



वार्षिक रिपोर्ट
ANNUAL REPORT 1998-99

हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
HINDUSTAN PETROLEUM CORPORATION LIMITED

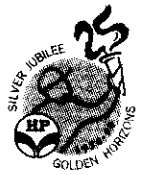
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Board of Directors

SHRI H.L. ZUTSHI	Chairman and Managing Director
SHRI DEVI DAYAL	Director - (Till 12.5.1999) Additional Secretary – Marketing, MOP & NG
SHRI SWARUP K. GUPTA	Director (Additional Member – Traffic, Railway Board)
SHRI NARESH NARAD	Director - (From : 16.6.1999) Additional Secretary – Marketing MOP & NG
SHRI NIRMAL SINGH	Director - (Till 21.10.1998) Joint Secretary – Refineries, MOP&NG
DR. B. MOHANTY	Director - (From : 21.10.1998) Joint Adviser – Finance MOP & NG
SHRI T. L. SANKAR	Director - (From : 22.1.1999) Principal, Administrative Staff College of India, Hyderabad
SHRI RAJA G. KULKARNI	Director - (From : 22.1.1999)
SHRI RAJESH V. SHAH	Director - (From : 22.1.1999) Managing Director, Mukand Ltd.
SHRI M. NANDAGOPAL	Director - (From : 22.1.1999) Managing Director, Mohan Breweries & Distilleries Ltd.
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



Chairman's Message

July 15, 1999 was a momentous day for Hindustan Petroleum Corporation Limited (HPCL). HPCL completed 25 years as a PSU formed after the Government takeover of the Erstwhile Esso and Caltex Undertakings during early seventies. HPCL has since then flourished into a leading Company in the National mainstream and is now on the verge of stepping into the Global arena.

We share this joy with our employees, business associates, customers and shareholders.

The Corporation has grown in size and strength, keeping pace with the country's increasing energy needs. Through its products and services, it has woven itself into the fabric of this great nation and has become a household name. It has continuously recorded significant performance, a fact that has been established by the excellent MOU ratings from the Government of India for the past 8 years in succession.

HPCL is gearing itself to meet the challenges of the rapidly changing business scenario in the petroleum industry and its sound Refining & Distribution infrastructure gives it the strength to face up to the challenge. The Corporation is investing nearly Rs. 10,000 crores during the 9th plan period. The various on-going and proposed plans include modernisation & expansion of Refineries, introduction of value added and environment friendly products, new product pipelines, development of Marketing & Infrastructure facilities and investment in Joint Ventures. In line with its vision to emerge as a leading world class Energy Company, the Corporation is diversifying into Oil Exploration & Production, Power Generation and development of non-conventional energy resources etc.

The process of organisational restructuring that we have started, is changing the way we will do our business. Customer orientation and information technology is the focus of our approach.

1998-99 performance highlights included a turnover of nearly Rs. 26,000 crores and Net Profit of Rs. 901 crores, reflecting growth of over 26% over the previous year. The Corporation has proposed a handsome dividend of 110 per cent for the year. In recognition of the confidence reposed in it by its loyal shareholders, the Corporation has proposed a bonus issue at the rate of one share for every two equity shares held, subject to the approval of the shareholders in the ensuing Annual General Meeting.

Lest we forget - let us spare our thoughts to our brave soldiers who fought so valiantly to set right a wrong imposed upon us. As a humble gesture, our Corporation made a contribution of Rs. 10 crores to the National Defence Fund. Our employees also contributed a Day's Salary towards the benefit of our Armed Forces.

I am confident that we will realise our vision and move into the next millennium with greater determination and vigour.

The finer details of the Corporation's performance are given herein.

H.L. ZUTSHI

Chairman & Managing Director

**Registered Office and Headquarters Office**

Petroleum House,
17, Jamshedji Tata Road,
Mumbai 400 020.

Marketing Headquarters

Hindustan Bhavan,
8, Shoorji Vallabhdas Marg,
Ballard Estate,
Mumbai 400 038.

