability building in the area of HSE.

HEALTH

HPCL focuses on achieving excellence in occupational and personal health of employees and other stakeholders at all installations & office locations. All employees undergo regular Periodic Medical Examinations (PME) and the results are analysed to provide targeted interventions from qualified doctors. A number of health education programs, awareness sessions and diagnostic camps were organized for employees, their families and other stakeholders during the year. Designated physicians are provided at major marketing locations and smaller locations have tie up with local hospitals for ensuring best accessibility of health services.

SAFETY

HPCL emphasizes to provide safety to its employees and all stakeholders. To ensure emergency preparedness, mock drills are regularly conducted at all locations to keep everyone in a state of readiness. External Safety Audits (ESAs) are frequently undertaken and recommendations are implemented in a time bound manner. To increase collaborative learning for safer operations and enhance adoption of best practices, root cause analysis of incidents is undertaken. To ensure safe working across all locations, 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 of HPCL are certified with best Environmental Management Systems. Effluent treatment plants, air emission control and hazardous waste disposal systems have been installed at various HPCL locations in line with the best practices in industry and are being monitored periodically.

SUSTAINABLE DEVELOPMENT

HPCL is committed to achieve the economic, ecological and social responsibility objectives of sustainable development consistently in all operations and activities. Green belt development programs have been implemented at various locations with tree plantations on more than 28 acres of land area during 2018-19. HPCL continued to enhance energy efficiency and water conservation across all locations. Various sustainable development initiatives including electrical energy audits, water audits, installation of rainwater harvesting system, installation of energy efficient fixtures etc. were implemented during the year. During 2018-19, a comprehensive rating assessment based on various sustainability parameters was conducted at Five (5) marketing locations of HPCL by Confederation of Indian Industries (CII) and all Five (5) locations were certified with 'GreenCo' ratings, taking the total number of GreenCo certified HPCL locations to Seven (7), as of 31st March, 2019

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 2018-19, HPCL has installed captive solar power capacity of 11.3 MWp across various locations, taking the total solar power capacity to about 22.6 MWp as of 31st March, 2019. HPCL has also set up wind power capacity of 100.90 MW which generated about 19 Crore kWh of electricity during 2018-19.

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

All business processes at HPCL are supported by robust Information systems. HPCL is continuously strengthening existing Information systems along with increased adoption of emerging digital technologies

across various spheres of business activities. Business Intelligence (BI) system has enabled data driven decision making at HPCL by providing advanced analytics, enhanced graphic representation & data visualization and superior user experience. At HPCL, business information is effectively handled through Enterprise Resource Planning (ERP) system, various workflow applications, web portals and mobile apps.

To achieve multi-fold gains in various spheres, HPCL is leveraging advancements in the area of digital technologies. Applications leveraging artificial intelligence & machine learning using cloud based services and Robotic Process Automation (RPA) technology have been undertaken as pilot projects. During 2018-19, various initiatives including enhancement of e-procurement system to handle crude procurement, B2B integration system, generation of exception based email alerts, development and enhancement of new & existing web portals and new workflow applications & mobile apps were rolled out to meet the requirements of various SBUs and functions. Business applications for implementation of GSA (Gram Swaraj Abhiyan), EPMUY (Extended Pradhan Mantri Ujjwala Yojana) and EPMUY2 were developed and deployed. Computer vision and image processing were implemented for validation of various documents including GSTN registration certificate and Aadhar card for PMUY to improve the accuracy of transactions.

HPCL is leveraging mobility as a means to deliver application capabilities to users on the move and various mobile applications were developed and implemented during the year which includes web based feedback system for LPG customers, updated information for dealers and distributors, and real time information to sales force.

During 2018-19, BI system has been upgraded to the latest version having more flexibility and advanced features. A large number of additional reports, email alerts and dashboards have been developed for various stakeholders across the SBUs and functions.

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

To manage relationship and interaction with existing & potential customers effectively, a Customer Relationship Management (CRM) tool has been procured and is being implemented. CRM tools will also help the Corporation better understand the customers.

IT INFRASTRUCTURE, COMPLIANCE AND SECURITY

Security of information systems continues to be a key focus area for HPCL and a number of steps have been taken by the Corporation to address this critical area. During the year, ERP production server was upgraded to the latest generation for efficiency improvements.



New user management software was implemented for all external stakeholders like dealers, distributors, etc. for enhanced security and control of user management. Internet infrastructure was enhanced to cater to the increased user traffic on account of EPMUY and other external applications. Hardware Security Module (HSM) was installed as per the requirements of UIDAI to provide complete protection to the Adhaar data of the LPG consumers as per the Adhaar Act.

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 & 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 organizational values.

To benchmark and enhance HR process and practices, HPCL has undertaken an assessment based on People Capability Maturity Model (PCMM). PCMM is a globally recognized HR Excellence Framework from CMMI Institute. During 2018-19, an assessment of various HR practices at HPCL was carried out by M/s MacLead Certifications in line with goals and practices defined in PCMM.

TALENT ACQUISITION AND MANAGEMENT

During 2018-19, HPCL has successfully implemented various qualitative improvements to strengthen and upgrade existing processes of talent sourcing and

management. To enhance efficiency and transparency of recruitment process, various online applications including online document verification system and online panel nomination portal were developed and rolled out.

To attract new talent and promote HPCL's employer brand, 'Employee Value Proposition (EVP)' was developed with the aid of multiple tools including Focus Group Discussions (FGDs), interactions with Subject Matter Experts (SMEs) & senior management executives and online surveys.

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.

CAPABILITY BUILDING

As a part of Capability building a wide array of multi-modal learning and development programs aligned to the overall strategic objectives of the Corporation are offered to employees. A total of 34,368 man-days of training was imparted to management employees during 2018-19, which translates to around 5.7 man-days of training per officer.

HP Academy

HPCL introduced an e-learning platform, 'HP Academy', containing online modules with learning content for all marketing SBUs and refineries during the year. HPCL has also collaborated with 'EBSCO digital library', an aggregator of full-text content and online databases, to provide wide range of online study material. In addition, an 'Augmented Reality and Virtual Reality' (AR/VR) based technical training program was introduced during 2018-19.

Tie-ups with Academic Institutes

HPCL has partnered with various reputed business schools including IIM Lucknow, IIM Indore and IIM Tiruchirappalli for delivering executive general management programs to the young officers.

HPCL 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.

Certified Petroleum Manager Program (CPM) was continued for junior management officers in collaboration with Indian School of Petroleum & Energy (ISPe), Dehradun and 107 officers successfully completed the program during 2018-19.



CPM program has been extended to MBA – Oil & Gas program conducted by University of Petroleum and Energy Studies (UPES), Dehradun and officers can now participate in MBA – Oil & Gas program after successful completion of CPM program. A total of 90 Officers successfully completed MBA – Oil & Gas program during 2018-19.

In-house capability building initiatives

During 2018-19, two longitudinal capability building initiatives - Kshitij and Lakshya were launched for Lubes and Direct Sales SBU. Kshitij and Lakshya have been envisaged to develop scientific sales competencies and a common sales dialect across various stakeholders including regional managers, sales officers, channel partners and their sales staff. Multiple contact programs were organized under Kshitij and Lakshya covering 428 and over 70 participants respectively.

'SHRESTHA' a management development program was undertaken to provide personalized attention towards managerial development needs of LPG Plant heads and equip them with cutting edge techno-behavioural skills.

'Vasishtha', a specific learning platform has been launched for Senior Executives to facilitate self-actualization through participation in various divergent activities including interaction sessions led by various eminent personalities of India.

LEADERSHIP DEVELOPMENT

Project Periscope

A unique leadership development intervention, 'Project Periscope', introduced in 2017-18 for senior management officers was continued in 2018-19. 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 organizations 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.

PRODUCTIVITY ENHANCEMENT INITIATIVES

Project 'Utkarsh' is a longitudinal productivity improvement initiative, aimed at achieving significant increase in productivity by fostering collaboration, building ownership and imparting knowledge and skills to LPG bottling plant employees.

Project 'Utkrisht' is aimed at improving the overall operational efficiency of depots & terminals by implementing collaborative approach of total quality management, total productivity management, six sigma and participative management. The project has resulted in significant improvement across a number of productivity parameters including increase in bay filling rate

PERFORMANCE MANAGEMENT

Reward & Recognition

'HP ICON Awards' have been instituted since 2010 to identify and recognize officers from senior and middle management who place the interests of their teams before personal considerations. During 2018-19, 16 officers were felicitated with HP ICON award.

'HP Outstanding Achievers Awards' have been instituted to recognize outstanding contributions of officers in the junior management category. During 2018-19, 53 officers were recognized with Outstanding Achievers Award.

To recognize the extraordinary performance and commitment of non-executive employees, 'HP Gaurav' awards have been instituted. During 2018-19, 92 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.

Harmonious industrial relations have been sustained through continual and proactive engagement with different unions. Nine settlements with different unions were signed during the year on productivity, redeployment, commencement of new shift etc. Career development Policy (CDP) settlements for employees at Visakh Refinery and Mumbai Refinery were also signed during the year. 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.

For the outstanding contribution in the area of industrial relations, six senior union leaders were recognized with 'Shri Raja Kulkarni Samman' during 2018-19 by 'HPCL Trust for Promoting industrial harmony'.

EMPLOYEE ENGAGEMENT INITIATIVES

During 2018-19, a number of employee connect activities were conducted to reach out to the families



of the employees to build a stronger bond with HPCL. 'HP Pariwar' app was launched to connect with the families of employees and keeping them abreast of the latest developments in the company. To promote wellbeing of employees 'Hum Fit Toh HP Fit' campaign was introduced for the employees across various locations of HPCL.

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

To operationalize the vision of engaging self & immediate family members and foster common interest networks across the Corporation, a unique initiative, 'Reboot@35+' was undertaken for officers in the age group of 35 - 50 years. Hobby clubs for painting, music, photography, trekking etc. were launched to provide platforms for the employees to pursue their creative talents during off the office hours.

A 24x7x365 Employee Assistance Program (EAP), 'Paramarsh' was continued during the year to provide counselling services to employees, their spouses, and dependent children.

A maternity support program, 'Sparsh', was rolled out during 2018-19 for enhancing emotional wellness of working mothers in HPCL and enabling integration of motherhood and work. 'Sparsh' involves psychological coaching services designed for female employees to help them manage stress, anxiety and other negative emotions and has also been extended for spouses of male employees.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE (POSH)

To inculcate appropriate workplace behavior and promote gender sensitization, a number of POSH workshops were organized across the Corporation during 2018-19. 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. Self-defense training programs called 'KAVACH' was also organized for the empowerment of woman employees.

SC/ST WELFARE PROGRAMMES

A number of welfare initiatives designed for SC/ST/OBC communities were implemented which

included distribution of books and speeches of Dr. B R Ambedkar for knowledge dissemination, grant of scholarship to economically under privileged students including differently-abled students, conduction of health camps and distribution of water & food.

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 2018-19, HPCL organised annual sports meet, indoor games and cricket tournaments for all employees across the country. HPCL also hosted PSPB veterans cricket tournament at Dharamshala in Himachal Pradesh and AIPSSPB table tennis tournament at Chandigarh during 2018-19. In addition, HPCL participated in PSPB tournaments in athletics, badminton, basketball, bridge, carom, chess, cricket (men & veterans), football, golf, table tennis and tennis during the year. HPCL also supports young & talented sports persons, preferably from the economically weaker sections of the society.

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 online RTI portal – <https://www.rtionline.gov.in> which is the unified RTI portal of the Government of India. Regional managers and officers across the country, representing different departments, have been appointed as Central Public Information Officers (CPIOs) and senior management officers 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. Various CSR activities under the focus areas of childcare, education, health care, skill development, sports and environment & community development were undertaken during the year, positively impacting lives of less privileged.

HPCL supported holistic development of 300 special children by providing education, therapies and

vocational training through project ADAPT. Under project Akshaya Patra, HPCL provided nutritious mid-day meals to 15,000 students in government schools. Knowledge of practical science was disseminated among 28,338 students from 127 schools through project Agastya. Under project Nanhi Kali, HPCL supported quality education for 13,000 girl children. Free computer education was provided to 12,000 students through project Unnati. Under project Dhanwantari, HPCL provided health facilities at the doorsteps, in rural and urban slum areas through 24 Mobile Medical Vans (MMVs). Through project Dil Without Bill, HPCL supported free of cost heart surgeries for 400 patients. Under project Suraksha, 7 Khushi Clinics were operated to arrest spread of HIV/AIDS and generate awareness about Sexually Transmitted Infections (STIs) & HIV/AIDS among truckers. Through project Swavalamban, training on various skills was provided to 2,500 unemployed youth to enhance their employability.

To support Swachh Bharat Abhiyaan, HPCL constructed more than 850 toilets in schools, hospitals & communities and upgraded more than 550 school toilets during the year. To increase awareness about cleanliness more than 2,500 activities were conducted involving about Two (2) lakh people from various parts of the country.

To address various needs of the local communities around HPCL's business locations, a number of social development initiatives were implemented during the year. The focus was on developing health and education infrastructure for the welfare of not so privileged sections of society. Scholarships were provided to over 11,000 meritorious students from SC, ST, OBC and PWD communities. Contribution was made to the Armed Forces Flag Day Fund for care, support, welfare and rehabilitation schemes for Ex - Servicemen (ESM) and their dependents.

R. OFFICIAL LANGUAGE IMPLEMENTATION

HPCL 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. HPCL is coordinator for Mumbai Town Official Language Implementation Committee (TOLIC) since 1983 and is guiding Sixty-five (65) Mumbai based offices of PSUs in the area of official language implementation.

During 2018-19, HPCL was recognized with total 57 awards in the area of official language implementation. This includes 'Rajbhasha Kirti Pratham Puraskar', and an award for 'HP SAMACHAR', received from

Honourable Vice President of India. HPCL has also received the 'Official Language Shield' from Ministry of Petroleum & Natural Gas during 2018-19.

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

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

U. RISK MANAGEMENT

HPCL recognizes that effective risk management is crucial to manage interests of all its stakeholders in the fast changing and VUCA (Volatile, Uncertain, Complex and Ambiguous) business environment. HPCL has been continuously strengthening the existing framework for managing the business risks and for conducting the business in a risk conscious manner. The Enterprise Risk Management (ERM) governance framework not only drives the organisation strategy formulation process but also guides the day to day operations of the organisation. The process entails identification, assessment, mitigation and monitoring of risks in a continuous manner. HPCL leverages technology to integrate and manage the entire process of enterprise risk management.

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

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 2018-19, 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. "Oil Marketing Company of the Year" award by Federation of Indian Petroleum Industry (FIPI) for the third consecutive year for leadership in oil marketing business in India
2. "Best Navratna" award in 'Manufacturing, Processing and Generating Sector' category by M/s Dun & Bradstreet
3. "Forecourt Retailer of the Year" award for the 11th time at Star Retailer Awards 2018
4. "Industrial Innovation Award 2018" to HPCL R&D Centre, Bengaluru by Confederation of Indian Industries (CII)
5. "Retailer of the Year (forecourt retailing)" award at the ET NOW Global Awards for Retail Excellence 2019
6. "Vigilance Excellence Award 2018" in the outstanding category for 'Best Institutional Practices' by Central Vigilance Commission (CVC)
7. 'poWer' featured in "India's Most Trusted Brand of 2018" list under 'Petrol Category' in the "The Brand Trust Report 2018" by Trust Research Advisory Institute
8. "Emerging Brand Award" to 'poWer 99' at Times Network National Marketing Excellence Awards 2018
9. "Brand of the Year Award 2018" to 'poWer' and "Emerging No.1 Brand of the Year Award 2018" to 'poWer 99' at World Consulting Research Corporation (WCRC) IDEASFEST 2018
10. "Emerging Brand Award" to 'poWer 99' at Global Marketing Excellence Awards 2018 by World Marketing Congress
11. "FICCI Chemicals and Petrochemicals Award 2018" to 'HP- FurnOKare' and 'HP-BioActiva' by FICCI
12. Award for "Best Payments Technology / Initiative of the Year" for HP Re-Fuel Program and "Most Disruptive Payments Technology of the Year" for HP Fastlane at Payments & Cards Summit 2018
13. Recognised amongst "Top Three Best Performing CPSEs (Oil & Gas)" for contribution towards 'Swachhta Pakhwada' by Ministry of Petroleum & Natural Gas (MoP&NG)
14. "Best Overall Performance Award" amongst the oil marketing companies for the oil & gas activities carried out during Saksham 2018
15. "Best Innovation in R&D" commendation MoP&NG for 'Diesel Lubricity Additive' and 'HP-CORMIT' for the year 2017-18.
16. "Best in Support Role-Strategic Partnership" award to HP Lubricants by Gabriel India Ltd.
17. Award for "Best Use of Mobile in a Loyalty Program" to HP Re-Fuel at Customer Fest Show & Costumer Loyalty Awards 2019
18. "Oil Industry Safety Award 2018" to Visakh-Vijayawada-Secunderabad pipeline (VVSPL) under 'Cross Country Pipelines' category by Oil Industry Safety Directorate (OISD)
19. "Green Supply Chain Company for 2018" at Express Logistics & Supply Chain Leadership Awards
20. "PRSI National Awards 2018" for (i) Best Annual Report 2017-18, (ii) Best House Journal (Hindi) for 'HP Samachar' and (iii) 2nd Best Sustainability Report by Public Relations Society of India (PRSI)
21. "Global CSR Platinum Award" by World PetroCoal Congress
22. "CSR Excellence Award" by Apex India Foundation
23. "Golden Peacock Award for Sustainability 2018" by Institute of Directors (IOD) for initiatives on environment, economic and social aspects
24. "Intelligent Enterprise Awards" in the 'Enterprise Mobility' category for mobile application, Parivahak and 'Big Data' category for brand sales analytics through Geo Maps in Business Intelligence from Express Computer at the Technology Senate
25. "Best Digital Transformation Program" award to information systems of Mumbai Refinery in the category 'Operator - Refinery, Petrochemicals and Chemicals' at Asian Downstream Summit



26. "FICCI Chemicals and Petrochemicals Award 2018" to Mundra-Delhi Pipeline (MDPL) for excellence in safety in petrochemical sector by FICCI
27. "National Awards for Manufacturing Competiveness" for 2017-18 to Mazgaon and Silvassa lube blending plants by International Research Institute for Manufacturing (IRIM), India
28. "Safety Gold Award" to Mazgaon & Silvassa lube blending plants and Calicut ASF by Greentech Foundation
29. "Platinum Award 2018" to MDPL in petroleum storage & transportation sector by Greentech Foundation
30. "Vikreta Utkarsh Puraskar 2018" for best supplier amongst all the POL suppliers from National Aluminium Company Ltd. (NALCO)
31. "5 Star Rating" awarded to Chennai New Terminal during CII –Southern Region EHS Excellent Award by CII
32. "Apex India Excellence Award" to MDPL under categories of occupational health & safety and sustainability, to Mumbai-Pune-Solapur Pipeline (MPSPL) under categories of sustainability, environment and CSR management and to Loni Terminal for best practices in sustainable development by Apex India Foundation
33. "Factory Safety Award 2019" to Awa location of MDPL under 'Small Scale Factory' category in Rajasthan by Ministry of Labour, Factories and Boilers, Government of Rajasthan
34. "Exceed Platinum Award 2018" to MPSPL & "Exceed Gold Award 2018" to Mathura terminal for excellence in occupational health and safety under 'Petroleum Storage & Transportation Sector' category by Ek Kadam Desh Ke Naam NGO
35. "NSCI Safety Award 2018" to MDPL for occupational health & safety management by National Safety Council of India (NSCI)
36. "Best Digital PSU" & "Employee Productivity" awards under 'Navratna' category at Governance Now PSU Awards 2018
37. "FAME Award 2018" for best innovative CSR project to MPSPL by Foundation for Mass Empowerment (FAME), India
38. "GreenCo Platinum Rating" to Hazarwadi and Jabalpur LPG plant and "GreenCo Gold Rating" to Ajmer LPG plant and Jodhpur depot by CII-Godrej Green Business Centre (GBC)
39. "Industrial Good Relations Award" to Madurai LPG plant by Ministry of Labour and Employment, Government of Tamil Nadu
40. "Bhamashah Award" by Government of Rajasthan to Jodhpur retail & LPG regional office for CSR activities
41. "India Concord Award 2018" for 'best e-procurement initiative in PSUs' category at India Concord Summit & Awards 2018
42. "Excellence Award" for 'best security practices in energy sector' from Data Security Council of India (an initiative by NASSCOM)
43. "Greentech HR Award 2018" to HP Management Development Institute (HPMDI), Nigdi by Greentech Foundation for excellence in training
44. "ASSOCHAM Gold Award 2018" to Skill Development Institute (SDI), Visakhapatnam in the category of 'Best Start Up in Skill Development'
45. "Platinum Award" for Green Residential Society to HP Nagar West residential colony by Indian Green Building Council (IGBC)
46. "Platinum Award" for Green Building Standards to Marathon Office by IGBC
47. Multiple "Garden Awards" to HP Nagar East residential colony from Brihanmumbai Municipal Corporation (BMC) and Friends of the Trees NGO

Y. JOINT VENTURE COMPANIES AND SUBSIDIARIES

HPCL conducts business through subsidiaries and joint venture companies in various areas including oil refining & petrochemicals, value added Bituminous products, pipelines, City Gas Distribution (CGD), LPG cavern, LNG terminal and biofuels. The joint venture and subsidiary companies have performed well during the year 2018-19 as given under:

HPCL-Mittal Energy Ltd. (HMEI)

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

HMEI, operates a 11.3 MMTPA refinery at Bathinda in Punjab. HMEI refinery is an energy efficient, environment-friendly, high distillate yielding complex which has been designed to produce high value added petroleum products.

During 2018-19, HMEI recorded highest ever crude throughput of 12.47 MMT and achieved consolidated total revenue of ₹ 63,144 Crore & consolidated Profit After Tax (PAT) of ₹ 1,468 Crore.

HMEI's commitment to safety is embedded in its core values and the same has been recognised at various national and international forums. During 2018-19, HMEI has been conferred with 5 Star Rating by British Safety Council in Process Safety Management (PSM) audit.

**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 & despatch facilities at Visakhapatnam.

During 2018-19, SALPG cavern received 1.460 MMT of LPG. SALPG has achieved total revenue of ₹ 199.72 Crore and recorded Profit After Tax (PAT) of ₹ 102.89 Crore.

SALPG has been continuously paying dividend for the last 9 years. For the year 2018-19, SALPG board has recommended highest ever total dividend of 120%.

Prize Petroleum Company Ltd. (PPCL)

Prize Petroleum Company Ltd. (PPCL) is a wholly owned subsidiary of HPCL and is involved in the business of Exploration and Production (E&P) of Hydrocarbons as well as providing services for management of E&P blocks. During 2018-19, PPCL achieved total production of 31,265 barrels of crude oil from domestic oil field at Hirapur (Gujarat).

PPCL has a wholly owned subsidiary namely Prize Petroleum International Pte Ltd. (PPIPL), incorporated in Singapore. PPIPL has participation interest of 11.25% and 9.75% in two E&P blocks, T/L1 and T/18P respectively, in Australia. PPIPL has achieved its share of production of 4,29,541 BoE (Barrels of Oil Equivalent) from Yolla producing field (T/L1).

During 2018-19, PPCL has recorded total revenue of ₹ 100.07 Crore on consolidated basis as compared to ₹ 106.27 Crore achieved during previous year.

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 having ISO 9001, ISO 14001 & OHSAS 18001 certifications

During 2018-19, HINCOL registered overall sales growth of 9.4% with highest ever annual volume of 229 TMT. In Bitumen emulsions, HINCOL achieved a robust growth of 17.4%. The Company recorded total revenue of ₹ 785.81 Crore and highest ever Profit After Tax (PAT) of ₹ 104.03 Crore. To cater to the demand of growing road construction and maintenance activities in India, HINCOL is expanding capacity by setting up new plants at Visakhapatnam, Guwahati and Bathinda.

HINCOL has been paying dividend for the last 19 years and has declared dividend of 700% for 2018-19.

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 cost of the project is estimated to be ₹ 43,129 Crore.

The financial closure of the project has been completed in 2018-19. Process Licensors are finalised for 13 Process units and engineering is in progress. Site grading, developments of internal roads, construction of boundary wall etc. are in progress at project site.

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 2018-19, MRPL achieved highest ever refining throughput of 16.43 MMT and recorded consolidated total revenue of ₹ 73,853 Crore & Consolidated Profit After Tax (PAT) of ₹ 351.26 Crore.

MRPL is implementing projects for enabling production of BS VI grade auto fuels at refinery with effect from 1st April, 2020.

Ratnagiri Refinery & Petrochemicals Ltd. (RRPCL)

Ratnagiri Refinery & 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. During 2018-19, Saudi Aramco and ADNOC have also partnered with RRPCL to jointly execute the project along with IOCL, BPCL and HPCL. Preliminary feasibility study including basic technical configuration of the project and supply-demand market study for petrochemicals have been completed. Pre-project activities including detailed configuration and detailed feasibility study have been initiated for the project.

HPCL Biofuels Ltd. (HBL)

HPCL Biofuels Ltd. (HBL) is a wholly owned subsidiary company of HPCL. HBL was promoted as a backward integration initiative to enable HPCL's foray in manufacturing of ethanol for blending in Petrol. HBL has two integrated Sugar-Ethanol-Cogeneration plants at Sugauli and Lauriya districts in the state of Bihar.



During 2018-19, HBL has recorded total revenue of ₹ 235.22 Crore and cane crushing of 707 TMT with highest ever average sugar recovery of 9.76%. HBL achieved sugar production of 68,124 MT, ethanol production of 8,558 KL and power generation of 73,595 MWh during 2018-19.

Petronet MHB Ltd. (PMHBL)

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

PMHBL has achieved throughput of 3.36 MMT during 2018-19. PMHBL has reported highest ever total revenue of ₹ 203.02 Crore during 2018-19 as compared to ₹ 171.13 Crore in the previous year and recorded highest ever Profit After Tax (PAT) of ₹ 111.77 Crore as compared to ₹ 83.46 Crore achieved in 2017-18.

During 2018-19, PMHBL has installed solar power plants at various locations including Mangaluru, Hassan and Devangonthi stations and sectionalizing valve stations with total capacity 3.63 MWp.

Bhagyanagar Gas Ltd. (BGL)

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

BGL has a CGD network comprising of 1,006 km Medium Density Poly-Ethylene (MDPE) pipeline & 127 km steel pipeline and is serving 36,810 domestic customers. BGL also operates 70 CNG stations in the cities of Hyderabad, Vijayawada & Kakinada in the states of Andhra Pradesh and Telangana.

During 2018-19, BGL has achieved sales volume of 29,505 MT of CNG and 170 lakh Standard Cubic Meter (SCM) of PNG, registering a growth of 37% in PNG sales. BGL has recorded highest ever total revenue of ₹ 187.62 Crore and highest ever Profit After Tax (PAT) of ₹ 19.23 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 of 1951 km MDPE pipeline & 102 km steel pipeline and is serving 51,203 domestic customers. AGL also operates 39 CNG stations in the cities of Indore, Ujjain, Pithampur and Gwalior in the state of Madhya Pradesh.

During 2018-19, AGL has achieved sales volume of 26,373 MT of CNG and 176 lakh SCM of PNG, registering a growth of 21% and 51% respectively over the previous year. AGL has also reported highest ever total revenue of ₹ 202.66 Crore and highest ever Profit After tax (PAT) of ₹ 25.94 Crore during 2018-19.

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%) & BPCL (11%).

GIGL has been authorised to lay two cross country gas pipelines viz 1,640 km long Mehsana to Bathinda Pipeline (MBPL) and 740 km long Bathinda to Srinagar Pipeline (BSPL). Work for initial sections of the project covering about 440 km of pipeline length including Barmer-Pali pipeline, Palanpur-Pali pipeline and Jalandhar-Amritsar pipeline was completed during 2018-19 and operations were commenced in third quarter of 2018-19. After that, the Company has transported about 0.90 MMSCMD of gas and has recorded total revenue of ₹ 25.80 Crore.

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%), & BPCL (11%).

GITL has been authorised to lay 1,881 long km pipeline from Mallavaram to Bhilwara. The initial section of the project for laying the pipeline from interconnection point of Reliance Gas Transmission India Limited (RGITL) at Kunchanapalli to Ramagundam Fertilizers & Chemicals plant at Ramagundam is in the advanced stage of completion.

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 of a 246 km of MDPE pipeline & 3.3 km of steel pipeline and is serving 26,162 domestic customers. GGPL also operates 15 CNG stations in East Godavari and West Godavari districts.

During 2018-19, GGPL has achieved sales volume of 598 MT of CNG and 10.63 lakh SCM of PNG, registering a growth of 39% in CNG sales. GGPL has recorded total revenue of ₹ 5.54 Crore.

HPOIL Gas Pvt. Ltd. (HOGPL)

HPOIL Gas Pvt. Ltd. (HOGPL) is a joint venture between HPCL and OIL India Ltd. (OIL) and was incorporated on 30th November, 2018 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. HOGPL has achieved financial closure during 2018-19.

HOGPL has obtained the allocation of 6,000 SCMD of APM (Administered Price Mechanism) gas and has also entered into gas facilitation agreement with nearby CGD entities for CNG sourcing.

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

Environmental Clearance (EC) for the project has been obtained from Ministry of Environment, Forest and Climate Change (MoEF&CC) during 2018-19. Petroleum Explosive Safety Organization (PESO) has also granted the approval for construction of facilities at Chhara LNG terminal.

Process of award of Engineering, Procurement & Construction (EPC) contracts for marine facilities, LNG storage tanks and Regasification facilities through international competitive bidding is in advanced stage.

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 & 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 throughput of 17.91 lakh KL during 2018-19. MAFFFL has registered highest ever total revenue of ₹ 145.42 Crore during the year as compared to ₹ 139.38 Crore in the previous year and recorded highest ever Profit After Tax (PAT) of ₹ 51.84 Crore as compared to ₹ 47.22 Crore in previous year registering an increase in PAT by 9.8%.

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) with office at the DAFZA Complex and has trade license for trading in lubricants & greases, petrochemicals and refined oil products.

HPCL Middle East FZCO has commenced operations during 2018-19 and has registered sales of 24 MT of value added lubricants with total revenue of 0.12 million AED (₹ 0.23 Crore) during the year.

Z. OUTLOOK

As per International Monetary Fund, the global economic growth is set to moderate in the near term and then pick up modestly to the level of 3.6% in 2020. The projected pick up in the second half of 2019 is predicted on an ongoing build-up of policy stimulus in China, recent improvements in global financial market sentiment, the waning of temporary drags on growth in the euro zone and a gradual stabilisation of conditions in stressed emerging market economics. Improved momentum for emerging market and developing economics is projected to continue in 2020.

India's GDP growth is expected to pick up from 6.8% in 2018-19 to 7% in 2019-20 as per projections by the Reserve Bank of India and Economic Survey of the Government of India. Optimism stems from expected boost to private consumption from measures such as public spending in rural areas, and increase in disposable income of households due to income tax benefits. Resolution of stressed assets and levelling of non-performing advances (NPAs) on banks' balance sheets are expected to improve credit flows and support investment. Improving capacity utilisation, tailwinds from lower oil prices and accommodative monetary policy are all likely to support economic activity. Downside risk to growth comes from deceleration in global GDP and trade.

Global growth weakened in 2018 because of US-China trade tensions, credit tightening in China and macro-economic stress in some countries. This weakness is expected to persist into the first half of 2019 and global growth is projected to be 3.3% in 2019 as compared to 3.6% in 2018. While global Crude oil prices have declined sharply from their October, 2018 levels, uncertainties remain. Geopolitical tensions and continuing OPEC production cuts would put upward pressure on oil prices while softer global economic growth would reduce crude oil demand and hence, put a lid on oil prices.



As per IEA estimates, global oil demand in 2019 is expected to grow by 1.4 % against 1.3% in 2018 and India & China are expected to lead the demand growth. India is third largest consumer of oil in the world & about one third of the total primary energy demand of India is met by oil. India's oil demand has grown at an annual rate of about 5% over past 25 years and has more than tripled over the period. With GDP growth continuing along trend rate, petroleum product demand is also expected to grow in line with trend rate.

India will be leapfrogging to BS-VI grade auto fuels (MS & HSD) effective 1st April, 2020. Accordingly, Indian refineries will be upgrading their facilities during year 2019-20 which may entail hook up shutdowns. Implementation of the International Maritime Organization's (IMO) new regulations (IMO 2020) that limit the sulphur content in marine fuels used by ocean-going vessels to 0.5% is expected to come into effect from 1st January, 2020. IMO 2020 is expected to create a significant shift in demand in the global marine fuel market from high sulphur marine fuels to low sulphur marine fuels.

The outlook for Petroleum sector provides both Challenges as well as opportunities.

Opportunities and Challenges:

HPCL is predominantly operating in Downstream Oil Sector. Large population, spread over geographies, upwardly mobile middle class, dominance of younger generation in demography, low per capita

consumption on energy and petrochemicals provide immense opportunities for growth. With brownfield and greenfield expansion and augmentation projects in refining and marketing sector already under execution, HPCL is well poised to leverage these opportunities.

International economic conditions and geopolitical events have significant impact on supply /demand situation and prices of Crude oil and petroleum products. Volatility in prices may impact the profitability. Environmental regulations and technological advancements may have disruptive influence on the sector. The speed of adaption of electric vehicles, regulatory framework, thrust on gas based economy and changing consumer fuel preferences may be a risk to the motor fuel business. To mitigate these risks, HPCL is diversifying to include natural gas and petrochemicals in its portfolio and expanding its horizon to new geographies like Middle East and Africa.

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

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 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 (amendment) regulation 2015 in Gazette of India dated 22nd December, 2015. Vide this notification, it is mandatory to release the BRR for the top 500 listed entities based on market capitalization of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) as on March 31, of every financial year. HPCL stands 70th and 69th in ranking of market capitalization as on 31st March, 2019 at BSE and NSE respectively and is delighted to present its 3rd Business Responsibility Report as a part of Annual report 2018-19.

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L23201MH1952GOI008858
- Name of the Company:** Hindustan Petroleum Corporation Limited
- Registered Address:** Petroleum House, 17, Jamshedji Tata Road, Mumbai - 400020
- Website:** <http://www.hindustanpetroleum.com>
- E-mail id:** corphqo@hpcl.in
- Financial Year Reported:** 2018 -19
- 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
192	1920	19201	Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals
		19203	Bottling of LPG/CNG
		19209	Manufacture of other petroleum n.e.c. (includes manufacture of petroleum jelly, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)
352	3520	35202	Distribution and sale of gaseous fuels through mains
466	4661	46610	Wholesale of solid, liquid and gaseous fuels and related products
473	4730	47300	Retail sale of automotive fuel in specialized stores [includes the activity of petrol filling stations]
477	4773	47736	Retail sale of household fuel oil, bottled gas, coal and fuel wood
493	4930	49300	Transport via pipeline (Crude, LPG and Petroleum products)
721	7210	72100	Research and experimental development on natural sciences and engineering
351	3510	35105	Electric power generation using solar energy
		35106	Electric power generation using other non-conventional sources
61	610	6102	On shore extraction of crude petroleum



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

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

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

- Number of International Locations: 1) HPCL Middle East FZCO (Free Zone Company), a fully owned subsidiary of HPCL with office located at UAE. 2) Prize Petroleum Company Limited (PPCL), a subsidiary of HPCL holds participating interests in E&P blocks in Australia through its subsidiary Prize Petroleum International Private Limited (PPIPL).

- Number of National Locations:

Sr. No.	Description	Units	Value
1	Refineries	Nos	2
2	LPG Import Locations	Nos	2
3	Terminals & TOPs	Nos	42
4	Inland Relay Depots	Nos	41
5	LPG Bottling Plants	Nos	49
6	Lube Blending Plants	Nos	6
7	Aviation Fuel Stations	Nos	43
8	Pipelines (Main Lines - POL)	Nos	6
9	Pipelines (Branch Lines - POL)	Nos	3
10	Pipelines (Main Line - LPG)	Nos	1
11	Specialty Product Pipeline (Lube Oil/ATF)	Nos	2
12	Exclusive Lube Depots (COLD/COD)	Nos	27
13	Retail Outlets	Nos	15440
14	LPG Distributorships	Nos	5866
15	SKO/ LDO Dealerships	Nos	1638
16	Auto LPG Dispensing Stations (ALDS)	Nos	213
17	CNG Outlets	Nos	305
18	Clearing and Forwarding Agents (CFA)	Nos	109
19	Lube Distributors	Nos	274

c. **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

- Paid Up Capital (INR)** ₹ 1,523.82 Crore
- Total Turnover (INR)** ₹ 2,95,712.56 Crore
- Total Profit after Taxes (INR)** ₹ 6,028.66 Crore
- Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)** ₹ 159.81 Crore i.e. (2.01%) of average net profit of the company for last three FY (2015- 2018)

5. **List of activities in which the expenditure in 4 above has been incurred.**

The CSR activities of the Corporation are carried out in the focus areas outlined in the CSR Policy of the Corporation as below:

- Child Care
- Education
- Health Care
- Skill Development
- Sports
- Environment and Community Development

SECTION C: OTHER DETAILS

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

HPCL has the following subsidiary companies as on 31.03.2019:

- Prize Petroleum Co. Ltd.
- HPCL Biofuels Ltd.
- HPCL Rajasthan Refinery Ltd.
- 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%)**



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), Van Mahotsav, training to transport crew, health camps for transporters, safety trainings and fitness camps for tank trucks, driver simulation trainings, safety clinics and campaigns etc. to name a few.

SECTION D – BUSINESS RESPONSIBILITY (BR) INFORMATION

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

- a) Details of the Director/Director responsible for implementation of the BR policy/policies
- The Corporation has a "CSR & Sustainability Development Committee" for periodic review, discussion and guidance on various CSR, sustainability development initiatives and measures and implementation of BR policies. The composition of CSR & Sustainability Development Committee as on March 31, 2019 is as follows:

DIN Number	Name	Position in the Committee	Designation
01640784	G. V. Krishna	Chairman	Independent Director
00671720	Ram Niwas Jain	Member	Independent Director
07767209	Dr T. N. Singh	Member	Independent Director
07915597	Amar Sinha	Member	Independent Director
05323634	Pushp Kumar Joshi	Member	Whole Time Director
07234397	S. Jeyakrishnan	Member	Whole Time Director
07632981	Vinod S. Shenoy	Member	Whole Time Director

b) Details of the BR head

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

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of Conduct; Whistle Blower Policy P2: HSE Policy; Sustainable Development Policy P3: Signatory to United Nations Global Compact (UNGC); Whistle Blower Policy; Internal Human Resource Policies P4: CSR Policy; Sustainable Development Policy P5: Signatory to UNGC; CDA Rules; Internal Human Resource Policies P6: HSE Policy; Sustainable Development Policy; Climate Change Policy Statement P7: Sustainable Development Policy P8: CSR Policy P9: Citizen Charter; Quality Policy; Sustainable Development Policy								
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been formulated in accordance with the relevant statutory laws, guidelines issued by Government of India, Regulatory bodies and industry best practices.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/ owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Policies are approved by Board / Competent Authorities as per Limits of Authority.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Code of Conduct: https://www.hindustanpetroleum.com/codeofconduct Whistle Blower Policy: https://www.hindustanpetroleum.com/documents/pdf/Whistle_Blower_policy.pdf HSE Policy: https://www.hindustanpetroleum.com/CSRPolicies Sustainable development Policy: https://www.hindustanpetroleum.com/CSRPolicies UNGC: https://www.hindustanpetroleum.com/CSRGCCCommitment CSR Policy: http://www.hindustanpetroleum.com/documents/pdf/csr/CSR-POLICY.pdf Climate Change Policy Statement: http://www.hindustanpetroleum.com/documents/pdf/HPCL_Climate_Change_policy.pdf Citizen's Charter: http://www.hindustanpetroleum.com/citizens-clients-charter Quality Policy: http://www.hindustanpetroleum.com/lubricantsquality									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Sufficient awareness has been created amongst all stake holders thru Website.									

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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
	HPCL has an internal multi-disciplinary steering committee which evaluates the working of the policies.									

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

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



3. **Governance related to BR**

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

The Corporation has constituted a "CSR & Sustainability Development Committee" for periodic review, discussion and guidance on various CSR initiatives and Sustainability Development Initiatives and measures. Annual Review 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: <http://www.hindustanpetroleum.com/CSRPolicies>

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

During the year 2018-19, a total number of 6650 public grievances were attended. These included: 116 Grievances carried forward from previous year and all were resolved during 2018-19. 6534 grievances

received during 2018-19. Out of these, the number of grievances redressed during 2018-19 were 6427 Nos. Thus, the balance 107 grievances were under investigation as on 31st March, 2019. The average disposal time of grievances was 13 days as against 30 days as per directive of Department of Administrative Reforms and Public Grievances (DARPG)/ Prime Minister's Office (PMO).

Company has also received 26 complaints from shareholders in 2018-19 and all of them were successfully resolved as on 31st March 2019.

During the year 2018-19, total of 203 complaints were received by Vigilance Department, out of which 187 complaints were resolved. 14 nos. complaints carried forward from 2017-18 were also resolved during 2018-19.

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 IV (BS IV) and Bharat Stage VI (BS VI) MS and HSD
b) Biofuels (Ethanol and Biodiesel)
c) LPG (PMUY)

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

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

HPCL has been working towards production of cleaner fuels in terms of Sulphur content and has taken tremendous efforts towards production and distribution of BS IV fuels and is further gearing up its value chain for upgrading to BS VI fuels. Lower the Sulphur content, cleaner is the fuel. With BS IV norms, the Sulphur content has been reduced from 350 ppm to 50 ppm in HSD & from 150 ppm to 50 ppm in MS. For BS VI Fuels, the Sulphur content is substantially lower at 10 ppm which would lead to further reduction in emissions.



Energy savings of 13116 SRFT and 17594 SRFT was achieved in Mumbai and Visakh Refineries respectively during 2018-19 by implementing energy conservation measures.

The specific energy consumption at refineries is as follows:

Refinery	Specific Energy consumption MMBTU/ Barrel/ NRGF(MBN) 2018-19	Specific Energy consumption MMBTU/Barrel/ NRGF (MBN) 2017-18
Mumbai	82.82	84.38
Visakh	77.29	77.33

In the year 2018-19, HPCL has procured approx. 5,57,300 KL of Ethanol and 26,800 KL of Biodiesel for blending in MS and HSD respectively. The sales volume of Ethanol Blended MS was 53,76,174 KL and Biodiesel Blended Diesel Sale was 5,56,616 KL.

Pradhan Mantri Ujjwala Yojana (PMUY): Objective of the scheme is to provide clean cooking fuel solution to poor households especially in rural areas. Use of fossil fuels and conventional fuel like cow dung, kerosene, biomass, etc. has serious implications on the health of rural womenfolk and children. Use of LPG as a cooking fuel helps in effectively addressing health hazards associated with the use of conventional sources of cooking fuels.

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

HPCL has term contracts with National Oil Companies (NOCs) and Multi-National Companies (MNCs) for its Crude oil sourcing. HPCL also has Contracts for additional crude quantities on Optional basis to take care of additional crude oil requirement.

Further, efforts are made on continuous basis to enhance the crude basket.

HPCL has entered into Contract of Affreightment with Indian ship owner having capability to execute the contract for meeting its crude transportation requirements ensuring support to Indian shipping

tonnage and complete security for its crude transportation requirements.

HPCL has entered into a long term product off take agreement with M/s HPCL- Mittal Energy Limited (HREL), 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? 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 Micro and Small Enterprises (MSEs) and SC/ST MSEs. Ensured compliance of Public Procurement Policy and extended the benefits like exemption of Earnest Money Deposit (EMD), allowed to supply a portion quoting within +15% on matching L1 rates and up to 25% of requirement etc., Developmental orders, regular orders were released to Entrepreneurs developed under Entrepreneurship Development Project (EDP) to improve their capacity and capability. HPCL has also been fully abiding by the policy related to boost the Local Content under Make in India.

HPCL has achieved 32.87% of procurement of goods & services (other than Crude Oil, Petroleum Products, Logistics (Marine, Railway & Pipeline)) from Micro and Small Enterprises (MSEs) in 2018-19 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, HPCL has mechanism to recycle products and waste. Percentage of product recycling is <5%. Mainly off-spec products (slop) generated during crude oil refining as well as during product handling is reprocessed in secondary units. Wastes generated

like oil sludge and effluent water streams are recycled after processing. Oil is recovered from oily sludge and reprocessed. Effluent water is treated and recycled back as Boiler feed water.

Some other examples of waste recycling and processing are:

- Flare Gas Recovery systems in refineries for minimizing flared gases and utilizing them internally towards fuel gas requirement.
- Sewage treatment plants and phyto remediation units for recycling liquid sewage waste at select locations.
- Conversion of wet waste to manure using organic waste converters at select locations.

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

- Please indicate the Total number of employees.**
10239 permanent employees as on 31st March, 2019.

- 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 31298 during FY 2018-19.

- Please indicate the Number of permanent women employees**

969 as on 31st March, 2019.

- Please indicate the Number of permanent employees with disabilities**

171 as on 31st March, 2019.

- Do you have an employee association that is recognized by management?**

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

- What percentage of your permanent employees is members of this recognized employee association?**

More than 94% of employees (non-management) are members of recognized unions and associations.

- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour,**

sexual harassment in the last financial year and pending, as on the end of the financial year.

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

- 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 behavioral and technical training programs. Mandatory training programs are also a part of KPI of the officers.

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

Man-days of training given to various employees in 2018-19 are as follows:

- ❖ Training Mandays : 40,478 (Includes permanent Management and Non-Management)
- ❖ Permanent Women Employees : 4,101
- ❖ Employees with Disabilities : 25

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

- Has the company mapped its internal and external stakeholders?**

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



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

Yes. HPCL as a responsible citizen has been caring for the society and believes in creating shared values. Various projects/ programs/activities are undertaken for the holistic development of the disadvantaged, vulnerable and marginalized stakeholders. The CSR Policy of the Corporation has provision that the CSR projects/activities/programs shall be undertaken in Backward Region Grant Fund (BRGF) districts and for the welfare of SC, ST communities and other weaker sections.

