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

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

Ref.: Co.Secy./VM/205/2017

June 26, 2017

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

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

Sub.: Borrowing of Funds through Issue of Debentures / Bonds through Private Placement

Dear Sirs,

We write with further reference to our earlier letter Ref. Co.Secy/VM/331/2016 dtd. November 15, 2016 on the subject informing to the Stock Exchanges regarding the approval of Board for issue of Secured/Unsecured Redeemable Non-Convertible Bonds / Debentures ("Bonds).

In continuation of the above, HPCL is now contemplating issuing Senior Unsecured Notes ("Bonds") in the Overseas Market and will not be offered for sale in India. The Offering Circular ("OC") is being prepared and shall be made available to the prospective investors abroad. This OC contain certain Material information about the Company which has not been disclosed earlier to the Public. As HPCL's securities are listed in India, in compliance of the obligations prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company would like to make such unpublished available to the Public, which is enclosed herewith.

This enclosed Material Information inter-alia, covers the Financial Statements & notes relating thereto etc., for Financial Year 2016-2017 and are subject to the review by C & AG and approval of Members of the Company in the ensuing Annual General Meeting.

The above details are also hosted on the website of the company at URL www.hindustanpetroleum.com

This is for your information.

Thanking you,

Very truly yours,

V. Murali

V. Murali
Dy. Company Secretary

Encl: a/a

HINDUSTAN PETROLEUM CORPORATION LIMITED

Balance Sheet as on 31st March 2017

(₹ Crores)

	Notes	31.03.2017	31.03.2016	01.04.2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	3	35,711.00	32,692.94	28,294.38
(b) Capital Work-in-Progress	4	1,810.48	1,852.77	3,472.99
(c) Intangible Assets	5	420.88	414.63	386.94
(d) Financial Assets				
(i) Investment in Subsidiaries, Joint Ventures and Associates	6	5,052.27	5,018.56	4,881.08
(ii) Other Investments	7	757.58	568.55	748.70
(iii) Loans	8	457.01	565.16	390.86
(iv) Other Financial Assets	9	-	-	2.00
(e) Other Non-Current Assets	10	1,338.88	981.05	1,073.00
Total Non Current Assets		**45,548.10**	**42,093.66**	**39,249.95**
(2) Current Assets				
(a) Inventories	11	18,576.28	13,211.40	13,397.60
(b) Financial Assets				
(i) Investments	12	5,108.74	4,991.44	5,376.15
(ii) Trade Receivables	13	4,064.21	3,758.03	3,215.03
(iii) Cash and Cash Equivalents	14	8.85	8.05	9.16
(iv) Bank Balances other than (iii) above	15	24.82	15.71	9.49
(v) Loans	16	163.21	55.82	135.63
(vi) Other Financial Assets	17	4,318.50	4,865.45	4,788.03
(c) Other Current Assets	18	647.24	574.40	595.39
		32,911.85	**27,480.30**	**27,526.48**
(d) Assets classified as held for Sale / Disposal		3.96	5.33	1.99
Total Current Assets		**32,915.81**	**27,485.63**	**27,528.47**
Total Assets		**78,463.91**	**69,579.29**	**66,778.42**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	19	1,016.27	339.01	339.01
(b) Other Equity				
Reserves and Surplus	20a	19,298.03	17,773.29	15,935.31
Other Reserves	20b	33.11	(142.50)	45.02
Total Equity		**20,347.41**	**17,969.80**	**16,319.34**
Liabilities				
(1) Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	6,278.15	10,507.35	14,649.24
(ii) Other Financial Liabilities	22	10,997.27	9,398.18	8,254.23
(b) Provisions	23	182.32	163.77	99.08
(c) Deferred Tax Liabilities (Net) (refer note 42)		5,895.59	4,919.35	4,124.50
(d) Other Non-Current Liabilities	24	7.67	11.37	2.73
Total Non Current Liabilities		**23,361.00**	**25,000.02**	**27,129.78**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	25	10,892.41	3,887.61	2,198.80
(ii) Trade Payables	26	12,658.10	9,416.93	11,442.93
(iii) Other Financial Liabilities	27	4,755.67	7,559.40	4,063.96
(b) Other Current Liabilities	28	3,968.21	3,736.91	3,583.46
(c) Provisions	29	2,408.50	1,646.59	1,678.88
(d) Current Tax Liabilities (Net)	30	72.61	362.03	361.27
Total Current Liabilities		**34,755.50**	**26,609.47**	**23,329.30**
Total Equity and Liabilities		**78,463.91**	**69,579.29**	**66,778.42**
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

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director - Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Rajen Ashar
Partner
Membership No. 048243

M/s CVK & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ MUMBAI

G. M. KAPADIA & CO. ★ Chartered Accountants ★ MUMBAI

HINDUSTAN PETROLEUM CORPORATION LIMITED

Statement of Profit and Loss for the year ended 31st March, 2017 (₹ Crores)

	Notes	2016 - 17	2015 - 16
Revenue			
Revenue From Operations			
Gross Sale of Products	31	213,488.95	197,437.53
Other Operating Revenues	32	314.04	306.30
		213,802.99	**197,743.83**
Other Income	33	1,514.72	1,144.16
Total Revenue		**215,317.71**	**198,887.99**
Expenses			
Cost of Materials Consumed	34	45,137.66	40,811.64
Purchases of Stock-in-Trade		122,731.74	115,948.43
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	35	(4,454.06)	90.86
Excise Duty		26,779.28	20,043.20
Transportation Expenses		5,316.76	5,261.66
Exploration cost		15.23	20.84
Employee Benefits Expense	36	2,946.08	2,321.32
Finance Costs	37	535.65	653.60
Depreciation & Amortization Expense	3&5	2,535.28	2,653.21
Other Expenses	38	4,753.25	5,306.59
Total Expenses		**206,296.87**	**193,111.35**
Profit Before exceptional items and Tax		**9,020.84**	**5,776.64**
Exceptional Items			
Profit Before Tax		**9,020.84**	**5,776.64**
Tax expense:			
Current tax		2,236.24	1,433.56
Deferred tax		628.28	737.30
Provision for tax for earlier years written back (net)		(52.48)	(120.38)
Total Tax Expenses		**2,812.04**	**2,050.48**
Profit/(loss) for the period		**6,208.80**	**3,726.16**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans;		(23.69)	(5.57)
Equity Instruments through Other Comprehensive Income;		175.61	(187.52)
Income tax relating to items that will not be reclassified to profit or loss		8.20	1.93
Other Comprehensive Income for the period (net of tax)		**160.12**	**(191.16)**
Total Comprehensive Income for the period, net of tax		**6,368.92**	**3,535.00**
Earning per share [Basic & Diluted earnings per share (₹)]	44	**61.12**	**36.68**

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

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director - Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Rajen Ashar
Partner
Membership No. 048243

HINDUSTAN PETROLEUM CORPORATION LIMITED

Statement of changes in equity as on 31st March 2017

A. Statement of Changes in Equity

	No. of Share	₹ Crores
Balance at 1st April 2015	**338,627,250**	**339.01**
Changes in equity Share Capital	-	-
Balance at 31 March 2016	**338,627,250**	**339.01**
Changes in equity Share Capital	677,254,500	677.25
Balance at 31 March 2017	**1,015,881,750**	**1,016.26**

B. Other Equity (₹ Crores)

	Reserves & Surplus					Equity instruments through OCI	Total Other Equity
	General reserve	Share premium	Debenture redemption reserve	FCMITDA	Retained earnings		
Balance at 1 April 2015	**1,809.07**	**1,153.77**	**413.30**	**(62.79)**	**12,621.96**	**45.02**	**15,980.33**
Profit or Loss for the year	-	-	-	-	3,726.16	-	**3,726.16**
Other Comprehensive income for the year	-	-	-	-	(3.64)	(187.52)	**(191.16)**
Proposed dividend for 2014 - 15 (₹ 24.50 per share)	-	-	-	-	(829.64)	-	**(829.64)**
Dividend distribution Tax on above	-	-	-	-	(168.89)	-	**(168.89)**
First Interim Dividends 2015 - 16 (₹ 11.50 per share)	-	-	-	-	(389.42)	-	**(389.42)**
Dividend distribution Tax on above	-	-	-	-	(79.28)	-	**(79.28)**
Second Interim Dividends 2015 - 16 (₹ 7.00 per share)	-	-	-	-	(237.04)	-	**(237.04)**
Dividend distribution Tax on above	-	-	-	-	(48.26)	-	**(48.26)**
Transfer to retained earnings	-	-	(148.17)	-	148.17	-	-
Net Addition in FCMITDA	-	-	-	(132.01)	-	-	**(132.01)**
Balance at 31 March 2016	**1,809.07**	**1,153.77**	**265.13**	**(194.80)**	**14,740.12**	**(142.50)**	**17,630.79**
Profit or Loss for the year	-	-	-	-	**6,208.80**	-	**6,208.80**
Other Comprehensive income for the year	-	-	-	-	(15.49)	175.61	**160.12**
Proposed dividend for 2015 - 16 (₹ 16.00 per share)	-	-	-	-	(541.80)	-	**(541.80)**
Dividend distribution Tax on above	-	-	-	-	(110.30)	-	**(110.30)**
First Interim Dividends 2016 - 17 (₹ 22.50 per share)	-	-	-	-	(2,285.73)	-	**(2,285.73)**
Dividend distribution Tax on above	-	-	-	-	(465.32)	-	**(465.32)**
Second Interim Dividends 2016 - 17 (₹ 6.40 per share)	-	-	-	-	(650.16)	-	**(650.16)**
Dividend distribution Tax on above	-	-	-	-	(132.37)	-	**(132.37)**
Issuance of Bonus shares (2 equity shares for each existing share)	-	(677.25)	-	-	-	-	**(677.25)**
Net Addition / amortization in FCMITDA	-	-	-	194.36	-	-	**194.36**
Balance at 31 March 2017	**1,809.07**	**476.52**	**265.13**	**(0.44)**	**16,747.75**	**33.11**	**19,331.14**

Note:

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

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

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

Equity instruments through OCI : The Corporation has choosen to recognise the changes in the value of certain investments in equity securitites in other comprehensive income. These changes are accumulated within the Equity instruments through OCI reserve.

FOR AND ON BEHALF OF THE BOARD

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director - Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

Rajen Ashar
Partner
Membership No. 048243

HINDUSTAN PETROLEUM CORPORATION LIMITED

Cash Flow Statement For The Year Ended 31st March, 2017

	2016 - 17	2015 - 16
		₹ / Crores
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before Tax & Extraordinary Items	**9,020.84**	**5,776.64**
Adjustments to reconcile profit before tax to net cash used in operating activities:		
Depreciation/ impairment on property, plant and equipment & Intangible Assets	2,535.28	2,653.21
Interest income from HBL Preference Shares	(13.43)	(12.32)
(Gain)/loss on sale of property, plant and equipment	6.54	19.45
Remeasurement of Defined benefit plans Gain / (Loss)	(15.49)	(3.64)
Amortisation of Foreign Currency Monetary Item Translation Difference	354.38	248.82
Spares Written off	12.14	0.41
Impairment in Value of Investments	8.41	282.10
Fair value gain on Current Investments carried at FVTPL	(221.77)	(16.49)
(Profit)/Loss on Sale of Current Investment	(32.36)	35.86
Finance Costs	535.65	653.60
Un realised Exchange Rate Difference	(200.07)	242.10
Provision for Doubtful Debts & Receivables	1.94	15.51
Bad Debts written off	5.26	9.62
Interest Income	(366.75)	(379.66)
Share of Profit from Petroleum India International	(0.94)	(0.77)
Dividend Received	(80.36)	(87.45)
Operating Profit before Changes in Assets & Liabilities {Sub Total - (i)}	**11,549.27**	**9,436.99**
(Increase) / Decrease in Assets and Liabilities :		
Trade Receivables	(307.91)	(566.15)
Loans and Advances and Other Assets	358.85	(124.32)
Inventories	(5,377.02)	185.79
Liabilites and Other Payables	5,938.11	(935.04)
Sub Total - (ii)	**612.03**	**(1,439.72)**
Cash Generated from Operations (i) + (ii)	**12,161.30**	**7,997.27**
Less : Direct Taxes / FBT refund / (paid) - Net	**2,178.57**	**1,214.22**
Net Cash from Operating Activities (A)	**9,982.73**	**6,783.05**
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment (incl. Capital Work in Progress /excluding interest capitalised)	(5,889.01)	(4,710.03)
Sale of Property, Plant & Equipment	37.18	15.85
Purchase of Investments (Including share application money pending allotment/Advance towards Equity)	(42.12)	(280.04)
Investment in Subsidiary	-	(125.00)
Sale Proceeds of current investments	136.84	352.42
Capital refunded from PII	-	4.95
Loan Given to Subsidiary	-	(84.00)
Interest received	366.91	384.08
Dividend Received	80.36	87.45
Net Cash Flow generated from / (used in) Investing Activities (B)	**(5,309.84)**	**(4,354.32)**
C. Cash Flow From Financing Activities		
Long term Loans raised	-	4,988.30
Long term Loans repaid	(6,980.04)	(6,637.80)
Short term Loans raised / (repaid)	7,661.61	341.76
Capital Grant Received	2.16	13.28
Finance Cost paid	(521.87)	(674.93)
Dividend paid (including dividend distribution tax)	(4,177.14)	(1,749.18)
Net Cash Flow generated from / (used in) Financing Activities (C)	**(4,015.28)**	**(3,718.57)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**657.61**	**(1,289.84)**
Cash and cash equivalents at the beginning of the year	**2,390.49**	**1,100.65**
Cash and cash equivalents at the end of the year	**(1,732.88)**	**(2,390.49)**

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

M/s CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

HINDUSTAN PETROLEUM CORPORATION LIMITED
Cash Flow Statement For The Year Ended 31st March, 2017

	2016 - 17	2015 - 16
		₹ / Crores
Details of cash and cash equivalents at the end of the year:		
Cash and cash equivalents as on		
Balances with Banks:		
- on current accounts	1.14	0.25
- on non-operative current accounts	0.01	0.01
Cheques, drafts on hand	0.06	0.12
Cash on hand	7.64	7.67
Current account with Municipal Co-operative Bank Ltd.	-	-
Less : **Cash Credits**	(1,741.73)	(2,398.54)
Cash and cash equivalents at the end of the year	**(1,732.88)**	**(2,390.49)**

FOR AND ON BEHALF OF THE BOARD

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director - Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : May 26, 2017

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

M/s CVK & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

A K Pradhan
Partner
Membership No. 032156

FOR G.M. Kapadia & Co.
Chartered Accountants
FRN - 104767W

G. M. KAPADIA & CO. * Chartered Accountants * MUMBAI

Rajen Ashar
Partner
Membership No. 048243

Notes to Financial Statements for the year ended 31st March 2017

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. 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 26th May 2017.

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;

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

M/s. CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies; and
- Evaluation of recoverability of deferred tax assets;

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

2. Significant Accounting Policies

2.1. Property, Plant and Equipment

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

2.1.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes); any costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; initial estimated present value of any of any contractual decommissioning obligation; and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

2.1.3. Technical know-how /licence fee relating to plants/ facilities are capitalized as part of cost of the underlying asset.

2.1.4. Expenditure during construction period: Direct expenses incurred during construction period on capital projects are capitalised.

2.1.5. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Corporation.

2.1.6. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.

2.1.7. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal; or when the Property, Plant Equipment has been re-classified as ready for disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

2.1.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes are accounted for as a change in accounting estimates on a prospective basis.

G. M. KAPADIA & CO. ★ MUMBAI ★ Chartered Accountants

M/s CVK & ASSOCIATES ★ MUMBAI ★ CHARTERED ACCOUNTANTS

2.1.9. The Corporation has chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

2.2. Depreciation / amortization

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

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

2.2.2. The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components is assessed by considering historical experience, internal technical inputs and any other relevant factor.

2.2.3. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.

2.2.4. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

2.2.5. Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

2.3. Intangible assets

2.3.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Corporation has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

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.

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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

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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. Lease

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.

Leases 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 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.

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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 of 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 of oil marketing companies and consumer sales are determined on location wise and product wise sales of subsequent period.

2.9. Revenue recognition

2.9.1. Sale of goods

Revenue from the sale of goods is recognised when the:

a) significant risks and rewards of ownership of the goods are passed to the buyer,
b) the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
c) revenue can be measured reliably,
d) it is probable that economic benefits associated with the transaction will flow to the Corporation, and
e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, taxes or duties collected on behalf of the government and applicable trade discounts or rebates.

Revenue is allocated between loyalty programs and other components of the sale. The amount allocated to the loyalty program is deferred, and is recognised as revenue when the Corporation has fulfilled its obligation to supply the products under the terms of the program or when it is no longer probable that the points under the program will be redeemed.

Where the Corporation acts as an agent on behalf of a third party, the associated income is recognised on a net basis.

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Claims, including subsidy on LPG and SKO, from Government of India are booked on in principle acceptance thereof on the basis of available instructions / clarifications, subject to final adjustments as stipulated.

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

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

2.10. Accounting/ classification of expenditure and income

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

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

2.10.3. Insurance claims are accounted on acceptance basis.

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

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

2.11. Employee benefits

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

2.11.2. Post-employment benefits

Defined Contribution Plans:
Obligations for contributions to defined contribution plans are expensed in the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

Defined Benefit Plans:

Post-employment benefits
Liability towards defined employee benefits (gratuity, pension, post – retirement medical benefits, ex-gratia and resettlement allowance) are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.

Re-measurements of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income.

Other long-term employee benefits

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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.

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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.

2.16.3. 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.

2.16.4. 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.

2.16.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

2.16.6. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

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2.16.7. Contingent Liabilities are considered only when show-cause notice is converted into demand.

2.17. Fair value measurement

2.17.1. Fair value is the price that would be received/ paid to sell an asset or to transfer a liability, as the case may be, in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Corporation has access at that date. The fair value of a liability also reflects its non-performance risk.

2.17.2. While measuring the fair value of an asset or liability, the Corporation uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

Financial Instruments

2.18. Financial Assets

2.18.1. Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

2.18.2. Subsequent measurement
Subsequent measurement is determined with reference to the classification of the respective financial assets. The Corporation classifies financial assets (other than equity instruments) as under;
- (a) subsequently measured at amortised cost;
- (b) fair value through other comprehensive income; or
- (c) fair value through profit or loss

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is
- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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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.

2.18.4. 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

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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.

2.24.1. 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.

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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.

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Notes forming part of Financial statements as on 31st March, 2017

Note 3: Property, Plant and Equipments

The following are the carrying values of Property, Plant & Equipment:

(₹ / Crores)

Particulars	Land -Freehold	Leasehold Property - Land	Buildings	Plant & Equipment	Furniture & Fixtures	Transport Equipment	Office Equipment	Roads and Culverts	Railway Siding & Rolling Stock	Total
Gross Block										
As on 01.04.2015	**692.05**	**29.76**	**3,643.78**	**20,887.21**	**92.50**	**50.18**	**897.02**	**1,800.49**	**201.39**	**28,294.38**
Additions/ Reclassifications	20.52	1.61	739.23	6,069.38	30.86	11.62	632.70	287.77	64.81	7,858.50
Deductions/ Reclassifications	17.51	-	20.26	739.32	8.50	0.20	64.17	10.52	0.10	860.58
As on 31.03.2016	**695.06**	**31.37**	**4,362.75**	**26,217.27**	**114.86**	**61.60**	**1,465.55**	**2,077.74**	**266.10**	**35,292.30**
Additions/ Reclassifications	48.15	12.71	526.77	4,210.32	54.62	19.09	447.51	227.55	18.75	5,565.47
Deductions/ Reclassifications	12.20	0.57	3.62	141.27	2.85	1.00	12.25	0.16	0.02	173.94
As on 31.03.2017	**731.01**	**43.51**	**4,885.90**	**30,286.32**	**166.63**	**79.69**	**1,900.81**	**2,305.13**	**284.83**	**40,683.83**
Depreciation/ Amortisation										
As on 01.04.2015	-	-	-	-	-	-	-	-	-	-
For the year 2015-16	-	0.02	122.86	1,741.46	17.96	12.63	349.57	336.72	21.14	2,602.36
Deductions/ Reclassifications	-	-	0.07	2.55	0.09	0.01	0.16	0.11	0.01	3.00
As on 31.03.2016	-	**0.02**	**122.79**	**1,738.91**	**17.87**	**12.62**	**349.41**	**336.61**	**21.13**	**2,599.36**
For the year 2016-17	-	0.04	138.72	1,691.00	19.75	11.97	295.11	324.17	22.13	2,502.89
Deductions/ Reclassifications	-	-	1.57	117.74	0.93	0.83	8.21	0.12	0.02	129.42
As on 31.03.2017	-	**0.06**	**259.94**	**3,312.17**	**36.69**	**23.76**	**636.31**	**660.66**	**43.24**	**4,972.83**
Net Block as on 01.04.15	**692.05**	**29.76**	**3,643.78**	**20,887.21**	**92.50**	**50.18**	**897.02**	**1,800.49**	**201.39**	**28,294.3800**
Net Block as on 31.03.16	**695.06**	**31.35**	**4,239.96**	**24,478.36**	**96.99**	**48.98**	**1,116.14**	**1,741.13**	**244.97**	**32,692.94**
Net Block as on 31.03.17	**731.01**	**43.45**	**4,625.96**	**26,974.15**	**129.94**	**55.93**	**1,264.50**	**1,644.47**	**241.59**	**35,711.00**

1. Includes assets costing Rs 0.007 crores /- (2015-2016 :Rs 0.007 crores; 2014-15 : Rs 0.007 crores) of erstwhile Kosan Gas Company not handed over to the Corporation. In case of these assets, Kosan Gas Company was to give up their claim. However, in view of the tenancy right sought by third party, the matter is under litigation.

2. Includes Rs. 464.72 Crores (2015-2016: Rs. 477.90 Crores ; 2014-15 : Rs. 153.60 crores) towards Building, Other Machinery, Pipelines, Railway Sidings, Right of Way etc. being the Corporation's Share of Cost of Land & Other Assets jointly owned with other Companies.

3. Includes Rs 35.28 Crores (2015-2016 : Rs 35.28 Crores ; 2014-15: Rs. 35.99 crores) towards Roads & Culverts, Transformers & Transmission lines, Railway Sidings & Rolling Stock, ownership of which does not vest with the Corporation. The Corporation is having operational control over such assets. These assets are amortized at the rate of depreciation specified in Schedule II of Companies Act, 2013.

4. a) Includes following assets which are used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against which financial assistance was provided by OIDB

Description	Orignal Cost (₹/ Crores)		
	31.03.2017	**31.03.2016**	**01.04.2015**
Roads & culverts	0.13	0.13	0.13
Buildings	1.62	1.62	1.62
Plant & Equipment	2.55	2.65	2.79
Total	**4.30**	**4.40**	**4.54**

b) Includes assets held under PAHAL (DBTL) scheme against which financial assistance is being provided by MOPNG.

Description	Orignal Cost (₹/ Crores)		
	31.03.2017	**31.03.2016**	**01.04.2015**
Computer Software	6.93	3.31	NIL
Computers/ End use devices	4.45	5.85	NIL
Office Equipment	0.01	0.01	NIL
Information Servers & Networks	1.55	-	NIL
Total	**12.94**	**9.17**	**NIL**

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5. Deduction/ reclassification includes assets Rs. 3.96 crores as on 31.03.17 (31.03.16 : Rs. 5.32 crores ; 01.04.15 Rs. 2.00 crores) for which management has given consent for disposal & hence classified as Assets held for sale.

6. Leasehold Land includes Rs.27.57 Crores (2015-16: Rs. 26.87 Crores 2014-15 : Rs. 25.25 crores) for land acquired on lease-cum-sale basis from Karnataka Industrial Area Development Board (KIADB) which is capitalized without being amortised over the period of lease. Lease shall be converted into Sale on fulfillment of certain terms and conditions, as per allotment letter.

Note 5: Intangible Assets

The following are the carrying values of Intangible assets : (₹ / Crores)

Particulars	Right of Way	Technical / Process Licenses	Software	Wind Energy Equipments	Total
Gross Block					
As on 01.04.2015	**147.22**	**42.43**	**21.23**	**176.06**	**386.94**
Additions/ Reclassifications	11.08	27.03	15.14	12.50	65.75
Deductions/ Reclassifications	-	9.70	-	-	9.70
As on 31.03.2016	158.30	59.76	36.37	**188.56**	**442.99**
Additions/ Reclassifications	12.55	1.93	23.35	-	37.83
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2017	170.85	61.69	59.72	**188.56**	480.82
Depreciation/ Amortisation					-
As on 01.04.2015	-	-	-	-	-
For the year 2015-16	-	6.92	11.44	10.00	28.36
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2016	-	**6.92**	**11.44**	**10.00**	**28.36**
For the year 2016-17	-	9.29	11.96	10.33	31.58
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2017	-	**16.21**	**23.40**	**20.33**	**59.94**
Net Block as on 01.04.15	147.22	42.43	21.23	176.06	386.94
Net Block as on 31.03.16	158.30	52.84	24.93	178.56	414.63
Net Block as on 31.03.17	**170.85**	45.48	36.32	168.23	**420.88**

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Notes to the Financial Statements as at 31st March, 2017

(₹ Crores)

		31.03.2017	31.03.2016	01.04.2015
4: Capital Work-in-Progress				
Unallocated Capital Expenditure and Materials at Site		1,613.52	1,602.43	2,693.42
Capital Stores lying with Contractors		6.25	9.00	304.92
Capital goods in transit		24.95	4.63	1.22
	A	**1,644.72**	**1,616.06**	**2,999.56**
Construction period expenses pending apportionment (Net of recovery) :				
Opening balance		236.71	473.42	704.66
Add: Expenditure during the year				
Establishment charges including Salaries & Wages		79.73	81.29	107.05
Interest		68.16	109.92	266.12
Loss / (gain) on foreign currency transactions and translations		(193.78)	576.61	347.38
Others		0.03	0.33	9.60
		190.85	**1,241.57**	**1,434.81**
Less: Allocated to assets capitalised during the year / charged off		25.09	1,004.86	961.38
Closing balance pending allocation	B	**165.76**	**236.71**	**473.43**
	A + B	**1,810.48**	**1,852.77**	**3,472.99**

	31.03.2017	31.03.2016	01.04.2015
6: Investment in Subsidiaries, Joint Ventures and Associates			
Investments in Equity Instruments			
Subsidiaries			
Un - Quoted			
HPCL - Biofuels Ltd. 20,55,20,000 (31.03.2016 : 20,55,20,000; 01.04.2015 : 20,55,20,000) Equity Shares of ₹ 10 each fully paid up	205.52	205.52	205.52
Less : Impairment	161.00	161.00	-
Prize Petroleum Co. Ltd 24,50,00,000 (31.03.2016 : 24,49,99,600; 01.04.2015 : 11,99,99,600) Equity Shares of ₹ 10 each fully paid up	245.38	245.00	120.00
Less : Impairment	129.41	105.00	-
Associates			
Quoted			
Mangalore Refinery and Petrochemicals Ltd. 29,71,53,518 (31.03.2016 : 29,71,53,518; 01.04.2015 : 29,71,53,518) Equity Shares of ₹ 10 each fully paid up	471.68	471.68	471.68
Un - Quoted			
GSPL India Transco Ltd 2,25,50,000 (31.03.2016 : 1,81,50,000; 01.04.2015 : 1,54,00,000) Equity Shares of ₹ 10 each fully paid up	22.55	18.15	15.40
GSPL India Gasnet Ltd 3,04,72,128 (31.03.2016 : 2,33,22,128; 01.04.2015 : 2,05,72,128) Equity Shares of ₹ 10 each fully paid up	30.47	23.32	20.57
Joint Ventures			
Un - Quoted			
CREDA HPCL Biofuel Ltd. 1,60,99,803 (31.03.2016 : 1,60,99,803; 01.04.2015 : 1,60,99,803) Equity Shares of ₹ 10 each fully paid up	16.10	16.10	16.10
Less : Impairment	16.10	16.10	-
HPCL Rajasthan Refinery Ltd (refer note 6.1) 37,000 (31.03.2016 : 37,000; 01.04.2015 : 37,000) Equity Shares of ₹ 10 each fully paid up	74.00	74.00	74.00
HPCL Shapoorji Energy Pvt. Ltd. 1,30,00,000 (31.03.2016 : 1,15,00,000; 01.04.2015 : 50,00,000) Equity Shares of ₹ 10 each fully paid up	13.00	11.50	5.00
HPCL-Mittal Energy Ltd. 3,93,95,55,200 (31.03.2016 : 3,93,95,55,200; 01.04.2015 : 3,69,07,35,200) Equity Shares of ₹ 10 each fully paid up	3,939.56	3,939.56	3,690.74
Hindustan Colas Pvt. Ltd. 47,25,000 (31.03.2016 : 47,25,000; 01.04.2015 : 47,25,000) Equity Shares of ₹ 10 each fully paid up	4.73	4.73	4.73
Petronet India Ltd. 1,60,00,000 (31.03.2016 : 1,59,99,999; 01.04.2015 : 1,59,99,999) Equity Shares of ₹ 10 each fully paid up	16.00	16.00	16.00
Less : Impairment	-	16.00	16.00

6.1 : Includes amount of ₹ 73.96 Crores (31.03.2016 : ₹ 73.96 crores, 01.04.2015 : ₹ 73.96 Crores) towards subscribed, but not paid shares of HPCL Rajasthan Refinery Limited being part of MOA / AOA for which liability is created under Section 10 (2) of the Companies Act, 2013.

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(₹ Crores)

	31.03.2017	31.03.2016	01.04.2015
Petronet MHB Ltd. 17,95,11,020 (31.03.2016 : 15,78,41,000; 01.04.2015 : 15,78,41,000) Equity Shares of ₹ 10 each fully paid up	183.93	157.84	157.84
South Asia LPG Co. Pvt. Ltd. 5,00,00,000 (31.03.2016 : 5,00,00,000; 01.04.2015 : 5,00,00,000) Equity Shares of ₹ 10 each fully paid up	50.00	50.00	50.00
Bhagyanagar Gas Ltd. 2,25,00,000 (31.03.2016 : 2,24,99,997; 01.04.2015 : 2,24,99,997) Equity Shares of ₹ 10 each fully paid up	22.50	22.50	22.50
Aavantika Gas Ltd 2,25,00,000 (31.03.2016 : 2,24,99,998; 01.04.2015 : 2,24,99,998) Equity Shares of ₹ 10 each fully paid up	22.50	22.50	22.50
Mumbai Aviation Fuel Farm Facility Pvt. Ltd. 3,82,71,250 (31.03.2016 : 3,82,71,250; 01.04.2015 : 45,02,500) Equity Shares of ₹ 10 each fully paid up	38.27	38.27	4.50
Godavari Gas Pvt. Ltd. 26,00,000 Equity Shares of ₹ 10 each fully paid up	2.60	-	-
	5,052.27	**5,018.56**	**4,881.08**

	₹ / Crores		
	31.03.2017	**31.03.2016**	**01.04.2015**
Disclosure towards Cost / Market Value			
a Aggregate amount of Quoted Investments (Market Value)	3,169.14	1,992.41	1,995.39
b Aggregate amount of Quoted Investments (Cost)	471.68	471.68	471.68
c Aggregate amount of Unquoted Investments (Cost)	4,887.10	4,844.98	4,425.40
d Aggregate amount of impairment	306.51	298.10	16.00

7: Other Investments

	31.03.2017	31.03.2016	01.04.2015
Investment in equity instruments carried at fair value through other comprehensive income			
Quoted			
Oil India Ltd. (refer note 7.1) 1,78,33,700 (31.03.2016 : 1,33,75,275; 01.04.2015 : 1,33,75,275) Equity Shares of ₹ 10 each fully paid up	594.84	419.25	606.77
Scooters India Ltd. (refer note 7.1) 10,000 (31.03.2016 : 10,000; 01.04.2015 : 10,000) Equity Shares of ₹ 10 each fully paid up	0.04	0.03	0.03
Investment in equity instruments carried at fair value through Profit and Loss Account			
Un - Quoted			
Shushrusha Citizen Co-operative Hospital Limited 100 Equity Shares of ₹ 100/- each fully paid	0.00	0.00	0.00
Total Investments in Equity Instruments	**594.88**	**419.28**	**606.80**
Investments in Preference Shares carried at amortized cost			
Subsidiaries			
Un - Quoted			
5% HPCL - Biofuels Ltd. Non-Cumulative Pref Shares 41,96,51,511 Preference Shares of ₹ 10 each fully paid up	162.63	149.20	136.88
Total Investments in Preference Shares	**162.63**	**149.20**	**136.88**
Investment in Government securities carried at amortized cost			
Government Securities of the face value of ₹ 0.02 Crores			
- Deposited with Others	0.02	0.02	0.02
- On hand - ₹ 0.25 lakhs	0.00	0.00	0.00
Government Securities of the face value of ₹ 0.24 lakhs			
- Deposited with Others - ₹ 0.10 lakhs	0.00	0.00	0.00
- On hand - ₹ 0.14 lakhs	0.00	0.00	0.00
Less: impairment	(0.00)	(0.00)	(0.00)
Total Investments in Government securities	**0.02**	**0.02**	**0.02**
Investment in Debentures carried at amortized cost			
East India Clinic Ltd.			
- 1/2% Debenture of face value of - ₹ 0.15 lakhs	0.00	0.00	0.00
- 5% Debenture of face value of - ₹ 0.07 lakhs	0.00	0.00	0.00
Total Investments in Debentures	**0.00**	**0.00**	**0.00**

7.1 : The Company has designated these investment at fair value through other comprehensive income because these investments represent the investments that the Company intends to hold for long-term strategic purposes. No strategic investments were disposed of during the year. There have been no transfers of the cumulative gains or losses on these investments

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(₹ Crores)

	31.03.2017	31.03.2016	01.04.2015
Other investments carried at fair value through Profit and Loss Account			
Structured Entities			
Un - Quoted			
Petroleum India International (Association of Persons)			
Contribution towards Seed Capital (refer note 7.2)	0.05	0.05	5.00
	0.05	**0.05**	**5.00**
Total Investments in Structured Entities	**757.58**	**568.55**	**748.70**

7.2 : Members in Petroleum India International (AOP) : Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd., Engineers India Ltd., Indian Oil Corporation Ltd., Indian Petrochemicals Corporation Ltd., Chennai Petroleum Corporation Ltd. and Oil India Ltd. Each one is holding 10% share except Indian Oil Corporation which is holding 30% and Bharat Petroleum Corporation Ltd. which is holding 20%.

	01.04.2015	31.03.2016	01.04.2015
Disclosure towards Cost / Market Value			
a Aggregate amount of Quoted Investments (Market Value)	594.88	419.28	606.80
b Aggregate amount of Quoted Investments (Cost)	561.77	561.77	561.77
c Aggregate amount of Unquoted Investments (Cost)	162.70	149.27	141.90
d Aggregate amount of impairment	-	-	-

8: Loans			
Secured, considered good			
Employee loans and advances & Interest thereon	283.58	290.57	280.17
Unsecured, considered good			
Deposits	89.99	83.24	73.67
Loans to related parties (refer note 63)	50.40	159.00	-
Other Loans	33.04	32.35	37.02
	457.01	**565.16**	**390.86**

9: Other Financial Assets			
Share application money pending allotment	-	-	2.00
	-	-	**2.00**

10: Other Non-Current Assets			
Balances with Excise, Customs, etc.	163.84	214.27	214.92
Deposits	42.09	30.03	8.12
Advance Tax (net of provisions)	250.86	185.22	192.00
Capital advances	220.24	23.03	160.90
Prepaid employee cost	129.67	126.70	130.45
Prepaid Lease Rental	509.07	391.00	364.80
Others Prepaid Expenses	23.11	10.80	1.81
	1,338.88	**981.05**	**1,073.00**

11: Inventories			
Raw materials (Including in transit 31.03.2017 : ₹ 1,420.99 crores; 31.03.2016 : ₹ 1,229.77 Crores, 01.04.2015 : ₹ 1,083.53 Crores)	3,312.86	2,365.36	2,320.39
Work-in-progress	442.25	224.33	449.58
Finished goods (Including in transit 31.03.2017 : ₹ 123.78 crores ; 31.03.2016 : ₹ 244.06 Crores; 01.04.2015 : ₹ 245.41 Crores)	5,988.50	6,646.47	5,685.56
Stock-in-trade (Including in transit 31.03.2017 : 907.13 crores ;31.03.2016 : ₹ 493.42 Crores; 01.04.2015 : ₹ 363.92 Crores)	8,456.30	3,562.18	4,388.71
Stores and spares (Including in transit 31.03.2017 : ₹ 13.90 crores; 31.03.2016 : ₹ 8.81 Crores; 01.04.2015 : ₹ 105.82 Crores)	373.02	399.65	536.03
Less : provision for stores and spares	9.49	-	-
Packages	12.84	13.41	17.33
	18,576.28	**13,211.40**	**13,397.60**

11.1. The write-down of inventories to net realisable value during the year amounted to ₹ 212.09 crores (31.03.2016 : ₹ 58.32 crores; 01.04.2015 : ₹ 192.77 crores). The reversal of write downs during the year amount to ₹ Nil (31.03.2016 : ₹ Nil; 01.04.2015 : ₹ Nil). The write downs and reversal are included in cost of materials consumed or changes in inventories of finished goods and work in progress.

