

Sec.3.4.I(L)

29.05.2017

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<sup>st</sup> March 2017 and Recommendation of Final Dividend for the year 2016-17**

This is further to our letter dated 12<sup>th</sup> May 2017 intimating the date of the Board meeting of the Company. We wish to inform you that the Board of Directors of the Company has approved the Audited Financial Results (Standalone and Consolidated) for the financial year ended 31<sup>st</sup> March 2017. The Statutory Auditors of the Company have issued Audit Reports with unmodified opinion on the financial results.

The Board of Directors have also recommended a final dividend of Re.1 per equity share (i.e. @ 10% on the paid up share capital) for the financial year ended 31<sup>st</sup> March 2017 subject to the approval of the shareholders at the ensuing Annual General Meeting(AGM). The final dividend would be paid within 30 days from the date of its declaration at the AGM.

Pursuant to Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose the following:-

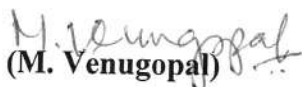
- (i) Statements showing the Audited Financial Results (Standalone and Consolidated) for the year ended 31<sup>st</sup> March 2017
- (ii) Auditors Report on the Audited Financial Results-Standalone and Consolidated

The meeting of the Board of Directors commenced at 2.30 p.m. and concluded at 8.30 p.m.

Thanking You,

Yours faithfully,

For Bharat Petroleum Corporation Limited

  
(M. Venugopal)

Company Secretary

Encl.: A/a.

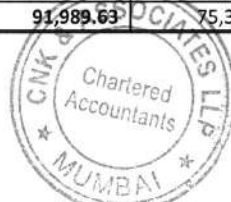
**STATEMENT OF STANDALONE AND CONSOLIDATED RESULTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