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

HPCL CSR has undertaken special initiatives for empowerment and socio-economic welfare of host communities and society at large. These included provision of basic amenities including health and education infrastructure in remote rural areas; scholarships to meritorious students from SC, ST, OBC and PWD communities. The focused efforts of the corporation towards social development through creation of community infrastructure and social interventions has led to empowerment and socio-economic welfare of the host communities and society at large. HPCL diligently follows the Presidential directives and guidelines issued by Government of India with respect to reservation in services for SC/ST/OBC/PWD (Persons with Disabilities) /EWS (Economically Weaker Sections) of Society.

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 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?**

The stakeholder complaints are being monitored through Centralized Public Grievance Redress and Monitoring System (CPGRAMS). During the year

2018-19, a total number of 6650 public grievances were attended. 116 Grievances carried forward from previous year were resolved during 2018-19. 6534 grievances received during 2018-19. Out of these, the number of grievances redressed during 2018-19 were 6427 Nos. Thus, the balance 107 grievances were under investigation as on 31st March, 2019. The average disposal time of grievances was 13 days as against 30 days as per directive of DARPG/PMO.

Company has also received 26 complaints from shareholders in 2018-19 and all of them were successfully resolved as on 31st March 2019.

During the year 2018-19, total of 203 complaints were received by Vigilance Department, out of which 187 complaints were resolved. 14 nos. complaints carried forward from 2017-18 were also resolved during 2018-19.

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.**

HPCL has its own "Environment Policy". The joint ventures have their independent policies.

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

Yes, HPCL is 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 organizational processes, while pursuing its own growth aspirations towards Customer delight.

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 accessed through the following link:

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

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 is a member of

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 received ISO-14001:2015 Environment Management System certification with validity for three years. As a part of ISO 14001 certification both the refineries are maintaining IER (Initial Environment Review).

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

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

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

Yes, HPCL is committed to conducting business with a strong focus on preserving the environment, sustainable development, safe work place and enrichment of the quality of life of employees, customers and the community. Established systems and procedures are 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 PSU's are actively participating into this process and verification process is in progress.
- b) Various energy conservation measures are implemented at refineries.
- c) Blending of Biofuels with Fossil Fuels - In the year 2018-19, HPCL has procured approx. 5,57,300 KL of Ethanol and 26,800 KL of Biodiesel for blending in MS and HSD respectively. The sales volume of Ethanol Blended MS was 53,76,174 KL and Biodiesel Blended Diesel Sale was 5,56,616 KL.

- d) During 2018-19, HPCL released Letter of Intent (LOI) for setting up 11 Compressed Bio Gas Plants in 4 states (Gujarat, Maharashtra, Punjab and West Bengal) with an envisaged total production capacity of 20.58 TMT per annum to increase usage of biofuels in the energy and transportation sectors of the country.
- e) Replacing conventional lighting with LED lights across locations towards Energy conservation.
- f) Leveraging renewable energy sources to reduce the carbon footprint across the value chain and continuously expanding the wind and solar power generation capacities. During 2018-19, HPCL has installed about 11.3 MWp Capacity of Solar PV power plants across the country at different installations in the value chain. This has brought the cumulative Renewable Energy installation capacity to about 100.90 MW Wind power and about 22.6 MWp Solar Power as on 31.03.2019. The wind power plants generated about 19 Crore Kwh in the year 2018-19 while the solar plants resulted in huge savings in terms of electricity purchase cost for various depots, LPG plants, Pipeline Locations and Retail outlets.

Additionally, the wind farms have generated about 1.20 Lacs of Non Solar Renewable Energy Certificates which will be used to meet the Renewable Purchase obligations of Mumbai and Visakh Refinery.

- g) VRS stage I and II completed for all outlets in Delhi.
- h) 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:

<http://www.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 emission/Waste generated during the course of operations are within the permissible limits given by CPCB/SPCB norms.



7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

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 payment of interim compensation to restore environment. On challenge the Supreme Court has stayed the order of NGT and directed CPCB to consider the explanation of HPCL before it arrives at its conclusion. HPCL has filed its representation with detailed action plan before CPCB. The matter is pending.

2) **Details of case regarding Vapour Recovery Systems:**

CPCB issued circular dated 12.2.2016 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 28.9.2018 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 upto 31.03.2020 for Outlets Saleing > 300 KL/M and upto 30.09.2020 for Outlets Saleing < 300 KL/M.

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) Standing Conference of Public Enterprises (SCOPE)
e) The Energy and Resources Institute (TERI)
f) Federation of Indian Petroleum Industry (FIPI)

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 India Safety Directorate (OISD), Petroleum and Natural Gas Regulatory Board (PNGRB), Center for High Technology (CHT) etc. towards advancement of public good and nation building.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programs/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

HPCL has a CSR policy with identified focus areas as mentioned below:

- a) Child Care
b) Education
c) Health Care
d) Skill Development
e) Sports
f) Environment & Community Development

All the CSR activities are aimed at promoting inclusivity and leading to equitable development.

2. **Are the programs/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The CSR Programs/projects/activities are implemented either directly by HPCL or through NGO's and Government agencies etc.

3. **Have you done any impact assessment of your initiative?**

Yes, major CSR projects undertaken by HPCL undergo third party impact assessment at the end of financial year.

4. **What is your company's direct contribution to community development? Projects – Amount in INR and the details of the projects undertaken.**

HPCL is involved in various CSR activities and the list of expenditure is as below:

Sr. No	CSR Project or activity Identified	Sector in which the project is covered	Cumulative expenditure up to the reporting period (Rs. in Crore)
1	Community Development and Environment	Empowerment of Socially and Economically Backward groups	6.41
		Ensuring Environment Sustainability and Conservation of Natural Resources	
		Promoting Gender Equality and Empowering Women	
		Rural Development Projects	
2	Interventions in Healthcare	Promoting health care including preventive health care	12.75
3	Promotion of Sports	Promotion of Nationally Recognised and Paralympic Sports	0.78

Sr. No	CSR Project or activity Identified	Sector in which the project is covered	Cumulative expenditure up to the reporting period (Rs. in Crore)
4	Scholarships for economically backward SC/ ST/OBC/PWD Students in Local Areas of Operation Locations	Promoting Education	6.21
5	School Infrastructure and Amenities	Promoting Education	23.72
6	Skill Development for enhancing employability	Imparting Employment Enhancing Vocation Skills	20.23
7	Swachh Bharat Abhiyan	Ensuring Environment Sustainability and Conservation of Natural Resources	56.82
		Promoting Education	
		Promoting health care including preventive health care and Sanitation	
		Rural Development Projects	
8	Pradhan Mantri Ujjwala Yojana	Promoting Health Care Ensuring Environmental Sustainability	31.77

Sr. No	CSR Project or activity Identified	Sector in which the project is covered	Cumulative expenditure up to the reporting period (Rs. in Crore)
9	Contribution to Armed Forces Flag Day Fund	Measures for benefit of armed force veterans, war widows and their dependents	0.75
10	Administrative Overheads	Administrative Overheads	0.37
	Total		159.81

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 active participation of the community plays an important role in formulation and implementation of various CSR projects/ activities. CSR activities/projects are designed and carried out by field level locations with the active participation of communities. Prior to implementation, need assessment is carried out which helps to understand the needs of the community. There is an internal monitoring mechanism which monitors the activity on quarterly basis.

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 3,15,696 complaints, out of which 3,15,064 (99.8%) have been resolved and remaining 632 (0.2%) 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 behavior are pending:

Complaints	No. of cases filed in the last five years	No. of cases pending as on end of FY 2018-19
Unfair Trade Practice	0	0
Irresponsible Advertising	0	0
Anti-competitive behavior	7	6

Details of cases regarding Anti-competitive behaviour are as follows:

- RIL, Essar & Shell filed a complaint before PNGRB against PSU OMCs and upstream companies alleging collusion, cartelization and predatory pricing for MS and HSD. The matter is pending.
- 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. Jurisdiction of CCI was challenged by OMCs and when CCI held that it has jurisdiction, the OMCs filed a WP in Delhi High Court which stayed CCI proceedings. WP is pending.
- 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 on 22.11.2013 Court stayed proceedings and tagged the matter with the earlier WP filed in RIL matter. Next date is 27.09.2019.
- 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 Saleing 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.

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 18.9.18 holding that there is no cartelization by OMCs. Against this, these 2 companies who are interested in procuring ethanol have filed appeals before NCLAT.

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 pressurizing OMCs to procure ethanol at artificially high prices. The appeal is pending.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

Customer satisfaction being at the heart of its business strategy, HPCL is responsive to their needs and expectations. HPCL pursues sustainable growth by improving its products according to social

expectations and consumer preferences. It is this symbiotic relationship that encourages innovation and improvement, be it incorporating intelligent systems or investing in future technologies.

LPG:

LPG SBU has developed HP GAS Domestic customer feedback application which can be used by customers to provide feedback upon receipt of their refill delivery. An SMS with a link for providing feedback in the application is sent to the customer upon receipt of delivery. Apart from feedback, facility to obtain suggestion is also built-in.

A Survey was conducted through external third Party for PMUY (Sample Size: 54,553) and NON-PMUY (Sample Size: 1,05,724) consumers to provide inputs and feedback for an effective strategy by understanding the ground realities and perceptions of LPG consumers through a structured questionnaire. The survey was done on industry basis with Pan India coverage of all the districts in the country. The questionnaire was divided into several sections which covered various aspects of the household as well as the respondent.

Retail:

For the first time in industry, an AI driven Machine Learning Application was utilized to capture and analyse customer feedback across select outlets on pan India basis via the “Talk to Us” initiative. The customer feedback was collected through E-mails, IVR, QR and SMS. A total of 71966 responses were collected at 400 retail outlets during the pilot campaign.

ABBREVIATIONS:

ALDS	Auto LPG Dispensing Station
ASSOCHAM	Associated Chambers of Commerce and Industry of India
ATF	Aviation Turbine Fuel
BEE	Bureau of Energy Efficiency
BIS	Bureau of Indian Standards
BR	Business Responsibility
BRGF	Backward Region Grant Fund
BRR	Business Responsibility Report
BS IV	Bharat Stage IV
BSE	Bombay Stock Exchange
BSVI	Bharat Stage VI
CBG	Compressed Bio-Gas
CCI	Competition Commission of India
CDA	Conduct, Discipline and Appeal
CDM	Clean Development Mechanism
CFA	Clearing and Forwarding Agent
CHT	Center for High Technology
CII	Confederation of Indian Industry
CNG	Compressed Natural Gas
COD	Contractor Operated Depot
COLD	Contractor Operated Lube Depot
CPCB	Central Pollution Control Board
CPGRAMS	Centralized Public Grievance Redress and Monitoring System
CSR	Corporate Social Responsibility
DARPG	Department of Administrative Reforms and Public Grievances
EDP	Entrepreneurship Development Project
EMD	Earnest Money Deposit
FICCI	Federation of Indian Chambers of Commerce & Industry
FIPI	Federation of Indian Petroleum Industry
FZCO	Free Zone Company
GRI	Global Reporting Initiative
HMEL	HPCL- Mittal Energy Limited
HSD	High Speed Diesel
IER	Initial Environment Review
ISO	International Organization for Standardization

KPI	Key Performance Indicator
LDO	Light Diesel Oil
LED	Light Emitting Diode
LOI	Letter of Intent
LPG	Liquefied Petroleum Gas
MBN	MMBTU/Barrel/NRGF
MMTPA	Million Metric Ton per Annum
MNC	Multi National Company
MPCB	Maharashtra Pollution Control Board
MS	Motor Spirit
MSE	Micro and Small Enterprises
MW	Mega Watt
MWp	Mega Watt Peak
n.e.c	Not Elsewhere Classified
NGO	Non-Governmental Organisation
NGT	National Green Tribunal
NOC	National Oil Company
NSE	National Stock Exchange
NVG	National Voluntary Guidelines
OISD	Oil Industry Safety Directorate
OMC	Oil Marketing Company
PAT	Perform, Achieve and Trade
PMO	Prime Minister's Office
PMUY	Pradhan Mantri Ujjwala Yojana
PNGRB	Petroleum and Natural Gas Regulatory Board
POL	Petroleum, Oil and Lubricants
PPA	Power Purchase Agreement
PSE	Public Sector Enterprise
PV	Photo Voltaic
PWD	Persons with Disabilities
SCOPE	Standing Conference of Public Enterprises
SEBI	Securities and Exchange Board of India
SKO	Superior Kerosene Oil
SPCB	State Pollution Control Board
SRFT	Standard Refinery Fuel Tonnage
TERI	The Energy and Resources Institute
TOP	Tap Off Point
UNGC	United Nations Global Compact
VRS	Vapour Recovery System



STANDALONE FINANCIAL STATEMENTS



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 Ind AS financial statements of Hindustan Petroleum Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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, 2019, the profit and total 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 Auditor's 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 audit opinion on the standalone financial statements.

Emphasis of Matter

We invite attention to Note No. 62 regarding provision for impairment made to the extent of ₹ 95.70 crores towards loans given to consumers under Prime Minister Ujjwala Yojana (PMUY) out of the total outstanding loans of ₹ 1,937.42 crores, the above impairment has been computed based on the estimates of default as assessed by the management.

Our opinion is not modified in respect of this matter.

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 direct and indirect tax positions

The Company has material uncertain direct and 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, 2019, the company has total such disputed demands amounting to ₹ 8,820.35 crores (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.
- Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management.



Independent Auditors' Report

- 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.
- 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, 2018 to evaluate whether any change was required to management's position on these uncertainties.
- 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.
- 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. Recoverability of pre-deposits relating to tax and non tax matters

As at March 31, 2019, 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 ₹ 596.40 crores that are pending for/relating to cases pending for more than 3 years and 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 a 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 a 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.
- Further, we have relied on the management estimations and judgements with reference to inherent uncertainties involved while determining the outcome of these cases.

3. 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 ₹ 581.67 crores has been disclosed for which the company is contingently liable while possibility of any outflow in matters having claims amounting to ₹ 430.33 crores has been considered remote.

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; and
- Assessed management's estimate of the possible outcome of the disputed cases and relied on the management judgements in such cases.



Independent Auditors' Report

4. Assessment for impairment of Investment in Wholly Owned Subsidiaries and various financial assistance provided to them

The Company has wholly owned subsidiaries named 'HPCL Biofuels Ltd' (HBL) and 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.

(i) HPCL Biofuels Ltd. (HBL)

Since its inception, HBL has not been able to break-even based on which this project was approved. There has been a significant erosion in the net worth of the subsidiary.

Based on this, management assessed that the recoverable amount of the Company's investment exceeded its carrying value.

The above assessment includes significant estimations pertaining to projections of cash flows arising from sale of sugar, ethanol and co-gen and to make several estimates and assumptions such as Minimum Sales Price, Capability of Repayment of Loans, escalation factors, interest cost, reserves and other operating costs.

(Refer Note no. 60 of the Ind AS Standalone Financial Statements)

Auditors' Responses

Principal Audit Procedures

- We reviewed the process followed by the Company to assess the valuation of investments with respect to the transactions that took place during the year.
- 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.
- In estimating the impairment of investments, we have reviewed that management has followed the discounting of future cash flows of the revenue streams of HBL from its Cash Generating Unit using a pre-tax discount rate.
- Further, we have studied the industry specific data pertaining to the products dealt by HBL (Sugar and Ethanol) available in the public domain including the industry outlook published by the credit rating agencies. This data includes Minimum Selling Prices of the sugar, estimated sugar recovery etc.
- We considered the adequacy of the disclosures in the financial statements in respect of this matter.

(ii) Prize Petroleum International Pvt Ltd.

HPCL has 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.

(Refer Note no. 61 of the Ind AS Standalone Financial Statements)

Auditors' Responses

Principal Audit Procedures

- 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
- Further, this assessment exercise was audited by the independent auditor of PPIPL.
- We considered the adequacy of the disclosures in the financial statements in respect of this matter.



Independent Auditors' Report

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 auditor's report thereon. The Other information 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 do 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 financial statements or our knowledge obtained in the 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 responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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.



Independent Auditors' Report

- 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 auditor's 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 auditor's 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 auditor's 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 Matter

- a) We did not audit the financial statements of 1 branch viz Visakh Refinery included in the stand alone financial statements of the Company whose financial statements reflect total assets of ₹ 14,350.38 crores as at 31st March 2019 and the total revenue of ₹ 50,718.87 crores for the year ended on that date, as considered in the standalone financial statements of this branch have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.
- b) We refer to note no. 49 in connection with 21 Un-incorporated Jointly Controlled Entities ('UJCEs') involved in exploration activities, of which majority of UJCEs are under relinquishment. The standalone Ind AS financial statements include Company's proportionate share in Assets and Liabilities as on March 31, 2019 and Income and Expenditure for the year ended on March 31, 2019 amounting to ₹ 3.13 crores and ₹ 14.89 crores, ₹ 1.44 crores and ₹ 3.78 crores respectively. In respect of these UJCEs, the audited accounts are not available with the Company. The financial information has been incorporated based on data received from the respective operators.
- c) The standalone Ind AS financial statements of the Company for the year ended March 31, 2018 were audited by the joint auditors of the Company, one of which is the predecessor audit firm, and have expressed an unmodified opinion dated May 22, 2018 on such financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure- I, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by the section 143(5) of the Act, we give in the Annexure II, a statement on the directions / sub-directions issued by the Comptroller and Auditor-General of India.



Independent Auditors' Report

3. As required by Section 143(3) of the Act, based on our audit we report that:
- 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.
 - 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.
 - The report on the accounts, dated May 17, 2019 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.
 - 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.
 - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 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 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;
 - 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".
 - With respect to the other matters to be included in the Auditor's 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.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements-Refer Note No.55 to the standalone Ind-AS Financial Statements read with Para 1 and 3 of Key Audit Matters here in above.
 - 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.
 - 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 Registration No.:114207W

For **M.P. Chitale & Co.**
Chartered Accountants
Firm Registration No.:101851W

Sd/-
Devendra Kumar Gupta
Partner
Membership No.009032

Sd/-
Anagha Thatte
Partner
Membership No.: 105525

Place : New Delhi
May 20, 2019



Independent Auditors' Report

ANNEXURE 'I'

(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 6 properties with Gross block ₹ 0.30 crores and in the case of 19 properties with Gross block ₹ 2.49 crores where property tax receipts are held by the Corporation 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. During the year, the inventories have been physically verified at reasonable intervals by the management. The discrepancies noticed on physical verification, as compared to the book records, were not material having regards to size and nature of operations and have been properly dealt with in the books of account.
- iii. As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 188 of the Act in respect of contracts or arrangements entered into between the Government companies. The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, the question of reporting under sub-clauses (a), (b) & (c) of the clause 3(iii) of the Order does not arise.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under section 186 of the Act.
- v. The Company has not accepted any deposits from the public, within the meaning of sections 73 to 76 of the Act and the rules framed there under. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.
- vi. We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate.
- vii. (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues 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, 2019 for a period of more than 6 months from the date they became payable.



Independent Auditors' Report

- (b) According to the information and explanations given to us, the particulars of statutory dues that have not been deposited on account of disputes are as under:

Statute	Forum pending i.e. STAT/High Court etc.	Period to which the amount relates	Amount (₹ in Crores)
Customs	Appellate Authority*	2007-2013	4.56
	Tribunal**	1998-2013	7.63
	Customs Total		12.19
Central Excise	Appellate Authority*	1994-2018	17.36
	Tribunal**	1994-2018	522.41
	High Court	1994-2017	6.11
	Board of Revenue	1999-2013	0.05
	Adjudicating Authority***	2004-2014	0.81
	Central Excise Total		546.75
Sales Tax/Entry Tax	Appellate Authority*	1976-2017	2,059.32
	Tribunal**	1976-2016	4,969.63
	High Court	1979-2017	1,015.13
	Board of Revenue	1999-2014	2.75
	Adjudicating Authority***	1976-2016	18.92
	Supreme Court	2002-2004	6.68
	Sales Tax/Entry Tax Total		8,072.44
Service Tax	Appellate Authority*	2005-2018	1.38
	Tribunal**	2002-2015	92.66
	High Court	1981-2013	3.75
	Supreme Court	2004-2012	3.25
	Service Tax Total		101.04
Income tax	Tribunal**	2006-11	87.93
	Income tax Total		87.93
	Grand Total		8,820.35

* Appellate Authority represents Assistant Commissioner (A), Deputy Commissioner (A), Joint Commissioner (A), Additional Commissioner (A)

** Tribunal represents Sales Tax Appellate Tribunal, Central Excise and Service tax Appellate Tribunal (CESTAT), Income Tax Appellate Tribunal (ITAT)

*** Adjudicating authority represents Assessing Officer, Additional Commissioner, Deputy Commissioner, Joint Commissioner, Additional Commissioner, Chief Commissioner

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, government or dues to debenture holders.
- ix. The Company has not raised money by way of Initial Public Offer or Further Public Offer (including debt instruments). According to the information and explanations given to us and on the basis of the records examined by us, the Company has prima facie applied the term loan for the purpose for which it was obtained.



Independent Auditors' Report

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of material fraud by the Company or on the Company by its officers and employees have been noticed or reported during the year.
- xi. As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 197 of the Act, accordingly, the question of reporting whether the payment of managerial remuneration by the Company is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act does not arise.
- xii. The Company is not a chit fund or a Nidhi company. Hence, the question of reporting under clause 3(xii) of the Order does not arise.
- xiii. As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 188 of the Act in respect of contracts or arrangements entered into between the Government companies. The Company has complied with the provisions of section 177 and section 188 of the Act in respect of transactions with the related parties and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with him covered under the provisions of section 192 of the Act.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **R. Devendra Kumar & Associates**

Chartered Accountants

Firm Registration No.:114207W

Sd/-

Devendra Kumar Gupta

Partner

Membership No.009032

For **M.P. Chitale & Co.**

Chartered Accountants

Firm Registration No.:101851W

Sd/-

Anagha Thatte

Partner

Membership No.: 105525

Place : New Delhi

May 20, 2019



Independent Auditors' Report

ANNEXURE II

(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 issued by the Comptroller and Auditor General of India in terms of the section 143(5) of the Act.

Sr. No.	Areas to be examined	Observations/findings
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.	<p>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.</p> <p>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.</p> <p>Further management has conducted the system audit with the help of the consultants which has not reported any significant gaps.</p> <p>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.</p>
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 load? If yes, the financial impact may be stated.	No such instances have been noticed during the financial year 2018-19.



Independent Auditors' Report

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.

For **R. Devendra Kumar & Associates**

Chartered Accountants

Firm Registration No.:114207W

Sd-

Devendra Kumar Gupta

Partner

Membership No.009032

Place : New Delhi

May 20, 2019

For **M.P. Chitale & Co.**

Chartered Accountants

Firm Registration No.:101851W

Sd-

Anagha Thatte

Partner

Membership No.: 105525



Independent Auditors' Report

ANNEXURE III

Referred to in paragraph 3(g) under "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls with reference to Financial Statements of HINDUSTAN PETROLEUM CORPORATION LIMITED ('the Company') as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls with reference to Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our audit of Internal Financial Controls with reference to Financial Statements includes assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls with reference to Financial Statements and such Internal Financial Controls with reference to Financial Statements were operating effectively as on March 31, 2019, 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.



Independent Auditors' Report

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls with reference to Financial Statements insofar as it relates branch office of the Company viz. Visakh Refinery audited by the branch auditor, appointed under section 143(8) of the Act is based on the report of the branch auditor which has been sent to us and has been properly dealt with by us in preparing this report.

For **R. Devendra Kumar & Associates**

Chartered Accountants

Firm Registration No.:114207W

Sd/-

Devendra Kumar Gupta

Partner

Membership No.009032

For **M.P. Chitale & Co.**

Chartered Accountants

Firm Registration No.:101851W

Sd/-

Anagha Thatte

Partner

Membership No.: 105525

Place : New Delhi

May 20, 2019



Balance Sheet as on 31st March, 2019

	Notes	31.03.2019	31.03.2018
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	40,523.20	37,519.03
(b) Capital Work-in-Progress	4	9,495.89	3,985.39
(c) Intangible Assets	5	456.11	452.68
(d) Financial Assets			
(i) Investment in Subsidiaries, Joint Ventures and Associates	6	6,236.87	5,352.40
(ii) Other Investments	7	498.00	753.32
(iii) Loans	8	1,141.40	728.77
(iv) Other Financial Assets	9	4.72	2.67
(e) Other Non-Current Assets	10	2,201.90	1,747.13
Total Non-Current Assets		60,558.09	50,541.39
(2) Current Assets			
(a) Inventories	11	20,193.42	18,420.22
(b) Financial Assets			
(i) Investments	12	5,083.76	4,999.38
(ii) Trade Receivables	13	5,652.64	5,572.91
(iii) Cash and Cash Equivalents	14	76.20	10.67
(iv) Bank Balances other than cash and cash equivalents	15	19.41	1,167.91
(v) Loans	16	958.10	356.50
(vi) Other Financial Assets	17	10,516.73	5,397.48
(c) Other Current Assets	18	684.26	337.27
		43,184.52	36,262.34
(d) Assets classified as held for Sale/Disposal		8.24	3.49
Total Current Assets		43,192.76	36,265.83
Total Assets		1,03,750.85	86,807.22
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	19	1,524.21	1,524.21
(b) Other Equity	20	26,650.61	22,424.01
Total Equity		28,174.82	23,948.22
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	11,317.22	8,830.78
(ii) Other Financial Liabilities	22	0.51	0.47
(b) Provisions	23	55.30	77.22
(c) Deferred Tax Liabilities (Net)	40	7,164.75	6,569.19
(d) Other Non-Current Liabilities	24	123.68	5.48
Total Non-Current Liabilities		18,661.46	15,483.14
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	13,793.11	10,762.18
(ii) Trade Payables:			
Outstanding dues of micro enterprises and small enterprises		396.98	170.07
Outstanding dues of creditor other than micro and small enterprises		18,479.72	15,467.85
(iii) Other Financial Liabilities	26	17,552.02	14,504.84
(b) Other Current Liabilities	27	3,689.59	3,600.56
(c) Provisions	28	2,171.88	2,574.20
(d) Current Tax Liabilities (Net)	29	831.27	296.16
Total Current Liabilities		56,914.57	47,375.86
Total Equity and Liabilities		1,03,750.85	86,807.22

Significant Accounting Policies

Significant Accounting Policies and Notes Forming Part of Accounts are integral part of the Financial Statements

FOR AND ON BEHALF OF THE BOARD

Sd-
Mukesh Kumar Surana
Chairman & Managing Director
DIN - 07464675

Sd-
R Kesavan
Chief Financial Officer

Sd-
V Murali
Company Secretary

Place : New Delhi
Date : May 20, 2019

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W
Sd-
Devendra Kumar Gupta
Partner
Membership No. 009032

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, 2019 (₹/Crores)

	Notes	2018-19	2017 - 18
Revenue			
Revenue From Operations			
Gross Sale of Products	30	2,95,712.56	2,43,226.66
Other Operating Revenues	31	1,216.50	858.69
		2,96,929.06	2,44,085.35
Other Income	32	1,635.19	1,849.46
Total Revenue		2,98,564.25	2,45,934.81
Expenses			
Cost of Materials Consumed	33	69,609.79	51,186.30
Purchases of Stock-in-Trade		1,80,474.02	1,42,455.74
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	34	(2,166.52)	804.54
Excise Duty		21,731.64	24,752.52
Employee Benefits Expense	35	2,938.48	2,858.52
Finance Costs	36	725.94	566.71
Depreciation and Amortization Expense	3&5	3,012.61	2,752.75
Other Expenses	37	12,899.63	11,355.80
Total Expenses		2,89,225.59	2,36,732.88
Profit Before exceptional items and Tax		9,338.66	9,201.93
Exceptional Items		-	-
Profit Before Tax		9,338.66	9,201.93
Tax expense:			
Current tax		2,727.65	2,570.98
Deferred tax		561.95	419.56
Provision for tax for earlier years written back (net)		20.40	(145.68)
Total Tax Expenses		3,310.00	2,844.86
Profit/(loss) for the year		6,028.66	6,357.07
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Re-measurements of the defined benefit plans		24.39	86.66
Fair value changes on Equity Instruments through other comprehensive income		(80.15)	(18.88)
Income tax relating to items that will not be reclassified to profit or loss		(8.52)	(29.99)
Other Comprehensive Income for the year (net of tax)		(64.28)	37.79
Total Comprehensive Income for the year (net of tax)		5,964.38	6,394.86
Earnings per share [Basic and Diluted earnings per share (₹)]	43	39.56	41.72
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
Chief Financial Officer

Sd-
V Murali
Company Secretary

Place : New Delhi
Date : May 20, 2019

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W
Sd-
Devendra Kumar Gupta
Partner
Membership No. 009032

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, 2019

A. Statement of Changes in Equity

	No. of Share	(₹ /Crores)
Balance as on 31st March 2017	1,01,58,81,750	1,016.27
Changes in Equity Share Capital	50,79,40,875	507.94
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

B. Other Equity

(₹ /Crores)

	Reserves & Surplus					Equity instruments through OCI	Total Other Equity
	General reserve	Share premium Account	Debenture redemption reserve	FCMITDA	Retained earnings		
Balance as on 31st March 2017	1,809.07	476.52	265.13	(0.44)	16,747.75	33.11	19,331.14
Profit or Loss for the year	-	-	-	-	6,357.07	-	6,357.07
Other Comprehensive income for the year	-	-	-	-	56.67	(18.88)	37.79
Transfer from Debenture Redemption Reserve	-	-	(265.13)	-	265.13	-	-
Final dividend for 2016 - 17 (₹ 1.10 per share)	-	-	-	-	(111.75)	-	(111.75)
Dividend distribution Tax on above	-	-	-	-	(22.75)	-	(22.75)
Interim Dividend 2017 - 18 (₹ 14.50 per share)	-	-	-	-	(2,209.54)	-	(2,209.54)
Dividend distribution Tax on above	-	-	-	-	(449.81)	-	(449.81)
Issuance of Bonus shares (1 equity shares for 2 existing shares)	(31.42)	(476.52)	-	-	-	-	(507.94)
Net Addition / amortization in FCMITDA	-	-	-	(0.20)	-	-	(0.20)
Balance as on 31st March 2018	1,777.65	-	-	(0.64)	20,632.77	14.23	22,424.01
Profit or Loss for the year	-	-	-	-	6,028.66	-	6,028.66
Other Comprehensive income for the year	-	-	-	-	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 Dividends 2018 - 19 (₹ 6.50 per share)	-	-	-	-	(990.48)	-	(990.48)
Dividend distribution Tax on above	-	-	-	-	(203.59)	-	(203.59)
Less : 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

**Notes:**

General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Share Premium Account: Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by the Companies Act, 2013.

Debenture redemption reserve : Debenture redemption reserve represents amounts set aside by the Company for future redemption of debentures.

Foreign Currency Monetary Item Translation Difference Account (FCMITDA) : Reserve recognised on account of translation of long term foreign currency denominated borrowings related to non - depreciable Property, Plant & Equipment. Amounts recognised as a part of such reserve is recognised in the statement of profit or loss over remaining maturity of related borrowing.

Retained earnings : The balance held in this reserve is the accumulated retained profits and is permitted to be distributed to shareholders as part of dividend.

Equity instruments through Other Comprehensive Income (OCI) : The Corporation has chosen to recognise the changes in the value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through OCI reserve.

FOR AND ON BEHALF OF THE BOARD

Sd-

Mukesh Kumar Surana

Chairman & Managing Director

DIN - 07464675

Sd-

R Kesavan

Chief Financial Officer

For R. Devendra Kumar & Associates

Chartered Accountants

FRN - 114207W

For M. P Chitale & Co.

Chartered Accountants

FRN - 101851W

Sd-

V Murali

Company Secretary

Sd-

Devendra Kumar Gupta

Partner

Membership No. 009032

Sd-

Anagha Thatte

Partner

Membership No. 105525

Place : New Delhi

Date : May 20, 2019



Cash Flow Statement for the year ended 31st March, 2019

(₹ /Crores)

	2018-19	2017 - 18
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before Tax and Extraordinary Items	9,338.66	9,201.93
Adjustments to reconcile profit before tax to net cash used in operating activities:		
Depreciation/ impairment on property, plant and equipment and Intangible Assets	3,012.61	2,752.75
Interest income from HBL Preference Shares	(12.37)	(14.64)
(Gain)/Loss on sale of property, plant and equipment	(8.97)	4.55
Gain / (Loss) on Remeasurement of Defined benefit plans	15.87	56.67
Amortisation of Foreign Currency Monetary Item Translation Difference	4.31	0.36
Spares Written off	1.95	0.57
Impairment in Value of Investments	38.00	(16.10)
Fair value (Gain)/Loss on Current Investments carried at fair value through profit or loss	(84.39)	25.09
(Profit)/Loss on Sale of Current Investment	-	60.24
Finance Costs	725.94	566.71
Un-realised Exchange Rate Difference	392.83	11.66
Provision for Doubtful Debts & Receivables	170.80	51.30
Bad Debts written off	15.17	49.86
Interest Income on current Investments	(367.62)	(364.87)
Share of Profit from Petroleum India International	(0.02)	0.02
Dividend Received	(233.16)	(352.55)
Operating Profit before Changes in Assets & Liabilities {Sub Total - (i)}	13,009.61	12,033.55
Increase/ Decrease in Assets and Liabilities :		
Trade Receivables	(128.90)	(1,526.95)
Loans and Advances and Other Assets	(5,827.52)	(1,775.05)
Inventories	(1,775.18)	155.51
Liabilities and Other Payables	5,254.02	4,128.18
Sub Total - (ii)	(2,477.58)	981.69
Cash Generated from Operations (i) + (ii)	10,532.03	13,015.24
Less : Direct Taxes paid - (Net)	2,082.29	1,997.00
Net Cash from Operating Activities (A)	8,449.74	11,018.24
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment (including Capital Work in Progress / excluding interest capitalised)	(11,321.95)	(6,702.47)
Sale of Property, Plant and Equipment	64.82	12.41
Purchase of Investments (Including share application money pending allotment/ Advance towards Equity)	(738.69)	(1,642.29)
Fixed Deposit (Earmarked for project purpose from Foreign Currency Bonds proceeds)	-	(1,150.00)
Sale Proceeds of current investments	-	1,375.26
Interest received	379.31	363.35
Dividend Received	233.16	352.55
Net Cash Flow generated from / (used in) Investing Activities (B)	(11,383.35)	(7,391.19)



Cash Flow Statement for the year ended 31st March, 2019

(₹ /Crores)

	2018-19	2017 - 18
C. Cash Flow From Financing Activities		
Long term Loans raised	4,134.38	6,437.92
Long term Loans repaid	(1,567.46)	(6,668.45)
Short term Loans raised / (repaid)	2,566.70	(844.58)
Capital Grant Received	-	1.75
Finance Cost paid	(789.54)	(458.46)
Dividend paid (including dividend distribution tax)	(1,653.34)	(2,791.90)
Net Cash Flow generated from / (used in) Financing Activities (C)	2,690.74	(4,323.72)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(242.87)	(696.67)
Cash and cash equivalents at the beginning of the year	(2,429.54)	(1,732.88)
Cash and cash equivalents at the end of the year	(2,672.41)	(2,429.55)
Details of cash and cash equivalents at the end of the year:		
Cash and cash equivalents as on	31.03.2019	31.03.2018
Balances with Banks:		
- on current accounts	67.44	2.69
- on non-operative current accounts	0.01	0.01
Cheques, drafts on hand	0.01	0.00
Cash on hand	8.74	7.97
Less : Cash Credits	(2,748.61)	(2,440.22)
Cash and cash equivalents at the end of the year	(2,672.41)	(2,429.55)

FOR AND ON BEHALF OF THE BOARD

Sd-

Mukesh Kumar Surana

Chairman & Managing Director

DIN - 07464675

Sd-

R Kesavan

Chief Financial Officer

For R. Devendra Kumar & Associates

Chartered Accountants

FRN - 114207W

For M. P Chitale & Co.

Chartered Accountants

FRN - 101851W

Sd-

V Murali

Company Secretary

Sd-

Devendra Kumar Gupta

Partner

Membership No. 009032

Sd-

Anagha Thatte

Partner

Membership No. 105525

Place : New Delhi

Date : May 20, 2019



Notes to the Financial Statements for the year ended 31st March, 2019

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 20th May 2019.

1.1. Basis for preparation:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and other relevant provisions of the Act and Rules thereunder.

The Financial Statements are prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Corporation has adopted Ind AS and the adoption was carried out in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards). The transition was carried out from Accounting Standard as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, (previous GAAP). The Corporation's Presentation currency and Functional currency is Indian Rupees (₹). All figures appearing in the Financial Statements are rounded to the nearest crores (₹ Crores), except where otherwise indicated.

1.2. Use of Judgement and Estimates

The preparation of the Corporation's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Corporation continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies; and
- Evaluation of recoverability of deferred tax assets;

Revisions to accounting estimates are recognized prospectively in the Financial Statements in the period in which the estimates are revised and in any future periods affected.

2. Significant Accounting Policies

2.1. Property, Plant and Equipment

- 2.1.1. Freehold lands are carried at cost. All other items of Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.



Notes to the Financial Statements for the year ended 31st March, 2019

- 2.1.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes); any costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; initial estimated present value of any of any contractual decommissioning obligation; and borrowing cost for qualifying assets (i.e., assets that necessarily take a substantial period of time to get ready for their intended use).
- 2.1.3. Technical know-how / licence fee relating to plants / facilities are capitalized as part of cost of the underlying asset.
- 2.1.4. Expenditure during construction period: Direct expenses incurred during construction period on capital projects are capitalised.
- 2.1.5. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Corporation.
- 2.1.6. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.
- 2.1.7. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal; or when the Property, Plant Equipment has been re-classified as ready for disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.
- 2.1.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes are accounted for as a change in accounting estimates on a prospective basis.
- 2.1.9. The Corporation has chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.2. Depreciation / amortization

- 2.2.1. Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II except for the following which are based on internal technical assessment:

Plant and Machinery relating to Retail Outlets (other than Storage tanks and related equipment)	15 years
Cavern Structure	60 years
LPG cylinders & regulators (excluding cylinders held for sale)	15 years

- 2.2.2. The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components is assessed by considering historical experience, internal technical inputs and any other relevant factor.
- 2.2.3. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators (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



Notes to the Financial Statements for the year ended 31st March, 2019

are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Corporation has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

- 2.3.2. Assets where entire output generated is committed to be sold to a public sector entity (including Government body) for almost entire useful life of the asset are classified as intangible assets as per the requirements of Ind AS and are amortised (after retaining the residual value, if applicable) over their useful life.
- 2.3.3. In cases where, the Corporation has constructed assets and the Corporation has only a preferential right to use, these assets are classified as intangible assets and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.
- 2.3.4. The useful lives of intangible assets are assessed as either finite or indefinite.
- 2.3.5. Intangible assets with finite lives are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the statement of Profit & Loss.
- 2.3.6. Intangible assets with indefinite useful lives, such as 'right of way' which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.
- 2.3.7. Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets.
- 2.3.8. Estimated lives of intangible assets (acquired) are as follows:
- Software: 2 to 4 years
 - Technical know-how/license fees: 2 to 10 years
 - Right to use – wind mills: 22 years
- 2.3.9. The Corporation has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e., 1st April 2015 as deemed cost.

2.4. Borrowing Cost

- 2.4.1. Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange rate variation to the extent regarded as an adjustment to interest cost.
- 2.4.2. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for intended use. All other borrowing costs are expensed in the period in which they are incurred.

2.5. Non-currents assets held for sale

- 2.5.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.
- 2.5.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.
- 2.5.3. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.



Notes to the Financial Statements for the year ended 31st March, 2019

2.6. Leases

2.6.1. Finance Lease

Lease arrangements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Lease arrangements in respect of land for lease period above threshold limit are classified as a finance lease

2.6.2. Operating Lease

Lease arrangements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received / lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

2.7. Impairment of Non-Financial Assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of assets of cash generating unit (CGU) exceeds their recoverable amount.

2.8. Inventories

2.8.1. Valuation of inventories (including in transit) of different categories is as under: -

- a) Crude oil is valued at cost on First in First Out (FIFO) basis or at net realisable value, whichever is lower. Crude oil is not written down below cost except in cases where their prices have declined subsequently and it is estimated that the cost of the finished goods will exceed their net realisable value.
- b) Raw materials for lubricants are valued at weighted average cost or at net realisable value, whichever is lower.
- c) Stock-in process is valued at raw material cost plus cost of conversion or at net realisable value, whichever is lower.
- d) Finished products other than Lubricants are valued at cost (on FIFO basis month-wise) or at net realisable value, whichever is lower.
- e) Finished products (lubricants) are valued at weighted average cost or at net realisable value, whichever is lower.
- f) Empty packages are valued at weighted average cost.
- g) Stores and spares which do not meet the recognition criteria under Property, Plant and Equipment are valued at weighted average cost. Surplus, obsolete and slow moving stores and spares, if any, are valued at cost or net realizable value whichever is lower. Surplus items, when transferred from completed projects are valued at cost / estimated value, pending periodic assessment / ascertainment of condition. Stores and Spares in transit are valued at cost.

2.8.2. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

2.8.3. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on applicable duty.

2.8.4. The net realisable value of finished goods and stock in trade are final selling prices for sales to oil marketing companies and depot prices applicable to the locations. For the purpose of stock valuation, the proportion of sales to oil marketing companies and consumer sales are determined on location wise and product wise sales of subsequent period.



Notes to the Financial Statements for the year ended 31st March, 2019

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 Liquefied Petroleum Gas (LPG) and Superior Kerosene Oil (SKO), from Government of India, are booked on in-principle acceptance thereof on the basis of available instructions / clarifications, subject to final adjustments as stipulated.

2.9.2 Interest income is recognised taking into account the amount outstanding and the applicable effective interest rate.

2.9.3 Dividend is recognised when right to receive the payment is established.

2.10. Accounting / classification of expenditure and income

2.10.1. Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively.

2.10.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

2.10.3. Insurance claims are accounted on acceptance basis.

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

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

2.11. Employee benefits

2.11.1. Short-term employee benefit

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

2.11.2. Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plans are expensed in the Statement of Profit & Loss of the year in which the related services are rendered by the employees.



Notes to the Financial Statements for the year ended 31st March, 2019

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.



Notes to the Financial Statements for the year ended 31st March, 2019

- 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)



Notes to the Financial Statements for the year ended 31st March, 2019

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.



Notes to the Financial Statements for the year ended 31st March, 2019

2.19. Financial Liabilities

2.19.1. Initial recognition and measurement

All financial liabilities (not measured subsequently at fair value through profit or loss) are recognised initially at fair value net of transaction costs that are directly attributable to the respective financial liabilities.

2.19.2. Subsequent measurement

The Corporation classifies all financial liabilities as subsequently measured at amortised cost by using the Effective Interest Rate Method ("EIR") and such amortisation is recognised in the Statement of Profit and Loss.

2.20. Financial guarantees

Financial guarantee contracts are recognised initially at fair value. Subsequently on each reporting date, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

2.21. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at each measurement date at fair value with the fair value changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.22. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.23. Taxes on Income

- 2.23.1. Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.
- 2.23.2. Deferred tax liability/asset on account of temporary difference is recognised using tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date.
- 2.23.3. Deferred tax assets are recognised and carried forward for all deductible temporary differences only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary difference can be utilized.
- 2.23.4. The carrying amount of deferred tax assets/Liabilities is reviewed at each Balance Sheet date.
- 2.23.5. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, is considered as an asset when it is probable that the future economic benefits associated with it, will flow to the Corporation.

2.24. Earnings per share

- 2.24.1. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.
- 2.24.2. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.



Notes to the Financial Statements for the year ended 31st March, 2019

2.25. Cash and Cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.26. Cash Flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated. For the purpose of the Statement of Cash Flows, cash and cash equivalent consist of cash, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Corporation's cash management.



