

Sec.3.4.1(L)

26th May, 2016

The Secretary,
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
BSE Scrip Code: 500547

The Secretary,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No C/1,
G Block, Bandra-Kurla Complex,
Mumbai 400 051
NSE Symbol : BPCL

Sir,

**Sub: Audited Financial Results for the year ended 31.3.2016 and
Recommendation of Final Dividend for the year 2015-16**

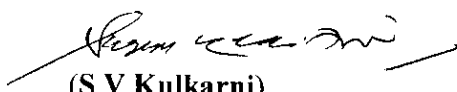
The Statement of Audited Financial Results for the year ended 31.3.2016 of our Company has been taken on record by Board of Directors at its meeting held on 26.05.2016, at Mumbai and the same has been signed by Director (Finance). A copy of the said Results along with Audit Reports is enclosed as required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

At the said Meeting, the Directors have recommended Final Dividend@ Rs 15/- per equity share of face value Rs. 10/- each for the year 2015-16.

You were advised of the date of the above Board Meeting vide our letter dated 19.05.2016.

Thanking You,

Yours faithfully,
For Bharat Petroleum Corporation Limited


(S V Kulkarni)
Company Secretary

Encl.: A/a..

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STATEMENT OF STANDALONE / CONSOLIDATED RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH 2016

Particulars	Unaudited			Audited		Audited Consolidated Results for	
	Three Months ended	Three Months ended	Three Months ended	Accounting Year ended	Accounting Year ended	Accounting Year ended	Accounting Year ended
	31-03-2016	31-12-2015	31-03-2015	31-03-2016	31-03-2015	31-03-2016	31-03-2015
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A. Physical Performance							
1. Crude Throughput (MMT)	6.22	5.87	6.11	24.12	23.36	29.82	29.27
2. Market Sales (MMT)	9.78	9.30	8.69	36.53	34.45	36.83	34.95
3. Sales Growth (%)	12.54	7.76	(1.81)	6.04	1.32	5.38	1.87
4. Export Sales (MMT)	0.54	0.42	0.51	1.89	2.20	1.90	2.22
	₹ Lakhs						
B. Financial Performance							
1. Income from Operations							
a) Net Sales / Income from Operations (Net of Excise Duty)	44,14,554	46,61,314	51,30,428	1,89,09,810	2,37,90,526	1,88,44,788	2,42,41,876
b) Other Operating Income	5,155	5,348	4,184	20,523	18,164	20,348	17,974
Total Income from Operations (Net)	44,19,709	46,66,662	51,34,612	1,89,30,333	2,38,08,690	1,88,65,136	2,42,59,850
2. Expenses							
a) Cost of Materials Consumed	11,33,892	14,03,164	17,58,650	61,03,244	94,42,439	77,35,603	1,18,46,657
b) Purchase of Stock-in-Trade	24,37,292	25,36,378	24,50,293	1,00,73,200	1,17,05,171	77,48,549	93,87,277
c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	15,982	1,13,191	82,341	72,442	4,51,332	1,58,586	4,35,145
d) Employee Benefits Expense	85,994	70,874	48,658	2,87,905	2,08,560	3,17,235	2,34,985
e) Depreciation and Amortisation Expense	44,352	45,644	69,906	1,85,430	2,51,602	2,42,863	3,02,668
f) Other Expenses	3,97,591	3,01,395	3,45,065	12,87,916	11,69,721	14,63,791	13,78,029
Total Expenses	41,15,103	44,70,646	47,54,913	1,80,10,137	2,32,28,825	1,76,66,627	2,35,84,761
3. Profit / (Loss) from Operations before Other Income, Finance Costs & Exceptional Items (1-2)	3,04,606	1,96,016	3,79,699	9,20,196	5,79,865	11,98,509	6,75,089
4. Other Income	69,456	30,105	58,200	2,01,216	2,19,996	1,74,089	2,12,005
5. Profit / (Loss) from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	3,74,062	2,26,121	4,37,899	11,21,412	7,99,861	13,72,598	8,87,094
6. Finance Costs	24,334	9,751	13,907	56,294	58,310	1,13,207	1,18,047
7. Profit / (Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	3,49,728	2,16,370	4,23,992	10,65,118	7,41,551	12,59,391	7,69,047
8. Exceptional Items	-	-	-	-	-	-	-
9. Profit / (Loss) from Ordinary Activities before Tax (7+8)	3,49,728	2,16,370	4,23,992	10,65,118	7,41,551	12,59,391	7,69,047
10. Tax Expense	94,820	67,510	1,38,703	3,21,930	2,33,100	4,12,993	2,60,846
11. Net Profit / (Loss) from Ordinary Activities after Tax (9-10)	2,54,908	1,48,860	2,85,289	7,43,188	5,08,451	8,46,398	5,08,201
12. Extraordinary Items (Net of Tax Expense)	-	-	-	-	-	-	-
13. Net Profit / (Loss) for the period (11-12)	2,54,908	1,48,860	2,85,289	7,43,188	5,08,451	8,46,398	5,08,201
14. Minority Interest	-	-	-	-	-	48,496	27,544
15. Share of Profit / (Loss) of Associates	-	-	-	-	-	249	-
16. Net Profit / (Loss) for the Group (13-14+15)	72,308	72,308	72,308	72,308	72,308	72,308	72,308
17. Paid-up Equity Share Capital (Face Value of ₹ 10 per share)	-	-	-	-	-	-	-
18. Reserve excluding Revaluation Reserves as per Balance Sheet	-	-	-	26,43,561	21,74,440	27,29,662	21,82,542
19. Earnings Per Share (EPS)							
a) Basic and Diluted EPS before Extraordinary Items - ₹	35.25	20.59	39.45	102.78	70.32	110.38	66.47
b) Basic and Diluted EPS after Extraordinary Items - ₹	35.25	20.59	39.45	102.78	70.32	110.38	66.47



