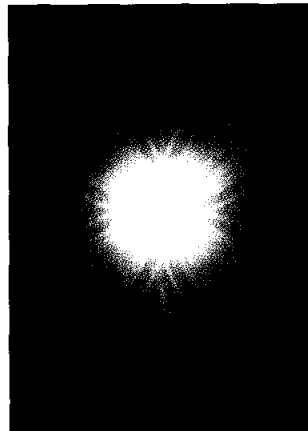




Future full of energy

हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड HINDUSTAN PETROLEUM CORPORATION LIMITED



*The cover design is
a graphic representation
of a blazing star,
the universal symbol
of pure energy.*

*The HP emblem
has been interwoven
with the sun's rays,
depicting HP
as the ultimate source of
boundless energy.*



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OUR OFFICES, AUDITORS & BANKERS

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.

East Zone

6, Church Lane,
Post Box No. 146,
Calcutta 700 001.

West Zone

R & C Building,
Shri 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

G. P. Kapadia & Co.

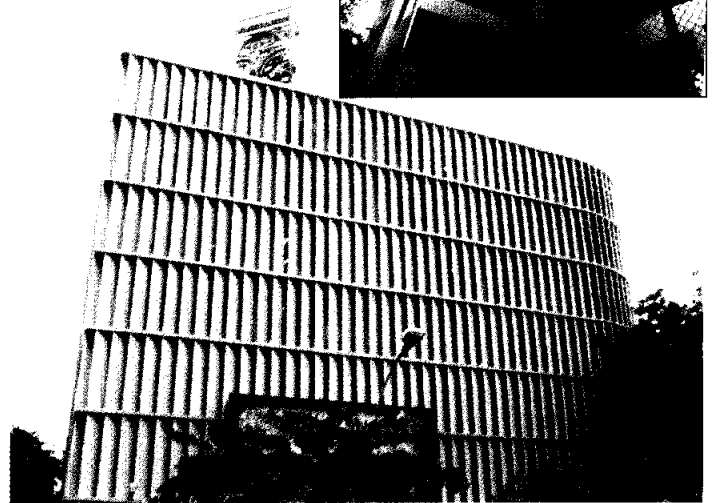
Chartered Accountants
Mumbai.

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
Bank of India
Citibank N.A.
Corporation Bank



HQO and the New Annexe Building

BOARD OF DIRECTORS



Shri M. B. Lal
Chairman & Managing Director



Shri D. S. Mathur
Director (Refineries)



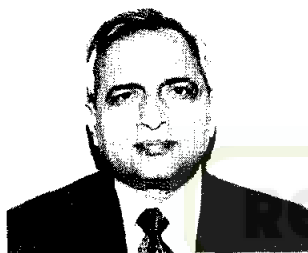
Shri S. D. Gupta
Director (Finance)



Shri N. K. Puri
Director (Marketing)



Shri Arun Balakrishnan
Director (Human Resources)



Shri Naresh Narad
Director
Additional Secretary
(Marketing) MOP & NG



Shri S. Vijayaraghavan
Director
Joint Secretary
MOP & NG



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



Shri T. L. Sankar
Director
Principal (Retd.),
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



◀ Smt. Parminder. H. Mathur
Chief Vigilance Officer



◀ Shri S. K. Mukherjee
Executive Director
Mumbai Refinery



◀ Shri C. N. Rao
Executive Director
Corporate Finance



◀ Shri C. Ramulu
Executive Director
JVC Relations & Internal Audit



◀ Shri M. A. Tankiwala
Executive Director
Punjab Refinery Project



◀ Shri V.D. Mahajan
Executive Director
Refinery Co-ordination



◀ Shri K. Murali
Executive Director
Visakha Refinery



◀ Shri N.R. Narayanan
Company Secretary



◀ Shri S. P. Chaudhry
Executive Director
Retail Business Unit



◀ Shri S. Roy Choudhury
Executive Director
Direct Sales Business Unit



◀ Shri S. K. Biswas
Executive Director
Supply, Operations & Distribution



◀ Shri HarshKumar
Advisor
Information Technology



◀ Shri A. K. Bhide
General Manager
Internal Audit



◀ Shri A.B. Sathe
General Manager
Crude & Shipping



◀ Shri G. A. Shirwaikar
General Manager
North Zone



◀ 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 K.S.R. Prasad
Financial Controller