₹ in Crores

| Particulars  | Standalone                    |                               |                               |                       |                       | Consolidated          |                       |
|--|-------------------------------|-------------------------------|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | Three months ended 31.03.2017 | Three months ended 31.12.2016 | Three months ended 31.03.2016 | Year ended 31.03.2017 | Year ended 31.03.2016 | Year ended 31.03.2017 | Year ended 31.03.2016 |
|  | Unaudited                     | Unaudited                     | Unaudited                     | Audited               | Audited               | Audited               | Audited               |
| <b>A. FINANCIAL PERFORMANCE</b>  |                               |                               |                               |                       |                       |                       |                       |
| <b>Income</b>  |                               |                               |                               |                       |                       |                       |                       |
| I. Revenue from operations   | 66,023.22                     | 64,095.65                     | 53,260.96                     | 2,42,047.82           | 2,17,894.77           | 2,43,747.46           | 2,19,226.79           |
| II. Other income (Refer Note 12)   | 662.39                        | 551.05                        | 443.47                        | 2,600.68              | 1,776.17              | 2,047.75              | 1,595.84              |
| <b>III. Total Income (I + II)</b>  | <b>66,685.61</b>              | <b>64,646.70</b>              | <b>53,704.43</b>              | <b>2,44,648.50</b>    | <b>2,19,670.94</b>    | <b>2,45,795.21</b>    | <b>2,20,822.63</b>    |
| <b>IV. Expenses</b>  |                               |                               |                               |                       |                       |                       |                       |
| Cost of materials consumed   | 18,206.72                     | 18,224.29                     | 11,313.07                     | 67,710.71             | 61,006.59             | 75,112.16             | 67,529.50             |
| Purchase of stock-in-trade   | 34,037.20                     | 28,953.15                     | 24,396.86                     | 1,14,220.09           | 1,00,828.85           | 1,02,131.17           | 90,240.27             |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress                  | (1,767.39)                    | (782.81)                      | 269.71                        | (5,577.61)            | 834.31                | (5,832.38)            | 1,304.82              |
| Excise Duty  | 8,986.74                      | 10,552.95                     | 9,706.46                      | 39,837.25             | 29,490.13             | 42,496.80             | 31,412.19             |
| Employee Benefits Expense  | 1,436.79                      | 681.85                        | 819.78                        | 3,429.46              | 2,757.81              | 3,669.08              | 2,962.06              |
| Finance costs  | 147.51                        | 134.85                        | 240.54                        | 495.87                | 565.16                | 696.36                | 680.49                |
| Depreciation and Amortization Expense  | 523.84                        | 483.61                        | 429.64                        | 1,891.32              | 1,844.60              | 2,107.64              | 2,071.87              |
| Other Expenses   | 2,910.89                      | 3,149.75                      | 3,384.97                      | 11,598.62             | 11,952.45             | 12,658.16             | 12,840.85             |
| <b>Total Expenses (IV)</b>   | <b>64,482.30</b>              | <b>61,397.64</b>              | <b>50,561.03</b>              | <b>2,33,605.71</b>    | <b>2,09,279.90</b>    | <b>2,33,038.99</b>    | <b>2,09,042.05</b>    |
| <b>V. Profit/(Loss) before Tax (III - IV)</b>  | <b>2,203.31</b>               | <b>3,249.06</b>               | <b>3,143.40</b>               | <b>11,042.79</b>      | <b>10,391.04</b>      | <b>12,756.22</b>      | <b>11,780.58</b>      |
| <b>VI Share of profit of equity accounted investee (net of income tax)</b>                     |                               |                               |                               |                       |                       | <b>943.39</b>         | <b>351.01</b>         |
| <b>VII. Tax expense:</b>   |                               |                               |                               |                       |                       |                       |                       |
| 1. Current Tax   | 469.00                        | 647.00                        | 856.00                        | 2,210.00              | 2,684.00              | 3,168.28              | 3,418.45              |
| 2. Deferred Tax  | (49.84)                       | 382.75                        | 156.71                        | 904.73                | 636.02                | 1,135.60              | 613.63                |
| 3. Short/(Excess) provision of earlier years   | (57.53)                       | (52.63)                       | 14.66                         | (111.24)              | 14.66                 | (111.24)              | 10.64                 |
| <b>VIII. Profit/(Loss) for the year (V+VI- VII)</b>  | <b>1,841.68</b>               | <b>2,271.94</b>               | <b>2,116.03</b>               | <b>8,039.30</b>       | <b>7,056.36</b>       | <b>9,506.97</b>       | <b>8,088.87</b>       |
| <b>IX. Other Comprehensive Income (OCI)</b>  |                               |                               |                               |                       |                       |                       |                       |
| (i) Items that will not be reclassified to profit or loss                                      |                               |                               |                               |                       |                       |                       |                       |
| (a) Remeasurements of defined benefit plans  | 11.34                         | 6.18                          | (54.16)                       | (77.52)               | (142.49)              | (83.46)               | (141.03)              |
| (b) Equity instruments through Other Comprehensive Income- net change in fair value            | 1.53                          | 67.82                         | (79.85)                       | 185.04                | (180.37)              | 185.04                | (180.37)              |
| (c) Equity accounted investees - share of OCI  |                               |                               |                               |                       |                       | (0.96)                | (0.17)                |
| (d) Income tax related to items that will not be reclassified to profit or loss                | (5.84)                        | (2.14)                        | 17.42                         | 24.91                 | 47.99                 | 27.26                 | 47.48                 |
| (ii) Items that will be reclassified to profit or loss   |                               |                               |                               |                       |                       |                       |                       |
| (a) Exchange differences in translating financial statements of foreign operations             |                               |                               |                               |                       |                       | (22.74)               | 290.02                |
| (b) Equity accounted investees - share of OCI  |                               |                               |                               |                       |                       | 225.71                |                       |
| <b>Total Other Comprehensive Income</b>  | <b>7.03</b>                   | <b>71.86</b>                  | <b>(116.59)</b>               | <b>132.43</b>         | <b>(274.87)</b>       | <b>330.85</b>         | <b>15.93</b>          |
| <b>X. Total Comprehensive Income for the period (VIII+IX)</b>                                  | <b>1,848.71</b>               | <b>2,343.80</b>               | <b>1,999.44</b>               | <b>8,171.73</b>       | <b>6,781.49</b>       | <b>9,837.82</b>       | <b>8,104.80</b>       |
| <b>XI. Total Comprehensive Income attributable to Non Controlling Interests</b>                |                               |                               |                               |                       |                       | <b>784.55</b>         | <b>503.99</b>         |
| <b>XII. Total Comprehensive Income attributable to Equity holders of the Parent</b>            |                               |                               |                               |                       |                       | <b>9,053.27</b>       | <b>7,600.81</b>       |
| <b>XIII. Paid up Equity Share Capital (Face value ₹ 10 each) (Refer Note 12)</b>               | <b>1,311.25</b>               | <b>1,311.25</b>               | <b>655.62</b>                 | <b>1,311.25</b>       | <b>655.62</b>         | <b>1,311.25</b>       | <b>655.62</b>         |
| <b>XIV. Reserves excluding revaluation reserves</b>  | <b>-</b>                      | <b>-</b>                      | <b>-</b>                      | <b>28,357.13</b>      | <b>26,667.34</b>      | <b>29,508.50</b>      | <b>27,137.65</b>      |
| <b>XV. Basic and Diluted Earnings Per Share (₹ per share) (Face value ₹10) (Refer Note 12)</b> | <b>14.04</b>                  | <b>17.33</b>                  | <b>16.14</b>                  | <b>61.31</b>          | <b>53.81</b>          | <b>66.51</b>          | <b>57.84</b>          |
| <b>B. PHYSICAL PERFORMANCE</b>   |                               |                               |                               |                       |                       |                       |                       |
| 1. Crude Throughput (MMT)  | 6.02                          | 6.78                          | 6.22                          | 25.39                 | 24.12                 | 31.24                 | 29.82                 |
| 2. Market Sales (MMT)  | 9.26                          | 9.76                          | 9.78                          | 37.68                 | 36.53                 | 37.74                 | 36.83                 |
| 3. Sales Growth (%)  | (5.32)                        | 4.95                          | 12.54                         | 3.15                  | 6.04                  | 2.48                  | 5.38                  |
| 4. Export Sales (MMT)  | 0.81                          | 0.75                          | 0.54                          | 2.49                  | 1.89                  | 2.50                  | 1.90                  |