STATEMENT OF ASSETS AND LIABILITIES AS AT 31 st MARCH 2016				
Particulars	Audited			
	Standalone		Consolidated	
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2016	As at 31-03-2015
(1)	(2)	(3)	(4)	(5)
A. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital	72,308	72,308	72,308	72,308
(b) Reserves and Surplus	26,43,561	21,74,440	27,29,662	21,82,542
Sub-total - Shareholders' Fund	27,15,869	22,46,748	28,01,970	22,54,850
2. Share application money pending allotment in respect of Joint Venture			43	-
3. Minority Interest			1,57,274	1,28,637
4. Share Warrants in respect of Joint Venture			1,345	1,345
5. Non-Current Liabilities				
(a) Long-Term Borrowings	13,68,569	11,73,701	26,04,305	19,34,182
(b) Deferred Tax Liabilities (Net)	2,22,890	1,70,826	2,52,405	1,99,721
(c) Other Long-Term Liabilities	6,073	7,003	24,394	18,434
(d) Long-Term Provisions	1,15,684	1,10,860	1,66,343	1,39,686
Sub-Total - Non-Current Liabilities	17,13,216	14,62,390	30,47,447	22,92,023
6. Current Liabilities				
(a) Short-Term Borrowings	2,396	4,027	58,379	1,67,588
(b) Trade Payables	8,43,079	12,46,704	8,47,067	12,86,529
(c) Other Current Liabilities	20,21,797	16,57,021	21,20,147	21,44,303
(d) Short-Term Provisions	3,02,584	3,57,561	3,45,180	4,21,978
Sub-Total - Current Liabilities	31,69,856	32,65,313	33,70,773	40,20,398
TOTAL - EQUITY AND LIABILITIES	75,98,941	69,74,451	93,78,852	86,97,253
B. ASSETS				
1. Non-Current Assets				
(a) Fixed Assets (net)	36,08,572	27,98,074	54,58,161	44,88,229
(b) Goodwill on consolidation			6,100	1,445
(c) Non-Current Investments	7,87,558	7,30,205	2,47,987	2,35,135
(d) Deferred Tax Assets (Net)	-	-	54,715	65,044
(e) Long-Term Loans and Advances	3,86,484	4,07,717	2,77,113	2,69,521
(f) Other Non-Current Assets	8,770	8,346	32,242	8,447
Sub-Total - Non-Current Assets	47,91,384	39,44,342	60,76,318	50,67,821
2. Current Assets				
(a) Current Investments	5,09,811	5,08,909	5,25,643	5,36,046
(b) Inventories	13,69,628	14,45,785	15,49,685	17,40,002
(c) Trade Receivables	2,16,502	2,56,114	2,42,350	2,90,185
(d) Cash and Cash Equivalents	2,06,735	1,36,020	4,62,900	3,44,626
(e) Short-Term Loans and Advances	1,03,081	78,622	1,14,844	1,06,526
(f) Other Current Assets	4,01,800	6,04,659	4,07,112	6,12,047
Sub-Total - Current Assets	28,07,557	30,30,109	33,02,534	36,29,432
TOTAL - ASSETS	75,98,941	69,74,451	93,78,852	86,97,253



CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED			
Sr. No.	Particulars	Audited	
		Accounting Year ended 31-03-2016	Accounting Year ended 31-03-2015
(1)	(2)	(3)	(4)
1.	SEGMENT REVENUE		
	a) Downstream Petroleum	1,89,13,962	2,43,75,271
	b) Exploration & Production of Hydrocarbons	337	159
	Sub-Total	1,89,14,299	2,43,75,430
	Less: Inter-Segment Revenue	-	-
	TOTAL REVENUE	1,89,14,299	2,43,75,430
2.	SEGMENT RESULTS		
	a) Profit / (Loss) before Tax, Interest Income, Finance costs and Dividend from each Segment		
	i) Downstream Petroleum	12,65,576	7,53,547
	ii) Exploration & Production of Hydrocarbons	(16,948)	(34,045)
	Sub-Total of (a)	12,48,628	7,19,502
	b) Finance costs	1,13,207	1,18,047
	c) Other Un-allocable Expenditure Net off Un-allocable Income	(1,23,970)	(1,67,592)
	Profit / (Loss) before Tax (a - b - c)	12,59,391	7,69,047
3.	CAPITAL EMPLOYED		
	(Segment Assets - Segment Liabilities)		
	a) Downstream Petroleum	46,09,868	38,89,337
	b) Exploration & Production of Hydrocarbons	8,95,303	7,81,287
	c) Others (Unallocated - Corporate)	(25,44,539)	(22,85,792)
	Total	29,60,632	23,84,832

Notes:

- The group is engaged in the following business segments:
 - Downstream petroleum i.e. Refining and Marketing of Petroleum Products.
 - Exploration and Production of Hydrocarbons (E & P Segment).
 Segments have been identified taking into account the nature of activities and the nature of risks and returns.
- Segment Revenue comprises of Turnover (Net of Excise Duties), Subsidy received from the Government of India and Other Income (Excluding Dividend, Interest Income and Investment Income).
- There are no geographical segments.
- Figures relating to corresponding period of the previous year have been regrouped wherever necessary.



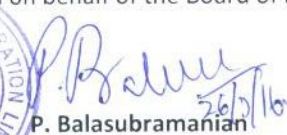
Notes:

1.	The market sales for the financial year ended 31 st March 2016 was higher at 36.53 MMT when compared to 34.45 MMT achieved during the previous year. Increase is mainly in MS - Retail (12.37%) and LPG (8.07%) partly offset by decrease in Naphtha (-68.12%) and RLNG (-11.98%).
2.	The Average Gross Refining Margin (GRM) during the financial year ended 31 st March 2016 is 6.59 USD per barrel (April - March 2015: 3.62 USD per barrel). The Average Gross Refining Margin (GRM) for the three months ended 31 st March 2016 is 6.30 USD per barrel (January - March 2015: 7.85 USD per barrel).
3.	As advised by the Ministry of Petroleum & Natural Gas, the Corporation has accounted compensation towards sharing of under-recoveries on sale of sensitive petroleum products as follows: a) ₹ 19,801 lakhs for the current financial year (April - March 2015: ₹ 8,36,288 lakhs) as discount on crude oil / products purchased from ONGC / GAIL / NRL which has been adjusted against the purchase cost. b) ₹ 1,59,849 lakhs compensation advised by the Government of India by way of subsidy for the current financial year (April - March 2015: ₹ 7,29,040 lakhs) accounted as Net Sales/Income from Operations. The net under-recovery absorbed by the Corporation is Nil during April-March 2016 (April - March 2015: ₹ 48,738 lakhs) on sale of sensitive petroleum products.
4.	Other expenses for the financial year ended 31 st March 2016 includes ₹ 58,059 lakhs towards loss on account of foreign currency transactions and translations. During the financial year ended 31 st March 2015, Other Income includes ₹ 22,433 lakhs towards gain on account of foreign currency transactions and translations.
5.	Pursuant to the notification dated 29 th August 2014 issued by the Ministry of Corporate Affairs, the Corporation has complied with the requirements of paragraph 4(a) of Notes to Part C of Schedule II of the Companies Act, 2013 relating to Componentisation in FY 2015-16. This has resulted in higher depreciation of ₹ 1,086 lakhs in January - March 2016 and higher depreciation of ₹ 25,855 lakhs in April - March 2016.
6.	Since Crude oil prices are significantly fluctuating in recent times, to reflect the value of inventory in line with current prices, during the year the Corporation has changed the method of determination of cost of inventories from 'Weighted Average' to 'First in First Out' (FIFO) in respect of crude oil traded and finished products (except lubricants which are continued to be determined at weighted average). This has resulted in increase in value of inventory of crude oil by ₹ 1,530 lakhs and finished products including intermediaries by ₹ 16,787 lakhs , resulting in the corresponding increase in profits before tax by ₹ 18,317 lakhs for the period April - March 2016.
7.	Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
8.	The Board at its meeting held on 26 th May 2016 recommended final Dividend of ₹ 15 per equity share. This is in addition to the interim dividend of ₹ 16 per equity share which has been distributed during the financial year.
9.	The Board of Directors have recommended issue of bonus shares in the ratio of one equity share of ₹ 10 each for every one existing equity share of ₹ 10 each (1:1), which is subject to approval by the members of the company. Such bonus shares, if approved by members of the company shall rank pari-passu with the existing equity shares, excepting for the entitlement of final dividend for the year 2015-16.
10.	Figures relating to corresponding periods of the previous year have been regrouped wherever necessary.
11.	The above results have been reviewed and recommended by the Audit Committee at its meeting held on 26 th May 2016 before submission to the Board.
12.	The Audited Accounts are subject to review by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act 2013.