12: Investments			
Investments carried at Fair Value Through Profit or Loss			
Quoted - Government Securities			
6.90% Oil Marketing Companies' GOI Special Bonds, 24,71,36,000 (31.03.2016 : 27,71,36,000; 01.04.2015 : 31,76,36,000) ₹ 100 each face value (refer note 12.1)	2,388.88	2,560.38	2,949.25
8.00% Oil Marketing Companies' GOI Special Bonds, 24,41,000, ₹ 100 each face value (31.03.2016 : 24,41,000; 01.04.2015 : 24,41,000) ₹ 100 each face value	25.13	24.43	24.51
8.20% Oil Marketing Companies' GOI Special Bonds, 1,23,49,000, ₹100 each face value (31.03.2016: 1,23,49,000; 01.04.2015: 1,23,49,000) ₹100 each face value	128.64	125.35	125.59
6.35% Oil Marketing Companies' GOI Special Bonds, 25,32,33,000 (31.03.2016 : 25,32,33,000; 01.04.2015 : 25,32,33,000) ₹ 100 each face value	2,364.43	2,277.39	2,276.80
7.59% Government of India, G - Sec Bonds, 1,85,00,000, ₹ 100 each face value (refer note 12.1)	193.88	-	-
A	**5,100.96**	**4,987.55**	**5,376.15**

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	31.03.2017	31.03.2016	01.04.2015
Un - Quoted - Equity instruments			
Sai Wardha Power Ltd			
77,83,468 (31.03.2016 : 38,91,734) Equity Shares of ₹ 10 each fully paid up	7.78	3.89	-
B	**7.78**	**3.89**	**-**
A+B	**5,108.74**	**4,991.44**	**5,376.15**

12.1 : 6.90% Special Bonds of face value of ₹ 2,178.64 Crores and 7.59% G - Sec Bonds of face value of ₹ 90 crores are pledged with Clearing Corporation of India Limited against CBLO Loan.

	₹ / Crores		
	31.03.2017	31.03.2016	01.04.2015
Disclosure towards Cost / Market Value			
a Aggregate amount of Quoted Investments (Market Value)	5,100.96	4,987.55	5,376.15
b Aggregate amount of Quoted Investments (Cost)	5,343.23	5,451.59	5,856.59
b Aggregate amount of Un - Quoted Investments (Cost)	7.78	3.89	-
d Aggregate amount of impairment	-	-	-

13: Trade Receivables

	31.03.2017	31.03.2016	01.04.2015
Unsecured considered good;	4,085.90	3,773.72	3,250.66
Doubtful	143.08	147.79	131.27
Less: Allowances for Bad and Doubtful Debts	143.08	147.79	131.27
Less: Impairment Provision (Expected Credit Loss Model)	21.69	15.69	35.63
	4,064.21	**3,758.03**	**3,215.03**

14: Cash and Cash Equivalents

	31.03.2017	31.03.2016	01.04.2015
Balances with Scheduled Banks:			
- on Current Accounts	1.14	0.25	0.27
- on Non-Operative Current Accounts	0.01	0.01	0.01
Cheques Awaiting Deposit	0.06	0.12	1.06
Cash on Hand	7.64	7.67	7.82
Current account with Municipal Co-operative Bank Ltd.	-	-	-
Fixed Deposits with Original Maturity Less than 3 months	-	-	-
	8.85	**8.05**	**9.16**

15: Other Bank Balances

	31.03.2017	31.03.2016	01.04.2015
Earmarked balances with banks for unpaid dividend	14.90	6.37	3.02
Fixed Deposits with 3 - 12 months maturity (Earmarked with Port trust Authorites)	9.92	9.35	6.47
Earmarked for DBTL Claim	-	415.11	-
Less : DBTL Buffer Liability (refer note 15.1)	-	415.11	-
	24.82	**15.71**	**9.49**

15.1 : Represents amount as of 31.03.2016 out of funds remitted by GOI in Connection with Direct Benefit Transfer of LPG Scheme and held on behalf of Government of India.

16: Loans

	31.03.2017	31.03.2016	01.04.2015
Secured, considered good;			
Employee loans and advances & Interest thereon	33.13	33.78	36.42
Unsecured, considered good; and			
Loans to related parties (refer note 63)	108.60	-	75.00
Other Loans	21.49	22.04	24.21
	163.21	**55.82**	**135.63**

17: Other Financial Assets

	31.03.2017	31.03.2016	01.04.2015
Amounts recoverable under subsidy schemes	1,211.33	2,019.08	737.03
Interest accrued on Investments	74.39	74.55	78.97
Derivative Assets	58.41	-	0.11
Delayed payment charges receivable from customers	205.68	209.91	219.97
Less : Provision for doubtful of delyed payment charges receivables	78.85	83.66	66.72
Receivables from Govt of India towards DBTL	1,195.08	1,663.17	2,835.27
Receivables from LIC	826.52	759.81	697.84
Other Receivables	837.36	228.54	289.53
Less:Provision for doubtful of other receivables	11.42	5.95	3.97
	4,318.50	**4,865.45**	**4,788.03**

18: Other Current Assets

	31.03.2017	31.03.2016	01.04.2015
Advance recoverable other than cash	9.37	19.68	56.68
Balances with Excise, Customs, etc.	481.39	443.42	449.84
Prepaid employee cost	13.67	12.95	12.20
Prepaid Lease Rental	36.53	28.58	19.08
Other Prepaid Expenses	83.85	48.94	22.05
Gold Coins in Hand	5.33	5.32	5.18
Other Current Assets	17.10	15.51	30.37
	647.24	**574.40**	**595.39**

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(₹ Crores)

	31.03.2017	31.03.2016	01.04.2015
19: Equity Share capital			
A. Authorised:			
75,000 (31.03.2016 : 75,000; 01.04.2015 : 75,000) Cumulative Redeemable Preference Shares of ₹ 100/- each	0.75	0.75	0.75
2,49,92,50,000 (31.03.2016 : 34,92,50,000; 01.04.2015 : 34,92,50,000) Equity Shares of ₹ 10/- each	2,499.25	349.25	349.25
	2,500.00	**350.00**	**350.00**
B. Issued :			
1,01,65,84,500 (31.03.2016 : 33,93,30,000; 01.04.2015 : 33,93,30,000) Equity Shares of ₹ 10 each	1,016.58	339.33	339.33
C. Subscribed & Fully Paid up :			
1,015,881,750 (31.03.2016 : 33,86,27,250; 01.04.2015 : 33,86,27,250) Equity Shares of ₹ 10 each fully paid up	1,015.88	338.63	338.63
D. Shares Forfeited :			
7,02,750 (31.03.2016 : 7,02,750; 01.04.2015: 7,02,750) Shares Forfeited (money received)	0.39	0.39	0.39
	1,016.27	**339.01**	**339.01**

E. Reconciliation of number of equity shares

	31.03.2017	31.03.2016
Outstanding at the beginning of the year	338,627,250	338,627,250
Equity shares allotted as fully paid bonus shares (refer note # H)	677,254,500	-
Outstanding at the end of the year	**1,015,881,750**	**338,627,250**

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% cummulative Redeemable Non-convertible Preference Shares of ₹ 100 /- each as a part of the Authorised Capital, which were issued earlier by the erstwhile ESRC. Presently the said Preference Shares stand redeemed.

G. Details of shares held by each shareholder, holding more than 5% shares in the company:

	31.03.2017	
Name of shareholders	**% Holding**	**No. of Shares**
President of India	51.11	519,230,250
Life Insurance Corporation of India	2.17	22,027,765
	31.03.2016	
Name of shareholders	**% Holding**	**No. of Shares**
President of India	51.11	173,076,750
Life Insurance Corporation of India	2.60	8,816,223
	01.04.2015	
Name of shareholders	**% Holding**	**No. of Shares**
President of India	51.11	173,076,750
Life Insurance Corporation of India	5.18	17,531,442

H. During Financial Year 2016-17, the Corporation had issued Bonus Shares in the ratio of 2:1 by capitalization of Reserve. The total number of Bonus Shares issued is 67,72,54,500 equity shares having face value of ₹ 10 each.

		31.03.2017	31.03.2016	01.04.2015
20(a): Reserves and Surplus				
Share Premium Account	(i)	476.52	1,153.77	1,153.77
Debenture Redemption Reserve	(ii)	265.13	265.13	413.30
Foreign Currency Monetary Item Translation Difference Account	(iii)	(0.44)	(194.80)	(62.79)
General Reserve	(iv)	1,809.07	1,809.07	1,809.07
Retained Earnings	(v)	16,747.75	14,740.12	12,621.96
		19,298.03	**17,773.29**	**15,935.31**

	31.03.2017	31.03.2016
(i) Share Premium Account		
As per last Balance Sheet	1,153.77	1,153.77
Less: bonus shares issue	677.25	-
	476.52	**1,153.77**
(ii) Debenture Redemption Reserve		
As per last Balance Sheet	265.13	413.30
Less: Transfer to Surplus in the Statement of Profit and Loss	-	148.17
	265.13	**265.13**
(iii) Foreign Currency Monetary Item Translation Difference Account		
As per last Balance Sheet	(194.80)	(62.79)
Add : Additions during the year	(160.02)	(380.83)
Less : Amortised during the year	(354.38)	(248.82)
	(0.44)	**(194.80)**
(iv) General Reserve		
As per last Balance Sheet	**1,809.07**	**1,809.07**

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(₹ Crores)

	31.03.2017	31.03.2016
(v) Retained Earnings		
As per last Balance Sheet	14,740.12	12,621.96
Add : Profit for the year	6,208.80	3,726.16
Add : Transfer from Debenture Redemption Reserve	-	148.17
Less : Profit appropriated to Interim / Proposed Dividend	3,477.70	1,456.10
Less : Profit appropriated to Tax on Distributed Profits	707.98	296.43
Less : Remeasurment Gain / Loss on Defined Benefit Plans	15.49	3.64
	16,747.75	**14,740.12**
	19,298.03	**17,773.29**

		31.03.2017	31.03.2016	01.04.2015
20(b): Other Reserves				
Equity Instruments through Other Comprehensive Income	(i)	33.11	(142.50)	45.02
		33.11	**(142.50)**	**45.02**

	31.03.2017	31.03.2016
(i) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	(142.50)	45.02
Add : Additions during the year	175.61	(187.52)
	33.11	**(142.50)**

	31.03.2017	31.03.2016	01.04.2015
21: Borrowings			
Bonds or Debentures			
Secured			
8.77% Non-convertible debentures (refer note 21.1(i))	975.00	975.00	975.00
8.75% Non-convertible debentures (refer note 21.1(ii))	-	-	545.00
Term loans			
Secured			
Oil Industry Development Board (refer note 21.2)	283.75	348.25	258.00
Un - secured			
Syndicated Loans from Foreign Banks (repayable in foreign currency) (refer note 21.3)	9,098.55	9,248.60	9,654.05
Oil Industry Development Board (refer note 21.2)	-	125.00	325.00
Syndicated Working Capital Loans from Foreign Banks (repayable in foreign currency) (refer note 21.3)	-	6,583.00	6,162.56
	10,357.30	**17,279.85**	**17,919.61**
Less : Current Maturities of Long Term Borrowings	4,079.15	6,772.50	3,270.37
	6,278.15	**10,507.35**	**14,649.24**

21.1 Debentures

The Company has issued the following Secured Redeemable Non-convertible Debentures:

i. 8.77% Non-Convertible Debentures were issued on 13th March, 2013 with the maturity date of 13th of March, 2018. These are secured by first legal mortgage by way of a Registered Debenture Trust Deed over immovable property of the company being undivided share of land with the entire First Floor in the building High Street 1, situated at Ahmedabad and the first charge of fixed assets mainly certain Plant and Machinery at Visakh Refinery. The value of such assets is ₹ 1,111.87 Crs as on 31/03/2017, ₹ 1,072.98 Crs. as on 31/03/2016 and ₹ 1,126.39 Crs. as on 01/04/2015. During the year ended March, 2017 an amount of ₹ 975.00 crores of 8.77% Non-Convertible Debentures is repayable within one year and shown in note # 27.

ii. 8.75% Non-Convertible Debentures were issued on 9th November, 2012 with the maturity date of 9th of November, 2015. These are secured by mortgage, on first pari passu charge basis, by way of a Registered Debenture Trust Deed over immovable property of the company being undivided share of land with the entire First Floor in the building High Street 1, situated at Ahmedabad and the first charge of fixed assets mainly certain Plant and Machinery at Mumbai Refinery. The value of such assets as on 01/04/2015 is ₹ 936.15 Crores. During the year ended March, 2017 an amount of Nil (31.03.2016 : Nil; 31.03.2015 : ₹ 545.00 crores) of 8.75% Non-Convertible Debentures is repayable within one year and shown in note # 27. These Debentures Matured on 9th November, 2015.

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21.2 Term Loans from Oil Industry Development Board

Repayable during	Amount in (₹) Crores As on 31.03.2017	As on 31.03.2016	As on 01.04.2015
2015-16	-	-	234.50
2016-17	-	189.50	189.50
2017-18	95.69	95.69	64.50
2018-19	95.69	95.69	64.50
2019-20	61.19	61.19	30.00
2020-21	31.18	31.18	-
Total	283.75	473.25	583.00
Secured	283.75	348.25	258.00
Un - Secured	-	125.00	325.00

Security has been created with first charge on the facilities of Awa Salawas Pipeline, Manglore Hasan Mysore LPG Pipeline, Uran - Chakan / Shikarpur LPG Pipeline & Rewari Project Pipeline. ₹ 95.69 Crores (31.03.2016 : ₹ 189.50 crores; 31.03.2015 : ₹ 234.50 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 27.

Period	Range of Interest Rate As on 31.03.2017	As on 31.03.2016	As on 01.04.2015
2015-16	-	-	7.20%-9.27%
2016-17	-	8.07 %-9.27 %	8.07%-9.27%
2017-18	7.86%-9.27%	7.86 %-9.27 %	8.78%-9.27%
2018-19	7.86%-9.27%	7.86 %-9.27 %	8.78%-9.27%
2019-20	7.86%-9.11%	7.86 %-9.11 %	8.78%-9.11%
2020-21	7.86%-8.09%	7.86 %-8.09 %	

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 : 65 to 155 basis point p.a.). These loans are taken for the period of 5 years. ₹ 3,008.46 Crores (31.03.2016 :₹ 6,583.00 crores; 31.03.2015 : ₹ 2,490.87 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 27.

22: Other Financial Liabilities

	31.03.2017	31.03.2016	01.04.2015
Deposits (refer note 22.1 & 22.2)	10,996.83	9,397.77	8,253.85
Other Liabilities	0.44	0.41	0.38
	10,997.27	9,398.18	8,254.23

22.1 : Amount reflected towards deposits received from customers/ dealers have been presented as non - current financial liabilities. In view of the Corporation, such presentation would reflect an appropriate classification based on commercial practice as these are generally not claimed in short term.

22.2 : Includes depost received towards Rajiv Gandhi Gramin LPG Vitrak Yojana and Prime Minister Ujjavala Yojana of ₹ 941.61 crores (31.03.2016 : ₹ 219.64 crores; 01.04.2015 : ₹ 34.07 crores) The deposits against these schemes have been funded from CSR fund or by Government of India.

23: Provisions

	31.03.2017	31.03.2016	01.04.2015
Provision for employee benefits	182.32	163.77	99.08
	182.32	163.77	99.08

24: Other Non-Current Liabilities

	31.03.2017	31.03.2016	01.04.2015
Capital Grant	7.67	11.37	2.73
	7.67	11.37	2.73

25: Borrowings

	31.03.2017	31.03.2016	01.04.2015
Loans repayable on demand			
Secured			
from banks			
Cash Credit (Secured by hypothecation of Inventories in favour of Banks on pari passu basis)	1,741.73	2,398.54	1,109.81
from other parties			
Collateral Borrowing and Lending Obligation (Secured by Pledge of 6.90 % Oil Marketing Companies' GOI Special Bonds, 2026 and 7.59% G Sec Bonds 2026)	1,489.51	1,489.07	1,088.99
Un - Secured			
from banks			
Clean Loans	1,200.00	-	-
Short term loans	-	-	-
from other parties			
Commercial papers	6,461.17	-	-
	10,892.41	3,887.61	2,198.80

26: Trade Payables

	31.03.2017	31.03.2016	01.04.2015
Micro, Small and Medium Enterprises (MSME) (refer note 26.1)	22.76	18.55	15.19
Other than MSME	12,635.34	9,398.38	11,427.74
	12,658.10	9,416.93	11,442.93

26.1 : To the extent Micro, Small and Medium 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.

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(₹ Crores)

	31.03.2017	31.03.2016	01.04.2015
27: Other Financial Liabilities			
Current maturities of Long Term Borrowings (refer note 27.1)	4,079.15	6,772.50	3,270.37
Interest accrued but not due on loans	21.19	28.83	47.74
Unpaid Dividend (refer note 27.2)	14.90	6.36	3.02
Preference share capital redeemed remaining unclaimed/unencashed	-	0.01	0.01
Unpaid matured Fixed Deposits	-	-	0.02
Derivative liability	1.75	22.39	1.96
Other Financial Deposits	11.49	10.00	8.10
Other liabilities	627.19	719.31	732.74
	4,755.67	**7,559.40**	**4,063.96**

27.1 : This includes loans repayable withing one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 3,008.46 crores (31.03.2016 : ₹ 6,583 crores; 01.04.2015: ₹ 2,490.87 Crores), 8.77% Non - Convertible Debenture ₹ 975 crores as on 31.03.2017, 8.75% Non - Convertible Debtures ₹ 545 crores as on 01.04.2015, and Loan from Oil Industry and Development Board ₹ 95.69 crores (31.03.2016 : ₹ 189.50 crores; 01.04.2015: ₹ 234.50 Crores).

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

	31.03.2017	31.03.2016	01.04.2015
28: Other Current Liabilities			
Revenue Received in Advance	726.98	692.34	799.36
Capital Grant	3.50	2.92	0.21
Statutory Payables	3,046.39	2,849.73	2,680.85
Other Liabilities	191.34	191.92	103.04
	3,968.21	**3,736.91**	**3,583.46**
29: Provisions			
Employee Benefits	1,584.96	978.90	1,520.12
Provisions for probable obligations(refer note 74)	823.54	667.69	158.76
	2,408.50	**1,646.59**	**1,678.88**
30: Current Tax Liabilities (Net)			
Provision for tax (net of advance tax)	72.61	362.03	361.27
	72.61	**362.03**	**361.27**

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Notes to the Financial Statements for the year ended 31st March, 2017 (₹ Crores)

	2016 - 17	2015 - 16
31 : Gross Sale of Products		
Sale of Products (refer note 31.1)	212,196.37	195,664.50
Recovery under Subsidy Schemes	1,292.58	1,773.03
	213,488.95	**197,437.53**

31.1 : Net of discount of ₹ 1,920.07 crores (2015 - 16 : ₹ 1,805.78 crores) and includes amount towards additional SSC of ₹ 57.21 Crores (2015 - 16 : ₹ 430.14 Crores).

	2016 - 17	2015 - 16
32 : Other Operating Revenues		
Rent Recoveries	116.74	113.84
Net Recovery for LPG Filling Charges	2.40	3.08
Miscellaneous Operating Income	194.90	189.38
	314.04	**306.30**
33 : Other Income		
Interest Income on Financial Assets carried at amortized cost:		
On Deposits	0.87	0.80
On Staff Loans	35.06	34.32
On Customers' Accounts	135.47	117.71
Interest On Current Investments carried at fair value through P&L	366.75	379.66
Interest on Others assets carried at amortized cost	182.85	148.46
	721.00	**680.95**
Dividend Income from Joint Venture Companies	52.72	50.37
Dividend Income from non-current equity instruments at FVOCI	27.64	24.08
Dividend Income from current investments carried at FVTPL	-	13.01
Gain on Foreign Currency Transaction & Translation (net)	147.44	-
Fair value gain on Current Investments carried at FVTPL	221.77	16.49
Profit on Sale of Current Investment	32.36	-
Write on of Stores and Spares	-	0.65
Share of Profit from Petroleum India International (AOP)	0.94	0.77
Miscellaneous Income	310.85	357.84
	793.72	**463.21**
	1,514.72	**1,144.16**
34 : Cost of Materials Consumed		
Cost of Raw Materials Consumed	44,879.42	40,523.83
Packages Consumed	258.24	287.81
	45,137.66	**40,811.64**
35 : Changes In Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress (Increase)/ Decrease		
Closing Stock:		
Work-in-progress	442.25	224.33
Finished Goods	5,988.50	6,646.48
Stock-in-trade	8,456.30	3,562.18
	14,887.05	**10,432.99**
Less: Opening Stock:		
Work - in - Progress	224.33	449.58
Finished Goods	6,646.48	5,685.56
Stock - in - Trade	3,562.18	4,388.71
	10,432.99	**10,523.85**
	(4,454.06)	**90.86**
36 : Employee Benefits Expense		
Salaries, Wages, Bonus, etc.	1,986.01	1,636.82
Contribution to Provident Fund	129.70	121.14
Pension, Gratuity and Other Employee Benefits	516.35	179.06
Employee Welfare Expenses	314.02	384.30
	2,946.08	**2,321.32**

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Notes to the Financial Statements for the year ended 31st March, 2017

	2016 - 17	2015 - 16
		(₹ Crores)
37 : Finance costs		
Interest	422.13	485.40
Exchange differences regarded as an adjustment to borrowing costs	-	58.33
Other borrowing costs (refer note 37.1)	113.52	109.87
	535.65	**653.60**

37.1 : Includes interest u/s 234B / 234C of Income Tax Act, 1961 for an amount ₹ 26.73 crores (2015 - 16 : ₹ 31.86 crores).

	2016 - 17	2015 - 16
38 : Other Expenses		
Consumption of Stores, Spares and Chemicals	296.22	223.72
Power and Fuel	2,255.69	2,291.22
Less : Fuel of own production consumed	2,118.83	2,061.09
	136.86	230.13
Repairs and Maintenance - Buildings	50.52	54.85
Repairs and Maintenance - Plant & Machinery	835.60	779.60
Repairs and Maintenance - Other Assets	323.85	289.36
Insurance	64.18	55.23
Rates and Taxes	174.26	184.99
Irrecoverable Taxes and Other Levies	376.42	339.07
Equipment Hire Charges	1.53	7.87
Lease Rentals on Operating Lease	335.09	552.40
Travelling and Conveyance	202.52	184.67
Printing and Stationery	18.36	16.78
Electricity and Water	733.70	777.96
Corporate Social Responsibility (CSR) Expenses	108.11	71.76
Stores & spares written off	12.14	0.41
Loss on Sale of Current Investment	-	35.86
Impairment in value of Non - Current Investments	8.41	282.10
Provision for Doubtful Receivables (After adjusting provision no longer required)	5.48	1.98
Provision for Doubtful Debts (After adjusting provision no longer required written back ₹ 5.92 crores, 2015-16 : ₹ 0.30 crores)	(3.53)	13.53
Bad Debts written off	5.26	9.62
Loss on Sale/ write off of Fixed Assets/ CWIP (Net)	6.54	19.45
Security Charges	164.42	139.09
Advertisement & Publicity	156.79	70.19
Sundry Expenses and Charges (Not otherwise classified)	666.50	612.04
Consultancy & Technical Services	73.09	50.15
Exchange Rate Variation (Net)	-	302.99
Payments to the auditors for:		
- Audit Fees	0.59	0.47
- other Services	0.25	0.23
- Reimbursement of expenses	0.09	0.09
	4,753.25	**5,306.59**

Note 39: First-time adoption of Ind AS

Transition to Ind AS

These are the Corporation's first financial statements prepared in accordance with Ind AS.

For the year ended 31.03.2016, the Corporation had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2014, notified under Section 133 of the Companies Act 2013 and other relevant provisions of the Act ('IGAAP').

The accounting policies set out in Note 2 have been applied in preparing the Financial Statements for the year ended 31.03.2016 onwards and the opening Ind AS Balance Sheet on the date of transition (i.e. 01.04.2015).

In preparing its Ind AS Balance Sheet as at 01.04.2015 and in presenting the comparative information for the year ended 31.03.2016, the Corporation has adjusted amounts previously reported in the Financial Statements prepared in accordance with IGAAP. This note explains the principal adjustments made by the Corporation in restating its Financial Statements prepared in accordance with IGAAP, and how the transition from IGAAP to Ind AS has impacted the Corporation's financial position, financial performance and cash flows.

A. Exemptions and exceptions availed

In preparing the Financial Statements, the Corporation has availed the below mentioned optional exemptions and mandatory exceptions.

A.1 Optional exemptions

A.1.1 Property, Plant and Equipment and Intangible Assets

The Corporation has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the Financial Statements as at the date of transition to Ind ASs, measured as per the IGAAP and use that as its deemed cost as at the date of transition (1 April 2015).

A.1.2 Intangible Assets accounted for in accordance with Service Concession Arrangements

The Corporation has reclassified from its Property, plant and equipment certain Wind Mill Assets forming part of Service Concession Arrangements under Ind AS to Intangible assets on the date of transition. The Corporation has availed exemption available under Ind AS 101 to carry such wind mill assets at its IGAAP carrying values on the date of transition since it is impracticable to apply the requirements of Appendix C, Service Concession Arrangements to Ind AS 11 retrospectively.

A.1.3 Designation of previously recognised financial instruments

As per Ind AS 101, the Corporation has designated its investment in equity shares held as at 1 April 2015 as fair value through other comprehensive income (FVTOCI) based on facts and circumstances on the date of transition to Ind AS (i.e. 1 April 2015).

The Corporation has availed this exemption for its investment in equity shares other than Subsidiaries, Joint Ventures and Associates.

A.1.4 Investment in Subsidiaries, Joint Ventures and Associates

The Corporation has availed the exemption available under Ind AS 101 to measure its investments in subsidiaries, joint venture and associates as the IGAAP carrying value as deemed cost as on 1 April 2015.

A.1.5 Long term foreign currency monetary items

For borrowings taken upto 31 March 2016, the Corporation has availed the exemption under Ind AS 101 to continue recognising foreign exchange differences on long-term foreign currency monetary items. Accordingly, exchange difference 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 other cases accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of the Borrowings.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with IGAAP. Corporation has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Impairment of financial assets based on expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Classification and measurement of financial assets

As permited under Ind AS 101, the Corporation has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

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B: Reconciliations between previous GAAP and Ind AS

B.1. Reconciliation of Balance Sheet as at 31 March 2016 and 1 April 2015 (date of transition):

(₹ Crores)

	31.03.2016			01.04.2015		
	IGAAP*	Ind AS Adjustment	Ind AS	IGAAP*	Ind AS Adjustment	Ind AS
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	32,656.81	36.13	32,692.94	28,302.02	(7.64)	28,294.38
Capital Work-in-Progress	1,852.77	-	1,852.77	3,472.99	-	3,472.99
Intangible Assets	413.21	1.42	414.63	386.94	-	386.94
Financial Assets:			-			-
Investment in Subsidiaries, Joint Ventures and Associates	5,018.56	-	5,018.56	4,881.08	-	4,881.08
Other Investments	981.50	(412.95)	568.55	986.45	(237.75)	748.70
Loans	565.16	-	565.16	390.86	-	390.86
Others Financial Assets	-	-	-	2.00	-	2.00
Other Non-Current Assets	987.19	(6.14)	981.05	1,077.67	(4.67)	1,073.00
Total Non Current Assets	**42,475.20**	**(381.54)**	**42,093.66**	**39,500.01**	**(250.06)**	**39,249.95**
Current assets						
Inventories	12,683.44	527.96	13,211.40	12,956.17	441.43	13,397.60
Financial Assets			-			-
Investments	4,989.56	1.88	4,991.44	5,373.95	2.20	5,376.15
Trade Receivables	4,362.66	(604.63)	3,758.03	3,740.29	(525.26)	3,215.03
Cash and Cash Equivalents	8.05	-	8.05	9.16	-	9.16
Bank Balances other than (iii) above	15.71	-	15.71	9.49	-	9.49
Loans	55.82	-	55.82	135.63	-	135.63
Others Financial Assets	4,865.45	-	4,865.45	4,788.03	-	4,788.03
Current Tax Assets (Net)	-	-	-	-	-	-
Other Current Assets	574.15	0.25	574.40	595.23	0.16	595.39
	27,554.84	**(74.54)**	**27,480.30**	**27,607.95**	**(81.47)**	**27,526.48**
Assets classified as held for Sale / Disposal	5.33		5.33	1.99		1.99
Total Current Assets	**27,560.17**	**(74.54)**	**27,485.63**	**27,609.94**	**(81.47)**	**27,528.47**
Total Assets	**70,035.37**	**(456.08)**	**69,579.29**	**67,109.95**	**(331.53)**	**66,778.42**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	339.01		339.01	339.01		339.01
Other Equity						
Reserves and Surplus	18,159.59	(386.30)	17,773.29	15,638.04	297.27	15,935.31
Other Reserves	(142.50)	-	(142.50)	45.02	-	45.02
Total equity	**18,356.10**	**(386.30)**	**17,969.80**	**16,022.07**	**297.27**	**16,319.34**
Liabilities						
Non Current Liabilities						
Financial Liabilities						
Borrowings	10,500.17	7.18	10,507.35	14,649.80	(0.56)	14,649.24
Other Financial Liabilities	9,398.18		9,398.18	8,253.97	0.26	8,254.23
Provisions	163.77		163.77	99.08		99.08
Deferred Tax Liabilities (Net)	4,380.89	538.46	4,919.35	3,759.27	365.23	4,124.50
Other Non-Current Liabilities	(2.92)	14.29	11.37	(0.22)	2.95	2.73
Total Non Current Liabilities	**24,440.09**	**559.93**	**25,000.02**	**26,761.90**	**367.88**	**27,129.78**
Current Liabilities						
Financial Liabilities						
Borrowings	3,887.61		3,887.61	2,198.80		2,198.80
Trade Payables	9,416.93		9,416.93	11,442.93		11,442.93
Other Financial Liabilities	7,559.40		7,559.40	4,063.96		4,063.96
Other Current Liabilities	3,714.52	22.39	3,736.91	3,581.61	1.85	3,583.46
Provisions	2,298.69	(652.10)	1,646.59	2,677.41	(998.53)	1,678.88
Current Tax Liabilities (Net)	362.03		362.03	361.27		361.27
Total Current Liabilities	**27,239.18**	**(629.71)**	**26,609.47**	**24,325.98**	**(996.68)**	**23,329.30**
Total Equity and Liabilities	**70,035.37**	**(456.08)**	**69,579.29**	**67,109.95**	**(331.53)**	**66,778.42**

*IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

B.2. Reconciliation of Equity as at 31 March 2016 and 1 April 2015:

(₹ Crores)

	Note	31.03.2016	01.04.2015
Net worth under IGAAP - (A)		**18,356.09**	**16,022.08**
Summary of Ind AS adjustments:			
Proposed dividend for 14 - 15	B.2.1	-	998.53
Proposed dividend for 15 - 16	B.2.1	652.10	-
Fair valuation of equity instruments (FVOCI)	B.2.2	(142.50)	45.02
Fair valuation of investment in preference shares	B.2.3	(270.45)	(282.77)
Fair valuation of investment in OMC GOI special bonds	B.2.4	1.88	2.20
Fair valuation of derivative contracts	B.2.5	(22.39)	(1.85)
Borrowings - transaction costs adjustment	B.2.6	(7.18)	0.56
Capital grant	B.2.7	(14.29)	(2.95)
Timing of revenue recognition	B.2.8	(68.78)	(64.39)
Impairment of trade receivables - expected credit loss method	B.2.9	(7.94)	(19.44)
Amortisation of prepaid lease rentals	B.2.10	(5.73)	(4.67)
Reversal of amortisation of right of way	B.2.11	1.42	-
Stores and Spares	B.2.12	(4.10)	(7.64)
Enabling assets Capitalisation	B.2.13	41.75	-
Others		(1.62)	(0.11)
Tax effects of adjustments	B.2.16	(538.46)	(365.23)
Total Ind AS adjustments - (B)		**(386.29)**	**297.26**
Net worth under Ind AS - (A+B)		**17,969.80**	**16,319.34**

B.3. Reconciliation of Statement of Profit and Loss for the year ended 31 March 2016: (₹ Crores)

	2015 - 16		
	IGAAP*	Ind AS Adjustment	Ind AS
Revenue			
Revenue From Operations			
Sale of Products	1,97,528.40	(90.87)	1,97,437.53
Other Operating Revenues	306.30	-	306.30
	1,97,834.70	**(90.87)**	**1,97,743.83**
Other Income	1,131.84	12.32	1,144.16
Total Income	**1,98,966.54**	**(78.55)**	**1,98,887.99**
Expenses			
Cost of Materials Consumed	40,811.64	-	40,811.64
Purchases of Stock-in-Trade	1,15,948.43	-	1,15,948.43
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	177.43	(86.57)	90.86
Excise Duty	20,043.20	-	20,043.20
Transportation Expenses	5,261.66	-	5,261.66
Exploration cost	20.84	-	20.84
Employee Benefits Expense	2,326.89	(5.57)	2,321.32
Finance Costs	643.85	9.75	653.60
Depreciation & Amortization Expense	2,655.69	(2.48)	2,653.21
Other Expenses	5,338.84	(32.25)	5,306.59
Total Expenses	**1,93,228.47**	**(117.12)**	**1,93,111.35**
Profit Before exceptional items and Tax	**5,738.07**	**38.57**	**5,776.64**
Exceptional Items			
Profit Before Tax	**5,738.07**	**38.57**	**5,776.64**
Tax expense:			
Current tax	1,433.56	-	1,433.56
Deferred tax	562.14	175.16	737.30
Provision for Tax for Earlier years written back (net)	(120.38)	-	(120.38)
Tax Expenses	**1,875.32**	**175.16**	**2,050.48**
Profit/(loss) for the period	**3,862.75**	**(136.59)**	**3,726.16**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans;	-	(5.57)	(5.57)
Equity Instruments through Other Comprehensive Income;	-	(187.52)	(187.52)
Income tax relating to items that will not be reclassified to profit or loss	-	1.93	1.93
	-	**(191.16)**	**(191.16)**
Other Comprehensive Income for the year, net of tax	-	**(191.16)**	**(191.16)**
Total Comprehensive Income for the year, net of tax	**3,862.75**	**(327.75)**	**3,535.00**

*IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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B.4. Reconciliation of Statement of Profit and Loss for the period ended 31 March 2016: **(₹ Crores)**

		2015 - 16
Profit for the year as per IGAAP	**A**	**3,862.74**
Summary of Ind AS adjustments:		
Enabling assets Capitalisation	B.2.13	43.05
Fair valuation of derivative contracts	B.2.5	(20.54)
Impairment of trade receivables - expected credit loss method	B.2.9	11.51
Interest Income on HBL- Preference Shares	B.2.3	12.32
Borrowings - transaction costs adjustment	B.2.6	(9.75)
Timing of revenue recognition	B.2.8	(4.38)
Stores and Spares	B.2.12	3.54
Depreciation on lease hold lands	B.2.10	(1.06)
Depreciation reversal on ROW assets	B.2.11	1.30
Depereication on Enabling Assets	B.2.13	(1.30)
Fair valuation of investment in OMC GOI special bonds	B.2.4	(0.32)
Impact on Inc/Dec in inventory of FG/ISD due to change in Opex	B.2.8	0.08
Others		(1.44)
Defined Benefit Obligation		3.64
Deferred Tax impact of Ind AS Adjustments	B.2.16	(173.23)
Total Ind AS adjustments	**B**	**(136.58)**
Profit for the year as per Ind AS	**A + B**	**3,726.16**

B.5. Statement of Cash Flows
The transition from IGAAP to Ind AS has not made a material impact on Statement of Cash Flows.