| STATEMENT OF ASSETS AND EQUITY AND LIABILITIES AS AT 31 <sup>st</sup> MARCH 2017  |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
| Particulars   | Audited             |                     |                     |                     |
|   | ₹ in Crores         |                     |                     |                     |
|   | Standalone          |                     | Consolidated        |                     |
|   | As at<br>31-03-2017 | As at<br>31-03-2016 | As at<br>31-03-2017 | As at<br>31-03-2016 |
| <b>I. ASSETS</b>  |                     |                     |                     |                     |
| <b>(1) Non-current Assets</b>   |                     |                     |                     |                     |
| (a) Property, Plant and Equipment   | 31,278.66           | 23,055.57           | 33,438.69           | 25,189.63           |
| (b) Capital work-in-progress  | 11,216.73           | 12,449.13           | 11,762.72           | 12,745.15           |
| (c) Investment Property   | 0.40                | 0.48                | 0.28                | 0.48                |
| (d) Other Intangible assets   | 158.25              | 151.73              | 244.89              | 168.87              |
| (e) Intangible assets under development   | 405.79              | 215.18              | 5,071.15            | 4,713.78            |
| (f) Investments in Subsidiaries, Joint Ventures and Associates<br>(Refer Note 12) | 8,548.45            | 7,123.93            |                     |                     |
| (g) Investments accounted for using equity method                                 |                     |                     | 14,961.68           | 3,567.13            |
| (h) Financial Assets  |                     |                     |                     |                     |
| (i) Investments   | 692.66              | 507.62              | 692.66              | 507.62              |
| (ii) Loans  | 3,783.65            | 1,977.63            | 3,320.97            | 6,237.87            |
| (iii) Other financial assets  | 35.14               | 14.27               | 46.09               | 135.61              |
| (i) Income Tax Assets (Net)   | 126.78              | 72.78               | 127.51              | 72.78               |
| (j) Other non-current assets  | 1,485.00            | 1,586.36            | 1,509.54            | 1,636.16            |
| <b>Total Non-current assets</b>   | <b>57,731.51</b>    | <b>47,154.68</b>    | <b>71,176.18</b>    | <b>54,975.08</b>    |
| <b>(2) Current Assets</b>   |                     |                     |                     |                     |
| (a) Inventories   | 19,798.01           | 13,792.86           | 21,196.78           | 14,643.70           |
| (b) Financial Assets  |                     |                     |                     |                     |
| (i) Investments   | 5,360.34            | 5,179.43            | 5,672.79            | 5,325.82            |
| (ii) Trade receivables  | 4,758.18            | 2,188.95            | 4,803.75            | 2,216.89            |
| (iii) Cash and cash equivalents   | 54.35               | 1,720.54            | 637.98              | 2,036.81            |
| (iv) Bank Balances other than Cash and cash equivalents                           | 10.34               | 346.81              | 1,246.56            | 2,165.56            |
| (v) Loans   | 70.65               | 65.62               | 78.17               | 63.20               |
| (vi) Other financial assets   | 3,304.05            | 4,070.29            | 3,307.28            | 4,133.36            |
| (c) Current Tax Assets (Net)  | 23.08               | -                   | 33.76               | 8.40                |
| (d) Other current assets  | 879.12              | 838.17              | 933.01              | 852.90              |
| <b>Total Current Assets</b>   | <b>34,258.12</b>    | <b>28,202.67</b>    | <b>37,910.08</b>    | <b>31,446.65</b>    |
| <b>TOTAL ASSETS</b>   | <b>91,989.63</b>    | <b>75,357.35</b>    | <b>1,09,086.26</b>  | <b>86,421.73</b>    |
| <b>II. EQUITY AND LIABILITIES</b>   |                     |                     |                     |                     |
| <b>Equity</b>   |                     |                     |                     |                     |
| (a) Equity Share Capital (Refer Note 12)  | 1,311.25            | 655.62              | 1,311.25            | 655.62              |
| (b) Other Equity (Refer Note 12)  | 28,357.13           | 26,667.34           | 29,508.50           | 27,137.65           |
| (c) Non Controlling Interests   |                     |                     | 1,958.19            | 1,678.32            |
| <b>Total Equity</b>   | <b>29,668.38</b>    | <b>27,322.96</b>    | <b>32,777.94</b>    | <b>29,471.59</b>    |
| <b>Liabilities</b>  |                     |                     |                     |                     |
| <b>(1) Non-current liabilities</b>  |                     |                     |                     |                     |
| (a) Financial Liabilities   |                     |                     |                     |                     |
| (i) Borrowings  | 13,776.44           | 13,567.42           | 23,255.33           | 21,097.22           |
| (ii) Other financial liabilities  | 63.40               | 60.73               | 64.93               | 63.47               |
| (b) Provisions  | 1,353.15            | 1,156.84            | 1,495.27            | 1,653.16            |
| (c) Deferred tax liabilities (net)  | 3,501.71            | 2,621.89            | 4,054.80            | 3,071.97            |
| (d) Other non-current liabilities   | 81.76               | 70.02               | 81.76               | 70.02               |
| <b>Total Non-current liabilities</b>  | <b>18,776.46</b>    | <b>17,476.90</b>    | <b>28,952.09</b>    | <b>25,955.84</b>    |
| <b>(2) Current Liabilities</b>  |                     |                     |                     |                     |
| (a) Financial liabilities   |                     |                     |                     |                     |
| (i) Borrowings  | 7,227.36            | 23.96               | 8,217.71            | 24.40               |
| (ii) Trade payables   | 11,359.78           | 8,430.79            | 11,382.47           | 8,352.38            |
| (iii) Other financial liabilities   | 20,016.89           | 16,905.26           | 22,404.17           | 17,076.39           |
| (b) Other Current Liabilities   | 3,922.22            | 3,444.75            | 4,133.72            | 3,674.97            |
| (c) Provisions  | 902.10              | 862.79              | 1,075.70            | 951.69              |
| (d) Current Tax Liabilities (Net)   | 116.44              | 889.94              | 142.46              | 914.47              |
| <b>Total Current Liabilities</b>  | <b>43,544.79</b>    | <b>30,557.49</b>    | <b>47,356.23</b>    | <b>30,994.30</b>    |
| <b>Total Liabilities</b>  | <b>62,321.25</b>    | <b>48,034.39</b>    | <b>76,308.32</b>    | <b>56,950.14</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>91,989.63</b>    | <b>75,357.35</b>    | <b>1,09,086.26</b>  | <b>86,421.73</b>    |



## CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

| Sr. No. | Particulars  | Audited               |                       |
|---------|--|-----------------------|-----------------------|
|         |  | Year ended 31-03-2017 | Year ended 31-03-2016 |
| 1.      | <b>SEGMENT REVENUE</b>   |                       |                       |
|         | a) Downstream Petroleum  | 2,43,699.96           | 2,19,226.79           |
|         | b) Exploration & Production of Hydrocarbons  | 47.50                 | -                     |
|         | <b>Sub-Total</b>   | <b>2,43,747.46</b>    | <b>2,19,226.79</b>    |
|         | Less: Inter-Segment Revenue  | -                     | -                     |
|         | <b>TOTAL REVENUE</b>   | <b>2,43,747.46</b>    | <b>2,19,226.79</b>    |
| 2.      | <b>SEGMENT RESULTS</b>   |                       |                       |
|         | a) Profit / (Loss) before Tax, Interest Income, Finance costs and Dividend from each Segment |                       |                       |
|         | i) Downstream Petroleum  | 11,801.00             | 12,168.41             |
|         | ii) Exploration & Production of Hydrocarbons   | (143.59)              | (0.58)                |
|         | <b>Sub-Total of (a)</b>  | <b>11,657.41</b>      | <b>12,167.83</b>      |
|         | b) Finance costs   | 696.36                | 680.49                |
|         | c) Other Un-allocable Expenditure Net off Un-allocable Income                                | (2,738.56)            | (644.25)              |
|         | <b>Profit / (Loss) before Tax (a - b - c)</b>  | <b>13,699.61</b>      | <b>12,131.59</b>      |
| 3.      | <b>CAPITAL EMPLOYED</b>  |                       |                       |
|         | (Segment Assets - Segment Liabilities)   |                       |                       |
|         | a) Downstream Petroleum  | 49,606.73             | 39,311.11             |
|         | b) Exploration & Production of Hydrocarbons  | 14,443.01             | 4,737.12              |
|         | c) Others (Unallocated - Corporate)  | (31,271.80)           | (14,576.64)           |
|         | <b>Total</b>   | <b>32,777.94</b>      | <b>29,471.59</b>      |