The above audited results of Bharat Petroleum Corporation Limited for the year ended 31st March 2016 have been approved by the Board at its meeting held on 26th May 2016.

Place: Mumbai
Date: 26th May 2016

For and on behalf of the Board of Directors

 
P. Balasubramanian
Director (Finance)

CNK & Associates LLP

Haribhakti & Co. LLP

Chartered Accountants

Chartered Accountants

3rd floor, Mistry Bhavan,

705, Leela Business Park,

Dinshaw Vachha Road, Churchgate,

Andheri Kurla Road, Andheri (East)

Mumbai - 400 020

Mumbai - 400 059

INDEPENDENT AUDITORS' REPORT

To the Members of Bharat Petroleum Corporation Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bharat Petroleum Corporation Limited ("the Corporation"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Corporation's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Corporation's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at March 31 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(5) of the Act, we give in "Annexure B", a statement on the matters specified by the Comptroller and Auditor-General of India for the Corporation.
- (3) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

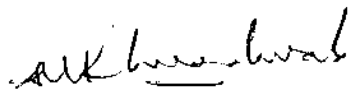


- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of directors, are not applicable to the Corporation;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, we give our separate report in "Annexure C";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Corporation has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 49 of the standalone financial statements;
 - The Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 50 of the standalone financial statements;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Corporation.

For CNK & Associates LLP

Chartered Accountants

ICAI FRN. 101961W



Himanshu Kishnadwala

Partner

Membership No.: 37391

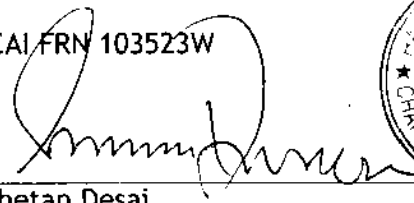
Mumbai: May 26, 2016



For Haribhakti & Co. LLP

Chartered Accountants

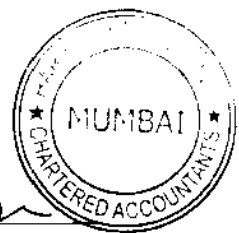
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Chetan Desai

Partner

Membership No.: 17000



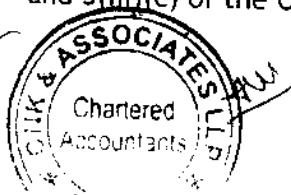
ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited ("the Corporation") on the standalone financial statements for the year ended March 31, 2016]

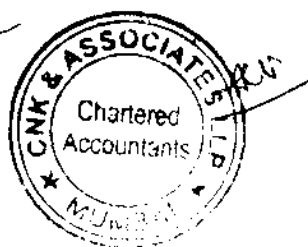
- (i) (a) The Corporation has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As per information and explanations given to us, physical verification of fixed assets (except LPG Cylinders and pressure regulators with customers) has been carried out by the Management during the year in accordance with the phased programme of verification of all assets over three years which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. As informed, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Corporation, the title deeds of immovable properties are held in the name of the Corporation, except in cases given below:

Particulars	Number of Cases	Gross Block (Rupees in Crore)	Net Block (Rupees in Crore)	Remarks
Freehold land	27	132.90	132.90	Documents of title lying with Registration Authorities
Freehold land	2	2.26	2.26	Document of title not available for verification
Leasehold Land having lease period of more than 99 years	9	1.76	1.70	Documents of title lying with Registration Authorities
Other leasehold land	1	0.23	0.09	Document of title lying with Registration Authorities

- (ii) The inventory (excluding stocks with third parties and goods in transit) has been physically verified by the management during the year at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. No material discrepancies were noticed on physical verification of inventories carried out at the end of the year;
- (iii) As informed, the Corporation has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable;



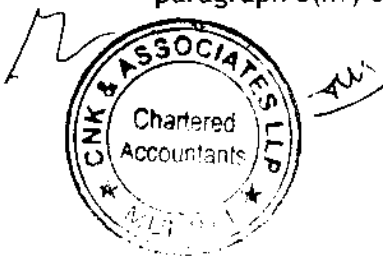
- (iv) In our opinion and according to the information and explanations given to us, the Corporation has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities;
- (v) In our opinion and according to the information and explanations given to us, the Corporation has not accepted any deposits within the provisions of Sections 73 to 76 of the Act read with The Companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Act;
- (vi) We have broadly reviewed the books of account maintained by the Corporation in respect of products where the maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act and we are of the opinion that prima-facie, the prescribed books of account and cost records have been made and maintained. We have not, however, made a detailed examination of the same with a view to determining whether they are accurate or complete;
- (vii) (a) The Corporation is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it;
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, were outstanding, as on the last day of the financial year, for a period of more than six months from the date they became payable;
- (b) According to the information and explanation given to us, the dues of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax have not been deposited on account of any dispute, are as per Statement 1;
- (viii) According to the information and explanations given to us, the Corporation has not defaulted in repayment of loans or borrowing to financial institutions, banks, government or dues to debenture holders;
- (ix) The Corporation did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us, money raised by way of term loans have been applied for the purpose for which those were raised;