Notes to the Financial Statements for the year ended 31st March, 2019

3: Property, Plant and Equipment:

The following are the carrying values of Property, Plant & Equipments:

(₹ /Crores)

Particulars	Land - Freehold	Leasehold Property - Land	Buildings	Plant & Equipment	Furniture & Fixtures	Transport Equipment	Office Equipment	Roads and Culverts	Railway Siding & Rolling Stock	E&P Assets	Total
Gross Block											
As on 01.04.2018	894.05	65.07	5,385.94	33,279.18	201.27	101.60	2,343.39	2,553.89	312.14	5.77	45,142.30
Additions/ Reclassifications	54.06	11.24	671.84	4,042.84	46.35	29.45	654.76	431.79	93.59	-	6,035.92
Deductions/ Reclassifications	0.05	-	6.79	147.84	8.87	0.65	19.02	1.41	0.22	-	184.85
As on 31.03.2019	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
Depreciation/ Amortisation											
As on 01.04.2018	-	0.20	406.72	5,154.89	58.93	35.41	924.68	976.73	65.36	0.35	7,623.27
For the year	-	0.26	172.00	2,058.53	24.79	13.10	342.03	331.27	26.66	0.38	2,969.02
Deductions/ Reclassifications	-	-	0.47	98.78	4.43	0.43	17.23	0.63	0.15	-	122.12
As on 31.03.2019	-	0.46	578.25	7,114.64	79.29	48.08	1,249.48	1,307.37	91.87	0.73	10,470.17
Net Block as on 01.04.2018	894.05	64.87	4,979.22	28,124.29	142.34	66.19	1,418.71	1,577.16	246.78	5.42	37,519.03
Net Block as on 31.03.2019	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

Notes:

- Includes assets costing ₹ 0.007 crores /- (31.03.2018 : ₹ 0.007 crores) of erstwhile Kosan Gas Company not handed over to the Corporation. In case of these assets, Kosan Gas Company was to give up their claim. However, in view of the tenancy right sought by third party, the matter is under litigation.
- Includes ₹ 519.31 Crores (31.03.2018: ₹ 501.45 Crores) towards Building, Other Machinery, Pipelines, Railway Sidings, Right of Way etc. being the Corporation's Share of Cost of Land & Other Assets jointly owned with other companies.
- Includes ₹ 32.39 Crores (31.03.2018 : ₹ 35.23 Crores) towards Roads & Culverts, Transformers & Transmission lines, Railway Sidings & Rolling Stock, ownership of which does not vest with the Corporation. The Corporation is having operational control over such assets. These assets are amortized at the rate of depreciation specified in Schedule II of Companies Act, 2013.
- a) Includes following assets which are used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against which financial assistance was provided by OI DB:

Description	Original Cost (₹/ Crores)	
	31.03.2019	31.03.2018
Roads & culverts	0.13	0.13
Buildings	1.62	1.62
Plant & Equipment	2.37	2.49
Total	4.12	4.24

Notes to the Financial Statements for the year ended 31st March, 2019

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

Description	Original Cost (₹/ Crores)	
	31.03.2019	31.03.2018
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. Deduction/ reclassification includes assets of ₹ 8.24 crores (31.03.2018 : ₹ 3.49 crores) for which management has given consent for disposal & hence classified as Assets held for sale.
6. Leasehold Land includes ₹ 27.57 Crores (31.03.2018: ₹ 27.57 Crores) for land acquired on lease-cum-sale basis from Karnataka Industrial Area Development Board (KIADB) which is capitalized without being amortised over the period of lease. Lease shall be converted into Sale on fulfilment of certain terms and conditions, as per allotment letter.
7. In accordance with Para 7AA of Ind AS 21 read with Para D13AA of Ind AS 101, the Corporation has adjusted the exchange differences arising on long term foreign currency monetary items to the cost of assets and depreciated over the balance useful life of the assets.
8. The Corporation has considered the ISBL (Inside boundary Limit) pipeline directly associated as an integral part of Plant and Machinery /Tanks and has depreciated such pipelines based on the useful life of respective plants, which is considered as 25 years in line with the Schedule II of the Companies Act, 2013.
9. Includes assets having Net block of ₹ 1.30 crores (31.03.2018: ₹ 1.39 crores) towards Plant & Equipment, Buildings & Roads, where Infrastructure Facilities were provided at Railway Premises. However, No sales transactions were entered into during current financial year with such customers.
10. On the basis of the information to the extent compiled by the Company pending the reconciliation of the available records, title/lease deeds for free hold/lease hold lands are not available with the Company in the case of 6 properties with Gross Block of ₹ 0.30 crores and in the case of 19 properties with Gross Block of ₹ 2.49 crores property tax receipts are held by the Corporation. The data relating to lease deeds pending registration and refundable security deposit is under compilation and reconciliation.
11. The process of capitalization including CWIP in respect of Property, Plant and Equipment is under continuous review and updations, wherever required, are being carried out on a regular basis.

		(₹ /Crores)	
		31.03.2019	31.03.2018
4: Capital Work-in-Progress			
Unallocated Capital Expenditure and Materials at Site		8,628.87	3,617.29
Capital Stores lying with Contractors		42.17	14.44
Capital goods in transit		206.18	49.19
	A	8,877.22	3,680.92
Construction period expenses pending apportionment (Net of recovery) :			
Opening balance		304.47	165.76
Add: Expenditure during the year			
Establishment charges including Salaries and Wages		200.07	115.78
Interest		233.50	92.35
Loss / (gain) on foreign currency transactions and translations		224.22	5.02
Others		0.02	0.03
		962.28	378.94
Less: Allocated to assets capitalised during the year / charged off		343.61	74.47
Closing balance pending allocation	B	618.67	304.47
	A + B	9,495.89	3,985.39



Notes to the Financial Statements for the year ended 31st March, 2019

5: Intangible Assets

The following are the carrying values of Intangible assets :

(₹ /Crores)					
Particulars	Right of Way	Technical / Process Licenses	Software	Wind Energy	Total
Gross Block					
As on 01.04.2018	209.40	62.19	88.62	188.56	548.77
Additions/ Reclassifications	27.10	-	19.91	-	47.01
Deductions/ Reclassifications	-	-	0.13	-	0.13
As on 31.03.2019	236.50	62.19	108.40	188.56	595.65
Depreciation/ Amortisation					
As on 01.04.2018	-	25.62	39.82	30.65	96.09
For the year	-	11.85	21.38	10.35	43.58
Deductions/ Reclassifications	-	-	0.13	-	0.13
As on 31.03.2019	-	37.47	61.07	41.00	139.54
Net Block as on 01.04.2018	209.40	36.57	48.80	157.91	452.68
Net Block as on 31.03.2019	236.50	24.72	47.33	147.56	456.11

(₹ /Crores)		
	31.03.2019	31.03.2018
6: Investment in Subsidiaries, Joint Ventures and Associates		
Investments in Equity Instruments		
Subsidiaries		
Un - Quoted		
HPCL - Biofuels Ltd. (refer Note 6.2)		
62,51,71,511 (31.03.2018 : 20,55,20,000) Equity Shares of ₹ 10 each fully paid up	395.16	205.52
Less : Provision for Impairment	199.00	161.00
Prize Petroleum Co. Ltd		
24,50,00,000 (31.03.2018 : 24,50,00,000) Equity Shares of ₹ 10 each fully paid up	247.17	246.28
Less : Provision for Impairment	129.41	129.41
HPCL Middle East FZCO		
520 Shares of AED 1000 each fully paid up	1.00	-
Associates		
Quoted		
Mangalore Refinery and Petrochemicals Ltd.		
29,71,53,518 (31.03.2018 : 29,71,53,518) Equity Shares of ₹ 10 each fully paid up	471.68	471.68
Un - Quoted		
GSPL India Transco Ltd		
4,19,10,000 (31.03.2018 : 4,19,10,000) Equity Shares of ₹ 10 each fully paid up	41.91	41.91
GSPL India Gasnet Ltd		
5,08,22,128 (31.03.2018 : 4,25,72,128) Equity Shares of ₹ 10 each fully paid up	50.82	42.57



Notes to the Financial Statements for the year ended 31st March, 2019

	(₹ /Crores)	
	31.03.2019	31.03.2018
Joint Ventures		
Un - Quoted		
HPCL Rajasthan Refinery Ltd (refer note 6.1)		
89,04,05,000 (31.03.2018 :18,87,37,000) Equity Shares of ₹ 10 each fully paid-up	890.41	188.74
HPCL Shapoorji Energy Pvt. Ltd.		
2,40,00,000 (31.03.2018 : 2,00,00,000) Equity Shares of ₹ 10 each fully paid up	24.00	20.00
HPCLMittal Energy Ltd. (refer note 6.1)		
3,93,95,55,200 (31.03.2018 : 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 (31.03.2018 : 47,25,000) Equity Shares of ₹ 10 each fully paid up	4.73	4.73
Petronet India Ltd. (refer note 6.3)		
1,60,00,000 (31.03.2018 :1,60,00,000) Equity Shares of ₹ 0.10 each fully paid up	0.16	0.16
Petronet MHB Ltd.		
17,95,11,020 (31.03.2018 :17,95,11,020) Equity Shares of ₹ 10 each fully paid up	183.93	183.93
South Asia LPG Co. Pvt. Ltd.		
5,00,00,000 (31.03.2018 : 5,00,00,000) Equity Shares of ₹ 10 each fully paid up	50.00	50.00
Bhagyanagar Gas Ltd.		
4,36,50,000 (31.03.2018 : 4,36,50,000) Equity Shares of ₹ 10 each fully paid up	128.25	128.25
Aavantika Gas Ltd		
2,95,57,038 (31.03.2018 :2,95,48,663) Equity Shares of ₹ 10 each fully paid up	50.02	49.99
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.		
4,82,88,750 (31.03.2018 :4,18,88,750) Equity Shares of ₹ 10 each fully paid up	48.29	41.89
Godavari Gas Pvt. Ltd.		
81,90,000 (31.03.2018 : 26,00,000) Equity Shares of ₹ 10 each fully paid up	8.19	2.60
Ratnagiri Refinery and Petrochemicals Ltd.		
2,50,00,000 (31.03.2018: 2,50,00,000) Equity shares of ₹ 10 each fully paid up	25.00	25.00
HPOIL Gas Pvt Ltd.		
50,00,000 Equity shares of ₹ 10 each fully paid up	5.00	-
	6,236.87	5,352.40



Notes to the Financial Statements for the year ended 31st March, 2019

(₹ /Crores)

	31.03.2019	31.03.2018
Disclosures towards Cost / Market Value / Impairment		
a Aggregate amount of Quoted Investments (Market Value)	2,207.85	3,253.83
b Aggregate amount of Quoted Investments (Cost)	471.68	471.68
c Aggregate amount of Unquoted Investments (Cost)	6,093.60	5,171.12
d Aggregate amount of Provision for impairment	328.41	290.41

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 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 (HRRLL)) are to be excluded. The Company has calculated the limit of 30% investment in joint ventures and wholly owned subsidiaries, by excluding the investments specifically approved by Government of India. As per financial position as on 31st March 2019, the investments in joint ventures and wholly owned subsidiaries are well within 30% limit.

6.2 : The increase in investment is on account of conversion of preference shares into equity shares during the year.

6.3 : Petronet India Ltd. is in the process of Voluntary winding up w.e.f. August 30, 2018.

(₹ /Crores)

	31.03.2019	31.03.2018
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 (31.03.2018 : 2,67,50,550) Equity Shares of ₹ 10 each fully paid up	495.82	575.94
Scooters India Ltd.(refer note 7.1)		
10,000 (31.03.2018:10,000) Equity Shares of ₹ 10 each fully paid up	0.03	0.06
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 Equity shares of ₹ 10 each fully paid	0.00	-
Shushrusha Citizen Co-operative Hospital Limited of the face value of ₹ 0.10 lakhs		
100 (31.03.2018: 100) Equity Shares of ₹ 100/- each fully paid	0.00	0.00
Total Investments in Equity Instruments	495.85	576.00
Investments in Preference Shares carried at amortized cost		
Subsidiaries		
Un - Quoted		
5% HPCL - Biofuels Ltd. Non-Cumulative Preference Shares (refer note 7.3)		
Nil (31.03.2018 :41,96,51,511) Preference Shares of ₹ 10 each fully paid up	-	177.27
Investments in Preference Shares carried at fair value through profit or Loss		
Others		
Un - Quoted		
Compulsorily Convertible Preference Shares in Start-Ups	2.10	-
Total Investments in Preference Shares	2.10	177.27



Notes to the Financial Statements for the year ended 31st March, 2019

(₹ /Crores)

	31.03.2019	31.03.2018
Investment in Debentures carried at amortized cost		
East India Clinic Ltd.		
- 1/2% Debenture of face value of - ₹ 0.15 lakhs	-	0.00
- 5% Debenture of face value of - ₹ 0.07 lakhs	-	0.00
Total Investments in Debentures	-	0.00
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 7.2)	0.05	0.05
Total Investments in Structured Entities	0.05	0.05
	498.00	753.32

- 7.1 : The Company has designated these investments at fair value through other comprehensive income because these investments represent the investments that the corporation intends to hold for long-term strategic purposes. No strategic investments were disposed off during the year.
- 7.2 : Members in Petroleum India International (AOP) : Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd., Engineers India Ltd., Indian Oil Corporation Ltd., Reliance Industries Ltd., Chennai Petroleum Corporation Ltd., Oil and Natural Gas Corporation Limited and Oil India Ltd. The total capital is ₹ 0.55 crores of which share of every member is ₹ 0.05 crores each except share of Indian Oil Corporation Limited is ₹ 0.15 Crore and Bharat Petroleum Corporation Limited is ₹ 0.10 Crores
- 7.3: The reduction is on account of conversion of 41.96 crores preference shares having carrying amount of ₹ 189.63 crores into 41.96 crores equity shares.

(₹ /Crores)

	31.03.2019	31.03.2018
Disclosures towards Cost / Market Value / Impairment		
a Aggregate amount of Quoted Investments (Market Value)	495.85	576.00
b Aggregate amount of Quoted Investments (Cost)	561.77	561.77
c Aggregate amount of Unquoted Investments (Cost)	2.15	177.32
d Aggregate amount of Provision for impairment	-	-

(₹ /Crores)

	31.03.2019	31.03.2018
8: Loans		
Secured, considered good		
Employee loans and advances and Interest thereon	326.97	306.14
Unsecured, considered good		
Deposits	101.00	102.19
Loans to related parties (refer note 5.2)	-	16.80
Other Loans (refer note 8.1)	756.93	303.64
Less: Provision for Impairment	43.50	-
	1,141.40	728.77

- 8.1: Includes Loan to Pradhan Mantri Ujjwala Yojana (PMUY) customers ₹ 665.44 Crores (31.03.2018: ₹ 267.16 Crores)



Notes to the Financial Statements for the year ended 31st March, 2019

(₹ /Crores)

	31.03.2019	31.03.2018
9: Other Financial Assets		
Share application money pending allotment	3.75	-
Bank Deposit with more than 12 months maturity (refer note 9.1)	0.97	2.67
	4.72	2.67

9.1: Earmarked with various authorities

(₹ /Crores)

	31.03.2019	31.03.2018
10: Other Non-Current Assets		
Balances with Excise, Customs, etc.	532.33	502.25
Deposits	68.41	44.01
Advance Tax (net of provisions)	205.37	200.79
Capital advances	347.12	158.73
Prepaid employee cost	146.15	133.93
Prepaid Lease Rental	706.54	612.93
Others Prepaid Expenses	195.98	94.49
	2,201.90	1,747.13

(₹ /Crores)

	31.03.2019	31.03.2018
11: Inventories		
Raw materials (Including in transit 31.03.2019 : ₹ 1,182.03 crores; 31.03.2018 : ₹ 1,313.86 Crores)	3,462.25	3,951.88
Work-in-progress	775.86	735.94
Finished goods (Including in transit 31.03.2019 : ₹ 150.13 crores ; 31.03.2018 : ₹ 149.51 Crores)	6,760.31	5,776.32
Stock-in-trade (Including in transit 31.03.2019 : ₹ 1,322.23 crores ;31.03.2018 : ₹ 1,111.11 Crores)	8,712.86	7,570.25
Stores and spares (Including in transit 31.03.2019 : ₹ 3.73 crores; 31.03.2018 : ₹ 10.67 Crores)	453.75	389.15
Less : provision for stores and spares	7.68	9.49
Packages	36.07	6.17
	20,193.42	18,420.22

11.1. The write-down of inventories to net realisable value (net) during the year amounted to ₹ 79.05 crores (31.03.2018 : ₹ 114.35 crores). The write downs and reversal are included in cost of materials consumed, changes in inventories of finished goods and work in progress.



Notes to the Financial Statements for the year ended 31st March, 2019

(₹ /Crores)

	31.03.2019	31.03.2018
12: Investments		
Investments carried at fair value through Profit or Loss		
Quoted - Government Securities		
6.90% Oil Marketing Companies' GOI Special Bonds, 17,36,36,000 (31.03.2018:17,36,36,000) ₹ 100 each face value	1,672.47	1,643.84
8.00% Oil Marketing Companies' GOI Special Bonds, 24,41,000 (31.03.2018:24,41,000) ₹100 each face value	24.94	24.68
8.20% Oil Marketing Companies' GOI Special Bonds, 1,23,49,000 (31.03.2018:1,23,49,000) ₹ 100 each face value	127.53	126.51
6.35% Oil Marketing Companies' GOI Special Bonds, 18,32,33,000 (31.03.2018:18,32,33,000) ₹ 100 each face value	1,735.59	1,699.61
7.59% Government of India, G - Sec Bonds, 1,85,00,000 (31.03.2018: 1,85,00,000) ₹ 100 each face value (refer note 12.1)	187.87	184.63
7.72% Government of India, G - Sec Bonds, 8,36,00,000 (31.03.2018: 8,36,00,000) ₹ 100 each face value (refer note 12.1)	858.40	848.84
8.33% Government of India, G - Sec Bonds, 1,80,00,000 (31.03.2018: 1,80,00,000) ₹ 100 each face value (refer note 12.1)	189.72	187.41
8.15% Government of India, G - Sec Bonds, 2,75,00,000 (31.03.2018: 2,75,00,000) ₹ 100 each face value (refer note 12.1)	287.24	283.86
	5,083.76	4,999.38

12.1 : 7.59 % G - Sec Bonds 2026 of ₹ 185 Crores, 8.15 % G - Sec Bonds 2026 of ₹ 275 Crores, 8.33 % G - Sec Bonds 2026 of ₹ 180 Crores and 7.72 % G - Sec Bonds 2025 of ₹ 836 Crores are pledged with Clearing Corporation of India Limited against Triparty Repo Dealing System (previously known as CBLO) Loan.

(₹ /Crores)

	31.03.2019	31.03.2018
Disclosures towards Cost / Market Value / Impairment		
a Aggregate amount of Quoted Investments (Market Value)	5,083.76	4,999.38
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	-	-

(₹ /Crores)

	31.03.2019	31.03.2018
13: Trade Receivables		
Unsecured, considered good	5,661.33	5,583.01
Doubtful	158.45	123.05
Less: Allowances for Bad and Doubtful Debts	158.45	123.05
Less: Impairment Provision (Expected Credit Loss Model)	8.69	10.10
	5,652.64	5,572.91



Notes to the Financial Statements for the year ended 31st March, 2019

	(₹ /Crores)	
	31.03.2019	31.03.2018
14: Cash and Cash Equivalents		
Balances with Scheduled Banks:		
- on Current Accounts	67.44	2.69
- on Non-Operative Current Accounts	0.01	0.01
Cheques Awaiting Deposit	0.01	0.00
Cash on Hand	8.74	7.97
	76.20	10.67

	(₹ /Crores)	
	31.03.2019	31.03.2018
15: Bank Balances other than cash and cash equivalents		
Earmarked balances with banks for unpaid dividend	15.99	16.86
Fixed Deposits with 3 - 12 months maturity (refer note 15.1)	3.42	1,151.05
	19.41	1,167.91

15.1: Includes ₹ 3.42 Crores (31.03.2018 : ₹ 1,150 crores), Earmarked for project purposes/ with various authorities.

	(₹ /Crores)	
	31.03.2019	31.03.2018
16: Loans		
Secured, considered good		
Employee loans and advances and Interest thereon	32.60	31.10
Unsecured, considered good		
Loans to related parties (refer note 52)	115.20	33.60
Other Loans (refer note 16.1)	874.50	291.80
Less: Provision for Impairment	64.20	-
	958.10	356.50

16.1 : Includes Loan given to Pradhan Mantri Ujjwala Yojana (PMUY) consumers of ₹ 798.53 Crores (31.03.2018: ₹ 267.16 Crores):

	(₹ /Crores)	
	31.03.2019	31.03.2018
17: Other Financial Assets		
Amounts recoverable under subsidy schemes	810.17	524.06
Interest accrued on Investments	89.34	101.03
Derivative Assets	107.58	92.09
Delayed payment charges receivable from customers	370.92	285.90
Less : Provision for doubtful delayed payment charges receivables	119.30	97.89
Receivables from Govt of India towards Pradhan Mantri Ujjwala Yojana (PMUY)	1,070.92	259.82
Less: Provision for doubtful receivables	64.29	64.29
Receivables from Govt of India towards Direct Benefit Transfer of LPG (DBTL)	7,049.63	3,188.28
Balance with LIC	964.97	892.25
Other Receivables	255.61	227.44
Less: Provision for doubtful other receivables	18.82	11.21
	10,516.73	5,397.48



Notes to the Financial Statements for the year ended 31st March, 2019

(₹ /Crores)

	31.03.2019	31.03.2018
18: Other Current Assets		
Advance recoverable other than cash	31.52	43.05
Balances with Excise, Customs, etc.	202.79	15.95
Prepaid employee cost	13.99	14.68
Prepaid Lease Rental	44.26	40.47
Other Prepaid Expenses	307.03	105.41
Gold Coins in Hand	5.83	5.83
Other Current Assets	78.84	111.88
	684.26	337.27

(₹ /Crores)

	31.03.2019	31.03.2018
19: Equity Share capital		
A. Authorised:		
2,49,92,50,000 (31.03.2018 : 2,49,92,50,000) Equity Shares of ₹ 10/- each	2,499.25	2,499.25
75,000 (31.03.2018: 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 (31.03.2018 : 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 (31.03.2018:1,52,38,22,625) Equity Shares of ₹ 10 each	1,523.82	1,523.82
D. Shares Forfeited :		
7,02,750 (31.03.2018 : 7,02,750) Shares Forfeited (money received)	0.39	0.39
	1,524.21	1,524.21

	31.03.2019	31.03.2018
E. Reconciliation of number of equity shares		
Outstanding at the beginning of the year	1,52,38,22,625	1,01,58,81,750
Equity shares allotted as fully paid bonus shares (refer note # H)	-	50,79,40,875
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.



Notes to the Financial Statements for the year ended 31st March, 2019

G. Details of shares held by each shareholder, holding more than 5% shares in the company:

Name of shareholders	31.03.2019	
	% Holding	No. of Shares
Oil and Natural Gas Corporation Limited	51.11	77,88,45,375
Name of shareholders	31.03.2018	
	% 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, 2019:

The Corporation had issued Bonus Shares during Financial Year 2017-18, in the ratio of 1:2 (2016-17: 2:1) by capitalization of Reserve. The total number of Bonus Shares issued during Financial Year 2017-18 is 50,79,40,875 (2016-17 : 67,72,54,500) equity shares having face value of ₹10 each.

		(₹ /Crores)	
		31.03.2019	31.03.2018
20: Other Equity			
Share Premium Account	(i)	-	-
Debenture Redemption Reserve	(ii)	-	-
Foreign Currency Monetary Item Translation Difference Account	(iii)	(2.91)	(0.64)
General Reserve	(iv)	1,777.65	1,777.65
Retained Earnings	(v)	24,941.79	20,632.77
Equity Instruments through Other Comprehensive Income	(vi)	(65.92)	14.23
		26,650.61	22,424.01
(i) Share Premium Account			
As per last Balance Sheet		-	476.52
Less: Bonus shares issue		-	476.52
		-	-
(ii) Debenture Redemption Reserve			
As per last Balance Sheet		-	265.13
Less: Transfer to Retained Earnings (refer note 20.1)		-	265.13
		-	-
20.1: During the Financial Year 2017 – 18, consequent to repayment of 8.77% Non-Convertible Debentures, Debenture Redemption Reserve created out of Retained Earnings earlier was transferred back to Retained Earnings.			
(iii) Foreign Currency Monetary Item Translation Difference Account (refer note 20.2)			
As per last Balance Sheet		(0.64)	(0.44)
Add : Additions during the year		(6.58)	(0.56)
Less : Amortised during the year		(4.31)	(0.36)
		(2.91)	(0.64)



Notes to the Financial Statements for the year ended 31st March, 2019

	(₹ /Crores)	
	31.03.2019	31.03.2018
20.2: In accordance with the option exercised by the Corporation, balance appearing in "Foreign Currency Monetary Item Translation Difference Account" is related to non-depreciable assets remaining to be amortized over the balance period of loan.		
(iv) General Reserve		
As per last Balance Sheet	1,777.65	1,809.07
Less: bonus shares issue	-	31.42
	1,777.65	1,777.65
(v) Retained Earnings		
As per last Balance Sheet	20,632.77	16,747.75
Add : Profit for the year	6,028.66	6,357.07
Add : Transfer from Debenture Redemption Reserve	-	265.13
Less : Transition impact of Ind AS 115 (net of tax)	82.17	-
Less : Profit appropriated to Interim / Final Dividend	1,371.44	2,321.29
Less : Profit appropriated to Tax on Distributed Profits	281.90	472.56
Less : Remeasurment (Gain) / Loss on Defined Benefit Plans	(15.87)	(56.67)
	24,941.79	20,632.77
(vi) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	14.23	33.11
Add : Additions during the year	(80.15)	(18.88)
	(65.92)	14.23
	26,650.61	22,424.01
	(₹ /Crores)	
	31.03.2019	31.03.2018
21: Borrowings		
Bonds		
Un - secured		
Foreign Currency Bonds (refer note 21.1)	3,446.62	3,246.88
Term loans		
Secured		
Oil Industry Development Board (refer note 21.2)	692.38	188.06
Un - secured		
Syndicated Loans from Foreign Banks (repayable in foreign currency) (refer note 21.3)	9,307.59	6,793.76
	13,446.59	10,228.70
Less: Current Maturities of Long Term Borrowings	2,129.37	1,397.92
	11,317.22	8,830.78



Notes to the Financial Statements for the year ended 31st March, 2019

21.1 Foreign Currency Bonds

Particulars of Bonds	Date of Issue	Date of Repayment
USD 500 million bonds; Interest Rate: 4% p.a. payable at Half Yearly	12th July 2017	12th July 2027

21.2 Term Loans from Oil Industry Development Board

Repayable during	Amount in (₹ /Crores) as on		Range of Interest Rate as on	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
2018-19	-	95.69	7.86%-9.27%	7.86%-9.27%
2019-20	61.19	61.19	7.86%-9.11%	7.86%-9.11%
2020-21	181.19	31.18	7.72%-8.09%	7.72%-8.09%
2021-22	150.00	-	7.72%-8.28%	-
2022-23	150.00	-	7.72%-8.28%	-
2023-24	150.00	-	7.72%-8.28%	-
Total	692.38	188.06		

Security has been created with first charge on the facilities of Vishakh Refinery Modernisation Project (VRMP), Mumbai Refinery Expansion Project (MREP)-1, Awa Salawas Pipeline, Manglore Hasan Mysore LPG Pipeline, Uran-Chakan / Shikarpur LPG Pipeline & Rewari Project Pipeline. The value of such assets is ₹ 8,087.03 crores (31.03.2018: ₹ 2,247.24 crores). ₹ 61.19 crores (31.03.2018: ₹ 95.69 crores) is repayable within 1 year and the same has been shown as 'Current Maturity of Long Term Borrowings' under Note # 26.

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

The Corporation has availed Long Term Foreign Currency Syndicated Loans from banks at 3 months floating LIBOR plus spread (spread range: 30 to 155 basis point p.a.). These loans are taken for the period up to 5 years. ₹ 2,068.18 Crores (31.03.2018: ₹ 1,302.23 crores) is repayable within 1 year and the same has been shown as "Current Maturity of Long Term Borrowings" under Note # 26.

	(₹ /Crores)	
	31.03.2019	31.03.2018
22: Other Financial Liabilities		
Other Liabilities	0.51	0.47
	0.51	0.47

	(₹ /Crores)	
	31.03.2019	31.03.2018
23: Provisions		
Provision for employee benefits	55.30	77.22
	55.30	77.22

	(₹ /Crores)	
	31.03.2019	31.03.2018
24: Other Non-Current Liabilities		
Capital Grant	1.87	3.99
Other liabilities	121.81	1.49
	123.68	5.48

Notes to the Financial Statements for the year ended 31st March, 2019

(₹ /Crores)

	31.03.2019	31.03.2018
25: Borrowings		
Loans repayable on demand		
Secured		
from banks		
Cash Credit (Secured by hypothecation of Inventories in favour of Banks on pari passu basis)	2,748.61	2,440.22
from other parties		
Triparty Repo Dealing System Loan (refer Note 25.1)	1,389.73	1,489.47
Un - Secured		
from banks		
Clean Loans	3,500.00	2,600.00
Short term loans	3,866.04	2,737.56
from other parties		
Commercial papers	2,288.73	1,494.93
	13,793.11	10,762.18

25.1 : 7.59 % G - Sec Bonds 2026 of ₹ 185 Crores, 8.15 % G - Sec Bonds 2026 of ₹ 275 Crores, 8.33 % G - Sec Bonds 2026 of ₹ 180 Crores and 7.72 % G - Sec Bonds 2025 of ₹ 836 Crores are pledged with Clearing Corporation of India Limited against Triparty Repo Dealing System (previously known as CBLO) Loan.

(₹ /Crores)

	31.03.2019	31.03.2018
26: Other Financial Liabilities		
Current maturities of Long Term Borrowings (refer note 26.1)	2,129.37	1,397.92
Interest accrued but not due on loans	54.13	44.48
Unpaid Dividend (refer note 26.2)	15.99	16.86
Derivative liability	12.52	19.94
Deposits from Dealers /Consumers/Suppliers (refer note 26.3 & 26.4)	14,451.63	12,416.93
Other Financial Deposits	11.61	10.23
Other liabilities	876.77	598.48
	17,552.02	14,504.84

26.1 : This includes loans repayable within one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 2,068.18 crores (31.03.2018: ₹ 1,302.23 crores), Loan from Oil Industry and Development Board ₹ 61.19 crores (31.03.2018 : ₹ 95.69 crores).

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

26.3 : Includes deposit received towards Rajiv Gandhi Gramin LPG Vitruk Yojana and Prime Minister Ujjwala Yojana of ₹ 2,196.98 crores (31.03.2018: ₹ 1,557.86 crores) The deposits against these schemes have been funded from CSR fund or by Government of India.

26.4: In line with recent EAC opinion, deposits received from customers/dealers largely towards cylinders has been continued to be classified as 'current financial liabilities' in current financial year.



Notes to the Financial Statements for the year ended 31st March, 2019

		(₹ /Crores)	
		31.03.2019	31.03.2018
27: Other Current Liabilities			
Revenue Received in Advance	913.01	707.49	
Capital Grant	2.16	4.14	
Statutory Payables	2,617.78	2,750.75	
Other Liabilities	156.64	138.18	
	3,689.59	3,600.56	
		(₹ /Crores)	
		31.03.2019	31.03.2018
28: Provisions			
Provision for Employee Benefits	1,211.02	1,640.49	
Provisions for probable obligations (refer note 59)	960.86	933.71	
	2,171.88	2,574.20	
		(₹ /Crores)	
		31.03.2019	31.03.2018
29: Current Tax Liabilities (Net)			
Provision for tax (net of advance tax)	831.27	296.16	
	831.27	296.16	



Notes to the Financial Statements for the year ended 31st March, 2019

(₹ /Crores)

	31.03.2019	31.03.2018
30 : Gross Sale of Products		
Sale of Products	2,94,699.81	2,42,462.78
Recovery under Subsidy Schemes	1,012.75	763.88
	2,95,712.56	2,43,226.66

30.1 : Net of discount of ₹ 2,598.66 crores (2017-18: ₹ 2,229.17 crores).

30.2 : During the current financial year 2018-19, Subsidy on PDS Kerosene and Domestic Subsidized LPG from State Governments amounting to ₹ 55.63 crores (2017-18: ₹ 7.54 crores) has been accounted.

30.3 : The Corporation has accounted for Budgetary Support amounting to ₹ 957.12 crores (2017-18: ₹ 756.34 crores) under 'Recovery under Subsidy Schemes' towards under recovery on sale of PDS SKO.

(₹ /Crores)

	31.03.2019	31.03.2018
31 : Other Operating Revenues		
Rent Recoveries	834.33	565.02
Net Recovery for LPG Filling Charges	0.96	1.33
Miscellaneous Operating Income	381.21	292.34
	1,216.50	858.69

(₹ /Crores)

	31.03.2019	31.03.2018
32 : Other Income		
Interest Income on Financial Assets carried at amortized cost:		
On Deposits	0.53	0.64
On Staff Loans	33.48	29.44
On Customers' Accounts	262.70	197.99
Interest On Current Investments carried at fair value through Profit or Loss	367.62	364.87
Interest on Others Financial Assets carried at amortized cost	221.03	205.86
	885.36	798.80
Dividend Income from Joint Venture/ Associate Companies	207.75	319.11
Dividend Income from non-current equity instruments at FVOCI	25.41	33.44
Gain on Foreign Currency Transaction and Translation (net)	-	322.39
Fair value gain on Current Investments carried at FVTPL	84.39	-
Profit on Sale of Current Investment	4.61	-
Profit on Sales of Property Plant & Equipments (net)	8.97	-
Share of Profit/ (Loss) from Petroleum India International (AOP)	0.02	(0.02)
Miscellaneous Income	418.68	375.74
	749.83	1,050.66
	1,635.19	1,849.46



Notes to the Financial Statements for the year ended 31st March, 2019

	(₹ /Crores)	
	31.03.2019	31.03.2018
33 : Cost of Materials Consumed		
Cost of Raw Materials Consumed	69,263.29	50,937.67
Packages Consumed	346.50	248.63
	69,609.79	51,186.30

	(₹ /Crores)	
	31.03.2019	31.03.2018
34 : Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress (Increase)/ Decrease		
Closing 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
Less: Opening Stock:		
Work - in - Progress	735.94	442.25
Finished Goods	5,776.32	5,988.50
Stock - in - Trade	7,570.25	8,456.30
	14,082.51	14,887.05
	(2,166.52)	804.54

	(₹ /Crores)	
	31.03.2019	31.03.2018
35 : Employee Benefits Expense		
Salaries, Wages, Bonus, etc.	2,276.04	2,293.01
Contribution to Provident Fund	149.31	141.59
Pension, Gratuity and Other Employee Benefits	195.59	215.59
Employee Welfare Expenses	317.54	208.33
	2,938.48	2,858.52

	(₹ /Crores)	
	31.03.2019	31.03.2018
36 : Finance costs		
Interest	501.14	468.70
Exchange differences regarded as an adjustment to borrowing costs	160.26	41.75
Other borrowing costs (refer note 36.1)	64.54	56.26
	725.94	566.71

36.1 : Includes interest u/s 234B / 234C of Income Tax Act, 1961 for an amount ₹ 39.78 crores (2017-18 : ₹ 10.20 crores).



Notes to the Financial Statements for the year ended 31st March, 2019

(₹ /Crores)

	31.03.2019	31.03.2018
37 : Other Expenses		
Transportation Expenses	6,161.04	5,862.52
Consumption of Stores, Spares and Chemicals	282.05	244.34
Power and Fuel	3,291.47	2,613.75
Less : Consumption of fuel out of own production	2,775.80	2,259.39
Power and fuel consumed (net)	515.67	354.36
Repairs and Maintenance - Buildings	57.43	49.22
Repairs and Maintenance - Plant and Machinery	1,055.87	930.91
Repairs and Maintenance - Other Assets	417.35	382.63
Insurance	55.37	58.00
Rates and Taxes	134.12	244.94
Irrecoverable Taxes and Other Levies	515.53	454.37
Equipment Hire Charges	2.05	2.62
Lease Rentals on Operating Lease	323.32	368.10
Travelling and Conveyance	238.07	223.39
Printing and Stationery	20.92	18.82
Electricity and Water	874.01	796.43
Corporate Social Responsibility (CSR) Expenses	159.81	156.87
Stores and spares written off	1.95	0.57
Loss on Sale of Current Investment	-	60.24
Fair value Loss on Current Investments carried at FVTPL	-	25.09
Impairment/(Reversal of Impairment) in value of Non - Current Investments	38.00	(16.10)
Provision for Doubtful Receivables/Loans (After adjusting provision no longer required written back ₹ 0.58 crores, 2017-18: ₹ 2.61 crores)	136.80	82.91
Provision for Doubtful Debts (After adjusting provision no longer required written back ₹ 0.02 crores, 2017-18: ₹ 0.21 crores)	34.00	(31.62)
Bad Debts written off	15.17	49.86
Loss on Disposal / write off of Non - Current Investments	-	16.12
Loss on Sale/ write off of Property Plant & Equipments / CWIP/ Non Current assets held for sale (net)	-	4.55
Security Charges	266.39	251.55
Advertisement and Publicity	198.31	169.55
Sundry Expenses and Charges (Not otherwise classified)	742.98	527.90
Consultancy and Technical Services	69.72	58.11
Loss on Foreign Currency Transaction and Translation (net)	578.92	-
Exploration cost	3.78	8.57
Payments to the auditors for:		
- Audit Fees	0.62	0.69
- other Services	0.25	0.26
- Reimbursement of expenses	0.13	0.03
	12,899.63	11,355.80



Notes to the Financial Statements for the year ended 31st March, 2019

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:

	31.03.2019			31.03.2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
- Investment in Equity Instruments	0.00	495.85		0.00	576.00	
- Investment in Preference Shares	2.10					177.27
- Investment in Debt Instruments	5,083.76			4,999.38		
- Others	0.05			0.05		
Loans						
- Employee Loans			359.57			337.24
- Loans to Related Parties			115.20			50.40
- Others			1,624.73			697.63
Trade receivables			5,652.64			5,572.91
Cash and cash equivalents			76.20			10.67
Other Bank Balances			19.41			1,167.91
Derivative Assets	107.58			92.09		
Amounts recoverable under subsidy schemes			810.17			524.06
Others			9,603.70			4,784.00
Total	5,193.49	495.85	18,261.62	5,091.52	576.00	13,322.09
Financial liabilities						
Borrowings						
- Foreign Currency Bonds			3,446.62			3,246.88
- Oil Industry Development Board			692.38			188.06
- Syndicated Loans from Foreign Banks			9,307.59			6,793.76
- Cash Credit			2,748.61			2,440.22
- Short term loans from banks			3,866.04			2,737.56
- Clean Loans			3,500.00			2,600.00
- Triparty Repo Dealing System Loan			1,389.73			1,489.47
- Commercial papers			2,288.73			1,494.93
Trade Payables			18,876.70			15,637.92
Deposits from Consumers			14,451.63			12,416.93
Derivative liabilities	12.52			19.94		
Others			959.01			670.52
Total	12.52	-	61,527.04	19.94	-	49,716.25

Notes to the Financial Statements for the year ended 31st March, 2019

38.B Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the Financial Assets and Financial Liabilities that are recognised and measured at fair value and at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, Corporation has classified its Financial Assets and Financial Liabilities into the three levels prescribed under the accounting standard. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. An explanation of each level is provided under Significant Accounting Policy.

(₹ /Crores)

	31.03.2019			31.03.2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments						
- Investment in Equity Instruments	495.85			576.00		
- Investment in Preference Shares		-			223.32	
- Investment in Debt Instruments	5,083.76			4,999.38		
- Others		0.05			0.05	
Loans & Advances						
- Employee Loans		359.57			337.24	
Derivative Assets		107.58			92.09	
Total	5,579.61	467.20	-	5,575.38	652.70	-
Financial liabilities						
Borrowings						
- Foreign Currency Bonds		3,393.49			3,125.75	
- Oil Industry Development Board Loan		704.67			190.39	
Derivative Liabilities		12.52			19.94	
Total	-	4,110.68	-	-	3,336.08	-

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.
Commodity derivatives	Fair value of commodity derivative contracts is estimated by determining the difference between the contractual price and the current forward price for the residual maturity of the contract.
Derivative instruments - interest rate swap	Discounted cash flows i.e. Present value of expected receipt/ payment.
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.



Notes to the Financial Statements for the year ended 31st March, 2019

39: Financial risk management

39.A. Risk management framework

As per Corporation's Risk Management Charter and Policy 2007, a robust governance structure has been developed and implemented across the organisation in its journey towards risk intelligence. The Risk Management Steering Committee (RMSC) constituted under the Risk Management Charter and Policy 2007, guides and monitors the Risk management process across the organization. Periodical reviews are held to ensure that risks are controlled through a properly defined framework. The Board is appraised about the risk assessment and mitigation procedures. The Enterprise Risk Management (ERM) process is aimed at creating a risk culture wherein 'risk consciousness' is embedded in the decision-making process across the organisation. Technology has been used to integrate and manage the entire process of ERM.

Corporation has engaged the services of an independent expert to assist in continued implementation of effective Risk Management framework for providing a holistic view of risks and to facilitate more informed decision-making.

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 its contractual obligations, and arises principally from the Corporation's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Corporation grants credit terms in the normal course of business. The Corporation establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade receivables

The Corporation's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Corporation grants credit terms in the normal course of business.

At 31.03.2019, the Corporation's most significant customer accounted for ₹ 1,085.54 crores of the trade receivables carrying amount (31.03.2018 : ₹ 1,109.30 crores).

The Corporation uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

	31.03.2019			31.03.2018		
	Gross carrying amount	Weighted average loss rate	Loss allowance	Gross carrying amount	Weighted average loss rate	Loss allowance
Past due 0-90 days	5,383.04	0.03%	1.56	5,219.01	0.04%	1.83
Past due 91-360 days	273.20	2.95%	8.07	353.37	0.42%	1.47
More than 360 days	163.54	96.31%	157.51	133.68	97.13%	129.85
	5,819.78		167.14	5,706.06		133.15

(₹ /Crores)



Notes to the Financial Statements for the year ended 31st March, 2019

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	(₹ /Crores)
Balance as at 01.04.2017	164.77
Add : Impairment loss recognised	15.09
Less : Amounts written off	46.71
Balance as at 31.03.2018	133.15
Add : Impairment loss recognised	45.61
Less : Amounts written off	11.62
Balance as at 31.03.2019	167.14

The amounts written off at each reporting date relates to customers who have defaulted on their payments to the Corporation and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Corporation held cash and cash equivalents of ₹ 76.20 crores at 31.03.2019 (31.03.2018 : ₹ 10.67 crores). The cash and cash equivalents (other than cash on hand) are held with consortium banks. Corporation invests its surplus funds in bank fixed deposit, Govt of India T-bills and liquid Schemes of Mutual Funds, which carry no mark to market risks for short duration and exposes the Corporation to low credit risk.

Derivatives

The forex and interest rate derivatives were entered into with banks having an investment grade rating and exposure to counter-parties are closely monitored and kept within the approved limits. Commodity derivatives are entered with reputed Counterparties in the OTC (Over-the-Counter) Market.

Investment in debt securities

Investment in debt securities are in government securities or bonds which do not carry any credit risk, being sovereign in nature.

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.

Notes to the Financial Statements for the year ended 31st March, 2019

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows: (₹ /Crores)

	Contractual cash flows					
	31.03.2019			31.03.2018		
	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	16,480.71	4,888.95	8,365.50	12,571.08	6,161.76	4,078.46
Trade payables	18,876.70	-	-	15,637.92	-	-
Other financial liabilities	958.50	-	14,452.14	670.99	-	12,417.40
Financial guarantee contracts*	-	-	570.57	-	-	560.55
Total	36,315.91	4,888.95	23,388.21	28,879.99	6,161.76	17,056.41
Derivative financial liabilities						
Interest rate swaps	(35.48)	(21.36)	-	(31.88)	(41.93)	-
Commodity contracts (net settled)	48.23	-	-	(19.76)	-	-
Forward exchange contracts (Gross settled)						
- Inflows	(2,004.06)	-	-	-	-	-
- Outflows	2,008.90	-	-	-	-	-
Total	17.59	(21.36)	-	(51.64)	(41.93)	-

* Guarantee issued by the Corporation on behalf of the Subsidiary is with respect to borrowings raised by its Subsidiary. This amount will be payable on default by the concerned Subsidiary. As of the reporting date there has been no default by the Subsidiary and hence, the Corporation does not have any present obligation in relation to such guarantee.

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 mainly on account of its borrowings and import payables in foreign currency. Our exposures are mainly denominated in U.S. dollars. The Corporation has used generic derivative contracts to mitigate the risk of changes in foreign currency exchange rates in line with corporation's forex risk management policy. The corporation has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Corporation does not uses derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instrument to hedge the foreign exchange risk as of dates:

Category	Instrument	Currency	Cross Currency	31.03.2019	31.03.2018	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	\$ 300.65 mn	-	Buy
				\$ 12.92 mn	-	Sell

Notes to the Financial Statements for the year ended 31st March, 2019

Exposure to currency risk - The currency profile of financial assets and financial liabilities is as below:

(₹ /Crores)

	31.03.2019		31.03.2018	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial assets				
Non-current investments	498.00	-	753.32	-
Current investments	5,083.76	-	4,999.38	-
Long-term loans	1,141.40	-	728.77	-
Short-term loans	958.10	-	356.50	-
Trade receivables	5,474.07	178.57	5,427.82	145.09
Cash and Cash Equivalents	76.20	-	10.67	-
Other Bank Balances	19.41	-	1,167.91	-
Others Non Current Financial Assets	4.72	-	2.67	-
Others Current Financial Assets	10,516.73	-	5,397.48	-
Net exposure for assets - A	23,772.39	178.57	18,844.52	145.09
Financial liabilities				
Long term borrowings	692.38	12,754.21	188.06	10,040.64
Short term borrowings	9,927.07	3,866.04	8,024.62	2,737.56
Trade Payables	11,867.32	7,009.38	10,046.58	5,591.34
Other Financial Liabilities	15,423.16	-	13,107.39	-
	37,909.93	23,629.63	31,366.65	18,369.54
Less: Foreign currency forward exchange contracts	-	1,989.92	-	-
Net exposure for liabilities - B	37,909.93	21,639.71	31,366.65	18,369.54
Net exposure (Assets - Liabilities) (A - B)	(14,137.54)	(21,461.14)	(12,522.13)	(18,224.45)

The following exchange rates have been applied during the year:

INR	31.03.2019	31.03.2018
USD 1	69.16	65.18

Sensitivity analysis:

The table below show sensitivity of open forex exposure to USD/INR movement. We have considered 1% (+/-) change in USD/INR movement, increase indicates appreciation in USD/INR whereas decrease indicates depreciation in USD/INR. The indicative 1% movement is directional and does not reflect management's forecast on currency movement.

Effect in INR	Impact on profit or (loss) due to % increase / Decrease in currency (₹/crores)			
	Increase 31.03.2019	Decrease	Increase 31.03.2018	Decrease
1% movement	1%		1%	
USD	(214.61)	214.61	(182.24)	182.24



Notes to the Financial Statements for the year ended 31st March, 2019

39.B.3.2 Interest rate risk

Corporation has long-term foreign currency syndicated loans with floating rate, which expose the Corporation to cash flow interest rate risk. The borrowings at floating rate were denominated in USD. The Corporation manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Corporation agrees with other parties to exchange, at specified intervals (i.e quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Corporation monitors the interest rate movement and manages the interest rate risk based on the Corporation's Forex Risk Management Policy. The Corporation also has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Corporation does not uses derivative financial instruments for trading or speculative purposes.

The Corporation's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Following is the derivative financial instruments to:

				(₹ /Crores)	
Category	Instrument	Currency	Cross Currency	31.03.2019	31.03.2018
Hedges of floating rate foreign currency loans (\$ 500 mn (31.03.2018: \$ 600 mn)	Interest rate swaps	USD	INR	3,458.00	3,910.80

Interest rate risk exposure:

Corporation's interest rate risk arises mainly from borrowings. The interest rate profile of the Corporation's interest-bearing financial instruments as reported to the management of the Corporation is as follows.