## 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, 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 above results have been reviewed and recommended by the Audit Committee at its meeting held on 29 <sup>th</sup> May 2017 before submission to the Board.  |   |   |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
|--|---|---|---|--------------|--------------|--|---|---|---|----------|----------|----------|--|------|-------|-------|---|-------|--------|--------|---|-------|-------|-------|--|---------|---------|---------|--|-------|--------|--------|--|--|
| 2.   | The market sales for the financial year ended 31 <sup>st</sup> March 2017 was higher at <b>37.68 MMT</b> when compared to 36.53 MMT achieved during the previous year. Increase is mainly in MS - Retail (6.68%), LPG (11.80%) and ATF (20.64%) which is partly offset by decrease in Retail HSD (-1.78%).  |   |   |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| 3.   | The Average Gross Refining Margin (GRM) during the financial year ended 31 <sup>st</sup> March 2017 is <b>5.26 USD per barrel</b> (April - March 2016: 6.59 USD per barrel). The Average Gross Refining Margin (GRM) for the three months ended 31 <sup>st</sup> March 2017 is <b>6.01 USD per barrel</b> (January - March 2016: 6.30 USD per barrel).  |   |   |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| 4.   | <p>As advised by the Ministry of Petroleum &amp; Natural Gas, the Corporation has accounted compensation towards sharing of under-recoveries on sale of sensitive petroleum products as follows:</p> <p>a) <b>Nil</b> for the current financial year (April - March 2016: ₹ 198.01 crores) as discount on crude oil / products purchased from ONGC / GAIL / NRL which has been adjusted against the purchase cost.</p> <p>b) <b>₹ 1,172.83 crores</b> compensation advised by the Government of India by way of subsidy for the current financial year (April - March 2016: ₹ 1,598.49 crores) accounted as Revenue from operations.</p> <p>The net under-recovery absorbed by the Corporation is <b>Nil</b> during April-March 2017 and April-March 2016 on sale of sensitive petroleum products.</p>  |   |   |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| 5.   | Other Income for the financial year ended 31 <sup>st</sup> March 2017 includes <b>₹ 31.16 crores</b> towards gain on account of foreign currency transactions and translations. During the financial year ended 31 <sup>st</sup> March 2016, Other Expenses includes ₹ 586.74 crores towards loss on account of foreign currency transactions and translations.   |   |   |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| 6.   | During the quarter ended 30 <sup>th</sup> September 2016 the Corporation had issued and allotted 72,30,84,248 ordinary shares of ₹ 10/- each, as fully paid up Bonus Shares in the proportion of 1 (One) Bonus Share of ₹ 10/- each for every one existing ordinary share of ₹ 10/- each. Accordingly the Earnings Per Share (EPS) has been restated for all the periods as per Ind AS 33.  |   |   |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| 7.   | The Company adopted Indian Accounting Standard ("Ind-AS") and accordingly these financial results have been prepared in accordance with the recognition and measurement principles of Ind-AS prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under. The date of transition to Ind AS is 01.04.2015. The impact of transition has been accounted for in opening other equity and the comparative periods have been restated accordingly.   |   |   |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| 8.   | The reconciliation of net profit or loss for the quarter and year ended 31 <sup>st</sup> March 2016 reported in accordance with Indian GAAP to Profit in accordance with Ind AS is given below:   |   |   |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
|  | <table> <tr> <th rowspan="2">Description</th><th>Standalone</th><th>Standalone</th><th>Consolidated</th></tr> <tr> <th>Quarter ended<br/>31-03-2016<br/>(₹ in crores)</th><th>Year ended<br/>31-03-2016<br/>(₹ in crores)</th><th>Year ended<br/>31-03-2016<br/>(₹ in crores)</th></tr> <tr> <td>Net Profit as per previous GAAP (Indian GAAP)</td><td>2,549.08</td><td>7,431.88</td><td>8,466.47</td></tr> <tr> <td>Amortised cost measurement of financial assets/liabilities</td><td>7.84</td><td>17.03</td><td>68.28</td></tr> <tr> <td>Impairment of trade receivables – expected credit loss method</td><td>12.92</td><td>(3.71)</td><td>(3.71)</td></tr> <tr> <td>Adjustments related to property, plant and equipment – spare parts etc.</td><td>22.69</td><td>40.36</td><td>38.11</td></tr> <tr> <td>Fair valuation of derivative contracts</td><td>(32.97)</td><td>(22.34)</td><td>(22.95)</td></tr> <tr> <td>Employee benefits – re-measurements recognised in other comprehensive income</td><td>54.16</td><td>142.49</td><td>141.03</td></tr> </table> | Description                               | Standalone                                | Standalone   | Consolidated | Quarter ended<br>31-03-2016<br>(₹ in crores) | Year ended<br>31-03-2016<br>(₹ in crores) | Year ended<br>31-03-2016<br>(₹ in crores) | Net Profit as per previous GAAP (Indian GAAP) | 2,549.08 | 7,431.88 | 8,466.47 | Amortised cost measurement of financial assets/liabilities | 7.84 | 17.03 | 68.28 | Impairment of trade receivables – expected credit loss method | 12.92 | (3.71) | (3.71) | Adjustments related to property, plant and equipment – spare parts etc. | 22.69 | 40.36 | 38.11 | Fair valuation of derivative contracts | (32.97) | (22.34) | (22.95) | Employee benefits – re-measurements recognised in other comprehensive income | 54.16 | 142.49 | 141.03 |  |  |
| Description  | Standalone  |   | Standalone                                | Consolidated |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
|  | Quarter ended<br>31-03-2016<br>(₹ in crores)  | Year ended<br>31-03-2016<br>(₹ in crores) | Year ended<br>31-03-2016<br>(₹ in crores) |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| Net Profit as per previous GAAP (Indian GAAP)                                | 2,549.08  | 7,431.88                                  | 8,466.47                                  |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| Amortised cost measurement of financial assets/liabilities                   | 7.84  | 17.03                                     | 68.28                                     |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| Impairment of trade receivables – expected credit loss method                | 12.92   | (3.71)                                    | (3.71)                                    |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| Adjustments related to property, plant and equipment – spare parts etc.      | 22.69   | 40.36                                     | 38.11                                     |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| Fair valuation of derivative contracts                                       | (32.97)   | (22.34)                                   | (22.95)                                   |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |
| Employee benefits – re-measurements recognised in other comprehensive income | 54.16   | 142.49                                    | 141.03                                    |              |              |  |   |   |   |          |          |          |  |      |       |       |   |       |        |        |   |       |       |       |  |         |         |         |  |       |        |        |  |  |