- (x) During the course of our examination of the books and records of the Corporation, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of fraud by the Corporation or on the Corporation by its officers and employees have been noticed or reported during the year, except for the following instance of fraud identified by the Management:

Two incidents of irregularities aggregating Rs. 0.25 crore were noticed in vendor payment relating to the Retail Territory by an officer. Inquiry against the concerned officer is in progress. The dues of the vendor have been withheld;

- (xi) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Corporation. Accordingly, paragraph 3(xi) of the Order is not applicable;
- (xii) In our opinion and according to the information and explanations given to us, the Corporation is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Corporation, all transactions entered into by the Corporation with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Corporation has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable;
- (xv) According to the information and explanations given to us and based on our examination of the records, the Corporation has not entered during the year into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable;



(xvi) The Corporation is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For CNK & Associates LLP

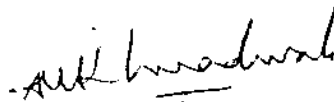
For Haribhakti & Co. LLP

Chartered Accountants

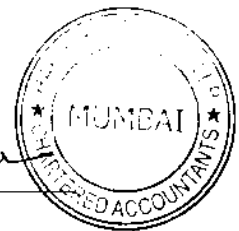
Chartered Accountants

ICAI FRN. 101961W

ICAI FRN 103523W



Himanshu Kishnadwala



Chetan Desai

Partner

Partner

Membership No.: 37391

Membership No.: 17000

Mumbai: May 26, 2016

Statement 1 (Refer Clause vii(b) of Annexure A)

Rupees in crore

Sr No	Name of the Statute	Forum Where Dispute is pending	Amount	Period block to which it relates^
1	Central Excise Act, 1944	Supreme Court	772.57	2000 - 2010
		High Court	121.23	1995 - 2015
		Appellate Tribunal *	1,060.01	1985 - 2016
		Appellate Authority **	30.67	1990 - 2016
		Adjudicating Authority ***	6,195.35	1995 - 2016
		Total	8,179.83	
2	Customs Act, 1962	Supreme Court	-	
		Appellate Tribunal *	81.33	1990 - 2010
		Appellate Authority **	2.83	2000 - 2005
		Adjudicating Authority ***	10.54	2000 - 2016
		Total	94.70	
3	Income Tax Act, 1961	High Court	7.65	1990 - 2005
		Appellate Tribunal *	5.73	1990 - 2005
		Appellate Authority **	1.42	1995 - 2015
		Total	14.80	
4	Sales Tax/VAT Legislations	Supreme Court	65.37	1995 - 2010
		High Court	400.36	1980 - 2016
		Appellate Tribunal *	1,114.36	1985 - 2015
		Appellate Authority **	7,834.13	1985 - 2015
		Adjudicating Authority ***	225.94	1985 - 2000
		Total	9,640.17	
5	Finance Act, 1994 (Service tax)	Supreme Court	31.15	2000 - 2015
		Appellate Tribunal *	19.60	2000 - 2016
		Appellate Authority **	148.88	2000 - 2016
		Adjudicating Authority ***	168.41	2005 - 2016
		Total	368.03	
		Grand Total:	18,297.54	

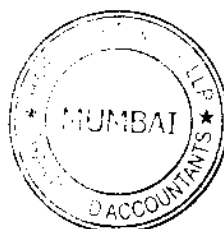
Dues Include Penalty & Interest, wherever applicable

* Appellate Tribunal includes Sales Tax Tribunal, CESTAT and ITAT.

** Appellate Authority includes Commissioner Appeals, Assistant Commissioner Appeals, Deputy Commissioner Appeals, Joint Commissioner Appeals and Deputy Commissioner Commercial Taxes Appeals.

*** Adjudicating Authority includes Collector of Sales Tax, Sales Tax Officer and Deputy Commissioner Sales Tax, Joint / Deputy/ Additional Commissioner of Commercial Taxes etc

^ Period block shall indicate the period interval in which all the disputes under that authority have taken place.



