

HINDUSTAN PETROLEUM CORPORATION LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

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UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2014

Particulars	Un - Audited			Un - Audited		Audited
	Quarter Ended			Half Year Ended		Year Ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
<b>PART I</b>						
<b>A FINANCIAL PERFORMANCE ( ₹ in Crores )</b>						
<b>1 Income from Operations</b>						
Sales/Income from Operations	53,782.43	61,183.07	54,497.44	1,14,965.50	1,07,739.99	2,32,188.35
Less : Excise Duty Paid	2,149.25	2,031.36	1,928.87	4,180.61	4,180.94	9,151.68
<b>(a) Net Sales/Income from Operations</b>	<b>51,633.18</b>	<b>59,151.71</b>	<b>52,568.57</b>	<b>1,10,784.89</b>	<b>1,03,559.05</b>	<b>2,23,036.67</b>
<b>(b) Other Operating Income</b>	<b>55.54</b>	<b>64.07</b>	<b>(664.91)</b>	<b>119.61</b>	<b>108.47</b>	<b>234.66</b>
<b>Total Income from Operations (net)</b>	<b>51,688.72</b>	<b>59,215.78</b>	<b>51,903.66</b>	<b>1,10,904.50</b>	<b>1,03,667.52</b>	<b>2,23,271.33</b>
<b>2 Expenditure</b>						
(a) Cost of materials consumed	18,342.58	13,943.79	15,839.04	32,286.37	28,734.28	61,962.49
(b) Purchases of stock-in-trade	32,358.87	41,605.01	35,228.88	73,963.88	70,630.88	1,45,137.95
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,735.51)	912.98	(3,415.15)	(2,822.53)	(2,269.92)	(574.43)
(d) Employee benefits expense	569.85	664.43	516.06	1,234.28	1,007.32	2,030.30
(e) Depreciation and amortisation expense	388.01	589.66	542.57	977.67	1,052.57	2,188.44
(f) Other expenditure	2,552.88	1,499.73	2,740.88	4,052.61	5,323.50	9,549.16
<b>Total Expenses</b>	<b>50,476.68</b>	<b>59,215.60</b>	<b>51,452.28</b>	<b>1,09,692.28</b>	<b>1,04,478.63</b>	<b>2,20,293.91</b>
<b>3 Profit/(Loss) from Operations before Other Income, Finance Cost &amp; Exceptional Items (1-2)</b>	<b>1,212.04</b>	<b>0.18</b>	<b>451.38</b>	<b>1,212.22</b>	<b>(811.11)</b>	<b>2,977.42</b>
<b>4 Other Income</b>	<b>275.28</b>	<b>197.88</b>	<b>243.71</b>	<b>473.16</b>	<b>447.86</b>	<b>974.45</b>
<b>5 Profit/(Loss) from ordinary activities before Finance Cost &amp; Exceptional Items (3+4)</b>	<b>1,487.32</b>	<b>198.06</b>	<b>695.09</b>	<b>1,685.38</b>	<b>(363.25)</b>	<b>3,951.87</b>
<b>6 Finance Cost</b>	<b>186.89</b>	<b>129.54</b>	<b>376.17</b>	<b>316.43</b>	<b>778.31</b>	<b>1,336.36</b>
<b>7 Profit/(Loss) from ordinary activities after Finance Cost but before Exceptional Items (5-6)</b>	<b>1,300.43</b>	<b>68.52</b>	<b>318.92</b>	<b>1,368.95</b>	<b>(1,141.56)</b>	<b>2,615.51</b>
<b>8 Exceptional Items - Expenses/(Income)</b>	-	-	-	-	-	-
<b>9 Profit/(Loss) from Ordinary Activities before tax (7+/-8)</b>	<b>1,300.43</b>	<b>68.52</b>	<b>318.92</b>	<b>1,368.95</b>	<b>(1,141.56)</b>	<b>2,615.51</b>
<b>10 Tax Expense</b>	<b>450.22</b>	<b>22.48</b>	-	<b>472.70</b>	-	<b>881.74</b>
<b>11 Net Profit/(Loss) from Ordinary Activities after tax (9-10)</b>	<b>850.21</b>	<b>46.04</b>	<b>318.92</b>	<b>896.25</b>	<b>(1,141.56)</b>	<b>1,733.77</b>
<b>12 Extraordinary Items (net of tax expenses)</b>	-	-	-	-	-	-
<b>13 Net Profit/(Loss) for the period (11-12)</b>	<b>850.21</b>	<b>46.04</b>	<b>318.92</b>	<b>896.25</b>	<b>(1,141.56)</b>	<b>1,733.77</b>
<b>14 Paid up Equity Share Capital (Face value ₹ 10/- each)</b>	<b>338.63</b>	<b>338.63</b>	<b>338.63</b>	<b>338.63</b>	<b>338.63</b>	<b>338.63</b>
<b>15 Reserves excluding Revaluation Reserves as per Balance Sheet</b>						<b>14,673.15</b>
<b>16 Earnings Per Share:</b>						
(i) Basic and Diluted before extraordinary item (₹)	25.11	1.36	9.42	26.47	(33.71)	51.20
(ii) Basic and Diluted after extraordinary item (₹)	25.11	1.36	9.42	26.47	(33.71)	51.20
<b>17 Debt Service Coverage Ratio (DSCR) (No. of times) *</b>				<b>4.88</b>	<b>0.30</b>	<b>2.08</b>
<b>18 Interest Service Coverage Ratio (ISCR) (No. of times) **</b>				<b>8.42</b>	<b>0.89</b>	<b>4.59</b>
<b>B PHYSICAL PERFORMANCE ( in MMT )</b>						
Crude Thruput	4.49	3.28	3.89	7.77	7.33	15.51
Market Sales (Including Exports)	7.36	8.34	7.20	15.70	15.11	30.96
Pipeline Thruput	3.32	4.00	3.64	7.32	7.75	15.69