Notes to the Equity reconciliation:

Note B.2.1.: Proposed Dividend
Under IGAAP, dividends proposed by the Board of Directors after the Balance Sheet date but before the approval of Financial Statements were considered as adjusting event. Accordingly, provision for proposed final dividend was recognised as a liability. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by Corporation i.e. usually when approved by shareholders in an Annual General Meeting.
Accordingly, the liability for proposed final dividend as at 1 April 2015 and 31 March 2016 included under the Provisions, in respective accounting periods, has been reversed with corresponding adjustments to respective period's Retained Earnings.

Note B.2.2.: Fair valuation of Equity Instruments
Under IGAAP, Corporation accounted for long term investments in quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, Corporation has designated such investments as FVTOCI (Fair Value through Other Comprehensive Income) investments.
At the date of transition to Ind AS, the difference between the cost of the investments and the fair value is recognised under equity in a separate reserve i.e. Equity Instruments through Other Comprehensive Income reserve.

Note B.2.3.: Investment in Preference Shares of HPCL Biofuels Limited (HBL)
Under IGAAP, investment in preference shares of HBL were carried at its Face Value. Under Ind AS, the investment in Preference Shares is fair valued on initial recognition and subsequently measured at amortised cost. Hence, the difference between the carrying amount as per IGAAP and its amortised cost under Ind AS is recognised in Opening Retained Earnings. Interest income is recognised in Statement of Profit and Loss for the year 2015-16 under Ind AS on account of unwinding of discount of such investments.

Note B.2.4.: Investment In Oil Marketing Companies GOI Special Bonds
Under IGAAP, Corporation had classified the investment in GOI Special Bonds as current investment. These investments were carried at lower of cost or its fair value. Hence, loss in respect of fair valuation of such investments was recognised and gain, if any, was ignored.
Under Ind AS, Corporation has elected to carry these investments at fair value with fair value changes being recognised in Statement of Profit and Loss. Hence, gain or loss on account of fair valuation of such bonds is recognised in Statement of Profit and Loss.

Note B.2.5.: Derivative contracts
Under Ind AS, outstanding derivative contracts are considered as financial instruments and hence, needs to be fair valued at every reporting date.
Consequently, under Ind AS, fair value gain or loss on the date of transition is recognized in Opening Retained Earnings and for other periods in respective period's Statement of Profit and Loss.

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Note B.2.6.: Adjustment of transaction cost on borrowings

Under IGAAP, trasaction costs incurred for borrowings were recognised as an asset (Unamortised prepaid expenses) and amortised to Statement of Profit and Loss on a straight-line basis over the tenure of the borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition and subsequntly measured at amortized cost.

Accordingly, under Ind AS, restatement of outstanding ancillary cost is recognized in Opening Retained Earnings on transition date and subsequently in respective period's Statement of Profit and Loss.

Note B.2.7.: Capital Grant

Under IGAAP, Capital Grants received from Government are presented as part of Reserves. Under Ind AS, Capital Grants received from Government need to be recognised as a Liability.

Accordingly, under Ind AS, amount of Capital Grant has been reclassified from Reserves to Liabilities.

Note B.2.8.: Timing of Revenue Recognition

Under IGAAP, revenue from sale of goods is recognised when the same is dispatched by the Corporation.

Under Ind AS, in situations where goods have left Corporation's premises but Corporation continues to exercise effective managerial control on such goods till the time goods reach the customers premises, revenue is deferred and recognised when goods are accepted by the customer. Accordingly, impact on account of margin elimination on deferred sales is recognised in Retained Earnings on transition date and in Statement of Profit and Loss for Financial Year 2015-16.

Note B.2.9.: Impairment of Trade Receivables

Under IGAAP, the Corporation recognised provision on Trade Receivables based on specific provisions to reflect the Corporation's expectation. Under Ind AS, impairment of Trade Receivables shall be recognised based on Expected Credit Loss.

Accordingly, Corporation has recognised impairment loss on Trade Receivables at transition date in Opening Retained Earnings and in Statement of Profit and Loss for Financial Year 2015 - 16.

Note B.2.10.: Reclassification of freehold and leasehold land into operating leases

Under IGAAP, the Corporation has classified leasehold land with a period of 99 years or more as freehold land and accordingly not amortised the same. Also, leasehold land with a lease period of less than 99 years is classified as leasehold land under tangible fixed assets. The same was amortised over the tenure of lease and presented under Statement of Profit and Loss as Depreciation and Amortisation Expense.

Under Ind AS, land leases with long tenure of lease are required to be classified as Finance Lease. Hence, Corporation has decided to consider leasehold lands with lease period of more than 99 years as finance lease. Accordingly, the same will also be subject to amortisation under Ind AS. Also, land with a lease tenure of 99 years or less is treated as operating lease and amortised over the tenure of lease as Rent Expense. The amortisation of prepaid operating lease rentals is presented under Rent Expense.

Accordingly, lease hold land for 99 years has been amortized and impact on account of amortization upto transition date has been recognised in Opening Retained Earnings. Subsequently, the amortization charge is recognized as Rent Expenses in the statement of Profit and Loss. For the purpose of tenure, the Corporation has considered the lease period including the lease period where the Corporation has an un - conditional right to renew the lease at a rate below market price or a fix price.

Note B.2.11.: Reversal of amortisation of Right of Way Assets

Under IGAAP, the Right of Way Assets with indefinite useful lives were amortised over a period of 99 years based on Expert Advisory Commitee opinion issued by Institute of Chartered Accountants of India. Under Ind AS, Intangible Assets with indefinite useful life are not required to be amortised but shall be tested for impairment annually or when there is an indication. Accordingly amortisation charge created during Financial Year 2015-16, in Statetment of Profit and Loss, on Right of Way Assets with indefinite useful lives has been reversed under Ind AS.

Note B.2.12.: Stores and Spares

Under IGAAP, Stores and Spares which can be identified with a particular item of Property, Plant and Equipment (PPE) and whose use is expected to be irregular is capitalised as part of Tangible Fixed Assets. Other Stores and Spares are treated as inventory and charged to Statement of Profit and Loss on consumption. Under Ind AS, Stores and Spares with a useful life of more than one year shall be treated as PPE. Such Stores and Spares need to be depreciated from the date they are ready for use (based on clarification received from ITFG) over their estimated useful life. Hence, Stores and Spares which were erstwhile treated as inventory under IGAAP have been classified as part of PPE if recognition criteria are met (referred to as capital spares). Also, such capital spares are depreciated from the date of purchase over their estimated useful life. Additionally, since capital spares would be depreciated, spares charged to Statement of Profit and Loss on consumption have been reversed and depreciated over its estimated useful life.

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Note B.2.13.: Enabling Asset

Under IGAAP, expenditure incurred on construction/acquisition of enabling assets on which the Corporation does not have a control were expensed out as and when incurred.

Under Ind AS, if the expenditure incurred on such enabling asset is of such nature that it is necessary for making the item of Property, Plant and Equipment capable of operating in the manner intended by the management, then the same has been capitalised with corresponding depreciation expense charged in the statement of Profit and Loss.

Note B.2.14.: Excise duty

Under IGAAP, revenue from sale of goods was presented net of the excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty has been presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the Revenue from Operations and Expenses for the year ended 31 March 2016.

Note B.2.15.: Actuarial gains/(losses)

Under Ind AS, the Corporation's Accounting Policy is to recognise all actuarial gains and losses on Post-Employment Benefit Plans in other comprehensive income. Under IGAAP the Corporation recognised actuarial gains and losses in the Statement of Profit and Loss. However, this has no impact on the total comprehensive income and total Equity as on 1 April 2015 as well as 31 March 2016.

Note B.2.16.: Deferred tax assets / (liabilties) (net)

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on Ind AS adjustments which was not required under Indian GAAP.

The table below summaries the deferred tax impact of adjustments considered on transition to Ind AS:

	31.03.2016	**01.04.2015**
Property plant and equipments	(13.03)	2.64
Investment in Oil Marketing Companies GOI Special Bonds	(0.65)	(0.76)
Derivatives	7.75	0.64
Borrowings	3.18	(0.19)
Deferral of sales	23.79	22.28
Trade receivables	2.75	6.73
Deferred tax on capitalization of excchange differences*	(562.15)	(396.52)
Others	(0.10)	(0.05)
	(538.46)	**(365.23)**

*:Deferred Tax has been created on temporary difference arising from capitalization of exchange differences (based on the clarification received from ITFG).

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Note 40: Fair Value Measurements

40.A. Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified as at Fair value through Profit and Loss (FVTPL), Fair value through other comprehancive Income (FVTOCI) and Amortized Cost.

(₹ crores)

	31.03.2017			31.03.2016			01.04.2015		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
(a) Investments									
- Investment in Equity Instruments		594.88			419.28			606.80	
- Investment in Preference Shares			162.63			149.20			136.88
- Investment in OMC GOI special bonds	5,100.96			4,987.55			5,376.15		
- Others	7.84		0.02	3.95		0.02	5.00		0.02
(b) Loans									
- Employee Loans			316.71			324.35			316.59
- Loans to Related Parties			159.00			159.00			75.00
- Others			144.51			137.63			134.90
(c) Trade receivables			4,064.21			3,758.03			3,215.03
(d) Cash and cash equivalents			8.85			8.05			9.16
(e) Other Bank Balances			24.82			15.71			9.49
(f) Derivative Assets	58.41			-			0.11		
(g) Amounts recoverable under subsidy schemes			1,211.33			2,019.08			737.03
(h) Others			3,048.77			2,846.37			4,052.89
Total	5,167.20	594.88	9,140.84	4,991.50	419.28	9,417.43	5,381.26	606.80	8,686.99
Financial liabilities									
(a) Borrowings									
- Non-convertible debentures			975.00			975.00			1,520.00
- Oil Industry Development Board			283.75			473.25			583.00
- Syndicated Loans from Foreign Banks			9,098.55			15,831.60			15,816.61
- Cash Credit			1,741.73			2,398.54			1,109.81
- Short term loans from banks			-			-			-
- Clean Loans			1,200.00			-			-
- Collateral Borrowing and Lending Obligation			1,489.51			1,489.07			1,088.99
- Commercial papers			6,461.17			-			-
(b) Trade Payables			12,658.10			9,416.93			11,442.93
(c) Deposits from Consumers			10,996.83			9,397.77			8,253.85
(d) Derivative liabilities	1.75			22.39			1.96		
(e) Others			675.21			764.92			792.01
Total	1.75	-	45,579.85	22.39	-	40,747.08	1.96	-	40,607.20

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40.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)

	31.03.2017			31.03.2016			01.04.2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Investments									
- Investment in Equity Instruments	594.88			419.28			606.80		
- Investment in Preference Shares		265.21			186.13			136.73	
- Investment in OMC GOI special bonds	5,100.97			4,987.57			5,376.17		
- Others		7.84			3.95			5.00	
Loans & Advances									
- Employee Loans		316.71			324.35			316.59	
Derivative Assets		58.41		-				0.11	
Financial liabilities									
Borrowings									
- Non-convertible debentures		990.66			987.84			1,533.40	
- Oil Industry Development Board		290.99			480.90			590.77	
- Syndicated Loans from Foreign Banks		9,098.55			15,831.60			15,816.61	
Derivative Liabilities		1.75			22.39			1.96	
Total	5,695.85	11,030.11	-	5,406.85	17,837.17	-	5,982.97	18,401.17	-

40.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 determing 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.

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Note 41: Financial risk management

41.A. Risk management framework

The Corporation has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk conscious manner. These self-regulatory processes and procedures are contained in our Risk Management Charter and Policy, 2007. The Corporation has a structures and comprehensive Risk Management Framework, under which the risks are identified, assessed, monitored and reported, as a part of a normal business practice. The Corporation has leveraged technology to seamlessly integrate and automate the entire process of risk monitoring and reporting which also facilitate Corporation-wide process of managing the risks. The Corporation's risk management system is fully aligned with the corporate and operational objectives.

The Corporation has engaged the services of an independent expert to assist in continued implementation of effective Risk Management Framework. In that direction, Risk Management Steering Committee (RMSC) continues to provide its guidance. The Corporation has put in place mechanism to inform Board Members about the risk management and minimisation procedures, and periodical review to ensure that executive management controls risks by means of a properly defined framework.

41.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:

41.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 instuments covered below is resticted 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 31.03.2017, the Corporation's most significant customer accounted for ₹ 1,068.86 crores of the trade receivables carrying amount (31.03.2016 : ₹ 855.93 crores and 01.04.2015 : ₹ 704.47 crores).

The Corporation uses an allowance matrix to measure the expected credt 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)

	31.03.2017			31.03.2016			01.04.2015		
	Gross carrying amount	Weighed average loss rate	Loss allowance	Gross carrying amount	Weighed average loss rate	Loss allowance	Gross carrying amount	Weighed average loss rate	Loss allowance
Past due 0-90 days	3,694.81	0.06%	2.26	3,533.96	0.03%	1.21	2,904.61	0.07%	1.90
Past due 91–360 days	355.68	0.69%	2.20	202.74	1.00%	2.03	298.95	6.30%	18.83
More than 360 days	178.48	89.82%	160.31	184.80	86.71%	160.24	178.37	81.87%	146.04
	4,228.98		164.77	3,921.50		163.47	3,381.92		166.76

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Balance as at 01.04.2015	**166.76**
Add : Impairment loss recognised	6.33
Less : Amounts written off	9.62
Balance as at 31.03.2016	**163.47**
Add : Impairment loss recognised	5.48
Less : Amounts written off	4.18
Balance as at 31.03.2017	**164.77**

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 ₹ 8.85 crores at 31.03.2017 (31.03.2016 : ₹ 8.05 crores; 01.04.2015 : ₹ 9.15 crores). The cash and cash equivalents are held with consortium banks. Corporation invests its surplus funds in bank fixed deposit, GOI 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 monitor 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.

Other than trade receivables, the Corporation has no other financial assets that are past due but not impaired.

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41.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 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 diversifing 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. HPCL's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. HPCL diversifies its capital structure with a mix of instruments and financing products across varying maturities and currencies. The financing products include syndicated loans, foreign currency bonds, commercial paper, non-convertible debentures, buyer's credit loan, clean loan etc. HPCL taps domestic as well as foreign debt markets from time to time to ensure appropriate funding mix and diversification of geographies.

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ Crores)

	Contractual cash flows								
	31.03.2017			31.03.2016			01.04.2015		
	Upto 1 year	1-3 years	more than 3 years	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	15,282.28	4,880.95	1,685.94	10,698.81	6,883.62	3,601.38	5,920.01	10,845.56	4,535.77
Trade payables	12,658.10	-	-	9,416.93	-	-	11,442.93	-	-
Other financial liabilities	675.21	-	10,996.83	764.92	-	9,397.77	792.01	-	8,253.85
Financial guarantee contracts*	-	-	570.72	-	-	-	-	-	-
Total	28,615.58	4,880.95	12,682.77	20,880.65	6,883.62	12,999.15	18,154.95	10,845.56	12,789.62
Derivative financial liabilities									
Interest rate swaps	10.75	9.86	0.54	11.94	22.20	6.45	5.68	1.82	-
Commodity contracts (net settled)	5.14	-	-	-	-	-	-	-	-
Forward exchange contracts (Gross settled)	-	-	-	-	-	-	-	-	-
- Inflows	-	-	-	(333.09)	-	-	-	-	-
- Outflows	-	-	-	333.44	-	-	-	-	-
Total	15.89	9.86	0.54	12.29	22.20	6.45	5.68	1.82	-

* Guarantee issued by the Corporation on behalf of the Subsidiary is with respect to borrowings raised by the 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.

41.C.3. Market Risk - Market Risk is further categorised in (i) Currecy risk , (ii) Interest rate risk & (iii) Commodity risk:

41.C.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 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 instruments to hedge the foreign exchange rate risk as of dates:

Category	Instrument	Currency	Cross Currency	31.03.2017	31.03.2016	01.04.2015	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	-	$ 50.27 mn	-	Buy

Exposure to currency risk - The currency profile of financial assets and financial liabilities is as below: (₹ Crores)

	31.03.2017		31.03.2016		01.04.2015	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial assets						
Non-current investments	757.58	-	568.55	-	748.70	-
Current investments	5,108.74	-	4,991.44	-	5,376.15	-
Long-term loans	457.01	-	565.16	-	390.86	-
Short-term loans	163.21	-	55.82	-	135.63	-
Trade receivables	3,746.34	317.87	3,092.88	665.15	2,926.57	288.46
Cash and Cash Equivalents	8.85	-	8.05	-	9.16	-
Other Bank Balances	24.82	-	15.71	-	9.49	-
Others Non Current Financial Assets	-	-	-	-	2.00	-
Others Current Financial Assets	4,318.50	-	4,865.45	-	4,788.03	-
Net exposure for assets - A	**14,585.05**	**317.87**	**14,163.06**	**665.15**	**14,386.59**	**288.46**
Financial liabilities						
Long term borrowings	1,258.75	9,098.55	1,448.25	15,831.60	2,103.00	15,816.61
Short term borrowings	10,892.41	-	3,887.61	-	2,198.80	-
Trade Payables	7,652.81	5,005.29	6,584.35	2,832.58	8,566.70	2,876.23
Other Financial Liabilities	11,673.79	-	10,185.08	-	9,047.82	-
	31,477.76	**14,103.84**	**22,105.29**	**18,664.18**	**21,916.32**	**18,692.84**
Less: Foreign curency forward exchange contracts		-		333.09		-
Net exposure for liabilities - B		**14,103.84**		**18,331.09**		**18,692.84**
Net exposure (Assets - Liabilities)(A - B)		**13,785.97**		**17,665.95**		**18,404.38**

The following exchange rates have been applied during the year:

INR	31.03.2017	31.03.2016	01.04.2015
USD 1	64.8550	66.2525	62.5050

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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 forecast on currency movement.

Effect in INR	Impact on profit or loss due to % Increase / Decrease in currency					
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	31.03.2017		31.03.2016		01.04.2015	
1% movement		1%		1%		1%
USD	137.86	(137.86)	176.66	(176.66)	184.04	(184.04)

41.C.3.2 Interest rate risk

Corporation's has a 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 forex risk management policy. The corporation also has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Corporation does not uses derivative financial instruments for trading or speculative purposes.

The Corporation's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Following is the derivative financial instruments to hedge the interest rate risk as of dates:

Category	Instrument	Currency	Cross Currency	31.03.2017	31.03.2016	01.04.2015	Buy/Sell
Hedges of floating rate foreing currency loans	Interest rate swaps	USD	INR	$ 530 mn	$ 260 mn	$ 200 mn	Buy

Interest rate risk exposure:

Corporation's interest rate risk arises 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.

	Carrying amount in ₹ crores		
	31.03.2017	31.03.2016	01.04.2015
Fixed-rate instruments			
Financial assets	5,100.96	4,987.55	5,376.15
Financial liabilities	12,151.16	5,335.86	4,301.80
Variable-rate instruments			
Financial assets	316.71	324.35	316.59
Financial liabilities	9,098.55	15,831.60	15,816.61

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.

	Profit or loss					
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2017		31.03.2016		01.04.2015	
Floating rate borrowings	(20.08)	20.08	(37.40)	37.40	(40.45)	40.45
Interest rate swaps (notional principal amount)	8.71	(8.71)	3.79	(3.79)	3.02	(3.02)
Cash flow sensitivity (net)	(11.37)	11.37	(33.62)	33.62	(37.44)	37.44

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41.C.3.3. Commodity Risk

The Corporation's activities are exposed to Oil price risks and therefore its Oil Price Risk Management program focuses on reducing the impact of the volatility of International Oil prices. With this objective, Risk Management activities aspire to protect the Margins of the Organization. In order to therefore manage its exposure to the risks associated with volatile Oil market / Commodity prices, the Corporation enters into derivative contracts in the OTC Market.

The Oil Price Risk Management Committee regularly reviews and monitors risk management principles, policies, and risk management activities.

41.C.3.4. Offsetting

The following table presents the recognised financial instruments that are eligible for offset and other similar arrangements but are not offset, as at 31.03.2017, 31.03.2016 and 01.04.2015. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights are exercised.

(₹ Crores)

	Effect of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial Instrument collateral	Net Amount
March 31, 2017					
Financial assets					
Trade Receivables	5,388.63	(1,090.21)	4,298.42	(234.21)	4,064.21
Financial liabilities					
Trade Payables	13,748.31	(1,090.21)	12,658.10	-	12,658.10
Other Current Financial Liabilities	4,989.88	-	4,989.88	(234.21)	4,755.67
March 31, 2016					
Financial assets					
Trade Receivables	8,003.98	(3,980.50)	4,023.48	(265.45)	3,758.03
Financial liabilities					
Trade Payables	13,397.44	(3,980.50)	9,416.93	-	9,416.93
Other Current Financial Liabilities	4,329.41	-	4,329.41	(265.45)	4,063.96
April 1, 2015					
Financial assets					
Trade Receivables	7,336.79	(4,121.76)	3,215.03	-	3,215.03
Financial liabilities					
Trade Payables	8,185.72	(4,121.76)	4,063.96	-	4,063.96

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Note 42: Tax expense

(a) Amounts recognised in profit and loss

(₹ Crores)

	2016 - 17	2015 - 16
Current tax expense		
Current year	2,236.24	1,433.56
Changes in estimates relating to prior years	(285.21)	(261.47)
Deferred tax expense		
Origination and reversal of temporary differences	628.28	737.30
Changes in estimates relating to prior years	232.73	141.09
Tax expense recognised in the income statement	**2,812.04**	**2,050.48**

(b) Amounts recognised in other comprehensive income

(₹ Crores)

	2016 - 17			2015 - 16		
	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	(23.69)	8.20	(15.49)	(5.57)	1.93	(3.64)

(c) Reconciliation of effective tax rate

	31.03.2017		31.03.2016	
	%	₹ Crores	%	₹ Crores
Profit before tax		**9,020.84**		**5,776.64**
Tax as per Corporate Tax Rate	**34.608%**	**3,121.93**	**34.608%**	**1,999.18**
Tax effect of:				
Non-deductible tax expenses	0.460%	41.51	5.813%	335.79
Tax-exempt income	-1.428%	(128.82)	-0.347%	(20.03)
Interest expense u/s 234B/C not deductible for tax purposes	0.103%	9.25	0.191%	11.03
Deduction for research and development expenditure	-0.953%	(85.97)	-1.132%	(65.39)
Investment allowance claim	-1.126%	(101.58)	-1.587%	(91.65)
Adjustments recognised in current year in relation to the current tax of prior years	-0.582%	(52.48)	-2.084%	(120.38)
Amounts directly recognised in OCI	0.091%	8.20	0.033%	1.93
Income Tax Expense	**31.173%**	**2,812.04**	**35.496%**	**2,050.48**

(e) Movement in deferred tax balances

	Net balance 01.04.2016	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2017
Deferred tax Asset				
Provision for Employee Benefits	211.83	41.67	2.54	256.04
Current investments	166.78	(77.40)	-	89.38
MAT Credit	429.57	(112.70)	-	316.87
Provision for Doubtful Debts & Receivables	87.59	0.67	-	88.26
Disallowance u/s 43B	102.42	(1.27)	-	101.15
Others	45.39	(38.06)	-	7.33
	1,043.58	**(187.09)**	**2.54**	**859.03**
Deferred Tax Liabilities			-	
Property, plant and equipment	5,866.68	872.15	-	6,738.83
Others	96.25	(80.46)	-	15.79
	5,962.93	**791.69**	-	**6,754.62**
Deferred Tax (assets) / Liabilities	**4,919.35**	**978.78**	**(2.54)**	**5,895.59**

	Net balance 01.04.2015	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2016
Deferred tax Asset				
Provision for Employee Benefits	272.62	(57.16)	(3.63)	211.83
Current investments	172.57	(5.79)	-	166.78
MAT Credit	344.33	85.24	-	429.57
Provision for Doubtful Debts & Receivables	82.22	5.37	-	87.59
Disallowance u/s 43B	93.09	9.33	-	102.42
Others	27.90	17.49	-	45.39
	992.73	**54.48**	**(3.63)**	**1,043.58**
Deferred Tax Liabilities				
Property, plant and equipment	5,101.59	765.09	-	5,866.68
Others	15.64	80.61	-	96.25
	5,117.23	**845.70**	-	**5,962.93**
Tax assets (Liabilities)	**4,124.50**	**791.22**	**3.63**	**4,919.35**

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Note 43 : Leases

Operating Lease

A. Leases as lessee

a) 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 future minimum lease payments and payment profile of non-cancellable operating leases are as under:

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were payable as follows:

(₹ Crores)

	31.03.2017	31.03.2016
Less than one year	11.34	10.29
Between one and five years	45.87	40.05
More than five years	361.97	308.16
	419.18	**358.50**

(₹ Crores)

	31.03.2017	31.03.2016
ii. Amounts recognised in profit or loss		
Lease expense	335.09	552.40

Note 44 : Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders

(₹ Crores)

	31.03.2017	31.03.2016
Profit attributable to equity holders for basic and diluted earnings per share	**6,208.80**	**3,726.16**

ii. Weighted average number of ordinary shares

	31.03.2017	31.03.2016
Issued ordinary shares at April 1	3386,27,250	3386,27,250
Effect of shares issued as Bonus shares*	6772,54,500	6772,54,500
Weighted average number of shares for basic and diluted earnings per shares	**10158,81,750**	**10158,81,750**
Basic and Diluted earnings per share	**61.12**	**36.68**

*The Company has issued bonus shares @ 2:1 during 2016-17. The EPS for 2016-17 and 2015-16 has been appropriately adjusted.

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Note 45 : Capital management

The Corporation's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Corporation monitors capital using debt equity ratio. The Corporation's debt to equity ratio at March 31, 2017 is as follows.

	31.03.2017	31.03.2016	01.04.2015
Long term borrowings (refer note # 21)	10,357.30	17,279.85	17,919.61
Total equity (refer note # 20a and 20b)	20,347.41	17,969.80	16,319.34
Debt to Equity ratio	**0.51**	**0.96**	**1.10**

Note 46 : Dividends

	31.03.2017	31.03.2016
(i) Dividends paid during the year		
Final dividend for the year ended 31.03.2016 of ₹ 16.00 (31.03.2015 ₹ 24.50) per fully paid share. This included Dividend distribution tax of ₹ 110.30 crores (31.03.2015 ₹ 168.89 crores).	652.10	998.53
First Interim dividend for the year ended 31.03.2017 of ₹ 22.50 (31.03.2016 – ₹ 11.50) per fully paid share. This included Dividend distribution tax of ₹ 465.32 crores (31.03.2016 ₹ 79.28 crores)	2,751.05	468.70
Second Interim dividend for the year ended 31.03.2017 of ₹ 6.40 (31.03.2016 – ₹ 7) per fully paid share. This included Dividend distribution tax of ₹ 132.36 crores (31.03.2016 ₹ 48.26 crores)	782.53	285.30
(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 ₹ 1.10 per fully paid equity share (31.03.2016 – ₹ 16.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	111.75	541.80
Dividend distribution tax on above	22.75	110.30

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47. The Corporation has accounted the discount of ₹ Nil (2015-16: ₹ 190.33 crores) on Crude Oil purchased from ONGC and has adjusted it against purchase cost of Crude Oil.

48. During the current financial year 2016-17, Subsidy on PDS Kerosene and Domestic Subsidized LPG from Central and State Governments amounting to ₹ 20.01 crores (2015-16: ₹ 11.77 crores) has been accounted.

49. Approval of Government of India for Budgetary Support amounting to ₹ 1,272.57 crores (2015-16: 1,761.26 crores) has been received and the same has been accounted under 'Recovery under Subsidy Schemes'.

50. (a) Inter-Oil company transactions are reconciled on a continuous basis. However, year end balances are subject to confirmation/reconciliation which is not likely to have a material impact.
(b) Customers' accounts are reconciled on an ongoing basis and such reconciliation is not likely to have a material impact on the outstanding or classification of the accounts.

51. 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.

52. In accordance with the option exercised by the Company as referred in note # 20(a), an exchange loss of ₹ 0.44 crores (2015-16: ₹ 194.80 crores) related to non-depreciable assets is remaining to be amortized over the balance period of loan in "Foreign Currency Monetary Item Translation Difference Account" as at March 31, 2017.

53. (a) Current Tax includes MAT Credit utilisation of ₹ 327.03 Crore (2015-16: ₹ 133.61 Crore).

(b) The recognition of MAT Credit Entitlements of ₹ 316.87 Crore as at March 31, 2017 (₹ 429.57 Crore as at March 31, 2016) is on the basis of convincing evidence that the Corporation will be able to avail the credit during the period specified in section 115JAA of the Act.

(c) Provision for tax for earlier years written back(net) of ₹ 52.48 Crore (2015-16: ₹ 120.38 Crore) represents reversal of excess provision towards current tax of ₹ 216.40 Crore (2015-16 : ₹ 249.75 Crore), additional provision towards deferred Tax of ₹ 232.73 Crore (2015-16: ₹ 141.08 Crore) and recognition of MAT credit Entitlements of ₹ 68.81 Crore (2015-16: ₹ 11.71 Crore).

54. To the extent Micro and Small Enterprises have been identified, the outstanding balance, including interest thereon, if any, as at balance sheet date is disclosed on which Auditors have relied upon:

(₹ /Crores)

Sr. No.	Particulars	2016-17	2015-16	01.04.2015
1.	Amounts payable to "suppliers" under MSMED Act, as on 31/03/17: - - Principal - Interest	22.76 -	18.55 -	15.19 -

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2.	Amounts paid to "suppliers" under MSMED Act, beyond appointed day during F.Y. 2016 – 17 (irrespective of whether it pertains to current year or earlier years) – - Principal - Interest	 - -	 - -	
3.	Amount of interest due / payable on delayed principal which has already been paid during the current year (without interest or with part interest)	-	-	
4.	Amount accrued and remaining unpaid at the end of Accounting Year	-	-	
5.	Amount of interest which is due and payable, which is carried forward from last year	-	-	

55. Related Party Disclosure:

A. Names of and Relationship with Related Parties

1. **Jointly controlled entities**
   i. HPCL-Mittal Energy Ltd.
   ii. Hindustan Colas Pvt. Ltd.
   iii. South Asia LPG Company Pvt. Ltd.
   iv. Petronet India Ltd.
   v. HPCL Shapoorji Energy Pvt. Ltd.

2. **The Company has not included disclosure in respect of following related parties which are Govt. related entities as per Ind AS 24.**

   i. Subsidiaries
   1. HPCL Biofuels Ltd.
   2. Prize Petroleum Company Ltd.

   ii. Jointly controlled entities
   1. CREDA-HPCL Biofuels Ltd.
   2. HPCL Rajasthan Refinery Ltd.
   3. Bhagyanagar Gas Ltd.
   4. Petronet MHB Ltd.
   5. Mumbai Aviation Fuel Farm facility Pvt. Ltd.
   6. Godavari Gas Pvt Ltd
   7. Aavantika Gas Ltd..

   iii. Associates
   1. GSPL India Gasnet Ltd.
   2. GSPL India Transco Ltd.
   3. Mangalore Refinery and Petrochemicals Ltd.

3. **Key Management Personnel**
   i. Shri Mukesh Kumar Surana, Chairman and Managing Director (w.e.f. 01.04.2016)
   ii. Shri J. Ramaswamy, Director – Finance

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iii. Shri Vinod S. Shenoy, Director – Refineries (from 01-11-2016)
iv. Shri B. K. Namdeo, Director- Refineries (till 31.10.2016)
v. Shri S. Jeyakrishnan, Director – Marketing (from 01-11-2016)
vi. Shri Y.K. Gawali, Director – Marketing (till 31.10.2016)
vii. Shri Pushp Kumar Joshi, Director - Human Resources
viii. Shri Shrikant Madhukar Bhosekar, Company Secretary

4. **Independent Directors**
   i. Shri Ram Niwas Jain, Independent Director
   ii. Smt. Asifa Khan (from 13.02.2017)
   iii. Shri G.V. Krishna (from 13.02.2017)
   iv. Dr. Trilok Nath Singh (from 20.03.2017)

B. Details of transactions with related parties

1. Transaction with Jointly controlled entities (₹ Crores)

No.	Nature of Transactions	2016-17	2015-16
(i)	**Sale of goods**		
	HPCL-Mittal Energy Ltd.	86.61	127.77
	Hindustan Colas Pvt. Ltd.	332.48	268.28
	South Asia LPG Company Pvt. Ltd.	0.17	0.18
		419.26	**396.23**
(ii)	**Purchase of goods**		
	HPCL-Mittal Energy Ltd.	23101.18	23,593.34
	Hindustan Colas Pvt. Ltd.	115.34	159.00
		23,216.52	**23,752.34**
(iii)	**Dividend income received**		
	Hindustan Colas Pvt. Ltd.	16.54	22.87
	South Asia LPG Company Pvt. Ltd.	32.50	27.50
	Petronet India Ltd.	3.68	-
		52.72	**50.37**
(iv)	**Services given (Manpower Supply Service)**		
	HPCL-Mittal Energy Ltd.	0.42	0.39
	Hindustan Colas Pvt. Ltd.	2.03	2.04
	South Asia LPG Company Pvt. Ltd.	1.21	1.28
		3.66	**3.71**
(v)	**Lease rental received**		
	HPCL-Mittal Energy Ltd.	1.20	1.20
	Hindustan Colas Pvt. Ltd.	0.23	0.24
	South Asia LPG Company Pvt. Ltd.	0.87	1.68
		2.30	**3.12**
(vi)	**Others – (Services provided)**		
	HPCL-Mittal Energy Ltd.	14.25	24.07
	Hindustan Colas Pvt. Ltd.	3.02	2.39
	South Asia LPG Company Pvt. Ltd.	0.58	0.39

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		17.85	**26.85**
(vii)	**Others - (Services availed)**		
	HPCL-Mittal Energy Ltd.	15.60	13.51
	Hindustan Colas Pvt. Ltd.	2.36	4.74
	South Asia LPG Company Pvt. Ltd.	125.12	93.61
		143.08	**111.86**
(viii)	**Purchases of Equity shares of M/s Petronet MHB Ltd. from Petronet India Ltd**	**26.09**	-
(ix)	**Investment in equity shares / Converted to Equity Shares**		
	HPCL-Mittal Energy Ltd.	-	248.82
	HPCL Shapoorji Energy Pvt. Ltd.	1.50	6.50
		1.50	**255.32**

No.	Description	31.03.2017	31.03.2016	01.04.2015
(x)	**Receivables as on**			
	HPCL-Mittal Energy Ltd.	8.28	0.36	12.39
	Hindustan Colas Pvt. Ltd.	10.82	5.04	32.97
	South Asia LPG Company Pvt. Ltd.	0.12	0.11	0.96
		19.22	**5.51**	**46.32**
(xi)	**Payables as on**			
	HPCL-Mittal Energy Ltd.	1,321.25	1,220.35	1448.47
	Hindustan Colas Pvt. Ltd.	25.74	16.84	21.37
	South Asia LPG Company Pvt. Ltd.	13.94	11.53	8.89
		1,360.93	**1,248.72**	**1478.73**

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

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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	2016-17	2015-16
(i)	Short – Term Employee Benefits	3.66	3.23
(ii)	Post – Employment Benefits	0.23	0.51
		3.89	**3.74**

* 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	31.03.2017	31.03.2016	01.04.2015
(i)	Smt. Nishi Vasudeva		-	0.02
(ii)	Shri Mukesh Kumar Surana	0.11	-	-
(iii)	Shri K. V. Rao		-	0.00
(iv)	Shri J Ramaswamy	0.01	0.02	-
(v)	Shri Pushp Kumar Joshi	0.06	0.06	0.07
(vi)	Shri Shrikant Madhukar Bhosekar	0.04	0.05	0.05
(vii)	Shri S Jeyakrishnan	0.26	-	-
(viii)	Shri Vinod S Shenoy	0.09	-	-
		0.57	**0.13**	**0.14**

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
Board	0.04	0.01	0.01	0.01
Audit Committee	0.02	-	-	-
Nomination & Remuneration Committee	0.00	-	-	-
Stakeholders Relationship Committee	0.00	-	-	-
Investment Committee	0.00	-	-	-
CSR & SD Committee	0.02	-	-	-
Total Sitting Fees Paid	**0.08**	**0.01**	**0.01**	**0.01**

56. 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 %		
	31.03.2017	31.03.2016	01.04.2015
In India			

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Under NELP IV			
KK- DWN-2002/2	20	20	20
KK- DWN-2002/3	20	20	20
CB- ONN-2002/3	15	15	15
Under NELP V			
AA-ONN-2003/3	15	15	15
Under NELP VI			
CY-DWN-2004/1	10	10	10
CY-DWN-2004/2	10	10	10
CY-DWN-2004/3	10	10	10
CY-DWN-2004/4	10	10	10
CY-PR-DWN-2004/1	10	10	10
CY-PR-DWN-2004/2	10	10	10
KG-DWN-2004/1	10	10	10
KG-DWN-2004/2	10	10	10
KG-DWN-2004/3	10	10	10
KG-DWN-2004/5	10	10	10
KG-DWN-2004/6	10	10	10
MB-OSN-2004/1	20	20	20
MB-OSN-2004/2	20	20	20
RJ-ONN-2004/1	22.22	22.22	22.22
RJ-ONN-2004/3	15	15	15
Under NELP IX			
MB-OSN-2010/2	30	30	30
Cluster – 7	60	60	60

a) The Blocks CY-DWN-2004/1,2,3,4, CY-PR-DWN-2004/1&2, RJ-ONN-2004/1&3, KK-DWN-2002/2, MB-OSN-20010/2, MB-OSN-2004/1, MB-OSN-2004/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2016. Blocks KG-DWN-2004/1,2,3,5 and 6 are under relinquishment and the operating committee had decided not to maintain books of accounts for the projects as they are under relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2015. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2017.

b) The Blocks AA-ONN-2003/3 and KK-DWN-2002/3 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2011 and March 31, 2012 respectively. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2017.

c) The block CB-ONN-2002/3 was awarded under NELP IV bidding round and the production sharing contract was signed on 06.02.2004. The exploration Minimum Work Program has been completed. The block is divided into two areas i.e. Miroli and Sanand. Approval of Mining Lease to commence production from Sanand field has been received from Govt. of Gujarat. Preparation of addendum to Sanand FDP (Field development plan) for additional discovery in Kalol reservoir is in progress.