			(In ₹ crores)	
			Carrying amount	
			31.03.2019	31.03.2018
Fixed-rate instruments				
Financial assets			5,150.96	6,382.16
Financial liabilities			14,066.07	11,459.56
Variable-rate instruments				
Financial assets			2,903.73	1,826.21
Financial liabilities			13,173.63	9,531.32

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.



Notes to the Financial Statements for the year ended 31st March, 2019

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ / crores)

	Profit or (loss)			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2019		31.03.2018	
Floating rate borrowings	(22.87)	22.87	(15.97)	15.97
Interest rate swaps (notional principal amount)	6.94	(6.94)	8.62	(8.62)
Cash flow sensitivity (net)	(15.93)	15.93	(7.35)	7.35

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. 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)	
	31.03.2019	31.03.2018
Crude/Product Swaps	2.11	3.05

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.

(₹ / crores)

	Effect on Profit before Tax			
	10% Increase	10% Decrease	10% Increase	10% Decrease
	31.03.2019		31.03.2018	
Crude/Product Swaps	(13.00)	13.00	(16.27)	16.27

39.B.3.4. Price risk

The corporation's exposure to equity investment price risk arises from investment held by the Corporation. The Corporation has designated these investment at fair value through other comprehensive income because these investments represent the investments that the corporation intends to hold for long-term strategic purposes.

Sensitivity

The table below summarises the impact of increases/decreases in prices on Other comprehensive Income for the period.

(₹ / crores)

	Equity Instruments through OCI			
	1% Increase	1% Decrease	1% Increase	1% Decrease
	31.03.2019		31.03.2018	
Equity Investment in Oil India Ltd.	4.96	(4.96)	5.76	(5.76)



Notes to the Financial Statements for the year ended 31st March, 2019

39.C.1. Offsetting

The following table presents the recognised financial instruments that are eligible for offset and other similar arrangements but are not offset, as at 31.03.2019, 31.03.2018. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights are exercised.

(₹ /Crores)

	Effect of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts (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)
Mar 31, 2019					
Financial assets					
Trade Receivables	6,422.57	(769.93)	5,652.64	(241.36)	5,411.28
Other Current Financial Assets	10,516.73		10,516.73	-	10,516.73
Financial liabilities					
Trade Payables	19,646.63	(769.93)	18,876.70	-	18,876.70
Other Current Financial Liabilities	17,552.02		17,552.02	(241.36)	17,310.66
Mar 31, 2018					
Financial assets					
Trade Receivables	9,259.08	(3,686.17)	5,572.91	(109.30)	5,463.61
Other Current Financial Assets	5,397.48	-	5,397.48	-	5,397.48
Financial liabilities					
Trade Payables	19,324.09	(3,686.17)	15,637.92	-	15,637.92
Other Current Financial Liabilities	14,504.84	-	14,504.84	(109.30)	14,395.54

40: Tax expense

(a) Amounts recognised in profit and loss

(₹ /Crores)

	2018-19	2017 - 18
Current tax expense		
Current year	2,727.65	2,570.98
Changes in estimates relating to prior years	(50.62)	(82.85)
Deferred tax expense		
Origination and reversal of temporary differences	561.95	419.56
Changes in estimates relating to prior years	71.02	(62.83)
Tax expense recognised in the income statement	3,310.00	2,844.86

(b) Amounts recognised in other comprehensive income

(₹ /Crores)

	2018-19			2017 - 18		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Items that will not be reclassified to profit or loss						
Re-measurements of the defined benefit plans	24.39	(8.52)	15.87	86.66	(29.99)	56.67

Notes to the Financial Statements for the year ended 31st March, 2019

(c) Reconciliation of effective tax rate

	31.03.2019		31.03.2018	
	%	(₹/Crores)	%	(₹ /Crores)
Profit before tax		9,338.66		9,201.93
Tax as per Corporate Tax Rate	34.944	3,263.30	34.608	3,184.60
Tax effect of:				
Non-deductible tax expenses	1.061	99.04	0.283	26.03
Tax-exempt income	(0.719)	(67.11)	(1.782)	(164.02)
Interest expense u/s 234B/C not deductible for tax purposes	0.149	13.90	0.038	3.53
Deduction for research and development expenditure	(0.209)	(19.53)	(0.691)	(63.62)
Adjustments recognised in current year in relation to the current tax of prior years	0.218	20.40	(1.583)	(145.69)
Increase in rate on account of deferred tax	0.000	-	0.044	4.03
Income Tax Expense	35.444	3,310.00	30.916	2,844.86

(d) Movement in deferred tax balances

(₹ /Crores)

	Net balance 01.04.2018	Recognised in		Net balance 31.03.2019
		profit or loss	OCI	
Deferred tax Asset				
Provision for Employee Benefits	156.37	10.07	(6.72)	159.72
Current investments	99.20	(28.83)		70.37
MAT Credit	-	12.14		12.14
Provision for Doubtful Debts & Receivables	107.04	47.80		154.84
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



Notes to the Financial Statements for the year ended 31st March, 2019

(₹ /Crores)

	Net balance 01.04.2017	Recognised in		Net balance 31.03.2018
		profit or loss	OCI	
Deferred tax Asset				
Provision for Employee Benefits	256.04	(104.76)	5.09	156.37
Current investments	89.38	9.82	-	99.20
MAT Credit	316.87	(316.87)	-	-
Provision for Doubtful Debts & Receivables	88.26	18.78	-	107.04
Disallowance u/s 43B	101.15	121.57	-	222.72
Others	7.33	17.01	-	24.34
	859.03	(254.45)	5.09	609.67
Deferred Tax Liabilities				
Property, plant and equipment	6,738.83	424.09	-	7,162.92
Others	15.79	0.15	-	15.94
	6,754.62	424.24	-	7,178.86
Deferred Tax (assets) / Liabilities	5,895.59	678.69	(5.09)	6,569.19

- (e) Additional Provision for tax for earlier years have been provided for ₹ 20.40 Crores (2017-18: ₹ 145.68 Crores reversal) represents reversal provision towards current tax of ₹ 33.53 Crores (2017-18 : ₹ 54.71 Crores), additional provision towards deferred Tax of ₹ 71.02 Crores (2017-18: ₹ 62.83 Crores) and recognition of MAT credit Entitlements of ₹ 17.09 Crores (2017-18: ₹ 137.56 Crores).

41: Disclosures as per Ind AS 115 'Revenue from Contracts with Customers' are as follows:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers in respect of accounting periods commencing on or after 1st April 2018 superseding Ind AS 11 - Construction Contracts and Ind AS 18 - Revenue. The Company has adopted the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending March 31, 2018 are not retrospectively adjusted.

A. Disaggregation of revenue

(₹ /Crores)

	2018-19	2017 - 18
Exports	2,705.29	1,676.21
Other than export	2,93,007.27	2,41,550.45
	2,95,712.56	2,43,226.66

B. Contract balances

(₹ /Crores)

	31.03.2019	31.03.2018
Trade Receivables	5,652.64	5572.91
Liabilities under contractual obligation	911.90	707.49
	6,564.54	6,280.40

During the year ended March 31, 2019, the company recognized revenue of ₹ 538.69 crore arising from opening unearned revenue as of April 1, 2018. This includes the amount pertaining to loyalty points which has been arrived basis the utilization pattern of Loyalty points.

Notes to the Financial Statements for the year ended 31st March, 2019

C. Transaction price allocated to the remaining performance obligations

The Corporation recognises revenue when it satisfies a performance obligation by transferring a promised good or service to a customer. As at 31st March 2019, the amount allocated will be recognised as revenue when (a) in case of revenue received in advance, when the product is delivered to the customer, (b) in case of loyalty points, when the award points are redeemed / expires and (c) in case of non-refundable bid fee, over the period of dealership agreement.

D. Transition impact

The Corporation collects fixed/bid fees from eligible bidders for allotment of dealership. The fees collected upfront are not refundable and is in the nature of a material right which entitles the dealer to operate the retail outlet in the Corporation's name for the specified period. Since, the Corporation does not have any significant performance obligation against the receipt of the upfront fees, the revenue is recognised on a systematic basis over the period of the dealership contract.

Accordingly, The Corporation has created a deferred income liability for fixed/bid fee received prior to April 1, 2018 for ₹ 126.30 crores, which will be recognised as revenue over the balance period of dealership contract. Considering the fact that the income is already offered for taxation in the earlier years, Deferred Tax Asset has been created to the extent of ₹ 44.13 as per Ind AS 12 on the above amount.

During the FY 2018-19, the corporation has recognised ₹ 14.95 crores as revenue out of the above deferred income liability.

Had Ind AS 115 not been applied and erstwhile Ind AS 18 'Revenue' would have continued, the 'Other Income' and 'Profit before tax' would be higher by ₹ 11.89 crores.

42: Leases

Operating Lease

Leases as lessee

The Corporation enters into cancellable/non-cancellable operating lease arrangements for land, office premises, staff quarters and others. Payments made under operating leases are generally recognised in statement of Profit and Loss based on corresponding periods contractual terms of the lease, since the Corporation considers it to be more representative of time pattern of benefits flowing to it. The lease rentals paid for the same are charged to the Statement of Profit and Loss.

The Lease payments for operating leases have been charged to Statement of Profit and Loss as per Ind AS 17 "Leases". For the purpose of determining the expected inflationary cost increases, the management has assessed the expected general inflation rate over the lease periods.

Future minimum lease payments

At March 31, the future minimum lease payments for prepaid operating lease under non-cancellable leases are as under:

	(₹ /Crores)	
	31.03.2019	31.03.2018
Less than one year	62.79	19.09
Between one and five years	244.27	73.62
More than five years	1,870.06	541.62
	2,177.12	634.33

Amounts recognised in profit or loss

	(₹ /Crores)	
	31.03.2019	31.03.2018
Lease Rentals on Operating Lease	323.32	368.10



Notes to the Financial Statements for the year ended 31st March, 2019

43: Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year after adjusting the effects of all dilutive potential ordinary shares.

i. Profit attributable to Equity holders		(₹ /Crores)	
	2018-19	2017 - 18	
Profit attributable to equity holders for basic and diluted earnings per share	6,028.66	6,357.07	
ii. Weighted average number of ordinary shares			
	2018-19	2017 - 18	
Issued ordinary shares at April 1	1,52,38,22,625	1,01,58,81,750	
Effect of shares issued as Bonus shares*		50,79,40,875	
Weighted average number of shares for basic and diluted earnings per share	1,52,38,22,625	1,52,38,22,625	
Basic and Diluted earnings per share (₹)	39.56	41.72	

* During Financial Year 2017-18, the Corporation had issued Bonus Shares in the ratio of 1:2 by capitalization of Reserve.

44: Capital management

The Corporation's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Corporation monitors capital using debt equity ratio. The Corporation's debt to equity ratio is as follows:

	(₹ /Crores)	
	31.03.2019	31.03.2018
Long term borrowings (refer note # 21)	13,446.59	10,228.70
Total equity (refer note # 19 and 20)	28,174.82	23,948.22
Debt to Equity ratio	0.48	0.43

	(₹ /Crores)	
	31.03.2019	31.03.2018

45: Dividends

(i) Dividends paid during the year

Final dividend for the year ended 31.03.2018 of ₹ 2.50 (31.03.2017 ₹ 1.10) per fully paid share. This includes Dividend distribution tax of ₹ 78.31 crores (31.03.2018: ₹ 22.75 crores).

First Interim dividend for the year ended 31.03.2019 of ₹ 6.50 (31.03.2018 ₹ 14.50) per fully paid share. This included Dividend distribution tax of ₹ 203.60 crores (31.03.2018: ₹ 449.81 crores).

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 9.40 per fully paid equity share (31.03.2018 – ₹ 2.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Dividend distribution tax on above



Notes to the Financial Statements for the year ended 31st March, 2019

- 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 are subject to confirmations and reconciliation, few other accounts relating to current/non-current assets and liabilities are also under the process of confirmation, reconciliation and subsequent accounting adjustments wherever required, such reconciliation is not likely to have a material impact on the outstanding or classification of the accounts.
- 47:** To the extent Micro and Small Enterprises have been identified, the outstanding balance, including interest thereon, if any, as at balance sheet date is disclosed on which Auditors have relied upon:

(₹ /Crores)		
Particulars	31.03.2019	31.03.2018
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
- Principal	396.98	170.07
- 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.	-	-



Notes to the Financial Statements for the year ended 31st March, 2019

48:Related Party Disclosure:

A. Names of and Relationship with Related Parties

1. Jointly controlled entities

- i. HPCLMittal 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.

2. The Company has not included disclosure in respect of following related parties which are Govt. related entities as per Ind AS 24.

i. Holding Company

1. Oil & Natural Gas Corporation Ltd.

ii. Subsidiaries

1. HPCL Biofuels Ltd.
2. Prize Petroleum Company Ltd. (PPCL)
3. Prize Petroleum International Pte. Ltd. (a wholly owned subsidiary of PPCL)
4. HPCL Middle East FZCO

iii. Jointly controlled entities

1. HPCL Rajasthan Refinery Ltd.
2. Bhagyanagar Gas Ltd.
3. Petronet MHB Ltd.
4. Mumbai Aviation Fuel Farm Facility Pvt. Ltd.
5. Godavari Gas Pvt. Ltd.
6. Aavantika Gas Ltd.
7. Ratnagiri Refinery & Petrochemicals Ltd.
8. Ujjwala plus foundation
9. HPOIL Gas Pvt. Ltd. (incorporated on 30th November 2018)

iv. Associates

1. GSPL India Gasnet Ltd.
2. GSPL India Transco Ltd.
3. Mangalore Refinery and Petrochemicals Ltd.

v. Fellow Subsidiaries

1. ONGC Mangalore Petrochemicals Ltd.
2. ONGC Petro Additives Ltd.



Notes to the Financial Statements for the year ended 31st March, 2019

3. Key Management Personnel

- i. Shri Mukesh Kumar Surana, Chairman and Managing Director
- ii. Shri Pushp Kumar Joshi, Director - Human Resources
- iii. Shri J. Ramaswamy, Director - Finance (upto 28th February 2019)
- iv. Shri S. Jeyakrishnan, Director - Marketing
- v. Shri Vinod S. Shenoy, Director - Refineries
- vi. Shri R. Kesavan, Chief Financial Officer (effective 01st March 2019)
- vii. Shri Shrikant Madhukar Bhosekar, Company Secretary (upto 30th November 2018)
- viii. Shri V. Murali, Company Secretary (effective 01st December 2018)

4. Independent Directors

- i. Shri Ram Niwas Jain
- ii. Smt. Asifa Khan
- iii. Shri G.V. Krishna
- iv. Dr. Trilok Nath Singh
- v. Shri Amar Sinha
- vi. Shri Siraj Hussain

5. Government Directors

- i. Shri Sandeep Poundrik
- ii. Smt. Sushma Taishete (upto 07th May 2018)
- iii. Shri Subhash Kumar (effective 22nd May 2018)

B. Details of transactions with related parties

		(₹ /Crores)	
No	Nature of Transactions	2018-19	2017 - 18
(i)	Sale of goods		
	HPCL-Mittal Energy Ltd.	112.80	59.79
	Hindustan Colas Pvt. Ltd.	414.58	324.37
	South Asia LPG Company Pvt. Ltd.	0.26	0.09
		527.64	384.25
(ii)	Purchase of goods		
	HPCL-Mittal Energy Ltd.	41,262.49	24,443.26
	Hindustan Colas Pvt. Ltd.	62.43	71.62
		41,324.92	24,514.88
(iii)	Dividend income received		
	HPCL-Mittal Energy Ltd.	49.97	-
	Hindustan Colas Pvt. Ltd.	23.63	47.25
	South Asia LPG Company Pvt. Ltd.	45.00	72.50
	Petronet India Ltd.	-	0.72
		118.60	120.47



Notes to the Financial Statements for the year ended 31st March, 2019

(₹ /Crores)

No	Nature of Transactions	2018-19	2017 - 18
(iv)	Services given (Manpower Supply Service)		
	HPCL-Mittal Energy Ltd.	0.76	0.55
	Hindustan Colas Pvt. Ltd.	3.19	2.60
	South Asia LPG Company Pvt. Ltd.	0.98	1.18
	HPCL Shapoorji Energy Pvt. Ltd.	0.46	-
		5.39	4.33
(v)	Lease rental received		
	HPCL-Mittal Energy Ltd.	1.20	1.20
	Hindustan Colas Pvt. Ltd.	0.24	0.23
	South Asia LPG Company Pvt. Ltd.	1.10	1.05
		2.54	2.48
(vi)	Others - (Services provided)		
	HPCL-Mittal Energy Ltd.	22.00	18.06
	Hindustan Colas Pvt. Ltd.	6.23	3.19
		28.23	21.25
(vii)	Others - (Services availed)		
	HPCL-Mittal Energy Ltd.	17.98	12.25
	Hindustan Colas Pvt. Ltd.	11.35	1.16
	South Asia LPG Company Pvt. Ltd.	83.76	120.19
		113.09	133.60
(viii)	Investment in equity shares / Converted to Equity Shares		
	HPCL Shapoorji Energy Pvt. Ltd.	4.00	7.00
		4.00	7.00
No	Nature of Transactions	31.03.2019	31.03.2018
(ix)	Receivables as on		
	HPCL-Mittal Energy Ltd.	10.93	9.90
	Hindustan Colas Pvt. Ltd.	-	6.02
	South Asia LPG Company Pvt. Ltd.	0.05	0.21
	HPCL Shapoorji Energy Pvt. Ltd.	0.11	-
		11.09	16.13
(x)	Payables as on		
	HPCL-Mittal Energy Ltd.	2,403.87	1,997.46
	Hindustan Colas Pvt. Ltd.	27.11	19.51
	South Asia LPG Company Pvt. Ltd.	11.78	9.58
		2,442.76	2,026.55



Notes to the Financial Statements for the year ended 31st March, 2019

C. Transactions with other government-controlled entities

The corporation is a Government related entity engaged in the business of refining of crude oil and marketing of petroleum products. The corporation also deals on regular basis with entities directly or indirectly controlled by the central / state governments through its government authorities, agencies, affiliations and other organizations (collectively referred as "Government related entities").

Apart from transactions with corporations' group companies, the corporation has transactions with other Government related entities, including but not limited to the followings:

- sale and purchase of products;
- rendering and receiving services;
- lease of assets;
- depositing and borrowing money; and
- use of public utilities

These transactions are conducted in the ordinary course of the corporation's business on terms comparable to those with other entities that are not Government related.

D. Remuneration paid to Key Management Personnel*

(₹ /Crores)

No	Description	2018-19	2017 - 18
(i)	Short - Term Employee Benefits	6.14	4.04
(ii)	Post - Employment Benefits	0.65	-
		6.79	4.04

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

E. Amount due from Key Management Personnel

(₹ /Crores)

No	Description	2018-19	2017 - 18
(i)	Shri Mukesh Kumar Surana	0.09	0.10
(ii)	Shri Pushp Kumar Joshi	0.22	0.05
(iii)	Shri J Ramaswamy	-	-
(iv)	Shri S Jeyakrishnan	0.30	0.32
(v)	Shri Vinod S Shenoy	0.07	0.08
(vi)	Shri R Kesavan	-	-
(vii)	Shri Shrikant Madhukar Bhosekar	-	0.13
(viii)	Shri V Murali	0.12	-
		0.80	0.68

C. Sitting Fee paid to Non-Executive Directors

(₹ /Crores)

Details of Meeting	Shri Ram Niwas Jain	Smt. Asifa Khan	Shri G.V. Krishna	Dr Trilok Nath singh	Shri Amar Sinha	Shri Siraj Hussain
Board	0.04	0.05	0.05	0.04	0.05	0.05
Audit Committee	0.03	-	0.03	0.03	0.03	0.00
Nomination & Remuneration Committee	-	-	-	-	-	-
Stakeholders Relationship Committee	-	0.01	-	-	-	0.01
Investment Committee	0.03	0.03	-	-	0.03	0.02
CSR & SD Committee	0.02	-	0.02	0.02	0.02	-
Independent Directors Meeting	0.00	0.00	0.00	0.00	0.00	0.00
Total Sitting Fees	0.12	0.09	0.10	0.09	0.13	0.08



Notes to the Financial Statements for the year ended 31st March, 2019

- 49:** The Corporation has entered into production sharing oil & gas exploration contracts in India in consortium with other body corporate. These consortia are:

Name of the Block	Participating Interest of HPCL in%	
	31.03.2019	31.03.2018
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

- a) Blocks RJ-ONN-2004/1 and MB-OSN-2004/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2018. The Blocks MB-OSN-2010/2 and RJ-ONN-2004/3 are in the process of relinquishment and the audited financial statements of these UJVs have been received upto March 31, 2017. The Blocks KK-DWN-2002/2 and MB-OSN-2004/1 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2016. Blocks CY-DWN-2004/1,2,3,4, CY-PR-DWN-2004/1&2, KG-DWN-2004/1,2,3,5 and 6 are under relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2015. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator.



Notes to the Financial Statements for the year ended 31st March, 2019

- b) The Blocks AA-ONN-2003/3 and KK-DWN-2002/3 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2011 and March 31, 2012 respectively. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator.
- c) The block CB-ONN-2002/3 was awarded under NELP IV bidding round and the production sharing contract was signed on 06.02.2004. The exploration Minimum Work Program has been completed. The block is divided into two areas i.e. Miroli and Sanand. Production from SE#3 and SE#4 wells of the Block is currently on which had started during Financial Year 2017-18. Audited financial statements of the block has been received upto March 31, 2018. The unaudited financial statements / data has been received from operator as on 31st March, 2019.
- d) In respect of Cluster – 7, the matter is under litigation (refer Note No.55.1)

50 In compliance of Ind AS-27 'Separate Financial Statements', the required information is as under:

	Country of Incorporation	Nature of Investments	Percentage of ownership interest as on	
			31.03.2019	31.03.2018
HPCL - Biofuels Ltd.	India	Subsidiary	100.00	100.00
Prize Petroleum Co. Ltd	India	Subsidiary	100.00	100.00
HPCL Middle East FZCO	Dubai	Subsidiary	100.00	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	49.98
Petronet MHB Ltd.	India	Joint Venture	32.72	32.72
Godvari Gas Pvt. Ltd.	India	Joint Venture	26.00	26.00
Mumbai Aviation Fuel Farm Facility Pvt Ltd.	India	Joint Venture	25.00	25.00
Bhagyanagar Gas Ltd.*	India	Joint Venture	24.99	24.99
Petronet India Ltd.	India	Joint Venture	16.00	16.00
Ratnagiri Refinery & Petrochemicals Ltd	India	Joint Venture	25.00	25.00
HPOIL Gas Pvt Ltd.**	India	Joint Venture	50.00	-
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 crores as Advance against Equity / Share application money (totalling to ₹ 44.98 crores) in earlier years. On 20th August 2014, BGL allotted 2,24,87,500 shares on preferential basis to each of HPCL and GAIL towards the money paid earlier. Meanwhile there are certain issues pending adjudication with another shareholder. Accordingly, keeping in view financial prudence, HPCL's share has been considered at 24.99% (considered as 24.99% in F.Y. 2017-18).

** HPOIL Gas Private Limited was incorporated on 30.11.2018 with Hindustan Petroleum Corporation Ltd (HPCL) and Oil India Ltd (OIL) holding 50% equity each. The JV was set up for City Gas Distribution network in Ambala – Kurukshetra in the state of Haryana and Kolhapur in the state of Maharashtra.



Notes to the Financial Statements for the year ended 31st March, 2019

Ujjwala Plus Foundation, a joint venture of Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) was incorporated on 21st July 2017 as a not for profit Private Company Limited by Guarantee (Without Share Capital) under Section 8 of the Companies Act 2013.

- 51** Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on the desired margins for deciding on impairment of related Cash Generating Units. Since there is no indication of impairment of assets as at Balance Sheet date as per the assessment carried out, no impairment has been considered. In view of assumptions being technical, peculiar to the industry and Government policy, the auditors have relied on the same.
- 52** Disclosure as required by Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.:

(₹ /Crores)

No	Particulars	Balance as on		Maximum amount outstanding during the year	
		31.03.2019	31.03.2018	2018-19	2017 - 18
(a)	Loans and advances in the nature of loans to subsidiary Companies (by name and amount):				
	Inter Corporate Loan to HPCL – Biofuels Ltd	115.20	50.40	123.60	84.00
(b)	Loans and advances in the nature of loans to joint ventures (by name and amount)				
	Inter Corporate Loan to Bhagyanagar Gas Ltd	-	-	-	75.00
(c)	Loans and advances in the nature of loans to firms/ companies in which directors are interested	-	-	-	-
(d)	Investment by the loanee in the shares of HPCL and its subsidiary company, when the Company has made a loan or advance in the nature of loan	-	-	-	-

- 53** During the year 2018-19, Corporation has spent ₹ 159.81 Crores (2017 - 18: ₹ 156.87 Crores) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 158.86 crores (2017 - 18: ₹ 126.38 Crores):

(₹ /Crores)

No	Head of Expenses	2018-19	2017 - 18
1	Promoting Education	29.93	56.50
2	Promoting Health Care	12.75	15.24
3	Empowerment of Socially and Economically Backward groups	2.33	7.10
4	Promotion of Nationally recognized and Para-Olympic Sports	0.78	1.05
5	Imparting Employment by Enhancing Vocation Skills	20.23	13.38
6	Swachh Bharat Abhiyaan	56.82	37.57
7	Environment Sustainability	34.21	25.27
8	Others	2.76	0.76
		159.81	156.87

Notes to the Financial Statements for the year ended 31st March, 2019

Amount spent during the Financial year 2018-19 on:

(₹ /Crores)

No	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

Amount spent during the Financial year 2017-18 on:

(₹ /Crores)

No	Details	In cash	Yet to be paid in cash	Total
(i)	Construction / Acquisition of an assets	-	-	-
(ii)	On purpose other than (i) above	153.31	3.56	156.87

54 There are no reportable segments other than downstream petroleum, as per Ind AS - 108 on Segment Reporting.

55 Contingent Liabilities and Commitments:*

I. Contingent Liabilities

(₹ /Crores)

	31.03.2019	31.03.2018
A. Disputed demands / claims subject to appeals / representations filed by the Corporation		
i. Income Tax	88.03	75.74
ii. Sales Tax/Octroi	2,178.96	2,067.68
iii. Excise/Customs	409.10	252.67
iv. Land Rentals & Licence Fees	219.48	125.16
v. Others	26.03	48.04
	2,921.60	2,569.29
B. Disputed demands / claims subject to appeals / representations filed against the Corporation		
i. Sales Tax/Octroi	0.77	0.77
ii. Excise / customs	-	0.13
iii. Employee Benefits/Demands (to the extent quantifiable)	258.55	220.82
iv. Claims against the Corporation not acknowledged as Debts (refer note 55.1)	341.50	295.73
v. Others	138.20	164.49
	739.02	681.94

*Liabilities considered as 'remote' not included above

(₹ /Crores)

	31.03.2019	31.03.2018
II. Guarantees given to others	1,969.00	1,382.79



Notes to the Financial Statements for the year ended 31st March, 2019

55.1 Prize Petroleum Company Limited (PPCL), a subsidiary company of Hindustan Petroleum Corporation Ltd.) with a Participating Interest (PI) of 10% along with 2 other consortium members, M/s Hindustan Petroleum Corporation Ltd. (HPCL) (PI-60%) and M/s M3nergy Sdn. Bhd (M/s M3nergy) (PI-30%) were awarded service contract in March, 2006 for development of ONGC's offshore marginal oilfields of cluster-7. PPCL was the executing contractor. Parties provided necessary Bank Guarantees to ONGC. Since M/s M3nergy could not meet their contractual obligations, the contract was terminated by ONGC and Bank guarantees were forfeited. PPCL and HPCL demanded the refund of the monies forfeited towards encashment of Bank Guarantee along with other claims from M/s M3nergy. A counter claim of 36.51 Million USD equivalent to ₹ 252.50 Crores (36.51 Million USD @ Exchange rate of 1 USD = ₹ 69.16) 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 crores) 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 crores (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 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 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 which is to come up for hearing. As a result, the award amount which is approximate ₹ 416.61 crores (78.26 Million USD @ exchange rate of ₹ 48.68 for a US Dollar prevailing on January 6, 2009 plus ₹ 35.66 Crores) and interest thereon has not been recognized on a conservative basis. Similarly, the claim raised by M3Energy is also not included above.

	(₹ /Crores)	
	31.03.2019	31.03.2018
III. Commitments		
- Estimated amounts of contracts remaining to be executed on capital account not provided for	20,633.66	18,804.48
- Other commitments (for investment in Joint Ventures)	-	-

55.2 : Company has entered into a long term product off take agreement with M/s HPCL Mittal Energy Limited (HMEL), its joint venture company, for purchase of petroleum products produced by the refinery. This agreement has a take or pay clause and the Company is committed to purchase the said petroleum products over the tenure of the agreement.

55.3 : The Company and Mittal Energy Investment Pte. Ltd. (its joint venture partner in HPCL-Mittal Energy Limited) have committed that they would jointly hold at least 51 % of share capital of HPCL-Mittal Energy Limited till the repayment of certain bank loans / bonds.

The above are made based on estimates and expected timing of outflows is not ascertainable at this stage.

IV. Corporation's Share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Operations (refer Note No.49):

	(₹ /Crores)	
	31.03.2019	31.03.2018
Jointly controlled Operations		
Contingent Liabilities	252.50	237.97

Note: The above are made based on estimates and expected timing of outflows is not ascertainable at this stage.



Notes to the Financial Statements for the year ended 31st March, 2019

		(₹ /Crores)
	2018-19	2017 - 18
56		
Expenditure incurred on Research and Development		
- Capital	124.48	132.62
- Revenue	129.37	100.16
		(₹ /Crores)
	2018-19	2017 - 18
57		
Interest on Project borrowings capitalized*	233.51	92.38
*(weighted average cost of borrowing rate used for capitalization of general borrowing (other than specific borrowings) is 6.95 % during FY 2018-19 (FY 2017 - 18 : 7.15%).		
		(₹ /Crores)
	2018-19	2017 - 18
58		
Exchange Differences adjusted in the carrying amount of Assets during the accounting period.	224.22	5.03

59 In compliance of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets," the required information is as under:

					(₹ /Crores)
Particulars	Opening Balance as on 01.04.18	Additions	Utilization	Reversals	Closing Balance 31.03.19
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	604.97	124.29	9.97	137.62	581.67
Total	996.92	182.05	13.50	141.40	1,024.07
Less: Pre Deposit	63.21				63.21
Net	933.71	182.05	13.50	141.40	960.86

					(₹ /Crores)
Particulars	Opening Balance as on 01.04.17	Additions	Utilization	Reversals	Closing Balance 31.03.18
Excise	0.59	-	-	-	0.59
Sales Tax	346.31	48.67	10.42	5.79	378.77
Service Tax	12.59	-	-	-	12.59
Others	548.93	71.59	13.07	2.48	604.97
Total	908.42	120.26	23.49	8.27	996.92
Less: Pre Deposit	63.21	-	-	-	63.21
Net	845.21	120.26	23.49	8.27	933.71

The above provisions are made based on estimates and expected timing of outflows is not ascertainable at this stage.

- 60** The investment in HPCL Biofuels Ltd. (100% subsidiary of HPCL) was tested for impairment as at 31st Mar 2019 and accordingly the Corporation has created an incremental provision for impairment of ₹ 38 crores (2017-18 : Nil) in the books. The cumulative impairment as at 31st March 2019 is ₹ 429 crores (31st March 2018 : ₹ 391 crores) in respect of its investments in HBL towards Equity and Preference Share capital which works out to around 69% (31st March 2018 : 63%) of the overall investment in HBL. 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



Notes to the Financial Statements for the year ended 31st March, 2019

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 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.

- 61** Corporation's 100% step-down subsidiary, Prize Petroleum International Pte Ltd. (a wholly owned subsidiary of Prize Petroleum Corporation Ltd.), and incorporated in Singapore had taken a bank loan of \$86m during the FY 2016-17. 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 as on 31st March 2019 in accordance with Ind AS 109 and accordingly a loss allowance of ₹ 15 crores has been made during FY 2018-19 (2017-18 – Nil). Total amount of loss allowance thus made towards the carrying value of the corporate guarantee as of 31st March 2019 stands at ₹ 153 crores (31st March 2018 : ₹ 138 crores).
- 62** Loans given to consumer under Prime Ministers Ujjwala Yojana (PMUY) disbursed to the extent of ₹ 2,591 crores and outstanding ₹ 1,937 crores are repayable out of the subsidy amount accruing to the consumer from the subsequent refills taken post release of the loan. The overall consumer base being 1.91 Crores, the utilization pattern of the refills is evolving and there are cases of consumers since May 2016 having availed lesser than expected level of refills. While the management has made efforts to encourage the consumers for availing the refills, the cases with zero refills for those connections issued on or before March 31, 2018 have been considered as inactive consumers and the ratio of such loans over the total loans disbursed till March 31, 2018 has been estimated to be a likely default ratio for such loans and accordingly an impairment charge of ₹ 95.70 crores have been recognized in the financial statements towards such loans. In the opinion of the management, the impairment estimate made on a rationale represent estimate of default in the entire population of the outstanding loans and hence is reasonable as on the date of the Financial statements.
- 63** The corporation operates various schemes of Government of India e.g. PMUY, Direct benefit Transfer scheme and certain state specific schemes where the amounts spent for the implementation of such schemes are either received in advance or are subject to reimbursements from Central Government and/or respective state Governments. There are cases where such reimbursements are pending to be received from Central Government with period ranging from more than 6 months to more than 3 years. The total such reimbursements remaining to be received for more than 6 months' amount to ₹ 2,781 crores. However, since these dues are considered as sovereign dues, no provision has been considered necessary.
- 64** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under operating lease, Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right -to-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. There is no change in the accounting pertaining to finance leases. The new standard permit lessees to use either a full retrospective or a modified retrospective approach on transition for leases existing at the date of transition, with options to use certain practical expedients. The Corporation will adopt the standard w.e.f. April 1, 2019. The Corporation is currently evaluating the requirements of the new Standard and its effect on the Standalone Financial Statements.
- 65** 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
Classification as finance lease for land	Lease period (years)	More than 99
Income / expenditure pertaining to prior year (s)	₹ Crores	75.00
Prepaid expenses	₹ Lakhs	5.00
Disclosure of contingent liabilities	₹ Lakhs	5.00
Disclosure of capital commitments	₹ Lakhs	1.00

Notes to the Financial Statements for the year ended 31st March, 2019

66 Employee benefit obligations

A. Provident Fund

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

Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Corporation and charged to Statement of Profit and Loss. The actual return earned by the fund has mostly been higher than the Government specified minimum rate of return in the past years. There is no shortfall in the fund as on 31st March 2019 and 31st March 2018.

Present value of benefit obligation at period end is ₹ 4,082.85 crores (31.03.2018 : ₹ 3,764.14 crores).

During the year, the company has recognised ₹ 148.44 crore (2017 - 18 : ₹ 141.40 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss.

B. Superannuation Fund

The company has Superannuation - Defined Contribution Scheme (DCS) maintained by SBFS trust wherein Corporation contributes a certain percentage every month out of 30% of Basic plus DA towards superannuation benefits (in accordance with DPE guidelines) to the credit of individual employee accounts maintained with LIC. Effective August 2018, Corporation had introduced optional National Pension Scheme (NPS) for its employees, where in employees are allowed to opt for contribution to their NPS account within their overall superannuation benefits limit for pension. During the year, the Corporation has recognised ₹ 181.07 crore (2017 - 18 : ₹ 162.8 crore) as Employer's contribution to Superannuation Fund in the statement of Profit and Loss. Out of this amount ₹ 20.96 crore (2017-18 : Nil) was contributed to NPS.

C. The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ /Crores)

S No.	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	848.67	712.05	41.11	27.31	11.75
	877.76	646.79	59.03	30.35	12.46
Interest Cost	65.22	55.26	3.11	2.10	0.93
	63.73	48.19	4.20	2.15	0.90
Current Service Cost	14.37	56.95			2.64
	17.01	52.17	-	-	2.64
Past Service Cost		-	-	-	-
		-	-	-	-
Benefit paid	(70.71)	(49.98)	(3.67)	(5.26)	(2.48)
	(42.01)	(46.55)	(4.40)	(5.65)	(1.50)
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	5.47	(1.94)	0.07	0.15	0.09
	(30.65)	(29.37)	(0.91)	(0.52)	(0.51)
Actuarial (gains)/ losses on obligations - due to experience	(34.36)	1.49	(19.30)	0.01	(1.42)
	(37.17)	40.82	(16.81)	0.98	(2.24)
Present value of Benefit Obligation a the end of the period	828.66	773.83	21.32	24.31	11.51
	848.67	712.05	41.11	27.31	11.75



Notes to the Financial Statements for the year ended 31st March, 2019

(₹ /Crores)

S No.	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
2 Changes in fair value of plan assets					
Fair value of Plan Assets at the beginning of the period	506.02	703.62	NA	NA	NA
	509.42	560.85	NA	NA	NA
Interest income	64.09	54.60	NA	NA	NA
	36.98	41.78	NA	NA	NA
Contributions by the employer	342.63	8.82	NA	NA	NA
	0.00	132.49	NA	NA	NA
Contributions by the employee	-	2.84	NA	NA	NA
	-	6.37	NA	NA	NA
Benefit paid	(70.71)	-	NA	NA	NA
	(42.01)	(46.55)	NA	NA	NA
Return on plan assets, excluding interest income	(23.77)	(1.58)	NA	NA	NA
	1.63	8.68	NA	NA	NA
Fair value of Plan Assets at the end of the period	818.26	768.30	NA	NA	NA
	506.02	703.62	NA	NA	NA
3 Included in profit and loss account					
Current Service Cost	14.37	56.95	-	-	2.64
	17.01	52.17	-	-	2.64
Past Service Cost	-	-	-	-	-
	-	-	-	-	-
Net interest cost	1.13	0.66	3.11	2.10	0.93
	26.75	6.41	4.20	2.15	0.90
Contributions by the employee	-	(2.84)	-	-	-
	-	(6.37)	-	-	-
Total amount recognised in profit and loss account	15.50	54.77	3.11	2.10	3.57
	43.76	52.21	4.20	2.15	3.54
4 Remeasurements					
Return on plan assets, excluding interest income	23.77	1.58	-	-	-
	(1.63)	(8.68)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-
	-	-	-	-	-
(Gain)/loss from change in financial assumptions	5.47	(1.94)	0.07	0.15	0.09
	(30.65)	(29.37)	(0.91)	(0.52)	(0.51)
Experience (gains)/losses	(34.36)	1.49	(19.30)	0.01	(1.42)
	(37.17)	40.82	(16.81)	0.98	(2.24)
Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-
	-	-	-	-	-
Total amount recognised in other comprehensive income	(5.12)	1.13	(19.23)	0.16	(1.33)
	(69.45)	2.77	(17.72)	0.46	(2.75)

Notes to the Financial Statements for the year ended 31st March, 2019

D: Amount recognised in the Balance Sheet

(₹ /Crores)

	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

(₹ /Crores)

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Present value of benefit obligation as on 31.03.2018	848.67	712.05	41.11	27.31	11.75
Fair value of plan assets as on 31.03.2018	506.02	703.62	-	-	-
Net Liability / (Asset) recognised in Balance Sheet	342.65	8.43	41.11	27.31	11.75

E: Plan assets

(₹ /Crores)

	31.03.2019		31.03.2018	
	Gratuity	PRMBS	Gratuity	PRMBS
Plan assets comprise the following:				
Insurance fund	818.26	768.30	506.02	703.62
	818.26	768.30	506.02	703.62

F: Significant estimates: actuarial assumptions and sensitivity

F(i): The significant actuarial assumptions were as follows:

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		Indian Assured Lives Mortality (2006-08)			
Mortality Rate After Employment		Indian Assured Lives Mortality (2006-08)			

31.03.2018	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.88%	7.76%	NA	NA	NA
Rate of Discounting	7.88%	7.76%	7.56%	7.68%	7.88%
Rate of Salary Increase	7.00%	7.00%	NA	NA	7.00%
Medical Cost Inflation	NA	3.00%	NA	NA	NA
Rate of Employee Turnover	2.00%	2.00%	NA	NA	2.00%
Mortality Rate During Employment		Indian Assured Lives Mortality (2006-08)			
Mortality Rate After Employment		Indian Assured Lives Mortality (2006-08)			



Notes to the Financial Statements for the year ended 31st March, 2019

F(ii): Sensitivity analysis

(₹ /Crores)

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

31.03.2018	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(44.79)	(81.98)	(1.91)	(0.84)	(0.72)
Delta effect of -1% Change in Rate of Discounting	50.67	102.95	2.13	0.90	0.84
Delta effect of +1% Change in Future Benefit cost inflation	-	103.66	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(82.87)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	15.10	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(16.78)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	15.20	-	-	-	(0.80)
Delta effect of -1% Change in Rate of Employee Turnover	(16.92)	-	-	-	0.93

G: The expected maturity analysis of undiscounted benefits is as follows:

(₹ /Crores)

	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

Notes to the Financial Statements for the year ended 31st March, 2019

	(₹ /Crores)			
	Less than 1 year	1 - 2 year	3 - 5 year	6 - 10 year
31.03.2018				
Gratuity	104.45	72.95	327.25	427.52
PRMBS	33.61	36.82	132.73	234.23
Pension	5.11	5.08	14.98	23.91
Ex - Gratia	4.90	4.84	14.07	21.63
Resettlement Allowance	1.11	0.70	4.22	6.47
Total	149.18	120.39	493.25	713.76

H: Notes:

Gratuity : All employees are entitled to receive gratuity as per the provisions of Payment of Gratuity Act, 1972. The Defined Benefit Plan of Gratuity is administered by Gratuity Trust. The Board of Trustees comprises of representatives from the Corporation who are also plan participants in accordance with the plans regulation.

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

Post Retirement Medical Benefit : The serving and superannuated employees are covered under medical insurance policy taken by Corporation. It provides reimbursement of medical expenses for self and dependents as per the terms of the policy.

Ex-gratia : The ex-employees of Corporation covered under the Scheme are entitled to get ex-gratia based on the grade at the time of their retirement. The benefit will be paid to eligible employees till their survival, and after that, till the survival of their spouse.

Resettlement Allowance : At the time of retirement, the employees are allowed to permanently settle down at a place other than the location of the last posting.

The fair value of the assets of Provident Fund Trust as of balance sheet date is greater than the obligation, including interest, and also the returns on these plan assets including the amount already provided are sufficient to take care of PF interest obligations, over and above the fixed contribution recognized.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Figures in italics represent last year figures

- 67** During the year the accounting policy related to 'Depreciation/amortisation' on LPG cylinders & regulators is modified to bring more clarity on the accounting treatment. There is no impact on the profit for the year on account of above (refer note 2.2). Since the impact of depreciation in statement of Profit & Loss account is ₹ 1.74 crores, the same is not considered material.
- 68** Previous periods figures are reclassified / regrouped wherever necessary.



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HINDUSTAN PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March 2019 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 20.05.2019.

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 2019 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 &
ex-officio Member Audit Board-II, Mumbai**

Place: Mumbai

Date: 18 July 2019



CONSOLIDATED FINANCIAL STATEMENTS



Independent Auditors' Report

TO THE MEMBERS OF HINDUSTAN PETROLEUM CORPORATION LIMITED

Report on Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated 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"), which comprise the consolidated balance sheet as at 31 March 2019, 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, 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 as at 31 March 2019, 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- a) We invite attention to Note No. 57 regarding provision for impairment made to the extent of ₹ 95.70 crores towards loans given under Prime Minister Ujjwala Yojana (PMUY) out of the total outstanding loans of ₹ 1,937.42 crores, the above impairment has been computed based on the estimates of default as assessed by the management.
- b) We draw attention to note no. 1.3.4 to the Consolidated Ind AS Financial Statements which describes the reasons for considering joint venture interest lower than the percentage of shareholding in a joint venture known as Bhagyanagar Gas Limited. Our opinion is not modified in respect of these matters.

Our opinion is not modified in 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 direct and indirect tax positions

The holding company has material uncertain direct and 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, 2019 the company has total such disputed demands amounting to ₹ 8,820.35 crores. (Refer Note No. 2.16)



Independent Auditors' 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.
- Obtained details of completed tax assessments and demands for the year ended March 31, 2019 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.
- 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, 2018 to evaluate whether any change was required to management's position on these uncertainties.
- 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.
- 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 Recoverability of pre-deposits relating to tax and non tax matters

As at March 31, 2019, 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 ₹ 596.40 crores that are for pending for/relating to cases pending for more than 3 years and 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 a 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 a 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.
- Further, we have relied on the management estimations and judgements with reference to inherent uncertainties involved while determining the outcome of these cases.

3 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 ₹ 581.67 crores has been disclosed for which the company is contingently liable while possibility of any outflow in matters having claims amounting to ₹ 430.33 crores has been considered remote.



Independent Auditors' Report

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; and
- Assessed management's estimate of the possible outcome of the disputed cases and relied on the management judgements in such cases.

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 Jointly controlled entities 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 jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's 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 auditor's 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.



Independent Auditors' Report

- 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 (Holding company and subsidiaries) 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 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.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 Ind AS financial statements of 3 subsidiaries (and their step-down subsidiary) included in the Consolidated Ind AS Financial Statement, whose Ind AS financial statements reflects total assets of ₹ 1,175.54 crores and net assets of ₹(191.61) as at March 31, 2019, total revenues of ₹ 326.19 crores and net cash flows of ₹ 12.37 crores for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also includes Group's share of net profit of ₹ 929.72 crores for the year ended March 31, 2019, as considered in the Consolidated Ind AS Financial Statements, in respect of 13 jointly controlled entities (and its step-down subsidiary), and 3 associates (and its step-down subsidiary and jointly controlled entities), whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the attached Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of section 143(3) of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates is based solely on the reports of the other auditors.



