



## Directors' Report

Use of Hindi is encouraged among the employees through All India Hindi Mahotsav, Official Language conferences, competitions and workshops. Your Corporation continues to Head the Town Official Language Implementation Committee (TOLIC) in Mumbai for Government Undertakings/Corporations since its formation in 1983.

Your corporation is having prominent position in Oil Sector for Official Language Implementation by winning 27 awards including 'Rajbhasha Shield' from MOP&NG from last two years.

### **CORPORATE SOCIAL RESPONSIBILITY**

Your Corporation constantly strives to be a model of excellence in all its endeavour be it in business prosperity or in environmental and societal stewardship. Social Development through business operations and CSR intervention always remains at the core of leadership decisions. In order to achieve these goals, Your Corporation has taken dynamic CSR activities and touched thousands of lives in the year 2015-16 across the length and breadth of the country. Efforts were made to ensure that benefits of the CSR activities reaches to the less privileged and marginalized sections of society, under the focus areas of Child Care, Education, Health Care, Skill Development, Sports, Environment and Community Development.

The Major Projects of CSR are in sync with National Developmental Policies and Sustainable Development Goals and focuses on education, health care and skill development in a holistic manner. Our Projects Nanhi Kali, Unnati and Akshaya Patra strive to meaningfully contribute to uplift the educational standards of communities. Project Nanhi Kali attempts to educate first generation girl children by providing Social, Academic and material support. Your Corporation, under Project Akshaya Patra supplemented the government effort in providing hot and nutritious meals to school children so that the students maintain good health and motivation to attend schools. IT based computer education was provided to students under Project Unnati which not only boosted their interest for being in schools but also opened wide horizons for them in life. Your Corporation has taken up Project Dhanwantari to provide free door step health care to the marginalized community located in difficult areas through Mobile Medical Vans (MMV). Project Suraksha addressed the burning issue of HIV/AIDS among the vulnerable sections of society, the long distance trucker, through free medical consultation, counselling and outreach services. Through Project Dil without Bill, free heart surgery was undertaken for economically underprivileged giving new lease of life. The Corporation attempted to create an inclusive society taking Project ADAPT which has provided sophisticated and state of the art therapies, special education and skill development to differently abled students. With aim of providing livelihood opportunity to youth, Project Swavalamban was taken during the year which contributed to Skilled India by training drop out youths in various skills and achieving employment for trained youths.

Your Corporation has enthusiastically participated in 'Swachh Bharat Abhiyan'. A large number of stakeholders were engaged with aim to make India clean. Activities were conducted at business locations for generating awareness and sensitise employees and other stakeholders. Shram Daan projects, cleanliness drive, walkathons, competitions, community meeting etc. were organized. Under Swachh Vidyalaya Abhiyan, Your Corporation, completed the construction of 1245 school toilets, majority of which are in states of Andhra Pradesh, Assam, Bihar, Chhattisgarh and Odisha. Your Corporation has also taken up the initiative for the maintenance of these toilets by collaborating with state governments.

A number of initiatives were taken for the development of communities close to our Business Units in a Pan India manner. Activities were taken in all focus areas with special emphasis on activities related to Swachh Bharat Abhiyan. A number of community toilets were constructed during the year, dustbins and waste bins were provided, community drains were constructed etc. National Cleanliness drive was undertaken between September 25th and October 31st all over the country where stake holders from all sections participated. Activities were taken to strengthen the institutions supporting weaker sections of society like orphanages, old age homes. Under Community Development focus area, drinking water and water for livelihood remained at the focus. Schools were provided with drinking water facility and water harvesting activities were taken for the remote rural and tribal areas. CSR Month was celebrated to generate awareness on social issues among stakeholders and to ensure the cooperation of all stakeholders in development of society. Your Corporation innovated CSR practices by developing entrepreneurs from SC/ST communities and provided them end to end training for being an independent entrepreneur. Highest ever scholarships to the students from SC/ST/OBC and PWD were given. As an important initiative, sports were promoted among talented youth at various locations.

Your corporation has used a holistic development model with a goal to empower all sections of society. An utmost concern was given to 10 Principles of UN Global Compact and these were followed in letter and spirit by all level of employees. In future we aim to innovate and expand our reach to the neediest of the person and we shall attempt that those living close to our business units are healthy, happy and educated.