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,
Calcutta 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, Connaught Circle,
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

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

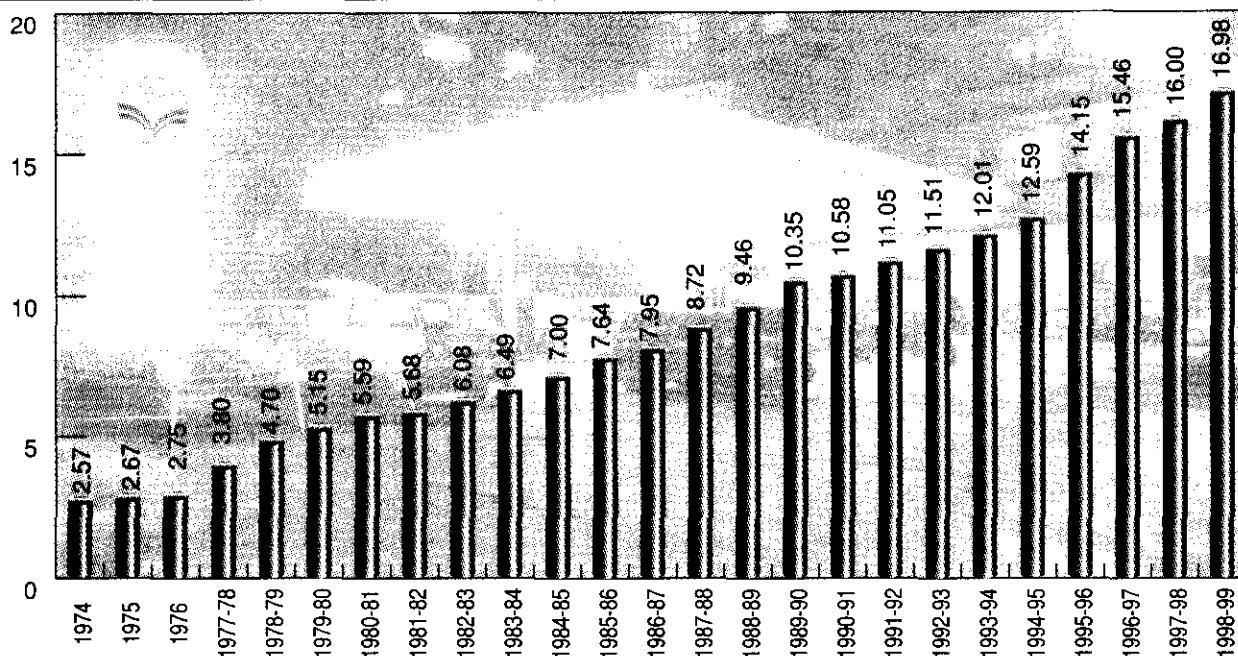
State Bank of India
Union Bank of India
Punjab National Bank
Standard Chartered Bank
Bank of Baroda
ANZ Grindlays Bank
Bank of India
Citibank N.A.
Corporation Bank