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited ("the Corporation") on the standalone financial statements for the year ended March 31, 2016]

1	Area examined	Whether the Company has clear title/ lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available?																	
	Observations/ Findings	<table><tr><th>Particulars</th><th>Area (In Acres)</th><th>Remarks</th></tr><tr><td>Freehold land</td><td>261.82</td><td>Documents of title lying with Registration Authorities</td></tr><tr><td>Freehold land</td><td>877.10</td><td>Document of title not available for verification</td></tr><tr><td>Leasehold Land having lease period of more than 99 years</td><td>3.35</td><td>Documents of title lying with Registration Authorities</td></tr><tr><td>Other leasehold land</td><td>0.44</td><td>Document of title lying with Registration Authorities</td></tr></table>			Particulars	Area (In Acres)	Remarks	Freehold land	261.82	Documents of title lying with Registration Authorities	Freehold land	877.10	Document of title not available for verification	Leasehold Land having lease period of more than 99 years	3.35	Documents of title lying with Registration Authorities	Other leasehold land	0.44	Document of title lying with Registration Authorities
Particulars	Area (In Acres)	Remarks																	
Freehold land	261.82	Documents of title lying with Registration Authorities																	
Freehold land	877.10	Document of title not available for verification																	
Leasehold Land having lease period of more than 99 years	3.35	Documents of title lying with Registration Authorities																	
Other leasehold land	0.44	Document of title lying with Registration Authorities																	
2	Area examined	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, with reasons there for and amount involved.																	
	Observations/ Findings	The details of cases of waiver/ write off of debts/ loans/ interest by the Corporation during the year are as under: <table><tr><td>Particulars</td><td>Rupees in crores</td></tr><tr><td>Write off of debts</td><td>0.0012 *</td></tr><tr><td>Waiver of penalty & interest</td><td>-</td></tr></table> *(Rs.11,512.58)			Particulars	Rupees in crores	Write off of debts	0.0012 *	Waiver of penalty & interest	-									
Particulars	Rupees in crores																		
Write off of debts	0.0012 *																		
Waiver of penalty & interest	-																		



3	Area Examined	Whether proper records are maintained for inventories lying with third parties and assets received as gift/ grant(s) from Government or other authorities?
	Observations/ Findings	Proper records are maintained for inventories lying with third parties; The Corporation has not received any assets as gift/ grants from Government or other authorities.

For CNK & Associates LLP

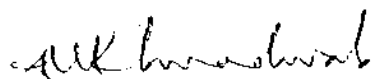
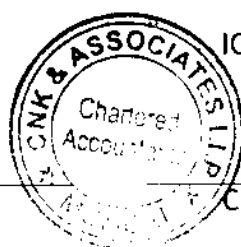
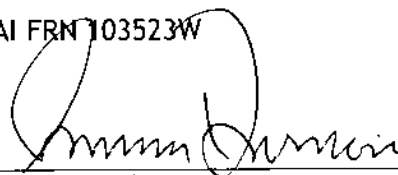
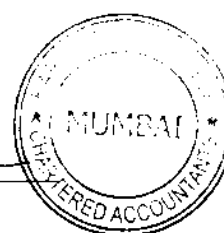
For Haribhakti & Co. LLP

Chartered Accountants

Chartered Accountants

ICAI FRN. 101961W

ICAI FRN 103523W

Himanshu Kishnadwala

Chetan Desai

Partner

Partner

Membership No.: 37391

Membership No.: 17000

Mumbai: May 26, 2016

ANNEXURE C TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited on the standalone financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharat Petroleum Corporation Limited ("the Corporation") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Corporation for the year ended on that date.

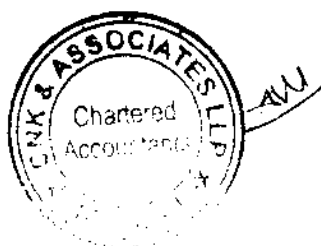
Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Corporation's internal financial controls system over financial reporting.

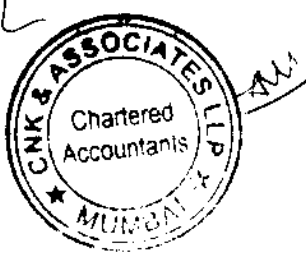
Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the Corporation has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For CNK & Associates LLP

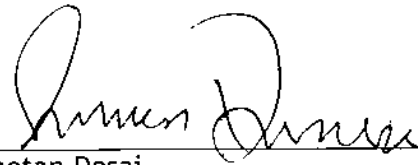
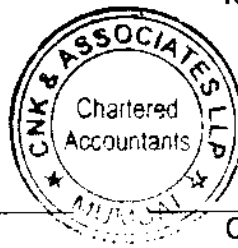
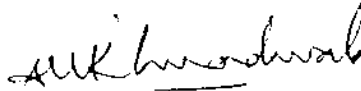
For Haribhakti & Co. LLP

Chartered Accountants

Chartered Accountants

ICAI FRN. 101961W

ICAI FRN 103523W



Himanshu Kishnadwala

Chetan Desai

Partner

Partner

Membership No.: 37391

Membership No.: 17000

Mumbai: May 26, 2016

CNK & Associates LLP

Chartered Accountants

3rd floor, Mistry Bhavan,

Dinshaw Vachha Road, Churchgate,

Mumbai - 400 020

Haribhakti & Co. LLP

Chartered Accountants

705, Leela Business Park,

Andheri Kurla Road, Andheri (East)