The details of CSR activities of the corporation containing details of CSR Committee Members, brief outline of the CSR policy, overview of the CSR initiatives, prescribed expenditure, amount spent etc., forming part of Director's report are provided in

### **Annexure III.**



## Directors' Report

The Composition of CSR committee is as under:-

| Sl. No. | Name                   | Category   |
|---------|------------------------|--|
| 1.      | Shri Ram Niwas Jain    | Part-Time Non Official Director - Chairman         |
| 2.      | Shri Pushp Kumar Joshi | Director – HR –Whole Time Director, Member         |
| 3.      | Shri B. K Namdeo       | Director – Refineries- Whole Time Director, Member |
| 4.      | Shri Y K Gawali        | Director - Marketing – Whole Time Director, Member |

The Committee had approved the CSR policy and the Budget. The CSR policy is uploaded on Corporation's website, weblink of which is given herein below:

Weblink to CSR Policy - <http://www.hindustanpetroleum.com/csrpolicy>

Weblink to Projects and Programs - <http://www.hindustanpetroleum.com/csrprojects>

### CORPORATE GOVERNANCE

Your Corporation continues to adopt the best practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning. The corporate Governance Report highlighting these endeavours has been incorporated as a separate section, forming part of the Annual Report.

### PROCUREMENT OF GOODS & SERVICES FROM MSES

In line with the Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012, for the year 2015-16, against the set target of 20% Your Corporation has achieved 25.36% ( ₹ 1646.60 crores) procurement of goods & services from Micro & Small Enterprises and a target of 20% has been set for the year 2016-17.

### PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Corporation has constituted Internal Complaints Committees (ICC). During the year, One (1) complaint was received by the Corporation, enquiry of which is under process. Further, Your Corporation has conducted one workshop and also developed Online Portal for all employees to create awareness. During the year, 512 officers have completed online awareness programme named 'Prevention of Sexual Harassment'.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed Management Discussion and Analysis Report forms part of this Annual Report.

### FINANCIAL STATEMENTS OF SUBSIDIARIES

In terms of Proviso to Section 136 (1) of the Companies Act, 2013, Company will place separate audited accounts in respect of each of its Subsidiary on its website & also provide a copy of separate audited financial statement in respect of each of its Subsidiary, to any shareholder of the company who asks for it. The Financial Statements of the Subsidiary companies will also be kept open for inspection at the registered office of the Company and that of the respective Subsidiary companies.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 a separate statement containing salient features of the Financial Statement of Subsidiary/Associate/Joint Venture Companies in Form AOC-1 is attached along with Financial Statements.

### COST AUDIT

The Cost Audit for the financial year 2014-15 was carried out and the Cost Audit Reports were filed with the Ministry of Corporate Affairs before the stipulated date of filing.

### DIRECTORS

Your Corporation's Board presently comprises of 8 Directors. The Whole Time Directors are Shri Mukesh Kumar Surana (Chairman & Managing Director), Shri Pushp Kumar Joshi (Director – Human Resources), Shri B.K. Namdeo (Director- Refineries), Shri Y.K. Gawali (Director – Marketing) and Shri J. Ramaswamy (Director – Finance).

Shri J Ramaswamy is also appointed as Chief Financial Officer (CFO) of the Corporation in terms of requirement of Section 203 of the Companies Act, 2013.

The Government Directors are Ms. Urvashi Sadhwani and Shri Sandeep Poundrik. The Part Time Non Official Director (Independent) is Shri Ram Niwas Jain.

As per the provisions of Section 152 of the Companies Act, Shri Pushp Kumar Joshi & Shri Y.K. Gawali, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.



# Annexure to Directors' Report for the year 2015-16

## Annexure III

### REPORT ON CSR ACTIVITIES/ INITIATIVES

#### [Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the company's CSR policy, including overview of the projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs:-

"Your Corporation believes in shared value creation and interdependency of business and stakeholders. In line with this, the revised CSR policy of the corporation pens down the philosophy CSR, defines the ambit of CSR and brings uniformity in various operations and functionalities of the structure and its activities. During 2015-16, the corporation invested ₹ 71.76 crores in the implementation of various CSR initiatives in the focus areas of Childcare, Education, Healthcare, Skill Development, Sports, Environment and Community Development, creating social capital, especially in the host communities of the business."

