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Auditors' Report on Annual Consolidated Financial Results of Hindustan Petroleum Corporation Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Hindustan Petroleum Corporation Limited

Introduction

1. We have audited the accompanying Statement of Annual Consolidated Financial Results of **HINDUSTAN PETROLEUM CORPORATION LIMITED** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its jointly controlled entities, and the Standalone Financial Results of the Company for the year ended March 31, 2017 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular bearing nos. CIR / CFD / FAC / 62 / 2016 dated July 5, 2016 in this regard, except for the disclosures regarding (a) Physical Performance disclosed in para B of part 1 of the Financial Results and (b) 'Average Gross Refinery Margin' stated in Note no. 7 of the Financial Results. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. This Statement has been prepared on the basis of the annual consolidated financial statements of the Group and the standalone financial statements of the Company which is in accordance with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.



Scope of Review

2. We conducted our audit of the Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.
3. We believe that the audit evidences obtained by us and obtained by the other auditors in terms of their report referred to in paragraph 5 below, is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, and on consideration of the reports of the other auditors, the Statement:

(i) includes the annual financial results of the following entities

(i) Subsidiaries

- a) HPCL Biofuels Ltd.
- b) Prize Petroleum Company Ltd and its subsidiary

(ii) Joint Ventures

- a) CREDA - HPCL Biofuels Ltd.
- b) HPCL - Mittal Energy Ltd and its subsidiaries
- c) Hindustan Colas Pvt. Ltd.
- d) South Asia LPG Co. Pvt. Ltd.
- e) Bhagyanagar Gas Ltd
- f) Petronet India Ltd.
- g) Petronet MHB Ltd.
- h) Aavantika Gas Ltd.
- i) HPCL Rajasthan Refinery Ltd.
- j) Godavari Gas Limited
- k) HPCL Shapoorji Energy Pvt Ltd
- l) Mumbai Aviation Fuel Farm Facility Pvt. Ltd



(iii) Associates

- a) Mangalore Refinery and Petrochemicals Ltd. and its subsidiaries.
- b) GSPL India Gasnet Ltd
- c) GSPL India Transco Ltd

- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in this regard; and
- (iii) gives a true and fair view of the consolidated net profit, total comprehensive Income and other financial information of the Group including its joint controlled entities and associate for the year ended March 31, 2017.

Other Matters

5. We did not audit the Ind AS financial statements of 2 subsidiaries (and its step-down subsidiary) included in the Statement, whose Ind AS financial statements reflects total assets of Rs. 1,106 crores as at March 31, 2017, total revenues of Rs. 472 crores and total loss after tax of Rs. 238 crores for the year ended on that date, as considered in the Statement. The Statement also includes Group's share of net profit of Rs. 2,319 crores for the year ended March 31, 2017, as considered in the Statement, in respect of 11 jointly controlled entities (and its step-down subsidiary), and 3 associates (and its step-down subsidiary and jointly controlled entity), whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors. The Statement also includes Group's share of net loss of Rs. 0.23 crores for the year ended March 31, 2017, as considered in the Statement, in respect of 1 jointly controlled entity whose Ind AS financial statements are unaudited. This Ind AS financial statement has been incorporated based on un-audited financial statement from the respective management.
6. The attached financial statements include Company's proportionate share in jointly controlled assets and liabilities amounting to Rs. 20.02 crores and Rs. 12.29 crores as at March 31, 2017 and expenditure for the quarter and year ended amounting to Rs. 5.55



crores and Rs. 15.25 crores respectively and Income for the quarter and year ended amounting to Rs. Nil crores and Rs. Nil crores in respect of 21 unincorporated jointly controlled entities (UJCEs). In respect of these UJCEs, the audited accounts are not available with the Company. The financial statements have been incorporated based on un-audited financial statements/data received from the operator, In the absence of audited accounts of the UJCEs, we are unable to comment on the adjustments that may be required to be made in these financial statements.

7. We draw attention to note no. 15 to the financial results, which describes the reasons for considering joint venture interest lower than the percentage of shareholding in a joint venture known as Bhagyanagar Gas Limited.

Our opinion is not modified in respect of these matters.

8. The Statement includes the results for the Quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the annual standalone financial statement and the published year to date figures up to the third quarter of the standalone financial statements which were subject to limited review by us.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

Rajen Ashar
Partner
Membership No.: 048243

Place: New Delhi
Dated : 26th May 2017

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

A.K. Pradhan
Partner
Membership No.: 032156

