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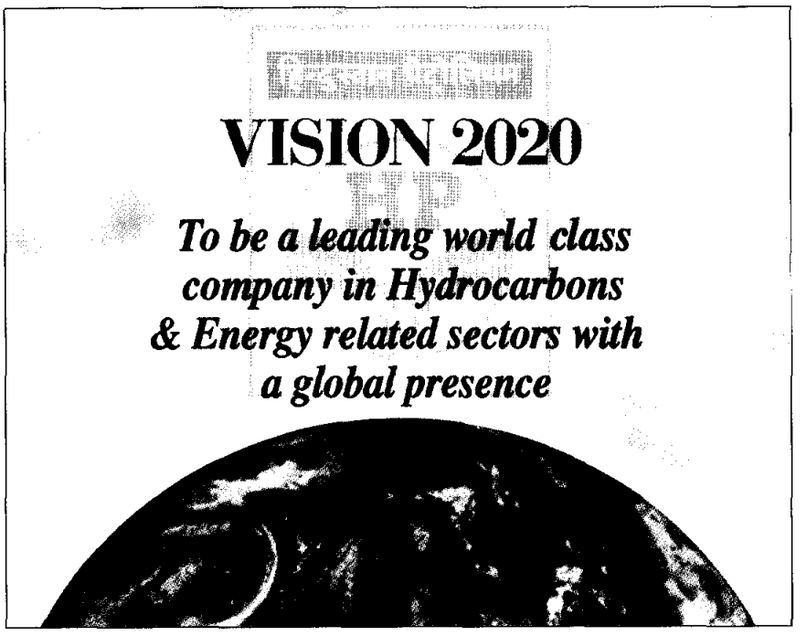
वार्षिक रिपोर्ट २०००-२००१
Annual Report 2000-2001

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हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
HINDUSTAN PETROLEUM CORPORATION LIMITED

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Registered Office and Headquarters Office
Petroleum House,
17, Jamshedji Tata Road,
Mumbai 400 020.
e-mail : corphqo@hpcl.co.in
website : www.hindpetro.com

Marketing Headquarters
Hindustan Bhavan,
8, Shoorji Vallabhdas Marg,
Ballard Estate,
Mumbai 400 001.

Mumbai Refinery
Corridor Road, Mahul,
Mumbai 400 074.

Visakh Refinery
Post Box No. 15,
Visakhapatnam 530 001.

Zonal Offices

East Zone
6, Church Lane,
Post Box No. 146,
Kolkata 700 001.

West Zone
R & C Building,
Sir J.J. Road, Byculla,
Mumbai 400 008.

North Zone
11th Floor, Tower I,
Jeevan Bharati Building,
124, Indira Chowk,
New Delhi 110 001.

South Zone
Thalamuthu Natarajan Building,
4th Floor, 8, Gandhi Irwin Road,
Post Box No. 3045, Egmore,
Chennai 600 008.