Mumbai - 400059

INDEPENDENT AUDITORS' REPORT

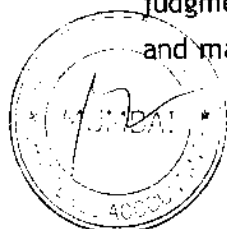
To the Members of Bharat Petroleum Corporation Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bharat Petroleum Corporation Limited (hereinafter referred to as "the Holding Company" or "the Corporation") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and joint venture companies (JVs) comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements" or "the CFS").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these CFS in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate and JVs in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and JVs are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for



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ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these CFS based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

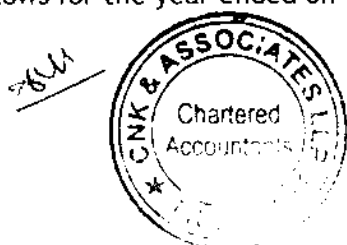
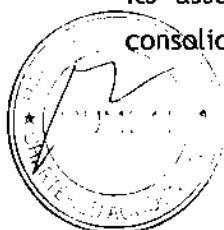
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the CFS are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the CFS. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the CFS, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the CFS that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the CFS.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (2) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the CFS.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and of its associate and JVs as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

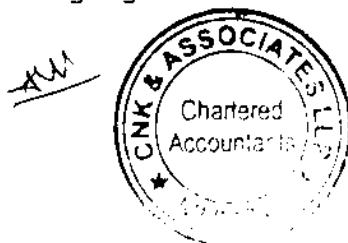
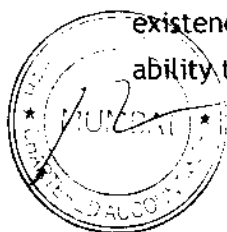


Emphasis of Matter

- (1) The auditors of a Subsidiary Company have stated in their report about the incorporation of details of its share in assets, liabilities, income and expense in the operations of jointly controlled entities based on the audited/ unaudited statements received from the respective Operators. They have observed that:
- (a) In case of three blocks, no audited statements have been received by the Company. Total assets, liabilities, income and expenses in respect of these blocks, amount to Rs. 86.97 crore, Rs. 0.49 crore, Rs. Nil and Rs. Nil, respectively;
 - (b) The audited statements referred above are prepared, as stated there in, to meet requirements of production sharing contracts and are special purpose statement;
 - (c) None of the statements, audited as well as unaudited, are drawn up in the format prescribed under Schedule III to the Act;
 - (d) Some of the Operators use accounting policies other than those adopted by the Company for like transactions. The Company has made appropriate adjustments while incorporating relevant data; and
 - (e) No break-up of assets and liabilities is available in respect of one block where the Company has invested Rs. 12.41 crore.

The said Subsidiary Company's proportionate share in jointly controlled assets, liabilities for which the Company is jointly responsible, Company's proportionate share of income and expenses for the year, the elements making up the Cash Flow Statement and related disclosures contained in the enclosed financial statements and their observations thereon are based on such audit reports and statements from the operators to the extent available with the said Subsidiary Company.

- (2) The auditors of a Subsidiary Company has drawn attention to the observation made by the auditors of its stepdown Subsidiary Company regarding the financial statements indicating that the Company has accumulated losses and negative net worth. The Company has incurred a net loss of Rs. 2.02 crore during the current year (Previous Year Loss Rs. 22.95 crore). These conditions, along with other matters indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.



- (3) The auditors of a JV company have drawn attention in their Audit Report for the unanimous opinion of the Promoters/Shareholders of said JV company as noted by Board of Directors of the JV company regarding non viability of continuation of operations of the said JV company and to explore realization of investment and that the same indicates the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Our Opinion is not modified in respect of these matters.

Other Matters

- (1) The auditors of JV of a Subsidiary Company have drawn attention to the fact that the said JV has spent significant amounts that are related mainly to exploration and evaluation costs, the recovery of which is subject to the success of all its exploration campaigns. The management of the said JV understands that the members of the JV will continue to provide the funds necessary for keeping the Company's operations and, therefore, the financial statements for the year ended December 31, 2015 were prepared based on the assumption that the Company will continue to operate as a going concern;
- (2) We did not audit the financial statements of three subsidiaries (and its step down subsidiaries, JVs and associate), whose financial statements reflect total assets (net) of Rs. 5,637.75 crore as at March 31, 2016, total revenue of Rs. 10,308.19 crore and net cash inflow aggregating Rs. 458.50 crore for the year then ended. We also did not audit the financial statements of twelve JVs, whose aggregate share of total assets (net) of Rs. 2,452.98 crore as at March 31, 2016 / December 31, 2015, total revenue of Rs. 14,367.89 crore and net cash inflow of Rs. 235.15 crore for the year then ended are also included in the CFS. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the CFS, insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and JVs, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, associate and JVs, is based solely on the reports of the other auditors.