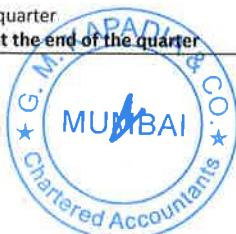
\*Debt Service Coverage Ratio (DSCR) = Profits after Tax but before Depreciation and Interest / (Interest + Principal Repayment of Long Term Loans).

\*\* Interest Service Coverage Ratio (ISCR) = Profits before Depreciation, Interest and Tax / Interest.

**PART II**

**SELECTED INFORMATION FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2014**

<b>A PARTICULARS OF SHAREHOLDING</b>						
<b>1 Public Shareholding</b>						
Number of Shares	16,55,50,500	16,55,50,500	16,55,50,500	16,55,50,500	16,55,50,500	16,55,50,500
Percentage of Shareholding (%)	48.89	48.89	48.89	48.89	48.89	48.89
<b>2 Promoters and Promoter Group Shareholding</b>						
<b>(a) Pledged/ Encumbered</b>						
- Number of Shares	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of Shares	NIL	NIL	NIL	NIL	NIL	NIL
<b>(b) Non - encumbered</b>						
- Number of Shares	17,30,76,750	17,30,76,750	17,30,76,750	17,30,76,750	17,30,76,750	17,30,76,750
- Percentage of Shares (as a % of total shareholding of Promoter and Promoter Group)	100	100	100	100	100	100
- Percentage of Shares (as a % of total share capital of the Company)	51.11	51.11	51.11	51.11	51.11	51.11
<b>B INVESTOR COMPLAINTS :</b>					<b>30.09.2014</b>	
Pending at the beginning of the quarter					NIL	
Received during the quarter					5	
Disposed off during the quarter					5	
Remaining unresolved at the end of the quarter					NIL	



**Notes :**

- 1 Average Gross Refining Margins during the half year ended September 2014, were US \$ 2.09 per BBL as against US \$ 3.27 per BBL during the corresponding period of previous year.
- 2 During the period April - September 14, Subsidy on PDS Kerosene and Domestic Subsidized LPG amounting to ₹ 366.25 crores (April - September 13 : ₹ 316.09 crores) has been accounted.
- 3 During the period April - September 14, discount from upstream oil companies viz. ONGC and GAIL amounting to ₹ 7,359.63 crores (April - September 13 : ₹ 7,394.68 crores) in respect of Crude oil, PDS Kerosene & Domestic LPG purchased from them has been accounted.
- 4 Based on the approval received from the Government of India, the Company has accounted for Budgetary Support amounting to ₹ 3,918.95 crores for the half yearly ended September 2014 (April - September 13 : ₹ 5,949.25 crores) against under - recoveries on sale of sensitive petroleum products.
- 5 Pursuant to the enactment of the Companies Act 2013, the Company has, effective April 1, 2014, provisionally worked out the depreciation based on the useful life of fixed assets as given in Part 'C' of Schedule II to the Act. Consequentially (i) charge for depreciation during the period ended September, 2014 is lower by ₹ 209.65 crores and (ii) an amount of ₹ 314.78 crores (net of deferred tax) has been debited to retained earnings on account of the impact of depreciation on assets where the remaining useful life is nil as on April 1, 2014. The exercise in respect of componentization (mandatory from FY 2015 - 16) is in progress.
- 6 The "Other Operating Income" for the quarter ended September 2013 includes reversal of upstream discount and adjustment of same to "Cost of Material Consumed" amounting to Rs. ₹ 723.88 crores.