Weblink to CSR Policy - <http://www.hindustanpetroleum.com/csrapolicy>

Weblink to Projects and Programs - <http://www.hindustanpetroleum.com/csraprojects>

2. The composition of the CSR Committee as on 31st March, 2016:-

- i. Shri Ram Niwas Jain : Director (Chairman, CSR and SD Committee)
- ii. Shri P K Joshi : Director- Human Resources (Member, CSR & SD Committee)
- iii. Shri B. K Namdeo : Director – Refineries (Member, CSR & SD Committee)
- iv. Shri Y K Gawali : Director – Marketing (Member, CSR & SD Committee)

3. Average Net Profit of the company for last 3 financial years (2012-15) = ₹ 2,696.07 Crores

4. Prescribed CSR expenditure (2% of amount) = ₹ 53.92Crores

5. Details of CSR activities/projects undertaken during the year:-

- a) Total amount to be spent for the financial year = ₹ 71.67 Crores
- b) Amount un-spent, if any = Nil
- c) Manner in which the amount spent during financial year, is detailed below:

| Sl. No. | CSR Project or Activity identified    | Sector in which the project is covered                   | Projects or Programs<br>(1) Local Area or other<br>(2) Specify the state and district where projects or programs was undertaken | Amount Outlay (Budget) project or programs wise<br>(₹ / Crores) | Amount Spent on the Projects or Programs Sub-heads:<br>(1) Direct Expenditure on Projects or Programs (2) Overheads (₹ / Crores) | Cumulative expenditure upto the reporting period<br>(₹ /Crores) | Amount spent: Direct or through implementing agency *   |
|---------|---------------------------------------|--|---|---|--|---|---|
| 1       | Community Development and Environment | Empowerment of Socially and Economically Backward groups | Local Area  | 4.37  | 4.37   | 4.37  | Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc |
|         |                                       |  | Anantpur, East Godavari, Visakhapatnam  |   |  |   |   |
|         |                                       |  | Delhi   |   |  |   |   |
|         |                                       |  | Ahmedabad   |   |  |   |   |
|         |                                       |  | Ahmednagar, Mumbai, Nagpur, Palghar, Raigad, Sangli   |   |  |   |   |
|         |                                       |  | Sundargarh  |   |  |   |   |
|         |                                       |  | Sangrur   |   |  |   |   |
|         |                                       |  | Chennai, Pudukottai, Thiruvallur  |   |  |   |   |
|         |                                       |  | Nalgonda, Secunderabad, Kadapa  |   |  |   |   |
|         |                                       |  | Barabanki, Bhadohi, Faizabad, Pilibhit, Varanasi  |   |  |   |   |
|         |                                       |  | Kolkata, North 24 Pargana, South 24 Pargana   |   |  |   |   |