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d) In respect of Cluster – 7, the matter is under arbitration. Please refer Note # 68.1.

57. 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		
			31.03.17	31.03.16	01.04.15
HPCL - Biofuels Ltd.	India	Subsidiary	100.00	100.00	100.00
Prize Petroleum Co. Ltd	India	Subsidiary	100.00	100.00	100.00
HPCL Rajasthan Refinery Ltd	India	Joint Venture	74.00	74.00	74.00
CREDA HPCL Biofuel Ltd.	India	Joint Venture	74.00	74.00	74.00
Hindustan Colas Private Ltd.	India	Joint Venture	50.00	50.00	50.00
South Asia LPG Company Pvt. Ltd.	India	Joint Venture	50.00	50.00	50.00
HPCL Shapoorji Energy Private Ltd.	India	Joint Venture	50.00	50.00	50.00
HPCL-Mittal Energy Ltd.	India	Joint Venture	48.99	48.99	48.94
Aavantika Gas Ltd.	India	Joint Venture	49.97	49.97	49.97
Petronet MHB Ltd.	India	Joint Venture	32.72	28.77	28.77
Godvari Gas Pvt. Ltd.	India	Joint Venture	26.00	-	-
Mumbai Aviation Fuel Farm Facility Pvt Ltd.	India	Joint Venture	25.00	25.00	25.00
Bhagyanagar Gas Ltd.*	India	Joint Venture	24.99	24.99	24.99
Petronet India Ltd.	India	Joint Venture	16.00	16.00	16.00
Mangalore Refinery and Petrochemicals Ltd.	India	Associate	16.96	16.96	16.96
GSPL India Transco Ltd	India	Associate	11.00	11.00	11.00
GSPL India Gasnet Ltd	India	Associate	11.00	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 (totaling to ₹ 44.98 crores) in earlier years. On 20th August 2014, BGL allotted 2,24,87,500 shares on preferential basis to each of HPCL and GAIL towards the money paid earlier. Meanwhile there are certain issues pending adjudication with another shareholder. Accordingly, keeping in view financial prudence, HPCL's share has been considered at 24.99% (considered as 24.99% in F.Y. 2015-16).

58. The net worth of HPCL Biofuel Limited, a 100% subsidiary, was partially eroded. The management had considered ₹ 161 Crores as an impairment in the value of Investment and accordingly, a provision was made during financial year 2015-16. No further impairment is considered during financial year 2016 – 17.

59. During the financial year 2015-16, Corporation had made 100% provision amounting to ₹ 16.10 crores for impairment in value of investment in CREDA HPCL Biofuels Ltd. as all the

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60. Net worth of M/s Prize Petroleum Company Limited (PPCL), a 100% subsidiary of the Corporation is partially eroded. Accordingly, the Management considered R 24.41 crores (2015 – 16 : R 105 crores) as an impairment loss in value of HPCL's investment in M/s PPCL and made provision.

61. 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 HMEL and HPCL Rajasthan Refinery Limited) 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 Govt. of India. As per financial position as on 31st march 2017, the investments in joint ventures and wholly owned subsidiaries are well within 30% limit.

62. 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.

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

₹ in Crores

	Particulars	**Balance as on**			**Maximum amount outstanding during the year**	
		31.03.2017	**31.03.2016**	**01.04.2015**	**2016 – 17**	**2015 – 16**
a)	Loans and advances in the nature of loans to subsidiary Companies (by name and amount)					
	Inter Corporate Loan to HPCL – Biofuels Ltd.	84.00	84.00	-	84.00	84.00
b)	Loans and advances in the nature of loans to joint ventures (by name and amount)					
	Inter Corporate Loan to Bhagyanagar Gas Ltd.	75.00	75.00	75.00	75.00	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					

64. The Corporation had complied with the requirement of para 4 (a) of Notes to Schedule II to the Companies Act, 2013 relating to componentization from 2015-16. As per para 7 (b) of Schedule II to the Companies Act, 2013, the Corporation has charged ₹ 219.49 crores to Statement of Profit and Loss for 2015 - 16 as one-time impact.

65. 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.

66. During the year 2016 – 17, Corporation has spent ₹ 108.11 Crores (2015-16: 71.76 Crores) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 107.90 crores (2015-16: 71.67 Crores).

Head wise break up of CSR expenses are given below:

(₹ in Crores)

S.No.	**Head of Expenses**	**2016-17**	**2015-16**
1	Promoting Education	27.24	16.00
2	Promoting Preventive Health Care	11.76	11.64
3	Empowerment of Socially and Economically Backward groups	4.91	4.37
4	Promotion of Nationally recognized and Para-Olympic Sports	0.99	0.68
5	Imparting Employment by Enhancing Vocation Skills	11.48	5.38
6	Swachh Bharat Abhiyaan	10.15	15.82
7	Environment Sustainability	16.58	17.87
8	Others	25.00	-
	Total	**108.11**	**71.76**

Amount spent during the year 2016-17 on:-

(₹ in Crores)

Details	**In Cash**	**Yet to be paid in Cash**	**Total**
(i) Construction / Acquisition of an assets	-	-	-
(ii) On purpose other than (i) above	108.11	-	108.11

Amount spent during the year 2015-16 on:-

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

67. There are no reportable segments other than downstream petroleum, as per Ind AS - 108 on Segment Reporting.

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68. Contingent Liabilities and Commitments

(₹ in Crores)

		31.03.2017	31.03.2016	01.04.2015
I.	**Contingent Liabilities**			
A.	No provision has been made in the accounts in respect of the following disputed demands/claims since they are subject to appeals/representations filed by the Corporation			
	i. Income Tax	75.74	75.74	75.74
	ii. Sales Tax/Octroi	2,141.88	2,156.45	2,483.43
	iii. Excise/Customs	229.65	260.87	324.84
	iv. Land Rentals & Licence Fees	132.65	88.94	181.83
	v. Others	66.95	74.02	111.28
		2,646.87	**2,656.02**	**3,177.12**
B.	Contingent Liabilities not provided for in respect of appeals filed against the Corporation			
	i. Sales Tax/Octroi	6.16	6.16	-
	ii. Employee Benefits/Demands (to the extent quantifiable)	210.11	214.07	362.71
	iii. Claims against the Corporation not acknowledged as Debts(refer note 68.1)	321.12	382.52	400.62
	iv. Others	218.68	304.81	300.38
		756.07	**907.56**	**1,063.71**
C.	Guarantees given to others	**390.31**	**136.21**	**158.28**
	68.1: A claim of ₹ 236.81 crores (36.51 Million USD @ Exchange rate of 1 US = $ 64.855), claim by M3nergy on termination of service contract of Cluster - 7 field, which was awarded by ONGC to the consortium of M3nergy (Malaysia) BHD (30%), Prize Petroleum Company Limited (10%) and HPCL (60%). HPCL and Prize Petroleum has also initiated arbitration proceedings against M3nergy. The share of the claim of the company is ₹ 871.09 crores with loss of profit and other expenses etc. Arbitration was bifurcated into two aspects one is liability and the other is quantification. Liability aspects have been held in favour of Corporation and by an interim award by Hon'ble Arbitral Tribunal, which has been challenged by M3nergy in Bombay High Court. The said Partial Award has been challenged by M3energy before High Court of Bombay wherein Court refused the request of M3nergy to stay arbitration proceedings. The matter is pending for further arguments. The final hearing set of hearing before the before the Hon'ble Arbitral Tribunal dealing with nature and extent of relief to be granted to the PPCL and HPCL as well as question of costs were held on November 4-5, 2016, as the oral argument could not be completed, by M3nergy filed their written submission on Apr 6, 2017. The rejoinder to the same is now to be filed by PPCL and HPCL. This amount is not included above.			
II	**Commitments**			

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A.	Estimated amount of contracts remaining to be executed on Capital Account not provided for	**3,654.26**	**3,634.45**	**2,353.39**
B.	Other Commitments (for Investments in Joint Ventures)	**-**	**27.74**	**-**
	68.2 : 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.			
	68.3 : 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.			
III.	Corporation's Share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Operations:			
	Jointly controlled Operations			
	Contingent Liabilities	239.77	288.73	231.19
	Capital Commitment	Nil	100.62	94.93

(₹ Crores)

		2016 - 17	**2015 – 16**
69.	Expenditure incurred on Research and Development		
	- Capital	209.75	136.78
	- Revenue	66.79	43.54
70.	Interest on Project borrowings capitalized* *(weighted average cost borrowing rate used for capitalization of general borrowing (other than specific borrowings) is 7.95% during FY 2016 – 17 (FY 2015 – 16 : 8.28%).	67.26	115.08
71.	Exchange Differences adjusted in the carrying amount of Assets during the accounting period.	(191.42)	541.35

72. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are produced herein below:

(in full Rupees)

	SBNs	**Other Denomination Notes**	**Total**
Closing cash in hand as on 08.11.2016	11,63,67,000	53,65,383	12,17,32,383
(+) Permitted receipts	2,26,76,62,000	1,20,15,02,273	3,46,91,64,273
(-) Permitted payments	4,14,000	38,27,116	42,41,116
(-) Amount deposited in Banks	2,38,36,15,000	1,14,87,76,664	3,53,23,91,664
Closing cash in hand as on 30.12.2016	-	5,42,63,876	5,42,63,876

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73. Based on 3rd Pay Revision Committee recommendation, a provision of ₹ 449.52 crores have been made towards increase in gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs and revision in salary for management staff w.e.f. 01.01.2017.

74. In compliance of Ind AS – 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

Particulars	Opening Balance as on 01.04.16	Additions	Utilization	Reversals	Closing Balance 31.03.17
Excise	0.59	0.00	0.00	0.00	0.59
Sales Tax	323.29	6.31	0.00	4.95	324.65
Service Tax	12.59	0.00	0.00	0.00	12.59
Others	331.22	220.12	1.97	0.45	548.92
Total	667.69	226.43	1.97	5.40	886.75
Less: Pre Deposit	-	-	-	-	63.21
Net	667.69	226.43	1.97	5.40	823.54

Particulars	Opening Balance as on 01.04.15	Additions	Utilization	Reversals	Closing Balance 31.03.16
Excise	0.59	0.00	0.00	0.00	0.59
Sales Tax	82.66	266.10	8.27	17.20	323.29
Service Tax	12.58	0.00	0.00	0.00	12.58
Others	62.93	285.36	17.07	0.00	331.22
Total	158.76	551.46	25.34	17.20	667.69

The above provisions are made based on estimates and expected timing of outflows is not ascertainable at this stage.

75. **Threshold limits adopted in respect of financial statements is given below:**

Threshold item	Unit of measurement	Threshold limits
Capitalization of spare parts meeting the definition of property plant and equipment.	₹ Lakhs	10.00
Deprecation at 100% in the year of acquition 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

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Note 76 : 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 2017, 31st March 2016 and 1st April 2015.

Present value of benefit obligation at period end is ₹ 3,438.00 crores (31.03.2016 :₹ 3,156.89 crores; 01.04.2015 :₹ 2,852.56 crores).

During the year, the company has recognised ₹ 128.90 crore (2015-16 :₹ 120.46 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss.

B: Superannuation Fund

The company has Superannuatin Scheme - Defined Contribution Scheme maintained by SBFS trust wherein Company contributes a certain percentage every month out of 30% of Basic plus DA (in accordance with DPE guidelines) to the credit of individual employee accounts maintained with LIC.

During the year, the company has recognised ₹ 152.15 crore (2015-16 :₹ 178.34 crore) as Employer's contribution to Superannuation Fund in the statement of Profit and Loss.

C: The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

S#		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	495.06	562.61	64.84	32.14	13.57
		501.31	504.15	57.84	33.71	2.49
	Interest Cost	39.56	45.35	5.05	2.50	1.08
		38.19	42.45	4.21	2.44	0.20
	Current Service Cost	4.90	49.08	-	-	2.52
		3.04	45.84	-	-	0.46
	Past Service Cost	368.44	-	-	-	-
		-	-	-	-	-
	Benefit paid	(46.15)	(40.06)	(3.51)	(5.72)	(1.51)
		(41.75)	(32.13)	(7.71)	(5.94)	(0.95)
	Actuarial (gains)/ losses on obligations - due to change in financial assumptions	36.91	49.40	2.51	0.71	0.62
		(1.70)	(5.02)	1.22	0.28	(0.17)
	Actuarial (gains)/ losses on obligations - due to experience	(20.96)	(19.59)	(9.86)	0.72	(3.82)
		(4.03)	7.32	9.28	1.65	11.54
	Present value of Benefit Obligation a the end of the period	877.76	646.79	59.03	30.35	12.46
		495.06	562.61	64.84	32.14	13.57
2	**Changes in fair value of plan assets**					
	Fair value of Plan Assets at the beginning of the period	512.75	411.81	NA	NA	NA
		510.96	-	NA	NA	NA
	Interest income	40.97	33.19	NA	NA	NA
		40.37	-	NA	NA	NA
	Contributions by the employer	0.01	144.21	NA	NA	NA
		0.18	432.13	NA	NA	NA
	Contributions by the employee	-	0.59	NA	NA	NA
		-	-	NA	NA	NA
	Benefit paid	(46.15)	(40.06)	NA	NA	NA
		(41.75)	(32.13)	NA	NA	NA
	Return on plan assets, excluding interest income	1.84	11.11	NA	NA	NA
		2.99	11.81	NA	NA	NA
	Fair value of Plan Assets at the end of the period	509.42	560.85	NA	NA	NA
		512.75	411.81	NA	NA	NA
3	**Included in profit and loss account**					
	Current Service Cost	4.90	49.08	-	-	2.52
		3.04	45.84	-	-	0.46
	Past Service Cost	368.44	-	-	-	-
		-	-	-	-	-
	Net interest cost	(1.41)	12.16	5.05	2.50	1.08
		(2.18)	42.45	4.21	2.44	0.20
	Contributions by the employee	-	(0.59)	-	-	-
		-	-	-	-	-
	Total amount recognised in profit and loss account	371.93	60.65	5.05	2.50	3.60
		0.86	88.29	4.21	2.44	0.66

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4	Remeasurements					
	Return on plan assets, excluding interest income	(1.84)	(11.11)	-	-	-
		(2.99)	(11.81)	-	-	-
	(Gain)/loss from change in demographic assumptions	-	-	-	-	-
		-	-	-	-	-
	(Gain)/loss from change in financial assumptions	36.91	49.40	2.51	0.71	0.62
		(1.70)	(5.02)	1.22	0.28	(0.17)
	Experience (gains)/losses	(20.96)	(19.59)	(9.86)	0.72	(3.82)
		(4.03)	7.32	9.28	1.65	11.54
	Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-
		-	-	-	-	-
	Total amount recognised in other comprehensive income	14.11	18.70	(7.35)	1.43	(3.20)
		(8.72)	(9.51)	10.50	1.93	11.37

D: Amount recognised in the Balance Sheet

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Present value of benefit obligation as on 01.04.2015	501.31	504.15	57.84	33.71	2.49
Fair value of plan assets as on 01.04.2015	510.96	-	-	-	-
Net Liability / (Asset) recognised in Balance Sheet	**(9.65)**	**504.15**	**57.84**	**33.71**	**2.49**

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Present value of benefit obligation as on 31.03.2016	495.06	562.61	64.84	32.14	13.57
Fair value of plan assets as on 31.03.2016	512.75	411.81	-	-	-
Net Liability / (Asset) recognised in Balance Sheet	**(17.69)**	**150.80**	**64.84**	**32.14**	**13.57**

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Present value of benefit obligation as on 31.03.2017	877.76	646.79	59.03	30.35	12.46
Fair value of plan assets as on 31.03.2017	509.42	560.85	-	-	-
Net Liability / (Asset) recognised in Balance Sheet	**368.34**	**85.94**	**59.03**	**30.35**	**12.46**

E: Plan assets

	31.03.2017		31.03.2016	
	Gratuity	PRMBS	Gratuity	PRMBS
Plan assets comprise the following:				
Insurance fund	509.42	560.85	512.75	411.81
	509.42	**560.85**	**512.75**	**411.81**

F: Significant estimates: actuarial assumptions and sensitivity

F(i): The significant actuarial assumptions were as follows:

31.03.2017	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.26%	7.45%	NA	NA	NA
Rate of Discounting	7.26%	7.45%	7.12%	7.09%	7.26%
Rate of Salary Increase	7.00%	7.00%	NA	NA	7.00%
Medical Cost Inflation	NA	3.00%	NA	NA	NA
Rate of Emloyee 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)				

31.03.2016	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.99%	8.06%	NA	NA	NA
Rate of Discounting	7.99%	8.06%	7.79%	7.79%	7.99%
Rate of Salary Increase	7.00%	7.00%	NA	NA	NA
Rate of Emloyee 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)				

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

M/s CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

F(ii): Sensitivity analysis

31.03.2017	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(49.76)	(77.63)	(2.99)	(1.00)	(0.83)
Delta effect of -1% Change in Rate of Discounting	56.44	97.93	3.36	1.07	0.95
Delta effect of +1% Change in Future Benefit cost inflation	-	98.50	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(78.43)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	17.49	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(19.61)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	13.41	-	-	-	-
Delta effect of -1% Change in Rate of Employee Turnover	(14.87)	-	-	-	-

31.03.2016	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(26.83)	(64.61)	(3.99)	(1.35)	(1.19)
Delta effect of -1% Change in Rate of Discounting	30.27	80.39	2.79	0.91	1.25
Delta effect of +1% Change in Rate of Salary Increase	2.97	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(3.39)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	14.74	-	-	-	-
Delta effect of -1% Change in Rate of Employee Turnover	(16.28)	-	-	-	-

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

M/s CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

G: **The expected maturity analysis of undiscounted benfits is as follows:**

	Less than 1 year	1 - 2 year	2 - 5 year	6 - 10 year
31.03.2017				
Gratuity	92.85	68.54	308.90	452.75
PRMBS	28.30	30.89	111.09	199.19
Pension	6.82	6.78	20.04	32.19
Ex - Gratia	5.24	5.12	14.95	22.32
Resettlement Allowance	0.96	0.64	3.89	7.02
Total	**134.17**	**111.97**	**458.87**	**713.47**
31.03.2016				
Gratuity	62.18	38.27	175.90	281.41
PRMBS	26.18	28.61	102.51	184.94
Pension	7.54	7.50	22.19	35.68
Ex - Gratia	5.34	5.29	15.47	24.16
Resettlement Allowance	1.11	0.53	3.68	7.69
Total	**102.35**	**80.20**	**319.75**	**533.88**

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 comparises of representatives from the Corporation who are also plan participants in accordance with the plans regulation. Based on 3rd pay commission recommendation, the gratuity ceiling has been considered as Rs. 20 lakhs due to that, past service cost of Rs. 368.44 crores is estimated and provided.
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

77 Previous periods figures are reclassified / regrouped wherever necessary.

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

M/s CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

HINDUSTAN PETROLEUM CORPORATION LIMITED

Consolidated Balance Sheet as on 31st March, 2017

₹ / crores

	Notes	31.03.2017	31.03.2016	01.04.2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	3	36,438.56	33,654.83	29,283.44
(b) Capital Work-in-Progress	4	1,794.54	1,852.77	3,472.99
(c) Goodwill on Consolidation		16.69	16.69	16.69
(d) Other Intangible Assets	5	421.01	414.80	387.19
(e) Intangible Assets under development	5a	72.95	61.68	88.36
(f) Investment in Joint ventures and Associates	6	6,069.75	3,773.73	2,597.99
(g) Financial Assets				
(i) Investments	7	594.95	419.35	611.82
(iii) Loans	8	406.63	481.17	392.06
(iii) Other Financial Assets	9	-	-	2.00
(h) Other Non-Current Assets	10	1,437.88	1,086.71	1,177.99
Total Non Current Assets		**47,252.96**	**41,761.73**	**38,030.53**
(2) Current assets				
(a) Inventories	11	18,629.16	13,354.83	13,514.91
(b) Financial Assets				
(i) Investments	12	5,108.73	4,991.44	5,376.16
(ii) Trade Receivables	13	4,091.66	3,776.28	3,217.70
(iii) Cash and Cash Equivalents	14	111.47	138.25	104.76
(iv) Bank Balances other than (iii) above	15	24.93	15.90	9.67
(v) Loans	16	125.49	55.81	176.87
(vi) Other Financial Assets	17	4,317.23	4,867.82	4,791.27
(c) Other Current Assets	18	653.45	585.63	574.38
		33,062.12	**27,785.96**	**27,765.72**
(d) Assets classified as held for Sale / Disposal		3.96	5.32	2.00
Total Current Assets		33,066.08	27,791.28	27,767.72
Total Assets		**80,319.04**	**69,553.01**	**65,798.25**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	19	1,016.27	339.01	339.01
(b) Other Equity				
Reserves and Surplus	20a	20,018.19	16,467.64	13,671.46
Other Reserves	20b	36.97	(142.88)	44.89
Total equity		**21,071.43**	**16,663.77**	**14,055.36**
Liabilities				
(1) Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	7,117.80	11,358.76	15,488.75
(ii) Other Financial Liabilities	22	10,997.27	9,398.18	8,254.23
(b) Provisions	23	183.33	164.64	99.79
(c) Deferred Tax Liabilities (Net) (Refer note 42)		6,149.27	5,034.20	4,239.67
(d) Other Non-Current Liabilities	24	23.61	28.21	20.46
Total Non Current Liabilities		**24,471.28**	**25,983.99**	**28,102.90**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	25	10,914.38	3,991.28	2,262.98
(ii) Trade Payables	26	12,699.66	9,464.80	11,582.70
(iii) Other Financial Liabilities	27	4,844.71	7,681.92	4,120.05
(b) Other Current Liabilities	28	3,974.40	3,758.59	3,634.08
(c) Provisions	29	2,270.57	1,646.64	1,678.91
(d) Current Tax Liabilities (Net)	30	72.61	362.02	361.27
Total Current Liabilities		**34,776.33**	**26,905.25**	**23,639.99**
Total Equity and Liabilities		**80,319.04**	**69,553.01**	**65,798.25**
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

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director - Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : 26th May, 2017

M/s CVK & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ MUMBAI

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

A K Pradhan
Partner
Membership No. 032156

FOR G.M. KAPADIA & CO.
Chartered Accountants
FRN - 104767W

Rajen Ashar
Partner
Membership No.048243

G. M. KAPADIA & CO. ★ MUMBAI ★ Chartered Accountants

HINDUSTAN PETROLEUM CORPORATION LIMITED

Consolidated Statement of Profit and Loss for the year ended 31th March, 2017

(₹ / crores)

	Notes	FY 2016-17	FY 2015-16
Revenue			
Revenue From Operations			
Gross Sale of Products	31	2,13,904.15	1,97,655.81
Other Operating Revenues	32	317.86	308.51
		2,14,222.01	**1,97,964.32**
Other Income	33	1,451.03	1,082.62
Total Income		**2,15,673.04**	**1,99,046.94**
Expenses			
Cost of Materials Consumed	34	45,273.13	40,918.92
Purchases of Stock-in-Trade		1,22,731.74	1,15,948.43
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	35	(4,362.52)	64.16
Excise Duty		26,795.76	20,054.10
Transportation Expenses		5,317.83	5,262.23
Exploration Cost		15.61	21.28
Employee Benefits Expense	36	2,969.35	2,339.31
Finance Costs	37	609.24	723.18
Depreciation & Amortization Expense	3&5	2,776.37	2,846.09
Other Expenses	38	4,668.09	5,076.41
Total Expenses		**2,06,794.60**	**1,93,254.11**
Profit before share in profit of Joint ventures and associates and tax		**8,878.44**	**5,792.83**
Share in Profit of Joint Ventures and Associates		2,318.98	942.27
Profit Before Tax		**11,197.42**	**6,735.10**
Tax expense:			
Current tax		2,236.24	1,433.56
Deferred tax		777.84	747.23
Provision for tax for Earlier years written back (net)		(52.48)	(120.38)
Total Tax Expenses		**2,961.60**	**2,060.41**
Profit/(loss) for the period		**8,235.82**	**4,674.69**
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		(23.65)	(5.57)
Equity Instruments through Other Comprehensive Income;		175.61	(187.52)
Share in Other comprehensive Income of Joint Venture and Associates		(1.33)	0.02
Income tax relating to items that will not be reclassified to profit or loss		8.20	1.93
		158.83	**(191.14)**
Items that will be reclassified to profit or loss			
Foreign Currency Translation Reserve		4.24	(0.25)
		4.24	**(0.25)**
Other Comprehensive Income for the period, net of tax		**163.07**	**(191.39)**
Total Comprehensive Income for the period, net of tax		**8,398.89**	**4,483.30**
Earning per share [Basic & Diluted earnings per share (₹)]	44	81.07	46.02
Significant Accounting Policies	1 & 2		
See accompanying notes to the financial statements			

FOR AND ON BEHALF OF BOARD

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director - Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : 26th May, 2017

M/s CVK & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

A K Pradhan
Partner
Membership No. 032156

FOR G.M. KAPADIA & CO.
Chartered Accountants
FRN - 104767W

Rajen Ashar
Partner
Membership No.048243

G. M. KAPADIA & CO. ★ MUMBAI ★ Chartered Accountants

HINDUSTAN PETROLEUM CORPORATION LIMITED

Consolidated Cash Flow Statement For The Year Ended 31st March, 2017

₹ / Crores

	FY 2016-17	FY 2015-16
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before Tax & Extraordinary Items	11,197.42	6,735.10
Adjustments to reconcile profit before tax to net cash used in operating activities:		
Depreciation / impairment of property, plant and equipment	2,776.37	2,846.09
(Gain)/loss on sale of property, plant and equipment	6.54	19.45
Remeasurement of Defined benefit plans Gain / (Loss)	(15.49)	(3.63)
Amortisation of Foreign Currency Monetary Item Translation Difference	354.38	248.82
Amortisation of Capital Grant	(0.89)	(0.89)
Amortisation of Lease premium	1.50	1.50
Spares Written off	12.14	0.41
Fair value gain on Current Investments carried at FVTPL	(221.77)	(16.49)
(Profit)/Loss on Sale of Current Investment	(32.36)	35.86
Finance Costs	567.40	677.91
Unrealised exchange Rate difference	(195.83)	241.85
Provision for Doubtful Debts & Receivables	1.94	15.51
Bad Debts written off	5.26	9.62
Interest Income	(374.80)	(383.19)
Share of Profit from Petroleum India International	(0.94)	(0.77)
Dividend Received	(27.64)	(37.08)
Share of Profit from Associates or Joint Ventures	(2,318.98)	(942.27)
Operating Profit before Changes in Assets and Liabilities {Sub Total - (i)}	**11,734.25**	**9,447.80**
(Increase) / Decrease in Assets and Liabilities :		
Trade Receivables	(317.12)	(580.45)
Loans and Advances and Other Assets	375.79	(91.30)
Inventories	(5,286.48)	159.68
Liabilites and Other Payables	5,886.59	(1,069.59)
Sub Total - (ii)	**658.78**	**(1,581.66)**
Cash Generated from Operations (i) + (ii)	**12,393.03**	**7,866.14**
Less : Direct Taxes / FBT refund / (paid) - Net	2,180.27	1,214.69
Net Cash from Operating Activities (A)	**10,212.76**	**6,651.45**
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment (including CWIP / excluding interest capitalised)	(5,907.00)	(4,840.12)
Sale of Property, Plant & Equipment	52.81	15.86
Purchase of Investments (Including share application money pending allotment/Advance towards Equity)	(42.12)	(280.04)
Sale Proceeds of Oil bonds	136.84	352.42
Capital refunded from PII	-	4.95
Interest received	374.96	387.61
Dividend received from Associate or Joint Venture companies	52.72	50.37
Dividend received - Others	27.64	37.08
Net Cash Flow generated from / (used in) investing activities (B)	**(5,304.15)**	**(4,271.87)**
C. Cash Flow From Financing Activities		
Long term Loans raised	-	4,988.29
Long term Loans repaid	(7,053.83)	(6,609.92)
Short Term Loans raised / (repaid) during the year	7,579.92	381.24
Capital Grant Received	2.17	13.28
Finance Cost paid	(548.00)	(698.02)
Dividend paid (including dividend distribution tax)	(4,177.14)	(1,749.18)
Net Cash Flow generated from / (used in) Financing Activities (C)	**(4,196.88)**	**(3,674.31)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**711.73**	**(1,294.73)**
Cash and cash equivalents at the beginning of the year	(2,363.96)	(1,069.23)
Cash and cash equivalents at the end of the year	(1,652.23)	(2,363.96)

MUMBAI
Chartered Accountants

M/s CVK & ASSOCIATES
CHARTERED ACCOUNTANTS

HINDUSTAN PETROLEUM CORPORATION LIMITED

Consolidated Cash Flow Statement For The Year Ended 31st March, 2017

	31.03.2017	31.03.2016
		₹ / Crores
Details of cash and cash equivalents at the end of the year:		
Cash / cheques on hand	7.70	7.79
Balances with scheduled banks		
On current accounts	5.85	14.53
Others	0.01	0.01
Balances with other banks	97.91	115.92
Less :Cash Credit	(1,763.70)	(2,502.21)
Cash and cash equivalents at the end of the year	(1,652.23)	(2,363.96)

FOR AND ON BEHALF OF THE BOARD

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director - Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : 26th May, 2017

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

M/s CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

A K Pradhan
Partner
Membership No. 032156

FOR G.M. KAPADIA & CO.
Chartered Accountants
FRN - 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Rajen Ashar
Partner
Membership No.048243

Statement of changes in equity as on 31st March 2017

A. Statement of Changes in Equity

	No of Shares	Amount
		(₹ in crores)
Balance at 1st April 2015	3386,27,250	339.01
Changes in equity share capital during the year	-	-
Balance at 31 March 2016	3386,27,250	339.01
Changes in equity Share Capital	6772,54,500	677.25
Balance at 31 March 2017	10158,81,750	1,016.26

(₹ / crores)

(b) Other equity	Reserves & Surplus							Other Equity		
Particulars	Retained earnings	Share Premium Account	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Capital Reserve	Foreign Currency Monetary items translation difference Account	Equity Instruments thru OCI	Foreign Currency Translation Reserve	Total Equity
Balance at April 1, 2015	10,421.72	1,038.06	1.56	413.30	1,859.17	0.44	(62.79)	45.02	(0.13)	13,716.35
Profit or Loss for the year	4,674.69									4,674.69
Other Comprehensive income for the year	(3.62)								(0.25)	(3.87)
Total comprehensive income for the year	4,671.07	-	-	-	-	-	-	-	(0.25)	4,670.82
Interim / Proposed Dividend	(1,456.10)									(1,456.10)
Dividend Distribution Tax (DDT)	(296.43)									(296.43)
Reversal of Provision for dimunition in value of Investment on Consolidation*	9.65									9.65
Transfers / Additions (Net of amortisation)	148.17			(148.17)			(132.01)	(187.52)		(319.53)
Balance at March 31, 2016	13,498.08	1,038.06	1.56	265.13	1,859.17	0.44	(194.80)	(142.50)	(0.38)	16,324.76
Profit for the year	8,235.82	-	-	-	-	-	-		-	8,235.82
Other comprehensive income for the year	(16.78)	-	-	-	-	-	-		4.24	(12.54)
Total comprehensive income for the year	8,219.04	-	-	-	-	-	-	-	4.24	8,223.28
Interim / Proposed Dividend	(3,477.70)	-	-	-	-	-	-		-	(3,477.70)
Dividend Distribution Tax (DDT)	(707.98)	-	-	-	-	-	-		-	(707.98)
Reversal of Provision for dimunition in value of Investment on Consolidation*	-	-	-	-	-	-	-		-	-
Transfers / Additions (Net of amortisation)	-	-	-	-	-	0.08	194.36	175.61	-	370.05
Issuance of Bonus shares (2 equity shares for each existing share)	-	(677.25)	-	-	-	-	-		-	(677.25)
Balance at March 31, 2017	17,531.44	360.81	1.56	265.13	1,859.17	0.52	(0.44)	33.11	3.86	20,055.16

Notes:

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

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

Capital Redemption reserve : Capital redemption reserve is created on redemption of preference share capital during the financial years 2011-12 and 2012-13.

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

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

Capital Reserve : Capital reserve and is created on account of consolidation.

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

Equity instruments through OCI : The Corporation has choosen to recognise the changes in the value of certain investments in equity securitites in other comprehansive income. These changes are accumulated within the Equity instruments through OCI reserve.

Foreign Currency translation Reserve : is created on account of translation of financial statements of foreign operations of PPIPL.

FOR AND ON BEHALF OF BOARD

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director - Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Place : New Delhi
Date : 26th May, 2017

M/s CVK & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

FOR CVK & Associates
Chartered Accountants
FRN - 101745W

A K Pradhan
Partner
Membership No. 032156

FOR G.M. KAPADIA & CO.
Chartered Accountants
FRN - 104767W

Rajen Ashar
Partner
Membership No.048243

G. M. KAPADIA & CO. * MUMBAI * Chartered Accountants

HINDUSTAN PETROLEUM CORPORATION LIMITED

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

CORPORATE OVERVIEW

Hindustan Petroleum Corporation Limited referred to as "HPCL" or "the Corporation" was incorporated on 5th July, 1952. HPCL is a Government of India Enterprise listed on the Bombay Stock exchange Limited and National Stock Exchange of India Limited. The 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 26th May 2017.

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;

MUMBAI Chartered Accountants

M/s CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

HINDUSTAN PETROLEUM CORPORATION LIMITED

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

- 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.

