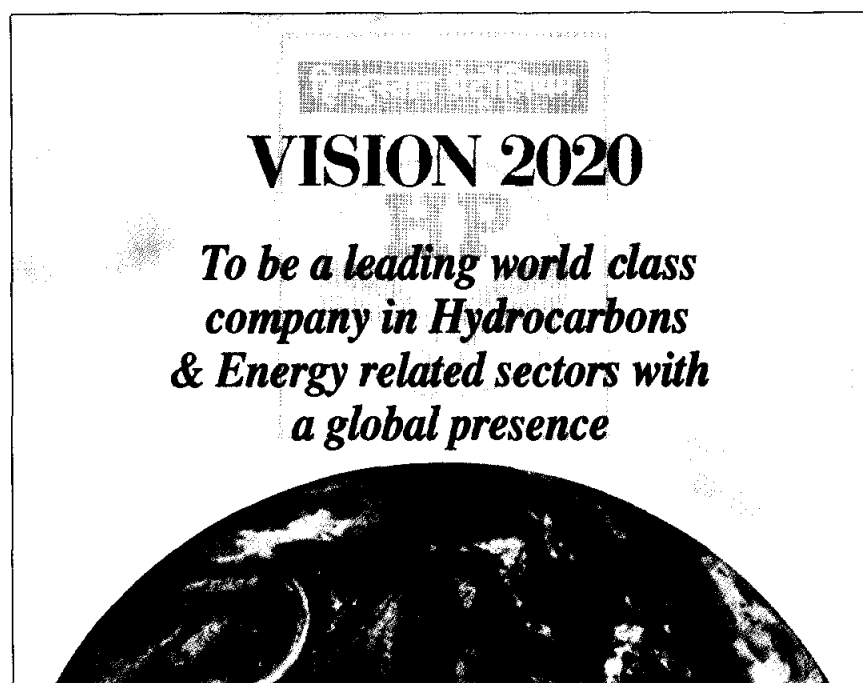


वार्षिक रिपोर्ट २०००-२००१  
*Annual Report 2000-2001*

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हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड  
HINDUSTAN PETROLEUM CORPORATION LIMITED



## Contents

Board of Directors	3
Chairman's Message	6
Performance Profile	8
Directors' Report	14
Auditors' Report	31
Balance Sheet	34
Profit and Loss Account	35
Schedules to Accounts	36
Cash Flow Statement	54
Corporate Governance	58
Review of Accounts by C & AG	70
C & AG's Comments	74
Notice of AGM	76

**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.

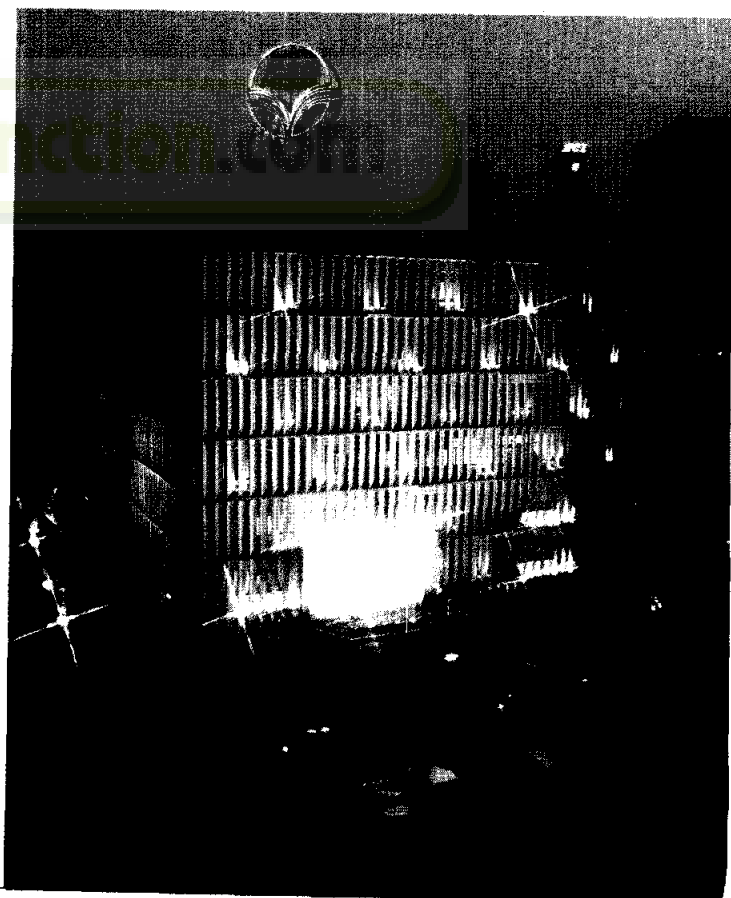
Chartered Accountants  
Mumbai.