|  |          |          |          |
|--|----------|----------|----------|
| Fair Valuation of Investments  | (72.60)  | (81.38)  | (81.38)  |
| De-recognition of Income received from BPCL Trust for investment in shares | (259.71) | (259.71) | (259.71) |
| Alignment of method of valuation of Inventories                            | (88.74)  | (88.74)  | (118.17) |
| Others   | 2.53     | (4.14)   | (6.79)   |
| Tax on above   | (79.17)  | (115.38) | (132.31) |
| Net Profit as per Ind AS   | 2,116.03 | 7,056.36 | 8,088.87 |

9. The reconciliation of equity as previously reported (referred to as "Previous GAAP") and the equity as per Ind AS is as per the table below:

| Particulars   | Standalone  | Consolidated                                      |
|---|---|---|
|   | For the year ended<br>31.03.2016<br>(₹ in crores) | For the year ended<br>31.03.2016<br>(₹ in crores) |
| Total Shareholders' Funds as per previous GAAP (Indian GAAP)          | 27,158.69   | 29,606.32   |
| Reversal of Proposed Dividend including Dividend Distribution Tax     | 1,273.11  | 1,365.14  |
| Fair value measurement of financial assets and liabilities            | (41.55)   | (66.68)   |
| Loss allowance of trade receivables as per expected credit loss model | (13.46)   | (13.46)   |
| Fair Valuation of derivative contracts                                | (0.85)  | (0.85)  |
| Impact of Spares accounting   | 30.91   | 38.11   |
| BPCL Trust shares netting off   | (659.11)  | (659.11)  |
| Others  | (31.79)   | (80.73)   |
| Taxes on above  | (392.99)  | (717.15)  |
| Equity as per Ind AS  | 27,322.96   | 29,471.59   |

10. Other Disclosures as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

| Sl No. | Particulars  | Year ended<br>31.03.2017                 | Year ended<br>31.03.2016                 |
|--------|--|--|--|
| 1      | Credit Rating  | CRISIL AAA (Stable)<br>CARE AAA (Stable) | CRISIL AAA (Stable)<br>CARE AAA (Stable) |
| 2      | Asset Cover available for debt securities  | 1.55 times                               |  |
| 3      | Debt Equity Ratio  | 0.78:1                                   | 0.58:1                                   |
| 4      | Debt Service Coverage Ratio<br>(Earnings before interest and tax + Depreciation) / (Finance cost + Long term debt payment) | 4.75 times                               | 4.78 times                               |
| 5      | Interest Service Coverage Ratio<br>(Earnings before interest and tax + Depreciation) / (Finance cost)                      | 27.08 times                              | 22.65 times                              |
| 6      | Debenture Redemption Reserve   | ₹ 810.82 crores                          | ₹ 586.24 crores                          |
| 7      | Net Worth (Equity share capital + Other Equity)  | ₹ 29,668.38 crores                       | ₹ 27,322.96 crores                       |
| 8      | Outstanding Debt   | ₹ 23,159.21 crores                       | ₹ 15,857.49 crores                       |