Independent Auditors' Report

- b) We did not audit the Financial Statement of 21 Un-incorporated Jointly Controlled Entities ('UJCEs') involved in exploration activities, of which majority of UJCEs are under relinquishment. The standalone Ind AS financial statements include Company's proportionate share in Assets and Liabilities as on March 31, 2019 and Income and Expenditure for the year ended on March 31, 2019 amounting to ₹ 3.13 crores and ₹ 14.89 crores, ₹ 1.44 crores and ₹ 3.78 crores respectively. In respect of these UJCEs, the audited accounts are not available with the Company. This also include the unaudited financial statements of one joint venture whose Net Assets of ₹ 2.62 crores and total profit after tax of ₹ (0.11) crores is based on management accounts. This financial information is unaudited and has been incorporated based on data received from the respective operators/furnished 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, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.
- c) The Consolidated Financial Statements of the Group for the year ended March 31, 2018 were audited by the joint auditors of the Holding Company, one of which is the predecessor audit firm, and have expressed an unmodified opinion dated May 22, 2018 on such financial statements.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and jointly controlled entities, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the Consolidated Ind AS Financial Statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and workings maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
- d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended;
- e) As per notification no: G.S.R 463(E) dated June 5, 2015, Government companies are exempted from the provisions of section 164(2) of the Act, accordingly, we are not required to report whether any directors of the Holding Company are disqualified in terms of provisions contained in the said section. On the basis of the reports of the statutory auditors of its subsidiaries, associates and jointly controlled companies incorporated in India other than Government companies, none of the directors of the subsidiaries, associates and jointly controlled companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164 (2) of the Act;
- f) With respect to the adequacy of the Internal Financial Controls with reference to Financial Statements of the Holding Company, its subsidiaries, associates and jointly controlled entities and the operating effectiveness of such controls, refer to our separate report in Annexure I; and



Independent Auditors' Report

- g) With respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Financial Statements as also the other financial information of the subsidiaries, associates and jointly controlled entities, as noted in the 'Other matter' paragraph :
- i. The consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and its jointly controlled entities – Refer note 52 to the consolidated Ind AS Financial Statements;
 - ii. The Holding Company and the individual entities have made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group.

For **R. Devendra Kumar & Associates**

Chartered Accountants

Firm Registration No.:114207W

Sd-

Devendra Kumar Gupta

Partner

Membership No.009032

For **M.P. Chitale & Co.**

Chartered Accountants

Firm Registration No.:101851W

Sd-

Anagha Thatte

Partner

Membership No.: 105525

Place : New Delhi

May 20, 2019



Independent Auditors' Report

Annexure I - 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, 2019, we have audited the Internal Financial Controls with reference to Financial Statements of HINDUSTAN PETROLEUM CORPORATION LIMITED ('the Holding Company') and its subsidiaries, its associate companies and jointly controlled entities (together referred to as 'the Group'), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group are responsible for establishing and maintaining internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to Financial Statement and their operating effectiveness. Our audit of internal financial controls with reference to financial reporting included obtaining an understanding of Internal Financial Controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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



Independent Auditors' Report

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiaries, its associate companies and jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate Internal Financial Controls system with reference to Financial Statements and such Internal Financial Controls with reference to Financial Statements were operating effectively as on March 31, 2019, 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 12 jointly controlled entities, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Further, the Company has 1 jointly controlled entity and 1 overseas subsidiary where Internal Financial Controls with reference to Financial Statements are not applicable.

For **R. Devendra Kumar & Associates**

Chartered Accountants

Firm Registration No.:114207W

Sd-

Devendra Kumar Gupta

Partner

Membership No.009032

For **M.P. Chitale & Co.**

Chartered Accountants

Firm Registration No.:101851W

Sd-

Anagha Thatte

Partner

Membership No.: 105525

Place : New Delhi

May 20, 2019

**Consolidated Balance Sheet** as on 31st March, 2019

(₹ / Crores)

	Notes	31.03.2019	31.03.2018
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	41,168.63	38,225.68
(b) Capital Work-in-Progress	4	9,495.91	3,989.02
(c) Goodwill on Consolidation		16.69	16.69
(d) Other Intangible Assets	5	456.18	452.77
(e) Intangible Assets under development	5a	22.82	21.51
(f) Investment in Joint Ventures and Associates	6	8,715.69	7,306.57
(g) Financial Assets			
(i) Other Investments	7	498.00	576.05
(ii) Loans	8	1,141.43	712.00
(iii) Other Financial Assets	9	1.67	2.67
(h) Other Non-Current Assets	10	2,276.24	1,835.71
Total Non-Current Assets		63,793.26	53,138.67
(2) Current Assets			
(a) Inventories	11	20,443.62	18,612.23
(b) Financial Assets			
(i) Investments	12	5,083.76	4,999.38
(ii) Trade Receivables	13	5,667.43	5,587.02
(iii) Cash and Cash Equivalents	14	198.74	121.52
(iv) Bank Balances other than cash and cash equivalents	15	19.76	1,168.13
(v) Loans	16	850.83	331.04
(vi) Other Financial Assets	17	10,515.99	5,382.96
(c) Other Current Assets	18	676.73	327.31
		43,456.86	36,529.59
(d) Assets classified as held for Sale / Disposal		8.24	3.49
Total Current Assets		43,465.10	36,533.08
Total Assets		107,258.36	89,671.75
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	19	1,524.21	1,524.21
(b) Other Equity	20	28,876.45	24,008.23
Total Equity		30,400.66	25,532.44
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	12,127.80	9,655.94
(ii) Other Financial Liabilities	22	0.51	0.47
(b) Provisions	23	58.41	79.27
(c) Deferred Tax Liabilities (Net)	40	7,396.25	6,804.82
(d) Other Non-Current Liabilities	24	152.95	35.85
Total Non-Current Liabilities		19,735.92	16,576.35
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	13,908.68	10,879.42
(ii) Trade Payables			
Outstanding dues of micro and small enterprises		398.80	172.81
Outstanding dues of creditor other than micro and small enterprises		18,654.60	15,607.15
(iii) Other Financial Liabilities	26	17,614.59	14,567.21
(b) Other Current Liabilities	27	3,694.87	3,603.95
(c) Provisions	28	2,018.97	2,436.26
(d) Current Tax Liabilities (Net)	29	831.27	296.16
Total Current Liabilities		57,121.78	47,562.96
Total Equity and Liabilities		107,258.36	89,671.75

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
Chief Financial Officer

Sd-
V Murali
Company Secretary

Place : New Delhi
Date : May 20, 2019

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W

Sd-
Devendra Kumar Gupta
Partner
Membership No. 009032

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, 2019

(₹/ Crores)

	Notes	2018-19	2017-18
Revenue			
Revenue From Operations			
Gross Sale of Products	30	295,986.87	243,399.40
Other Operating Revenues	31	1,218.16	862.94
		297,205.03	244,262.34
Other Income	32	1,413.30	1,527.88
Total Revenue		298,618.33	245,790.22
Expenses			
Cost of Materials Consumed	33	69,787.23	51,365.48
Purchases of Stock-in-Trade		180,474.03	142,455.74
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in- Progress	34	(2,224.24)	666.00
Excise Duty		21,731.64	24,752.47
Employee Benefits Expense	35	2,972.81	2,892.57
Finance Costs	36	785.64	617.88
Depreciation & Amortization Expense	3&5	3,085.30	2,834.40
Other Expenses	37	12,896.45	11,417.13
Total Expenses		289,508.86	237,001.67
Profit before share in profit of Joint Ventures and Associates and Tax		9,109.47	8,788.55
Share in Profit of Joint Ventures and Associates		929.73	1,321.59
Profit before Exceptional Items and Tax		10,039.20	10,110.14
Exceptional Items		-	-
Profit Before Tax		10,039.20	10,110.14
Tax expense:			
Current tax		2,727.65	2,570.98
Deferred tax		600.52	466.57
Provision for tax for earlier years written back (net)		20.40	(145.69)
Total Tax Expenses		3,348.57	2,891.86
Profit / (loss) for the year		6,690.63	7,218.28
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Re-measurements of the defined benefit plans		24.28	86.58
Fair value changes on Equity Instruments through other comprehensive income		(80.15)	(18.88)
Share in Other comprehensive Income of Joint Ventures and Associates		(3.16)	0.47
Income tax relating to items that will not be reclassified to profit or loss		(8.52)	(29.99)
		(67.55)	38.18
Items that will be reclassified to profit or loss:			
Foreign Currency Translation Reserve		(19.05)	(1.54)
		(19.05)	(1.54)
Other Comprehensive Income for the year (net of tax)		(86.60)	36.64
Total Comprehensive Income for the year (net of tax)		6,604.03	7,254.92
Earnings per share [Basic & Diluted earnings per share (₹)]	43	43.91	47.37

1 & 2

Significant Accounting Policies**Significant Accounting Policies and Notes forming part of accounts are integral part of the Financial Statements****FOR AND ON BEHALF OF THE BOARD**

Sd-
Mukesh Kumar Surana
 Chairman & Managing Director
 DIN - 07464675

Sd-
R Kesavan
 Chief Financial Officer

Sd-
V Murali
 Company Secretary

Place : New Delhi
 Date : May 20, 2019

For R. Devendra Kumar & Associates
 Chartered Accountants
 FRN - 114207W
 Sd-
Devendra Kumar Gupta
 Partner
 Membership No. 009032

For M. P Chitale & Co.
 Chartered Accountants
 FRN - 101851W
 Sd-
Anagha Thatte
 Partner
 Membership No. 105525



Statement of Changes in Equity as on 31st March, 2019

A. Statement of Changes in Equity

	No. of Shares	Amount (₹ / Crores)
Balance as on 31st March 2017	1,01,58,81,750	1,016.27
Changes in Equity Share Capital	50,79,40,875	507.94
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

B. Other equity

(₹ / Crores)

Particulars	Reserves & Surplus							Other Equity		Total Equity
	Retained Earnings	Share Premium Account	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Capital Reserve	Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	Equity Instruments thru OCI	Foreign Currency Translation Reserve	
Balance as on 31st March 2017	17,415.73	476.52	1.56	265.13	1,859.17	0.52	(0.44)	33.11	3.86	20,055.16
Profit or Loss for the year	7,218.28	-	-	-	-	-	-	-	-	7,218.28
Other Comprehensive income for the year	57.06	-	-	-	-	-	-	(18.88)	(1.54)	36.64
Total comprehensive income for the year	7,275.34	-	-	-	-	-	-	(18.88)	(1.54)	7,254.92
Interim / Final Dividend	(2,321.29)	-	-	-	-	-	-	-	-	(2,321.29)
Dividend Distribution Tax (DDT)	(472.55)	-	-	-	-	-	-	-	-	(472.55)
Transfers / Additions (Net of amortisation)	75.78	-	-	(75.78)	-	0.13	(0.20)	-	-	(0.07)
Issuance of Bonus shares (1 equity shares for 2 existing shares)	-	(476.52)	-	-	(31.42)	-	-	-	-	(507.94)
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 or Loss for the year	6,690.63	-	-	-	-	-	-	-	-	6,690.63
Other comprehensive income for the year	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

Notes:

General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Share Premium Account: Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by the Companies Act, 2013.

Debenture Redemption Reserve : Debenture redemption reserve represents amounts set aside by the Group for future redemption of debentures.



Statement of Changes in Equity as on 31st March, 2019

Foreign Currency Monetary Item Translation Difference Account (FCMITDA) : Reserve recognised on account of translation of long term foreign currency denominated borrowings related to non - depreciable Property, Plant & Equipment. Amounts recognised as a part of such reserve is recognised in the statement of profit or loss over remaining maturity of related borrowing.

Retained Earnings : The balance held in this reserve is the accumulated retained profits and is permitted to be distributed to shareholders as part of dividend.

Equity Instruments through OCI : The Group has chosen to recognise the changes in the value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through OCI reserve.

Capital Redemption Reserve : Capital Redemption Reserve was created on redemption of preference share capital during earlier financial years

Capital Reserve : Capital reserve is created on account of consolidation.

Foreign Currency Translation Reserve : Reserve created on account of translation of financial statements of foreign operations of PPIPL & HMEFZCO.

FOR AND ON BEHALF OF THE BOARD

Sd-
Mukesh Kumar Surana
Chairman & Managing Director
DIN - 07464675

Sd-
R Kesavan
Chief Financial Officer

Sd-
V Murali
Company Secretary

Place : New Delhi
Date : May 20, 2019

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W

Sd-
Devendra Kumar Gupta
Partner
Membership No. 009032

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, 2019

(₹ / Crores)

	2018-19	2017-18
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before Tax & Extraordinary Items	10,039.20	10,110.14
Adjustments to reconcile profit before tax to net cash used in operating activities:		
Depreciation/ impairment on Property, Plant and Equipment & Intangible Assets	3,085.31	2,834.40
Interest income from HBL Preference Shares	-	-
(Gain)/loss on sale of property, plant and equipment	(8.58)	4.55
Gain / (Loss) on Remeasurement of Defined benefit plans	15.76	56.60
Amortisation of Foreign Currency Monetary Item Translation Difference	4.31	0.36
Amortisation of Capital Grant	(0.80)	(4.57)
Amortisation of Lease premium	1.20	1.19
Spares Written off	1.95	0.57
Impairment in Value of Investments	-	-
Fair value gain/(Loss) on Current Investments carried at fair value through Profit or Loss	(84.39)	25.09
(Profit)/Loss on Sale of Current Investment	-	60.24
Finance Costs	785.65	617.87
Translation of foreign operations	(19.05)	-
Un-realised Exchange Rate Difference	392.83	10.12
Provision for Doubtful Debts & Receivables	163.06	51.45
Bad Debts written off	15.17	49.86
Interest Income on current Investments	(374.76)	(370.99)
Share of Profit from Petroleum India International	(0.02)	0.02
Dividend Received	(25.41)	(33.44)
Share of Profit from Associate and Joint Venture companies	(929.73)	(1,321.59)
Operating Profit before Changes in Assets and Liabilities {Sub Total - (i)}	13,061.70	12,091.87
(Increase) / Decrease in Assets and Liabilities :		
Trade Receivables	(130.17)	(1,513.75)
Loans and Advances and Other Assets	(5,748.11)	(1,772.55)
Inventories	(1,833.35)	16.37
Liabilities and Other Payables	5,286.25	4,212.27
Sub Total - (ii)	(2,425.38)	942.34
Cash Generated from Operations (i) + (ii)	10,636.32	13,034.21
Less : Direct Taxes (paid) - Net	2,082.29	1,997.00
Net Cash from Operating Activities (A)	8,554.03	11,037.21
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment (including Capital Work in Progress / excluding interest capitalised)	(11,338.02)	(6,715.36)
Sale of Property, Plant & Equipment	71.34	12.41
Purchase of Investments (Including share application money pending allotment/Advance towards Equity)	(734.65)	(1,642.29)
Fixed Deposit (Earmarked for project purpose from Foreign Currency Bonds proceeds)	-	(1,150.00)
Sale Proceeds of current investments	-	1,375.26
Interest received	386.44	369.47
Dividend received from Associate and Joint Venture companies	207.74	319.11
Dividend received - others	25.41	33.44
Net Cash Flow generated from / (used in) Investing Activities (B)	(11,381.74)	(7,397.96)



Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ / Crores)

	2018-19	2017-18
C. Cash Flow From Financing Activities		
Long term Loans raised	4,090.44	6,440.69
Long term Loans repaid	(1,557.95)	(6,720.79)
Short Term Loans raised / (repaid)	2,566.70	(844.58)
Capital Grant Received	-	1.75
Finance Cost paid	(847.64)	(508.13)
Dividend paid (including dividend distribution tax)	(1,653.34)	(2,791.90)
Net Cash Flow generated from / (used in) Financing Activities (C)	2,598.21	(4,422.96)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(229.50)	(783.71)
Cash and cash equivalents at the beginning of the year	(2,435.94)	(1,652.23)
Cash and cash equivalents at the end of the year	(2,665.44)	(2,435.94)
Details of cash and cash equivalents at the end of the year:		
Cash and cash equivalents as on	31.03.2019	31.03.2018
Balances with Banks:		
on current accounts	72.86	21.81
on non-operative current accounts	0.01	0.01
Cheques, drafts on hand	0.01	0.00
Cash on hand	8.74	7.98
Balances with other banks	117.12	91.72
Less : Cash Credit	(2,864.18)	(2,557.46)
Cash and cash equivalents at the end of the year	(2,665.44)	(2,435.94)

FOR AND ON BEHALF OF THE BOARD

Sd-
Mukesh Kumar Surana
Chairman & Managing Director
DIN - 07464675

Sd-
R Kesavan
Chief Financial Officer

Sd-
V Murali
Company Secretary

Place : New Delhi
Date : May 20, 2019

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W
Sd-
Devendra Kumar Gupta
Partner
Membership No. 009032

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, 2019

Corporate Overview

Hindustan Petroleum Corporation Limited referred to as “HPCL” or “the Corporation” was incorporated on 5th July, 1952. HPCL is a Government of India Enterprise listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, with ONGC holding 51.11% of Equity Shares w.e.f. 31st January, 2018. The Group (Comprising the Corporation, its subsidiaries, Joint venture entities and associates) is mainly engaged, primarily in the business of refining of crude oil and marketing of petroleum products, production of hydrocarbons as well as providing services for management of E&P Blocks.

Authorization of Financial Statements

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 20th May 2019.

1. Basis of Preparation

1.1 The Consolidated Financial Statements (CFS) relates to parent company, Hindustan Petroleum Corporation Limited (HPCL), its subsidiary companies, associates and its interest in Joint Ventures, in the form of jointly controlled entities (collectively referred to as the “Group”).

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant Provisions of Companies Act, 2013 and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis except for certain assets and liabilities measured at fair value.

The Group’s presentation currency is INR, which is also the functional currency of the Corporation. All values are rounded to the nearest crores (₹ Crores), except where otherwise indicated.

Use of judgements, estimates & assumptions

While preparing financial statements in conformity with Ind AS, we make certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. We continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Assessment of functional currency;
- Financial instruments;
- Useful lives of property, plant and equipment and intangible assets;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Assets and obligations relating to employee benefits;
- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies.

In particular, these CFS are prepared in accordance with Indian Accounting Standards on “Consolidated Financial Statements” (Ind AS 110), “Joint Arrangements” (Ind AS 111) and “Investments in Associates and Joint Ventures” (Ind AS 28) notified under Companies (Indian Accounting Standards) Rules, 2015.

1.2 Principles of Consolidation

The CFS are prepared, as far as possible, using uniform significant accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as HPCL’s separate financial statements.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

The Financial Statements of HPCL and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, the intra group balance and intra group transactions and unrealised profits or losses resulting from intra group transactions are fully eliminated.

The financial statements of Joint Ventures and associates have been consolidated using equity method whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income after eliminating unrealized profits or losses.

Figures pertaining to the Subsidiary Companies/Joint Ventures/ Associates have been reclassified, wherever necessary, to conform to the parent company, HPCL's Financial Statements.

1.3 Companies included in Consolidation

The CFS comprise the Audited Financial Statements (except as mentioned otherwise) of HPCL, its Subsidiaries, Joint ventures and Associates for the year ended 31st March 2019, which are as under;

Name of the Company	Country of Incorporation	HPCL's Ownership Interest	
		31.03.2019	31.03.2018
(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)	India	26.00%	26.00%
Petronet India Ltd. (PIL) (refer note no 1.3.6)	India	16.00%	16.00%
Petronet MHB Ltd. (PMHBL)	India	32.72%	32.72%
Aavantika Gas Ltd. (AGL)	India	49.99%	49.98%
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. HPOIL Gas Pvt Ltd. (HOGPL) (refer note no. 1.3.3)	India	25.00%	25.00%
	India	50.00%	-
(iii) Associates			
Mangalore Refinery and Petrochemicals Ltd. (MRPL) (refer note no 1.3.2)	India	16.96%	16.96%
GSPL India Gasnet Ltd. (GIGL)	India	11.00%	11.00%
GSPL India Transco Ltd. (GITL)	India	11.00%	11.00%



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

- 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 ventures 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:
- a) HPOIL Gas Pvt. Ltd. was incorporated on 30th November 2018 with Oil India Ltd. (OIL) and Hindustan Petroleum Corporation Ltd (HPCL) holding equity in the ratio 50%: 50%.
 - b) Petronet India Ltd. in which HPCL holds 16% stake has commenced voluntary winding up on 30th August 2018.
- 1.3.4 As of 31st March 2014, paid up equity capital of BGL was ₹ 5 lacs, in which HPCL and GAIL were holding 24.99% each. Balance 50.02% of shares were held by Kakinada Seaports Ltd (KSPL) on warehousing basis. In addition, each one of HPCL and GAIL had paid ₹ 22.49 crores as Advance against Equity / Share application money (totalling to ₹ 44.98 crores) in earlier years. On 20th August 2014, BGL allotted 2,24,87,500 shares on preferential basis to each of HPCL and GAIL towards the money paid earlier. Meanwhile there are certain issues pending adjudication with another shareholder. Accordingly, keeping in view financial prudence, HPCL's share has been considered at 24.99% (considered as 24.99% in F.Y. 2017-18).
- 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.

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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

- 2.1.4. Expenditure during construction period: Direct expenses incurred during construction period on capital projects are capitalised.
- 2.1.5. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Corporation.
- 2.1.6. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.
- 2.1.7. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal; or when the Property, Plant Equipment has been re-classified as ready for disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.
- 2.1.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes are accounted for as a change in accounting estimates on a prospective basis.
- 2.1.9. The Corporation has chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.2. Depreciation / amortization

- 2.2.1. Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II except for the following which are based on internal technical assessment:

Plant and Machinery relating to Retail Outlets (other than Storage tanks and related equipment)	15 years
Cavern Structure	60 years
LPG cylinders & regulators (excluding cylinders held for sale)	15 years

- 2.2.2. The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components is assessed by considering historical experience, internal technical inputs and any other relevant factor.
- 2.2.3. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators (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.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

- 2.3.3. In cases where, the Corporation has constructed assets and the Corporation has only a preferential right to use, these assets are classified as intangible assets and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.
- 2.3.4. The useful lives of intangible assets are assessed as either finite or indefinite.
- 2.3.5. Intangible assets with finite lives are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the statement of Profit & Loss.
- 2.3.6. Intangible assets with indefinite useful lives, such as 'right of way' which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.
- 2.3.7. Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets.
- 2.3.8. Estimated lives of intangible assets (acquired) are as follows:
- Software: 2 to 4 years
 - Technical know-how/license fees: 2 to 10 years
 - Right to use – wind mills: 22 years
- 2.3.9. The Corporation has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e., 1st April 2015 as deemed cost.

2.4. Borrowing Cost

- 2.4.1. Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange rate variation to the extent regarded as an adjustment to interest cost.
- 2.4.2. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for intended use. All other borrowing costs are expensed in the period in which they are incurred.

2.5. Non-currents assets held for sale

- 2.5.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.
- 2.5.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.
- 2.5.3. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

2.6. Leases

2.6.1. Finance Lease

Lease arrangements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Lease arrangements in respect of land for lease period above threshold limit are classified as a finance lease



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

2.6.2. Operating Lease

Lease arrangements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received / lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

2.7. Impairment of Non-Financial Assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of assets of cash generating unit (CGU) exceeds their recoverable amount.

2.8. Inventories

2.8.1. Valuation of inventories (including in transit) of different categories is as under: -

- a) Crude oil is valued at cost on First in First Out (FIFO) basis or at net realisable value, whichever is lower. Crude oil is not written down below cost except in cases where their prices have declined subsequently and it is estimated that the cost of the finished goods will exceed their net realisable value.
- b) Raw materials for lubricants are valued at weighted average cost or at net realisable value, whichever is lower.
- c) Stock-in process is valued at raw material cost plus cost of conversion or at net realisable value, whichever is lower.
- d) Finished products other than Lubricants are valued at cost (on FIFO basis month-wise) or at net realisable value, whichever is lower.
- e) Finished products (lubricants) are valued at weighted average cost or at net realisable value, whichever is lower.
- f) Empty packages are valued at weighted average cost.
- g) Stores and spares which do not meet the recognition criteria under Property, Plant and Equipment are valued at weighted average cost. Surplus, obsolete and slow moving stores and spares, if any, are valued at cost or net realizable value whichever is lower. Surplus items, when transferred from completed projects are valued at cost / estimated value, pending periodic assessment / ascertainment of condition. Stores and Spares in transit are valued at cost.

2.8.2. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

2.8.3. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on applicable duty.

2.8.4. The net realisable value of finished goods and stock in trade are final selling prices for sales to oil marketing companies and depot prices applicable to the locations. For the purpose of stock valuation, the proportion of sales to oil marketing companies and consumer sales are determined on location wise and product wise sales of subsequent period.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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 Liquefied Petroleum Gas (LPG) and Superior Kerosene Oil (SKO), from Government of India, are booked on in-principle acceptance thereof on the basis of available instructions / clarifications, subject to final adjustments as stipulated.

2.9.2 Interest income is recognised taking into account the amount outstanding and the applicable effective interest rate.

2.9.3 Dividend is recognised when right to receive the payment is established.

2.10. Accounting / classification of expenditure and income

2.10.1. Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively.

2.10.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

2.10.3. Insurance claims are accounted on acceptance basis.

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

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

2.11. Employee benefits

2.11.1. Short-term employee benefit

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

2.11.2. Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plans are expensed in the Statement of Profit & Loss of the year in which the related services are rendered by the employees.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

as at FVOCI or FVTPL. The Corporation makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

Equity instruments included within the FVTPL category are measured at fair value with all fair value changes being recognized in the Statement of Profit and Loss.

2.18.3. Impairment of financial assets

In accordance with Ind-AS 109, the Corporation applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date.

2.19. Financial Liabilities

2.19.1. Initial recognition and measurement

All financial liabilities (not measured subsequently at fair value through profit or loss) are recognised initially at fair value net of transaction costs that are directly attributable to the respective financial liabilities.

2.19.2. Subsequent measurement

The Corporation classifies all financial liabilities as subsequently measured at amortised cost by using the Effective Interest Rate Method ("EIR") and such amortisation is recognised in the Statement of Profit and Loss.

2.20. Financial guarantees

Financial guarantee contracts are recognised initially at fair value. Subsequently on each reporting date, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

2.21. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at each measurement date at fair value with the fair value changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.22. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.23. Taxes on Income

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

2.23.2. Deferred tax liability/asset on account of temporary difference is recognised using tax rates and tax laws enacted or substantively enacted as 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.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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.



Notes to the Consolidated Financial Statements as at 31st March, 2019

3: Property, Plant and Equipments

The following are the carrying values of Property, Plant & Equipment:

(₹ / Crores)											
Particulars	Land - Free-hold	Lease-hold Property - Land	Buildings	Plant & Equip-ment	Furni-ture & Fixtures	Transport Equip-ment	Office Equip-ment	Roads and Cul-verts	Railway Siding & Rolling Stock	E&P Assets	Total
Gross Block											
As on 01.04.2018	894.25	65.07	5,430.22	33,883.62	202.13	101.61	2,343.80	2,553.88	312.14	574.78	46,361.50
Additions/ Reclassifications	54.06	11.24	671.96	4,052.60	46.36	29.45	654.77	431.79	93.59	34.33	6,080.15
Deductions/ Reclassifications	0.05	-	6.79	155.11	8.87	0.65	19.02	1.41	0.22	-	192.12
As on 31.03.2019	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
Depreciation/ Amortisation											
As on 01.04.2018	-	0.21	411.89	5,244.75	59.34	35.43	924.90	976.73	65.36	417.21	8,135.82
For the year	-	0.24	173.73	2,096.22	24.94	13.08	342.08	331.26	26.66	33.46	3,041.67
Deductions/ Reclassifications	-	-	0.47	98.47	4.43	0.43	17.23	0.63	0.15	(25.22)	96.59
As on 31.03.2019	-	0.45	585.15	7,242.50	79.85	48.08	1,249.75	1,307.36	91.87	475.89	11,080.90
Net Block as on 01.04.2018	894.25	64.86	5,018.33	28,638.87	142.79	66.18	1,418.90	1,577.15	246.78	157.57	38,225.68
Net Block as on 31.03.2019	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

Notes:

- Includes assets costing ₹ 0.007 crores /- (31.03.2018 : ₹ 0.007 crores) of erstwhile Kosan Gas Company not handed over to the Group. In case of these assets, Kosan Gas Company was to give up their claim. However, in view of the tenancy right sought by third party, the matter is under litigation.
- Includes ₹ 519.31 Crores (31.03.2018: ₹ 501.45 Crores) towards Building, Other Machinery, Pipelines, Railway Sidings, Right of Way etc. being the Group's Share of Cost of Land & Other Assets jointly owned with other companies.
- Includes ₹ 32.39 Crores (31.03.2018 : ₹ 35.23 Crores) towards Roads & Culverts, Transformers & Transmission lines, Rail-way Sidings & Rolling Stock, ownership of which does not vest with the Group. The Group is having operational control over such assets. These assets are amortized at the rate of depreciation specified in Schedule II of Companies Act, 2013.
- a) Includes following assets which are used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against which financial assistance was provided by OIDB:

Description	Original Cost (₹ / Crores)	
	31.03.2019	31.03.2018
Roads & culverts	0.13	0.13
Buildings	1.62	1.62
Plant & Equipment	2.37	2.49
Total	4.12	4.24

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

Description	Original Cost (₹ / Crores)	
	31.03.2019	31.03.2018
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

- Deduction/ reclassification includes assets of ₹ 8.24 crores (31.03.2018 : ₹ 3.49 crores) for which management has given consent for disposal & hence classified as Assets held for sale.
- Leasehold Land includes ₹ 27.57 Crores (31.03.2018: ₹ 27.57 Crores) for land acquired on lease-cum-sale basis from Karnataka Industrial Area Development Board (KIADB) which is capitalized without being amortised over the period of lease. Lease shall be converted into Sale on fulfilment of certain terms and conditions, as per allotment letter.
- In accordance with Para 7AA of Ind AS 21 read with Para D13AA of Ind AS 101, the Group has adjusted the exchange differences arising on long term foreign currency monetary items to the cost of assets and depreciated over the balance useful life of the assets.

Notes to the Consolidated Financial Statements as at 31st March, 2019

8. The Group has considered the ISBL (Inside boundary Limit) pipeline directly associated as an integral part of Plant and Machinery / Tanks and has depreciated such pipelines based on the useful life of respective plants, which is considered as 25 years in line with the Schedule II of the Companies Act, 2013.
9. Includes assets having Net block of ₹ 1.30 crores (31.03.2018: ₹ 1.39 crores) towards Plant & Equipment, Buildings & Roads, where Infrastructure Facilities were provided at Railway Premises. However, No sales transactions were entered into during current financial year with such customers.
10. On the basis of the information to the extent compiled by the Group pending the reconciliation of the available records, title/lease deeds for free hold/lease hold lands are not available with the Group in the case of 6 properties costing ₹ 0.30 crores and in the case of 19 properties costing ₹ 2.49 crores, property tax receipts are held by the Group. The data relating to lease deeds pending registration and refundable security deposit is under compilation and reconciliation.
11. The process of capitalization including CWIP in respect of Property, Plant and Equipment is under continuous review and updations, wherever required are being carried out on a regular basis.

		(₹/ Crores)	
		31.03.2019	31.03.2018
4: Capital Work-in-Progress			
Unallocated Capital Expenditure and Materials at Site		8,628.89	3,620.92
Capital Stores lying with Contractors		42.17	14.44
Capital goods in transit		206.18	49.19
A		8,877.24	3,684.55
Construction period expenses pending apportionment (Net of recovery):			
Opening balance		304.47	165.76
Add: Expenditure during the year			
Establishment charges including Salaries & Wages		200.07	115.78
Interest		233.50	92.35
Loss / (gain) on foreign currency transactions and translations		224.22	5.02
Others		0.02	0.03
		962.28	378.94
Less: Allocated to assets capitalised during the year / charged off		343.61	74.47
Closing balance pending allocation	B	618.67	304.47
	A + B	9,495.91	3,989.02

5: Intangible Assets

The following are the carrying values of Intangible Assets:

						(₹/ Crores)
Particulars	Right of Way	Technical / Process Licenses	Software	Wind Energy	Total	
Gross Block						
As on 01.04.2018	209.41	62.20	88.92	188.56	549.09	
Additions/ Reclassifications	27.10	-	19.94	-	47.04	
Deductions/ Reclassifications	-	-	0.13	-	0.13	
As on 31.03.2019	236.51	62.20	108.73	188.56	596.00	
Depreciation/ Amortisation						
As on 01.04.2018	-	25.62	40.05	30.65	96.32	
For the year	-	11.86	21.42	10.35	43.63	
Deductions/ Reclassifications	-	-	0.13	-	0.13	
As on 31.03.2019	-	37.48	61.34	41.00	139.82	
Net Block as on 01.04.2018	209.41	36.58	48.87	157.91	452.77	
Net Block as on 31.03.2019	236.51	24.72	47.39	147.56	456.18	



Notes to the Consolidated Financial Statements as at 31st March, 2019

(₹ / Crores)

	31.03.2019	31.03.2018
5a: Intangible Assets Under Development *		
ONGC onshore marginal fields	1.36	1.36
Discovered Field (Permit T/18P)	19.71	18.57
Yolla Field (License: T/L 1)	1.75	1.58
	22.82	21.51

* Pertains to wholly owned subsidiary Prize Petroleum Company Limited (PPCL)

(₹ / Crores)

	31.03.2019	31.03.2018
6: Investments in Joint Ventures and Associates		
Investments in Equity Instruments		
Associates		
Quoted		
Mangalore Refinery and Petrochemicals Ltd.		
29,71,53,518 (31.03.2018 : 29,71,53,518) Equity Shares of ₹ 10 each fully paid up	1,683.68	1,731.27
Un - Quoted		
GSPL India Transco Ltd		
4,19,10,000 (31.03.2018 : 4,19,10,000) Equity Shares of ₹ 10 each fully paid up	42.77	42.66
GSPL India Gasnet Ltd		
5,08,22,128 (31.03.2018 : 4,25,72,128) Equity Shares of ₹ 10 each fully paid up	48.47	43.29
Joint Ventures		
Un - Quoted		
HPCL Rajasthan Refinery Ltd (refer note 6.1)		
89,04,05,000 (31.03.2018 : 18,87,37,000) Equity Shares of ₹ 10 each fully paid-up	880.05	172.91
HPCL Shapoorji Energy Pvt. Ltd.		
2,40,00,000 (31.03.2018 : 2,00,00,000) Equity Shares of ₹ 10 each fully paid up	22.71	18.82
HPCL-Mittal Energy Ltd. (refer note 6.1)		
3,93,95,55,200 (31.03.2018 : 3,93,95,55,200) Equity Shares of ₹ 10 each fully paid up	5,152.62	4,517.30
Hindustan Colas Pvt. Ltd.		
47,25,000 (31.03.2018 : 47,25,000) Equity Shares of ₹ 10 each fully paid up	148.53	124.89
Petronet India Ltd. (refer note 6.2)		
1,60,00,000 (31.03.2018 : 1,60,00,000) Equity Shares of ₹ 0.10 each fully paid up	0.42	0.44



Notes to the Consolidated Financial Statements as at 31st March, 2019

	(₹ / Crores)	
	31.03.2019	31.03.2018
Petronet MHB Ltd.		
17,95,11,020 (31.03.2018 : 17,95,11,020) Equity Shares of ₹ 10 each fully paid up	261.94	225.40
South Asia LPG Co. Pvt. Ltd.		
5,00,00,000 (31.03.2018 : 5,00,00,000) Equity Shares of ₹ 10 each fully paid up	127.17	127.86
Bhagyanagar Gas Ltd.		
4,36,50,000 (31.03.2018 : 4,36,50,000) Equity Shares of ₹ 10 each fully paid up	145.56	140.77
Aavantika Gas Ltd		
2,95,57,038 (31.03.2018 : 2,95,48,663) Equity Shares of ₹ 10 each fully paid up	98.01	85.01
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.		
4,82,88,750 (31.03.2018 : 4,18,88,750) Equity Shares of ₹ 10 each fully paid up	77.02	53.32
Godavari Gas Pvt Ltd.		
81,90,000 (31.03.2018 : 26,00,000) Equity Shares of ₹ 10 each fully paid up	7.70	2.33
Ratnagiri Refinery & Petrochemical Limited		
2,50,00,000 (31.03.2018 : 2,50,00,000) Equity shares of ₹ 10 each fully paid up	16.27	20.30
HPOIL Gas Pvt. Ltd.		
50,00,000 Equity shares of ₹ 10 each fully paid up	4.77	-
	8,715.69	7,306.57

	(₹ / Crores)	
	31.03.2019	31.03.2018
Disclosure towards Cost / Market Value		
a Aggregate amount of Quoted Investments (Market Value)	2,207.85	3,253.83
b Aggregate amount of Quoted Investments (Cost)	471.68	471.68
c Aggregate amount of Unquoted Investments (Cost)	5,450.27	4,719.32

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 (HRRLL)) are to be excluded. The Company has calculated the limit of 30% investment in joint ventures and wholly owned subsidiaries, by excluding the investments specifically approved by Government of India. As per financial position as on 31st March 2019, the investments in joint ventures and wholly owned subsidiaries are well within 30% limit.

6.2 : Petronet India Ltd. is in the process of voluntary winding up w.e.f. August 30, 2018.



Notes to the Consolidated Financial Statements as at 31st March, 2019

(₹ / Crores)

	31.03.2019	31.03.2018
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 (31.03.2018 : 2,67,50,550) Equity Shares of ₹ 10 each fully paid up	495.82	575.94
Scooters India Ltd. (refer note 7.1)		
10,000 (31.03.2018: 10,000) Equity Shares of ₹ 10 each fully paid up	0.03	0.06
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 Equity shares of ₹ 10 each	0.00	-
Shushrusha Citizen Co-operative Hospital Limited of the face value of ₹ 0.10 lakhs		
100 (31.03.2018 : 100) Equity Shares of ₹ 100/- each fully paid	0.00	0.00
Total Investments in Equity Instruments	495.85	576.00
Investments in Preference Shares carried at fair value through profit or loss		
Others		
Un - Quoted		
Compulsorily Convertible Preference Shares in Start-Ups	2.10	-
Investments in Preference Shares	2.10	-
Investment in Debentures carried at amortized cost		
East India Clinic Ltd.		
- 1/2% Debenture of face value of ₹ 0.15 lakhs	-	0.00
- 5% Debenture of face value of ₹ 0.07 lakhs	-	0.00
Total Investments in Debentures	-	0.00
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 7.2)	0.05	0.05
Total Investments in Structured Entities	0.05	0.05
	498.00	576.05

7.1 : The Group has designated these investment at fair value through other comprehensive income because these investments represent the investments that the Group intends to hold for long-term strategic purposes. No strategic investments were disposed off during the year.

7.2 : Members in Petroleum India International (AOP) : Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd., Engineers India Ltd., Indian Oil Corporation Ltd., Reliance Industries Ltd., Chennai Petroleum Corporation Ltd., Oil and Natural Gas Corporation Limited and Oil India Ltd. The total capital is ₹ 0.55 crores of which share of every member is ₹ 0.05 crores each except share of Indian Oil Corporation Limited is ₹ 0.15 Crore and Bharat Petroleum Corporation Limited is ₹ 0.10 Crores

Notes to the Consolidated Financial Statements as at 31st March, 2019

(₹ / Crores)

	31.03.2019	31.03.2018
Disclosure towards Cost / Market Value		
a. Aggregate amount of Quoted Investments (Market Value)	495.85	576.00
b. Aggregate amount of Quoted Investments (Cost)	561.77	561.77
c. Aggregate amount of Unquoted Investments (Cost)	2.15	0.05
d. Aggregate amount of Provision for Impairment	-	-

(₹ / Crores)

	31.03.2019	31.03.2018
8: Loans		
Secured, considered good		
Employee loans and advances and Interest thereon	326.97	306.14
Unsecured, considered good		
Deposits	101.03	102.22
Other Loans (refer note 8.1)	756.93	303.64
Less: Provision for Impairment	43.50	-
	1,141.43	712.00

8.1: Includes Loan to Pradhan Mantri Ujjwala Yojana (PMUY) customers ₹ 665.44 Crores (31.03.2018: ₹ 267.16 Crores)

(₹ / Crores)

	31.03.2019	31.03.2018
9: Other Financial Assets		
Share application money pending allotment	0.70	-
Bank Deposit with more than 12 months maturity (refer note 9.1)	0.97	2.67
	1.67	2.67

9.1: Earmarked with various authorities

(₹ / Crores)

	31.03.2019	31.03.2018
10: Other Non-Current Assets		
Balances with Excise, Customs, etc.	533.18	513.63
Deposits	68.48	44.09
Advance tax (net of provisions)	205.37	202.99
Capital advances	347.12	158.73
Prepaid Employee Cost	146.15	133.93
Prepaid Lease Rental	779.96	687.85
Others Prepaid Expenses	195.98	94.49
	2,276.24	1,835.71



Notes to the Consolidated Financial Statements as at 31st March, 2019

		(₹ / Crores)	
		31.03.2019	31.03.2018
11:	Inventories		
	Raw materials (Including in transit 31.03.2019 : ₹ 1,182.03 crores; 31.03.2018 : ₹ 1,313.86 Crores)	3,462.25	3,951.88
	Work-in-progress	781.79	740.15
	Finished goods (Including in transit 31.03.2019 : ₹ 150.13 crores ; 31.03.2018 : ₹ 149.51 Crores)	6,995.33	5,955.96
	Stock-in-trade (Including in transit 31.03.2019 : ₹ 1,322.23 crores ;31.03.2018 : ₹ 1,111.11 Crores)	8,713.48	7,570.25
	Stores and spares (Including in transit 31.03.2019 : ₹ 3.73 crores; 31.03.2018 : ₹ 10.67 Crores)	461.94	396.87
	Less : Provision for stores and spares	7.68	9.49
	Packages	36.51	6.61
		20,443.62	18,612.23

- 11.1 The write-down of inventories to net realisable value (net) during the year amounted to ₹ 79.05 crores (31.03.2018 : ₹ 114.35 crores). The write downs and reversal are included in cost of materials consumed, changes in inventories of finished goods and work in progress.

		(₹ / Crores)	
		31.03.2019	31.03.2018
12:	Investments		
	Investments carried at fair value through profit or loss		
	Quoted - Government Securities		
	6.90% Oil Marketing Companies' GOI Special Bonds, 17,36,36,000 (31.03.2018:17,36,36,000) ₹ 100 each face value	1,672.47	1,643.84
	8.00% Oil Marketing Companies' GOI Special Bonds, 24,41,000 (31.03.2018 : 24,41,000) ₹100 each face value	24.94	24.68
	8.20% Oil Marketing Companies' GOI Special Bonds, 1,23,49,000 (31.03.2018 : 1,23,49,000) ₹ 100 each face value	127.53	126.51
	6.35% Oil Marketing Companies' GOI Special Bonds, 18,32,33,000 (31.03.2018 : 18,32,33,000) ₹ 100 each face value	1,735.59	1,699.61
	7.59% Government of India, G - Sec Bonds, 1,85,00,000 (31.03.2018 : 1,85,00,000) ₹ 100 each face value (refer note 12.1)	187.87	184.63
	7.72% Government of India, G - Sec Bonds, 8,36,00,000 (31.03.2018 : 8,36,00,000) ₹ 100 each face value (refer note 12.1)	858.40	848.84
	8.33% Government of India, G - Sec Bonds, 1,80,00,000 (31.03.2018 : 1,80,00,000) ₹ 100 each face value (refer note 12.1)	189.72	187.41
	8.15% Government of India, G - Sec Bonds, 2,75,00,000 (31.03.2018 : 2,75,00,000) ₹ 100 each face value (refer note 12.1)	287.24	283.86
		5,083.76	4,999.38

Notes to the Consolidated Financial Statements as at 31st March, 2019

- 12.1: 7.59 % G - Sec Bonds 2026 of ₹ 185 Crores, 8.15 % G - Sec Bonds 2026 of ₹ 275 Crores, 8.33 % G - Sec Bonds 2026 of ₹ 180 Crores and 7.72 % G - Sec Bonds 2025 of ₹ 836 Crores are pledged with Clearing Corporation of India Limited against Triparty Repo Dealing System (previously known as CBLO) Loan.