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 2017, which are as under;

Name of the Company	Country of Incorporation	HPCL's Ownership Interest		
		31.03.2017	31.03.2016	01.04.2015
(i) Subsidiaries (refer note No 1.3.1)				
HPCL Biofuels Ltd. (HBL)	India	**100.00%**	100.00%	100.00%
Prize Petroleum Company Ltd. (PPCL) (refer note no 1.3.2)	India	**100.00%**	100.00%	100.00%
(ii) Joint Ventures				
HPCL Rajasthan Refinery Ltd. (HRRL)	India	**74.00%**	74.00%	74.00%
CREDA - HPCL Biofuels Ltd. (CHBL)	India	**74.00%**	74.00%	74.00%

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M/s CVK & Associates Mumbai Chartered Accountants

HINDUSTAN PETROLEUM CORPORATION LIMITED

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HPCL - Mittal Energy Ltd. (HMEL) (refer note no 1.3.2)	India	**48.99%**	48.99%	48.94%
Hindustan Colas Pvt. Ltd. (HINCOL)	India	**50.00%**	50.00%	50.00%
South Asia LPG Co. Pvt. Ltd. (SALPG)	India	**50.00%**	50.00%	50.00%
Bhagyanagar Gas Ltd. (BGL) (refer note no. 1.3.4)	India	**24.99%**	24.99%	24.99%
Godavari Gas Pvt Ltd. (GGPL) (refer note no 1.3.3)	India	**26.00%**	N.A.	N.A.
Petronet India Ltd. (PIL)	India	**16.00%**	16.00%	16.00%
Petronet MHB Ltd. (PMHBL)	India	**32.72%**	28.77%	28.77%
Aavantika Gas Ltd. (AGL)	India	**49.97%**	49.97%	49.97%
HPCL Shapoorji Energy Pvt Ltd. (HSEL)	India	**50.00%**	50.00%	50.00%
Mumbai Aviation Fuel Farm Facility Pvt. Ltd. (MAFFFL)	India	**25.00%**	25.00%	25.00%
(iii) Associates				
Mangalore Refinery and Petrochemicals Ltd. (MRPL) (refer note no 1.3.2)	India	**16.96%**	16.96%	16.96%
GSPL India Gasnet Ltd. (GIGL)	India	**11.00%**	11.00%	11.00%
GSPL India Transco Ltd. (GITL)	India	**11.00%**	11.00%	11.00%

1.3.1 The company has two 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.

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 two joint ventures namely Shell MRPL Aviation Fuels & Services Limited (MRPL is holding 50%) and Mangalam Retail Services Limited (MRPL is holding 49.98%).

b) Prize Petroleum Company Limited has wholly owned subsidiary namely Prize Petroleum International PTE Limited.

c) HPCL – Mittal Energy Limited has a 100% subsidiary namely HPCL – Mittal Pipelines Limited.

1.3.3 Unaudited Financial statements have been considered.

1.3.4 As of 31st March 2014, paid up equity capital of BGL was Rs 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 Rs. 22.49 crores as Advance against Equity / Share application money (totaling to Rs. 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. 2015-16 & 2014-15).

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2. Significant Accounting Policies

2.1. Property, Plant and Equipment

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

2.1.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes); any costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; initial estimated present value of any of any contractual decommissioning obligation; and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

2.1.3. Technical know-how /licence fee relating to plants/ facilities are capitalized as part of cost of the underlying asset.

2.1.4. Expenditure during construction period: Direct expenses incurred during construction period on capital projects are capitalised.

2.1.5. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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 Group 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:

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

2.2.2. The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components is assessed by considering historical experience, internal technical inputs and any other relevant factor.

2.2.3. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.

2.2.4. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

2.2.5. Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

2.3. Intangible assets

2.3.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group 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 Group has constructed assets and the Group 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

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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 Group 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. Lease

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.

Leases 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 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 of 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 of oil marketing companies and consumer sales are determined on location wise and product wise sales of subsequent period.

2.9. Revenue recognition

2.9.1. Sale of goods

Revenue from the sale of goods is recognised when the:

a) significant risks and rewards of ownership of the goods are passed to the buyer,

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b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
c) revenue can be measured reliably,
d) it is probable that economic benefits associated with the transaction will flow to the Group, and
e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, taxes or duties collected on behalf of the government and applicable trade discounts or rebates.

Revenue is allocated between loyalty programs and other components of the sale. The amount allocated to the loyalty program is deferred, and is recognised as revenue when the Group 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 Group acts as an agent on behalf of a third party, the associated income is recognised on a net basis.

Claims, including subsidy on LPG and SKO, from Government of India are booked on in principle acceptance thereof on the basis of available instructions / clarifications, subject to final adjustments as stipulated.

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

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

2.10. Accounting/ classification of expenditure and income

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

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

2.10.3. Insurance claims are accounted on acceptance basis.

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

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

2.11. Employee benefits

2.11.1. Short-term employee benefit

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

2.11.2. Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plans are expensed in the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

Defined Benefit Plans:

Post-employment benefits
Liability towards defined employee benefits (gratuity, pension, post – retirement medical benefits, ex-gratia and resettlement allowance) are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.

Re-measurements of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income.

Other long-term employee benefits
Liability towards other long term employee benefits (leave encashment, long service awards, provident fund contribution to trust and death benefits) are determined on actuarial valuation by independent actuaries using Projected Unit Credit method.

Re-measurements gains and losses are recognized in the Statement of Profit and Loss in the period in which they arise.

2.11.3. Termination benefits
Expenditure on account of Voluntary Retirement Schemes are charged to Statement of Profit & Loss, as and when incurred.

2.12. Foreign currency transactions

2.12.1. Monetary items:
Transactions in foreign currencies are initially recorded at the respective exchange rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognised in Statement of Profit and Loss either as 'Exchange Rate Variation' or as 'finance costs' (to the extent regarded as an adjustment to borrowing costs), as the case maybe.

In case of long term foreign currency monetary items outstanding as of 31st March 2016, foreign exchange differences arising on settlement or translation of long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in case of other long term foreign currency monetary items, if any, accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance period of the asset / liability.

2.12.2. Non – Monetary items:
Non-monetary items, other than those measured at fair value, denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

2.13. Investment in Subsidiary, associates and joint ventures
Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each reporting date.

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The Group 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.

2.16.3. 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.

2.16.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, 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.

2.16.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

2.16.6. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

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2.16.7. 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 Group 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 Group 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 Group 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)

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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 Group decides to classify the same either as at FVOCI or FVTPL. The Group 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.

2.18.4. Impairment of financial assets

In accordance with Ind-AS 109, the Group 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 Group 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.

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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 Group.

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.

2.24.1. 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 Group'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.

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Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

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.

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Notes forming part of Consolidated financial statements as on 31st March, 2017

Note 3: Property, Plant and Equipments

The following are the carrying values of Property, Plant& Equipment :

(₹ / Crores)

Particulars	Land -Freehold	Leasehold Property - Land	Buildings	Plant & Equipment	Furniture & Fixtures	Transport Equipment	Office Equipment	Roads and Culverts	Railway Siding & Rolling Stock	E&P Producing Properties	Total
Gross Block											
As on 01.04.2015	**692.25**	**29.76**	**3,688.06**	**21,413.13**	**93.36**	**50.19**	**897.38**	**1,800.49**	**201.39**	**417.43**	**29,283.44**
Additions/ Reclassifications	20.52	1.61	739.21	6,079.07	30.86	11.62	632.70	287.77	64.81	132.47	8,000.64
Deductions/ Reclassifications	17.51	-	20.26	739.32	8.50	0.20	64.17	10.52	0.10	(24.06)	836.52
As on 31.03.2016	**695.26**	**31.37**	**4,407.01**	**26,752.88**	**115.72**	**61.61**	**1,465.91**	**2,077.74**	**266.10**	**573.96**	**36,447.56**
Additions/ Reclassifications	48.15	12.71	526.77	4,220.50	54.62	19.09	447.53	227.55	18.75	2.61	5,578.28
Deductions/ Reclassifications	12.20	0.57	3.62	141.27	2.85	1.00	12.25	0.16	0.02	11.98	185.92
As on 31.03.2017	**731.21**	**43.51**	**4,930.16**	**30,832.11**	**167.49**	**79.70**	**1,901.19**	**2,305.13**	**284.83**	**564.59**	**41,839.92**
											-
Depreciation/ Amortisation											-
As on 01.04.2015	-	-	-	-	-	-	-	-	-	-	-
For the year 2015-16	-	0.02	124.59	1,766.77	18.09	12.65	349.69	336.72	21.14	165.49	2,795.16
Deductions/ Reclassifications	-	-	0.07	2.55	0.09	0.01	0.16	0.11	0.01	(0.57)	2.43
As on 31.03.2016	-	**0.02**	**124.52**	**1,764.22**	**18.00**	**12.64**	**349.53**	**336.61**	**21.13**	**166.06**	**2,792.73**
For the year 2016-17	-	0.04	140.44	1,717.96	19.89	11.97	295.16	324.17	22.13	212.15	2,743.91
Deductions/ Reclassifications	-	-	1.57	117.80	0.93	0.83	8.21	0.12	0.02	5.80	135.28
As on 31.03.2017	-	**0.06**	**263.39**	**3,364.38**	**36.96**	**23.78**	**636.48**	**660.66**	**43.24**	**372.41**	**5,401.36**
Net Block as on 01.04.15	692.25	29.76	3,688.06	21,413.13	93.36	50.19	897.38	1,800.49	201.39	417.43	29,283.44
Net Block as on 31.03.16	695.26	31.35	4,282.49	24,988.66	97.72	48.97	1,116.38	1,741.13	244.97	407.90	33,654.83
Net Block as on 31.03.17	731.21	43.45	4,666.77	27,467.73	130.53	55.92	1,264.71	1,644.47	241.59	192.18	36,438.56

1. Includes assets costing Rs.0.007 crores /- (2015-2016 :Rs.0.007 crores; 2014-15 : Rs.0.007 crores) of erstwhile Kosan Gas Company not handed over to the Corporation. In case of these assets, Kosan Gas Company was to give up their claim. However, in view of the tenancy right sought by third party, the matter is under litigation.

2. Includes Rs. 464.72 Crores (2015-2016: Rs. 477.90 Crores ; 2014-15 : Rs. 153.60 crores) towards Building, Other Machinery, Pipelines, Railway Sidings, Right of Way etc. being the Corporation's Share of Cost of Land & Other Assets jointly owned with other Companies.

3. Includes Rs.35.28 Crores (2015-2016 : Rs 35.28 Crores ; 2014-15: Rs. 35.99 crores) towards Roads & Culverts, Transformers & Transmission lines, Railway Sidings & Rolling Stock, ownership of which does not vest with the Corporation . The Corporation is having operational control over such assets. These assets are amortized at the rate of depreciation specified in Schedule II of Companies Act, 2013.

4. a) Includes following assets which are used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against which financial assistance is being provided by OIDB.

Description	Orignal Cost (₹/ Crores)		
	31.03.2017	31.03.2016	01.04.2015
Roads & culverts	0.13	0.13	0.13
Buildings	1.62	1.62	1.62
Plant & Equipment	2.55	2.65	2.79
Total	**4.30**	**4.40**	**4.54**

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

Description	Orignal Cost (₹/ Crores)		
	31.03.2017	31.03.2016	01.04.2015
Computer Software	6.93	3.31	NIL
Computers/ End use devices	4.45	5.85	NIL
Office Equipment	0.01	0.01	NIL
Automation, Servers & Networks	1.55	-	NIL
Total	**12.94**	**9.17**	**NIL**

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5. Deduction/ reclassification includes assets Rs. 3.96 crores as on 31.03.17 (31.03.16 : Rs. 5.32 crores ; 01.04.15 Rs. 2.00 crores) for which management has given consent for disposal & hence classified as Assets held for sale.

6. Leasehold Land includes Rs.27.57 Crores (2015-16: Rs 26.87 Crores 2014-15 : Rs. 25.25 crores) for land acquired on lease-cum-sale basis from Karnataka Industrial Area Development Board (KIADB) which is capitalized without being amortised over the period of lease. Lease shall be converted into Sale on fulfillment of certain terms and conditions, as per allotment letter.

Note 5: Intangible Assets

The following are the carrying values of Other Intangible assets : (₹ / Crores)

Particulars	Right of Way	Technical / Process Licenses	Software	Wind Energy Equipments	Total
Gross Block					
As on 01.04.2015	**147.22**	**42.44**	**21.47**	**176.06**	**387.19**
Additions/ Reclassifications	11.08	27.04	15.14	12.50	65.76
Deductions/ Reclassifications	-	9.70	-	-	9.70
As on 31.03.2016	**158.30**	**59.78**	**36.61**	**188.56**	**443.25**
Additions/ Reclassifications	12.55	1.92	23.40	-	37.87
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2017	**170.85**	**61.70**	**60.01**	**188.56**	**481.12**
					-
Depreciation/ Amortisation					-
As on 01.04.2015	-	-	-	-	-
For the year 2015-16	-	6.92	11.53	10.00	28.45
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2016	-	**6.92**	**11.53**	**10.00**	**28.45**
For the year 2016-17	-	9.29	12.04	10.33	31.66
Deductions/ Reclassifications	-	-	-	-	-
As on 31.03.2017	-	**16.21**	**23.57**	**20.33**	**60.11**
Net Block as on 01.04.15	**147.22**	**42.44**	**21.47**	**176.06**	**387.19**
Net Block as on 31.03.16	**158.30**	**52.86**	**25.08**	**178.56**	**414.80**
Net Block as on 31.03.17	**170.85**	**45.49**	**36.44**	**168.23**	**421.01**

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Notes to the Consolidated Financial Statements as at 31st March, 2017

(₹/crores)

	Notes	31.03.2017	31.03.2016	01.04.2015
4: Capital Work-in-Progress				
Unallocated Capital Expenditure and Materials at Site		1,597.58	1,602.43	2,693.42
Capital Stores lying with Contractors		6.25	9.00	304.92
Capital goods in transit		24.95	4.63	1.22
	A	**1,628.78**	**1,616.06**	**2,999.56**
Construction period expenses pending apportionment (Net of recovery)				
Opening balance		236.71	473.42	704.66
Add: Expenditure during the year				
Establishment charges including Salaries & Wages		79.73	81.29	107.05
Interest		68.16	109.92	266.12
Loss / (gain) on foreign currency transactions and translations		(193.78)	576.61	347.38
Others		0.03	0.33	9.60
		190.85	**1,241.57**	**1,434.81**
Less: Allocated to assets capitalised during the year / charged off		25.09	1,004.86	961.38
Closing balance pending allocation	B	**165.76**	**236.71**	**473.43**
	A + B	**1,794.54**	**1,852.77**	**3,472.99**
5a: Intangible Assets Under Development *				
ONGC onshore marginal fields		1.36	1.36	1.36
Discovered Field (Permit T/18P)		18.48	18.88	17.81
Yolla Field (License: T/L 1)		53.11	41.44	69.19
		72.95	**61.68**	**88.36**

* Pertains to wholly owned subsidiary Prize Petroleum Company Limited (PPCL).

	Notes	31.03.2017	31.03.2016	01.04.2015
6: Investments in Joint Ventures and Associates				
Investments in Equity Instruments				
Associates				
Quoted				
Mangalore Refinery and Petrochemicals Ltd. 29,71,53,518 (31.03.2016 : 29,71,53,518 ; 01.04.2015 : 29,71,53,518) Equity Shares of ₹ 10 each fully paid up		1,606.25	1,019.92	883.38
Un - Quoted				
GSPL India Transco Ltd 2,25,50,000 (31.03.2015 : 1,81,50,000 ; 01.04.2015 : 1,54,00,000) Equity Shares of ₹ 10 each fully paid up		23.15	18.65	15.81
GSPL India Gasnet Ltd 3,04,72,128 (31.03.2016 : 2,33,22,128 ; 01.04.2015 : 2,05,72,128) Equity Shares of ₹ 10 each fully paid up		31.09	23.82	20.95
Joint Ventures				
Un - Quoted				
HPCL-Mittal Energy Ltd 3,93,95,55,200 (31.03.2016 : 3,93,95,55,200 ; 01.04.2015 : 3,69,07,35,200) Equity Shares of ₹ 10 each fully paid up		3,681.42	2,109.59	1,172.66
Hindustan Colas Pvt. Ltd. 47,25,000 (31.03.2016 : 47,25,000 ; 01.04.2015 : 47,25,000) Equity Shares of ₹ 10 each fully paid-up		131.18	105.10	95.15
CREDA HPCL Biofuel Ltd. 1,60,99,803 (31.03.2016 : 1,60,99,803 ; 01.04.2015 : 1,60,99,803) Equity Shares of ₹ 10 each fully paid up		0.01	2.79	8.09
HPCL Rajasthan Refinery Ltd (refer note 6.1) 37,000 (31.03.2016 : 37,000 ; 01.04.2015 : 37,000) Equity Shares of ₹ 10 each fully paid-up		72.50	72.51	72.51
Petronet India Ltd. 1,60,00,000 (31.03.2016 : 1,59,99,999 ; 01.04.2015 : 1,59,99,999) Equity Shares of ₹ 10 each fully paid up		16.91	11.84	16.00
Less:- Provision for Impairment		-	-	(16.00)
Petronet MHB Ltd. 17,95,11,020 (31.03.2016 : 15,78,41,000 ; 01.04.2015 : 15,78,41,000) Equity Shares of ₹ 10 each fully paid up		217.55	166.75	148.48
South Asia LPG Co. Pvt. Ltd. 5,00,00,000 (31.03.2016 : 5,00,00,000 ; 01.04.2015 : 5,00,00,000) Equity Shares of ₹ 10 each fully paid up		155.89	134.91	120.41
Bhagyanagar Gas Ltd. 2,25,00,000 (31.03.2016 : 2,24,99,997 ;01.04.2015 : 2,24,99,997) Equity Shares of ₹ 10 each fully paid up		32.71	29.44	28.25
Aavantika Gas Ltd. 2,25,00,000 (31.03.2016 : 2,24,99,998 ; 01.04.2015 : 2,24,99,998) Equity Shares of ₹ 10 each fully paid up		45.39	35.85	27.36
HPCL Shapoorji Energy Pvt. Ltd. 1,30,00,000 (31.03.2016 : 1,15,00,000 ; 01.04.2015 : 50,00,000) Equity Shares of ₹ 10 each fully paid up		12.51	11.17	4.94

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(₹/crores)

	Notes	31.03.2017	31.03.2016	01.04.2015
Godavari Gas Pvt Ltd.				
26,00,000 Equity Shares of ₹ 10 each fully paid up		2.37	-	-
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.				
3,82,71,250 (31.03.2016 : 3,82,71,250 ; 01.04.2015 : 45,02,500)				
Equity Shares of ₹ 10 each fully paid up		40.82	31.39	-
		6,069.75	3,773.73	2,597.99

6.1 : Includes amount of ₹ 73.96 Crores (31.03.2016 : ₹ 73.96 crores, 01.04.2015 : ₹ 73.96 Crores) towards subscribed, but not paid shares of HPCL Rajasthan Refinery Limited being part of MOA / AOA for which liability is created under Section 10 (2) of the Companies Act, 2013.

₹ / Crores

Disclosure towards Cost / Market Value	31.03.2017	31.03.2016	01.04.2015
a Aggregate amount of Quoted Investments (Market Value)	3,169.14	1,992.41	1,995.39
b Aggregate amount of Quoted Investments (Cost)	471.68	471.68	471.68
c Aggregate amount of Unquoted Investments (Cost)	4,436.21	4,394.46	4,099.88

7: Investments

Investment in equity instruments carried at fair value through other comprehensive income			
Quoted			
Oil India Ltd. (refer note 7.1)			
1,78,33,700 (31.03.2016 : 1,33,75,275 ; 01.04.2015 : 1,33,75,275)			
Equity Shares of ₹ 10 each fully paid up	594.84	419.25	606.77
Scooters India Ltd.(refer note 7.1)			
10,000 (31.03.2016 : 10,000 ; 01.04.2015 : 10,000) Equity Shares			
of ₹ 10 each fully paid up	0.04	0.03	0.03
Investment in equity instruments designated at fair value through Profit and Loss Account			
Un - Quoted			
Shushrusha Citizen Co-operative Hospital Limited			
100 (31.03.2016 : 100 ; 01.04.2015 : 100) Equity Shares of ₹ 100/-			
each fully paid	0.00	0.00	0.00
Total Investments in Equity Instruments	594.88	419.28	606.80
Investment in Government securities carried at amortized cost			
Government Securities of the face value of ₹ 0.02 Crores			
- Deposited with Others	0.02	0.02	0.02
- On hand - ₹ 0.25 lakhs	0.00	0.00	0.00
Government Securities of the face value of ₹ 0.24 lakhs			
- Deposited with Others - ₹ 0.10 lakhs	0.00	0.00	0.00
- On hand - ₹ 0.14 lakhs	0.00	0.00	0.00
Less: Impairment	0.00	0.00	0.00
Total Investments in Government Securities	0.02	0.02	0.02
Investment in Debentures or bonds carried at amortized cost			
East India Clinic Ltd.			
- 1/2% Debenture of face value of - ₹ 0.15 lakhs	0.00	0.00	0.00
- 5% Debenture of face value of - ₹ 0.07 lakhs	0.00	0.00	0.00
Total Investments in Debentures or Bonds	0.00	0.00	0.00
Other Investments carried at fair value thru Profit and Loss Account			
Structured Entities			
Un - Quoted			
Petroleum India International (Association of Persons)			
contribution towards Seed Capital (refer note 7.2)	0.05	0.05	5.00
Total Investments In Structured Entities	0.05	0.05	5.00
	594.95	**419.35**	**611.82**

7.1 : The Company has designated these Investment at fair value through other comprehensive income because these investments represent the Investments that the Company intends to hold for long-term strategic purposes. No strategic investments were disposed of during the year. There have been no transfers of the cumulative gains or losses on these investments

7.2 : Members in Petroleum India International (AOP) : Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd., Engineers India Ltd., Indian Oil Corporation Ltd., Indian Petrochemicals Corporation Ltd., Chennai Petroleum Corporation Ltd. and Oil India Ltd. Each one is holding 10% share except Indian Oil Corporation which is holding 30% and Bharat Petroleum Corporation Ltd. which is holding 20%.

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HINDUSTAN PETROLEUM CORPORATION LIMITED

Notes to the Consolidated Financial Statements as at 31st March, 2017

₹ / Crores

	31.03.2017	31.03.2016	01.04.2015
Disclosure towards Cost / Market Value			
a Aggregate amount of Quoted Investments - Market Value	594.88	419.28	606.80
b Aggregate amount of Quoted Investments - Cost	561.77	561.77	561.77
c Aggregate amount of Unquoted Investments - Cost	0.07	0.07	5.02
d Aggregate amount of impairment in value of investments.	0.00	0.00	0.00

	31.03.2017	31.03.2016	01.04.2015
8: Loans			
Secured, considered good			
Employee loans and advances & Interest thereon	283.58	290.57	280.17
Unsecured, considered good			
Deposits	90.02	83.26	73.73
Loans to related parties	-	75.00	-
Other Loans	33.03	32.34	38.16
	406.63	**481.17**	**392.06**

	31.03.2017	31.03.2016	01.04.2015
9: Other Financial Assets			
Share application money pending allotment	-	-	2.00
	-	**-**	**2.00**

	31.03.2017	31.03.2016	01.04.2015
10: Other Non Current Assets			
Balances with Excise, Customs, etc.	180.62	234.77	233.81
Deposits	42.17	30.13	8.20
Advance tax (net of provisions)	255.68	188.34	194.65
Capital advances	221.12	27.03	164.81
Prepaid employee cost	129.67	126.70	130.46
Prepaid lease rental	585.50	468.94	444.25
Others Prepaid Expenses	23.12	10.80	1.81
	1,437.88	**1,086.71**	**1,177.99**

	31.03.2017	31.03.2016	01.04.2015
11: Inventories			
Raw materials (Including in transit 31.03.2017 : ₹ 1,420.99 crores; 31.03.2016 : ₹ 1,229.77 Crores, 01.04.2015 : ₹ 1,083.53 Crores)	3,312.86	2,365.36	2,320.39
Work-in-progress	443.67	229.40	457.28
Finished goods (Including in transit 31.03.2017 : ₹ 559.47crores ,31.03.2016 : ₹ 534.67 Crores, 01.04.2015 : ₹ 460.68 Crores)	6,032.39	6,778.26	6,565.40
Stock-in-trade (Including in transit 31.03.2017 : 472.00 crores ,31.03.2016 : ₹ 202.81 Crores, 01.04.2015 : ₹ 149.11 Crores)	8,456.30	3,562.18	3,611.32
Stores and spares (Including in transit 31.03.2017 : ₹ 13.90 crores; 31.03.2016 : ₹ 8.81 Crores, 01.04.2015 : ₹ 105.82 Crores)	380.43	405.96	542.61
Less : provision for stores and spares	9.49		
Packages	13.00	13.67	17.91
	18,629.16	**13,354.83**	**13,514.91**

11.1. The write-down of inventories to net realisable value during the year amounted to ₹ 212.09 crores (31.03.2016 : ₹ 58.32 crores; 01.04.2015 : ₹ 192.77 crores). The reversal of write downs during the year amount to ₹ Nil (31.03.2016 : ₹ Nil; 01.04.2015 : ₹ Nil). The write downs and reversal are included in cost of materials consumed or changes in inventories of finished goods and work in progress.

		31.03.2017	31.03.2016	01.04.2015
12: Investments				
Investments carried at Fair Value Through Profit or Loss				
Quoted				
6.90% Oil Marketing Companies' GOI Special Bonds, 24,71,36,000 (31.03.2016 : 27,71,36,000 ; 01.04.2015 : 31,76,36,000) ₹ 100 each face value*		2,388.88	2,560.38	2,949.25
8.00% Oil Marketing Companies' GOI Special Bonds, 24,41,000 (31.03.2016 : 24,41,000 (01.04.2015 : 24,41,000) ₹ 100 each face value		25.13	24.43	24.51
8.20% Oil Marketing Companies' GOI Special Bonds, 1,23,49,000 (31.03.2016 : 1,23,49,000 ; 01.04.2015 : 1,23,49,000) ₹ 100 each face value		128.64	125.35	125.59
6.35% Oil Marketing Companies' GOI Special Bonds, 25,32,33,000 (31.03.2016 : 25,32,33,000 ; 01.04.2015 : 25,32,33,000) ₹ 100 each face value		2,364.43	2,277.39	2,276.81
7.59% Government of India, G - Sec Bonds, 1,85,00,000, ₹ 100 each face value (refer note 12.1)		193.87	-	-
	A	**5,100.95**	**4,987.55**	**5,376.16**
Un - Quoted				
Sai Wardha Power Ltd 77,83,468 (31.03.2016 : 38,91,734) Equity Shares of ₹ 10 each fully paid up		7.78	3.89	-
	A+B	**5,108.73**	**4,991.44**	**5,376.16**

12.1 6.90% Special Bonds of face value of ₹ 2,178.64 Crores and 7.59% G - Sec Bonds of face value of ₹ 90 crores are pledged with Clearing Corporation of India Limited against CBLO Loan.

Notes to the Consolidated Financial Statements as at 31st March, 2017

	31.03.2017	31.03.2016	01.04.2015
	₹ / Crores		
Disclosure towards Cost / Market Value			
a Aggregate amount of Quoted Investments - Market Value	5,100.95	4,987.55	5,376.16
b Aggregate amount of Quoted Investments - Cost	5,343.23	5,451.59	5,856.59
c Aggregate amount of Unquoted Investments - Cost	7.78	3.89	-
d Aggregate amount of impairment	-	-	-
13: Trade Receivables			
Unsecured considered good	4,113.35	3,791.97	3,253.32
Doubtful	143.08	147.79	131.27
Less: Allowances for Bad and Doubtful Debts	21.69	15.69	35.62
Less: Impairment Provision (Expected Credit Loss Model)	143.08	147.79	131.27
	4,091.66	**3,776.28**	**3,217.70**
14: Cash and Cash Equivalents			
Balances with Banks:			
- on current accounts	5.85	14.53	59.31
- on non-operative current accounts	0.01	0.01	0.01
Cheques awaiting deposit	0.06	0.12	1.06
Cash on hand	7.64	7.67	7.82
Current account with Municipal Co-operative Bank Ltd.	-	-	0.00
Fixed Deposits with original maturity less than 3 months	97.91	115.92	36.56
	111.47	**138.25**	**104.76**
15: Other Bank Balances			
Earmarked balances with banks*	15.01	6.56	3.20
Fixed Deposits with 3 - 12 months maturity	9.92	9.34	6.47
Earmarked for DBTL Claim		415.11	-
Less : DBTL Buffer Liability (refer note 15.1)		415.11	-
	24.93	**15.90**	**9.67**

*Includes Earmarked for unclaimed dividend

15.1 : Represents amount as of 31.03.2016 out of funds remitted by GOI in Connection with Direct Benefit Transfer of LPG Scheme and held on behalf of Government of India.

	31.03.2017	31.03.2016	01.04.2015
16: Loans			
Secured, considered good			
Employee loans and advances & interest thereon	33.13	33.82	36.45
Unsecured, considered good			
Deposits	0.03	0.03	-
Loans to related parties	75.00	-	75.00
Other Loans	17.33	21.96	65.42
	125.49	**55.81**	**176.87**
17: Other Financial Assets			
Amounts recoverable under subsidy schemes	1,218.25	2,028.43	744.96
Interest accrued on investments	74.39	74.54	80.25
Derivative Assets	58.41	-	0.10
Delayed payment charges receivable from customers	205.68	209.91	219.97
Less : Provision for doubtful receivables	78.85	83.66	66.72
Receivables from Govt of India towards DBTL	1,195.08	1,663.17	2,835.27
Receivables from LIC	826.52	759.81	697.84
Other Receivables	829.46	221.56	283.57
Less:Provision for doubtful	11.71	5.94	3.97
	4,317.23	**4,867.82**	**4,791.27**
18: Other Current Assets			
Advance recoverable in kind for value to be received	9.65	19.97	20.45
Balances with Excise, Customs, etc.	484.13	451.12	460.61
Prepaid employee cost	13.67	12.95	12.20
Prepaid lease rental	38.03	30.09	20.58
Other Prepaid Expenses	85.51	50.66	24.99
Gold Coins in hand	5.32	5.32	5.18
Other Current Assets	17.14	15.52	30.37
	653.45	**585.63**	**574.38**

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Notes to the Consolidated Financial Statements as at 31st March, 2017

(₹/ crores)

	Notes	31.03.2017	31.03.2016	01.04.2015
19: Equity Share capital				
A. Authorised:				
75,000 (31.03.2016 : 75,000; 01.04.2015 : 75,000) Cumulative Redeemable Preference Shares of ₹ 100/- each		0.75	0.75	0.75
2,49,92,50,000 (31.03.2016 : 34,92,50,000; 01.04.2015 : 34,92,50,000) Equity Shares of ₹ 10/- each		2,499.25	349.25	349.25
		2,500.00	**350.00**	**350.00**
B. Issued:				
1,01,65,84,500 (31.03.2016 : 33,93,30,000; 01.04.2015 : 33,93,30,000)		1,016.58	339.33	339.33
C. Subscribed & Fully Paid up :				
1,015,881,750 (31.03.2016 : 33,86,27,250; 01.04.2015 : 33,86,27,250) Equity Shares of ₹ 10 each fully paid up		1,015.88	338.63	338.63
D. Shares Forfeited :				
7,02,750 (31.03.2016 : 7,02,750; 01.04.2015: 7,02,750) Shares Forfeited (money received)		0.39	0.39	0.39
		1,016.27	**339.01**	**339.01**

E. Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity share :	31.03.2017	31.03.2016
Outstanding at the beginning of the year	338,627,250	338,627,250
Equity shares allotted as fully paid bonus shares (refer note # H)	677,254,500	
Outstanding at the end of the year	1,015,881,750	338,627,250

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% cummulative Redeemable Non-convertible Preference Shares of ₹ 100 /- each as a part of the Authorised Capital, which were issued earlier by the erstwhile ESRC. Presently the said Preference Shares stand redeemed.

G. Details of shareS held by each shareholder holding more than 5% shares in the company:

	31.03.2017	
Name of shareholders	**% Holding**	**No. of Shares**
President of India	51.11	519,230,250
Life Insurance Corporation of India	2.17	22,027,765

	31.03.2016	
Name of shareholders	**% Holding**	**No. of Shares**
President of India	51.11	17,30,76,750
Life Insurance Corporation of India	2.60	88,16,223

	01.04.2015	
Name of shareholders	**% Holding**	**No. of Shares**
President of India	51.11	17,30,76,750
Life Insurance Corporation of India	5.18	1,75,31,442

H. During Financial Year 2016-17, the Corporation had issued Bonus Shares in the ratio of 2:1 by capitalization of Reserve. The total number of Bonus Shares issued is 67,72,54,500 equity shares having face value of ₹ 10 each.

20a: Reserves and Surplus		31.03.2017	31.03.2016	01.04.2015
Capital Redemption Reserve	(i)	1.56	1.56	1.56
Share Premium Account	(ii)	360.81	1038.06	1038.06
Debenture Redemption Reserve	(iii)	265.13	265.13	413.30
Capital Reserve	(iv)	0.52	0.44	0.44
Foreign Currency Monetary Item Translation Difference Account	(v)	(0.44)	(194.80)	(62.79)
General Reserve	(vi)	1859.17	1859.17	1859.17
Surplus	(vii)	17531.44	13498.08	10421.72
		20018.19	**16467.64**	**13671.46**

	31.03.2017	31.03.2016
(i) Capital Redemption Reserve :		
As per last Balance Sheet	**1.56**	**1.56**
(ii) Share Premium Account		
As per last Balance Sheet	1038.06	1038.06
Less:- Bonus shares issued during the year	677.25	0.00
	360.81	**1038.06**
(iii) Debenture Redemption Reserve		
As per last Balance Sheet	265.13	413.30
Less: Transfer to Surplus in the Statement of Profit and Loss	0.00	148.17
	265.13	**265.13**
(iv) Capital Reserve		
As per last Balance Sheet	0.44	0.44
Add: Transfer during the year	0.08	0.00
	0.52	**0.44**

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	Notes	31.03.2017	31.03.2016	01.04.2015
(v) Foreign Currency Monetary Item Translation Difference Account				
As per last Balance Sheet		(194.80)	(62.79)	
Add : Additions during the year		(160.02)	(380.83)	
Less : Amortised during the year		(354.38)	(248.82)	
		(0.44)	**(194.80)**	
(vi) General Reserve				
As per last Balance Sheet		1859.17	1859.17	
		1859.17	**1859.17**	
(vii) Surplus				
As per last Balance Sheet		13,498.08	10,421.72	
Add : Profit for the year		8,235.82	4,674.69	
Add : Transfer from Debenture Redemption Reserve		-	148.17	
Less : Profit appropriated to Interim / Proposed Dividend		3,477.70	1,456.10	
Less : Profit appropriated to Tax on Distributed Profits		707.98	296.43	
Add : Reversal of Provision for dimunition in value of Investment on Consolidation*		-	9.65	
Add: Share in Other comprehensive Income of equity accounted investees		(1.33)	0.02	
Add : Restelment Gain / Loss on Defined Benefit Plans		(15.45)	(3.64)	
		17,531.44	**13,498.08**	
		20,018.19	**16,467.64**	

*On Account of first time consolidation of Petronet India Ltd., excess of provision over the absorption of losses is transferred to reserves.