|     |   |                   |           |        |                               |                             |
|-----|---|-------------------|-----------|--------|-------------------------------|-----------------------------|
| 11. | The details of Interest/Principal payment and due date in respect of Non-convertible debt securities is given below:  |                   |           |        |                               |                             |
|     | Bonds / Debentures  | Previous Due Date |           |        | Next Due Date                 |                             |
|     |   | Interest          | Principal | Status | Interest                      | Principal                   |
|     | 7.35% Secured Non-Convertible Debentures 2022   | NA                | NA        | NA     | 10-Sep-17<br>(₹ 20.21 crores) | 10-Mar-22<br>(₹ 550 crores) |
| 12. | Investments in "BPCL Trust for Investment in Shares" amounting to ₹. 659.11 crores representing 13.49 crore shares of the corporation having a face value of ₹ 134.91 crores at 31 <sup>st</sup> March 2017 ( 6.74 crore shares having a face value of ₹ 67.46 crores as at 31 <sup>st</sup> March 2016) , has been netted off from the Paid Up Equity Share Capital to the extent of face value. The difference between the face value of the shares and the value of the investment has been netted off from Other Equity. Accordingly, the income received from the trust during the financial year 2016-17 of ₹ 526.17 crores (financial year 2015-16 ₹ 259.71 crores) has been excluded from Other Income in the Statement of Profit and Loss and has been recognized directly under Other Equity. The Earnings Per Share for all the periods presented have been computed considering the above impact. |                   |           |        |                               |                             |
| 13. | During the Financial Year 2016-17, provision has been made under Salaries and Wages in respect of pay revision dues (including retiral dues) to employees w.e.f 01 <sup>st</sup> Jan 2017 (01 <sup>st</sup> Jan 2017 to 31 <sup>st</sup> Mar 2017) at an estimated amount of ₹ 596.86 crores based on the available information and judgement.  |                   |           |        |                               |                             |
| 14. | The Board at its meeting held on 29 <sup>th</sup> May 2017 declared final dividend of ₹ 1/- per equity share (Face Value: ₹10/- per equity share).  |                   |           |        |                               |                             |
| 15. | The Board of Directors have recommended issue of bonus shares in the ratio of one equity share of ₹ 10 each for every two existing equity share of ₹ 10 each (1:2), which is subject to approval by the members of the company.<br>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 financial year 2016-17.  |                   |           |        |                               |                             |
| 16. | Figures relating to corresponding periods of the previous year have been regrouped wherever necessary.  |                   |           |        |                               |                             |
| 17. | The Audited Accounts are subject to review by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act 2013.  |                   |           |        |                               |                             |
| 18. | Figures of three months ending 31 <sup>st</sup> March 2017 and 31 <sup>st</sup> March 2016 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 full financial year.   |                   |           |        |                               |                             |

The above audited results of Bharat Petroleum Corporation Limited for the year ended 31<sup>st</sup> March 2017 have been approved by the Board at its meeting held on 29<sup>th</sup> May 2017.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> May 2017



  
K. Sivakumar  
Director (Finance)  
DIN No: 06913284



C N K & Associates LLP

Chartered Accountants

3<sup>rd</sup> 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 - 400 059

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**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF BHARAT PETROLEUM CORPORATION LIMITED**

**Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying standalone Ind AS financial statements of Bharat Petroleum Corporation Limited ("the Corporation"), which comprise the Balance Sheet as at March 31, 2017, the statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

2. 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Corporation in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. 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 there under.
5. We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 the 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 Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Corporation as at March 31, 2017 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



8

## Other Matter

9. The comparative financial information of the Corporation for the year ended March 31, 2016 and the transition date opening Balance Sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 26, 2016, and May 28, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Corporation on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Corporation as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
11. 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.
12. 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 purpose of our audit;
  - b) In our opinion, proper books of accounts 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 (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - 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, refer to our separate audit 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 knowledge and belief and according to the information and explanations given to us:
- The Corporation has disclosed the impact, if any, of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 64 of the standalone Ind AS 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.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Corporation.
  - The Corporation has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Corporation and as produced to us by the management. Refer Note 62 of the standalone Ind AS financial statements.

**For C N K & Associates LLP**

Chartered Accountants

ICAI FRN. 101961W/W-100036

  
Himanshu Kishnadwala

Partner

Membership No.: 37391

Mumbai: May 29, 2017



**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN 103523W/W-100048

  
Snehal Shah

Partner

Membership No.: 48539



## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 10 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 Ind AS financial statements as of and for the year ended March 31, 2017]

- (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 | 13              | 86.70                         | 86.70                       | Document of title not available for verification      |
| Freehold Land | 14              | 10.16                         | 10.16                       | 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 Section 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 from public 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 the rules framed there under 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 outstanding with respect to 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 during the year 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 nor have been informed of any such instance by the management, except for the following instances of fraud identified by the Management:





Incidents of irregularities aggregating to Rs. 1 crore relating to vendor payments at two Retail Territories were noticed during the year. Excess payments made on this account to the vendors have since been recovered except for Rs. 0.09 crore for which dues of the vendors have been withheld. Enquiry process against the concerned officers is underway;

- (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 standalone Ind AS financial statements, as required by the applicable Indian Accounting Standard;
- (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;

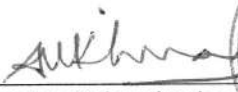


- (xvi) The Corporation is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

**For C N K & Associates LLP**

Chartered Accountants

ICAI FRN. 101961W/W-100036

  
Himanshu Kishnadwala

Partner

Membership No.: 37391

Mumbai: May 29, 2017

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN 103523W/W-100048

  
Snehal Shah

Partner

Membership No.: 48539

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

|   |                                 |                                |           | Amount 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                  | 805.14    | 2000 to 2010                      |
|   |                                 | High Court                     | 119.55    | 1985 to 2015                      |
|   |                                 | Appellate Tribunal *           | 983.41    | 1985 to 2017                      |
|   |                                 | Appellate Authority **         | 32.72     | 1990 to 2017                      |
|   |                                 | Adjudicating Authority ***     | 6,535.06  | 1990 to 2017                      |
|   |                                 | Total                          | 8,475.88  |                                   |
| 2   | Customs Act, 1962               | Supreme Court                  | -         |                                   |
|   |                                 | Appellate Tribunal *           | 5.99      | 2000 to 2010                      |
|   |                                 | Appellate Authority **         | 0.42      | 2000 to 2005                      |
|   |                                 | Adjudicating Authority ***     | -         |                                   |
|   |                                 | Total                          | 6.41      |                                   |
| 3   | Income Tax Act, 1961            | High Court                     | 9.01      | 1990 to 2005                      |
|   |                                 | Appellate Tribunal *           | 5.73      | 1990 to 2005                      |
|   |                                 | Appellate Authority **         | 9.64      | 2005 to 2017                      |
|   |                                 | Total                          | 24.38     |                                   |
| 4   | Sales Tax/Vat Legislations      | Supreme Court                  | 2.17      | 1995 to 2005                      |
|   |                                 | High Court                     | 466.25    | 1980 to 2017                      |
|   |                                 | Appellate Tribunal *           | 3,571.46  | 1985 to 2015                      |
|   |                                 | Appellate Authority **         | 6,631.08  | 1985 to 2015                      |
|   |                                 | Adjudicating Authority ***     | 1.74      | 2010 to 2017                      |
|   |                                 | Total                          | 10,672.70 |                                   |
| 5   | Finance Act, 1994 (Service tax) | Supreme Court                  | 30.27     | 2005 to 2015                      |
|   |                                 | Appellate Tribunal *           | 189.82    | 2000 to 2015                      |
|   |                                 | Appellate Authority **         | 2.94      | 2005 to 2015                      |
|   |                                 | Adjudicating Authority ***     | 179.43    | 2005 to 2015                      |
|   |                                 | Total                          | 402.46    |                                   |
|   |                                 | Grand Total                    | 19,581.83 |                                   |
| 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.  |                                 |                                |           |                                   |