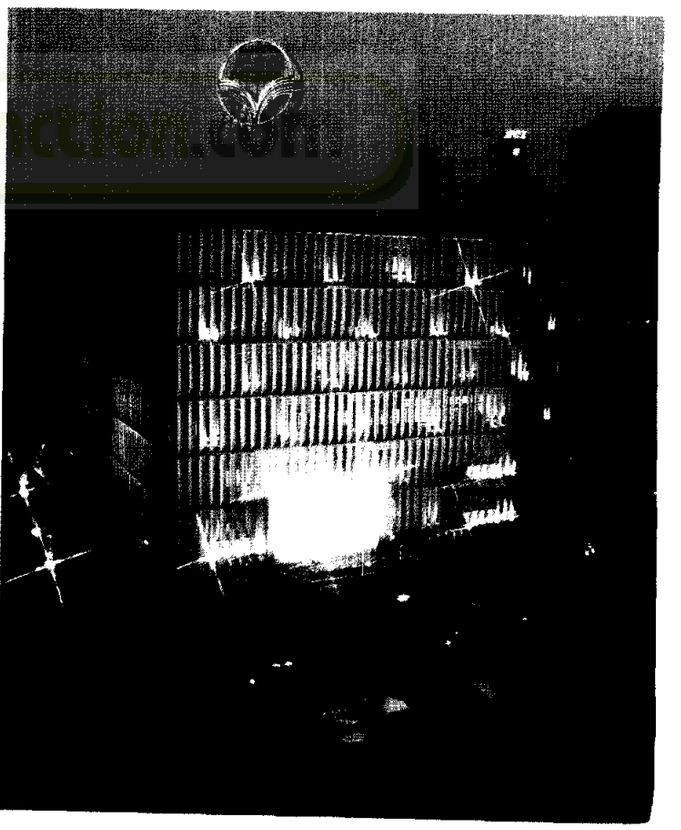
Company Secretary
Shri N.R. Narayanan

Statutory Auditors
Batliboi & Purohit
Chartered Accountants
Mumbai.

Ford, Rhodes, Parks & Co.
Chartered Accountants
Mumbai.

Branch Auditors
Sriramamurthy & Co.
Chartered Accountants
Visakhapatnam.

Bankers
State Bank of India
Union Bank of India
Punjab National Bank
Standard Chartered Bank
Bank of Baroda
Standard Chartered Grindlays Bank
Bank of India
Citibank N.A.
Corporation Bank



Petroleum House

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Shri H.L. Zutshi
Chairman & Managing Director



Shri D. S. Mathur
Director (Refineries)



Shri S. D. Gupta
Director (Finance)



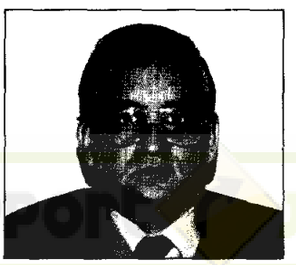
Shri S. K. Kapoor
Director (Marketing)



Shri S. K. Kerr
Director (Human Resources)



Shri Naresh Narad
Director
Additional Secretary
MOP & NG



Shri S. Vijayaraghavan
Director
Joint Secretary
MOP & NG



Dr. B. Mohanty
Director
Joint Advisor
(Finance) MOP & NG



Shri T. L. Sankar
Director
Retd. Principal Administrative
Staff College of India, Hyderabad



Shri Raja G. Kulkarni
Director



Shri Rajesh V. Shah
Director
Managing Director,
Mukand Ltd.



Shri M. Nandagopal
Director
Managing Director
Mohan Breweries & Distilleries Ltd.

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OUR MANAGEMENT TEAM



Shri S.K. Mukherjee
Chief General Manager
Mumbai Refinery



Shri C. Ramulu
Executive Director
JVC Relations & Internal Audit



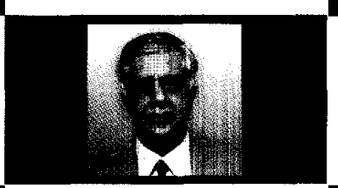
Shri C.N. Rao
Executive Director
IT & Corporate Finance



Shri M.A. Tankiwala
Chief General Manager
Punjab Refinery Project



Shri R.K. Madan
Chief General Manager
Delhi Co-ordination Office



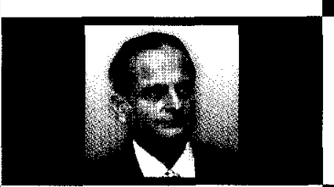
Shri N.K. Puri
Chief General Manager
Retail Business Unit



Shri V.D. Mahajan
Chief General Manager
Refinery Co-ordination



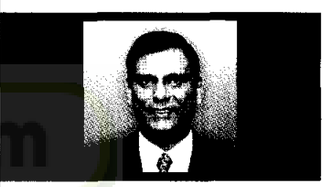
Shri K. Murali
Chief General Manager
Visakh Refinery



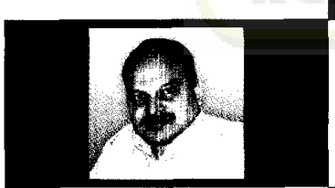
Shri S. Venkataramakrishnan
Chief General Manager
O & E