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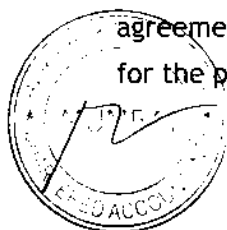


- (3) The CFS includes unaudited figures in respect of two JVs which are provisional / as approved by their Management. The aggregate share of total assets (net) of these JVs is Rs. 156.99 crore as at March 31, 2016, total revenue is Rs.383.85 crore and net cash inflow is Rs.0.85 crore for the year then ended. Our opinion on the CFS, , insofar as it relates to the amounts and disclosures included in respect of these JVs, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid JVs, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to these CFS.
- (4) The CFS does not include figures in respect of five JVs as mentioned in note no. 1.1 (c)- note (i),(ix),(x) and (xi) of the consolidated financial statements. According to the information and explanations given to us by the Management, the same are not material to these CFS.

Our opinion on the CFS and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements approved by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section (3) of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid CFS. However, we have not received responses to the Group Audit instructions from the auditors of subsidiaries and JVs and hence we are unable to comment on its implications, if any;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid CFS have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and working / records maintained for the purpose of preparation of the CFS;



AM



- (d) In our opinion, the aforesaid CFS comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act, are not applicable to the Holding company and in case of other companies, on the basis of report of the statutory auditors of the respective Companies of the Group and its associate and JVs incorporated in India, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the financial controls over financial reporting of the Holding Company, its Subsidiary, associate and JVs incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group, associate and JVs have disclosed the impact of pending litigations, on its financial position in the CFS - Refer Note 52 of the CFS;
 - ii. The Group, associate and JVs have made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long - term contracts including derivative contracts - Refer Note 51 of the

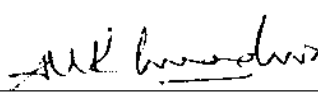


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- iii. There has been no delay in transferring amounts, where required to be transferred, to the Investor Education and Protection Fund by the Group, associate and JVs Incorporated in India.

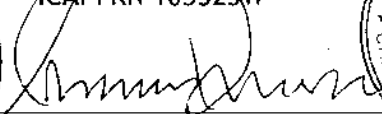
For CNK & Associates LLP
Chartered Accountants
ICAI FRN. 101961W

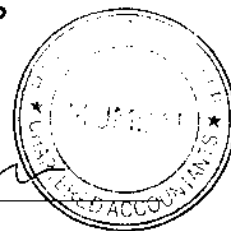

Himanshu Kishnadwala
Partner
Membership No.: 37391
Mumbai:

Date: May 26, 2016



For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W


Chetan Desai
Partner
Membership No.: 17000



ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date on the consolidated financial statements of Bharat Petroleum Corporation Limited, its subsidiaries, associate and Joint Venture Companies (JVs)]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

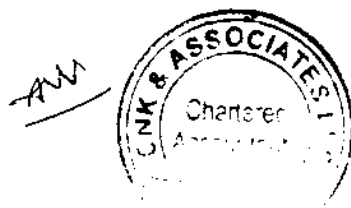
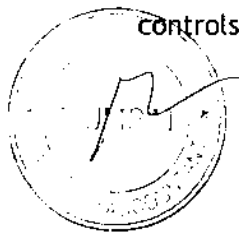
In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March, 2016, We have audited the internal financial controls over financial reporting of the Bharat Petroleum Corporation Limited (hereinafter referred to as "the Holding Company" or "Corporation"), its subsidiaries, associate and Joint Venture Companies (JVs), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiaries, associate and JVs, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.



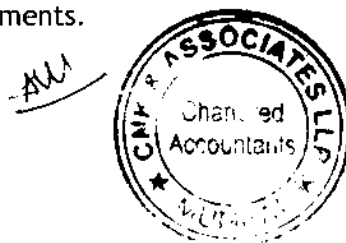
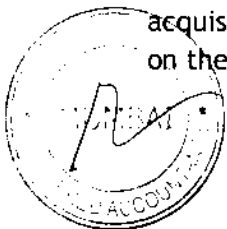
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company its subsidiaries, associate and Joint Venture Companies (JVs), which are companies incorporated in India internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

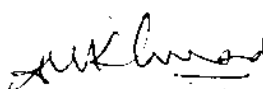
In our opinion, the Holding Company, its subsidiaries, associate and JVs, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries, associate and JVs which are companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiaries, eleven JVs, which are companies incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

For CNK & Associates LLP

Chartered Accountants
ICAI FRN. 101961W



Himanshu Kishnadwala
Partner

Membership No.: 37391

Place :Mumbai:

Date: May 26, 2016



For Haribhakti & Co. LLP

Chartered Accountants
ICAI FRN 103523W



Chetan Desai
Partner

Membership No.: 17000