25 Years at a Glance

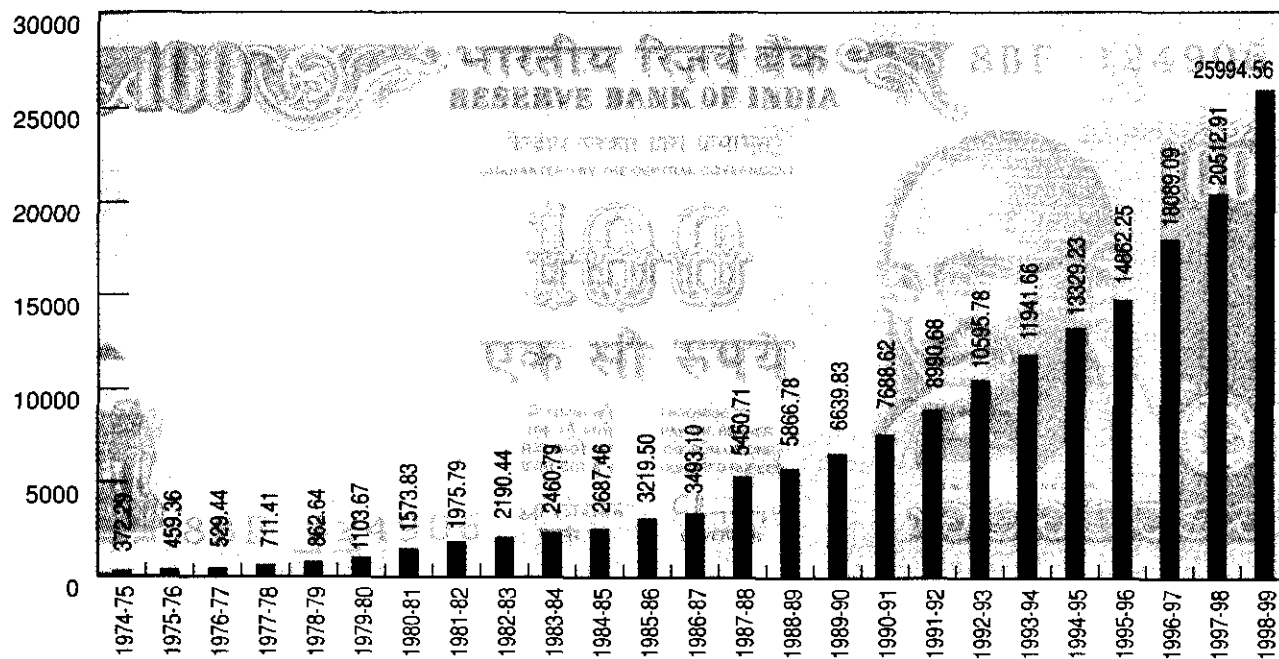
MARKET SALES

(Million Metric Tonnes)