(₹ / Crores)

	31.03.2019	31.03.2018
Disclosure towards Cost / Market Value		
a. Aggregate amount of Quoted Investments (Market Value)	5,083.76	4,999.38
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	-	-

(₹ / Crores)

	31.03.2019	31.03.2018
13: Trade Receivables		
Unsecured, considered good	5,676.12	5,597.12
Doubtful	158.45	123.05
Less: Allowances for Bad and Doubtful Debts	158.45	123.05
Less: Impairment Provision (Expected Credit Loss Model)	8.69	10.10
	5,667.43	5,587.02

(₹ / Crores)

	31.03.2019	31.03.2018
14: Cash and Cash Equivalents		
Balances with Scheduled Banks:		
- on Current Accounts	72.86	21.81
- on Non-Operative Current Accounts	0.01	0.01
Cheques awaiting deposit	0.01	0.00
Cash on hand	8.74	7.98
Fixed Deposits with original maturity less than 3 months	117.12	91.72
	198.74	121.52

(₹ / Crores)

	31.03.2019	31.03.2018
15: Bank Balances other than cash and cash equivalents		
Earmarked balances with banks	16.34	17.08
Fixed Deposits with 3 - 12 months maturity (refer note 15.1)	3.42	1,151.05
	19.76	1,168.13

- 15.1: Includes ₹ 3.42 Crores (31.03.2018 : ₹ 1,150 crores), Earmarked for project purposes / with various authorities



Notes to the Consolidated Financial Statements as at 31st March, 2019

	(₹ / Crores)	
	31.03.2019	31.03.2018
16: Loans		
Secured, considered good		
Employee loans and advances and Interest thereon	32.62	31.10
Unsecured, considered good		
Deposits	0.03	0.03
Other Loans (refer note 16.1)	882.38	299.91
Less: Provision for Impairment	64.20	-
	850.83	331.04

16.1: Includes Loan given to Pradhan Mantri Ujjwala Yojana (PMUY) consumers of ₹ 798.53 Crores (31.03.2018 : ₹ 267.16 Crores)

	(₹ / Crores)	
	31.03.2019	31.03.2018
17: Other Financial Assets		
Amounts recoverable under subsidy schemes	821.33	527.01
Share application money pending allotment	-	-
Interest accrued on Investments	93.54	101.03
Derivative Assets	107.58	92.09
Delayed payment charges receivable from customers	370.92	285.90
Less : Provision for doubtful delayed payment charges receivable	119.30	97.89
Receivables from Govt of India towards Pradhan Mantri Ujjwala Yojana (PMUY)	1,070.92	259.82
Less: Provision for doubtful receivables	64.29	64.29
Receivables from Govt of India towards Direct Benefit Transfer of LPG (DBTL)	7,049.63	3,188.28
Balance with LIC	964.97	892.25
Other Receivables	232.07	210.27
Less : Provision for doubtful other receivables	11.38	11.51
	10,515.99	5,382.96

	(₹ / Crores)	
	31.03.2019	31.03.2018
18: Other Current Assets		
Advance recoverable other than cash	3.29	24.26
Balances with Excise, Customs, etc.	219.75	21.20
Prepaid Employee Cost	13.99	14.68
Prepaid Lease Rental	46.01	42.22
Other Prepaid Expenses	308.95	107.23
Gold Coins in Hand	5.83	5.83
Other Current Assets	78.91	111.89
	676.73	327.31



Notes to the Consolidated Financial Statements as at 31st March, 2019

(₹ / Crores)

	31.03.2019	31.03.2018
19: Equity Share capital		
A. Authorised:		
2,49,92,50,000 (31.03.2018 : 2,49,92,50,000) Equity Shares of ₹ 10/- each	2,499.25	2,499.25
75,000 (31.03.2018 : 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 (31.03.2018 : 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 (31.03.2018 : 1,52,38,22,625) Equity Shares of ₹ 10 each	1,523.82	1,523.82
D. Shares Forfeited:		
7,02,750 (31.03.2018 : 7,02,750) Shares Forfeited (money received)	0.39	0.39
	1,524.21	1,524.21
E. Reconciliation of number of Equity Shares		
	31.03.2019	31.03.2018
Outstanding at the beginning of the year	1,52,38,22,625	1,01,58,81,750
Equity shares allotted as fully paid bonus shares (refer note # H)	-	50,79,40,875
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:

	31.03.2019	
Name of shareholders	% Holding	No. of Shares
Oil and Natural Gas Corporation Limited	51.11	77,88,45,375
	31.03.2018	
Name of shareholders	% 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 2019:

The Corporation had issued Bonus Shares during Financial Year 2017-18, in the ratio of 1:2 (2016-17: 2:1) by capitalization of Reserve. The total number of Bonus Shares issued during Financial Year 2017-18 is 50,79,40,875 (2016-17 : 67,72,54,500) equity shares having face value of ₹ 10 each.



Notes to the Consolidated Financial Statements as at 31st March, 2019

(₹ / Crores)

		31.03.2019	31.03.2018
20: Other Equity			
Capital Redemption Reserve	(i)	1.56	1.56
Share Premium Account	(ii)	-	-
Debenture Redemption Reserve	(iii)	208.60	189.35
Capital Reserve	(iv)	0.71	0.65
Foreign Currency Monetary Item Translation Difference Account	(v)	(2.91)	(0.64)
General Reserve	(vi)	1,827.75	1,827.75
Retained Earnings	(vii)	26,923.39	21,973.01
Equity Instruments through Other Comprehensive Income	(viii)	(65.92)	14.23
Foreign Currency Translation Reserve	(ix)	(16.73)	2.32
		28,876.45	24,008.23
(i) Capital Redemption Reserve			
As per last Balance Sheet		1.56	1.56
(ii) Share Premium Account			
As per last Balance Sheet		-	476.52
Less: Bonus shares issue		-	476.52
		-	-
(iii) Debenture Redemption Reserve (refer note 20.1)			
As per last Balance Sheet		189.35	265.13
Add: Transfer from Retained Earnings		19.25	189.35
Less: Transfer to Retained Earnings		-	265.13
		208.60	189.35
20.1: During the Financial Year 2017 – 18, consequent to repayment of 8.77% Non-Convertible Debentures, Debenture Redemption Reserve created out of Retained Earnings earlier was transferred back to Retained Earnings. Balance in this reserve pertains to proportionate share of reserve created for debentures issued by HPCL Mittal Energy Ltd. and Mangalore Refinery and Petrochemicals Ltd.			
(iv) Capital Reserve			
As per last Balance Sheet		0.65	0.52
Add: Transfer during the year		0.06	0.13
		0.71	0.65

Notes to the Consolidated Financial Statements as at 31st March, 2019

(₹ / Crores)

	31.03.2019	31.03.2018
(v) Foreign Currency Monetary Item Translation Difference Account (refer note 20.2)		
As per last Balance Sheet	(0.64)	(0.44)
Add: Additions during the year	(6.58)	(0.56)
Less: Amortised during the year	(4.31)	(0.36)
	(2.91)	(0.64)
20.2: In accordance with the option exercised by the Group, balance appearing in "Foreign Currency Monetary Item Translation Difference Account" is related to non-depreciable assets remaining to be amortized over the balance period of loan.		
(vi) General Reserve		
As per last Balance Sheet	1,827.75	1,859.17
Less: Bonus shares issue	-	31.42
	1,827.75	1,827.75
(vii) Retained Earnings		
As per last Balance Sheet	21,973.01	17,415.73
Add : Profit for the year	6,690.63	7,218.28
Add : Transfer from Debenture Redemption Reserve	-	265.13
Less : Profit appropriated to Debenture Redemption Reserve	17.34	189.35
Less : Profit appropriated to Interim / Final Dividend	1,371.44	2,321.29
Less : Profit appropriated to Tax on Distributed Profits	281.90	472.55
Less : Transition impact of Ind AS 115 (net of tax)	82.17	-
Add : Share in Other comprehensive Income of equity accounted investees	(3.16)	0.47
Less : Restatement (Gain) / Loss on Defined Benefit Plans	(15.76)	(56.59)
	26,923.39	21,973.01
(viii) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	14.23	33.11
Add : Additions during the year	(80.15)	(18.88)
	(65.92)	14.23
(ix) Foreign Currency Translation Reserve		
As per last Balance Sheet	2.32	3.86
Add : Additions during the year	(19.05)	(1.54)
	(16.73)	2.32



Notes to the Consolidated Financial Statements as at 31st March, 2019

(₹ / Crores)

	31.03.2019	31.03.2018
21: Borrowings		
Bonds		
Un - secured		
Foreign Currency Bonds (refer note 21.1)	3,446.62	3,246.88
Term loans		
Secured		
Oil Industry Development Board (refer note 21.2)	692.38	188.06
Other Loans (refer note 21.4)	272.26	290.84
Un - secured		
Syndicated Loans from Foreign Banks (repayable in foreign currency) (refer note 21.3)	9,871.60	7,346.82
	14,282.86	11,072.60
Less: Current Maturities of Long Term Borrowings	2,155.06	1,416.66
	12,127.80	9,655.94

21.1 Foreign currency Bonds

Particulars of Bonds	Date of Issue	Date of Repayment
USD 500 million bonds; Interest Rate: 4% p.a. payable at Half Yearly	12th July 2017	12th July 2027

21.2 Term Loans from Oil Industry Development Board

Repayable during	Amount in (₹ / Crores) as on		Range of Interest Rate as on	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
2018-19	-	95.69	7.86%-9.27%	7.86%-9.27%
2019-20	61.19	61.19	7.86%-9.11%	7.86%-9.11%
2020-21	181.19	31.18	7.72%-8.09%	7.72%-8.09%
2021-22	150.00	-	7.72%-8.28%	-
2022-23	150.00	-	7.72%-8.28%	-
2023-24	150.00	-	7.72%-8.28%	-
Total	692.38	188.06		

Security has been created with first charge on the facilities of Vishakh Refinery Modernisation Project (VRMP), Mumbai Refinery Expansion Project (MREP)-1, Awa Salawas Pipeline, Mangalore Hasan Mysore LPG Pipeline, Uran-Chakan / Shikarpur LPG Pipeline & Rewari Project Pipeline. The value of such assets is ₹ 8,087.03 crores (31.03.2018: ₹ 2,247.24 crores). ₹ 61.19 crores (31.03.2018: ₹ 95.69 crores) is repayable within 1 year and the same has been shown as 'Current Maturity of Long Term Borrowings' under Note # 26.



Notes to the Consolidated Financial Statements as at 31st March, 2019

21.3 Syndicated Loans from Foreign Banks (repayable in foreign currency) With respect to Loan taken by Hindustan Petroleum Corporation Ltd.

The Corporation has availed Long Term Foreign Currency Syndicated Loans from banks at 3 months floating LIBOR plus spread (spread range: 30 to 155 basis point p.a.). These loans are taken for the period up to 5 years. ₹ 2,068.18 Crores (31.03.2018: ₹ 1,302.23 crores) is repayable within 1 year and the same has been shown as "Current Maturity of Long Term Borrowings" under Note # 26

With respect to Loan taken by Prize Petroleum International Pte Ltd.

The secured bank loan bears interest at 1.2% + 6-month LIBOR per annum (2017-18 : 1.2% + 6-month LIBOR per annum), which ranged from 3.64% to 3.97% p.a. (2017-18 : from 2.43% to 2.76% p.a.). The bank loan is repayable on the 7th anniversary of the utilization date on 28th October 2023.

21.4 Other Loans

With respect to Loan taken by HPCL Biofuels Ltd. (HBL)

Government Of Bihar Soft Loan of ₹ 16.48 crores availed through SBI during F.Y.15-16 with interest subvention to the extent of 10%. Four Installments amounting to ₹ 3.30 crores was paid during F.Y. 2018-19 (P.Y.17-18 – ₹ 3.30 crores). The Balance of GoB Soft Loan as on 31.03.2019 was ₹ 6.57 crores (₹ 9.86 crores as on 31.03.2018). Term Loan of ₹ 308.80 crores was availed through SBI during F.Y. 2014-15. Four installments amounting to ₹ 15.44 crores was paid during the current F.Y. 2018-19 (P.Y. 2017-18 – ₹ 15.44 crores). The Balance of Term loan as on 31.03.2019 was ₹ 265.69 crores (₹ 280.99 crores as on 31.03.2018). The term loan as well as the soft loans under GOI and GOB schemes are secured by equitable mortgage of Land, Building & Fixed Assets. Working capital loan is from State Bank of India with interest @ one year MCLR + 0.35% fixed spread, and the limit is ₹ 125.00 crores. The working capital loan is secured by hypothecation of Stocks & Debtors of the company. The Working Capital Loan balance as on 31.03.2019 was ₹ 115.57 crores (₹ 117.24 crores as on 31.03.2018).

		(₹ / Crores)	
		31.03.2019	31.03.2018
22: Other Financial Liabilities			
Other Liabilities		0.51	0.47
		0.51	0.47

		(₹ / Crores)	
		31.03.2019	31.03.2018
23: Provisions			
Provision for employee benefits		58.33	79.20
Others		0.08	0.07
		58.41	79.27

		(₹ / Crores)	
		31.03.2019	31.03.2018
24: Other Non-Current Liabilities			
Capital Grant		16.12	19.04
Other liabilities		136.83	16.81
		152.95	35.85



Notes to the Consolidated Financial Statements as at 31st March, 2019

(₹ / Crores)

	31.03.2019	31.03.2018
25: Borrowings		
Loans repayable on demand		
Secured		
from banks		
Cash Credit (Secured by hypothecation of Inventories in favour of Banks on pari passu basis)	2,864.18	2,557.46
from other parties		
Triparty Repo Dealing System Loan (refer Note 25.1)	1,389.73	1,489.47
Un-secured		
from banks		
Clean Loans	3,500.00	2,600.00
Short term loans	3,866.04	2,737.56
from other parties		
Commercial papers	2,288.73	1,494.93
	13,908.68	10,879.42

25.1 : 7.59 % G - Sec Bonds 2026 of ₹ 185 Crores, 8.15 % G - Sec Bonds 2026 of ₹ 275 Crores, 8.33 % G - Sec Bonds 2026 of ₹ 180 Crores and 7.72 % G - Sec Bonds 2025 of ₹ 836 Crores are pledged with Clearing Corporation of India Limited against Triparty Repo Dealing System (previously known as CBLO) Loan.

(₹ / Crores)

	31.03.2019	31.03.2018
26: Other Financial Liabilities		
Current maturities of Long Term Borrowings (refer note 26.1)	2,155.06	1,416.66
Interest accrued but not due on loans	67.87	54.55
Unpaid Dividend (refer note 26.2)	15.99	16.86
Derivative liability	12.52	19.94
Deposits from Dealers /Consumers/Suppliers (refer note 26.3 & 26.4)	14,451.63	12,416.93
Other Financial Deposits	12.60	11.35
Other Liabilities	898.92	630.92
	17,614.59	14,567.21

26.1 : This includes loans repayable within one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 2,068.18 crores (31.03.2018: ₹ 1,302.23 crores), Loan from Oil Industry and Development Board ₹ 61.19 crores (31.03.2018 : ₹ 95.69 crores) and Other Loans ₹ 25.69 crores (31.03.2018 : ₹ 18.74 crores)

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

26.3 : Includes deposit received towards Rajiv Gandhi Gramin LPG Vitruk Yojana and Prime Minister Ujjwala Yojana of ₹ 2,196.98 crores (31.03.2018: ₹ 1,557.86 crores) The deposits against these schemes have been funded from CSR fund or by Government of India.

26.4: In line with recent EAC opinion, deposits received from customers/dealers largely towards cylinders has been continued to be classified as 'current financial liabilities' in current financial year.

Notes to the Consolidated Financial Statements as at 31st March, 2019

(₹ / Crores)

	31.03.2019	31.03.2018
27: Other Current Liabilities		
Revenue received in advance	913.01	707.44
Capital Grant	3.06	5.03
Statutory Payables	2,621.81	2,752.98
Other Liabilities	156.99	138.50
	3,694.87	3,603.95

(₹ / Crores)

	31.03.2019	31.03.2018
28: Provisions		
Provision for employee benefits	1,211.11	1,640.53
Provisions for probable obligations (refer note 57)	807.86	795.73
	2,018.97	2,436.26

(₹ / Crores)

	31.03.2019	31.03.2018
29: Current Tax Liabilities (Net)		
Provision for tax (net of advance tax)	831.27	296.16
	831.27	296.16



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ / Crores)

	2018-19	2017-18
30: Gross Sale of Products		
Sale of Products	2,94,963.99	2,42,635.52
Recovery under Subsidy Schemes	1,022.88	763.88
	2,95,986.87	2,43,399.40

30.1 : Net of discount of ₹ 2,598.66 crores (2017-18: ₹ 2,229.17 crores).

30.2 : During the current financial year 2018-19, Subsidy on PDS Kerosene and Domestic Subsidized LPG from State Governments amounting to ₹ 55.63 crores (2017-18: ₹ 7.54 crores) has been accounted.

30.3 : The Group has accounted for Budgetary Support amounting to ₹ 957.12 crores (2017-18: ₹ 756.34 crores) under 'Recovery under Subsidy Schemes' towards under recovery on sale of PDS SKO.

(₹ / Crores)

	2018-19	2017-18
31: Other Operating Revenues		
Rent Recoveries	834.89	565.57
Net Recovery for LPG Filling Charges	0.96	1.33
Miscellaneous Operating Income	382.31	296.04
	1,218.16	862.94

(₹ / Crores)

	2018-19	2017-18
32: Other Income		
Interest Income on Financial Assets carried at amortized cost:		
On Deposits	0.53	0.64
On Staff Loans	33.48	29.44
On Customers' Accounts	262.70	197.99
Interest On Current Investments carried at fair value through profit or loss	374.99	370.99
Interest on Other Financial Assets carried at amortized cost	200.87	185.72
	872.57	784.78
Dividend Income from non-current equity instruments at FVOCI	25.41	33.44
Gain on Foreign Currency Transaction and Translation (net)	-	322.39
Fair value gain on Current Investments carried at FVTPL	84.39	-
Profit on Sale of Current Investment	4.61	-
Profit on sale of Property, Plant and Equipment (Net)	8.58	-
Share of Profit / (Loss) from Petroleum India International (AOP)	0.02	(0.02)
Miscellaneous Income	417.72	387.29
	540.73	743.10
	1,413.30	1,527.88



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ / Crores)

	2018-19	2017-18
33: Cost of Materials Consumed		
Cost of Raw Materials Consumed	69,438.00	51,114.77
Packages Consumed	349.23	250.71
	69,787.23	51,365.48

(₹ / Crores)

	2018-19	2017-18
34: Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (Increase)/ Decrease		
Closing 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
Less: Opening Stock:		
Work-in-progress	740.15	443.67
Finished Goods	5,955.96	6,032.39
Stock-in-trade	7,570.25	8,456.30
	14,266.36	14,932.36
	(2,224.24)	666.00

(₹ / Crores)

	2018-19	2017-18
35: Employee Benefits Expense		
Salaries, Wages, Bonus, etc.	2,300.27	2,316.34
Contribution to Provident Fund	151.38	143.79
Pension, Gratuity and Other Employee Benefits	197.33	217.03
Employee Welfare Expenses	323.83	215.41
	2,972.81	2,892.57

(₹ / Crores)

	2018-19	2017-18
36: Finance costs		
Interest	559.16	518.31
Exchange differences regarded as an adjustment to borrowing costs	160.26	41.75
Other borrowing costs (refer note 36.1)	66.22	57.82
	785.64	617.88

36.1 : Includes interest u/s 234B / 234C of Income Tax Act, 1961 for an amount ₹ 39.78 crores (2017-18 : ₹ 10.20 crores).



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ / Crores)

	2018-19	2017-18
37: Other Expenses		
Transportation Expenses	6,161.76	5,863.63
Consumption of Stores, Spares and Chemicals	286.46	250.19
Power and Fuel	3,296.94	2,618.55
Less : Consumption of fuel out of own production	2,775.80	2,259.39
Power and fuel consumed (net)	521.14	359.16
Repairs and Maintenance - Buildings	57.59	49.39
Repairs and Maintenance - Plant and Machinery	1,063.08	934.51
Repairs and Maintenance - Other Assets	417.77	383.07
Insurance	56.20	58.83
Rates and Taxes	134.23	245.05
Irrecoverable Taxes and Other Levies	515.53	454.37
Equipment Hire Charges	2.05	2.62
Lease Rentals on Operating Lease	327.09	371.62
Travelling and Conveyance	239.28	224.55
Printing and Stationery	21.13	19.06
Electricity and Water	874.24	796.67
Corporate Social Responsibility (CSR) Expenses	159.81	156.87
Stores and spares written off	1.95	0.57
Loss on Sale of Current Investment	-	60.24
Fair value Loss on Current Investments carried at FVTPL	-	25.09
Provision for Doubtful Receivables/Loans (After adjusting provision no longer required written back ₹ 0.58 crores, 2017-18: ₹ 2.61 crores)	129.06	82.91
Provision for Doubtful Debts (After adjusting provision no longer required written back ₹ 0.02 crores, 2017-18: ₹ 0.21 crores)	34.00	(31.46)
Bad Debts written off	15.17	49.86
Loss on Disposal / write off of Non - Current Investments	-	0.03
Loss on Sale / write off of Property, Plant and Equipment / CWIP / Non current assets held for sale (Net)	-	4.55
Security Charges	268.25	253.64
Advertisement and Publicity	198.36	169.63
Sundry Expenses and Charges (Not otherwise classified)	762.61	568.02
Consultancy and Technical Services	64.02	53.20
Loss on Foreign Currency Transaction and Translation (net)	580.71	0.72
Exploration Cost	3.78	9.29
Payments to the auditor for:		
- Audit Fees	0.79	0.95
- Other Services	0.25	0.27
- Reimbursement of expenses	0.14	0.03
	12,896.45	11,417.13

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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:

	31.03.2019			31.03.2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
- Investment in Equity Instruments	0.00	495.85		0.00	576.00	
- Investment in Preference Shares	2.10			-		
- Investment in Debt Instruments	5,083.76			4,999.38		
- Others	0.05			0.05		
Loans & Advances						
- Employee Loans			359.59			337.24
- Others			1,632.67			705.80
Trade receivables			5,667.43			5,587.02
Cash and cash equivalents			198.74			121.52
Other Bank Balances			19.76			1,168.13
Derivative Assets	107.58			92.09		
Amounts recoverable under subsidy schemes			821.33			527.01
Others			9,588.75			4,766.53
Total	5,193.49	495.85	18,288.27	5,091.52	576.00	13,213.25
Financial liabilities						
Borrowings						
- Foreign Currency Bonds			3,446.62			3,246.88
- Oil Industry Development Board			692.38			188.06
- Syndicated Loans from Foreign Banks			9,871.60			7,346.82
- Long term loans from banks			272.26			290.84
- Cash Credit			2,864.18			2,557.46
- Short term loans from banks			3,866.04			2,737.56
- Clean Loans			3,500.00			2,600.00
- Triparty Repo Dealing System Loan			1,389.73			1,489.47
- Commercial papers			2,288.73			1,494.93
Trade Payables			19,053.40			15,779.96
Deposits from Consumers			14,451.63			12,416.93
Derivative Liability	12.52			19.94		
Others			995.89			714.15
Total	12.52	-	62,692.46	19.94	-	50,863.06



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

38.B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the Financial Assets and Financial Liabilities that are recognised and measured at fair value and at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, Group has classified its Financial Assets and Financial Liabilities into the three levels prescribed under the accounting standard. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. An explanation of each level is provided under Significant Accounting Policy.

(₹ / Crores)

	31.03.2019			31.03.2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments						
- Investment in Equity Instruments	495.85			576.00		
- Investment in Preference Shares		-			-	
- Investment in Debt Instruments	5,083.76			4,999.38		
- Others		0.05			0.05	
Loans & Advances						
- Employee Loans		359.59			337.24	
Derivative Assets		107.58			92.09	
Total	5,579.61	467.22	-	5,575.38	429.38	-
Financial liabilities						
Borrowings						
- Foreign Currency Bonds		3,393.49			3,125.75	
- Oil Industry Development Board Loan		704.67			190.39	
Derivative Liabilities		12.52			19.94	
Total	-	4,110.68	-	-	3,336.08	-

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.
Commodity derivatives	Fair value of commodity derivative contracts is estimated by determining the difference between the contractual price and the current forward price for the residual maturity of the contract.
Derivative instruments - interest rate swap	Discounted cash flows i.e. Present value of expected receipt/payment.
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

39 : Financial risk management

39.A. Risk management framework

As per Group's Risk Management Charter and Policy 2007, a robust governance structure has been developed and implemented across the organisation in its journey towards risk intelligence. The Risk Management Steering Committee (RMSC) constituted under the Risk Management Charter and Policy 2007, guides and monitors the Risk management process across the organization. Periodical reviews are held to ensure that risks are controlled through a properly defined framework. The Board is appraised about the risk assessment and mitigation procedures. The Enterprise Risk Management (ERM) process is aimed at creating a risk culture wherein 'risk consciousness' is embedded in the decision-making process across the organisation. Technology has been used to integrate and manage the entire process of ERM.

Group has engaged the services of an independent expert to assist in continued implementation of effective Risk Management framework for providing a holistic view of risks and to facilitate more informed decision-making.

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 its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

At 31.03.2019, the Group's most significant customer accounted for ₹ 1,085.54 crores of the trade receivables carrying amount (31.03.2018 : ₹ 1,109.30 crores).

The Group uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

(₹ / Crores)

	31.03.2019			31.03.2018		
	Gross carrying amount	Weighed average loss rate	Loss allowance	Gross carrying amount	Weighed average loss rate	Loss allowance
Past due 0-90 days	5,397.83	0.03%	1.56	5,232.94	0.03%	1.83
Past due 91-360 days	273.20	2.95%	8.07	353.44	0.42%	1.47
More than 360 days	163.54	96.31%	157.51	133.79	97.05%	129.85
	5,834.57		167.14	5,720.17		133.15



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	(₹ / Crores)
Balance as at 01.04.2017	164.77
Add : Impairment loss recognised	15.09
Less : Amounts written off	46.71
Balance as at 31.03.2018	133.15
Add : Impairment loss recognised	45.61
Less : Amounts written off	11.62
Balance as at 31.03.2019	167.14

The amounts written off at each reporting date relates to customers who have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 198.74 crores at March 31, 2019 (March 31, 2018: ₹ 121.52 crores).

The cash and cash equivalents (other than cash on hand) are held with consortium banks. Group invests its surplus funds in bank fixed deposit, Govt of India T-bills and liquid Schemes of Mutual Funds, which carry no mark to market risks for short duration and exposes the Group to low credit risk.

Derivatives

The forex and interest rate derivatives were entered into with banks having an investment grade rating and exposure to counter-parties are closely monitored and kept within the approved limits. Commodity derivatives are entered with reputed Counterparties in the OTC (Over-the-Counter) Market.

Investment in debt securities

Investment in debt securities are in government securities or bonds which do not carry any credit risk, being sovereign in nature.

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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ / Crores)

	Contractual cash flows					
	31.03.2019			31.03.2018		
	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	16,775.73	5,010.78	9,181.93	12,771.02	6,277.82	5,349.83
Trade payables	19,068.65	-	-	15,857.86	-	-
Other financial liabilities	990.94	-	14,452.14	709.41	-	12,416.46
Total	36,835.32	5,010.78	23,634.07	29,338.29	6,277.82	17,766.29
Derivative financial liabilities						
Interest rate swaps	(35.48)	(21.36)	-	(31.88)	(41.93)	-
Commodity contracts (net settled)	48.23	-	-	(19.76)	-	-
Forward exchange contracts (Gross settled)	-	-	-	-	-	-
- Inflows	(2,004.06)	-	-	-	-	-
- Outflows	2,008.90	-	-	-	-	-
Total	17.59	(21.36)	-	(51.64)	(41.93)	-

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 mainly on account of its borrowings and import payables in foreign currency. Our exposures are mainly denominated in U.S. dollars. The Group has used generic derivative contracts to mitigate the risk of changes in foreign currency exchange rates in line with Group's forex risk management policy. The Group has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Group does not uses derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instrument to hedge the foreign exchange risk as of dates:

Category	Instrument	Currency	Cross Currency	31.03.2019	31.03.2018	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	\$ 300.65 mn	-	Buy
				\$ 12.92 mn	-	Sell



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Exposure to currency risk - The currency profile of financial assets and financial liabilities is as below:

(₹ / Crores)

	31.03.2019		31.03.2018	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial assets				
Non-current investments	498.00	-	576.05	-
Current investments	5,083.76	-	4,999.38	-
Long-term loans	1,141.43	-	712.00	-
Short-term loans	850.83	-	331.04	-
Trade receivables	5,488.86	178.57	5,441.93	145.09
Cash and Cash Equivalents	198.74	-	121.52	-
Other Bank Balances	19.76	-	1,168.13	-
Others Non Current Financial Assets	1.67	-	2.67	-
Others Current Financial Assets		-	5,382.96	-
	10,515.99			
Net exposure for assets - A	23,799.04	178.57	18,735.68	145.09

(₹ / Crores)

	31.03.2019		31.03.2018	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial liabilities				
Long term borrowings	964.64	13,318.22	478.90	10,593.70
Short term borrowings	10,042.64	3,866.04	8,141.86	2,737.56
Trade Payables	12,044.02	7,009.38	10,188.62	5,591.34
Other Financial Liabilities	15,460.04	-	13,151.02	-
	38,511.34	24,193.64	31,960.40	18,922.60
Less: Foreign currency forward exchange contracts	-	1,989.92	-	-
Net exposure for liabilities - B	38,511.34	22,203.72	31,960.40	18,922.60
Net exposure (Assets - Liabilities)(A - B)	(14,712.30)	(22,025.15)	(13,224.72)	(18,777.51)

The following exchange rates have been applied during the year:

INR	31.03.2019	31.03.2018
USD 1	69.16	65.18

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Sensitivity analysis:

The table below show sensitivity of open forex exposure to USD/INR movement. We have considered 1% (+/-) change in USD/INR movement, increase indicates appreciation in USD/INR whereas decrease indicates depreciation in USD/INR. The indicative 1% movement is directional and does not reflect management's forecast on currency movement.

Effect in INR	Impact on profit or (loss) due to 1 % increase / decrease in currency (₹ / Crores)			
	Increase	Decrease	Increase	Decrease
	31.03.2019		31.03.2018	
1% movement	1%		1%	
USD	(220.25)	220.25	(187.78)	187.78

39.B.3.2 Interest rate risk :

Group has long-term foreign currency syndicated loans with floating rate, which expose the Group to cash flow interest rate risk. The borrowings at floating rate were denominated in USD. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals (i.e. quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Group monitors the interest rate movement and manages the interest rate risk based on the Group's Forex Risk Management Policy. The Group also has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Group does not uses derivative financial instruments for trading or speculative purposes.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Following is the derivative financial instruments to hedge the interest rate risk as of dates: (₹ / Crores)

Category	Instrument	Currency	Cross Currency	31.03.2019	31.03.2018
Hedges of floating rate foreign currency loans (\$ 500 mn (31.03.2018: \$ 600 mn))	Interest rate swaps	USD	INR	3,458.00	3,910.80

Interest rate risk exposure

Group's interest rate risk arises mainly from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	Carrying amount	
	31.03.2019	31.03.2018
Fixed-rate instruments		
Financial assets	5,267.11	6,293.94
Financial liabilities	14,181.64	11,576.80
Variable-rate instruments		
Financial assets	2,839.93	1,783.92
Financial liabilities	14,009.90	10,375.22



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Impact on Profit or (loss) (₹ / Crores)			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2019		31.03.2018	
Floating rate borrowings	(24.06)	24.06	(17.19)	17.19
Interest rate swaps (notional principal amount)	6.94	(6.94)	8.62	(8.62)
Cash flow sensitivity (net)	(17.12)	17.12	(8.57)	8.57

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)	
	31.03.2019	31.03.2018
Crude/Product Swaps	2.11	3.05

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 (₹ / Crores)			
	10% Increase	10% Decrease	10% Increase	10% Decrease
	31.03.2019		31.03.2018	
Crude/Product Swaps	(13.00)	13.00	(16.27)	16.27

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

39.B.3.4. Price risk :

The Group's exposure to equity investment price risk arises from investment held by the Group. The Group has designated these investment at fair value through other comprehensive income because these investments represent the investments that the Group intends to hold for long-term strategic purposes.

Sensitivity

The table below summarises the impact of increases/decreases in prices on Other comprehensive Income for the period

	Equity Instruments through OCI (₹ / Crores)			
	1% Increase	1% Decrease	1% Increase	1% Decrease
	31.03.2019		31.03.2018	
Equity Investment in Oil India Ltd.	4.96	(4.96)	5.76	(5.76)

39.B.3.5. Offsetting :

The following table presents the recognised financial instruments that are eligible for offset and other similar arrangements but are not offset, as at 31.03.2019, 31.03.2018 . The column 'net amount' shows the impact on the Group's balance sheet if all set-off rights are exercised.

(₹ / Crores)

	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 2019					
Financial assets					
Trade Receivables	6,437.36	(769.93)	5,667.43	(241.36)	5,426.07
Other Current Financial Assets	10,515.99		10,515.99	-	10,515.99
Financial liabilities					
Trade Payables	19,823.33	(769.93)	19,053.40	-	19,053.40
Other Current Financial Liabilities	17,614.59		17,614.59	(241.36)	17,373.23
31st March 2018					
Financial assets					
Trade Receivables	9,273.19	(3,686.17)	5,587.02	(109.30)	5,477.72
Other Current Financial Assets	5,382.96	-	5,382.96	-	5,382.96
Financial liabilities					
Trade Payables	19,466.13	(3,686.17)	15,779.96	-	15,779.96
Other Current Financial Liabilities	14,567.21	-	14,567.21	(109.30)	14,457.91



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

40 : Tax expense

(a) Amounts recognised in profit and loss (₹ / Crores)

	2018-19	2017-18
Current tax expense		
Current year	2,727.65	2,570.98
Changes in estimates relating to prior years	(50.62)	(82.86)
Deferred tax expense		
Origination and reversal of temporary differences	600.52	466.57
Changes in estimates relating to prior years	71.02	(62.83)
Tax expense recognised in the income statement	3,348.57	2,891.86

(b) Amounts recognised in other comprehensive income (₹ / Crores)

	2018-19			2017-18		
	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	24.28	(8.52)	15.76	86.58	(29.99)	56.59

(c) Reconciliation of effective tax rate

	31.03.2019		31.03.2018	
	%	(₹ / Crores)	%	(₹ / Crores)
Profit before tax		10,039.20		10,110.14
Tax as per Corporate Tax Rate	34.944%	3,508.10	34.608%	3,498.91
Tax effect of:				
Non-deductible tax expenses	0.773%	77.57	0.269%	27.24
Tax-exempt income	0.055%	5.48	-0.530%	(53.56)
Interest expense u/s 234B/C not deductible for tax purposes	0.138%	13.90	0.035%	3.53
Deduction for research and development expenditure	-0.195%	(19.53)	-0.629%	(63.62)
Investment allowance claim	0.000%	-	0.000%	-
Share in profit/ loss of equity accounted investees	-3.234%	(324.71)	-4.524%	(457.42)
Losses of Subsidiary not available for set-off in Group profit	0.287%	28.79	0.311%	31.44
Deferred tax assets on Unrealised profits	-0.072%	(7.27)	0.114%	11.51
Deferred tax Liability on Undistributed earnings	0.457%	45.84	0.351%	35.50
Adjustments recognised in current year in relation to the current tax of prior years	0.203%	20.40	-1.441%	(145.69)
Increase in rate on account of deferred tax	0.000%	-	0.040%	4.03
Income Tax Expense	33.355%	3,348.57	28.604%	2,891.86

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

(d) Movement in deferred tax balances

(₹ / Crores)

	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
MAT Credit	-	12.14	-	12.14
Provision for Doubtful Debts & Receivables	107.04	47.80	-	154.84
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
Deferred Tax (assets) / Liabilities	6,804.83	584.70	6.72	7,396.25

	Net balance 01.04.2017	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2018
Deferred tax Asset				
Provision for Employee Benefits	256.05	(104.76)	5.09	156.38
Current investments	89.38	9.82	-	99.20
MAT Credit	316.87	(316.87)	-	-
Provision for Doubtful Debts & Receivables	88.26	18.78	-	107.04
Disallowance u/s 43B	101.15	121.57	-	222.72
Others	20.17	5.50	-	25.67
	871.88	(265.96)	5.09	611.01
Deferred Tax Liabilities				
Property, plant and equipment	6,738.83	424.09	-	7,162.92
Undistributed earnings	266.53	(29.56)	-	236.97
Others	15.79	0.15	-	15.94
	7,021.15	394.68	-	7,415.83
Tax assets (Liabilities)	6,149.27	660.64	(5.09)	6,804.82

- (e) Additional Provision for tax for earlier years have been provided for ₹ 20.40 Crores (2017-18: ₹ 145.68 Crores reversal) represents reversal provision towards current tax of ₹ 33.53 Crores (2017-18 : ₹ 54.71 Crores), additional provision towards deferred Tax of ₹ 71.02 Crores (2017-18: ₹ 62.83 Crores) and recognition of MAT credit Entitlements of ₹ 17.09 Crores (2017-18: ₹ 137.56 Crores).



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

41 : Disclosures as per Ind AS 115 'Revenue from Contracts with Customers' are as follows:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers in respect of accounting periods commencing on or after 1st April 2018 superseding Ind AS 11 - Construction Contracts and Ind AS 18 - Revenue. The Company has adopted the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending March 31, 2018 are not retrospectively adjusted.

A. Disaggregation of revenue

	(₹ / Crores)	
	2018-19	2017-18
Exports	2,790.09	1,756.09
Other than export	293,196.78	241,643.31
	295,986.87	243,399.40

B. Contract balances

	(₹ / Crores)	
	2018-19	2017-18
Trade Receivables	5667.43	5587.02
Liabilities under contractual obligation (Refer note 41.1)	911.90	707.49
	6,579.33	6,294.51

During the year ended March 31, 2019, the company recognized revenue of ₹ 538.69 crore arising from opening unearned revenue as of April 1, 2018. This includes the amount pertaining to loyalty points which has been arrived basis the utilization pattern of Loyalty points.

C. Transaction price allocated to the remaining performance obligations

The Corporation recognises revenue when it satisfies a performance obligation by transferring a promised good or service to a customer. As at 31st March 2019, the amount allocated will be recognised as revenue when (a) in case of revenue received in advance, when the product is delivered to the customer, (b) in case of loyalty points, when the award points are redeemed / expires and (c) in case of non-refundable bid fee, over the period of dealership agreement.

d. Transition impact

The Corporation collects fixed/bid fees from eligible bidders for allotment of dealership. The fees collected upfront are not refundable and is in the nature of a material right which entitles the dealer to operate the retail outlet in the Corporation's name for the specified period. Since, the Corporation does not have any significant performance obligation against the receipt of the upfront fees, the revenue is recognised on a systematic basis over the period of the dealership contract. Accordingly, The Corporation has created a deferred income liability for fixed/bid fee received prior to April 1, 2018 for ₹ 126.30 crores, which will be recognised as revenue over the balance period of dealership contract. Considering the fact that the income is already offered for taxation in the earlier years, Deferred Tax Asset has been created to the extend of ₹ 44.13 as per Ind AS 12 on the above amount. During the FY 2018-19, the corporation has recognised ₹ 14.95 crores as revenue out of the above deferred income liability.

Had Ind AS 115 not been applied and erstwhile Ind AS 18 'Revenue' would have continued, the 'Other Income' and 'Profit before tax' would be higher by ₹ 11.89 crores.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

42 : Leases

Operating Lease

Leases as lessee

The Group enters into cancellable/non-cancellable operating lease arrangements for land, office premises, staff quarters and others. Payments made under operating leases are generally recognised in statement of Profit and Loss based on corresponding periods contractual terms of the lease, since the Group considers it to be more representative of time pattern of benefits flowing to it. The lease rentals paid for the same are charged to the Statement of Profit and Loss. The Lease payments for operating leases have been charged to Statement of Profit and Loss as per Ind AS 17 "Leases". For the purpose of determining the expected inflationary cost increases, the management has assessed the expected general inflation rate over the lease periods.

i. Future minimum lease payments

At March 31, the future minimum lease payments for prepaid operating lease under non-cancellable leases are as under:

	(₹ / Crores)	
	31.03.2019	31.03.2018
Less than one year	62.79	19.09
Between one and five years	244.27	73.62
More than five years	1,870.06	541.62
	2,177.12	634.33

ii. Amounts recognised in profit or loss

	(₹ / Crores)	
	2018-19	2017-18
Lease Rentals on Operating Lease	327.09	371.62

43 : Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year after adjusting the effects of all dilutive potential ordinary shares.

i. Profit attributable to Equity holders

	(₹ / Crores)	
	31.03.2019	31.03.2018
Profit attributable to equity holders for basic and diluted earnings per share	6,690.63	7,218.28

ii. Weighted average number of ordinary shares

	31.03.2019	31.03.2018
Issued ordinary shares at April 1	1,52,38,22,625	1,01,58,81,750
Effect of shares issued as Bonus Shares*	-	50,79,40,875
Weighted average number of shares for basic and diluted earnings per shares	1,52,38,22,625	1,52,38,22,625
Basic and Diluted earnings per share	43.91	47.37

*During Financial Year 2017-18, the Corporation had issued Bonus Shares in the ratio of 1:2 by capitalization of Reserve.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

44 : Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using debt equity ratio. The Group's debt to equity ratio is as follows:

	(₹ / Crores)	
	31.03.2019	31.03.2018
Long Term Borrowings (refer note # 21)	14,282.86	11,072.60
Total Equity (refer note # 19 and 20)	30,400.66	25,532.44
Debt to Equity ratio	0.47	0.43

45 : Dividends

	(₹ / Crores)	
	31.03.2019	31.03.2018
(i) Dividends paid during the year		
Final dividend for the year ended 31.03.2018 of ₹ 2.50 (31.03.2017 ₹ 1.10) per fully paid share. This includes Dividend distribution tax of ₹ 78.31 crores (31.03.2018: ₹ 22.75 crores).	459.27	134.50
First Interim dividend for the year ended 31.03.2019 of ₹ 6.50 (31.03.2018 ₹ 14.50) per fully paid share. This included Dividend distribution tax of ₹ 203.60 crores (31.03.2018: ₹ 449.81 crores).	1,194.08	2,659.35
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 9.40 per fully paid equity share (31.03.2018 – ₹ 2.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,432.39	380.96
Dividend distribution tax on above	294.43	78.31



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

- 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 are subject to confirmations and reconciliation, few other accounts relating to current/non-current assets and liabilities are also under the process of confirmation, reconciliation and subsequent accounting adjustments wherever required, such reconciliation is not likely to have a material impact on the outstanding or classification of the accounts.
- 47** To the extent Micro and Small Enterprises have been identified, the outstanding balance, including interest thereon, if any, as at balance sheet date is disclosed on which Auditors have relied upon:

		(₹ / Crores)	
Particulars	31.03.2019	31.03.2018	
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:			
- Principal	398.80	172.81	
- 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. Names of and Relationship with Related Parties

1. Jointly controlled entities

- HPCL-Mittal Energy Ltd.
- Hindustan Colas Pvt. Ltd.
- South Asia LPG Company Pvt. Ltd.
- Petronet India Ltd. (in process of voluntary winding up w.e.f. 30th August 2018)
- HPCL Shapoorji Energy Pvt. Ltd.

2. The Group has not included disclosure in respect of following related parties which are Govt. related entities as per Ind AS 24

i. Holding Company

- Oil & Natural Gas Corporation Ltd.

ii. Subsidiaries

- HPCL Biofuels Ltd.
- Prize Petroleum Company Ltd. (PPCL)
- Prize Petroleum International Pte. Ltd. (a wholly owned subsidiary of PPCL)
- HPCL Middle East FZCO



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

iii. Jointly controlled entities

1. HPCL Rajasthan Refinery Ltd.
2. Bhagyanagar Gas Ltd.
3. Petronet MHB Ltd.
4. Mumbai Aviation Fuel Farm Facility Pvt. Ltd.
5. Godavari Gas Pvt. Ltd.
6. Aavantika Gas Ltd.
7. Ratnagiri Refinery & Petrochemicals Ltd.
8. Ujjwala plus foundation
9. HPOIL Gas Pvt. Ltd. (incorporated on 30th November 2018)

iv. Associates

1. GSPL India Gasnet Ltd.
2. GSPL India Transco Ltd.
3. Mangalore Refinery and Petrochemicals Ltd.

v. Fellow Subsidiaries

1. ONGC Mangalore Petrochemicals Ltd.
2. ONGC Petro Additives Ltd.

3. Key Management Personnel

- i. Shri Mukesh Kumar Surana, Chairman and Managing Director
- ii. Shri Pushp Kumar Joshi, Director - Human Resources
- iii. Shri J. Ramaswamy, Director - Finance (upto 28th February 2019)
- iv. Shri S. Jeyakrishnan, Director - Marketing
- v. Shri Vinod S. Shenoy, Director - Refineries
- vi. Shri R. Kesavan, Chief Finance Officer (effective 01st March 2019)
- vii. Shri Shrikant Madhukar Bhosekar, Company Secretary (upto 30th November 2018)
- viii. Shri V. Murali, Company Secretary (effective 01st December 2018)

4. Independent Directors

- i. Shri Ram Niwas Jain
- ii. Smt. Asifa Khan
- iii. Shri G.V. Krishna
- iv. Dr. Trilok Nath Singh
- v. Shri Amar Sinha
- vi. Shri Siraj Hussain

5. Government Directors

- i. Shri Sandeep Poundrik
- ii. Smt. Sushma Taishete (upto 07th May 2018)
- iii. Shri Subhash Kumar (effective 22nd May 2018)



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

B. Details of transactions with related parties

(₹ / Crores)

No.	Nature of Transactions	2018-19	2017-18
(i) Sale of goods			
	HPCL-Mittal Energy Ltd.	112.80	59.79
	Hindustan Colas Pvt. Ltd.	414.58	324.37
	South Asia LPG Company Pvt. Ltd.	0.26	0.09
		527.64	384.25
(ii) Purchase of goods			
	HPCL-Mittal Energy Ltd.	41,262.49	24,443.26
	Hindustan Colas Pvt. Ltd.	62.43	71.62
		41,324.92	24,514.88
(iii) Dividend income received			
	HPCL-Mittal Energy Ltd.	49.97	-
	Hindustan Colas Pvt. Ltd.	23.63	47.25
	South Asia LPG Company Pvt. Ltd.	45.00	72.50
	Petronet India Ltd.	-	0.72
		118.60	120.47
(iv) Services given (Manpower Supply Service)			
	HPCL-Mittal Energy Ltd.	0.76	0.55
	Hindustan Colas Pvt. Ltd.	3.19	2.60
	South Asia LPG Company Pvt. Ltd.	0.98	1.18
	HPCL Shapoorji Energy Pvt. Ltd.	0.46	-
		5.39	4.33
(v) Lease rental received			
	HPCL-Mittal Energy Ltd.	1.20	1.20
	Hindustan Colas Pvt. Ltd.	0.24	0.23
	South Asia LPG Company Pvt. Ltd.	1.10	1.05
		2.54	2.48
(vi) Others - (Services provided)			
	HPCL-Mittal Energy Ltd.	22.00	18.06
	Hindustan Colas Pvt. Ltd.	6.23	3.19
		28.23	21.25
(vii) Others - (Services availed)			
	HPCL-Mittal Energy Ltd.	17.98	12.25
	Hindustan Colas Pvt. Ltd.	11.35	1.16
	South Asia LPG Company Pvt. Ltd.	83.76	120.19
		113.09	133.60
(viii) Investment in equity shares / Converted to Equity Shares			
	HPCL Shapoorji Energy Pvt. Ltd.	4.00	7.00
		4.00	7.00

**Notes to the Consolidated Financial Statements** for the year ended 31st March, 2019

	31.03.2019	31.03.2018
(ix) Receivables as on		
HPCL-Mittal Energy Ltd.	10.93	9.90
Hindustan Colas Pvt. Ltd.	-	6.02
South Asia LPG Company Pvt. Ltd.	0.05	0.21
HPCL Shapoorji Energy Pvt. Ltd.	0.11	-
	11.09	16.13
(x) Payables as on		
HPCL-Mittal Energy Ltd.	2,403.87	1,997.46
Hindustan Colas Pvt. Ltd.	27.11	19.51
South Asia LPG Company Pvt. Ltd.	11.78	9.58
	2,442.76	2,026.55

C. Transactions with other government-controlled entities

The Group is a Government related entity 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;
- lease of assets;
- depositing and borrowing money; and
- use of public utilities

These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not Government related.