## Annexure to Directors' Report for the year 2015-16

| Sl. No. | CSR Project or Activity identified  | Sector in which the project is covered            | Projects or Programs<br>(1) Local Area or other<br>(2) Specify the state and district where projects or programs was undertaken | Amount Outlay (Budget) project or programs wise<br>(₹ /Crores) | Amount Spent on the Projects or Programs Sub-heads:<br>(1) Direct Expenditure on Projects or Programs (2) Overheads (₹ / Crores) | Cumulative expenditure upto the reporting period<br>(₹ /Crores) | Amount spent: Direct or through implementing agency *   |                   |
|---------|-------------------------------------|---|---|--|--|---|---|-------------------|
| 2       | Skill Development for Marginalised  | Imparting Employment<br>Enhancing Vocation Skills | Local Area  | 5.18   | 5.18   | 5.18  | Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc |                   |
|         |                                     |   | Vishakhapatnam  |  |  |   |   | Andhra Pradesh    |
|         |                                     |   | Guwahati  |  |  |   |   | Assam             |
|         |                                     |   | East Delhi  |  |  |   |   | Delhi NCR         |
|         |                                     |   | Jammu, Srinagar   |  |  |   |   | Jammu & Kashmir   |
|         |                                     |   | Chaibasa, Gumla   |  |  |   |   | Jharkhand         |
|         |                                     |   | Thiruvananthapuram  |  |  |   |   | Kerala            |
|         |                                     |   | Mumbai  |  |  |   |   | Maharashtra       |
|         |                                     |   | Mandla  |  |  |   |   | Madhya Pradesh    |
|         |                                     |   | Bhubaneshwar, Keonjhar  |  |  |   |   | Odisha            |
|         |                                     |   | Amritsar  |  |  |   |   | Punjab            |
|         |                                     |   | Jaipur  |  |  |   |   | Rajasthan         |
|         |                                     |   | Kadapakkam  |  |  |   |   | Tamil Nadu        |
|         |                                     |   | Lucknow   |  |  |   |   | Uttar Pradesh     |
| Purulia | West Bengal                         |   |   |  |  |   |   |                   |
| 3       | School Infrastructure and Amenities | Promoting Education                               | Local Area  | 12.21  | 12.21  | 12.21   | Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc |                   |
|         |                                     |   | Araku, Anantpur, East Godavari, Guntur, Krishna, Kurnool, Rajamundry, Visakhapatnam, Warangal, West Godavari                    |  |  |   |   | Andhra Pradesh    |
|         |                                     |   | Lohit, Longding   |  |  |   |   | Arunachal Pradesh |
|         |                                     |   | Kohima  |  |  |   |   | Assam             |
|         |                                     |   | Rajnandgaon   |  |  |   |   | Chhattisgarh      |
|         |                                     |   | South Goa   |  |  |   |   | Goa               |
|         |                                     |   | Aravalli, Kutch, Mehsana, Sabarkanta  |  |  |   |   | Gujarat           |
|         |                                     |   | Hissar, Jhajjar, Rewari, Rohtak   |  |  |   |   | Haryana           |
|         |                                     |   | Samba   |  |  |   |   | Jammu & Kashmir   |
|         |                                     |   | Bangalore, Belgaum, Dakshin Kannada, Manglore   |  |  |   |   | Karnataka         |
|         |                                     |   | Ernakulam, Kannur, Kozhikode  |  |  |   |   | Kerala            |
|         |                                     |   | Indore, Mandla, Ratlam, Sheopur   |  |  |   |   | Madhya Pradesh    |
|         |                                     |   | Amravati, Chandrapur, Mumbai, Nashik, Palghar, Pune, Raigad, Ratnagiri, Sangli, Sindhudurg, Solapur, Thane                      |  |  |   |   | Maharashtra       |
|         |                                     |   | Jagatsinghpur, Keonjhar, Khordha  |  |  |   |   | Odisha            |
|         |                                     |   | Alwar, Jaipur, Jaisalmer, Jodhpur, Pachpadra,   |  |  |   |   | Rajasthan         |
|         |                                     |   | Tanjore   |  |  |   |   | Tamil Nadu        |
|         |                                     |   | Nalgonda, Ranga Reddy   |  |  |   |   | Telangana         |
|         |                                     |   | Ghaziabad, Kanpur Dehat   |  |  |   |   | Uttar Pradesh     |
|         |                                     |   | Burdwan, Kolkata  |  |  |   |   | West Bengal       |



## Annexure to Directors' Report for the year 2015-16

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|------------------------------------|--|--|---|---|--|--|---|-------------------|
| 4                                  | Scholarships for economically backward SC/ST/OBC/PWD Students in Local Areas of Operation Locations                            | Promoting Education                                      | <b>Local Area</b>   | 3.79  | 3.79   | 3.79   | Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc |                   |
|                                    |  |  | East Godavari, Krishna, Visakhapatnam   |   |  |  |   | Andhra Pradesh    |
|                                    |  |  | Gandhinagar   |   |  |  |   | Gujarat           |
|                                    |  |  | Jamshedpur  |   |  |  |   | Jharkhand         |
|                                    |  |  | Chandrapur, Jalgaon, Pune, Sindhudurg, Thane  |   |  |  |   | Maharashtra       |
|                                    |  |  | Churachandpur   |   |  |  |   | Manipur           |
|                                    |  |  | Kolasib   |   |  |  |   | Mizoram           |
|                                    |  |  | Deogarh, Sambalpur, Sundargarh  |   |  |  |   | Odisha            |
|                                    |  |  | Nalgonda  |   |  |  |   | Telangana         |
| 5                                  | Interventions in Health, including provision of medical equipments and reach-in approach through health camps and medical vans | Promoting Preventive Health Care                         | <b>Local Area</b>   | 11.64   | 11.64  | 11.64  | Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc |                   |
|                                    |  |  | Hyderabad, Krishna, Visakhapatnam,  |   |  |  |   | Andhra Pradesh    |
|                                    |  |  | Patna   |   |  |  |   | Bihar             |
|                                    |  |  | Chandigarh  |   |  |  |   | Chandigarh        |
|                                    |  |  | Mungeli   |   |  |  |   | Chattisgarh       |
|                                    |  |  | North West Delhi  |   |  |  |   | Delhi             |
|                                    |  |  | Kheda, Rajkot   |   |  |  |   | Gujarat           |
|                                    |  |  | Sambha  |   |  |  |   | Jammu and Kashmir |
|                                    |  |  | Bokaro  |   |  |  |   | Jharkhand         |
|                                    |  |  | Banglore  |   |  |  |   | Karnataka         |
|                                    |  |  | Mumbai, Nashik, Pune, Raigad, Satara  |   |  |  |   | Maharashtra       |
|                                    |  |  | Angul, Balasore, Deogarh, Jagatsinghpur, Keonjhar   |   |  |  |   | Odisha            |
|                                    |  |  | Barmer, Bharatpur, Jaipur   |   |  |  |   | Rajasthan         |
|                                    |  |  | Coimbatore, Krishnagiri   |   |  |  |   | Tamil Nadu        |
|                                    |  |  | Mehboobnagar, Ranga Reddy   |   |  |  |   | Telangana         |
|                                    |  |  | Allahabad, Kanpur Dehat   |   |  |  |   | Uttar Pradesh     |
| Burdwan, Kolkata, South 24 Pargana | West Bengal  |  |   |   |  |  |   |                   |
| 6                                  | Promotion of Sports  | Promotion of Nationally Recognised and Paralympic Sports | <b>Local Area</b>   | 0.68  | 0.68   | 0.68   | Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc |                   |
|                                    |  |  | Hydrabad, Kurnool   |   |  |  |   | Andhra Pradesh    |
|                                    |  |  | Delhi   |   |  |  |   | Delhi NCR         |
|                                    |  |  | Mumbai  |   |  |  |   | Maharashtra       |