**7 STATEMENT OF ASSETS AND LIABILITIES AS PER CLAUSE 41 (V)(H) OF THE LISTING AGREEMENT**

Particulars	₹ in Crores)	
	(Un - Audited)	(Audited)
	Half Year Ended	Year Ended
	30.09.2014	31.03.2014
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholder's Funds</b>		
(a) Share Capital	339.01	339.01
(b) Reserves and Surplus	15,074.24	14,673.15
<b>Sub - Total - Shareholders' Funds</b>	<b>15,413.25</b>	<b>15,012.16</b>
<b>2 Non - Current Liabilities</b>		
(a) Long - Term Borrowings	16,273.03	15,554.88
(b) Deferred Tax Liabilities (net)	4,189.74	3,908.43
(c) Other Long - Term Liabilities	7,756.04	7,207.70
(d) Long - Term Provisions	606.01	587.66
<b>Sub - Total - Non - Current Liabilities</b>	<b>28,824.82</b>	<b>27,258.67</b>
<b>3 Current Liabilities</b>		
(a) Short - Term Borrowings	7,361.78	16,375.17
(b) Trade Payables	14,070.23	10,651.39
(c) Other Current Liabilities	6,812.01	6,538.72
(d) Short - Term Provisions	992.71	1,741.98
<b>Sub - Total - Current Liabilities</b>	<b>29,236.73</b>	<b>35,307.26</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>73,474.80</b>	<b>77,578.09</b>
<b>B ASSETS</b>		
<b>1 Non - Current Assets</b>		
(a) Fixed Assets	31,215.10	30,497.80
(b) Non - Current Investments	5,786.30	5,735.83
(c) Long - Term Loans and Advances	1,702.13	1,461.42
(d) Other Non - Current Assets	139.32	146.26
<b>Sub - Total - Non - Current Assets</b>	<b>38,842.85</b>	<b>37,841.31</b>
<b>2 Current Assets</b>		
(a) Current Investments	5,261.87	5,124.04
(b) Inventories	21,853.89	18,775.41
(c) Trade Receivables	3,262.05	5,465.95
(d) Cash and Bank Balances	20.57	34.71
(e) Short - Term Loans and Advances	3,878.68	10,007.90
(f) Other Current Assets	354.89	328.77
<b>Sub - Total - Current Assets</b>	<b>34,631.95</b>	<b>39,736.78</b>
<b>TOTAL - ASSETS</b>	<b>73,474.80</b>	<b>77,578.09</b>

8 Previous period's figures have been regrouped/reclassified wherever necessary



## SEGMENT-WISE RESULTS

(₹ in Crores)

Particulars	Un - Audited			Un - Audited		Audited
	Quarter Ended			Half Year Ended		Year Ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
<b>1 SEGMENT REVENUE</b>						
a) Downstream Petroleum	51,775.10	59,267.53	51,952.00	1,11,042.63	1,03,767.53	2,23,481.08
b) Exploration & Production of Hydrocarbons	-	-	-	-	-	-
Sub-Total	51,775.10	59,267.53	51,952.00	1,11,042.63	1,03,767.53	2,23,481.08
Less: Inter-Segment Revenue	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>51,775.10</b>	<b>59,267.53</b>	<b>51,952.00</b>	<b>1,11,042.63</b>	<b>1,03,767.53</b>	<b>2,23,481.08</b>
<b>2 SEGMENT RESULTS</b>						
a) Profit/(Loss) before Tax, Interest Income, Interest Expenditure and Dividend from each Segment						
i) Downstream Petroleum	1,253.75	(97.13)	761.42	1,156.62	(445.06)	4,127.96
ii) Exploration & Production of Hydrocarbons	(17.21)	(4.93)	(29.38)	(22.14)	(91.55)	(203.97)
Sub-Total of (a)	1,236.54	(102.06)	732.04	1,134.48	(536.61)	3,923.99
b) Finance Cost	186.89	129.54	376.17	316.43	778.31	1,336.36
c) Other Un-allocable Expenditure (Net of Un-allocable Income)	(250.78)	(300.12)	36.95	(550.90)	(173.36)	(27.88)
Profit/(Loss) before Tax (a-b-c)	1,300.43	68.52	318.92	1,368.95	(1,141.56)	2,615.51
<b>3 CAPITAL EMPLOYED</b> (Segment Assets- Segment Liabilities)						
a) Downstream Petroleum	33,541.02	32,364.02	22,475.44	33,541.02	22,475.44	32,460.07
b) Exploration & Production of Hydrocarbons	(851.86)	(834.65)	(687.92)	(851.86)	(687.92)	(829.72)
c) Others (Unallocated-Corporate)	7,359.18	7,166.17	7,919.51	7,359.18	7,919.51	6,732.06
<b>Total</b>	<b>40,048.34</b>	<b>38,695.54</b>	<b>29,707.03</b>	<b>40,048.34</b>	<b>29,707.03</b>	<b>38,362.41</b>