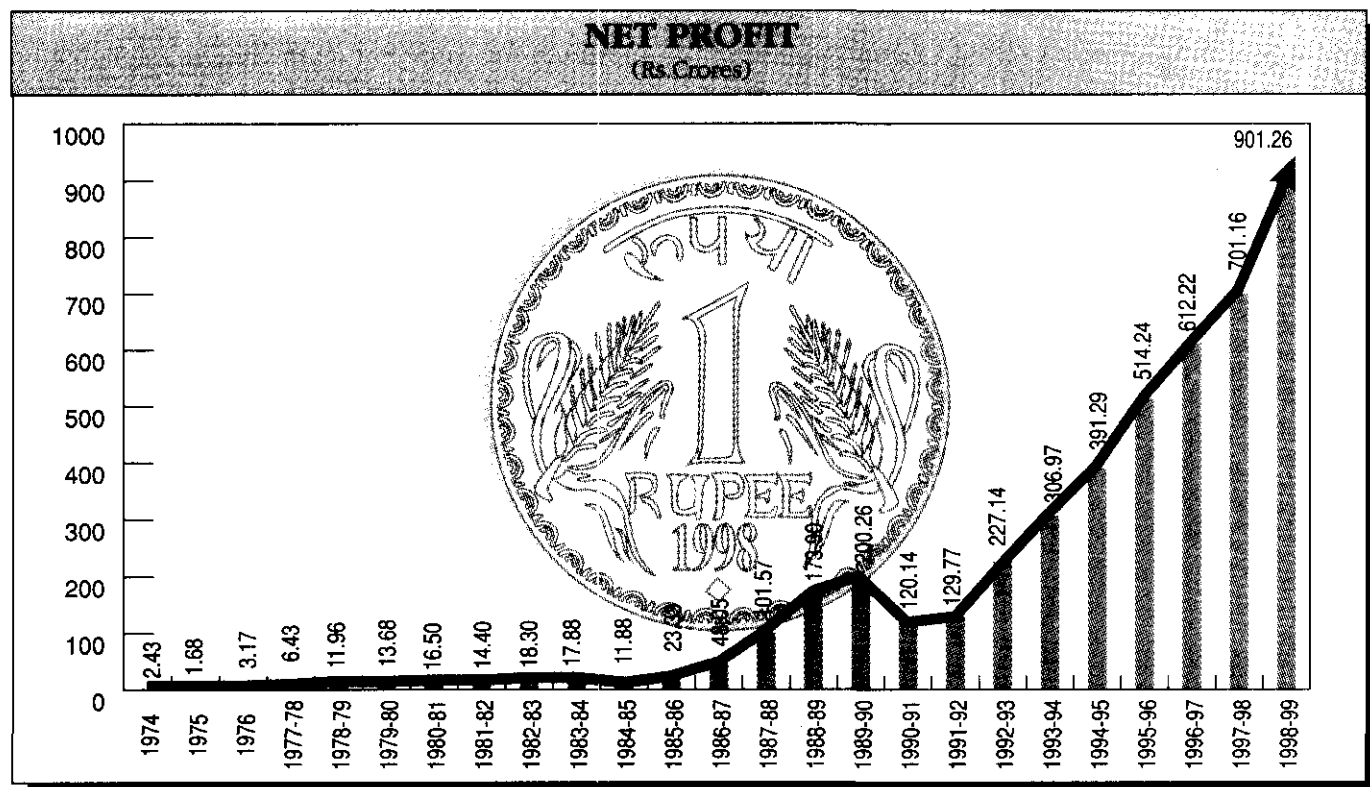


TURNOVER

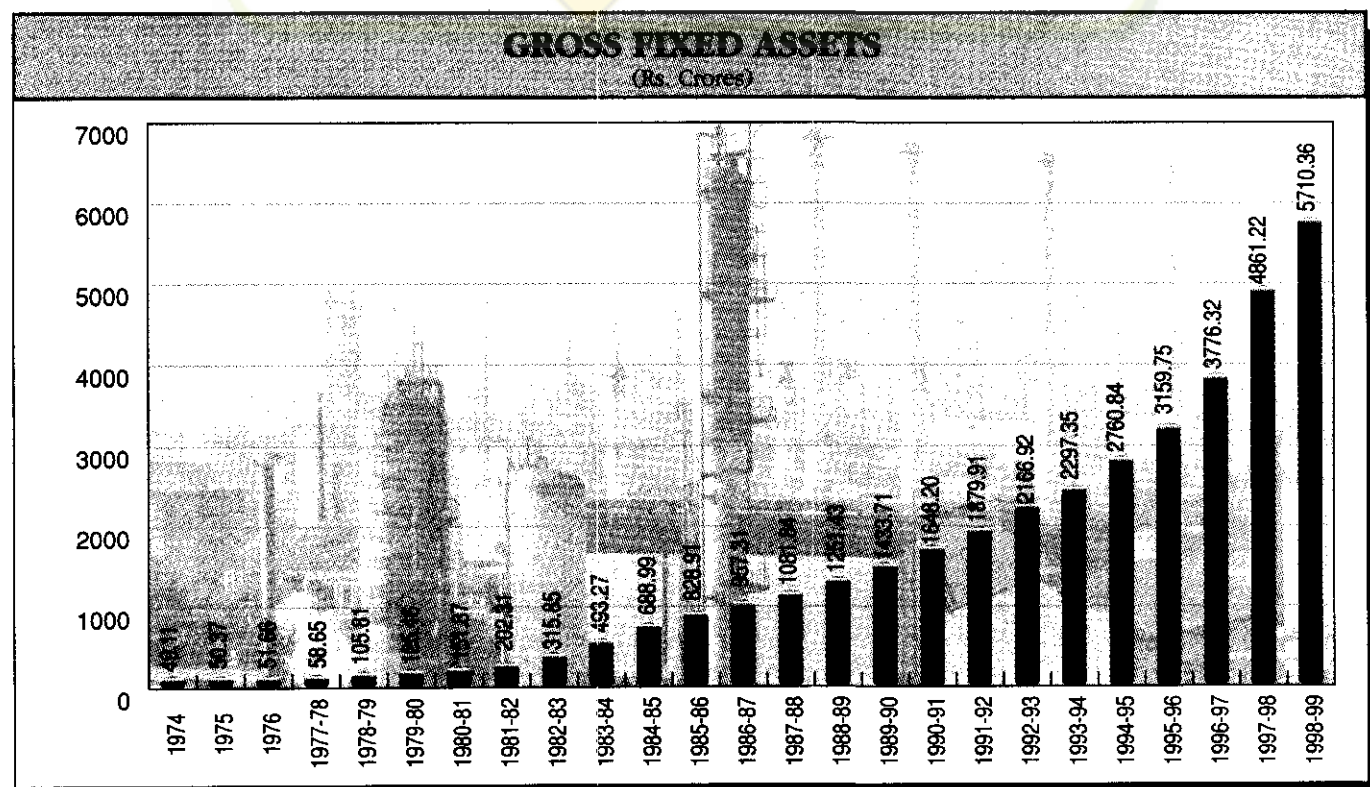
(Rs. Crores)