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|--------------|--|--|---|------------------|---|--|--|---|
| 7            | Swachh Bharat Abhiyan                        | Swachh Bharat Abhiyan                  | Local Area  |                  | 15.82   | 15.82  | 15.82  | Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc |
|              |  |  | East Godavari, Krishna, Visakhapatnam   | Andhra Pradesh   |   |  |  |   |
|              |  |  | Paschim Champaran, Purbi Champaran, Samastipur  | Bihar            |   |  |  |   |
|              |  |  | Raipur, Bemetera, Gariaband, Janjgir Champa, Mungeli  | Chhattisgarh     |   |  |  |   |
|              |  |  | West Delhi  | Delhi NCR        |   |  |  |   |
|              |  |  | Ahmedabad   | Gujarat          |   |  |  |   |
|              |  |  | Solan   | Himachal Pradesh |   |  |  |   |
|              |  |  | Bengaluru, Dharwad  | Karnataka        |   |  |  |   |
|              |  |  | Mumbai, Nagpur  | Maharashtra      |   |  |  |   |
|              |  |  | Kalahandi, Khorda, Koraput, Nabrangpur  | Odisha           |   |  |  |   |
|              |  |  | Bathinda  | Punjab           |   |  |  |   |
|              |  |  | Ajmer, Jaisalmer, Jodhpur, Kota, Sikar  | Rajasthan        |   |  |  |   |
|              |  |  | Nalgonda, Kadapa  | Telangana        |   |  |  |   |
|              |  |  | Varanasi  | Uttar Pradesh    |   |  |  |   |
| 8            | Capacity Building and Internal Communication | As per CSR Rules                       | Mumbai  | Maharashtra      | 0.20  | 0.20   | 0.20   | Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc |
| 9            | LPG Connections to BPL families              | Environment Sustainability             |   | Pan India        | 17.87   | 17.87  | 17.87  | Through Specialised Implementing Agencies like NGOs, Voluntary Organisations, Community Based Organisations etc |
| <b>Total</b> |  |  |   |                  | <b>71.76</b>  | <b>71.76</b>   | <b>71.76</b>   |   |

\* Projects of Long Term Commitments were implemented through the following agencies : ADAPT, Akshaya Patra Foundation, Confederation of Indian Industries, KC Mahindra Education Trust, NIIT, Sri Sathya Sai Heart Hospital, Transport Corporation of India Foundation, Wockhardt Foundation

- In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report – N.A.
- In line with the revised Companies Act 2013, Your Corporation has constituted the CSR Committee headed by an Independent Director. This CSR Committee is responsible to formulate and recommend for the approval of the Board, the CSR Policy and the Budgeted Outlay. It is also responsible to monitor CSR Policy and institute the monitoring mechanism.

During the year 2015-16, Your Corporation has adopted the CSR Policy approved by the Board of Directors and has allocated a budget of ₹ 71.67 Crores. CSR activities were undertaken in the line with the plans drawn through CSR Policy in the identified focus areas. CSR Activities were monitored through a two tier monitoring structure as laid down in the approved CSR policy.

Further, during the year, the CSR Committee has reviewed and monitored various CSR projects / programs carried out by Your Corporation and is satisfied that it conforms to all the requirements as laid down by the Companies Act, 2013.

Sd/-

Chairman & Managing Director

Sd/-

Chairman - CSR Committee