**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*

## BOARD OF DIRECTORS



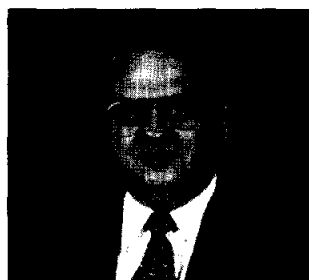
**Shri H.L. Zutshi**  
Chairman & Managing Director



**Shri D. S. Mathur**  
Director (Refineries)



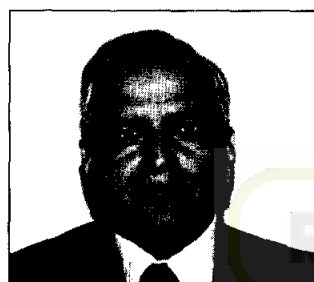
**Shri S. D. Gupta**  
Director (Finance)



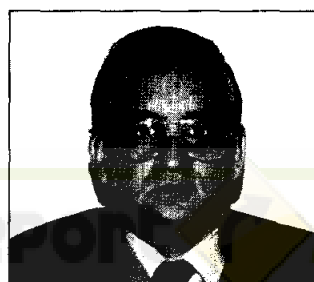
**Shri S. K. Kapoor**  
Director (Marketing)



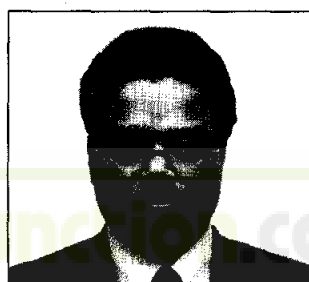
**Shri S. K. Kerr**  
Director (Human Resources)



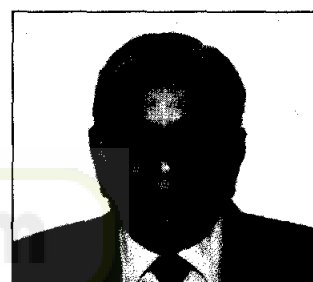
**Shri Naresh Narad**  
Director  
Additional Secretary  
MOP & NG



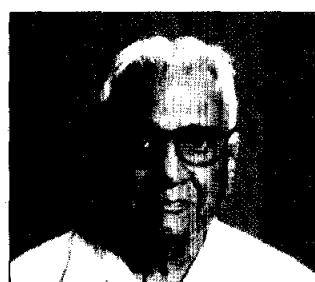
**Shri S. Vijayaraghavan**  
Director  
Joint Secretary  
MOP & NG



**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.

## 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

## OUR MANAGEMENT TEAM

<p>▶</p> <p>Shri G.A. Shirwaikar General Manager Delhi Co-ordination Office</p>		<p>▶</p> <p>Shri D.K. Deshpande MD Technical MRPL</p>	
	<p>◀</p> <p>Shri R.N. Sharma General Manager Treasury, Payroll &amp; Reimbursement</p>		<p>◀</p> <p>Shri A.S. Tulaskar General Manager Operations (Mumbai Refinery)</p>
<p>▶</p> <p>Shri V. Vizia Saradhi General Manager Industrial Relations</p>		<p>▶</p> <p>Shri S.T. Joshi OSD</p>	
	<p>◀</p> <p>Shri S.V.K. Gnaneshwar Project Head Power Project</p>		<p>◀</p> <p>Shri B. Mukherjee General Manager Human Resources</p>
<p>▶</p> <p>Shri K. Muralidharan General Manager North Zone</p>		<p>▶</p> <p>Shri A.P. Ram OSD (Refineries)</p>	
	<p>◀</p> <p>Shri A.S. Rao General Manager Operations (Visakh Refinery)</p>		<p>◀</p> <p>Shri K.S.R. Prasad Financial Controller</p>
<p>▶</p> <p>Shri S.M. Palav General Manager-IT</p>		<p>▶</p> <p>Shri S.V. Sahni General Manager LPG Business Unit</p>	
	<p>◀</p> <p>Shri K.R. Sankaran General Manager West Zone</p>		<p>◀</p> <p>Ms Nishi Vasudeva General Manager Corporate Strategies &amp; Planning</p>
<p>▶</p> <p>Shri S.Y. Narvekar Deputy General Manager (Incharge) South Zone</p>		<p>▶</p> <p>Shri Subhankar Biswas Deputy General Manager (Incharge) East Zone</p>	

CHAIRMAN'S MESSAGE

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**A**nother 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.