D. Remuneration paid to Key Management Personnel*

(₹ / Crores)

Description	2018-19	2017-18
(i) Short - Term Employee Benefits	6.14	4.04
(ii) Post - Employment Benefits	0.65	-
	6.79	4.04

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



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

E. Amount due from Key Management Personnel

(₹ / Crores)

Description	2018-19	2017-18
(i) Shri Mukesh Kumar Surana	0.09	0.10
(ii) Shri Pushp Kumar Joshi	0.22	0.05
(iii) Shri J Ramaswamy	-	-
(iv) Shri S Jeyakrishnan	0.30	0.32
(v) Shri Vinod S Shenoy	0.07	0.08
(vi) Shri R Kesavan	-	-
(vii) Shri Shrikant Madhukar Bhosekar	-	0.13
(viii) Shri V Murali	0.12	-
	<u>0.80</u>	<u>0.68</u>

F. Sitting Fee paid to Non-Executive Directors

(₹ / Crores)

Details of Meeting	Shri Ram Niwas Jain	Smt. Asifa Khan	Shri G.V. Krishna	Dr Trilok Nath singh	Shri Amar Sinha	Shri Siraj Hussain
Board	0.04	0.05	0.05	0.04	0.05	0.05
Audit Committee	0.03	-	0.03	0.03	0.03	-
Nomination & Remuneration Committee	-	0.00	-	0.00	-	0.00
Stakeholders Relationship Committee	-	0.01	0.00	-	-	0.01
Investment Committee	0.03	0.03	-	-	0.03	0.02
CSR & SD Committee	0.02	-	0.02	0.02	0.02	-
Independent Directors Meeting	0.00	0.00	0.00	0.00	0.00	0.00
Total Sitting Fees	<u>0.12</u>	<u>0.09</u>	<u>0.10</u>	<u>0.09</u>	<u>0.13</u>	<u>0.08</u>

- 49 The Group has entered into production sharing oil & gas exploration contracts in India in consortium with other body corporate. These consortia are:

Name of the Block	Participating Interest of Group in %	
	31.03.2019	31.03.2018
In India		
Under NELP IV		
KK- DWN-2002/2	20	20
KK- DWN-2002/3	20	20
CB- ONN-2002/3	15	15
Under NELP V		
AA-ONN-2003/3	15	15
Under NELP VI		



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Name of the Block	Participating Interest of Group in %	
	31.03.2019	31.03.2018
CY-DWN-2004/1	10	10
CY-DWN-2004/2	10	10
CY-DWN-2004/3	10	10
CY-DWN-2004/4	10	10
CY-PR-DWN-2004/1	10	10
CY-PR-DWN-2004/2	10	10
KG-DWN-2004/1	10	10
KG-DWN-2004/2	10	10
KG-DWN-2004/3	10	10
KG-DWN-2004/5	10	10
KG-DWN-2004/6	10	10
MB-OSN-2004/1	20	20
MB-OSN-2004/2	20	20
RJ-ONN-2004/1	22.22	22.22
RJ-ONN-2004/3	15	15
Under NELP IX		
MB-OSN-2010/2	30	30
Cluster - 7	60	60
In respect of PPCL		
In India		
SR ONN 2004/1	10	10
AA ONN 2010/1	20	20
Sanganpur Field	50	50
Outside India		
Yolla Field (Australia) Licence T/L-1	11.25	11.25
Trefoil Field (Australia) Permit T/18P	9.75	9.75

a) In Respect of HPCL

- a) Blocks RJ-ONN-2004/1 and MB-OSN-2004/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2018. The Blocks MB-OSN-2010/2 and RJ-ONN-2004/3 are in the process of relinquishment and the audited financial statements of these UJVs have been received upto March 31, 2017. The Blocks KK-DWN-2002/2 and MB-OSN-2004/1 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2016. Blocks CY-DWN-2004/1,2,3,4, CY-PR-DWN-2004/1&2, KG-DWN-2004/1,2,3,5 and 6 are under relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2015. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

- b) The Blocks AA-ONN-2003/3 and KK-DWN-2002/3 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2011 and March 31, 2012 respectively. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator.
- c) The block CB-ONN-2002/3 was awarded under NELP IV bidding round and the production sharing contract was signed on 06.02.2004. The exploration Minimum Work Program has been completed. The block is divided into two areas i.e. Miroli and Sanand. Production from SE#3 and SE#4 wells of the Block is currently on which had started during Financial Year 2017-18. Audited financial statements of the block has been received upto March 31, 2018. The unaudited financial statements / data has been received from operator as on 31st March, 2019.
- d) In respect of Cluster – 7, the matter is under arbitration (refer Note No.52.1)

a) 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 2019 and the Income and expenditure for the year in respect of above joint venture is as follows:

(₹ / Crores)		
Particulars	2018-19	2017-18
A. Property, Plant & Equipment (Gross)	9.99	9.98
B. Intangible asset under development	1.36	1.36
C. Other Net Non-Current Assets	0.13	0.03
D. Net Current Assets (*)	2.14	1.58
E. Income	0.91	0.91
F. Expenditure	1.39	1.22

(*) Includes receivable from joint venture amounting to ₹ 1.57 Crs. (for 2017-18 ₹ 1.06 Crs.).

1.2 Sangapur Field

The Company acquired 50% participating interest in Sangapur field from M/s Hydrocarbon Development Company Pvt. Ltd. (HDCPL) effective 1st September, 2004. Accumulated amount prior to acquisition of Sangapur field amounting ₹ 1,18,17,034/- have been included in Sangapur field Assets. The Company has accounted its proportionate share in the Sangapur field based on estimated un-Audited accounts as at 31st March, 2017.

Bombay High Court vide order dated 14th Nov, 2014 in Company Petition 550 of 2013 has passed order for appointment of liquidator for assets and business of Company M/s HDCPL. This petition was filed by ETA Star Golding limited for non-payment of its invoices by M/s HDCPL. Said order of Bombay High Court was challenged before its Division Bench and is still pending before the Court.

MoP&NG vide its letter dated June 2, 2017 has terminated the PSC. Accordingly, Company had created a 'Provision for Write-off of Sangapur Assets' of ₹ 6,65,49,606/- in FY 2017-18 (FY 18-19 – NIL)

The Company's share of assets and liabilities as at 31st March 2019 and the Income, expenditure for the year in respect of above joint venture is as follows:

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2019**

(₹ / Crores)

Particulars	2018-19	2017-18
A. Property, Plant & Equipment (Gross)	5.63	5.63
B. Other Net Non-Current Assets	(0.02)	(0.02)
C. Net Current Assets (*)	(0.10)	(0.10)
D. Income	-	-
E. Expenditure	-	-

(*) Includes payable to joint venture amounting to ₹ 0.04 Crs. (for 2017-18 – ₹ 0.04 Crs.)

1.3 ONGC Offshore Marginal Fields (Cluster-7)

The Company along with Consortium member, M/s Hindustan Petroleum Corporation Limited (HPCL) (PI - 60%) and M/s M3nergy (PI - 30%) was awarded a Contract vide letter of award dated 31st March, 2006 for the development of ONGC's offshore marginal Oilfields viz. B -192, B - 45 and WO – 24.

The Service Contract for Cluster-7 was signed on 27th September, 2006 between ONGC and Consortium members. The Company is the Executing Contractor and its participating interest (PI) is 10%.

The said Service Contract was terminated by ONGC. Subsequently, HPCL/PPCL started arbitration proceedings against M3nergy which are still in progress, hence the joint bank account has not been closed on the advise of the legal department- HPCL.

1.4 SR – ONN – 2004 / 1 (South Rewa Block):

The Company along with Consortium member M/s Jaiprakash Associates Limited (PI - 90%) was awarded PSC for the SR-ONN-2004/1 block vide letter dated 12th February, 2007 of Ministry of Petroleum & Natural Gas (MOP & NG) under NELP – VI round. The Company is the executing contractor and its PI is 10%. The PSC was signed on 2nd March, 2007.

Consortium has proposed to relinquish the block effective from 23rd October, 2014 and Operating Committee Resolution (OCR) for relinquishment of the block has been submitted to Directorate General of Hydrocarbon (DGH). DGH vide its letter dated Feb. 5, 2018 has communicated that the Block stands relinquished with effect from 23.10.2014 subject to the compliance of PSC and the P&NG rules.

The South Rewa Block has standing inventory of ₹ 3.76 crores 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, 2019 in respect of above joint venture is as follows:

(₹ / Crores)

Particulars	2018-19	2017-18
A. Property, Plant & Equipment (Gross)	0.00	0.00
B. Intangible asset under development	-	-
C. Other Net Non-Current Assets	0.01	0.00
D. Net Current Assets (*)	3.08	3.21
E. Expenditure	0.00	0.04

(*) Includes receivables from joint venture amounting to ₹ 2.70 Crs. (for 2017-18 ₹ 2.82 Crs.)



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

2. Estimated Hydrocarbon Proven Reserves as on 31st March, 2019 in the Oil fields as follows:

a) Domestic Operations (Hirapur and Sangapur (On-shore Marginal Fields))

Particulars (*)	2018-19		2017-18	
	MM BBLs	MMT	MM BBLs	MMT
Recoverable Reserves	2.40	0.324	2.43	0.328

(*) The Company Share is 50% of total MoP&NG vide its letter dated June 2, 2017 has terminated the PSC. Therefore, the above mentioned recoverable reserves does not include recoverable reserves of Sangapur Field.

b) International Operations (Yolla Field, Australia – License T/L 1 – Offshore Filed)

Particulars (*)	2018-19	2017-18
	MM BoE	MM BoE
Recoverable Reserves	1.609	1.903

(*) For respective share of the company

3. Quantitative Particulars of Petroleum:

Total Dry Crude Production	2018-19	2017-18
	BoE	BoE
Hirapur Field (*)	31,265	33,752
Sanganpur Field (+) (*)	0	0
Yolla Field (T/L1) Australia	4,29,541	4,59,269
Total Dry Crude Production	4,60,806	4,93,021

(*) For total share in Field.

(+) MoP&NG vide its letter dated June 2, 2017 has terminated the PSC. Therefore, no production of Sanganpur Field during the FY 17-18.

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 year 2018-19, Group has spent ₹ 159.81 Crores (2017 - 18: ₹ 156.87 Crores) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 158.86 crores (2017 - 18: ₹ 126.38 Crores):

(₹ / Crores)

Head of Expenses	2018-19	2017-18
1 Promoting Education	29.93	56.50
2 Promoting Health Care	12.75	15.24
3 Empowerment of Socially and Economically Backward groups	2.33	7.10
4 Promotion of Nationally recognized and Para-Olympic Sports	0.78	1.05
5 Imparting Employment by Enhancing Vocation Skills	20.23	13.38
6 Swachh Bharat Abhiyaan	56.82	37.57
7 Environment Sustainability	34.21	25.27
8 Others	2.76	0.76
Total	159.81	156.87



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Amount spent during the Financial year 2018-19 on:

(₹ / Crores)

Details	In cash	Yet to be paid in cash	Total
(i) Construction / Acquisition of an assets	-	-	-
(ii) On purpose other than (i) above	154.19	5.62	159.81

Amount spent during the Financial year 2017-18 on:

Details	In cash	Yet to be paid in cash	Total
(i) Construction / Acquisition of an assets	-	-	-
(ii) On purpose other than (i) above	153.31	3.56	156.87

52. Contingent Liabilities and Commitments:

(₹ / Crores)

	31.03.2019	31.03.2018
I. Contingent Liabilities		
A. Disputed demands / claims subject to appeals / representations filed by the Group		
i. Income Tax	138.84	119.45
ii. Sales Tax/Octroi	2,188.91	2,071.18
iii. Excise/Customs	541.39	374.81
iv. Land Rentals & Licence Fees	219.48	125.16
v. Others	26.21	48.22
	3,114.83	2,738.82
B. Disputed demands / claims subject to appeals / representations filed against the Group		
i. Income Tax	1.18	16.15
ii. Sales Tax/Octroi	18.31	15.49
iii. Excise / customs	70.89	83.08
iv. Employee Benefits/Demands (to the extent quantifiable)	258.55	220.82
v. Claims against the Group not acknowledged as Debts (refer note 53.1)	464.91	565.28
vi. Others	294.45	165.82
	1,108.29	1,066.64
C. Guarantees given to others	1,761.03	1,419.17
(Includes ₹ 596.94 (31.03.18 : ₹ 575.67 Crores) towards share of jointly controlled entities and associates)		
(Includes ₹ 252.50 (31.03.18 : ₹ 237.97 Crores) 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 ₹ 294.62 Crores (42.60 Million USD @ Exchange rate of 1 USD = ₹ 69.16) 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 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 ₹ 444.44 crores) 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 crores (by a unanimous Award). Both amounts were allowed with interest as specified.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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, the Group has filed Appeals against the setting aside order before the Division Bench of the Bombay High Court which is to come up for hearing. As a result, the award amount which is approximate ₹ 444.45 crores (91.30 Million USD @ exchange rate of ₹ 48.68 for a US Dollar prevailing on January 6, 2009 plus ₹ 41.60 Crores) and interest thereon has not been recognized on a conservative basis. Similarly, the claim raised by M3Energy is also not included above.

		(₹ / Crores)	
		31.03.2019	31.03.2018
II. Commitments			
Estimated amount of contracts remaining to be executed on Capital Account not provided for		28,564.96	22,531.30
(Includes ₹ 7930.71 (31.03.18 : ₹ 3,725.93 Crores) towards share of jointly controlled entities and associates)			

The above are made based on estimates and expected timing of outflows is not ascertainable at this stage.

		(₹ / Crores)	
		2018-19	2017-18
53.	Expenditure incurred on Research and Development		
	- Capital	124.48	132.62
	- Revenue	129.37	100.16
54.	Interest on Project borrowings capitalized*	233.51	92.38
	*(weighted average cost of borrowing rate used for capitalization of general borrowing (other than specific borrowings) is 6.95 % during FY 2018-19 (FY 2017 - 18 : 7.15%)		
55.	Exchange Differences adjusted in the carrying amount of Assets during the accounting period	224.22	5.03
56.	In compliance of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:		

						(₹ / Crores)
Particulars	Opening Balance as on 01.04.18	Additions	Utilization	Reversals	Closing Balance 31.03.19	
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
Total	859.01	167.04	13.50	141.40		871.15
Less: Pre Deposit	63.21					63.21
Net	795.80	167.04	13.50	141.40		807.94



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Particulars	Opening Balance as on 01.04.17	Additions	Utilization	Reversals	Closing Balance 31.03.18
Excise	0.59	-	-	-	0.59
Sales Tax	346.31	48.67	10.42	5.79	378.77
Service Tax	12.59	-	-	-	12.59
Others	411.01	71.60	13.07	2.48	467.06
Total	770.50	120.27	23.49	8.27	859.01
Less: Pre Deposit	63.21				63.21
Net	707.29	120.27	23.49	8.27	795.80

The above provisions are made based on estimates and expected timing of outflows is not ascertainable at this stage.

- 57.** Loans given to consumer under Prime Ministers Ujjwala Yojana (PMUY) disbursed to the extent of ₹ 2,591 crores and outstanding ₹ 1,937 crores are repayable out of the subsidy amount accruing to the consumer from the subsequent refills taken post release of the loan. The overall consumer base being 1.91 crores, the utilization pattern of the refills is evolving and there are cases of consumers since May 2016 having availed lesser than expected level of refills. While the management has made efforts to encourage the consumers for availing the refills, the cases with zero refills for those connections issued on or before March 31, 2018 have been considered as inactive consumers and the ratio of such loans over the total loans disbursed till March 31, 2018 has been estimated to be a likely default ratio for such loans and accordingly an impairment charge of ₹ 95.70 crores have been recognized in the financial statements towards such loans. In the opinion of the management, the impairment estimate made on a rationale represent estimate of default in the entire population of the outstanding loans and hence is reasonable as on the date of the Financial statements.
- 58.** The Group operates various schemes of Government of India e.g. PMUY, Direct benefit Transfer scheme and certain state specific schemes where the amounts spent for the implementation of such schemes are either received in advance or are subject to reimbursements from Central Government and/or respective state Governments. There are cases where such reimbursements are pending to be received from Central Government with period ranging from more than 6 months to more than 3 years. The total such reimbursements remaining to be received for more than 6 months' amount to ₹ 2,781 crores. However, since these dues are considered as sovereign dues, no provision has been considered necessary.
- 59.** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under operating lease, Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. There is no change in the accounting pertaining to finance leases. The new standard permit lessees to use either a full retrospective or a modified retrospective approach on transition for leases existing at the date of transition, with options to use certain practical expedients. The Corporation will adopt the standard w.e.f. April 1, 2019. The Corporation is currently evaluating the requirements of the new Standard and its effect on the Standalone Financial Statements.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

60. 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
Classification as finance lease for land	Lease period (years)	More than 99
Income / expenditure pertaining to prior year (s)	₹ Crores	75.00
Prepaid expenses	₹ Lakhs	5.00
Disclosure of contingent liabilities	₹ Lakhs	5.00
Disclosure of capital commitments	₹ Lakhs	1.00

61. Segment reporting

A. Basis for segmentation

There are no reportable segments other than downstream petroleum, as per para 13 of Ind AS 108, Operating Segments.

- (i) Downstream Petroleum, engaged in Refining and Marketing of Petroleum products.
- (ii) Others

The Company's Chairman, the Chief Operating Decision Maker for the Group, periodically reviews the internal management reports and evaluates performance/allocates resources based on the analysis of various performance indicators relating to the segments referred to above.

B. Information about reportable segments

(₹ / Crores)

For the year ended 31.03.2019	Reportable segments				
	Downstream	Others	Total Segments	Adjustments & Eliminations	Consolidated
Particulars					
Revenue					
External Customers	2,96,927.67	277.36	2,97,205.03	-	2,97,205.03
Inter-segment	1.39	48.83	50.22	(50.22)	-
Total Revenue	2,96,929.06	326.19	2,97,255.25	(50.22)	2,97,205.03
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



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ / Crores)

For the year ended 31.03.2019	Reportable segments				Consolidated
	Downstream	Others	Total Segments	Adjustments & Eliminations	
Particulars					
Segment assets	1,06,066.12	1,192.24	1,07,258.36		1,07,258.36
Segment liabilities	75,654.53	1,203.17	76,857.70		76,857.70
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

(₹ / Crores)

For the year ended 31.03.2018	Reportable segments				Consolidated
	Downstream	Others	Total Segments	Adjustments & Eliminations	
Particulars					
Revenue					
External Customers	2,44,084.26	178.08	2,44,262.34	-	2,44,262.34
Inter-segment	1.09	44.02	45.11	(45.11)	-
Total Revenue	2,44,085.35	222.10	2,44,307.45	(45.11)	2,44,262.34
Segment profit / (loss) [EBIT]	8,978.40	52.00	9,030.40	(408.75)	8,621.65
Interest Income / (expenses) :					
Interest Income					784.78
Interest expense					(617.88)
Profit before tax and share of Profit in equity accounted investees					8,788.55
Share of profit of equity accounted investees					1,321.59
Profit before tax (PBT)					10,110.14
Income tax expense					(2,891.86)
Profit after Tax (PAT)					7,218.28
Other Comprehensive Income (Net of Tax)					36.64
Total Comprehensive Income					7,254.92
Segment assets	88,497.36	1,174.39	89,671.75		89,671.75
Segment liabilities	62,956.62	1,182.69	64,139.31		64,139.31
Other disclosures :					
Depreciation and amortization	2,752.76	81.64	2,834.40	-	2,834.40
Investment in equity accounted investees					7,306.57
Material non-cash items other than depreciation and amortisation					191.93
Capital expenditure					6,802.28

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

C. Geographic information

The geographic information analyses the Group's revenue and non-current assets by the country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic selling location and segment assets were based on the geographic location of the respective non-current assets.

(₹ / Crores)

Geography	For the year ended 31.03.2019	For the year ended 31.03.2018
(i) Revenue		
India	2,94,414.94	2,42,506.25
Other Countries	2,790.09	1,756.09
Total Revenue	2,97,205.03	2,44,262.34
(ii) Non-Current Assets*		
India	61,966.68	51,631.54
Other Countries	185.48	216.41
Total Non-Current Assets	62,152.16	51,847.95

*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.

62. 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*:

(₹/ Crores)

Particulars	HMEL		MRPL	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Assets:				
Non-Current Assets	31,896.28	26,242.28	22,543.13	22,801.23
Current Assets				
Cash and Cash equivalents	147.60	6.67	4.67	440.37
Other Current Assets (excluding cash and cash equivalents)	9,692.56	8,862.25	9,902.83	8,532.56
Total (A)	41,736.44	35,111.20	32,450.63	31,774.16
Liabilities:				
Non-Current Liabilities				
Non-Current Financial Liabilities (excluding Trade / Other Payables and Provisions)	21,172.21	16,484.39	3,935.75	4,478.68
Other Non-Current Liabilities	798.93	579.76	678.94	499.15
Current Liabilities				
Current Financial Liabilities (excluding Trade / Other Payables and Provisions)	2,701.99	3,241.62	12,549.76	11,177.37
Other Current Liabilities	6,546.19	5,585.05	5,355.89	5,408.02
Total (B)	31,219.32	25,890.82	22,520.34	21,563.22



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

(₹/ Crores)

Particulars	HMEL		MRPL	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Net Assets included in Financial Statement of Joint Venture / Associate	10,517.12	9,220.39	9,930.30	10,210.94
Ownership Interest	48.99%	48.99%	16.96%	16.96%
Carrying amount of Interest in Joint Venture/ Associate	5,152.62	4,517.30	1,683.68	1,731.27
Quoted Market Value of Shares	N.A.	N.A.	2,207.85	3,253.83

* The information provided above is after considering adjustment due to alignment of accounting policies and inter-company eliminations.

(₹/ Crores)

Other Information: Particulars	HMEL		MRPL	
	2018-19	2017-18	2018-19	2017-18
Revenue	62,378.03	39,943.06	73,494.08	63,688.06
Dividend Income	-	-	9.05	4.08
Interest Income	8.80	7.80	103.72	78.64
Interest Expenses	1,339.90	1,152.74	1,058.73	912.65
Depreciation	1,211.00	1,142.93	1,047.52	966.09
Income tax expenses	455.89	555.62	300.10	1,097.84
Profit / Loss for the year	1,424.58	1,706.63	346.88	1,998.81
Other Comprehensive Income (Net of Tax)	(4.90)	(0.44)	(5.26)	3.38
Total Comprehensive Income for the year	1,419.68	1,706.19	341.62	2,002.19

II. Details of all individually immaterial equity accounted investees :

(₹/ Crores)

	Joint Ventures		Associates	
	2018-19	2017-18	2018-19	2017-18
Carrying amount of Investment in equity accounted investees	1,788.15	972.05	91.24	85.94
Group's Share of Profit or Loss from Continuing Operations	175.92	146.33	(2.95)	0.25
Group's share in other comprehensive income	0.14	0.11	(0.01)	-
Group's share in Total Comprehensive Income	176.06	146.44	(2.96)	0.25

63 : Employee benefit obligations

A: Provident Fund

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

Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Group and charged to Statement of Profit and Loss. The actual return earned by the fund has mostly been higher than the Government specified minimum rate of return in the past years. There is no shortfall in the fund as on 31st March 2019 and 31st March 2018.

Present value of benefit obligation at period end is ₹ 4082.85 crores (31.03.2018 : ₹ 3764.14 crores).

During the year, the Group has recognised ₹ 148.44 crore (2017 - 18 : ₹ 141.40 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

B: Superannuation Fund

The Group has Superannuation - Defined Contribution Scheme (DCS) maintained by SBFS trust wherein Group contributes a certain percentage every month out of 30% of Basic plus DA towards superannuation benefits (in accordance with DPE guidelines) to the credit of individual employee accounts maintained with LIC. Effective August 2018, Group had introduced optional National Pension Scheme (NPS) for its employees, where in employees are allowed to opt for contribution to their NPS account within their overall superannuation benefits limit for pension.

During the year, the Group has recognised ₹ 181.07 crore (2017 - 18 : ₹ 162.8 crore) as Employer's contribution to Superannuation Fund in the statement of Profit and Loss. Out of this amount ₹ 20.96 crore (2017-18 : Nil) was contributed to NPS.

C: The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ / Crores)						
S#	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity Unfunded
1 Present value of projected benefit obligation						
Present value of Benefit	848.67	712.05	41.11	27.31	11.75	1.72
Obligation at the beginning of the period	877.76	646.79	59.03	30.35	12.46	0.75
Interest Cost	65.22	55.26	3.11	2.10	0.93	0.14
	63.73	48.19	4.20	2.15	0.90	0.06
Current Service Cost	14.37	56.95			2.64	0.32
	17.01	52.17	-	-	2.64	0.11
Past Service Cost		-	-	-	-	-
		-	-	-	-	0.04
Benefit paid	(70.71)	(49.98)	(3.67)	(5.26)	(2.48)	-
	(42.01)	(46.55)	(4.40)	(5.65)	(1.50)	(0.08)
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	5.47	(1.94)	0.07	0.15	0.09	0.03
	(30.65)	(29.37)	(0.91)	(0.52)	(0.51)	(0.06)
Actuarial (gains)/ losses on obligations - due to experience	(34.36)	1.49	(19.30)	0.01	(1.42)	0.08
	(37.17)	40.82	(16.81)	0.98	(2.24)	0.14
Present value of Benefit Obligation at the end of the period	828.66	773.83	21.32	24.31	11.51	2.29
	848.67	712.05	41.11	27.31	11.75	0.95
2 Changes in fair value of plan assets						
Fair value of Plan Assets at the beginning of the period	506.02	703.62	NA	NA	NA	NA
	509.42	560.85	NA	NA	NA	NA
Interest income	64.09	54.60	NA	NA	NA	NA
	36.98	41.78	NA	NA	NA	NA
Contributions by the employer	342.63	8.82	NA	NA	NA	NA
	0.00	132.49	NA	NA	NA	NA
Contributions by the employee	-	2.84	NA	NA	NA	NA
	-	6.37	NA	NA	NA	NA
Benefit paid	(70.71)	-	NA	NA	NA	NA
	(42.01)	(46.55)	NA	NA	NA	NA
Return on plan assets, excluding interest income	(23.77)	(1.58)	NA	NA	NA	NA
	1.63	8.68	NA	NA	NA	NA
Fair value of Plan Assets at the end of the period	818.26	768.30	NA	NA	NA	NA
	506.02	703.62	NA	NA	NA	NA



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ / Crores)						
S#	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity Unfunded
3	Included in profit and loss account					
Current Service Cost	14.37	56.95	-	-	2.64	0.32
	17.01	52.17	-	-	2.64	0.11
Past Service Cost	-	-	-	-	-	-
	-	-	-	-	-	0.04
Net interest cost	1.13	0.66	3.11	2.10	0.93	0.14
	26.75	6.41	4.20	2.15	0.90	0.06
Contributions by the employee	-	(2.84)	-	-	-	-
	-	(6.37)	-	-	-	-
Total amount recognised in profit and loss account	15.50	54.77	3.11	2.10	3.57	0.46
	43.76	52.21	4.20	2.15	3.54	0.20
4	Remeasurements					
Return on plan assets, excluding interest income	23.77	1.58	-	-	-	-
	(1.63)	(8.68)	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-
	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	5.47	(1.94)	0.07	0.15	0.09	0.03
	(30.65)	(29.37)	(0.91)	(0.52)	(0.51)	(0.06)
Experience (gains)/losses	(34.36)	1.49	(19.30)	0.01	(1.42)	0.08
	(37.17)	40.82	(16.81)	0.98	(2.24)	0.14
Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-	-
	-	-	-	-	-	-
Total amount recognised in other comprehensive income	(5.12)	1.13	(19.23)	0.16	(1.33)	0.11
	(69.45)	2.77	(17.72)	0.46	(2.75)	0.08

D: Amount recognised in the Balance Sheet

(₹ / Crores)						
	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity Unfunded
Present value of benefit obligation as on 31.03.2019	828.66	773.83	21.32	24.31	11.51	2.29
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	2.29
	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity Unfunded
Present value of benefit obligation as on 31.03.2018	848.67	712.05	41.11	27.31	11.75	0.95
Fair value of plan assets as on 31.03.2018	506.02	703.62	-	-	-	-
Net Liability / (Asset) recognised in Balance Sheet	342.65	8.43	41.11	27.31	11.75	0.95

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

E: Plan assets

(₹ / Crores)

	31.03.2019		31.03.2018	
	Gratuity	PRMBS	Gratuity	PRMBS
Plan assets comprise the following:				
Insurance fund	818.26	768.30	506.02	703.62
	818.26	768.30	506.02	703.62

F: Significant estimates: actuarial assumptions and sensitivity

F(i): The significant actuarial assumptions were as follows:

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	Indian Assured Lives Mortality (2006-08)				
Mortality Rate After Employment	Indian Assured Lives Mortality (2006-08)				

31.03.2018	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.88%	7.76%	NA	NA	NA
Rate of Discounting	7.88%	7.76%	7.56%	7.68%	7.88%
Rate of Salary Increase	7.00%	7.00%	NA	NA	7.00%
Medical Cost Inflation	NA	3.00%	NA	NA	NA
Rate of Employee Turnover	2.00%	2.00%	NA	NA	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)				
Mortality Rate After Employment	Indian Assured Lives Mortality (2006-08)				

F(ii): Sensitivity analysis

(₹ / Crores)

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



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

31.03.2018	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(44.79)	(81.98)	(1.91)	(0.84)	(0.72)
Delta effect of -1% Change in Rate of Discounting	50.67	102.95	2.13	0.90	0.84
Delta effect of +1% Change in Future Benefit cost inflation	-	103.66	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(82.87)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	15.10	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(16.78)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	15.20	-	-	-	(0.80)
Delta effect of -1% Change in Rate of Employee Turnover	(16.92)	-	-	-	0.93

G: The expected maturity analysis of undiscounted benefits is as follows:

	(₹ / Crores)			
	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

	Less than 1 year	1 - 2 year	3 - 5 year	6 - 10 year
31.03.2018				
Gratuity	104.45	72.95	327.25	427.52
PRMBS	33.61	36.82	132.73	234.23
Pension	5.11	5.08	14.98	23.91
Ex - Gratia	4.90	4.84	14.07	21.63
Resettlement Allowance	1.11	0.70	4.22	6.47
Total	149.18	120.39	493.25	713.76

H: Notes:

Gratuity : All employees are entitled to receive gratuity as per the provisions of Payment of Gratuity Act, 1972. The Defined Benefit Plan of Gratuity is administered by Gratuity Trust. The Board of Trustees comprises of representatives from the Group who are also plan participants in accordance with the plans regulation.

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



Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Post Retirement Medical Benefit : The serving and superannuated employees are covered under medical insurance policy taken by Group. It provides reimbursement of medical expenses for self and dependents as per the terms of the policy.

Ex-gratia : The ex-employees of Group covered under the Scheme are entitled to get ex-gratia based on the grade at the time of their retirement. The benefit will be paid to eligible employees till their survival, and after that, till the survival of their spouse.

Resettlement Allowance : At the time of retirement, the employees are allowed to permanently settle down at a place other than the location of the last posting.

The fair value of the assets of Provident Fund Trust as of balance sheet date is greater than the obligation, including interest, and also the returns on these plan assets including the amount already provided are sufficient to take care of PF interest obligations, over and above the fixed contribution recognized.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Figures in italics represent last year figures

- 64** During the year, the accounting policy related to 'Depreciation/Amortisation on LPG cylinder and regulators is modified to bring in more clarity on the accounting treatment. There is no impact on the profit for the year on account of above (refer note 2.2). Since the impact of depreciation in Statement of Profit & Loss Account is ₹ 1.74 Crores, the same is not considered material.
- 65** Previous periods figures are reclassified / regrouped wherever necessary.

Schedule III - Additional Disclosure on Consolidated Financial Statements as on 31.03.2019 is as under :-

Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (₹ / Crores)	As a % of Consolidated profit or loss	Amount (₹ / Crores)	As a % of Consolidated Other Comprehensive Income	Amount (₹ / Crores)	As a % of Consolidated comprehensive Income	Amount (₹ / Crores)
Hindustan petroleum Corporation Limited	72.12 %	21,923.94	87.10 %	5,827.38	74.23 %	(64.28)	87.27 %	5,763.11
Subsidiaries								
Prize Petroleum Company Ltd.	-0.79%	(239.21)	-0.21 %	(13.84)	21.95 %	(19.01)	-0.50 %	(32.84)
HPCL Biofuels Ltd.	0.15 %	44.63	-1.01 %	(67.55)	0.13 %	(0.11)	-1.02 %	(67.66)
HPCL Middle East FZCO	0.01 %	2.97	-0.01 %	(1.00)	0.06 %	(0.05)	-0.02 %	(1.04)
Joint Ventures								
Hindustan Colas Pvt. Ltd.	0.49 %	148.78	0.78 %	52.02	-0.08 %	0.07	0.79 %	52.08
HPOIL Gas Pvt. Ltd.	0.02 %	4.77	0.00 %	(0.23)	0.00 %	-	0.00 %	(0.23)
HPCL Rajasthan Refinery Ltd.	2.89 %	880.05	0.08 %	5.48	0.00 %	-	0.08 %	5.48
South Asia LPG Co. Pvt. Ltd.	0.41 %	125.17	0.77 %	51.45	-0.14 %	0.12	0.78 %	51.56
HPCL Shapoorji Energy Pvt. Ltd.	0.07 %	22.71	0.00 %	(0.11)	0.00 %	-	0.00 %	(0.11)
HPCL - Mittal Energy Ltd.	17.00 %	5,168.62	10.75 %	719.29	2.77 %	(2.40)	10.86 %	716.89
Petronet MHB Ltd.	0.86 %	260.51	0.55 %	36.57	0.03 %	(0.03)	0.55 %	36.53
Godavari Gas Pvt Ltd.	0.03 %	7.70	0.00 %	(0.22)	0.00 %	-	0.00 %	(0.22)
Petronet India Ltd.	0.00 %	0.42	0.00 %	(0.02)	0.00 %	-	0.00 %	(0.02)
Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	0.25 %	76.83	0.19 %	12.96	0.00 %	-	0.20 %	12.96
Aavantika Gas Ltd.	0.32 %	97.46	0.19 %	12.97	0.00 %	0.00	0.20 %	12.97
Bhagyanagar Gas Ltd.	0.27 %	81.46	0.07 %	4.81	0.01 %	(0.01)	0.07 %	4.80
Ratnagiri Refinery & Petrochemical Ltd.	0.05 %	16.27	-0.06 %	(4.03)	0.00 %	-	-0.06 %	(4.03)
Associates								
Mangalore Refinery and Petrochemicals Ltd.	5.55 %	1,686.31	0.86 %	57.65	1.03 %	(0.89)	0.86 %	56.76
GSPL India Gasnet Ltd.	0.16 %	48.48	-0.05 %	(3.06)	0.01 %	(0.01)	-0.05 %	(3.07)
GSPL India Transco Ltd.	0.14 %	42.79	0.00 %	0.11	0.00 %	-	0.00 %	0.11
Total	100.00 %	30,400.66	100.00 %	6,690.63	100.00 %	(86.60)	100.00 %	6,604.03

FOR AND ON BEHALF OF THE BOARD

Sd-
Mukesh Kumar Surana
Chairman & Managing Director
DIN - 07464675

Sd-
R Kesavan
Chief Financial Officer

Sd-
V Murali
Company Secretary

Place : New Delhi
Date : May 20, 2019

For R. Devendra Kumar & Associates
Chartered Accountants
FRN - 114207W
Sd-
Devendra Kumar Gupta
Partner
Membership No. 009032

For M. P Chitale & Co.
Chartered Accountants
FRN - 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

(₹ / Crores)

Sl. No.	Particulars	HPCL Biofuels Ltd.	Prize Petroleum Company Ltd.#	HPCL Middle East FZCO	HPCL Rajasthan Refinery Ltd.*
		1	2	3	4
1	Date since when subsidiary was acquired	16.10.2009	28.10.1998	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.	-	-	18.83	-
4	Share capital	625.17	245.00	1.00	890.41
5	Reserves & surplus	(580.54)	(484.21)	(1.08)	(10.35)
6	Total assets	827.94	342.78	4.82	1,118.79
7	Total Liabilities	783.31	581.99	1.85	238.74
8	Investments	-	-	-	-
9	Turnover	231.88	92.42	0.23	-
10	Profit before taxation	(67.55)	(13.84)	(1.00)	5.48
11	Provision for taxation	-	-	-	-
12	Profit after taxation	(67.55)	(13.84)	(1.00)	5.48
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:-

- Names of subsidiaries which are yet to commence operations:
 - HPCL Rajasthan Refinery Ltd.
- HPCL Rajasthan Refinery Ltd. is considered as subsidiary as per Sec 2(87) of Companies Act, 2013
- 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

Chief Financial Officer

Sd/-

V Murali

Company Secretary

Date : May 20, 2019

Place : New Delhi



Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "A"

(₹ / Crores)

	Name of Joint Ventures	Hindustan Colas Pvt. Ltd.	HPCL-Mittal Energy Ltd.#	South Asia LPG Co. Pvt. Ltd.	Petronet MHB Ltd.	Bhagyanagar Gas Ltd.	Petronet India Ltd.^	HPOIL Gas Pvt Ltd.	Godavari Gas Pvt Ltd.
1	Latest audited Balance Sheet date	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2018	31.03.2019	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	17,95,11,020	4,36,50,000	1,60,00,000	50,00,000	81,90,000
	Amount of Investment in Joint Venture / Associate	4.73	3,939.56	50.00	183.93	128.25	0.16	5.00	8.19
	Extent of Holding %	50.00%	48.99%	50.00%	32.72%	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	-	-	-	-	-	-	-	-
6	Networth attributable to Shareholding as per latest audited Balance Sheet*	148.78	5,168.62	125.17	260.51	81.46	0.42	4.77	7.70
7	Profit / Loss for the year 2018-19*								
	i. Considered in Consolidation	52.02	719.29	51.45	36.57	4.81	-0.02	(0.23)	(0.22)
	i. Not Considered in Consolidation	-	-	-	-	-	-	-	-

Figures based on Consolidated Financial Statements of the Company

* Represents share of HPCL in Joint Venture / Associates

FOR AND ON BEHALF OF THE BOARD

Sd/-

Mukesh Kumar Surana

Chairman & Managing Director

DIN - 07464675

Sd/-

R Kesavan

Chief Financial Officer

Sd/-

V Murali

Company Secretary

Date : May 20, 2019

Place : New Delhi



Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "B"

(₹ / Crores)

	Aavantika Gas Ltd.	Mangalore Refinery and Petrochemicals Ltd.#	HPCL Shaaporji Energy Pvt. Ltd.	Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	GSPL India Gasnet Ltd.	GSPL India Transco Ltd.	Ratnagiri Refinery & Petrochemical Ltd.
1 Latest audited Balance Sheet date	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019
2 Date on which the Associates or Joint Ventures was associated or acquired	07.06.2006	07.03.1988	15.10.2013	06.03.2014	13.10.2011	13.10.2011	22.09.2017
3 Shares of Joint Ventures / Associate held by the Company on the year end							
Nos.	2,95,57,038	29,71,53,518	2,40,00,000	4,82,88,750	5,08,22,128	4,19,10,000	2,50,00,000
Amount of Investment in Joint Venture / Associate	50.02	471.68	24.00	48.29	50.82	41.91	25.00
Extent of Holding %	49.99%	16.96%	50.00%	25.00%	11.00%	11.00%	25.00%
4 Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
5 Reason why the Joint Venture / Associate is not consolidated	-	-	-	-	-	-	-
6 Networth attributable to Shareholding as per latest audited Balance Sheet*	97.46	1,686.31	22.71	76.83	48.48	42.79	16.27
7 Profit / Loss for the year 2018-19*							
i. Considered in Consolidation	12.97	57.65	(0.11)	12.96	-3.06	0.11	(4.03)
i. Not Considered in Consolidation	-	-	-	-	-	-	-

Figures based on Consolidated Financial Statements of the Company

* Represents share of HPCL in Joint Venture / Associates

^ Petronet India Ltd. is in the process of voluntary winding up w.e.f. August 30, 2018 and management accounts as of August 30, 2018 has been considered for consolidation purpose. Accordingly, amount of Networth and Profit/loss presented above is as of August 30, 2018.

Ujjwala Plus Foundation was incorporated as not-for-profit joint venture company under Sec. 8 of Companies Act 2013 during 2017-18

- Names of joint ventures or associates which are yet to commence operations.
 - GSPL India Transco Ltd
 - HPCL Shaporji Energy Ltd
 - Ratnagiri Refinery & Petrochemicals Ltd
 - HPOIL Gas Pvt. Ltd.
- 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

Chief Financial Officer

Sd/-

V Murali

Company Secretary

Date : May 20, 2019

Place : New Delhi



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of consolidated financial statements of Hindustan Petroleum Corporation Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is 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 **20.05.2019**.

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 2019. 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 &
ex-officio Member Audit Board-II, Mumbai**

Place: Mumbai

Date: 18 July 2019



Annexure I (For CFS 18-19 of HPCL)

Audit Conducted:

(A) Subsidiaries:

1. HPCL Biofuels Ltd. (HBL)
2. Prize Petroleum Company Ltd. (PPCL)

(B) Joint Ventures

1. Bhagyanagar Gas Ltd. (BGL)
2. Petronet MHB Ltd. (PMHBL)
3. Aavantika Gas Ltd. (AGL)
4. Mumbai Aviation Fuel Farming Facility Pvt. Ltd. (MAFFFL)
5. HPCL Rajasthan Refinery Ltd. (HRRL)
6. HPOIL Gas Pvt. Ltd.

(C) Associates

1. Mangalore Refinery and Petrochemicals Ltd. (MRPL)
2. GSPL India Gasnet Ltd. (GIGL)
3. GSPL India Transco Ltd. (GITL)

Annexure II

Audit not conducted:

(A) Subsidiaries:

Nil

(B) Joint Ventures

1. Ratnagiri Refinery Petrochemicals Limited (RRPCL)
2. Petronet India Limited
3. Godavari Gas Pvt. Ltd. (GGPL)

(C) Associates

Nil

Annexure III

Audit not applicable

(A) Subsidiaries:

1. HPCL Middle East FZCO

(B) Joint Ventures

1. HPCL Mittal Energy Ltd. (HMEL)
2. Hindustan Colas Pvt. Ltd. (HINCOL)
3. South Asia LPG Co. Pvt. Ltd. (SALPG)
4. HPCL Shapoorji Energy Pvt. Ltd. (HSEL)

(C) Associates

Nil

Note: Ujjwala Plus Foundation has not been considered for consolidation hence the same is not indicated above.



Human Resource Accounting

HPCL considers human dimension as the key to organization's success. Several initiatives for development of human resources to meet new challenges in the competitive business environment have gained momentum. HPCL recognizes the value of its human assets who are committed to achieve excellence in all spheres. The Human Resource Profile given below in table shows that HPCL has a mix of energetic youth and experienced seniors who harmonize the efforts to achieve the Corporation's goals.

Particulars	Age				Total
	21-30	31-40	41-50	Above 50	
No. of Employees	2,370	1,815	1,659	4,395	10,239
Management	2,190	1,531	905	1,561	6,187
Non- Management	180	284	754	2,834	4,052
Average Age	26	35	47	55	43

Accounting for Human Resource Assets

The Lev & Schwartz model is being used by our Company to compute the value of Human Resource Assets. The evaluation as on 31st March 2019 is based on the present value of future earnings of the employees on the following assumptions:

1. Employees' compensation represented by direct & indirect benefits earned by them on cost to company basis.
2. Earnings up to the age of superannuation are considered on incremental basis taking the Corporation's policies into consideration.
3. Such future earnings are discounted @ 7.76%.

	₹ / Crores	
VALUE OF HUMAN RESOURCES	2018-19	2017-18
Management Employees	26,867	25,393
Non-management Employees	6,311	6,637
	33,178	32,030
Human Assets vis-à-vis Total Assets		
Value of Human Assets	33,178	32,030
Net Assets	35,967	33,231
Investments	11,819	11,105
	80,963	76,366
Employee Cost	2,938	2,859
Net Profit Before Tax (PBT)	9,339	9,202
Ratios (in %)		
Employee Cost to Human Resource	8.86	8.92
Human Resource to Total Resource	40.98	41.94
PBT to Human Resource	28.15	28.73



Joint Venture Companies as per Ind AS

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31 st March 2019	Nature of Operations
1.	HPCL-Mittal Energy Ltd.	13.12.2000	HPCL 48.99% Mittal Investments S.A.R.L. 48.99% Indian Financial Institutions 2.02%	Refining of crude oil and manufacturing of petroleum products.
2.	Hindustan Colas Pvt Ltd.	17.07.1995	HPCL 50.00% Colasie SA 50.00%	Manufacture and marketing of Bitumen Emulsions & Modified Bitumen.
3.	South Asia LPG Company Pvt Ltd.	16.11.1999	HPCL 50.00% Total Holding India 50.00%	Storage of LPG in underground cavern and associated receiving and dispatch facilities at Visakhapatnam.
4.	Petronet India Ltd.	26.05.1997	HPCL 16.00% BPCL 16.00% IOCL 18.00% Financial / Strategic Investors 50.00%	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.
5.	Petronet MHB Ltd.	31.07.1998	HPCL 32.72% ONGC 32.72% Financial / Strategic Investors 34.56%	Operation and maintenance of petroleum product pipeline between Mangalore-Hassan-Bengaluru.
6.	Bhagyanagar Gas Ltd.	22.08.2003	HPCL 49.97% GAIL 49.97% Kakinada Seaports Limited 0.06%	City Gas Distribution network in Hyderabad, Vijayawada and Kakinada and Auto LPG in Tirupati in the state of Andhra Pradesh/Telangana.
7.	Aavantika Gas Ltd.	07.06.2006	HPCL 49.99% GAIL 49.99% Financial Institutions 0.02%	City Gas Distribution network in Indore, Ujjain and Gwalior in the state of Madhya Pradesh.
8.	HPCL Shapoorji Energy Pvt Ltd.	15.10.2013	HPCL 50.00% SP Ports Pvt Limited 50.00%	To set up and operate an LNG Re-gasification Terminal at the greenfield port at Chhara (Gujarat)
9.	Mumbai Aviation Fuel Farm Facility Pvt Ltd.	26.02.2010	HPCL 25.00% IOCL 25.00% BPCL 25.00% Mumbai International Airport Pvt Limited 25.00%	To design, develop, construct and operate the aviation fuel facility at Chhatrapati Shivaji International Airport, Mumbai



Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31 st March 2019		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.