Shri N.R. Narayanan
Company Secretary



Shri A. Balakrishnan
Chief General Manager
Direct Sales Business Unit



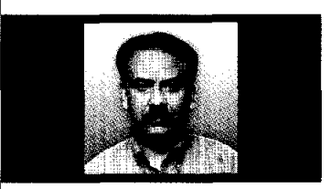
Shri HarshKumar
Advisor
Information Technology



Shri A.K. Bhide
General Manager
Internal Audit



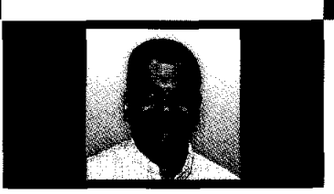
Shri S.P. Chaudhry
General Manager
ERP Implementation



Shri S. Roy Choudhury
General Manager
SOD



Shri S.K. Biswas
General Manager
EM & P



Shri A.B. Sathe
General Manager
Crude & Shipping

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OUR MANAGEMENT TEAM



Shri G.A. Shirwaikar
General Manager
Delhi Co-ordination Office



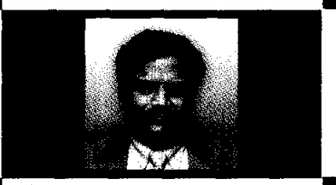
Shri D.K. Deshpande
MD Technical
MRPL



Shri R.N. Sharma
General Manager
Treasury, Payroll & Reimbursement



Shri A.S. Tulaskar
General Manager
Operations (Mumbai Refinery)



Shri V. Vizia Saradhi
General Manager
Industrial Relations



Shri S.T. Joshi
OSD



Shri S.V.K. Gnaneshwar
Project Head
Power Project



Shri B. Mukherjee
General Manager
Human Resources



Shri K. Muralidharan
General Manager
North Zone



Shri A.P. Ram
OSD (Refineries)



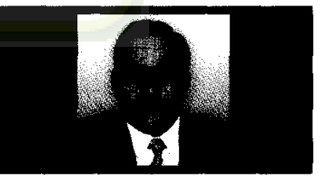
Shri A.S. Rao
General Manager
Operations (Visakh Refinery)



Shri K.S.R. Prasad
Financial Controller



Shri S.M. Palav
General Manager-IT



Shri S.V. Sahni
General Manager
LPG Business Unit



Shri K.R. Sankaran
General Manager
West Zone



Ms Nishi Vasudeva
General Manager
Corporate Strategies & Planning



Shri S.Y. Narvekar
Deputy General Manager (Incharge)
South Zone



Shri Subhankar Biswas
Deputy General Manager (Incharge)
East Zone

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CHAIRMAN'S MESSAGE



Another financial year has gone by and it is time once again, for taking stock. The transition of the Indian oil sector from a regulated to deregulated state continued during the year 2000-01. It is with pride that I state that Your Corporation has adapted to these changes admirably well and has consolidated its position in the industry.

The Indian Oil & Gas sector is in a process of transformation from a highly controlled and regulated industry to one that is comparatively decontrolled and deregulated. A new oil and gas policy for the country is expected to be formulated soon which will, among other things, bring in a regulatory mechanism for the industry. The restructuring of the oil sector was initiated last year with the sale of the government's stake in the pure refining companies to the selected integrated PSUs. The disinvestment process was also commenced last year in this sector. With the total deregulation being scheduled by April 2002, Your Corporation is chalking up new strategies to meet the emerging competitive and customer-oriented market. The changes in the market are already visible. The consumer oriented approach and innovative marketing initiatives mark the on-set of competition.

On the macro-level, growth of the Indian economy slowed down in consonance with the deceleration of the world economy in general. A significant reduction in GDP growth to 5.2 % was registered in the country for the year 2000 - 01 as compared to 6.4% in the previous year. With almost all the sectors of economic activity reflecting a slow down, the growth in the demand for petroleum products in the country was a mere 2.8 % year on year as compared to 7.2% in 1999 - 2000. Increase in the refining capacity in the country along with cheaper import of products accentuated the problem.

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CHAIRMAN'S MESSAGE

Slowing GDP growth, increased imports and excess refining capacity implies that the petroleum sector is likely to continue in a surplus mode with the margins coming under pressure. The success of the OPEC in holding the crude oil prices at higher levels added to the difficulty of downstream companies. The emergence of stringent environment friendly specifications for the transport fuels have meant large investment for upgradation of refining processes without commensurate incomes. Besides the requirement of additional capital, these new processes have also increased the operating costs considerably, thereby squeezing the already thin refining margins.