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## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 11 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 Ind AS financial statements as of and for the year ended March 31, 2017]

| 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/<br>Findings | <table><tr><th>Particulars</th><th>Area<br/>(In Acres)</th><th>Remarks</th></tr><tr><td>Freehold Land</td><td>1,159.94</td><td>Document of title not available for verification</td></tr><tr><td>Freehold Land</td><td>7.49</td><td>Document of title lying with registration authorities</td></tr></table> <p>Note: The above list does not include immovable properties classified as Operating Lease in Ind AS Financial Statements.</p> |  |  | Particulars | Area<br>(In Acres) | Remarks            | Freehold Land | 1,159.94           | Document of title not available for verification | Freehold Land | 7.49 | Document of title lying with registration authorities |
| Particulars        | Area<br>(In Acres)        | Remarks   |  |  |             |                    |                    |               |                    |  |               |      |   |
| Freehold Land      | 1,159.94                  | Document of title not available for verification  |  |  |             |                    |                    |               |                    |  |               |      |   |
| Freehold Land      | 7.49                      | 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/<br>Findings | The details of cases of waiver/ write off of debts/ loans/ interest by the Corporation during the year are as under:  |  |  |             |                    |                    |               |                    |  |               |      |   |
|                    |                           | <table><tr><th>Particulars</th><th>Rupees in Crore</th></tr><tr><td>Write off of debts</td><td>0.31</td></tr><tr><td>Waiver of interest</td><td>0.15</td></tr></table>  |  |  | Particulars | Rupees in Crore    | Write off of debts | 0.31          | Waiver of interest | 0.15   |               |      |   |
| Particulars        | Rupees in Crore           |   |  |  |             |                    |                    |               |                    |  |               |      |   |
| Write off of debts | 0.31                      |   |  |  |             |                    |                    |               |                    |  |               |      |   |
| Waiver of interest | 0.15                      |   |  |  |             |                    |                    |               |                    |  |               |      |   |

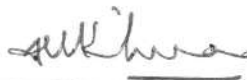


|   |                           |  |
|---|---------------------------|--|
| 3 | Area Examined             | Whether proper records are maintained for inventories lying with third parties and assets received as gift/ grant(s) from Government or other authorities?   |
|   | Observations/<br>Findings | <ul style="list-style-type: none"> <li>• Proper records are maintained for inventories lying with third parties;</li> <li>• The Corporation has not received any assets as gift/ grants from Government or other authorities.</li> </ul> |

**For C N K & Associates LLP**

Chartered Accountants

ICAI FRN. 101961W/W-100036

  
Himanshu Kishnadwala

Partner

Membership No.: 37391

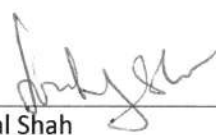
Mumbai: May 29, 2017



**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN 103523W/W-100048

  
Snehal Shah

Partner

Membership No.: 48539





## **ANNEXURE C TO INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 12(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 Ind AS financial statements for the year ended March 31, 2017]

### **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, 2017 in conjunction with our audit of the standalone Ind AS 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, 2017, 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 C N K & Associates LLP**

Chartered Accountants

ICAI FRN. 101961W/W-100036

  
Himanshu Kishnadwala

Partner

Membership No.: 37391

Mumbai: May 29, 2017

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN 103523W/W-100048

  
Snehal Shah

Partner

Membership No.: 48539

C N K & Associates LLP

Haribhakti & Co. LLP

Chartered Accountants

Chartered Accountants

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705, Leela Business Park,

Dinshaw Vachha Road, Churchgate,

Andheri Kurla Road, Andheri (East),

Mumbai - 400 020

Mumbai - 400 059

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**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF BHARAT PETROLEUM CORPORATION LIMITED**

**Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying consolidated Ind AS financial statements of Bharat Petroleum Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its joint ventures and associates; (refer Note 7 to the attached consolidated financial statements), comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Statement and Consolidated Statement of Changes in Equity 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").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements 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 including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Joint ventures and its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015(as amended) 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, Joint ventures and its associates are responsible for accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements and ensuring maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, and the Rules made thereunder including 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 there under.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issue by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, 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 consolidated Ind AS 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 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 consolidated Ind AS financial statements.
6. 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 13 of the Other Matters paragraph below, other than the unaudited financial statements as certified by management and referred to in sub-paragraph 14 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.





## Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, joint ventures and associates, the aforesaid consolidated Ind AS 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, joint ventures and its associates as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

## Emphasis of Matter

8. We draw attention to the following matters in the notes to the Consolidated Ind AS Financial Statements:
- i. The auditors of a Jointly controlled entity, Petronet India Limited (PIL) have drawn attention in their Audit Report for the unanimous opinion of the Promoters/Shareholders of PIL as noted by Board of Directors of the Jointly controlled entity regarding non viability of continuation of operation of PIL and to explore realisation of investments and that the same indicates the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.
- ii. The auditors of Bharat PetroResources Limited (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 joint ventures based on the audited/ unaudited statements received from the respective Operators. They have observed that:
- (a) In case of two blocks, no audited statements have been received by the Company. Total assets, liabilities, income and expenses in respect of these blocks, amount to Rs. 70.04 crore, Rs. 1.12 crore, Rs. Nil and Rs. Nil, respectively;
- (b) In case of one foreign block (EP413), the information relating to the same is provided on the basis of audited financial statements for the year ended 31<sup>st</sup> December, 2016 and unaudited statement for subsequent three months. Total assets, liabilities, income and expenses related to the said block amounts to Rs. 65.62 crore, Rs. 0.43 crore, Rs. Nil and Rs. Nil respectively.
- (c) The audited statements referred above are prepared, as stated there in, to meet requirements of production sharing contracts and are special purpose statement;
- (d) None of the statements, audited as well as unaudited, are drawn up in the format prescribed under Schedule III to the Act;



- (e) 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
- (f) No break-up of assets and liabilities is available in respect of one block where the Company has invested Rs. 37.66 crore including provision for site restoration cost of Rs. 1 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.