Associate Companies as per Ind AS

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31 st March 2019		Nature of Operations
1.	Mangalore Refinery & Petrochemicals Ltd.	07.03.1988	ONGC HPCL PUBLIC	71.63% 16.96% 11.41%	Refining of crude oil and manufacturing of petroleum products.
2.	GSPL India Gasnet Ltd.	13.10.2011	GSPL HPCL IOCL BPCL	52.00% 11.00% 26.00% 11.00%	To design, construct, develop, operate and maintain cross country Natural Gas Pipelines from Mehsana (Gujarat) to Bhatinda (Punjab) and Bhatinda (Punjab) to Srinagar (Jammu & Kashmir).
3.	GSPL India Transco Ltd.	13.10.2011	GSPL HPCL IOCL BPCL	52.00% 11.00% 26.00% 11.00%	To design, construct, develop, operate and maintain cross country Natural Gas Pipelines from Mallavarm (Andhra Pradesh) to Bhilwara (Rajasthan).



Subsidiary Companies as per Ind AS

Sr. No.	Name of the Company	Date of Incorporation	Shareholding as on 31 st March 2019		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 31 st March 2019		Nature of Operations
1.	Ujjwala Plus Foundation (Not for profit, Section 8 Company)	21.07.2017	IOCL BPCL HPCL (Company Limited by Guarantee without share capital- Represents Fund Contribution Ratio)	50.00% 25.00% 25.00%	To provide Liquid Petroleum Gas (LPG) connections to the women from the poor households and economically weaker section of the Society not covered under "Pradhan Mantri Ujjwala Yojana" ("PMUY") of the Govt. of India and to extend financial support for initial cost towards LPG connections and such assistance and support as may be needed to accomplish this noble social cause.



Corporate Governance

1. Company's Philosophy on Code of Governance:

HPCL believes in good Corporate Governance practices, ethics, fairness, professionalism and accountability to enhance stakeholders' 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 systematic processes, policies, rules, regulations and laws by which companies are directed, controlled and administered by the management in meeting the stakeholders' 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 controls, systems and processes, risk management and financial reporting.
- Full adherence and compliances of laws, rules and regulations.
- Timely and balanced disclosures of all material information on operational and financial matters to the Stakeholders.
- Clearly defined management performance and accountability.
- Enhanced accuracy and transparency in business operations, performance and financial position.

In compliance with Regulation 34 (3) & 53 (f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as mandated by the Securities and Exchange Board of India (SEBI) applicable on account of Uniform Listing Agreement executed with Stock Exchanges as well as notification on Corporate Governance for Public Sector Enterprises issued by the Department of Public Enterprises (DPE),

the Corporate Governance Disclosures are as under:

2. Disclosures:

BOARD OF DIRECTORS:

2.1 Composition of Board of Directors as on 31.03.2019

Category & Names of Directors	Nos.
Whole Time Directors including C & MD * Shri Mukesh Kumar Surana Shri Pushp Kumar Joshi Shri S. Jeyakrishnan Shri Vinod S. Shenoy	4
Government Nominee Directors (Ex-Officio/Representative of ONGC) ** Shri Sandeep Poundrik Shri Subhash Kumar	2
Independent Directors *** Shri Ram Niwas Jain Smt. Asifa Khan Shri G. V. Krishna Dr. T. N. Singh Shri Amar Sinha Shri Siraj Hussain	6

* Shri J. Ramaswamy, Director Finance (Whole Time Director) has superannuated from the services of the Company on February 28, 2019 and has ceased to be Director of the Company effective March 01, 2019.

** Ms. Sushma Taishete, Government Nominee Director has ceased to be Director of the Company effective May 07, 2018.

** Shri Subhash Kumar, Government Nominee Director (representative of ONGC) was appointed on the Board of the Company effective May 22, 2018.

** Shri Sandeep Poundrik, Government Nominee Director has ceased to be a Director of the Company effective May 01, 2019.

** Shri Sunil Kumar, Government Nominee Director was appointed on the Board of the Company effective May 30, 2019.

*** Shri Ram Niwas Jain, Independent Director was re-appointed on the Board of the Company effective November 20, 2018.

*** Shri G. Rajendran Pillai, Independent Director was appointed on the Board of the Company effective July 15, 2019.

2.2 Board Meetings:

Thirteen Board Meetings were held during the Financial Year 2018-2019, on the following dates:

27-04-2018	22-05-2018	04-06-2018
04-07-2018	08-08-2018	25-09-2018
01-11-2018	17-11-2018	19-12-2018
28-01-2019	05-02-2019	25-02-2019
29-03-2019		



2.3 Particulars of Directors including their attendance at the Board/Shareholder's Meeting

Name of Director	Academic Qualification	No. of Board Meeting(s) held	No of Board Meeting(s) attended	Attendance at the last AGM	No. of Directorship in other Cos. (Note 1)	Details of Directorship in other Listed companies (Regulation 17 A) of Listing Regulations).	Details of Membership/ Chairmanship held in Audit/ Stakeholders' Relationship Committees including this Listed Entity (Regulation 26 (1) of Listing Regulations) (Note 2)
WHOLE TIME DIRECTORS:							
Shri Mukesh Kumar Surana (DIN 07464675)	B.E. (Mechanical), Masters in Financial Management	13	13	Yes	4	Nil	Member, Audit Committee Hindustan Petroleum Corporation Limited Member, Stakeholders' Relationship Committee Hindustan Petroleum Corporation Limited
Shri Pushp Kumar Joshi (DIN 05323634)	B.A., LLB, PG (PM&IR), XLRI Jamshedpur	13	13	Yes	2	Nil	Nil
Shri S. Jeyakrishnan (DIN 07234397)	B.A.	13	12	Yes	2	Nil	Nil
Shri Vinod S. Shenoy (DIN 07632981)	B.E. (Chemical)	13	12	Yes	5	Mangalore Refinery and Petrochemicals Limited (Non-Executive-Nominee Director)	Member, Audit Committee Mangalore Refinery and Petrochemicals Limited Member, Stakeholders' Relationship Committee Mangalore Refinery and Petrochemicals Limited



Name of Director	Academic Qualification	No. of Board Meeting(s) held	No of Board Meeting(s) attended	Attendance at the last AGM	No. of Directorship in other Cos. (Note 1)	Details of Directorship in other Listed companies (Regulation 17 A) of Listing Regulations).	Details of Membership/ Chairmanship held in Audit/ Stakeholders' Relationship Committees including this Listed Entity (Regulation 26 (1) of Listing Regulations) (Note 2)
Shri J. Ramaswamy* (DIN 06627920)	FCA	12	12	Yes	6	Nil	Member, Audit Committee Hindustan Petroleum Corporation Limited Member, Stakeholders' Relationship Committee Hindustan Petroleum Corporation Limited
NON-EXECUTIVE GOVERNMENT NOMINEE DIRECTORS:							
Shri Sandeep Poundrik (DIN 01865958)	B.E. (Electrical) IAS	13	10	No	1	Engineers India Limited (Non-Executive -Nominee Director)	Nil
Shri Subhash Kumar** (DIN 07905656)	M.Com, ICMAI, ACS	12	10	Yes	5	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
Ms. Sushma Taishete*** (DIN 03585278)	M.Sc. (Microbiology) Diploma in Clinical Analysis, IAS	1	0	Not Applicable	-	Nil	Nil



Name of Director	Academic Qualification	No. of Board Meeting(s) held	No of Board Meeting(s) attended	Attendance at the last AGM	No. of Directorship in other Cos. (Note 1)	Details of Directorship in other Listed companies (Regulation 17 A) of Listing Regulations).	Details of Membership/ Chairmanship held in Audit/ Stakeholders' Relationship Committees including this Listed Entity (Regulation 26 (1) of Listing Regulations) (Note 2)
INDEPENDENT DIRECTORS:							
Shri Ram Niwas Jain **** (DIN 00671720)	B.E. (Mechanical)	13	11	Yes	3	Nil	Chairman, Audit Committee Hindustan Petroleum Corporation Limited
Smt. Asifa Khan (DIN 07730681)	M.A. (English Literature)	13	13	Yes	-	Nil	Chairman Stakeholders' Relationship Committee Hindustan Petroleum Corporation Limited
Shri G.V. Krishna (DIN 01640784)	B.Com, FCA	13	12	Yes	1	Nil	Member, Audit Committee Hindustan Petroleum Corporation Limited Member, Stakeholders' Relationship Committee Hindustan Petroleum Corporation Limited
Dr. T. N. Singh (DIN 07767209)	M.Sc. (Geology) & Ph.D (B.H.U.)	13	10	No	-	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	No. of Directorship in other Cos. (Note 1)	Details of Directorship in other Listed companies (Regulation 17 A) of Listing Regulations).	Details of Membership/ Chairmanship held in Audit/ Stakeholders' Relationship Committees including this Listed Entity (Regulation 26 (1) of Listing Regulations) (Note 2)
Shri Amar Sinha (DIN 07915597)	IFS	13	13	Yes	2	Nil	Member, Audit Committee Hindustan Petroleum Corporation Limited
Shri Siraj Hussain (DIN 05346215)	IAS	13	12	Yes	2	Nil	Member, Stakeholders' Relationship Committee Hindustan Petroleum Corporation Limited Member, Nomination and Remuneration Committee Hindustan Petroleum Corporation Limited

* Shri J. Ramaswamy, Director Finance (Whole Time Director) has superannuated from the services of the Company on February 28, 2019 and has ceased to be Director & Member of the Audit & Stakeholders' Relationship Committee of the Company effective March 01, 2019. Shri Mukesh Kumar Surana, Chairman & Managing Director is holding additional charge of Director-Finance effective March 01, 2019.

** Shri Subhash Kumar was appointed as Government Nominee Director (Representative of ONGC) on the Board of the Company effective May 22, 2018.

*** Ms. Sushma Taishete has ceased to be Government Nominee Director effective May 07, 2018.

**** Shri Ram Niwas Jain was re-appointed on the Board of the Company effective November 20, 2018.

Note 1 : The Directorship held by Directors in other Companies as mentioned above includes Public and Private Limited Companies but do not include the companies registered under Section 8 of the Companies Act, 2013.

Note 2 : The Chairmanship/Membership of Committees is considered only for Audit Committee and Stakeholders' Relationship 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 37 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 vast experience in Human Resource and Industrial Relations, Shri Joshi has played a pivotal role in leading key transformational & strategic initiatives across HPCL such as Project Akshay, Akshaypath etc.

Shri Joshi has spearheaded Human Resources 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 & provided support to the business and finance functions in the critical area of Human Resources.

Shri S. Jeyakrishnan – (DIN 07234397)

Shri S. Jeyakrishnan is Director-Marketing of the Company effective November 01, 2016. Prior to this, he was Executive Director – Retail of HPCL.

An alumni of Madras University, Mr. S. Jeyakrishnan joined HPCL in 1981 and has a rich and varied experience across the spectrum of Petroleum Marketing. He is known for his participative leadership style and believes in leading his teams from the front, consistently delivering high performance despite all odd situations.

During a career spanning over 36 years, he has led large teams in the Marketing functions and held Leadership positions including General Manager– East Zone, Executive Director–Business Development & Corporate Affairs, Executive Director–Direct Sales and Executive Director–Retail. He also played key roles 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 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 33 years, Shri Shenoy has held various positions in the Refinery Divisions and Corporate Departments of HPCL and has wide exposure to the Petroleum Industry.

Intelligent refinery production strategy to ensure profitability, vision from operational excellence and capacity expansion of refineries at Mumbai and Visakh with bottom up upgradation facilities meeting Euro V and Euro VI fuel specifications are the tasks ahead.

Shri J. Ramaswamy (DIN 06627920) – (Upto February 28, 2019)

Shri J. Ramaswamy, who was Director Finance of the Company from October 01, 2015 has ceased to be Director of the Company effective March 01, 2019. He was also the Chief Financial Officer (CFO) of the Company. Prior to Director-Finance and CFO, Mr. Ramaswamy was Executive Director-Corporate Finance of HPCL for over 2 years.

He was a fellow member of the Institute of Chartered Accountants of India (ICAI). Mr. Ramaswamy brought rich experience of over 3 decades in handling various challenging assignments in HPCL in the field of Corporate Finance, Marketing Finance, SBU Commercial, C & MD's Office, Internal Audit, Vigilance, Systems & Procedure and Refinery Finance.

Mr. Ramaswamy had expertise in Financial Management, and was known for strengthening financial discipline, cost consciousness and commercial acumen in the Company, which is of immense benefit to the organization. He was also credited with effective treasury management in raising External Commercial Borrowings, Non-Convertible Debentures issue and various other types of financial instruments at a very competitive interest rate as compared with the other Oil Industry PSUs.

He had various academic distinctions to his credit, and is a key technical speaker in in-house capability building seminars and workshops.

Shri Sunil Kumar (DIN 08467559) – (From May 30, 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 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) – (From May 22, 2018)

Shri Subhash Kumar is a Part-Time Director on the Board of HPCL, nominated by Government of India as representative of ONGC from May 22, 2018. Mr Subhash Kumar is Director (Finance) of ONGC effective 31st January 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 ICAI 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. 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) – (Upto May 01, 2019)

Shri Sandeep Poundrik was a Part-Time 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 like 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 the 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 and 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.

Ms. Sushma Taishete - Rath (DIN 03585278) – (Upto May 07, 2018)

Ms. Sushma Taishete-Rath, who was appointed as a Government Nominee Director on the HPCL Board from December 05, 2017 has ceased to be Director of the Company effective May 07, 2018.

She was M.Sc. in Microbiology, Haffkine Institute, Mumbai, Diploma in Clinical Analysis, Sophia College, Mumbai and Civil Service Batch, 1989. At the time of joining HPCL Board, she was posted as Joint Secretary in the Ministry of Petroleum and Natural Gas, Government of India. She had worked as Director (Marketing), Ministry of Petroleum & Natural Gas, Under Secretary in the Ministry of Health & Family Welfare and as Principal Administrative officer and Adviser (Gender Issues) at National Health Systems Resource Centre. She has Published a number of Articles on adverse child-sex ratio in the Country & on Health Sector in reputed magazines i.e. Economic & Political weekly & Indian Journal of Medical Microbiology, etc.

Shri Ram Niwas Jain – (DIN 00671720)

Shri Ram Niwas Jain is an Independent Director on HPCL Board effective November 20, 2015. On completion of his tenure of 3 years (November 19, 2018), he was re-appointed on the Board of HPCL effective November 20, 2018 for a period of one year.

Mr. Jain is a B.E.(Mechanical) from Motilal Nehru Regional Engineering College, Allahabad. He is the Managing Director of 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 SAIIL. He was Independent Director on the

Boards of two nationalized banks, Allahabad Bank and UCO Bank. He is an Independent Director in Universal Sompo General Insurance Co. Ltd. He is president of Entrepreneurs' Association of Scooters India Ancillary Units, Amausi, Lucknow. Mr. Jain is doing a lot of social work in the field of Leprosy, welfare and rehabilitation of Tribal children.

Smt. Asifa Khan – (DIN 07730681)

Smt. Asifa Khan is an Independent Director on the Board of the Company effective February 13, 2017.

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

Shri G.V. Krishna – (DIN 01640784)

Shri G.V. Krishna is an Independent Director on the Board of the Company effective February 13, 2017.

Shri G.V. Krishna is a Chartered Accountant, apart from being a Bachelor of Commerce from Bangalore University. He completed his Chartered Accountancy in 1988 and has been in practice since then. Shri G.V. Krishna is advisor to major Industrial Groups in Karnataka as a Strategic and Business Advisor and also counsels other Chartered Accountants in technical areas of practice, including in Banking, Tax and Regulatory matters. Exposed extensively to the Rural and Co-operative Sector, he has also been an Independent Director on the Karnataka Apex Cooperative Bank. He has experience in Statutory, Internal and Bank Audits 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 focuses on sustainable environment and Solid Waste Management issues. A regular speaker across professional forums, Shri G.V. Krishna also takes special interest in counselling and motivating rural youth on Entrepreneurship and Self-Employment avenues.

Dr. T. N. Singh – (DIN 07767209)

Dr. T.N. Singh is an Independent Director on the Board of the Company effective March 20, 2017

Dr. T.N. Singh was 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 areas 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.

Presently he is Vice Chancellor of Mahatma Gandhi Kashi Vidyapith, Varanasi.

Shri Amar Sinha – (DIN 07915597)

Shri Amar Sinha has been appointed as 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, IBISA, BRICS etc.

He retired from the Ministry of External Affairs, New Delhi in June 2017 where he was serving as Secretary (Eco 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 has been published 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 July 15, 2019)

Shri G. Rajendran Pillai has been appointed as 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.

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 the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) vests with the 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 the 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 and 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 HPCL are appointed by the Government.

2.8 No Independent Director has resigned during the Financial Year 2018-2019 before the expiry of their 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 29, 2019. The Company is also nominating Independent Directors to the Familiarization Program and other Corporate Program from time to time. The details of familiarization programs provided to the Independent Directors are also hosted on the website of the Company

2.10 Web link where details of familiarization programs imparted to Independent Directors:

http://www.hindustanpetroleum.com/stock_exchange2017

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, 2019 which comprises of 5 Statutory Committees and 1 Non- Statutory Committee, details of which are as follows:

3.0 Audit Committee:

The Audit Committee comprises of Independent Directors and Whole Time Director as Members. The Chief Financial Officer (CFO) of the Company is an Invitee to the Committee.

The Composition of Audit Committee as on March 31, 2019 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain	Chairman	Independent Director
2.	Shri G. V. Krishna	Member	Independent Director
3.	Dr. T. N. Singh*	Member	Independent Director
4.	Shri Amar Sinha*	Member	Independent Director
5.	Shri Mukesh Kumar Surana** (holding Addl. Charge of Director Finance effective 01.03.2019)	Member	Whole Time Director

* Appointed as Members of the Committee effective April 01, 2018

** Appointed as Member of the Committee effective March 29, 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 Chapter II (Corporate Governance) of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other DPE guidelines on Corporate Governance applicable to Central Public Sector Enterprises (CPSE).

The Committee at the Meeting held on May 20, 2019 reviewed the Financial Statements for the Financial Year 2018-2019 before the said Financial Statements were adopted by the Board.

Dates of Audit Committee Meetings held during 2018-2019:

24.04.2018	22.05.2018	04.06.2018	04.07.2018
08.08.2018	24.09.2018	26.10.2018	01.11.2018
05.02.2019	19.02.2019		

Attendance at the Audit Committee Meeting during 2018-2019:

Name of the Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
Shri Ram Niwas Jain	10	10	100%
Shri G. V. Krishna	10	9	90%
Dr. T. N. Singh	10	9	90%
Shri Amar Sinha	10	10	100%
Shri J. Ramaswamy *	10	9	90%
Shri Mukesh Kumar Surana**	0	Not Applicable	Not Applicable

* Ceased to be Member of the Committee effective March 01, 2019.

** Appointed as Member of the Committee effective March 29, 2019

4.0 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 Chapter II (Corporate Governance) of Regulation 19 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 of Nomination and Remuneration Committee as on March 31, 2019 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Dr. T. N. Singh	Chairman	Independent Director
2.	Smt. Asifa Khan*	Member	Independent Director
3.	Shri Siraj Hussain*	Member	Independent Director
4.	Shri Pushp Kumar Joshi	Permanent Invitee	Whole Time Director

* Appointed as Members of the Committee effective April 01, 2018.

A Meeting of the Nomination and Remuneration Committee was held on 12.10.2018 during 2018-2019.

Attendance at the Nomination & Remuneration Committee Meeting during 2018-2019:

Name of the Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
Dr. T. N. Singh	1	1	100%
Smt. Asifa Khan	1	1	100%
Shri Siraj Hussain	1	1	100%
Shri Pushp Kumar Joshi	1	1	100%

5.0 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 of the RMSC as on March 31, 2019 was as follows. The Chief Financial Officer (CFO) of the Company is an Invitee to the Committee.

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Mukesh Kumar Surana	Chairman	Whole Time Director
2.	Shri Pushp Kumar Joshi	Member	Whole Time Director
3.	Shri S. Jeyakrishnan	Member	Whole Time Director
4.	Shri Vinod S. Shenoy	Member	Whole Time Director

6.0 Stakeholders' Relationship Committee:

The Board has constituted a Stakeholders' Relationship Committee comprising of Independent Directors and Whole Time Directors as members. The Chief Financial Officer (CFO) of the Company is an Invitee to the Committee.

The role of the Committee shall be such as provided in Part D of Schedule II (Corporate Governance) forming part of Regulation 20 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of Stakeholders' Relationship Committee as on March 31, 2019 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Smt. Asifa Khan	Chairman	Independent Director
2.	Shri G. V. Krishna*	Member	Independent Director
3.	Shri Siraj Hussain*	Member	Independent Director
4.	Shri Mukesh Kumar Surana** (holding additional charge of Director Finance effective March 01, 2019)	Member	Independent Director

* Appointed as Members of the Committee effective April 01, 2018.

** Appointed as Member of the Committee effective March 29, 2019.

The Committee also reviews the status of Investors' Grievances and other important matters of investors' interest.

Dates of Stakeholders' Relationship Committee Meetings held during 2018-2019:

21.05.2018	07.12.2018
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Attendance at the Stakeholders' Relationship Committee Meetings during 2018-2019:

Name of the Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
Smt. Asifa Khan	2	2	100%
Shri G. V. Krishna	2	2	100%
Shri Siraj Hussain	2	2	100%
Shri J. Ramaswamy *	2	2	100%
Shri Mukesh Kumar Surana**	0	Not Applicable	Not Applicable

* Ceased to be Member of the Committee effective March 01, 2019.

** Appointed as Member of the Committee effective March 29, 2019.

7.0 CSR & Sustainability Development Committee:

The Board has constituted a Corporate Social Responsibility & Sustainability Development Committee (CSR & SD) in line with Section 135 of the Companies Act, 2013 and DPE Guidelines, comprising of Independent Directors and Whole Time Directors to carry out functions as provided in Section 135 (3) of the Companies Act and in the DPE Guidelines applicable to CPSE.

The Composition of CSR & SD Committee as on March 31, 2019 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri G. V. Krishna	Chairman	Independent Director
2.	Shri Ram Niwas Jain	Member	Independent Director
3.	Dr. T. N. Singh*	Member	Independent Director
4.	Shri Amar Sinha*	Member	Independent Director
5.	Shri Pushp Kumar Joshi	Member	Whole Time Director
6.	Shri S. Jeyakrishnan	Member	Whole Time Director
7.	Shri Vinod S. Shenoy	Member	Whole Time Director

* Appointed as Members of the Committee effective April 01, 2018.

Dates of CSR & SD Committee Meetings held during 2018-2019:

22.05.2018	08.08.2018	25.09.2018	19.12.2018
05.02.2019	29.03.2019		

Attendance at the CSR & SD Committee Meeting(s) during 2018-2019:

Name of the Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
Shri G. V. Krishna	6	6	100%
Shri Ram Niwas Jain	6	6	100%
Dr. T. N. Singh	6	5	83%
Shri Amar Sinha	6	6	100%
Shri Pushp Kumar Joshi	6	6	100%
Shri S. Jeyakrishnan	6	5	83%
Shri Vinod S. Shenoy	6	6	100%

8.0 Investment Committee:

The Board has constituted an Investment Committee comprising of Independent Directors and Whole Time Director to review the investment in the projects of higher value before seeking approval of the Board. The Chief Financial Officer (CFO) is an Invitee to the Committee.

The Composition of Investment Committee as on March 31, 2019 was as follows:

Sr. No.	Name of the Director	Designation	Type of Director
1.	Shri Ram Niwas Jain	Chairman	Independent Director
2.	Smt. Asifa Khan	Member	Independent Director
3.	Shri Amar Sinha*	Member	Independent Director
4.	Shri Siraj Hussain*	Member	Independent Director
5.	Shri Mukesh Kumar Surana** (holding additional charge of Director Finance effective March 01, 2019)	Member	Whole Time Director

* Appointed as Members of the Committee effective April 01, 2018.

** Appointed as Member of the Committee effective March 29, 2019.



Dates of Investment Committee Meetings held during 2018-2019:

21.05.2018	04.06.2018	04.07.2018	07.08.2018
31.10.2018	07.12.2018	23.01.2019	25.02.2019
29.03.2019			

Attendance at the Investment Committee Meetings held during 2018-2019:

Name of the Director	No. of Meetings Held	No. of Meetings attended	% of Attendance
Shri Ram Niwas Jain	9	9	100%
Smt. Asifa Khan	9	9	100%
Shri Amar Sinha	9	8	89%
Shri Siraj Hussain	9	8	89%
Shri J. Ramaswamy *	8	8	100%
Shri Mukesh Kumar Surana**	1	1	100%

* Ceased to be Member of the Committee effective March 01, 2019.

** Appointed as Member of the Committee effective March 29, 2019

9.0 Remuneration of Directors:

- HPCL being a Government Company, the remuneration payable to its Whole-Time Directors is approved by the Government and advices thereof are received through the Administrative Ministry i.e. Ministry of Petroleum & Natural Gas.
- The Independent Directors are paid sitting fees for attending the Board Meetings and Sub-Committee Meetings of the Board attended by them. HPCL does not have a policy of paying commission on profits to any of the Directors of the Company.
- The remuneration payable to officers below the Below level is also approved by the Government of India.

The details of Remuneration paid to all Functional Directors are given below:

- The remuneration of the Whole Time Directors includes Basic Salary, allowances and perquisites as determined by the Government of India. Moreover, they are entitled to Provident Fund and Superannuation Contributions as per the Rules of the Company.
- The Gross Value of the fixed component of the remuneration paid to Whole Time Functional Directors, during the Financial Year 2018-2019 is given below:

(In ₹ Lakh)

Sr. No.	Particulars of Remuneration	Name of Chairman & Managing Director / Whole Time Directors					Total
		Mukesh Kumar Surana	Pushp Kumar Joshi	J. Ramaswamy*	S. Jeyakrishnan	Vinod S Shenoy	
1	Gross Salary	88.19	107.73	145.55	85.48	75.11	502.06
	(a) Salary as per provisions contained in Sec. 17(1) of the Income Tax Act, 1961	76.31	92.53	129.34	73.12	74.62	445.92
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	11.88	15.20	16.21	12.36	0.49	56.14
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission – as % of profit (Others, specify)	-	-	-	-	-	-
5	Others: (PF, DCS, House Perks tax etc.)	11.84	13.13	10.64	10.97	6.13	52.71
	Total	100.03	120.86	156.19	96.45	81.24	554.77
	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.					

* Ceased to be Director of the Company effective March 01, 2019 on account of superannuation from the service of the Company.

10.0 Sitting Fees for the Year 2018-2019:

The details of Sitting Fees paid to Independent Directors for the year 2018-2019 for attending the Board/ Sub-Committee Meetings are given below:

(In ₹ Lakh)

	Ram Niwas Jain	Asifa Khan	G. V. Krishna	T. N. Singh	Amar Sinha	Siraj Hussain
Details of Meeting						
Board	4.40	5.20	4.80	4.00	5.20	4.80
Audit Committee	3.00	0.00	2.70	2.70	3.00	0.00
Nomination & Remuneration Committee	0.00	0.30	0.00	0.30	0.00	0.30
Stakeholders' Relationship Committee	0.00	0.60	0.60	0.00	0.00	0.60
Investment Committee	2.70	2.70	0.00	0.00	2.40	2.40
CSR & SD Committee	1.80	0.00	1.80	1.50	1.80	0.00
Independent Directors	0.30	0.30	0.30	0.30	0.30	0.30
Total Sitting Fees Paid	12.20	9.10	10.20	8.80	12.70	8.40

11.0 References & Investors Complaints received and replied during 2018-2019:

Sr. No.	Nature of Correspondence	References	Complaints	Total
1.	Number of Shareholders references/ complaints received	5561	26	5587
2.	Number not solved	0	0	0
3.	Number of pending references/ complaints as on March 31, 2019.	272	0	272

12.0 Code of Conduct:

In compliance with the terms of Regulation 17 (5) (a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, "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

- All Whole-Time Directors
- All Non-Whole Time Directors including Independent Directors and
- Senior Management Personnel.

This code would be read in conjunction with the Conduct, Discipline & Appeal Rules for Officers applicable to Whole Time Directors and Senior Management Personnel.

All the Board Members and Senior Management Personnel have provided the Annual Compliance Certificate duly signed by them as on March 31, 2019.

13.0 Right to Information Act, 2005:

The Right to Information Act, 2005 (RTI) which became effective 12th October, 2005, is complied by HPCL. HPCL 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.

14.0 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 reference received from the Vendors are placed before the Independent External Monitors (IEMs) 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.

15.0 Shares Department Activities:

HPCL has a Shares Department under the Company Secretary. Shares Department monitors the activities of R&T Agents M/s. Link Intime India Pvt. Ltd., and looks into the issues of shareholders like; Share Transfers, Demat, Remat, Duplicate, Transmission and other important matters which are approved by the Share Transfer Committee. The Share Department carries out various activities in-house like; Transmission, Dividend Reconciliation and Audits, Filing On-line Statutory Compliances on BSE/NSE, Responding to Grievances of shareholders received through Statutory Bodies, Compliances under IEPF etc.

Presently, HPCL has 2,54,072 shareholders as on 31.03.2019. The Company regularly interacts with the shareholders through e-mails, letters, during AGM, Investors' Meets, wherein the activities of the Company, its performance and its future 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 from various modes like emails received from HPCL investors, Corporate HQO, direct emails from shareholders, day today physical letters, etc.

The quarterly financial results are published in English and Vernacular newspapers. The Financial and other details are also hosted 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.

16.0 General Body Meetings:

16.1 Location and time of the last three Meetings held:

Year	Location	Date	Time
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.
2015-2016	Y.B. Chavan Auditorium, Yashwantrao Chavan Pratisthan, Gen. Jagannatharao Bhosale Marg, Mumbai – 400 021	08.09.2016	11.00 a.m.

16.2 Whether any Special Resolutions passed in the previous 3 AGM ?

At the 64th Annual General Meeting which was held on September 08, 2016, two resolutions a) to amend the Article 109 of Articles of Association of the Company to increase the Number of Directors and b) to increase the Authorized Share Capital of the Company by amending the Capital Clauses of the Memorandum of Association and Articles of Association of the Company, were passed.

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 Crore 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 Crore through issue of Debentures/Bonds/Notes etc.



16.3 Whether any Special Resolutions passed last year through Postal Ballot – One Special Resolution was passed for Re-appointment of Shri Ram Niwas Jain as an Independent Director effective November 20, 2018 on the Board of HPCL.

16.4 Person who conducted the Postal Ballot Exercise:

Shri Upendra Shukla, Practising Company Secretary

16.5 Whether any special resolution is proposed to be conducted through Postal Ballot:

For the year 2019-2020, 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.

17.0 MEANS OF COMMUNICATION:

Timely disclosure of consistent, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, major steps taken are as under:

i) Quarterly 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 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 website: www.hindustanpetroleum.com

iv) Annual Report:

Annual Report for 2018-19 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-Mails to the shareholders who have registered their emails 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 2017-2018 and Interim Dividend of 2018-2019 were sent.

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 @ 140% for the year 2010-11 on 22-09-2011 became due to be transferred to IEPF this year. Accordingly, unclaimed/unpaid dividend of 2010-11 was transferred to IEPF Authority.

Pursuant to Section 124 (6) of Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 as amended from time to time, the shares in respect of which dividend has not been paid or claimed for a period of seven consecutive years 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 summarized below:

Category	No of Records	No. of Shares transferred
NSDL Account	157	15950
CDSL Account	37	1361
Physical Account	92	14650
Total	286	31961

18.0 GENERAL SHAREHOLDER INFORMATION:

18.1 67th Annual General Meeting:

Date and Time : August 21, 2019 at 11.00 A.M.
 Venue : Y.B. Chavan Auditorium,
 Yashwantrao Chavan Pratishthan,
 Gen. Jagannathrao Bhosale Marg,
 Mumbai – 400 021.

18.2 Financial Calendar:

Financial Reporting for Quarter ending 30.06.2019 - End July/mid-August 2019
Financial Reporting for Quarter ending 30.09.2019 - End October/mid November 2019
Financial Reporting for Quarter ending 31.12.2019 - End January/mid February 2020
Financial Reporting for Quarter ending 31.03.2020 - End May 2020
Annual General Meeting for year ending 31.03.2020 - August 2020

18.3 Book Closure Date(s) for Final Equity Dividend: June 10, 2019 to June 14, 2019 (Both days inclusive)

18.4 Dividend Payment Date : The final dividend of ₹ 9.40 per Equity Share (94%) as recommended by the Directors, if approved at the AGM, shall be paid to the eligible Members within the stipulated 30 days period after the AGM, as provided under the Companies Act, 2013.

18.5 Listing on Stock Exchanges as of 31.03.2019:

The BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	The National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051
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18.6 Listing Fees: Listing Fees for Financial Year 2019-2020 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:

YEAR	BSE		NSE	
	HIGH	LOW	HIGH	LOW
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
2014-15	669.70	294.00	669.95	294.25

(In ₹)

Performance in Comparison to Broad Based Indices:

AS ON	HPCL Share Price BSE (₹)	BSE SENSEX	NSE NIFTY
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
31.03.2015	650.10	27957.49	8491.00

**HPCL Share Price Monthly Data:**

BSE					NSE				
Month	High (₹)	Low (₹)	Close (₹)	Volume (Qty)	Month	High (₹)	Low (₹)	Close (₹)	Volume (Qty)
Apr-18	370.00	290.10	304.65	9,390,680	Apr-18	370.00	290.05	304.50	129,236,005
May-18	330.05	272.30	312.30	11,452,018	May-18	330.15	272.30	311.85	162,145,602
Jun-18	325.00	256.70	259.10	8,261,043	Jun-18	325.35	256.55	259.20	131,432,194
Jul-18	293.50	251.10	284.80	8,634,888	Jul-18	293.60	250.60	284.80	127,161,249
Aug-18	296.10	250.70	254.05	6,828,363	Aug-18	296.50	250.70	253.80	100,255,810
Sept-18	264.00	233.50	250.75	6,776,275	Sept-18	264.35	233.45	251.45	103,392,751
Oct-18	257.00	163.45	224.10	34,449,711	Oct-18	256.95	163.00	224.15	354,569,428
Nov-18	261.15	223.70	232.40	18,535,737	Nov-18	261.80	223.15	232.35	181,218,011
Dec-18	258.50	217.20	253.25	12,219,747	Dec-18	258.60	216.00	253.25	149,883,871
Jan-19	258.40	226.90	233.85	7,145,107	Jan-19	258.50	226.85	233.50	98,283,157
Feb-19	239.00	211.35	223.70	4,735,098	Feb-19	239.30	211.20	223.35	90,194,431
Mar-19	292.55	223.80	283.50	7,807,480	Mar-19	292.00	223.35	283.85	165,751,708

Per Share and Related Data:

		2018-19	2017-18	2016-17	2015-16	2014-15
Per Share Data	Unit					
EPS (Note 1)	₹	39.56	41.72	40.74	24.45	17.94
CEPS (Note 1)	₹	63.02	62.54	61.51	46.70	33.71
Dividend	₹	9.00	15.60	44.90	43.00	24.50
Book Value	₹	184.90	157.16	200.29	530.66	473.14
Share Related Data	Unit					
Dividend Payout	%	22.75	36.52	56.01	39.08	36.53
Price to Earning *	Multiple	7.17	8.25	12.90	32.13	8.05
Price to Cash Earning *	Multiple	4.50	5.50	8.54	16.82	4.29
Price to Book Value	Multiple	1.53	2.19	2.62	1.48	1.37
• Based on March 31, closing price (BSE)		283.5	344.15	525.45	785.55	650.10

Note 1: EPS for earlier periods presented have been recalculated in accordance with Ind AS 33
The figures for the years 2018-2019, 2017-2018, 2016-2017 & 2015-2016 are as per Financial Statements prepared under Ind AS.

18.9 Registrars 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 : rnt.helpdesk@linkintime.co.in


18.10 Share Transfer System:

Activities relating to Share Transfers are carried out by M/s. Link Intime India Pvt.Ltd., who are the Registrar and Transfer Agents of the Company and who have arrangements with the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. The Transfers are approved by the Share Transfer Committee. If the documents are correct and valid in all respects, share transfers are registered and Share Certificates are dispatched within stipulated period from the date of receipt.

The Number of Physical shares transferred during the last two financial years:

2018-2019: 1,68,625 Shares

2017-2018: 1,88,881 Shares

18.11 Dematerialization of shares and liquidity:

The total number of shares dematerialized as on 31.03.2019 is 151,78,12,568 representing 99.61% of paid up equity share capital. Trading in Equity Shares of the Company is permitted only in dematerialized form, w.e.f. February 15, 1999 as per the notification issued by the Securities and Exchange Board of India.

18.12 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments to be converted into Equity Shares.

18.13 Plant Locations:

The Company has 2 Refineries located at Mumbai and Visakhapatnam. It has 133 Regional Offices, 42 Terminals/Tap Off Points, 41 Depots, 49 LPG Bottling Plants, 6 Lube Blending Plants, 15440 Retail Outlets, 43 ASFs, 1638 SKO/LDO Dealers and 5866 LPG Distributors located all over the country.

18.14 The Company continued to command international long term issuer rating of "Baa2" with "Stable" outlook from M/s. Moody's Investors Services and "BBB-" rating with "stable" outlook from Fitch Ratings. Both ratings are at par with sovereign rating. The Company is maintaining 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:

Registrars and Transfer Agents	Company's Shares Department
M/s. Link Intime India Pvt.Ltd.,	Hindustan Petroleum Corporation Ltd.
Unit: Hindustan Petroleum Corporation Ltd.	Shares Department,
C 101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West),	2nd Floor, Petroleum House,
Mumbai – 400 083	17, Jamshedji Tata Road, Mumbai – 400 020
Tel. No. (022) 49186000	Tel. Nos. (022) 22863204 / 3201 / 3208
Fax No. (022) 49186060	Fax No.: (022) 22874552/22841573
E-mail: rnt.helpdesk@linkintime.co.in	E-mail: hpclinvestors@mail.hpcl.co.in

18.16 Distribution Schedule as on 31.03.2019:

No. of Shares	Physical Holding		Dematerialized 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	1653	433443	209639	25723472	211292	26156915	83.15	1.72
501-1000	3787	2513291	18719	13767571	22506	16280862	8.86	1.07
1001-5000	1547	2617534	15464	31584470	17011	34202004	6.70	2.24
5001-10000	21	137400	1491	10579270	1512	10716670	0.60	0.70
10001 & above	4	308389	1747	1436157785	1751	1436466174	0.69	94.27
TOTAL:	7012	6010057	247060	1517812568	254072	1523822625	100.00	100.00

**18.17 Shareholding Pattern:**

CATEGORY	As on 31.03.2019			As on 31.03.2018		
	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	30	70846608	4.65	34	47380974	3.11
FII/OCBs	615	283370853	18.60	740	356470910	23.39
BANKS	13	4071031	0.27	14	2564416	0.17
MUTUAL FUNDS (Includes Alternate Investment Funds)	153	185535540	12.18	202	147545465	9.68
FOREIGN NATIONALS (NRI, NRI-Repat, Individuals)	6632	5101440	0.33	5513	5189805	0.34
EMPLOYEES (Physical)	398	686383	0.04	444	806445	0.06
OTHERS	246230	195365395	12.82	200355	185019235	12.14
TOTAL	254072	1523822625	100.00	207303	1523822625	100.00

19.0 OTHER DISCLOSURES:

- 19.1** During the year 2018-2019, 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 2018-2019 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 HPCL has received letters from BSE Limited and National Stock Exchange of India Limited informing levy of Penalty for non-compliance of provisions of Regulation 17 (1) (b) of SEBI (LODR) Regulations i.e. for not having required number of Independent Directors on the Board (considering Chairperson of the Board being Executive Director) for the quarters ended September 2018, December 2018 & for the period January-February 2019. In this regard the Company has requested the Stock Exchanges for waiver of fine levied, as HPCL being a Government Company, the power to appoint Directors (including Independent Directors) and terms and conditions of appointments etc. vests with Government of India and such non-compliance is not due to any negligence/default by the Company. Apart from that there have been no instances of non-compliance by the Company or penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any matter relating to Capital Markets during the last 3 years.
- 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 on the Board of HPCL to comply with Regulation 17(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with 3.1.4 of DPE Guidelines on Corporate Governance, the Company has taken up the same with its Administrative Ministry i.e. Ministry of Petroleum & Natural Gas.



- 19.7** With respect to SEBI circular regarding implementation of certain recommendations on the Committee of Corporate Governance, 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 provisions of Section 134(3)(p) of the Companies Act on the statement indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and of individual directors has been made, is exempted vide Ministry of Corporate Affairs notification dated June 05, 2015 since the evaluation has been done by the concerned Administrative Ministry as per its own evaluation methodology.

In view of the above stated position, as far as the SEBI circular on “Disclosure of Board Evaluation” the applicability of the same will be reviewed. As far as the SEBI circular on Group Governance Unit in the cases of “large number of Unlisted subsidiaries” is concerned, HPCL has only five Subsidiary companies. The Board minutes of the subsidiary companies are regularly placed for information of 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 a “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/Chief Financial Officer (CFO) 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 2018-2019 is given below:

Number of Complaints filed during the Financial Year	:	2
Number of Complaints disposed of during the Financial Year	:	2
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, Shri Dholakia and Associates is annexed to the Director’s Report.

- 19.14** The Company 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 other 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:

Payments to the auditor for:	2018-19 ₹ Crore
Audit Fees	0.79
Other Services	0.25
Reimbursement of expenses	0.14

- 19.17** The Board has taken on record the declaration and confirmation submitted by the Independent Directors under Sub-Regulation (8) of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

19.18 Disclosures 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 31.03.2019 was ₹ 19,711 crore. The Refinery margins for the Financial Year 2018-19 was ₹ 4,700 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	
	₹ Crores	In MMT					
Refinery Margin	470	18.44	Nil	Nil	5.6%	Nil	5.6%
Inventory as on 31.03.19:							
- Raw Material (mainly Crude)	346	0.86	Nil	Nil	Nil	Nil	Nil
- Work in progress	77	0.21	Nil	Nil	Nil	Nil	Nil
- Finished Goods (incl. Stock in Trade)	1,547	2.78	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 favorable movement in prices can also allow margins to rise. Hedging activities are targeted to reduce uncertainties / volatilities in future cash flows.

20.0 The Company 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 requirement of number of Independent Directors till February 28, 2019 on the Board. Being a Government Company, all the Directors on the Board are appointed by the Government of India. The link for accessing the details as prescribed under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

http://www.hindustanpetroleum.com/stock_exchange

21.0 The discretionary requirements as specified in Part E of Schedule II of SEBI (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, 2019.

Mukesh Kumar Surana

Chairman & Managing Director



Corporate Governance

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Hindustan Petroleum Corporation Limited

1. This certificate is issued in accordance with the terms of our engagement with Hindustan Petroleum Corporation Limited (the Company/ HPCL).
2. The Corporate Governance Report (hereinafter called as 'Report') prepared by the Company contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019.
3. This report is required by the Company to be annexed with the Directors' Report, in terms of Para E of schedule V to the aforesaid Listing Regulations, for further being sent to the Shareholders of the Company.
4. We have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 31, 2019, as stipulated in
 - Regulation 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C,D and E of Schedule V to the SEBI Listing Regulations
 - And the Guidelines on Corporate Governance for Central Public Sector Enterprises (Guidelines) as issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India.

Management's Responsibility

5. The preparation of the Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Report.
6. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

7. Our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 6 above.
8. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143 (10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. The procedures selected depend on the auditors' judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the minutes of the following meetings of the Board held in the Financial Year 2018-19:
 - a) Board of Directors;
 - b) Audit Committee;



- c) Nomination and Remuneration Committee;
- d) Stakeholder Relationship Committee;
- e) CSR & Sustainability Development Committee;
- f) Investment Committee;
- iv. Performed necessary inquiries and obtained necessary representations and declarations from the Management; and
- 10. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.
- 11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

- 12. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company, has in all material respects, complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V to the Listing Regulations for the year ended March 31, 2019 as well the Guidelines issued by the DPE subject to the minimum number of Independent Directors in the composition of the Board of Directors of the Company is less than the required number prescribed under the Regulation 17(1)(b) of the Listing Regulations and clause 3.1.4 of the DPE Guidelines for the period April 01, 2018 to February 28, 2019.

Other matters and Restriction on Use

- 13. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
- 14. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For R. Devendra Kumar & Associates.
Chartered Accountants**

Firm Registration No.: 114207W

Sd/-

D K Gupta

Partner

Membership No.: 009032

UDIN: 19009032AAAAA05759

Place: Mumbai

Date: July 19, 2019

**For M. P Chitale & Co.
Chartered Accountants**

Firm Registration No.: 101851W

Sd/-

Anagha Thatte

Partner

Membership No.: 105525

UDIN: 19105525AAAF04344

Place: Mumbai

Date: July 19, 2019



This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Sometimes all that matters is...



State of Heart...



Hindustan Petroleum Corporation Limited

Petroleum House
17, Jamshedji Tata Road,
Churchgate, Mumbai - 400020