◀ Shri V. Vizia Saradhi
General Manager
Industrial Relations



◀ Shri S. M. Palav
General Manager
Information Technology



◀ Shri S. T. Joshi
General Manager
Renewable Energy



◀ Shri S. V. Sahni
General Manager
LPG Business Unit



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



◀ Shri K. R. Sankaran
General Manager
West Zone



◀ Shri B. Mukherjee
General Manager
Human Resource Development



◀ Ms. Nishi Vasudeva
General Manager
ERP Implementation



◀ Shri K. Muralidharan
General Manager - Coordination
Delhi Coordination Office



◀ Shri A. B. Thosar
General Manager
E & P and Pipelines



◀ Shri A.P. Ram
Advisor (Refineries)
MOP & NG



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



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



◀ Shri Subhankar Biswas
Deputy General Manager (Incharge)
East Zone



AWARDS



◀ His Excellency, Vice President of India, Shri Krishna Kant handing over award to Shri S.D. Gupta for HPCL's 'Excellent' MOU performance



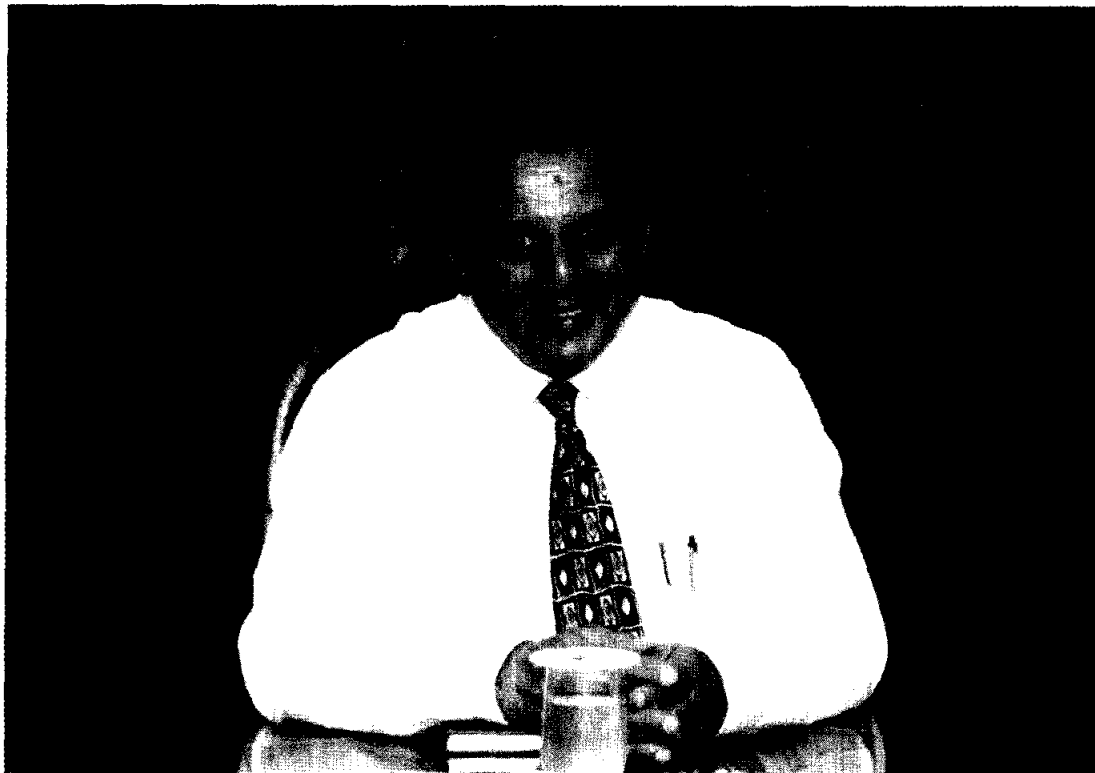
▶ Hon'ble Minister of Petroleum and Natural Gas Shri Ram Naik handing over First Best Performer Award for the years 1999-2000 & 2000-2001 to Mazagaon-Haybunder Lube Oil Blending Plant. Also seen are Shri Santosh Gangwar, Minister of State, Petroleum and Natural Gas, Shri H.L. Zutshi and Shri A. Balakrishnan