		31.03.2017	31.03.2016	01.04.2015
20b: Other Reserves				
Equity Instruments through Other Comprehensive Income	(i)	33.11	(142.50)	45.02
Foreign Currency Translation Reserve	(ii)	3.86	(0.38)	(0.13)
		36.97	**(142.88)**	**44.89**

	31.03.2017	31.03.2016
(i) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	(142.50)	45.02
Add : Additions during the year	175.61	(187.52)
	33.11	**(142.50)**
(ii) Foreign Currency Translation Reserve		
As per last Balance Sheet	(0.38)	(0.13)
Add : Additions during the year	4.24	(0.25)
	3.86	**(0.38)**

	31.03.2017	31.03.2016	01.04.2015
21: Borrowings			
Bonds or Debentures			
Secured			
8.77% Non-convertible debentures (refer note 21.1)	975.00	975.00	975.00
8.75% Non-convertible debentures (refer note 21.1)	-	-	545.00
Term loans			
Secured			
Oil Industry Development Board (refer note 21.2)	283.75	348.25	258.00
Other Loans (refer note 21.4)	309.42	324.12	307.55
Un - secured			
Syndicated Loans from Foreign Banks (repayable in foreign currency) (refer note 21.3)	9,647.52	9,813.56	10,186.01
Oil Industry Development Board (refer note 21.2)	-	125.00	325.00
Syndicated Working Capital Loans from Foreign Banks (repayable in foreign currency) (refer note 21.3)	-	6,583.00	6,162.56
	11,215.69	**18,168.93**	**18,759.12**
Less: Current Maturities of Long Term Borrowings	4,097.89	6,810.17	3,270.37
	7,117.80	**11,358.76**	**15,488.75**

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	Notes	31.03.2017	31.03.2016	01.04.2015

In respect of Secured Loans :

21.1 Debentures

(a) The Group has issued the following Secured Redeemable Non-convertible Debentures:

With respect to debentures issued by Hindustan Petroleum Corporation Ltd. (HPCL)

i. 8.77% Non-Convertible Debentures were issued on 13th March, 2013 with the maturity date of 13th of March, 2018. These are secured by first legal mortgage by way of a Registered Debenture Trust Deed over immovable property of the company being undivided share of land with the entire First Floor in the building High Street 1, situated at Ahmedabad and the first charge of fixed assets mainly certain Plant and Machinery at Visakh Refinery. The value of such assets is ₹ 1,111.87 Crs as on 31/03/2017, ₹ 1,072.98 Crs. as on 31/03/2016 and ₹ 1,126.39 Crs. as on 01/04/2015. During the year ended March, 2017 an amount of ₹ 975.00 crores of 8.77% Non-Convertible Debentures is repayable within one year and shown in note # 27.

ii. 8.75% Non-Convertible Debentures were issued on 9th November, 2012 with the maturity date of 9th of November, 2015. These are secured by mortgage, on first pari passu charge basis, by way of a Registered Debenture Trust Deed over immovable property of the company being undivided share of land with the entire First Floor in the building High Street 1, situated at Ahmedabad and the first charge of fixed assets mainly certain Plant and Machinery at Mumbai Refinery. The value of such assets as on 01/04/2015 is ₹ 936.15 Crores. During the year ended March, 2017 an amount of Nil (31.03.2016 : Nil; 31.03.2015 : ₹ 545.00 crores) of 8.75% Non-Convertible Debentures is repayable within one year and shown in note # 27. These Debentures Matured on 9th November, 2015.

21.2 Term Loans from Oil Industry Development Board

Repayable during	Amount in (₹) Crores		
	31.03.2017	31.03.2016	01.04.2015
2015-16	-	-	234.50
2016-17	-	189.50	189.50
2017-18	95.69	95.69	64.50
2018-19	95.69	95.69	64.50
2019-20	61.19	61.19	30.00
2020-21	31.19	31.19	0.00
Total	283.75	473.26	583.00
Secured	283.75	348.25	258.00
Unsecured	-	125.00	325.00

Security has been created with first charge on the facilities of Awa Salawas Pipeline, Manglore Hasan Mysore LPG Pipeline, Uran - Chakan / Shikarpur LPG Pipeline & Rewari Project Pipeline. ₹ 95.69 Crores (31.03.2016 : ₹ 189.50 crores; 31.03.2015 : ₹ 234.50 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 27.

Repayable during	Range of Interest Rate		
	31.03.2017	31.03.2016	01.04.2015
2015-16	-	-	7.20%-9.27%
2016-17	-	8.07 %-9.27 %	8.07%-9.27%
2017-18	7.86%-9.27%	7.86 %-9.27 %	8.78%-9.27%
2018-19	7.86%-9.27%	7.86 %-9.27 %	8.78%-9.27%
2019-20	7.86%-9.11%	7.86 %-9.11 %	8.78%-9.11%
2020-21	7.86%-8.09%	7.86 %-8.09 %	

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 : 65 to 155 basis point p.a.). These loans are taken for the period of 5 years. ₹ 3,008.46 Crores (31.03.2016 .₹ 6,583.00 crores; 31.03.2015 : ₹ 2,490.87 Crores) is repayble within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under Note # 27.

With respect to Loan taken by Prize Petroleum International Pte Ltd.

The bank loan bear interest at 1.2% + 6-months LIBOR per annum (2016: 3.65% + 6- months LIBOR per annum), which is ranging from 2.46% to 2.60% (2016: 3.98% to 4.10%) p.a. for the financial year ended 31st March 2017. The bank loan is repayable on the 7th anniversary of the utilisation date on 28th October, 2023.

21.4 : Other Loans

With respect to Loan taken by HPCL Biofuels Ltd. (HBL)

Soft loan of ₹ 10.14 crores (which was availed through SBI during 2015-16 through SBI with interest subvention to the extent of 10%, as announced by Government of India) has been fully settled during 2016-17.

Government Of Bihar (GOB) Soft Loan of ₹ 16.48 crores was availed through SBI during FY 2015-16 with Interest subvention to the extent of 10%. Four Installments amounting to ₹ 3.30 crores was paid during FY 2016-17 (P.Y. Nil) The Balance of GoB Soft Loan as on 31.03.2017 was ₹ 13.14 crores (P.Y. ₹ 16.41 crores)

Term Loan of ₹ 308.80 crores was availed through SBI during FY 2014-15. Three installments amounting to ₹ 11.58 crores was paid during the current FY 2016-17 (P.Y. Nil) The Balance of term loan as on 31.03.2017 was ₹ 29.63 crores (₹ 307.71 crores) as on 31.03.2016)

The term loan as well as the soft loans under GOI and GOB schemes are secured by equitable mortgage of Land, Building & Fixed Assets.

22: Other Financial Liabilities

	31.03.2017	31.03.2016	01.04.2015
Deposits from Consumers (refer note 22.1)	10,996.83	9,397.77	8,253.85
Other Liabilities	0.44	0.41	0.38
	10,997.27	9,398.18	8,254.23

22.1: Amount reflected towards depoosits received from customers / dealers have been presented as non-current Financial Liabilities. In view of the Group, such presentation would reflect an appropriate classification on commercial practice as these are generally not claimed in short term.

Amount includes deposits received towards Rajiv Gandhi Gramin LPG Vitrak Yojana and Prime Minister Ujjavala Yojana of ₹ 941.61 crores (31.03.2016 : ₹ 219.64 crores; 01.04.2015 : ₹ 34.07 crores). The deposit against these schemes have been funded from CSR fund or by Government of India.

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(₹/ crores)

	Notes	31.03.2017	31.03.2016	01.04.2015
23: Provisions				
Provision for employee benefits		183.26	164.58	99.73
Others		0.07	0.06	0.06
		183.33	**164.64**	**99.79**

	Notes	31.03.2017	31.03.2016	01.04.2015
24: Other Non Current Liabilities				
Capital grant		23.61	28.21	20.46
		23.61	**28.21**	**20.46**

	Notes	31.03.2017	31.03.2016	01.04.2015
25: Borrowings				
Loans repayable on demand				
Secured				
from banks				
Cash Credit (Secured by hypothecation of Inventories in favour of Banks on pari passu basis)		1,763.70	2,502.21	1,173.99
from other parties				
Collateral Borrowing and Lending Obligation (Secured by Pledge of 6.90 % Oil Marketing Companies' GOI Special Bonds, 2026)		1,489.51	1,489.07	1,088.99
Unsecured				
Clean Loans		1,200.00	-	-
from other parties				
Commercial papers		6,461.17	-	-
		10,914.38	**3,991.28**	**2,262.98**

	Notes	31.03.2017	31.03.2016	01.04.2015
26: Trade Payables				
Micro, Small and Medium Enterprises (MSME) (refer note 26.1)		22.76	18.55	15.19
Other than MSME		12,676.90	9,446.25	11,567.51
		12,699.66	**9,464.80**	**11,582.70**

26.1 : To the extent Micro and Small Enterprises have been identified, the outstanding balance, including interest thereon, if any, as at Balance Sheet date is disclosed on which Auditors have relied upon.

	Notes	31.03.2017	31.03.2016	01.04.2015
27: Other Financial Liabilities				
Current Maturities of Long Term Borrowings		4,097.89	6,810.17	3,270.37
Interest accrued but not due on loans		30.02	41.96	58.51
Unpaid Dividend (refer note 27.1)		14.90	6.36	3.02
Preference share capital redeemed remaining unclaimed/unencashed		-	0.01	0.01
Unpaid matured Fixed Deposits		-	-	0.02
Derivative liability		1.75	22.39	1.96
Other Deposits		12.44	10.87	9.53
Other Current Financial liabilities		687.71	790.16	776.63
		4,844.71	**7,681.92**	**4,120.05**

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

	Notes	31.03.2017	31.03.2016	01.04.2015
28: Other Current Liabilities				
Revenue received in advance		726.98	703.53	833.42
Capital Grant		4.39	3.81	1.10
Statutory Payables		3,051.25	2,859.07	2,686.07
Other Liabilities		191.78	192.18	113.49
		3,974.40	**3,758.59**	**3,634.08**

	Notes	31.03.2017	31.03.2016	01.04.2015
29: Provisions				
Provision for employee benefits		1,585.03	978.95	1,520.15
Provision for probable obligations (refer Note No 66)		685.54	667.69	158.76
		2,270.57	**1,646.64**	**1,678.91**

	Notes	31.03.2017	31.03.2016	01.04.2015
30: Current Tax Liabilities (Net)				
Provision for tax (net of advance tax)		72.61	362.02	361.27
		72.61	**362.02**	**361.27**

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(₹/ Crores)

	Notes	FY 2016-17	FY 2015-16
31: Gross Sale of Products			
Sale of Products (refer note 31.1)		2,12,611.57	1,95,882.78
Recovery under Subsidy Schemes		1,292.58	1,773.03
		2,13,904.15	**1,97,655.81**

31.1 : Net of discount of ₹ 1,920.07 crores (2015 - 16 : ₹ 1,805.78 crores) and includes amount towards additional SSC of ₹ 57.21 Crores (2015 - 16 : ₹ 430.14 Crores).

	Notes	FY 2016-17	FY 2015-16
32: Other Operating Revenues			
Rent Recoveries		116.96	114.10
Net Recovery for LPG Filling Charges		2.40	3.08
Miscellaneous Operating Income		198.50	191.33
		317.86	**308.51**

	Notes	FY 2016-17	FY 2015-16
33: Other Income			
Interest Income on Financial Assets carried at amortized cost:			
On Deposits		8.65	3.94
On Staff Loans		35.06	34.32
On Customers' Accounts		135.47	117.71
Interest On Current Investments carried at fair value through P&L		366.75	379.66
Interest on Others assets carried at amortized cost		162.68	133.08
		708.61	**668.71**
Dividend Income from non-current equity instruments at FVOCI		27.64	24.08
Dividend Income from current investments at FVTPL		-	13.01
Gain or Loss on sale of Current Investment (net)		32.36	-
Gain or Loss on Foreign Currency Transaction & Translation (net)		147.44	-
Fair value gain on Current Investments carried at FVTPL		221.77	16.49
Write on of Stores and Spares		-	0.65
Share of Profit from Petroleum India International (AOP)		0.94	0.77
Miscellaneous Income		312.27	358.91
		742.42	**413.91**
		1,451.03	**1,082.62**

	Notes	FY 2016-17	FY 2015-16
34: Cost of Materials Consumed			
Cost of Raw Materials Consumed		45,013.15	40,629.21
Packages Consumed		259.98	289.71
		45,273.13	**40,918.92**

	Notes	FY 2016-17	FY 2015-16
35: Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in -Trade (Increase)/ Decrease			
Closing Stock:			
Work-in-progress		443.67	229.40
Finished Goods		6,032.39	6,778.26
Stock-in-trade		8,456.30	3,562.18
		14,932.36	**10,569.84**
Opening Stock:			
Work - in - Progress		229.40	457.28
Finished Goods		6,778.26	6,565.40
Stock - in - Trade		3,562.18	3,611.32
		10,569.84	**10,634.00**
		(4,362.52)	**64.16**

	Notes	FY 2016-17	FY 2015-16
36: Employee Benefits Expense			
Salaries, Wages, Bonus, etc.		2,007.70	1,653.56
Contribution to Provident Fund		130.84	122.09
Pension, Gratuity and Other Employee Benefits		516.55	179.24
Employee Welfare Expenses		314.26	384.42
		2,969.35	**2,339.31**

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(₹/ Crores)

	Notes	FY 2016-17	FY 2015-16
37: Finance costs			
Interest		490.05	553.84
Exchange differences regarded as an adjustment to borrowing costs		-	58.33
Other Borrowing Costs (refer note 37.1)		119.19	111.01
		609.24	**723.18**

37.1 : Includes interest u/s 234B / 234C of Income Tax Act, 1961 for an amount ₹ 26.73 crores (2015 - 16 : ₹ 31.86 crores).

	FY 2016-17	FY 2015-16
38: Other Expenses		
Consumption of Stores, Spares and Chemicals	304.47	228.83
Power and Fuel	2,260.73	2,294.46
Less : Fuel of own production consumed	2,118.83	2,061.09
	141.90	233.37
Repairs and Maintenance - Buildings	50.71	55.07
Repairs and Maintenance - Plant & Machinery	839.05	781.26
Repairs and Maintenance - Other Assets	324.48	289.71
Insurance	64.87	55.87
Rates and Taxes	174.42	185.07
Irrecoverable Taxes and Other Levies	376.42	339.07
Equipment Hire Charges	1.53	7.87
Rent	338.72	556.02
Travelling and Conveyance	203.75	185.66
Printing and Stationery	18.44	16.88
Electricity and Water	733.94	778.16
Corporate Social Responsibility (CSR) Expenses	108.11	71.80
Stores & spares written off	12.14	0.41
Loss on Sale of Current Investment	-	35.86
Provision for Doubtful Receivables	5.48	1.98
Provision for Doubtful Debts	(3.25)	13.53
Bad Debts written off	5.26	9.62
Loss on Sale/ write off of Fixed Assets/ CWIP (Net)	6.54	19.45
Security Charges	165.61	140.26
Advertisement & Publicity	156.92	70.25
Sundry Expenses and Charges (Not otherwise classified)	570.20	650.33
Consultancy & Technical Services	66.56	44.73
Exchange Rate Variation (Net)	0.74	304.43
Payments to the auditor for:		
- Audit Fees	0.75	0.60
- Other Services	0.24	0.23
- Reimbursement of expenses	0.09	0.09
	4,668.09	**5,076.41**

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M/s CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

39: First-time adoption of Ind AS
Transition to Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.
For the year ended 31.03.2016, the Group had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2014, notified under Section 133 of the Companies Act 2013 and other relevant provisions of the Act ('IGAAP').
The accounting policies set out in Note 2 have been applied in preparing the Financial Statements for the year ended 31.03.2016 onwards and the opening Ind AS Balance Sheet on the date of transition (i.e. 01.04.2015).
In preparing its Ind AS Balance Sheet as at 01.04.2015 and in presenting the comparative information for the year ended 31.03.2016, the Group has adjusted amounts previously reported in the Financial Statements prepared in accordance with IGAAP. This note explains the principal adjustments made by the Group in restating its Financial Statements prepared in accordance with IGAAP, and how the transition from IGAAP to Ind AS has impacted the Group's financial position, financial performance and cash flows.

A. Exemptions and exceptions availed

In preparing the Financial Statements, the Group has availed the below mentioned optional exemptions and mandatory exceptions.

A.1 Optional exemptions

A.1.1 Property, plant and equipment and Intangible assets

The Group has availed the exemptions available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the Financial Statements as at the date of transition to Ind ASs, measured as per the IGAAP and use that as its deemed cost as at the date of transition (1 April 2015).

A.1.2 Intangible Assets accounted for in accordance with Service Concession Arrangements

The Group has reclassified from its Property, plant and equipment certain Wind Mill Assets forming part of Service Concession Arrangements under Ind AS to Intangible assets on the date of transition. The Corporation has availed exemption available under Ind AS 101 to carry such wind mill assets at its IGAAP carrying values on the date of transition since it is impracticable to apply the requirements of Appendix C, Service Concession Arrangements to Ind AS 11 retrospectively.

A.1.3 Designation of previously recognised financial instruments

As per Ind AS 101, the Group has designated its investment in equity shares held as at 1 April 2015 as fair value through other comprehensive income (FVTOCI) based on facts and circumstances on the date of transition to Ind AS (i.e. 1 April 2015).
The Group has availed this exemption for its investment in equity shares other than Subsidiaries, Joint Ventures and Associates.

A.1.4 Business Combinitions

The group has elected not to restate business combinations that occurred before the date of transition and apply Ind AS 103 prospectively to business combinations occurring after its transition date. The group has applied the same exemption for investment in associates and joint ventures.

A.1.5 Long term foreign currency monetary items

For borrowings taken upto 31 March 2016, the Group has availed the exemption under Ind AS 101 to continue recognising foreign exchange differences on long-term foreign currency monetary items. Accordingly, exchange difference 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 other cases accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of the Borrowings.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with IGAAP. Corporation has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP:
- Investment in equity instruments carried at FVPL or FVOCI;
- Impairment of financial assets based on expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Classification and measurement of financial assets

As permited under Ind AS 101, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

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B: Reconciliations between previous GAAP and Ind AS

Reconciliation of equity as at 31 March 2016 and 1 April 2015 (date of transition):

(₹ / Crores)

	31.03.2016				01.04.2015			
		Ind AS Adjustments				Ind AS Adjustments		
	I-GAAP	Application of equity method for accounting for JV and associates	Other Ind AS adjustment	Ind AS	I-GAAP	Application of equity method for accounting for JV and associates	Other Ind AS adjustment	Ind AS
ASSETS								
(1) Non-Current Assets								
(a) Property, Plant and Equipment	48,772.98	(15,092.58)	(25.57)	33,654.83	44,410.68	(15,054.84)	(72.40)	29,283.44
(b) Capital Work-in-Progress	2,255.59	(402.82)		1,852.77	3,866.00	(393.01)		3,472.99
(c) Investment Property	0.13	(0.13)			0.02	(0.02)		
(c) Goodwill on Consolidation	120.35	(103.66)		16.69	118.56	(101.87)		16.69
(d) Other Intangible Assets	449.89	(36.51)	1.42	414.80	437.48	(50.29)		387.19
(e) Intangible Assets under development	61.68	-		61.68	87.86	(1.39)	1.89	88.36
(f) Investment in Joint ventures and Associates	-	4,215.84	(442.11)	3,773.73	-	2,944.91	(346.92)	2,597.99
(g) Financial Assets	-			-	-			-
(i) Investments	669.07	(107.22)	(142.50)	419.35	658.07	(91.27)	45.02	611.82
(iii) Loans	500.03	(18.86)		481.17	410.60	(18.54)		392.06
(iv) Other Financial Assets	19.73	(19.73)		-	9.45	(7.45)		2.00
(h) Other Non current Assets	1,271.37	(256.46)	71.80	1,086.71	1,344.17	(240.95)	74.77	1,177.99
Total Non Current Assets	**54,120.82**	**(11,822.13)**	**(536.96)**	**41,761.73**	**51,342.89**	**(13,014.72)**	**(297.64)**	**38,030.53**
(2) Current assets				-				-
(a) Inventories	14,917.99	(2,091.09)	527.93	13,354.83	15,995.75	(2,922.73)	441.89	13,514.91
(b) Financial Assets	-							
(i) Investments	4,995.20	(5.64)	1.88	4,991.44	5,529.78	(155.82)	2.20	5,376.16
(ii) Trade Receivables	5,425.11	(1,044.20)	(604.63)	3,776.28	4,957.55	(1,214.59)	(525.26)	3,217.70
(iii) Cash and Cash Equivalents	540.17	(401.92)		138.25	491.81	(387.05)		104.76
(iv) Bank Balances other than (iii) above	2,236.05	(2,220.15)		15.90	1,767.42	(1,757.75)		9.67
(v) Loans	57.06	(1.25)		55.81	178.05	(1.18)		176.87
(vi) Other Financial Assets	4,908.29	(40.47)		4,867.82	5,083.46	(292.19)		4,791.27
(c) Current Tax Assets (Net)	0.16	(0.16)		-	0.44	(0.44)		-
(d) Other Current Assets	776.23	(192.35)	1.75	585.63	816.88	(244.17)	1.67	574.38
	33,856.26	**(5,997.23)**	**(73.07)**	**27,785.96**	**34,821.14**	**(6,975.92)**	**(79.50)**	**27,765.72**
Assets classified as held for Sale / Disposal	7.85	(2.53)		5.32	4.53	(2.53)		2.00
Total Current Assets	33,864.11	(5,999.76)	(73.07)	27,791.28	34,825.67	(6,978.45)	(79.50)	27,767.72
Total Assets	**87,984.93**	**(17,821.89)**	**(610.03)**	**69,553.01**	**86,168.56**	**(19,993.17)**	**(377.14)**	**65,798.25**
EQUITY AND LIABILITIES								
Equity								
(a) Equity Share Capital	339.01			339.01	339.01			339.01
(b) Other Equity								-
Reserves and Surplus	17,130.53		(662.89)	16,467.64	13,540.51		130.95	13,671.46
Other Reserves	(142.88)			(142.88)	44.89			44.89
Non Controlling Interest	39.73	(39.73)			114.33	(114.33)		
Total equity	**17,366.39**	**(39.73)**	**(662.89)**	**16,663.77**	**14,038.74**	**(114.33)**	**130.95**	**14,055.36**
Liabilities								
(1) Non Current Liabilities								
(a) Financial Liabilities								
(i) Borrowings	21,724.86	(10,372.03)	5.93	11,358.76	28,442.27	(12,946.13)	(7.39)	15,488.75
(ii) Other Financial Liabilities	9,433.87	(35.69)		9,398.18	8,314.15	(60.18)	0.26	8,254.23
(b) Provisions	210.10	(45.49)	0.03	164.64	132.84	(33.08)	0.03	99.79
(c) Deferred Tax Liabilities (Net)	3,198.10	1,191.89	644.21	5,034.20	2,456.29	1,307.28	476.10	4,239.67
(d) Other Non-Current Liabilities	119.37	(122.29)	31.13	28.21	93.25	(93.46)	20.67	20.46
Total Non Current Liabilities	**34,686.30**	**(9,383.61)**	**681.30**	**25,983.99**	**39,438.80**	**(11,825.57)**	**489.67**	**28,102.90**
(2) Current Liabilities								
(a) Financial Liabilities								
(i) Short term Borrowings	5,940.55	(1,949.27)		3,991.28	4,620.84	(2,357.86)		2,262.98
(ii) Trade Payables	14,159.54	(4,694.74)		9,464.80	16,016.31	(4,434.40)	0.79	11,582.70
(iii) Other financial liabilities	9,088.78	(1,406.86)		7,681.92	5,062.27	(938.96)	(3.26)	4,120.05
(b) Other Current Liabilities	3,976.89	(241.96)	23.66	3,758.59	3,871.19	(240.35)	3.24	3,634.08
(c) Provisions	2,340.46	(41.72)	(652.10)	1,646.64	2,757.98	(80.54)	(998.53)	1,678.91
(d) Current Tax Liabilities (Net)	426.02	(64.00)		362.02	362.43	(1.16)		361.27
Total Current Liabilities	**35,932.24**	**(8,398.55)**	**(628.44)**	**26,905.25**	**32,691.02**	**(8,053.27)**	**(997.76)**	**23,639.99**
Total Equity and Liabilities	**87,984.93**	**(17,821.89)**	**(610.03)**	**69,553.01**	**86,168.56**	**(19,993.17)**	**(377.14)**	**65,798.25**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

HINDUSTAN PETROLEUM CORPORATION LIMITED

Reconciliation of total equity as at 31 March 2016 and 1 April 2015

(₹ / crores)

	Note	31.03.2016	01.04.2015
Net worth under IGAAP - (A)		17,366.39	14,038.74
Summary of Ind AS adjustments:			
Proposed dividend for 14 - 15	B.2.1		998.53
Proposed dividend for 15 - 16	B.2.1	652.10	
Fair valuation of equity instruments (FVOCI)	B.2.2	(142.50)	45.02
Derecognition of Non controlling Interest on reclassification of subsidiary as joint venture	B.2.3	(39.73)	(114.33)
Fair valuation of investment in OMC GOI special bonds	B.2.4	1.88	2.20
Fair valuation of derivative contracts	B.2.5	(22.39)	(1.85)
Borrowings - transaction costs adjustment	B.2.6	(5.81)	1.81
Capital grant	B.2.7	(14.29)	(2.95)
Timing of revenue recognition	B.2.8	(68.78)	(64.43)
Impairment of trade receivables - expected credit loss method	B.2.9	(7.94)	(19.44)
Amortisation of prepaid lease rentals	B.2.10	(5.73)	(4.67)
Reversal of amortisation of right of way	B.2.11	1.30	
Depreciation on capital spares	B.2.12	(4.10)	(7.64)
Enabling Assets Capitalisation	B.2.13	41.75	
Others		(2.05)	7.39
Tax effects on Ind AS adjustments	B.2.16	(538.46)	(365.22)
Tax effects on Consolidation adjustments	B.2.16	(105.76)	(110.88)
Share in Ind AS Adjustments of Joint Ventures / Associates	B.2.17	(442.11)	(346.92)
Total Ind AS adjustments - (B)		**(702.62)**	**16.62**
Net Worth as per IND AS		16,663.77	14,055.36

Reconciliation of total comprehensive income for the year ended 31 March 2016:

(₹ / Crores)

	FY 2015-16			
		Ind AS Adjustments		
	I-GAAP	Application of equity method for accounting for JV and associates	Other Ind AS adjustment	Ind AS
Revenue				
Revenue From Operations				
Sale of Products	2,26,697.37	(28,950.69)	(90.87)	1,97,655.81
Other Operating Revenues	336.88	(28.37)		308.51
Sale of Services	35.67	(35.67)		-
	2,27,069.92	**(29,014.73)**	**(90.87)**	**1,97,964.32**
Other Income	1,659.28	(576.66)	-	1,082.62
Total Income	**2,28,729.20**	**(29,591.39)**	**(90.87)**	**1,99,046.94**
Expenses				
Cost of Materials Consumed	58,151.77	(17,232.85)		40,918.92
Purchases of Stock-in-Trade	1,15,964.08	(15.65)		1,15,948.43
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	601.50	(450.81)	(86.53)	64.16
Excise Duty	27,566.95	(7,512.85)		20,054.10
Transportation Expenses	5,262.23	-		5,262.23
Exploration cost	33.77	(12.49)		21.28
Employee Benefits Expense	2,530.68	(185.82)	(5.55)	2,339.31
Finance Costs	1,756.02	(1,042.59)	9.75	723.18
Depreciation & Amortization Expense	3,583.34	(734.65)	(2.60)	2,846.09
Other Expenses	6,289.07	(1,180.08)	(32.58)	5,076.41
Total Expenses	**2,21,739.41**	**(28,367.79)**	**(117.51)**	**1,93,254.11**
Share in Profit of Joint ventures and asssociales	-	1,035.41	(93.14)	942.27
Profit Before exceptional items and Tax	**6,989.79**	**-188.19**	**-66.50**	**6,736.10**
Exceptional Items	35.97	(35.97)		-
Profit Before Tax	**6,953.82**	**(152.22)**	**(66.50)**	**6,736.10**
Tax expense:				
Current tax	1,546.73	(113.17)		1,433.56
Deferred tax	682.81	(115.88)	180.30	747.23
Provision for Tax for Earlier years written back (net)	(120.33)	(0.05)		(120.38)
Less: MAT credit entitlement	(2.30)	2.30		-
Tax Expenses	**2,106.91**	**(226.80)**	**180.30**	**2,060.41**
Profit/(loss) for the period	**4,846.91**	**74.58**	**(246.80)**	**4,674.69**
Profit attributable to Non Controlling Interest	(74.58)	74.58		
Profits attributable to Owners of the company	**4,921.49**	**0.00**	**(246.80)**	**4,674.69**
Other Comprehensive Income				
A: Items that will not be reclassified to profit or loss in subsequent periods:				
Remeasurements of the defined benefit plans;			(5.57)	(5.57)
Equity Instruments through Other Comprehensive Income;			(187.52)	(187.52)
Share in Other comprehensive Income of Joint Venture and Associates			0.02	0.02
Income tax relating to items that will not be reclassified to profit or loss			1.93	1.93
Net Other Comprehensive income not to be reclassified to Profit and Loss in subsequent periods			**(191.14)**	**(191.14)**
Items that will be reclassified to profit or loss				
Foreign Currency translation reserve			(0.25)	(0.25)
Net Other Comprehensive income to be reclassified to Profit and Loss in subsequent periods			**(0.25)**	**(0.25)**
Other Comprehensive Income for the year, net of tax			**(191.39)**	**(191.39)**
Total Comprehensive Income for the year, net of tax (Comprising Profit (Loss) and Other Comprehensive Income for the period)	**4,921.49**		**(436.19)**	**4,483.30**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

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M/s CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Profit Reconciliation		(₹ / Crores) FY 2015-16
Profit for the year as per IGAAP	A	4,921.49
Summary of Ind AS adjustments		
Enabling Assets Capitalisation	B.2.13	43.05
Fair valuation of derivative contracts	B.2.5	(20.54)
Impairment of trade receivables - expected credit loss method	B.2.9	11.51
Borrowings - transaction costs adjustment	B.2.6	(9.84)
Timing of revenue recognition	B.2.8	(4.35)
Depreciation on Stores and Spares	B.2.12	3.54
Depreciation on lease hold lands	B.2.10	(1.06)
Depreciation reversal on ROW assets	B.2.11	1.30
Depereication on Enabling Assets	B.2.13	(1.30)
Fair valuation of investment in OMC GOI special bonds	B.2.4	(0.32)
Impact on Inc/Dec in inventory of FG/ISD due to change in Opex	B.2.8	0.08
Tax effects on Ind AS adjustments	B.2.16	(173.24)
Tax effects on Consolidation adjustments	B.2.16	(5.13)
Defined Benefit Obligation	B.2.15	3.62
Share in Ind AS Adjustments of Joint Ventures / Associates	B.2.17	(93.14)
Others		(0.98)
Total Ind AS adjustments	B	(246.80)
Profit for the year as per Ind AS	A + B	4,674.69

Notes to the reconciliation:

B.5. Statement of Cash Flows

Under IGAAP, Joint Ventures were consolidated using proportionate consolidation method, accordingly proportionate amounts of Joint Ventures were included in cosolidated statements of cash flows.

Under Ind AS, Joint Ventures are consolidated using equity method. Accordingly, amounts included in consolidated statement of cash flow do not include amounts relting to joint ventures. Except this, the transition from IGAAP to Ind AS has not made material impact to the consolidated statement of cash flow.

Note B.2.1.: Proposed Dividend

Under IGAAP, dividends proposed by the Board of Directors after the Balance Sheet date but before the approval of Financial Statements were considered as adjusting event. Accordingly, provision for proposed final dividend was recognised as a liability. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by Group i.e. usually when approved by shareholders in an Annual General Meeting.

Accordingly, the liability for proposed final dividend as at 1 April 2015 and 31 March 2016 included under the Provisions, in respective accounting periods, has been reversed with corresponding adjustments to respective period's Retained Earnings.

Note B.2.2.: Fair valuation of Equity Instruments

Under IGAAP, Group accounted for long term investments in quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, Corporation has designated such investments as FVTOCI (Fair Value through Other Comprehensive Income) investments.

At the date of transition to Ind AS, the difference between the cost of the investments and the fair value is recognised under equity in a separate reserve i.e. Equity Instruments through Other Comprehensive Income reserve.

Note B.2.3.: Derecognition of Non controlling Interest on reclassification of subsidaries as Joint Venture

Under IGAAP, 'Creda HPCL Biofuel Limited' and 'HPCL Rajasthan Refinery Limited' were treated as subsidiaries based on the shareholding in such companies. Under Ind AS, investment in such companies do not meet the definition of control as per Ind AS 110 and hence, cannot be classified as subsidiary. Hence, based on the revised assessment on the date of transition and subsequent reporting dates, the same has been treated as joint ventures. Accordingly, non-controlling interest appearing as per IGAAP in relation to such companies has been derecognized under Ind AS.

Note B.2.4.: Investment In Oil Marketing Companies GOI Special Bonds

Under IGAAP, Group had classified the investment in GOI Special Bonds as current investment. These investments were carried at lower of cost or its fair value. Hence, loss in respect of fair valuation of such investments was recognised and gain, if any, was ignored.

Under Ind AS, Group has elected to carry these investments at fair value with fair value changes being recognised in Statement of Profit and Loss. Hence, gain or loss on account of fair valuation of such bonds is recognised in Statement of Profit and Loss.

Note B.2.5.: Derivative contracts

Under Ind AS, outstanding derivative contracts are considered as financial instruments and hence, needs to be fair valued at every reporting date.

Consequently, under Ind AS, fair value gain or loss on the date of transition is recognized in Opening Retained Earnings and for other periods in respective period's Statement of Profit and Loss.

Note B.2.6.: Adjustment of transaction cost on borrowings

Under IGAAP, trasaction costs incurred for borrowings were recognised as an asset (Unamortised prepaid expenses) and amortised to Statement of Profit and Loss on a straight-line basis over the tenure of the borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition and subsequntly measured at amortized cost.

Accordingly, under Ind AS, restatement of outstanding ancillary cost is recognized in Opening Retained Earnings on transition date and subsequently in respective period's Statement of Profit and Loss.

Note B.2.7.: Capital Grant

Under IGAAP, Capital Grants received from Government are presented as part of Reserves. Under Ind AS, Capital Grants received from Government need to be recognised as a Liability.

Accordingly, under Ind AS, amount of Capital Grant has been reclassified from Reserves to Liabilities.

Note B.2.8.: Timing of Revenue Recognition

Under IGAAP, revenue from sale of goods is recognised when the same is dispatched by the Corporation.

Under Ind AS, in situations where goods have left Group's premises but Corporation continues to exercise effective managerial control on such goods till the time goods reach the customers premises, revenue is deferred and recognised when goods are accepted by the customer.

Accordingly, impact on account of margin elimination on deferred sales is recognised in Retained Earnings on transition date and in Statement of Profit and Loss for Financial Year 2015-16.

Note B.2.9.: Impairment of Trade Receivables

Under IGAAP, the Corporation recognised provision on Trade Receivables based on specific provisions to reflect the Corporation's expectation. Under Ind AS, impairment of Trade Receivables shall be recognised based on Expected Credit Loss.

Accordingly, Corporation has recognised impairment loss on Trade Receivables at transition date in Opening Retained Earnings and in Statement of Profit and Loss for Financial Year 2015-16.

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Note B.2.10.: Reclassification of freehold and leasehold land into operating leases
Under IGAAP, the Group has classified leasehold land with a period of 99 years or more as freehold land and accordingly not amortised the same. Also, leasehold land with a lease period of less than 99 years is classified as leasehold land under tangible fixed assets. The same was amortised over the tenure of lease and presented under Statement of Profit and Loss as Depreciation and Amortisation Expense.
Under Ind AS, land leases with long tenure of lease are required to be classified as Finance Lease. Hence, Group has decided to consider leasehold lands with lease period of more than 99 years as finance lease. Accordingly, the same will also be subject to amortisation under Ind AS. Also, land with a lease tenure of 99 years or less is treated as operating lease and amortised over the tenure of lease as Rent Expense. The amortisation of prepaid operating lease rentals is presented under Rent Expense. Accordingly, lease hold land for 99 years has been amortized and impact on account of amortization upto transition date has been recognised in Opening Retained Earnings. Subsequently, the amortization charge is recognized as Rent Expenses in the statement of Profit and Loss. For the purpose of tenure, the Corporation has considered the lease period including the lease period where the Group has an un - conditional right to renew the lease at a rate below market price or a fix price.

Note B.2.11.: Reversal of amortisation of Right of Way Assets
Under IGAAP, the Right of Way Assets with indefinite useful lives were amortised over a period of 99 years based on Expert Advisory Commitee opinion issued by Institute of Chartered Accountants of India. Under Ind AS, Intangible Assets with indefinite useful life are not required to be amortised but shall be tested for impairment annually or when there is an indication. Accordingly amortisation charge created during Financial Year 2015-16, in Stateтment of Profit and Loss, on Right of Way Assets with indefinite useful lives has been reversed under Ind AS.