25 Years at a Glance

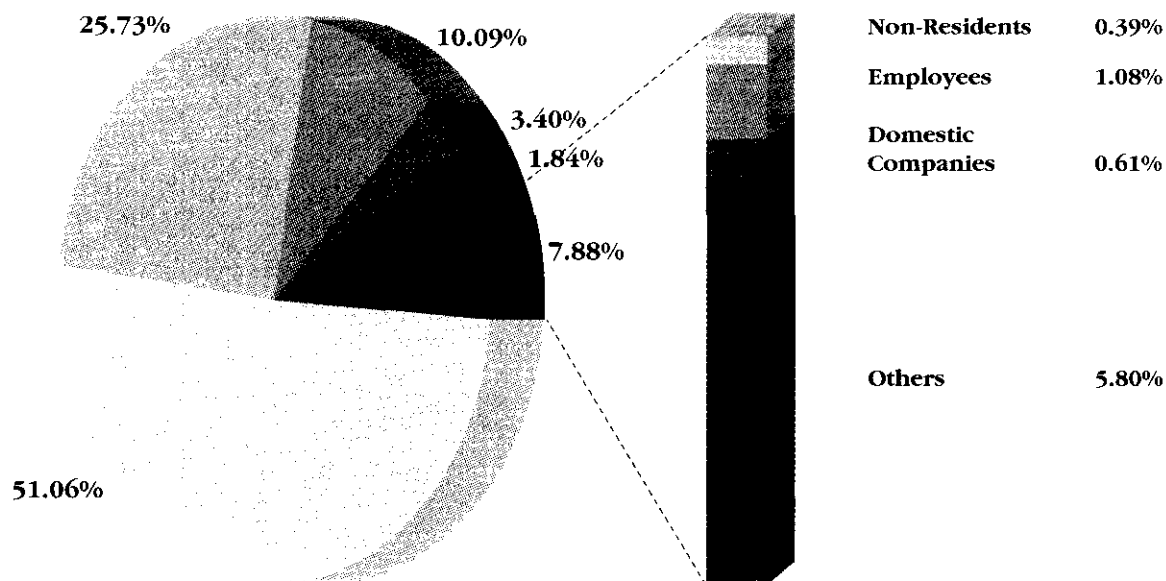


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SHAREHOLDERS' PROFILE AS ON 31ST MARCH, 1999