**Notes:**

1. The Company is engaged in the following business segments:

- a) Downstream i.e. Refining and Marketing of Petroleum Products
- b) Exploration and Production of Hydrocarbons

Segments have been identified taking into account the nature of activities and the nature of risks and returns.

2. Segment Revenue comprises of the following:

- a) Turnover (Net of Excise Duties)
- b) Subsidy from Government of India
- c) Other income (excluding interest income, dividend income and investment income)

3. There are no Geographical Segments.

4. Previous period's figures have been regrouped/reclassified wherever necessary.

The Financial Results for the quarter and half year have been subjected to a Limited Review by the Corporation's Statutory Auditors.

The above results have been reviewed and recommended by the Audit Committee in its meeting held on November 13th, 2014 and taken on record by the Board of Directors at its meeting held on November 13th, 2014.

By order of the Board

K V Rao  
Director (Finance)

Place : New Delhi  
Date : 13th November, 2014



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Dadar (W), Mumbai-400 028

To the Board of Directors  
**Hindustan Petroleum Corporation Limited**  
Mumbai

**Limited Review Report of the Statutory Auditors' on the Unaudited Standalone  
Financial Results for the Quarter \ Half Year ended on September 30, 2014**


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1. We have reviewed the accompanying statement of unaudited standalone financial results (the 'Statement') of **HINDUSTAN PETROLEUM CORPORATION LIMITED** for the quarter \ half year ended 30th September, 2014 except for the disclosures regarding (a) Physical Performance disclosed in Part 'B' of Financial Performance of the Financial Results (b) 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from the disclosures made by the management but have neither been reviewed nor been audited by us and (c) 'Average Gross Refinery Margin' stated in Note no. 1 of the Financial Results. In this Statement are incorporated the results of the Visakh Refinery, which have been subjected to a limited review by the branch auditor of the Company. The branch auditor's report dated November 8, 2014 has forwarded to us and the same has been dealt with in preparing this report, in the manner considered necessary by us. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on 13th November 2014 and been initialed by us for identification purpose. Our responsibility is to issue a report on this Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.



3. *With effect from April 1, 2014, the Company was required to review and if required revise, the useful life of its fixed assets and provide depreciation. During the quarter, as stated in note no. 5 of the financial results, the Company has provisionally adopted useful life stated in Schedule II to the Companies Act, 2013. Since depreciation is computed based on adoption of useful life on provisional basis, the charge to Statement of Profit & Loss and to retained earnings on account of transitional provision are also on provisional basis and not final. The impact on the profit for the quarter / half year under review, the amount to be adjusted against retained earnings and written down value of fixed assets has not been quantified by the Company as on September 30, 2014.*
4. Based on our review conducted as above, *except for the effects of the matter described in the above paragraph*, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which were deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement
5. Without qualifying our opinion, we draw attention to recognition of Minimum Alternative Tax (MAT) credit as an asset which is based on the management judgment / assessment that the MAT credit of Rs. 780.35 crore will be availed during the period specified in section 115JAA of the Income Tax Act, 1961

For G. M. Kapadia & Co.  
Chartered Accountants  
Firm registration no. :104767W

  
Rajen Ashar  
Partner  
Membership No 048243

For CVK & Associates  
Chartered Accountants  
Firm registration no. :101745W

  
A. K. Pradhan  
Partner  
Membership No 032156

Place : New Delhi

Dated : 13<sup>th</sup> November 2014