Note B.2.12.: Stores and Spares
Under IGAAP, Stores and Spares which can be identified with a particular item of Property, Plant and Equipment (PPE) and whose use is expected to be irregular is capitalised as part of Tangible Fixed Assets. Other Stores and Spares are treated as inventory and charged to Statement of Profit and Loss on consumption. Under Ind AS, Stores and Spares with a useful life of more than one year shall be treated as PPE. Such Stores and Spares need to be depreciated from the date they are ready for use (based on clarification received from ITFG) over their estimated useful life. Hence, Stores and Spares which were erstwhile treated as inventory under IGAAP have been classified as part of PPE if recognition criteria are met (referred to as capital spares). Also, such capital spares are depreciated from the date of purchase over their estimated useful life. Additionally, since capital spares would be depreciated, spares charged to Statement of Profit and Loss on consumption have been reversed and depreciated over its estimated useful life.

Note B.2.13.: Enabling Asset
Under IGAAP, expenditure incurred on construction/acquisition of enabling assets on which the Corporation does not have a control were expensed out as and when incurred.
Under Ind AS, if the expenditure incurred on such enabling asset is of such nature that it is necessary for making the item of Property, Plant and Equipment capable of operating in the manner intended by the management, then the same has been capitalised with corresponding depreciation expense charged in the statement of Profit and Loss.

Note B.2.14.: Excise duty
Under IGAAP, revenue from sale of goods was presented net of the excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty has been presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the Revenue from Operations and Expenses for the year ended 31 March 2016.

Note B.2.15.: Actuarial gains/(losses)
Under Ind AS, the Group's Accounting Policy is to recognise all actuarial gains and losses on Post-Employment Benefit Plans in other comprehensive income. Under IGAAP the Group recognised actuarial gains and losses in the Statement of Profit and Loss. However, this has no impact on the total comprehensive income and total Equity as on 1 April 2015 as well as 31 March 2016.

Note B.2.16.: Deferred tax assets (net)
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on Ind AS adjustments which was not required under Indian GAAP.
The above changes decreased (increased) the deferred tax asset / (liability) as follows:

(₹ / Crores)

	31.03.2016	01.04.2015
Property plant and equipments	(13.04)	2.66
Investment in Oil Marketing Companies GOI Special Bonds	(0.65)	(0.76)
Derivatives	7.75	0.64
Borrowings	3.18	(0.19)
Deferral of sales	23.79	22.28
Trade receivables	2.75	6.73
Deferred tax on capitalization of exchange differences*	(562.15)	(396.52)
Others	(0.09)	(0.06)
	(538.46)	(365.22)

*:Deferred Tax has been created on temporary difference arising from capitalization of exchange differences (based on the clarification received from ITFG).

Note B.2.17.: Share in Ind AS Adjustment of Joint Ventures / Associates : Under I-GAAP, the Financial Statements of Jointly controlled entities had been consolidated by applying Proportionate consolidation method on a line by line basis on items of asssets, liabilities, income and expenses after eliminating proportionate share of intra-group balances, intragroup transactions and unrealised profits or losses.
Under Ind AS, 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 against the respective investment in Joint Venture or Associate.
For the purpose of applying the equity method, the investment in joint ventures, as at the date of transition, has been measured as the agreegate of the carrying amounts of assets and liabilities that the group had previously proportionately consolidated.

As per the notification issued by MCA for implementation of Ind AS, if parent is applying Ind AS for the purpose of preparation of financial statements then, subsidiaries, joint ventures and associates of the group also need to prepare accounts as per Ind AS. Hence, on account of adoption of Ind AS by the Corporation from financial year 2016-17, its joint ventures and associates are required to prepare their financial statements as per Ind AS along with comparatives for the financial year 2016-17 and an opening Ind AS balance sheet as on 1 April 2015. Ind AS adjustments in the books of joint ventures and associates would result in change in consolidated networth of the group. The following are the significant adjustments in the consolidated networth on account of Ind AS adjustments of joint ventures and associates:

(₹ / Crores)

	31-Mar-16	01-Apr-15
Deferred tax on Ind AS adjustments	(378.05)	(324.03)
Fair valuation of derivative contracts	(31.53)	(29.23)
Depreciation on spares and overhaul cost	(34.29)	-
Others	1.75	6.34
	(442.12)	(346.92)

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Note 40: Fair Value Measurements

40.A. Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified as at Fair value through Profit and Loss (FVTPL), Fair value through other comprehancive Income (FVTOCI) and Amortized Cost.

(₹ / Crores)

	Carrying amount								
	31.03.2017			31.03.2016			01.04.2015		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
(a) Investments									
- Investment in Equity Instruments		594.88			419.27			606.79	
- Investment in OMC GOI special bonds	5,100.96			4,987.55			5,376.16		
- Others	7.83		0.02	3.94		0.02	5.00		0.02
(b) Loans & Advances									
- Employee Loans			316.71			324.39			316.62
- Loans to Related Parties			75.00			75.00			75.00
- Others			140.41			137.60			177.31
(c) Trade receivables			4,091.66			3,776.27			3,217.70
(d) Cash and cash equivalents			111.47			138.25			104.76
(e) Other Bank Balances			24.93			15.90			9.68
(f) Derivative Assets	58.41			-			0.10		
(g) Amounts recoverable under subsidy schemes			1,218.25			2,028.43			744.96
(h) Others			3,040.58			2,839.41			4,048.20
Total	5,167.20	594.88	9,019.03	4,991.49	419.27	9,335.27	5,381.26	606.79	8,694.25
Financial liabilities									
(a) Borrowings									
- Non-convertible debentures			975.00			975.00			1,520.00
- Oil Industry Development Board			283.75			473.25			583.00
- Syndicated Loans from Foreign Banks			9,647.52			16,396.56			16,348.57
- Long term loans from banks			309.42			324.12			307.55
- Cash Credit			1,763.70			2,502.21			1,173.99
- Clean Loans			1,200.00			-			-
- Collateral Borrowing and Lending Obligation			1,489.51			1,489.07			1,088.99
- Commercial papers			6,461.17			-			-
(b) Trade Payables			12,699.66			9,464.80			11,582.70
(c) Deposits from Consumers*			10,996.83			9,397.77			8,253.85
(d) Derivative Liability	1.75			22.39			1.96		
(e) Others			745.51			849.76			848.10
Total	1.75	-	46,572.07	22.39	-	41,872.54	1.96	-	41,706.75

40.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.

(₹/ Crore)

	31.03.2017			31.03.2016			01.04.2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Investments									
- Investment in Equity Instruments	594.88			419.27			606.79		
- Investment in OMC GOI special bonds	5,100.96			4,987.55			5,376.16		
- Others	0.02	7.83		0.02	3.94		0.02	5.00	
Loans & Advances									
- Employee Loans		316.71			324.39			316.62	
Derivative Assets		58.41			-			0.10	
Financial liabilities									
Borrowings									
- Non-convertible debentures		990.66			987.84			1,533.40	
- Oil Industry Development Board		290.99			480.90			590.77	
- Syndicated Loans from Foreign Banks		9,647.52			16,396.56			16,348.57	
Derivative Liabilities		1.75			22.39			1.96	
Total	**5,695.86**	**11,313.87**	-	**5,406.84**	**18,216.02**	-	**5,982.97**	**18,796.42**	-

40.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.

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Note 41: Financial risk management

41.A. Risk management framework

The Group has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk conscious manner. These self-regulatory processes and procedures are contained in our Risk Management Charter and Policy, 2007. The Corporation has a structures and comprehensive Risk Management Framework, under which the risks are identified, assessed, monitored and reported, as a part of a normal business practice. The Corporation has leveraged technology to seamlessly integrate and automate the entire process of risk monitoring and reporting which also facilitate Corporation-wide process of managing the risks. The Corporation's risk management system is fully aligned with the corporate and operational objectives.

The Group has engaged the services of an independent expert to assist in continued implementation of effective Risk Management Framework. In that direction, Risk Management Steering Committee (RMSC) continues to provide its guidance. The Group has put in place mechanism to inform Board Members about the risk management and minimisation procedures, and periodical review to ensure that executive management controls risks by means of a properly defined framework.

41.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 Corporation manages the risk is explained in following notes:

41.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 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 Group 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 instuments covered below is resticted 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 Corporation grants credit terms in the normal course of business.

At 31.03.2017, the Group's most significant customer accounted for ₹ 1,068.86 crores of the trade receivables carrying amount (31.03.2016 : ₹ 855.93 crores and 01.04.2015 : ₹ 704.47 crores).

The Group uses an allowance matrix to measure the expected credt 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:

	31.03.2017			31.03.2016			01.04.2015		
	Gross carrying amount	Weighed average loss rate - range	Loss allowance	Gross carrying amount	Weighed average loss rate - range	Loss allowance	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Past due 0-90 days	3,721.96	0.06%	2.26	3,552.01	0.03%	1.21	2,906.38	0.07%	1.90
Past due 91-360 days	355.79	0.62%	2.20	202.86	1.00%	2.03	299.77	6.28%	18.83
More than 360 days	178.68	89.72%	160.31	184.88	86.67%	160.24	178.45	81.84%	146.04
	4,256.43		**164.77**	**3,939.75**		**163.48**	**3,384.59**		**166.77**

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The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Balance as at 01.04.2015	166.77
Impairment loss recognised	6.33
Amounts written off	9.62
Balance as at 31.03.2016	163.48
Impairment loss recognised	5.48
Amounts written off	4.19
Balance as at 31.03.2017	164.77

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 ₹ 111.47 crores at March 31, 2017 (March 31, 2016: ₹ 138.25 crores, April 1, 2015 : ₹ 104.76 crores).

The cash and cash equivalents are held with consortium banks. Group invests its surplus funds in bank fixed deposit, GOI 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 monitor 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.

Other than trade receivables, the Corporation has no other financial assets that are past due but not impaired.

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41.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 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 diversifing its portfolio across instruments and counterparties. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) Financing arrangements

The Group has an adequate fund and non-fund based lines from various banks. The Group has sufficient borrowing limits in place duly, approved by its shareholders and board. Domestic and international credit rating from reputed credit rating agencies enables access of funds both from domestic as well as international market. Group's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. Group diversifies its capital structure with a mix of instruments and financing products across varying maturities and currencies. The financing products include syndicated loans, foreign currency bonds, commercial paper, non-convertible debentures, buyer's credit loan, clean loan etc. Group taps domestic as well as foreign debt markets from time to time to ensure appropriate funding mix and diversification of geographies.

(ii) Maturities of financial liabilities

(₹/ Crores)

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Contractual cash flows								
	31.03.2017			31.03.2016			01.04.2015		
	Upto 1 year	1-3 years	Above 3 years	Upto 1 year	1-3 years	Above 3 years	Upto 1 year	1-3 years	Above 3 years
Non-derivative financial liabilities									
Borrowings and interest thereon	15,400.55	5,038.40	3,022.97	10,893.73	7,275.34	4,859.06	6,028.02	11,086.73	5,927.03
Trade payables	12,699.66			9,464.80			11,582.70		
Other financial liabilities	745.51		10,996.83	849.76		9,397.77	848.10		8,253.85
Total	28,845.72	5,038.40	14,019.80	21,208.29	7,275.34	14,256.83	18,458.82	11,086.73	14,180.88
Derivative financial liabilities									
Interest rate swaps	10.75	9.86	0.54	11.94	22.20	6.45	5.68	1.82	-
Commodity contracts (net settled)	5.14	-	-	-	-	-	-	-	-
Forward exchange contracts (Gross settled)									
Inflows	-	-	-	(333.09)	-	-	-	-	-
Outflows	-	-	-	333.44	-	-	-	-	-
Total	15.89	9.86	0.54	12.29	22.20	6.45	5.68	1.82	-

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41.C.3. Market Risk - Market Risk is further categorised in (i) Currecy risk , (ii) Interest rate risk & (iii) Commodity risk:

41.C.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 forex risk management policy. The corporation 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 instruments to hedge the foreign exchange rate risk as of dates:

Category	Instrument	Currency	Cross Currency	31.03.2017	31.03.2016	01.04.2015	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	-	$ 50.27 mn	-	Buy

Exposure to currency risk - The currency profile of financial assets and financial liabilities is as below:

	31.03.2017		31.03.2016		01.04.2015	
	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)	INR	Exposure in USD (INR terms)
Financial assets						
Non-current investments	594.95	-	419.35	-	611.82	-
Current investments	5,108.74	-	4,991.44	-	5,376.16	-
Long-term loans and advances	406.63	-	481.18	-	392.05	-
Short-term loans and advances	125.49	-	55.82	-	176.88	-
Trade and other receivables	4,010.85	80.81	3,705.64	70.63	3,071.94	145.76
Cash and Cash Equivalents	111.47	-	138.25	-	104.76	-
Other Bank Balances	24.93	-	15.90	-	9.68	-
Others Non Current Financial Assets	-	-	-	-	2.00	-
Others Current Financial Assets	4,317.24	-	4,867.82	-	4,791.27	-
Net exposure for assets - A	**14,700.30**	**80.81**	**14,675.40**	**70.63**	**14,536.56**	**145.76**
Financial liabilities						
Long term borrowings	2,117.13	9,098.55	2,337.34	15,831.60	2,942.52	15,816.61
Short term borrowings	10,914.38	-	3,991.28	-	2,262.98	-
Trade Payables	7,694.37	5,005.29	6,632.22	2,832.58	8,706.47	2,876.23
Other Financial Liabilities	11,744.09	-	10,269.92	-	9,103.90	-
	32,469.97	**14,103.84**	**23,230.76**	**18,664.18**	**23,015.87**	**18,692.84**
Less: Foreign curency forward exchange contracts				333.09		
Net exposure for liabilities - B		**14,103.84**		**18,331.09**		**18,692.84**
Net exposure (Assets - Liabilities)(A - B)		**14,023.03**		**18,260.46**		**18,547.08**

The following significant exchange rates have been applied during the year:

INR	31.03.2017	31.03.2016	01.04.2015
USD	64.8550	66.2525	62.5050

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The above table 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 forecast on currency movement.

Effect in INR	Impact on profit or loss due to 1 % increase / Decrease in currency					
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	31.03.2017		31.03.2016		01.04.2015	
Movement		1%		1%		1%
USD	140.23	(140.23)	182.60	(182.60)	185.47	(185.47)

The above table 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 forecast on currency movement.

41.C.3.2 Interest rate risk

Group's has a 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 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 corporation 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:

Category	Instrument	Currency	Cross Currency	31.03.2017	31.03.2016	01.04.2015	Buy/Sell
Hedges of floating rate foreing currency loans	Interest rate swaps	USD	INR	$ 530 mn	$ 260 mn	$ 200 mn	Buy

Interest rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ / Crores)

	Carrying amount in INR		
	31.03.2017	31.03.2016	01.04.2015
Fixed-rate instruments			
Financial assets	5,175.96	5,062.55	5,451.16
Financial liabilities	12,482.55	5,763.65	4,673.53
Variable-rate instruments			
Financial assets	316.71	324.39	316.62
Financial liabilities	9,647.52	16,396.56	16,348.57

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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.

INR	Profit or loss					
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2017		31.03.2016		01.04.2015	
Floating rate borrowings	(21.15)	21.15	(38.49)	38.49	(40.45)	40.45
Interest rate swaps (notional principal amount)	8.71	(8.71)	3.79	(3.79)	3.02	(3.02)
Cash flow sensitivity (net)	**(12.44)**	**12.44**	**(34.70)**	**34.70**	**(37.43)**	**37.43**

41.C.3.3. Commodity Risk

The Group's activities are exposed to Oil price risks and therefore its Oil Price Risk Management program focuses on reducing the impact of the volatility of International Oil prices. With this objective, Risk Management activities aspire to protect the Margins of the Organization. In order to therefore manage its exposure to the risks associated with volatile Oil market / Commodity prices, the Group enters into derivative contracts in the OTC Market.

The Oil Price Risk Management Committee regularly reviews and monitors risk management principles, policies, and risk management activities.

41.C.3.4. Offsetting

The following table presents the recognised financial instruments that are eligible for offset and other similar arrangements but are not offset, as at 31.03.2017, 31.03.2016 and 01.04.2015. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights are exercised.

(₹ Crores)

	Effect of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the	Financial Instrument collateral	Net Amount
March 31, 2017					
Financial assets					
Trade Receivables	5,416.08	(1,090.21)	4,325.87	(234.21)	4,091.66
Financial liabilities					
Trade Payables	13,789.87	(1,090.21)	12,699.66	-	12,699.66
Other Current Financial Liabilities	5,078.92	-	5,078.92	(234.21)	4,844.71
March 31, 2016					
Financial assets					
Trade Receivables	8,022.23	(3,980.50)	4,041.73	(265.45)	3,776.28
Financial liabilities					
Trade Payables	13,445.30	(3,980.50)	9,464.80	-	9,464.80
Other Current Financial Liabilities	7,947.37	-	7,947.37	(265.45)	7,681.92
April 1, 2015					
Financial assets					
Trade Receivables	7,339.46	(4,121.76)	3,217.70	-	3,217.70
Financial liabilities					
Trade Payables	15,704.46	(4,121.76)	11,582.70	-	11,582.70

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Note 42: Tax expense

(a) Amounts recognised in profit and loss

(₹ Crores)

	2016 - 17	2015 - 16
Current tax expense		
Current year	2,236.24	1,433.56
Changes in estimates relating to prior years	(285.21)	(261.47)
Deferred tax expense		
Origination and reversal of temporary differences	777.84	747.23
Changes in estimates relating to prior years	232.73	141.08
Tax expense recognised in the income statement	**2,961.60**	**2,060.40**

(b) Amounts recognised in other comprehensive income

(₹ Crores)

	2016 - 17			2015 - 16		
	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	(23.65)	8.20	(15.45)	(5.57)	1.93	(3.64)

(c) Reconciliation of effective tax rate

	31.03.2017		31.03.2016	
	%	₹ Crores	%	₹ Crores
Profit before tax		**11,197.42**		**6,735.10**
Tax as per Corporate Tax Rate	**34.608%**	**3,875.20**	**34.608%**	**2,330.88**
Tax effect of:				
Non-deductible tax expenses	-0.087%	(9.69)	3.537%	238.23
Tax-exempt income	-0.987%	(110.56)	-0.039%	(2.60)
Interest expense u/s 234B/C not deductible for tax purposes	0.083%	9.25	0.164%	11.03
Deduction for research and development expenditure	-0.768%	(85.97)	-0.971%	(65.39)
Investment allowance claim	-0.907%	(101.59)	-1.361%	(91.64)
Share in profit/ loss of equity accounted investees	-7.167%	(802.55)	-4.841%	(326.07)
Losses of Subsidiary not available for set-off in Group profit	0.734%	82.24	1.126%	75.87
Deferred tax assets on Unrealised profits	0.158%	17.69	-0.443%	(29.87)
Deferred tax Liability on Undistributed earnings	1.178%	131.87	0.570%	38.42
Adjustments recognised in current year in relation to the current tax of prior years	-0.469%	(52.48)	-1.787%	(120.38)
Amounts directly recognised in OCI	0.073%	8.20	0.029%	1.93
Income Tax Expense	**26.449%**	**2,961.60**	**30.592%**	**2,060.41**

(d) Movement in deferred tax balances

	Net balance 01.04.2016	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2017
Deferred tax Asset				
Provision for Employee Benefits	211.83	41.68	2.54	256.05
Current investments	166.78	(77.40)	-	89.38
MAT Credit	429.57	(112.70)	-	316.87
Provision for Doubtful Debts & Receivables	87.59	0.67	-	88.26
Disallowance u/s 43B	102.42	(1.27)	-	101.15
Others	75.93	(55.76)	-	20.17
	1,074.12	**(204.78)**	**2.54**	**871.88**
Deferred Tax Liabilities				
Property, plant and equipment	5,866.68	872.15	-	6,738.83
Undistributed earnings	145.39	121.14		266.53
Others	96.25	(80.46)	-	15.79
	6,108.32	**912.83**	-	**7,021.15**
Deferred Tax (assets) / Liabilities	**5,034.20**	**1,117.61**	**(2.54)**	**6,149.27**

	Net balance 01.04.2015	Recognised in profit or loss	Recognised in OCI	Net balance 31.03.2016
Deferred tax Asset				
Provision for Employee Benefits	272.62	(57.16)	(3.63)	211.83
Current investments	172.57	(5.79)	-	166.78
MAT Credit	344.33	85.24	-	429.57
Provision for Doubtful Debts & Receivables	82.22	5.37	-	87.59
Disallowance u/s 43B	93.09	9.33	-	102.42
Others	29.95	45.98	-	75.93
	994.78	**82.97**	**(3.63)**	**1,074.12**
Deferred Tax Liabilities				
Property, plant and equipment	5,101.59	765.09	-	5,866.68
Undistributed earnings	117.22	28.17		145.39
Others	15.64	80.61	-	96.25
	5,234.45	**873.87**	-	**6,108.32**
Tax assets (Liabilities)	**4,239.67**	**790.91**	**3.63**	**5,034.20**

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Note 43 : Leases

Operating Lease

A. Leases as lessee

a) 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 future minimum lease payments and payment profile of non-cancellable operating leases are as under:

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were payable as follows:

(₹ Crores)

	31.03.2017	31.03.2016
Less than one year	11.34	10.29
Between one and five years	45.87	40.05
More than five years	361.97	308.16
	419.18	**358.50**

(₹ Crores)

	31.03.2017	31.03.2016
ii. Amounts recognised in profit or loss		
Lease expense	335.09	552.40

Note 44 : Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders

(₹ Crores)

	31.03.2017	31.03.2016
Profit attributable to equity holders for basic and diluted earnings per share	**8,235.82**	**4,674.69**

ii. Weighted average number of ordinary shares

	31.03.2017	31.03.2016
Issued ordinary shares at April 1	3386,27,250	3386,27,250
Effect of shares issued as Bonus shares*	6772,54,500	6772,54,500
Weighted average number of shares for basic and diluted earnings per shares	**10158,81,750**	**10158,81,750**
Basic and Diluted earnings per share	**81.07**	**46.02**

*The Company has issued bonus shares @ 2:1 during 2016-17. The EPS for 2016-17 and 2015-16 has been appropriately adjusted.

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Note 45 : Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using debt equity ratio. The Group's debt to equity ratio at March 31, 2017 is as follows.

	31.03.2017	31.03.2016	01.04.2015
Long term borrowings (refer note # 21)	11,215.68	18,168.94	18,759.13
Total equity (refer note # 20a and 20b)	21,071.43	16,663.78	14,055.37
Debt to Equity ratio	**0.53**	**1.09**	**1.33**

Note 46 : Dividends

	31.03.2017	31.03.2016
(i) Dividends paid during the year		
Final dividend for the year ended 31.03.2016 of ₹ 16.00 (31.03.2015 ₹ 24.50) per fully paid share. This included Dividend distribution tax of ₹ 110.30 crores (31.03.2015 ₹ 168.89 crores).	652.10	998.53
First Interim dividend for the year ended 31.03.2017 of ₹ 22.50 (31.03.2016 – ₹ 11.50) per fully paid share. This included Dividend distribution tax of ₹ 465.32 crores (31.03.2016 ₹ 79.28 crores)	2,751.05	468.70
Second Interim dividend for the year ended 31.03.2017 of ₹ 6.40 (31.03.2016 – ₹ 7) per fully paid share. This included Dividend distribution tax of ₹ 132.36 crores (31.03.2016 ₹ 48.26 crores)	782.52	285.30
(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 ₹ 1.10 per fully paid equity share (31.03.2016 – ₹ 16.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	111.75	541.80
Dividend distribution tax on above	22.75	110.30

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47. The Group has accounted the discount of ₹ Nil (2015-16: ₹ 190.33 crores) on Crude Oil purchased from ONGC and has adjusted it against purchase cost of Crude Oil.

48. During the current financial year 2016-17, Subsidy on PDS Kerosene and Domestic Subsidized LPG from Central and State Governments amounting to ₹ 20.01 crores (2015-16: ₹ 11.77 crores) has been accounted.

49. Approval of Government of India for Budgetary Support amounting to ₹ 1,272.57 crores (2015-16: 1,761.26 crores) has been received and the same has been accounted under 'Recovery under Subsidy Schemes'.

50. (a) Inter-Oil company transactions are reconciled on a continuous basis. However, year end balances are subject to confirmation/reconciliation which is not likely to have a material impact.
(b) Customers' accounts are reconciled on an ongoing basis and such reconciliation is not likely to have a material impact on the outstanding or classification of the accounts.

51. 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.

52. In accordance with the option exercised by the Company as referred in note # 20(a), an exchange loss of ₹ 0.44 crores (2015-16: ₹ 194.80 crores) related to non-depreciable assets is remaining to be amortized over the balance period of loan in "Foreign Currency Monetary Item Translation Difference Account" as at March 31, 2017.

53. (a) Current Tax includes MAT Credit utilisation of ₹ 327.03 Crore (2015-16: ₹ 133.61 Crore).

(b) The recognition of MAT Credit Entitlements of ₹ 316.87 Crore as at March 31, 2017 (₹ 429.57 Crore as at March 31, 2016) is on the basis of convincing evidence that the Group will be able to avail the credit during the period specified in section 115JAA of the Act.

(c) Provision for tax for earlier years written back(net) of ₹ 52.48 Crore (2015-16: ₹ 120.38 Crore) represents reversal of excess provision towards current tax of ₹ 216.40 Crore (2015-16 : ₹ 249.75 Crore), additional provision towards deferred Tax of ₹ 232.73 Crore (2015-16: ₹ 141.08 Crore) and recognition of MAT credit Entitlements of ₹ 68.81 Crore (2015-16: ₹ 11.71 Crore).

54. To the extent Micro and Small Enterprises have been identified, the outstanding balance, including interest thereon, if any, as at balance sheet date is disclosed on which Auditors have relied upon:

(₹ /Crores)

Sr. No.	Particulars	2016-17	2015-16	01.04.2015
1.	Amounts payable to "suppliers" under MSMED Act, as on 31/03/17: - Principal - Interest	 22.76 -	 18.55 -	 15.19 -

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2.	Amounts paid to "suppliers" under MSMED Act, beyond appointed day during F.Y. 2016 – 17 (irrespective of whether it pertains to current year or earlier years) – - Principal - Interest	- -	- -	
3.	Amount of interest due / payable on delayed principal which has already been paid during the current year (without interest or with part interest)	-	-	
4.	Amount accrued and remaining unpaid at the end of Accounting Year	-	-	
5.	Amount of interest which is due and payable, which is carried forward from last year	-	-	

55. **Related Party Disclosure:**

A. Names of and Relationship with Related Parties

1. Jointly controlled entities

i. HPCL-Mittal Energy Ltd.
ii. Hindustan Colas Pvt. Ltd.
iii. South Asia LPG Company Pvt. Ltd.
iv. Petronet India Ltd.
v. HPCL Shapoorji Energy Pvt. Ltd.

2. The Company has not included disclosure in respect of following related parties which are Govt. related entities as per Ind AS 24.

i. Subsidiaries

1. HPCL Biofuels Ltd.
2. Prize Petroleum Company Ltd.

ii. Jointly controlled entities

1. CREDA-HPCL Biofuels Ltd.
2. HPCL Rajasthan Refinery Ltd.
3. Bhagyanagar Gas Ltd.
4. Petronet MHB Ltd.
5. Mumbai Aviation Fuel Farm facility Pvt. Ltd.
6. Godavari Gas Pvt Ltd
7. Aavantika Gas Ltd..

iii. Associates

1. GSPL India Gasnet Ltd.
2. GSPL India Transco Ltd.
3. Mangalore Refinery and Petrochemicals Ltd.

3. Key Management Personnel

i. Shri Mukesh Kumar Surana, Chairman and Managing Director (w.e.f. 01.04.2016)
ii. Shri J. Ramaswamy, Director – Finance

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iii. Shri Vinod S. Shenoy, Director – Refineries (from 01-11-2016)
iv. Shri B. K. Namdeo, Director- Refineries (till 31.10.2016)
v. Shri S. Jeyakrishnan, Director – Marketing (from 01-11-2016)
vi. Shri Y.K. Gawali, Director – Marketing (till 31.10.2016)
vii. Shri Pushp Kumar Joshi, Director - Human Resources
viii. Shri Shrikant Madhukar Bhosekar, Company Secretary

4. **Independent Directors**
   i. Shri Ram Niwas Jain, Independent Director
   ii. Smt. Asifa Khan (from 13.02.2017)
   iii. Shri G.V. Krishna (from 13.02.2017)
   iv. Dr. Trilok Nath Singh (from 20.03.2017)

B. Details of transactions with related parties

1. Transaction with Jointly controlled entities (₹ / Crores)

No.	Nature of Transactions	2016-17	2015-16
(i)	**Sale of goods**		
	HPCL-Mittal Energy Ltd.	86.61	127.77
	Hindustan Colas Pvt. Ltd.	332.48	268.28
	South Asia LPG Company Pvt. Ltd.	0.17	0.18
		419.26	**396.23**
(ii)	**Purchase of goods**		
	HPCL-Mittal Energy Ltd.	23101.18	23,593.34
	Hindustan Colas Pvt. Ltd.	115.34	159.00
		23,216.52	**23,752.34**
(iii)	**Dividend income received**		
	Hindustan Colas Pvt. Ltd.	16.54	22.87
	South Asia LPG Company Pvt. Ltd.	32.50	27.50
	Petronet India Ltd.	3.68	-
		52.72	**50.37**
(iv)	**Services given (Manpower Supply Service)**		
	HPCL-Mittal Energy Ltd.	0.42	0.39
	Hindustan Colas Pvt. Ltd.	2.03	2.04
	South Asia LPG Company Pvt. Ltd.	1.21	1.28
		3.66	**3.71**
(v)	**Lease rental received**		
	HPCL-Mittal Energy Ltd.	1.20	1.20
	Hindustan Colas Pvt. Ltd.	0.23	0.24
	South Asia LPG Company Pvt. Ltd.	0.87	1.68
		2.30	**3.12**
(vi)	**Others – (Services provided)**		
	HPCL-Mittal Energy Ltd.	14.25	24.07
	Hindustan Colas Pvt. Ltd.	3.02	2.39
	South Asia LPG Company Pvt. Ltd.	0.58	0.39

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		17.85	**26.85**
(vii)	**Others - (Services availed)**		
	HPCL-Mittal Energy Ltd.	15.60	13.51
	Hindustan Colas Pvt. Ltd.	2.36	4.74
	South Asia LPG Company Pvt. Ltd.	125.12	93.61
		143.08	**111.86**
(viii)	**Purchases of Equity shares of M/s Petronet MHB Ltd. from Petronet India Ltd**	**26.09**	-
(ix)	**Investment in equity shares / Converted to Equity Shares**		
	HPCL-Mittal Energy Ltd.	-	248.82
	HPCL Shapoorji Energy Pvt. Ltd.	1.50	6.50
		1.50	**255.32**

No.	Description	31.03.2017	31.03.2016	01.04.2015
(x)	**Receivables as on**			
	HPCL-Mittal Energy Ltd.	8.28	0.36	12.39
	Hindustan Colas Pvt. Ltd.	10.82	5.04	32.97
	South Asia LPG Company Pvt. Ltd.	0.12	0.11	0.96
		19.22	**5.51**	**46.32**
(xi)	**Payables as on**			
	HPCL-Mittal Energy Ltd.	1,321.25	1,220.35	1448.47
	Hindustan Colas Pvt. Ltd.	25.74	16.84	21.37
	South Asia LPG Company Pvt. Ltd.	13.94	11.53	8.89
		1,360.93	**1,248.72**	**1478.73**

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.

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D. Remuneration paid to Key Management Personnel*

(₹ /Crores)

No.	Description	2016-17	2015-16
(i)	Short – Term Employee Benefits	3.66	3.23
(ii)	Post – Employment Benefits	0.23	0.51
		3.89	**3.74**

* 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	31.03.2017	31.03.2016	01.04.2015
(i)	Smt. Nishi Vasudeva		-	0.02
(ii)	Shri Mukesh Kumar Surana	0.11	-	-
(iii)	Shri K. V. Rao		-	0.00
(iv)	Shri J Ramaswamy	0.01	0.02	-
(v)	Shri Pushp Kumar Joshi	0.06	0.06	0.07
(vi)	Shri Shrikant Madhukar Bhosekar	0.04	0.05	0.05
(vii)	Shri S Jeyakrishnan	0.26	-	-
(viii)	Shri Vinod S Shenoy	0.09	-	-
		0.57	**0.13**	**0.14**

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
Board	0.04	0.01	0.01	0.01
Audit Committee	0.02	-	-	-
Nomination & Remuneration Committee	0.00	-	-	-
Stakeholders Relationship Committee	0.00	-	-	-
Investment Committee	0.00	-	-	-
CSR & SD Committee	0.02	-	-	-
Total Sitting Fees Paid	**0.08**	**0.01**	**0.01**	**0.01**

56. The Group has entered into production sharing oil & gas exploration contracts in India in consortium with other body corporate. These consortia are:

Name of the Block	Participating Interest of HPCL in %		
	31.03.2017	31.03.2016	01.04.2015
In India			
Under NELP IV			
KK- DWN-2002/2	20	20	20
KK- DWN-2002/3	20	20	20
CB- ONN-2002/3	15	15	15

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Under NELP V			
AA-ONN-2003/3	15	15	15
Under NELP VI			
CY-DWN-2004/1	10	10	10
CY-DWN-2004/2	10	10	10
CY-DWN-2004/3	10	10	10
CY-DWN-2004/4	10	10	10
CY-PR-DWN-2004/1	10	10	10
CY-PR-DWN-2004/2	10	10	10
KG-DWN-2004/1	10	10	10
KG-DWN-2004/2	10	10	10
KG-DWN-2004/3	10	10	10
KG-DWN-2004/5	10	10	10
KG-DWN-2004/6	10	10	10
MB-OSN-2004/1	20	20	20
MB-OSN-2004/2	20	20	20
RJ-ONN-2004/1	22.22	22.22	22.22
RJ-ONN-2004/3	15	15	15
Under NELP IX			
MB-OSN-2010/2	30	30	30
Cluster – 7	60	60	60
In Respect of PPCL			
In India			
SR-ONN-2004/1	10	10	10
AA ONN 2010/1	50	20	20
Sanganpur Field	50	50	50
Outside India			
Yolla Field (Australia) Licence T/L-1	11.25	11.25	11.25
Cluster 7	9.75	9.75	9.75

In Respect of HPCL

a) The Blocks CY-DWN-2004/1,2,3,4, CY-PR-DWN-2004/1&2, RJ-ONN-2004/1&3, KK-DWN-2002/2, MB-OSN-20010/2, MB-OSN-2004/1, MB-OSN-2004/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2016. Blocks KG-DWN-2004/1,2,3,5 and 6 are under relinquishment and the operating committee had decided not to maintain books of accounts for the projects as they are under relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2015. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2017.

b) The Blocks AA-ONN-2003/3 and KK-DWN-2002/3 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2011 and March 31, 2012 respectively. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2017.

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c) The block CB-ONN-2002/3 was awarded under NELP IV bidding round and the production sharing contract was signed on 06.02.2004. The exploration Minimum Work Program has been completed. The block is divided into two areas i.e. Miroli and Sanand. Approval of Mining Lease to commence production from Sanand field has been received from Govt. of Gujarat. Preparation of addendum to Sanand FDP (Field development plan) for additional discovery in Kalol reservoir is in progress.

d) In respect of Cluster – 7, the matter is under arbitration. Please refer Note # 63.1.

b) In respect of PPCL

1.1 ONGC Onshore Marginal Fields

The Company was awarded Service Contracts dated 28th April, 2004, for development of ONGC's Hirapur, Khambel and West Bechraji onshore marginal oil fields.

The Company executed Agreements for development of Hirapur, Khambel and West Bechraji onshore marginal fields with Valdel Oil and Gas Private Limited (VALDEL) with equal share in the Service Contracts. The Service Contracts in respect of Khambel and West Bechraji had been terminated in February, 2009 by ONGC and the Service Contract with respect to Hirapur field is operating currently.