Government of India

Financial Institutions

Foreign Institutional Investors/OCB

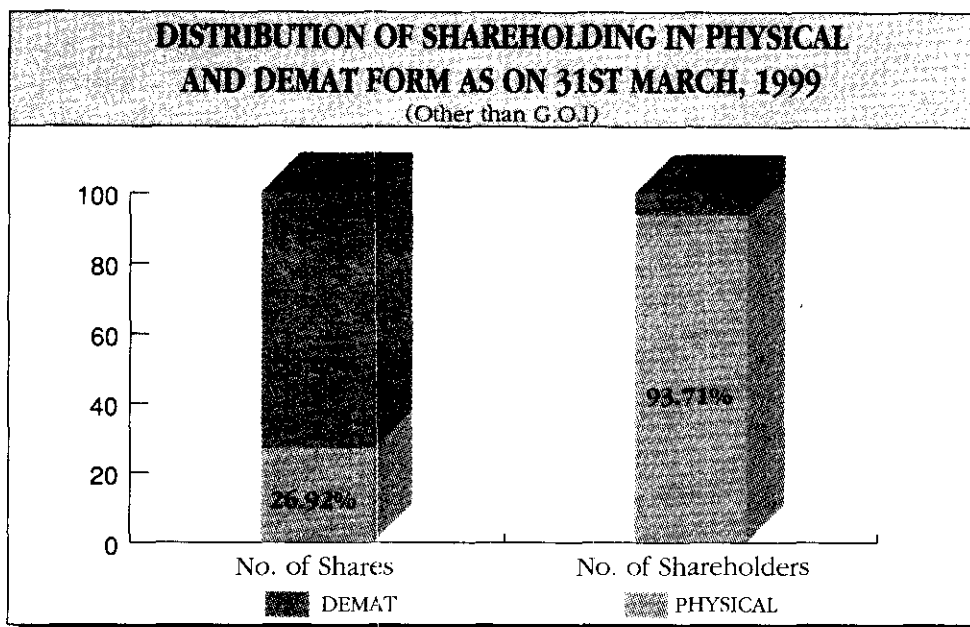
Mutual Funds

Banks

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 1999

NO. OF SHARES	PHYSICAL HOLDING		DEMATERIALISED HOLDING		TOTAL		% Holding	
	No. of Shareholders	No. of Shares	No. of Beneficial Owners	No. of Shares	No. of Investors	No. of Shares	Investors	Holding
1 - 500	62,075	10,430,730	3,701	586,009	65,776	11,016,739	94.92	4.87
501 - 1000	2,473	1,602,300	249	191,392	2,722	1,793,692	3.93	0.79
1001 - 5000	307	580,700	165	348,828	472	929,528	0.68	0.41
5001 - 10000	35	264,600	23	167,788	58	432,388	0.08	0.19
10001 & above	45	132,429,620	223	76,766,917	268	209,196,537	0.39	92.48
In Transit*				2,851,116		2,851,116		1.26
TOTAL	64,935	145,307,950	4,361	80,912,050	69,296	226,220,000	100.00	100.00

* Pending details from depository



DIVIDEND		
Financial Year	Dividend %	Dividend Rs. Crores
1994-95	20	38.30
1995-96@	35	70.79
1996-97	40	83.55
1997-98#	50	108.89
1998-99#	110	248.71

@ includes pro-rata on Public Issue Shares
Includes pro-rata on Warrant Conversion Shares



PERFORMANCE PROFILE

	1998-99	1997-98	1996-97	1995-96	1994-95
PHYSICAL		MILLION TONNES			
CRUDE THRUPUT	9.07	8.84	11.39	11.01	10.25
Mumbai Refinery	5.21	6.38	6.54	5.97	5.24
Visakh Refinery	3.86	2.46	4.85	5.04	5.01
PIPELINE THRUPUT	5.05	3.98	3.76	3.68	3.35
MARKET SALES	16.98	16.00	15.46	14.15	12.59
FINANCIAL		RS./CRORES			
TURNOVER	25994.56	20512.91	18089.09	14862.25	13329.23
Gross Profit	1804.05	1403.01	1332.15	1090.62	865.02
Depreciation	404.61	390.07	292.93	198.46	213.10
Interest	118.88	84.98	97.52	46.21	76.75
Tax	379.30	226.80	329.48	331.71	183.88
NET PROFIT	901.26	701.16	612.22	514.24	391.29
Dividend	248.71	108.89	83.55	70.79	38.30
Tax on Distributed Profits	27.36	10.89	8.35	—	—
Retained Earnings	625.19	581.38	520.32	443.45	352.99
INTERNAL RESOURCES GENERATED	1029.80	971.45	813.25	641.91	566.09
VALUE ADDED	3312.57	2832.56	2673.69	2340.56	1865.58
WHAT CORPORATION OWNS					
Gross Fixed Assets	5710.36	4861.22	3776.32	3159.75	2760.84
Depreciation	2515.96	2134.98	1772.69	1483.36	1289.14
Net Fixed Assets	3194.40	2726.24	2003.63	1676.39	1471.70
Capital Work-in-Progress	1761.43	953.14	607.67	382.15	290.68
Investments - JVCs	491.34	484.86	121.65	120.30	109.18
- Others	442.64	1156.12	162.17	162.17	162.12
Net Current Assets	534.83	266.85	1938.58	792.79	550.80
Misc. Exps. (Public Issue exps. to the extent not written off)	6.21	10.68	15.19	14.16	17.49
TOTAL	6430.85	5597.89	4848.89	3147.96	2601.97
WHAT CORPORATION OWES					
Net Worth	5037.21	4292.97	3274.55	2701.76	1716.46
Share Capital	225.59	221.44	208.55	206.94	191.52
Reserves	4811.62	4071.53	3066.00	2494.82	1524.94
Borrowings	1393.64	1256.93	1418.10	446.20	602.18
Share Application/Call Money pending allotment/Appropriation	—	47.99	156.24	—	283.33
TOTAL	6430.85	5597.89	4848.89	3147.96	2601.97