- iii. The auditors of Bharat PetroResources Limited (Subsidiary Company) have drawn attention to the observation made by the auditors of its step down Subsidiary Company Bharat PetroResources JPDA Limited regarding the financial statements indicating that the Company has accumulated losses and negative net worth. The Company has incurred a net loss of Rs. 0.86 crore during the current year (Previous Year Loss Rs. 2.02 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.

Our opinion is not qualified in respect of these matters.

#### Other Matter

- 9. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 23,416.82 crore and net assets of Rs. 6,730.94 crore as at March 31, 2017, total revenues of Rs. 14,484.60 crore, net profit of Rs. 1,608.21 crore and net cash inflows amounting to Rs. 267.76 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 708.05 crore for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of ten joint ventures and three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.



10. The consolidated Ind AS financial statements includes the group share of net profit of Rs. 122.24 crore for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statement, in respect of one joint venture and two associates. These financial statements have not been audited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint venture and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture and associates, 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 the Group.

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

11. The comparative financial information of the Corporation for the year ended March 31, 2016 and the transition date opening Balance Sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 26, 2016, and May 28, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Corporation on transition to the Ind AS have been audited by us.

#### **Report on Other Legal and Regulatory Requirements**

12. As required by Section 143(3) 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements. However, we have not received responses to the Group Audit Instructions from the auditors of subsidiaries, joint ventures and associates and hence, we are unable to comment on its implications, if any.
- b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Holding Company, its subsidiaries included in the Group, associate companies and joint ventures including relevant records relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and records of the Holding Company and reports of the other auditors.



- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries, joint ventures and associates including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with 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, joint ventures and its associates 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 internal financial controls over financial reporting of the Group, joint ventures and its associates incorporated in India and the operating effectiveness of such controls, we give 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations as at March 31, 2017 on consolidated financial position of the group, joint ventures and associates- Refer Note 63 of the Consolidated Ind AS Financial Statements.
- ii. Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2017.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, joint ventures and associates incorporated in India.



- iv. The Group has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures performed by us and based on the reports of other auditors, we report that the disclosures are in accordance with the books of account maintained by the Group. (Refer Note No. 61 to the consolidated Ind AS financial statements).

**For C N K & Associates LLP**

Chartered Accountants

ICAI FRN. 101961W/W-100036

  
Himanshu Kishnadwala

Partner

Membership No.: 37391


Mumbai: May 29, 2017



**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN 103523W/W-100048

  
Snehal Shah

Partner

Membership No.: 48539



## **ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 13(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 Ind AS financial statements for the year ended March 31, 2017]

### **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 Corporation as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Bharat Petroleum Corporation Limited ("the Holding Company") and subsidiaries, joint ventures and associates, 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, joint ventures and associates, 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 respective 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 Group'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") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and 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 other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Corporation's internal financial controls system over financial reporting.

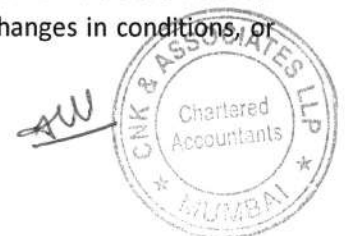
### **Meaning of Internal Financial Controls over Financial Reporting**

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 authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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, joint ventures and associates, 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, 2017, 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.

### 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, ten joint ventures and three associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.  
Our opinion is not qualified in respect of this matter.

**For C N K & Associates LLP**

Chartered Accountants

ICAI FRN. 101961W/W-100036

  
Himanshu Kishnadwala

Partner

Membership No.: 37391


Mumbai: May 29, 2017



**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN 103523W/W-100048

  
Snehal Shah

Partner

Membership No.: 48539



**C N K & Associates LLP**

**Haribhakti & Co. LLP**

**Chartered Accountants**

**Chartered Accountants**

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705, Leela Business Park,

Dinshaw Vachha Road, Churchgate,

Andheri Kurla Road, Andheri (East),

Mumbai – 400 020

Mumbai – 400 059

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**Compliance Certificate**

We have conducted the audit of accounts of Bharat Petroleum Corporation Limited for the year ended March 31, 2017 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us.

**For C N K & Associates LLP**


**For Haribhakti & Co. LLP**

Chartered Accountants

Chartered Accountants

ICAI FRN. 101961W/W-100036

ICAI FRN 103523W/W-100048

  
Himanshu Kishnadwala

  
Snehal Shah

Partner

Partner

Membership No.: 37391

Membership No.: 48539

Mumbai: May 29, 2017

To,

Date: - 29<sup>th</sup> May 2017

The National Stock Exchange of India Limited/BSE Limited

Dear Sir/Madam,

**Declaration regarding unmodified audit reports in respect of Standalone and Consolidation Financial Statements for the year 2016-17 under SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2016**

We hereby declare that we have submitted the audit reports in respect of standalone and Consolidated Financial Statement for the year 2016-17, alongwith the financial results 29<sup>th</sup> May 2017. We hereby confirm that the Auditors have expressed an unmodified opinion in their audit reports on Standalone and Consolidated Financial Statements.

For Bharat Petroleum Corporation Limited



K. Sivakumar  
Director (Finance)