Your Corporation faced these challenges squarely and turned out a balanced performance during the year. For the ninth consecutive year, Your Corporation achieved an Excellent performance rating vis-a-vis MOU targets. Higher growth rate was recorded across the business lines as compared to the industry averages. Continuing the effort to establish itself in the export market, Your Corporation shipped 479 TMT of products valued at US$ 91.44 million to customers in Singapore, UAE and other countries.

Your Corporation continued its quest for diversification in the upstream and downstream areas through the joint venture route to leverage the benefit of shared investment, access to technology/expertise and to achieve synergy in operation. Setting up of a LPG cavern storage project in Visakhapatnam, the exploration & production venture and the grass root refinery project in Punjab are some of the activities underway.

The need to provide improved service to the customers is being pursued vigorously. Upgradation of retail outlets, provision of extended customer conveniences such as C-stores, Cyber-kiosks, ATMs etc., are some of the initiatives. More retail outlets are being brought under the Corporation's direct control to ensure better quality of service. About 30 new Lube products and packages were introduced during the year to meet the specific needs of the industrial and automotive sectors.

In a deregulated scenario, the challenges are many and varied and they encompass the entire value chain. Your Corporation proposes to augment as well as sustain the market initiatives to take advantage of its incumbent position. The challenge is in understanding our strengths, finding our niches and accordingly visualising a future that will give an important competitive advantage for the company over the long term and to chart a course to get there. This warrants a focussed approach supported by total commitment and concerted efforts to ensure success, given the competitive market forces. The dedication of the employees and the support of our customers, shareholders and business associates has been a major source of strength in the past and I am hopeful that the same shall enable Your Corporation to meet its objectives in the changing environment.

Specific details of the performance are given herein.

H.L. Zutshi
Chairman & Managing Director

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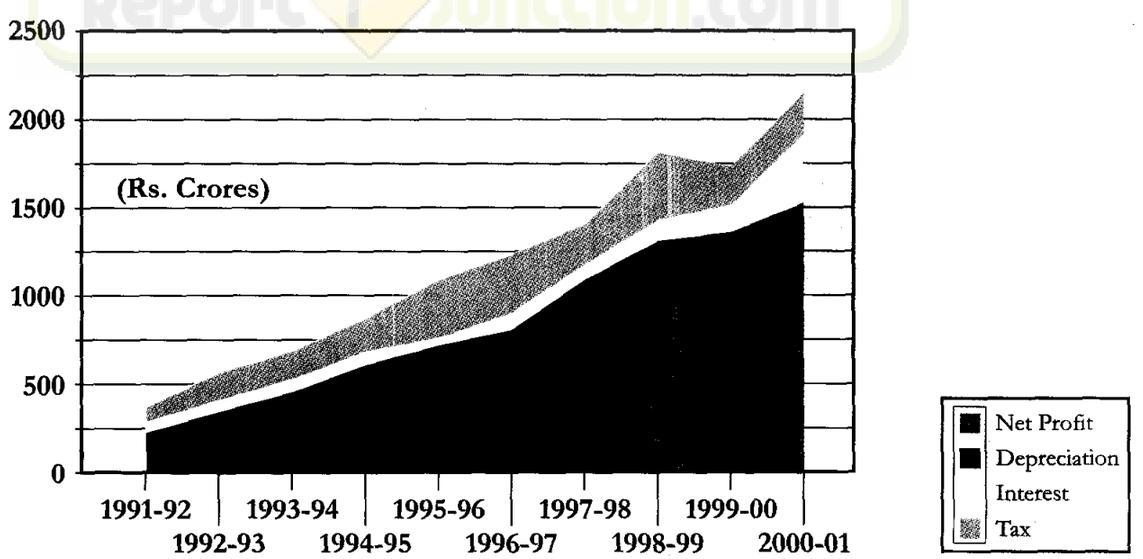
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PERFORMANCE PROFILE