◀ Shri K. Murali, Visakha Refinery, receiving award on "Waste Minimization at source" on June 05, 2001 from Hon'ble Chief Minister, Andhra Pradesh, Shri N. Chandrababu Naidu



CHAIRMAN'S MESSAGE



The year 2001-02 will go down as a landmark year in the history of the Indian Oil industry. At the end of the year, the Administered Price Mechanism that governed the oil sector for the last twenty five years, was dismantled. Thus the way was paved for the entry of a number of private sector players in the marketing of transport fuels.

The events of last year also underscored how hard it is to predict the future. At the beginning of the year 2001 nobody could have imagined, let alone predicted, the World Trade Centre and Pentagon incidents on September 11 in the United States. Only a handful of economists predicted the US recession in advance, and to this day remain divided on the future prospects for both the US and World economy. Closer home, the attack on the Indian Parliament in December, tensions at the border and travel warnings by some of the Western countries would have been hard to foretell. These unforeseen events define and reshape our business environment in unpredictable ways.

Fear of a supply disruption following September 11 spiked oil prices by about \$3 per barrel, albeit temporarily. However, the slowdown in global economic growth and the immediate and dramatic fall in commercial air traffic brought the prices down sharply. Just when oil experts predicted further declines, prices started hardening at the end of February due to geopolitical tensions as well as incipient signs of recovery in the US economy.

The Indian economy registered a growth rate of 5.4% in 2001-02 compared to 4% in 2000-01. The



agriculture sector was the mainstay of growth during the financial year. The Index of Industrial Production, on the other hand, recorded one of the lowest growth rates since 1992-93. This slowdown in the industrial sector affected the oil sector adversely. Beside 1974-75, 2001-02 is the only financial year when the consumption of petroleum products has actually declined.

The short point is that we have no control over the price of primary input in our business, i.e., crude, nor over the economic activities that determine the level of our outputs. Economic activity is shaped not only by economic policies but also by the changing aspirations of civil society and government actions that emerge therefrom. Since we cannot control our operating environment, our strategy and business fundamentals are aimed at capturing the opportunities and minimising the negatives. Herein lies the strength of your company.

Our emphasis is on maintaining a sound asset base underpinned by operational excellence. We ensure that capital is invested to build for the future within a disciplined financial framework. Our strategies nurture our core competence while positioning the company to take advantage of emerging opportunities. The commitment, experience and talent of our employees play a nodal role in executing our strategies. Thus, we are focusing more than ever on sharing expertise, learnings, and systems across our widespread network to leverage their strengths.

These principles stood us in good stead in the last financial year wherein the impact of the lower sales as well as net income from operations due to lower demand realisation were mitigated by a reduction in expenditure. While our refineries are investing in new systems and processes to produce fuels with new systems and processes to produce fuels with new specifications, they nevertheless continue to focus on improving efficiency and profitability. Marketing initiatives are similarly directed at both growth as well as differentiation.

Our commitment to technology and innovation was vindicated by the prestigious CSIR (Council for Scientific & Industrial research) Technology Award 2001, conferred on our Mumbai Refinery jointly with IIT Dehradun, in the area of Chemical Technology.

The oil sector is a growth sector. The current decline notwithstanding, the fundamentals for future growth are quite strong. The economy needs energy to grow. There are indications of recovery in the industrial sector. As industries complete restructuring in response to competitive forces, and reforms in the agricultural sector are initiated, the economy will expand. This will translate into greater demand for petroleum products. Our business fundamentals provide us a competitive edge in availing of these opportunities.

The support of our customers, business associates and shareholders has always been a source of strength and I thank them for being part of our growth story. I wish to thank all the employees for their efforts in making this company successful. The promise of the future is based on the their commitment, professionalism and talent which provides us a distinctive edge.

Shri M. B. Lal

Chairman & Managing Director