## 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

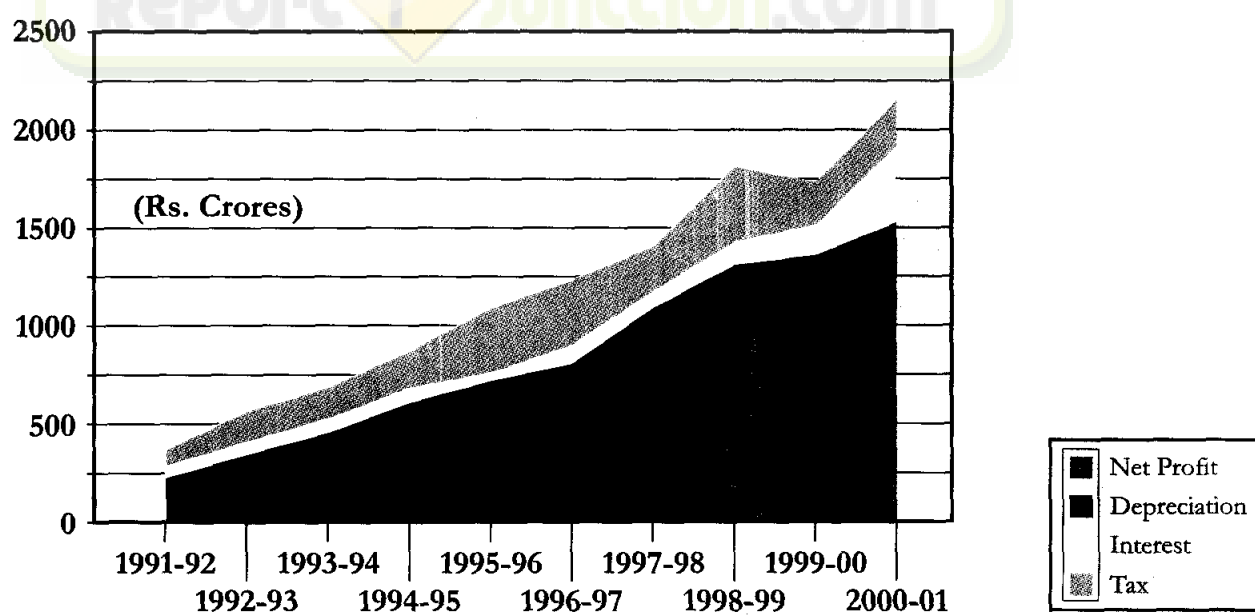


## PERFORMANCE PROFILE

	2000-01	1999-00	1998-99	1997-98	1996-97
<b>PHYSICAL</b>		(Million Tonnes)			
<b>CRUDE THRUPUT</b>	<b>11.98</b>	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
<b>PIPELINE THRUPUT</b>	<b>6.37</b>	6.18	5.05	3.98	3.76
<b>MARKET SALES</b>	<b>18.39</b>	17.50	16.98	16.00	15.46
<b>FINANCIAL</b>		(Rs. In Crores)			
<b>TURNOVER</b>	<b>47179.93</b>	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
<b>NET PROFIT</b>	<b>1088.01</b>	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
<b>INTERNAL RESOURCES GENERATED</b>	<b>1147.45</b>	1036.44	1029.80	971.45	813.25
<b>VALUE ADDED</b>	<b>3973.87</b>	3541.69	3164.91	2832.56	2673.69

## Gross Profit

(10 years)

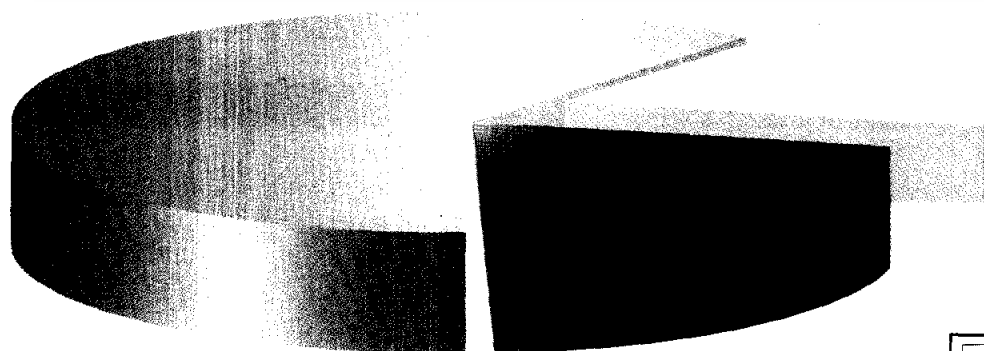


## PERFORMANCE PROFILE

	2000-01	1999-00	1998-99	1997-98	1996-97
<b>WHAT CORPORATION OWNS</b>		(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
<b>TOTAL</b>	<b>10055.79</b>	<b>8673.18</b>	<b>6466.76</b>	<b>5597.89</b>	<b>4848.89</b>
<b>WHAT CORPORATION OWES</b>		(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
<b>TOTAL</b>	<b>10055.79</b>	<b>8673.18</b>	<b>6466.76</b>	<b>5597.89</b>	<b>4848.89</b>

## Gross Profit : 2000-01

Rs. 2141 Crores



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