	2000-01	1999-00	1998-99	1997-98	1996-97
PHYSICAL			(Million Tonnes)		
CRUDE THRUPUT	**11.98**	10.55	9.07	8.84	11.39
Mumbai Refinery	**5.57**	6.00	5.21	6.38	6.54
Visakh Refinery	**6.41**	4.55	3.86	2.46	4.85
PIPELINE THRUPUT	**6.37**	6.18	5.05	3.98	3.76
MARKET SALES	**18.39**	17.50	16.98	16.00	15.46
FINANCIAL			(Rs. In Crores)		
TURNOVER	**47179.93**	34368.03	25994.56	20512.91	18089.09
Gross Profit	**2140.91**	1727.88	1804.05	1403.01	1332.15
Depreciation	**433.38**	303.91	404.61	390.07	292.93
Interest	**387.33**	150.40	118.88	84.98	97.52
Tax	**232.19**	216.16	379.30	226.80	329.48
NET PROFIT	**1088.01**	1057.41	901.26	701.16	612.22
Dividend	**339.33**	284.98	248.71	108.89	83.55
Tax on Distributed Profits	**34.61**	39.90	27.36	10.89	8.35
Retained Earnings	**714.07**	732.53	625.19	581.38	520.32
INTERNAL RESOURCES GENERATED	**1147.45**	1036.44	1029.80	971.45	813.25
VALUE ADDED	**3973.87**	3541.69	3164.91	2832.56	2673.69

Gross Profit

(10 years)



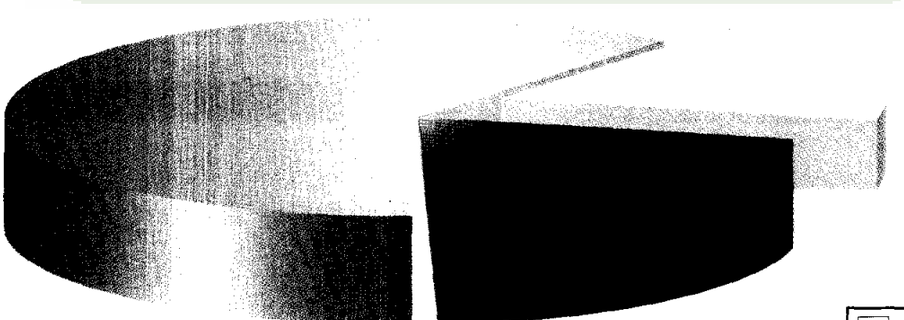
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	2000-01	1999-00	1998-99	1997-98	1996-97
WHAT CORPORATION OWNS				(Rs. In Crores)	
Gross Fixed Assets	**9166.67**	8431.07	5710.36	4861.22	3776.32
Depreciation	**3239.70**	2809.94	2515.96	2134.98	1772.69
Net Fixed Assets	**5926.97**	5621.13	3194.40	2726.24	2003.63
Capital Work in Progress	**587.81**	474.57	1761.43	953.14	607.67
Investments - JVCs	**502.88**	495.34	491.34	484.86	121.65
- Others	**0.04**	85.36	442.64	1156.12	162.17
Net Current Assets	**3037.24**	1995.08	570.74	266.85	1938.58
Misc. Exps. (Public Issue exps. to the extent not written off)	**0.85**	1.70	6.21	10.68	15.19
TOTAL	**10055.79**	8673.18	6466.76	5597.89	4848.89
WHAT CORPORATION OWES				(Rs. In Crores)	
Net Worth	**6486.27**	5771.69	5037.21	4292.97	3274.55
Share Capital	**338.77**	338.75	225.59	221.44	208.55
Reserves	**6147.50**	5432.94	4811.62	4071.53	3066.00
Borrowings	**3569.52**	2901.49	1429.55	1256.93	1418.10
Share Application/Call Money pending allotment/Appropriation	**–**	–	–	47.99	156.24
TOTAL	**10055.79**	8673.18	6466.76	5597.89	4848.89

Gross Profit : 2000-01

Rs. 2141 Crores



- Net Profit **50.8%**
- Depreciation **20.2%**
- Interest **18.1%**
- Tax **10.8%**

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