The Company's share of assets and liabilities as at 31st March 2017 and the Income and expenditure for the year in respect of above joint venture is as follows:

(₹ / crores)

	Particulars	31.03.2017	31.03.2016	01.04.2015
A	Property, Plant & Equipment (Gross)	9.99	9.99	9.99
B	Intangible asset under development	1.36	1,36	1.36
C	Other Net Non-Current Assets	(0.02)	(0.02)	(0.02)
D	Net Current Assets (*)	1.39	1.25	1.03
E	Income	1.02	1.05	0.98
F	Expenditure	1.27	1.24	1.21

(*) Includes receivable from joint venture amounting to ₹. 0.82 Crs. (for FY 15-16 – ₹. 0.78 Crs. and for FY 14-15 - ₹. 0.60 Crs.).

1.2 Sanganpur Field

The Company acquired 50% participating interest in Sanganpur field from M/s Hydrocarbon Development Company Pvt. Ltd. (HDCPL) effective 1st September, 2004. Accumulated amount prior to acquisition of Sanganpur field amounting Rs.1,18 Crs. have been included in Sanganpur field Assets. The Company has accounted its proportionate share in the Sanganpur field based on estimated un-Audited accounts as at 31st March, 2017.

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.

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Presently the Operation in Sanganpur field is continued by HDCPL as before. Product dispatch is also continuing.

The Company's share of assets and liabilities as at 31st March 2017 and the Income, expenditure for the year in respect of above joint venture is as follows:

(Rs. /crore)

	Particulars	FY 2016-17	FY 2015-16	FY 2014-15
A	Property, Plant & Equipment (Gross)	5.63	5.63	5.63
B	Other Net Non-Current Assets	(0.02)	(0.02)	(0.02)
C	Net Current Assets (*)	(0.1)	(0.1)	(0.08)
D	Income	0.09	0.05	0.13
E	Expenditure	0.09	0.08	0.22

(*) Includes payable to joint venture amounting to ₹. 0.05 Crs. (for FY 15-16 – ₹ 0.04 Crs. and for FY 14-15 - ₹ 0.08 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 Trenergy (PI – 30%) was awarded a Contract vide letter of award dated 31st March, 2006 for the development of ONGC's offshore marginal Oilfields viz. B -192, B - 45 and WO – 24. The Service Contract for Cluster-7 was signed on 27th September, 2006 between ONGC and Consortium members. The Company is the Executing Contractor and its participating interest (PI) is 10%.
The said Service Contract was terminated by ONGC. Subsequently, HPCL/PPCL started arbitration proceedings against Trenergy which are still in progress, hence the joint bank account has not been closed on the advise of the legal department- HPCL.

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).

The Company's share of assets and liabilities as at 31st March, 2017 in respect of above joint venture is as follows:

(₹/ crores)

	Particulars	FY 2016-17	FY 2015-16	FY 2014-15
A	Property, Plant and Equipment (Gross)	0.00	0.00	0.00
B	Intangible asset under development	-	-	-
C	Other Net Non-Current Assets	0.00	0.00	0.00
D	Net Current Assets (*)	2.81	2.46	1.34
E	Expenditure (*)	0.04	0.16	0.81

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(*) Includes receivables from joint venture amounting to ₹ 2,42 Crs. (for FY 15-16 - ₹.2,07 Crs. and for FY 14-15 - ₹.0.95 Crs.)
(**) Includes ₹ NIL (for FY 15-16 ₹. Nil and for FY 14-15 - ₹.0.13 Crs.) written off towards dry wells cost. Also includes Inventory written off amounting to ₹. Nil (for FY 15-16 –NIL and for FY 2014-15 - ₹.0.31 Crs.)

2. Estimated Hydrocarbon Proven Reserves as on 31st March, 2017 in the Oil fields as follows:

a) Domestic Operations (Hirapur and Sanganpur (On-shore Marginal Fields))
(*) The Company Share is 50% of total

Particulars (*)	FY 2016-17		FY 2015-16	
	MM BBLS	MMT	MM BBLS	MMT
Recoverable Reserves	3.01	0.403	3.04	0.409

International Operations (Yolla Field, Australia – License T/L 1 – Offshore Filed)

Particulars	FY 2016-17	FY 2015-16
	MM BoE	MM BoE
Recoverable Reserves	2.049	3.912

(*) The Company Share is 11.25% of total

3. Quantitative Particulars of Petroleum:-

Particulars (*)	FY 2016-17	FY 2015-16
Total Dry Crude Production	BoE	BoE
Hirapur Field	36,503	38,221
Sanganpur Field	541	296
Yolla Field (T/L1) Australia	429,582	460,068
TOTAL	466,626	498,585

57. Primarily due to the fall in the international crude oil prices, the assets of PPIPL in the Bass Gas project (License T/L1 & Permit T/18P) were tested for impairment. During the financial year, PPIPL has recognized an impairment loss amounting to USD 22.98 million (₹149.06 Crs.) and has reduced the carrying amount of these assets.

The asset valuation is based on recoverable reserve production profit against various estimates and assumptions. The post-tax discount rate of 9.50% for T/L1 and 9.75% for T/18P has been used to estimate the value in use of these assets.

58. 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 HMEL and HPCL Rajasthan Refinery

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Limited) 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 Govt. of India. As per financial position as on 31st march 2017, the investments in joint ventures and wholly owned subsidiaries are well within 30% limit.

59. 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.

60. The Corporation had complied with the requirement of para 4 (a) of Notes to Schedule II to the Companies Act, 2013 relating to componentization from 2015-16. As per para 7 (b) of Schedule II to the Companies Act, 2013, the Corporation has charged ₹ 219.49 crores to Statement of Profit and Loss for 2015 - 16 as one-time impact.

61. 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.

62. During the year 2016 – 17, Group has spent ₹ 108.11 Crores (2015-16: ₹ 71.80 Crores) towards Corporate Social Responsibility (CSR) as against the budget of ₹ 107.90 crores (2015-16: ₹ 71.67 Crores).

Head wise break up of CSR expenses are given below: **(₹ in Crores)**

S.No.	Head of Expenses	2016-17	2015-16
1	Empowerment of Socially and Economically Backward groups	4.91	4.37
2	Imparting Employment Enhancing Vocation Skills	11.48	5.38
3	Promoting Education	27.24	16.00
4	Promoting Preventive Health Care	11.76	11.64
5	Promotion of Nationally Recognised and Paralympic Sports	0.99	0.68
6	Swachh Bharat Abhiyan	10.15	15.82
7	Environmental Sustainability	16.58	17.87
8	Others	25.00	0.04
	Total	**108.11**	**71.80**

Amount spent during the year 2016-17 on:-

(₹ In Crores)

Details	In Cash	Yet to be paid in Cash	Total
(i) Construction / Acquisition of an assets			
(ii) On purpose other than (i) above	108.11	-	108.11

Amount spent during the year 2015-16 on:-

Details	In Cash	Yet to be paid in	Total

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		Cash	
(i) Construction / Acquisition of an assets			
(ii) On purpose other than (i) above	71.80	-	71.80

63. **Contingent Liabilities and Commitments**

(₹ in Crores)

		31.03.2017	31.03.2016	01.04.2015
I.	**Contingent Liabilities**			
A.	No provision has been made in the accounts in respect of the following disputed demands/claims since they are subject to appeals/representations filed by the Group			
	i. Income Tax	147.49	188.57	176.58
	ii. Sales Tax/Octroi	2,145.28	2,174.29	2,483.98
	iii. Excise/Customs	345.94	280.40	353.26
	iv. Land Rentals & Licence Fees	155.97	88.94	181.83
	v. Others	67.80	74.86	111.77
		2,862.48	**2,807.06**	**3,307.42**
B.	Contingent Liabilities not provided for in respect of appeals filed against the Group			
	i. Income Tax	15.29	15.29	12.79
	ii. Sales Tax/Octroi	20.87	14.07	3.48
	iii. Excise/Customs/Service Tax	93.39	83.97	84.62
	iv. Employee Benefits/Demands			
	(to the extent quantifiable)	210.11	214.07	362.71
	v. Claims against the Group not acknowledged as debt	516.91	517.63	803.78
	vi. Others	219.82	444.00	439.79
		1,076.39	**1,289.03**	**1,707.17**
C.	Guarantees given to others	**161.25**	**170.95**	**228.07**

(Includes ₹ 546.27 (31.03.16 :₹ 496.31 Crores ; 01.04.15 : ₹ 554.52 Crores) towards share of jointly controlled entities)
(Includes ₹ 239.77 crores (31.03.16: ₹ 288.73 crores ; 01.04.15 : ₹ 231.19 crores) towards share of jointly controlled operations)

63.1 : A claim of ₹ 276.28 crores (42.60 Million USD @ Exchange rate of 1 US = $ 64.855), claim by M3nergy on termination of service contract of Cluster - 7 field, which was awarded by ONGC to the consortium of M3nergy (Malaysia) BHD (30%) and Group (70%). Group has also initiated arbitration proceedings against M3nergy. The share of the claim of the company is ₹ 1016.28 crores with loss of profit and other expenses etc. Arbitration was bifurcated into two aspects one is liability and the other is quantification. Liability aspects have been held in favour of Group and by an interim award by Hon'ble Arbitral Tribunal, which has been challenged by M3nergy in Bombay High Court. The said Partial Award has been challenged by M3energy before High Court of Bombay wherein Court refused the request of M3nergy to stay arbitration proceedings. The matter is pending for further arguments.

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	The final hearing set of hearing before the before the Hon'ble Arbitral Tribunal dealing with nature and extent of relief to be granted to the Company and HPCL as well as question of costs were held on November 4-5, 2016, as the oral argument could not be completed, by M3nergy filed their written submission on Apr 6, 2017. The rejoined to the same is now to be filed by the Group. This amount is not included above.			
II.	**Commitments**			
A.	Estimated amount of contracts remaining to be executed on Capital Account not provided for	3,921.00	4,037.26	2,773.40
B.	Other Commitments (for Investments in Joint Ventures)	29.76	31.93	25.52
(Includes ₹ 296.48 (31.03.16 : ₹ 408.72 Crores ;01.04.15 : ₹ 419.99 Crores) towards share of jointly controlled entities) (Includes Nil (31.03.16: ₹ 100.62 crores ;01.04.15 : ₹ 94.93 crores) towards share of jointly controlled operations)				

64. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are produced herein below:

(in full Rupees)

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	1163,67,000	53,67,614	1217,34,614
(+) Permitted receipts	22676,62,000	12015,27,273	34691,89,273
(-) Permitted payments	4,14,000	38,30,706	42,44,706
(-) Amount deposited in Banks	23836,15,000	11487,76,664	35323,91,664
Closing cash in hand as on 30.12.2016	-	542,87,517	542,87,517

65. Based on 3rd Pay Revision Committee recommendation, a provision of ₹ 449.52 crores have been made towards increase in gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs and revision in salary for management staff w.e.f. 01.01.2017.

66. In compliance of Ind AS – 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

Particulars	Opening Balance as on 01.04.16	Additions	Utilization	Reversals	Closing Balance 31.03.17
Excise	0.59	0.00	0.00	0.00	0.59
Sales Tax	323.29	6.31	0.00	4.95	324.65
Service Tax	12.59	0.00	0.00	0.00	12.59
Others	331.22	82.12	1.97	0.45	410.92
Total	667.69	88.43	1.97	5.40	748.75
Less: Pre Deposit	-	-	-	-	63.21
Net	667.69	88.43	1.97	5.40	685.54

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HINDUSTAN PETROLEUM CORPORATION LIMITED

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

Particulars	Opening Balance as on 01.04.15	Additions	Utilization	Reversals	Closing Balance 31.03.16
Excise	0.59	0.00	0.00	0.00	0.59
Sales Tax	82.66	266.10	8.27	17.20	323.29
Service Tax	12.58	0.00	0.00	0.00	12.58
Others	62.93	285.36	17.07	0.00	331.22
Total	158.76	551.46	25.34	17.20	667.69

The above provisions are made based on estimates and expected timing of outflows is not ascertainable at this stage.

67. **Threshold limits adopted in respect of financial statements is given below:**

Threshold item	Unit of measurement	Threshold limits
Capitalization of spare parts meeting the definition of property plant and equipment.	₹ Lakhs	10.00
Deprecation at 100% in the year of acquition 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

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68. 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 March 31, 2017	Reportable segments				
Particulars	**Downstream**	**Others**	**Total Segments**	**Adjustments & Eliminations**	**Consolidated**
Revenue					
External Customers	2,13,802.64	419.37	2,14,222.01	-	2,14,222.01
Inter-segment	0.35	44.90	45.25	(45.25)	-
Total Revenue	**2,13,802.99**	**464.27**	**2,14,267.26**	**(45.25)**	**2,14,222.01**
Segment profit / (loss) [EBIT]	**8,850.72**	**(166.99)**	**8,683.73**	**95.34**	**8,779.07**
Interest Income / (expenses) :					
Interest Income					708.61
Interest expense					(609.24)
Profit before tax and share of Profit in equity accounted investees					**8,878.44**
Share of profit of equity accounted investees					2,318.98
Profit before tax (PBT)					**11,197.42**
Income tax expense					(2,961.60)
Profit after Tax (PAT)					**8,235.82**
Other Comprehensive Income (Net of Tax)					**163.07**
Total Comprehensive Income					**8,398.89**
Segment assets	**79,195.95**	**1,123.09**	**80,319.04**		**80,319.04**
Segment liabilities	**58,232.18**	**1,015.43**	**59,247.61**		**59,247.61**
Other disclosures:					
Depreciation and amortization	2,535.28	241.09	2,776.37	-	2,776.37
Investment in equity accounted investees			-	-	6,069.75
Material non-cash items other than depreciation and					262.76
Capital expenditure					5,783.04

₹/ Crores

For the year ended March 31, 2016	Reportable segments				
Particulars	**Downstream**	**Others**	**Total Segments**	**Adjustments & Eliminations**	**Consolidated**
Revenue					
External Customers	1,97,743.40	220.92	1,97,964.32	-	1,97,964.32
Inter-segment	0.42	28.46	28.88	(28.88)	-
Total Revenue	**1,97,743.82**	**249.38**	**1,97,993.20**	**(28.88)**	**1,97,964.32**
Segment profit / (loss) [EBIT]	**5,770.11**	**(155.90)**	**5,614.21**	**233.09**	**5,847.30**
Interest Income / (expenses) :					
Interest Income					668.71
Interest expense					(723.18)
Profit before tax and share of Profit in equity accounted investees					**5,792.83**
Share of profit of equity accounted investees					942.27
Profit before tax (PBT)					**6,735.10**
Income tax expense					(2,060.41)
Profit after Tax (PAT)					**4,674.69**
Other Comprehensive Income (Net of Tax)					**(191.39)**
Total Comprehensive Income					**4,483.30**
Segment assets	**68,081.13**	**1,471.88**	**69,553.01**		**69,553.01**
Segment liabilities	**51,724.35**	**1,164.89**	**52,889.24**		**52,889.24**
Other disclosures :					
Depreciation and amortization	2,653.21	192.88	2,846.09	-	2,846.09
Investment in equity accounted investees					3,773.73
Material non-cash items other than depreciation and amortisation					217.90
Capital expenditure					6,278.51

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69.

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		
	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
Assets:						
Non Current Assets	24,610.12	25,182.12	25,381.86	22,804.36	23,936.46	23,970.32
Current Assets						
Cash and Cash equivalents	72.60	12.20	64.80	246.15	1,355.32	1,367.12
Other current Assets (Excluding cash and cash equivalents)	7,597.07	4,591.03	7,541.60	9,760.58	18,760.11	15,971.93
Total (A)	**32,279.79**	**29,785.35**	**32,988.26**	**32,811.09**	**44,051.89**	**41,309.37**
Liabilities:						
Non Current Liabilties						
Non-Current Financial Liabilities (excluding Trade/Other payables and Provisions)	16,873.70	17,915.30	22,316.10	8,590.95	8,952.02	11,747.69
Other Non current Liabilities	671.83	621.50	236.10	439.08	596.89	907.51
Current Liabilities						
Current-Financial Liabilties (excluding Trade/Other payables and Provisions)	3,112.20	4,318.30	5,046.40	7,750.07	6,691.31	4,438.39
Other Current Liabilities	4,107.80	2,624.30	2,993.50	6,557.40	21,796.22	19,005.64
Total (B)	24,766	25,479.40	30,592.10	23,337.50	38,036.44	36,099.23
Net Assets included in Financial Statement of Joint Venture/Associate	7,514.26	4,305.94	2,396.16	9,473.59	6,015.45	5,210.14
Ownership Interest	48.99%	48.99%	48.94%	16.96%	16.96%	16.96%
Carrying amount of Interest in Joint Venture/Associate	3,681.42	2,109.59	1,172.66	1,606.25	1,019.92	883.38
Quoted Market Price	N.A.	N.A.	N.A.	3,169.14	1,992.41	1,995.39

* The information provided above is after considering adjustment due to alignment of accounting policies and inter-company eliminations.

Other Information:	FY 2016-17 (₹/Crores)	FY 2015-16	FY 2016-17 (₹/Crores)	FY 2015-16
Revenue	42,488.60	40,327.70	59,989.14	50,962.33
Dividend Income	-	-	26.80	117.32
Interest Income	12.00	18.10	378.37	689.86
Interest Expenses	1,073.10	1,711.80	965.92	1,080.33
Depreciation	1,138.70	1,147.20	984.12	1,013.04
Income tax expenses	1,160.60	495.20	1,760.64	(219.26)
Group's share of Profit / Loss	**3,209.32**	**1,404.71**	**3,462.48**	**805.24**
Group's share in Other Comprehensive Income (Net of Tax)	(1.00)	(0.20)	(4.78)	0.07
Group's share in Total Comprehensive Income	**3,208.32**	**1,404.51**	**3,457.70**	**805.30**

II. Details of all individually immaterial equity accounted investees :

(₹/Crores)

	Joint Ventures			Associates		
	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
Carrying amount of Investment in equity accounted investees	**727.84**	**601.75**	**505.19**	**54.24**	**42.47**	**36.76**
Group's Share of Profit or Loss from Continuing Operations	**168.32**	**117.33**		**0.22**	**0.21**	
Group's share in other comprehensive income.	-0.03	0.11		-	-	
Group's share in Total comprehensive income.	**168.28**	**117.44**		**0.22**	**0.21**	

Note 70 : Employee benefit obligations

A: Provident Fund

The Group's Contribution to the provident fund is remitted to a seperate trust established for this purpose based on a fixed percentage of the elligible employees salary and charged to the 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 the statement of profit and loss. The Actual return earned by the fund has mostly been higher than Government specified minimum rate of return in the past years. There is no shortfall in the fund as on 31st March 2016, as on 31st March 2016 and 1st April, 2015.

Present value of benefit obligation at period end is ₹ 3,438.00 crores (31.03.2016 : ₹ 3,156.89; 01.04.2015 : ₹ 2,852.56 crores)

During the year, the company has recognised ₹ 128.90 crore (2015-16 : ₹ 120.46 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss.

B: Superannuation Fund

The Group has Superannuatin Scheme - Defined Contribution Scheme maintained by SBFS trust wherein Company contributes a certain percentage every month out of 30% of Basic plus DA (in accordance with DPE guidelines) to the credit of individual employee accounts maintained with LIC.

During the year, the company has recognised ₹ 152.15 crore (2015-16 : ₹ 178.34 crore) as Employer's contribution to Superannuation Fund in the statement of Profit and Loss.

C: The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ / crore)

S#		Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity Unfunded
1	**Present value of projected benefit obligation**						
	Present value of Benefit Obligation at the beginning of the period	**495.06**	**562.61**	**64.84**	**32.14**	**13.57**	**0.63**
		501.31	504.15	57.84	33.71	2.49	0.48
	Interest Cost	**39.56**	**45.35**	**5.05**	**2.50**	**1.08**	**0.05**
		38.19	42.45	4.21	2.44	0.20	0.04
	Current Service Cost	**4.90**	**49.08**	-	-	**2.52**	**0.11**
		3.04	45.84	-	-	0.46	0.11
	Past Service Cost	**368.44**	-	-	-	-	-
		-	-	-	-	-	-
	Benefit paid	**(46.15)**	**(40.06)**	**(3.51)**	**(5.72)**	**(1.51)**	
		(41.75)	(32.13)	(7.71)	(5.94)	(0.95)	
	Actuarial (gains)/ losses on obligations - due to change in financial assumptions	**36.91**	**49.40**	**2.51**	**0.71**	**0.62**	**0.04**
		(1.70)	(5.02)	1.22	0.28	(0.17)	0.00
	Actuarial (gains)/ losses on obligations - due to experience	**(20.96)**	**(19.59)**	**(9.86)**	**0.72**	**(3.82)**	**(0.08)**
		(4.03)	7.32	9.28	1.65	11.54	(0.00)
	Present value of Benefit Obligation a the end of the period	**877.76**	**646.79**	**59.03**	**30.35**	**12.46**	**0.75**
		495.06	562.61	64.84	32.14	13.57	0.63
2	**Changes in fair value of plan assets**						
	Fair value of Plan Assets at the beginning of the period	**512.75**	**411.81**	**NA**	**NA**	**NA**	**NA**
		510.96	-	NA	NA	NA	NA
	Interest income	**40.97**	**33.19**	**NA**	**NA**	**NA**	**NA**
		40.37	-	NA	NA	NA	NA
	Contributions by the employer	**0.01**	**144.21**	**NA**	**NA**	**NA**	**NA**
		0.18	432.13	NA	NA	NA	NA
	Contributions by the employee	-	**0.59**	**NA**	**NA**	**NA**	**NA**
		-	-	NA	NA	NA	NA
	Benefit paid	**(46.15)**	**(40.06)**	**NA**	**NA**	**NA**	**NA**
		(41.75)	(32.13)	NA	NA	NA	NA
	Return on plan assets, excluding interest income	**1.84**	**11.11**	**NA**	**NA**	**NA**	**NA**
		2.99	11.81	NA	NA	NA	NA
	Fair value of Plan Assets at the end of the period	**509.42**	**560.85**	**NA**	**NA**	**NA**	**NA**
		512.75	411.81	NA	NA	NA	NA
3	**Included in profit and loss account**						
	Current Service Cost	**4.90**	**49.08**	-	-	**2.52**	**0.11**
		3.04	45.84	-	-	0.46	0.11
	Past Service Cost	**368.44**	-	-	-	-	
		-	-	-	-	-	
	Net interest cost	**(1.41)**	**12.16**	**5.05**	**2.50**	**1.08**	**0.05**
		(2.18)	42.45	4.21	2.44	0.20	0.04
	Contributions by the employee	-	**(0.59)**	-	-	-	-
		-	-	-	-	-	-
	Total amount recognised in profit and loss account	**371.93**	**60.65**	**5.05**	**2.50**	**3.60**	**0.16**
		0.86	88.29	4.21	2.44	0.66	0.15
4	**Remeasurements**						
	Return on plan assets, excluding interest income	**(1.84)**	**(11.11)**	-	-	-	-
		(2.99)	(11.81)	-	-	-	-
	(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-
		-	-	-	-	-	-
	(Gain)/loss from change in financial assumptions	**36.91**	**49.40**	**2.51**	**0.71**	**0.62**	**0.04**
		(1.70)	(5.02)	1.22	0.28	(0.17)	0.00
	Experience (gains)/losses	**(20.96)**	**(19.59)**	**(9.86)**	**0.72**	**(3.82)**	**(0.08)**
		(4.03)	7.32	9.28	1.65	11.54	(0.01)
	Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-	-
		-	-	-	-	-	-
	Total amount recognised in other comprehensive income	**14.11**	**18.70**	**(7.35)**	**1.43**	**(3.20)**	**(0.04)**
		(8.72)	(9.51)	10.50	1.93	11.37	(0.00)

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CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

D: **Amount recognised in the Balance Sheet**

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity-Unfunded
Present value of benefit obligation as on 01.04.2015	501.31	504.15	57.84	33.71	2.49	0.48
Fair value of plan assets as on 01.04.2015	510.96	-	-	-	-	
Net Liability / (Asset) recognised in Balance Sheet	**(9.65)**	**504.15**	**57.84**	**33.71**	**2.49**	**0.48**

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity-Unfunded
Present value of benefit obligation as on 31.03.2016	495.06	562.61	64.84	32.14	13.57	0.63
Fair value of plan assets as on 31.03.2016	512.75	411.81	-	-	-	
Net Liability / (Asset) recognised in Balance Sheet	**(17.69)**	**150.80**	**64.84**	**32.14**	**13.57**	**0.63**

	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance	Gratuity-Unfunded
Present value of benefit obligation as on 31.03.2017	877.76	646.79	59.03	30.35	12.46	0.75
Fair value of plan assets as on 31.03.2017	509.42	560.85	-	-	-	
Net Liability / (Asset) recognised in Balance Sheet	**368.34**	**85.94**	**59.03**	**30.35**	**12.46**	**0.75**

E: **Plan assets**

	31.03.2017		31.03.2016	
	Gratuity	PRMBS	Gratuity	PRMBS
Plan assets comprise the following:				
Insurance fund	509.42	560.85	512.75	411.81
	509.42	**560.85**	**512.75**	**411.81**

F: **Significant estimates: actuarial assumptions and sensitivity**

F(i): The significant actuarial assumptions were as follows:

31.03.2017	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.26%	7.45%	NA	NA	NA
Rate of Discounting	7.26%	7.45%	7.12%	7.09%	7.26%
Rate of Salary Increase	7.00%	7.00%	NA	NA	7.00%
Medical Cost Inflation	NA	3.00%	NA	NA	NA
Rate of Emloyee 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)				

31.03.2016	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Expected Return on Plan Assets	7.99%	8.06%	NA	NA	NA
Rate of Discounting	7.99%	8.06%	7.79%	7.95%	7.99%
Rate of Salary Increase	7.00%	7.00%	NA	NA	NA
Rate of Emloyee 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)				

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M. S. CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

F(ii): Sensitivity analysis

31.03.2017	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(49.76)	(77.63)	(2.99)	(1.00)	(0.83)
Delta effect of -1% Change in Rate of Discounting	56.44	97.93	3.36	1.07	0.95
Delta effect of +1% Change in Future Benefit cost inflation	-	98.50	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(78.43)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	17.49	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(19.61)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	13.41	-	-	-	-
Delta effect of -1% Change in Rate of Employee Turnover	(14.87)	-	-	-	-
31.03.2016	**Gratuity**	**PRMBS**	**Pension**	**Ex - Gratia**	**Resettlement Allowance**
Delta effect of +1% Change in Rate of Discounting	(26.83)	(64.61)	(3.99)	(1.35)	(1.19)
Delta effect of -1% Change in Rate of Discounting	30.27	80.39	2.79	0.91	1.25
Delta effect of +1% Change in Rate of Salary Increase	2.97	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(3.39)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	14.74	-	-	-	-
Delta effect of -1% Change in Rate of Employee Turnover	(16.28)	-	-	-	-

G: The expected maturity analysis of undiscounted benfits is as follows:

	Less than 1 year	1 - 2 year	2 - 5 year	6 - 10 year
31.03.2017				
Gratuity	92.85	68.54	308.90	452.75
PRMBS	28.30	30.89	111.09	199.19
Pension	6.82	6.78	20.04	32.19
Ex - Gratia	5.24	5.12	14.95	22.32
Resettlement Allowance	0.96	0.64	3.89	7.02
Total	**134.17**	**111.97**	**458.87**	**713.47**
31.03.2016				
Gratuity	62.18	38.27	175.90	281.41
PRMBS	26.18	28.61	102.51	184.94
Pension	7.54	7.50	22.19	35.68
Ex - Gratia	5.34	5.29	15.47	24.16
Resettlement Allowance	1.11	0.53	3.68	7.69
Total	**102.35**	**80.20**	**319.75**	**533.88**

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 comparises of representatives from the Corporation who are also plan participants in accordance with the plans regulation. Based on 3rd pay commission recommendation, the gratuity ceiling has been considered as Rs. 20 lakhs due to that, past service cost of Rs. 368.44 crores is estimated and provided.

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

71 Previous periods figures are reclassified / regrouped wherever necessary.

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

M/s CVK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Schedule III - Additional Disclosure on Consolidated Financial Statements as on 31 Mar, 2017 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 (₹ in Crores)	As a % of Consolidated profit or loss	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As a % of Consolidated Total comprehensive Income	Amount (₹ in Crores)
Hindustan petroleum Corporation Limited	72.13%	15,198.08	75.42%	6,211.73	98.19%	160.13	75.87%	6,371.85
Subsidiaries								
Prize Petroleum Company Ltd.	-0.91%	(191.83)	-2.51%	(206.92)	2.60%	4.24	-2.41%	(202.68)
HPCL Biofuels Ltd.	0.18%	38.80	-0.37%	(30.72)	0.03%	0.04	-0.37%	(30.68)
Joint Ventures								-
Hindustan Colas Pvt. Ltd.	0.63%	131.98	0.56%	46.19	-0.01%	(0.02)	0.55%	46.17
CREDA - HPCL Biofuels Ltd.	0.00%	0.01	-0.03%	(2.78)	0.00%	-	-0.03%	(2.78)
HPCL Rajasthan Refinery Ltd.	-0.01%	(1.46)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
South Asia LPG Co. Pvt. Ltd.	0.74%	155.90	0.73%	60.11	0.00%	(0.00)	0.72%	60.11
HPCL Shapoorji Energy Pvt. Ltd.	0.06%	12.51	0.00%	(0.14)	-0.01%	(0.01)	0.00%	(0.15)
HPCL - Mittal Energy Ltd.	17.63%	3,713.90	18.39%	1,514.16	-0.30%	(0.49)	18.02%	1,513.67
Petronet MHB Ltd.	1.03%	216.12	0.32%	26.48	0.00%	(0.01)	0.32%	26.48
Godavari Gas Pvt Ltd.	0.01%	2.37	0.00%	(0.23)	0.00%	-	0.00%	(0.23)
Petronet India Ltd.	0.08%	16.91	0.12%	9.49	0.00%	-	0.11%	9.49
Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	0.22%	46.43	0.08%	6.65	0.00%	-	0.08%	6.65
Aavantika Gas Ltd.	0.21%	44.85	0.12%	9.53	0.00%	0.01	0.11%	9.54
Bhagyanagar Gas Ltd.	0.10%	21.47	0.04%	3.27	0.00%	0.00	0.04%	3.27
Associates								
Mangalore Refinery and Petrochemicals Ltd.	7.65%	1,611.11	7.15%	588.79	-0.50%	(0.81)	7.00%	587.98
GSPL India Gasnet Ltd.	0.15%	31.10	0.00%	0.12	0.00%	-	0.00%	0.12
GSPL India Transco Ltd.	0.11%	23.18	0.00%	0.10	0.00%	-	0.00%	0.10
Total		21,071.43		8,235.82		163.07		8,398.89

FOR AND ON BEHALF OF THE BOARD

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director-Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Date : 26th May, 2017
Place : New Delhi

M/s CVK & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

FOR CVK & ASSOCIATES
Chartered Accountants
Firm No. 101745W

A K Pradhan
Partner
Membership No. 032156

FOR G.M. KAPADIA & CO.
Chartered Accountants
Firm No. 104767W

Rajen Ashar
Partner
Membership No. 048243

G. M. KAPADIA & CO. ★ MUMBAI ★ Chartered Accountants

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in ₹)

	Particulars	HPCL Biofuels Ltd.	Prize Petroleum Company Ltd.#	CREDA-HPCL Biofuels Ltd.	HPCL Rajasthan Refinery Ltd.
	Sl. No.	1	2.	3.	4.
1.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Rupees (₹)	Rupees (₹)	Rupees (₹)	Rupees (₹)
2.	Share capital	20552,00,000	24500,00,000	2175,64,910	5,00,000
3.	Reserves & surplus	(16672,03,340)	(43682,66,969)	(2174,23,057)	(202,47,414)
4.	Total assets	70461,91,131	40177,74,896	1,93,795	2848,47,355
5.	Total Liabilities	66581,94,468	59360,41,865	51,942	3045,94,769
6.	Investments	-	-	-	-
7.	Turnover	38252,00,732	7832,27,463	-	-
8.	Profit before taxation	(3072,44,289)	(20692,05,050)	(375,73,369)	(73,670)
9.	Provision for taxation	-	-	-	-
10.	Profit after taxation	(3072,44,289)	(20692,05,050)	(375,73,369)	(73,670)
11.	Proposed Dividend				
12.	% of shareholding	100.00%	100.00%	74.00%	74.00%

Figures basec on Consolidated Financial Statements of the Company

Notes:-

1. Names of subsidiaries which are yet to commence operations
   a) HPCL Rajasthan Refinery Ltd.
2. CREDA-HPCL Biofuels Ltd and HPCL Rajasthan refinery Ltd are considered as subsidaries as per Sec 2(87) of Companies Act, 2013
3 Names of subsidiaries which have been liquidated or sold during the year. **NIL**

FOR AND ON BEHALF OF THE BOARD

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director-Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Date : 26th May, 2017
Place : New Delhi

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "A"

(Amount in ₹)

	Name of Joint Ventures	Hindustan Colas Pvt. Ltd.	HPCL-Mittal Energy Ltd. *	South Asia LPG Co. Pvt. Ltd.	Petronet MHB Ltd.	Bhagyanagar Gas Ltd.	Petronet India Ltd.	Godavari Gas Pvt Ltd.
1.	**Latest audited Balance Sheet Date**	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	Unaudited
2.	**Shares of Joint Ventures / Associate held by the company on the year end**							
	No.	47,25,000	39395,55,200	500,00,000	1795,11,020	225,00,000	160,00,000	26,00,000
	Amount of Investment in Joint Venture / Associate	472,50,000	393955,52,000	5000,00,000	18393,17,041	2250,00,000	1600,00,000	260,00,000
	Extend of Holding %	50.00%	48.99%	50.00%	32.72%	24.99%	16.00%	26.00%
3.	**Description of how there is significant influence**	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
4.	**Reason why the joint venture/Associate is not consolidated**	-	-	-	-	-	-	-
5.	**Networth attributable to Shareholding as per latest audited Balance Sheet**	26395,99,854	758053,68,270	31180,92,000	66062,14,000	8589,24,831	10566,14,703	911,19,487
6.	**Profit / Loss for the year 2016-17**							
	i. Considered in Consolidation	9237,97,355	309060,00,000	12021,97,000	8094,76,000	1310,06,439	5932,40,194	(88,80,513)
	i. Not Considered in Consolidation	-	-	-	-	-	-	-

Figures based on Consolidated Financial Statements of the Company

FOR AND ON BEHALF OF THE BOARD

MUKESH KUMAR SURANA
Chairman & Managing Director
DIN - 07464675

J RAMASWAMY
Director-Finance
DIN - 06627920

SHRIKANT M. BHOSEKAR
Company Secretary

Date : 26th May, 2017
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 JointVentures

Part "B"

(Amount in ₹)

	Name of Joint Ventures	Aavantika Gas Ltd.	Mangalore Refinery and Petrochemicals Ltd.#	HPCL Shaapoorji Energy Pvt. Ltd.	Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	GSPL India Gasnet Ltd.	GSPL India Transco Ltd.
1.	**Latest audited Balance Sheet Date**	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017
2.	**Shares of Joint Ventures / Associate held by the company on the year end**						
	No.	225,00,000	2971,53,518	130,00,000	382,71,250	304,72,128	225,50,000
	Amount of Investment in Joint Venture / Associate	2250,00,000	47167,99,957	1300,00,000	3827,12,500	3047,21,280	2255,00,000
	Extend of Holding %	49.97%	16.96%	50.00%	25.00%	11.00%	11.00%
3.	**Description of how there is significant influence**	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
4.	**Reason why the joint venture/Associate is not consolidated**	-	-	-	-	-	-
5.	**Networth attributable to Shareholding as per latest audited Balance Sheet**	8975,13,564	950223,55,000	2502,91,856	18573,50,336	28271,53,000	21069,99,000
6.	**Profit / Loss for the year 2016-17**						
	i. Considered in Consolidation	1907,07,354	347264,10,000	(28,72,798)	2658,42,257	107,71,000	91,78,000
	i. Not Considered in Consolidation	-	-	-	-	-	-

\# Figures based on Consolidated Financial Statements of the Company

1. Names of joint ventures or associates which are yet to commence operations.
   a) GSPL India Gasnet Ltd
   b) GSPL India Transco Ltd
   c) HPCL Shapoorji Energy Ltd
2. Names of joint ventures or associates which have been liquidated or sold during the year.-NIL

FOR AND ON BEHALF OF THE BOARD

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Chairman & Managing Director
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J RAMASWAMY
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Date : 26th May, 2017