



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड

(भारत सरकार उपक्रम) रजिस्टर्ड ऑफिस : 17, जमशेदजी टाटा रोड, मुंबई - 400 020.

HINDUSTAN PETROLEUM CORPORATION LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE) REGISTERED OFFICE : 17, JAMSHEDJI TATA ROAD, MUMBAI - 400 020.

17, जमशेदजी टाटा रोड, पोस्ट बॉक्स नं. - 11041, मुंबई - 400 020. दूरभाष - 2286 3900 • फॉक्स - 2287 2992 • ई-मेल : corphqo@hpcl.co.in
17, Jamshedji Tata Road, P. O. Box No. - 11041, Mumbai - 400 020. Tel.: 2286 3900 • Fax : 2287 2992 • e-mail : corphqo@hpcl.co.in
CIN No.: L23201MH1952GOI008858

Ref.: Co.Secy./MM/2020

July 23, 2020

Director – Investor Services & Listing,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001 (Scrip Code: 500104)

**Sub.: Intimation on impact of Covid-19
Pandemic on HPCL**

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex,
Bandra East,
Mumbai – 400 051 (Scrip Name: HINDPETRO)

Dear Sirs,

The whole of oil industry including Hindustan Petroleum Corporation Limited (HPCL) witnessed general fall in demand for petroleum products in the aftermath of Covid19 pandemic. Significant drop in crude oil prices was witnessed in March / April 2020 which recovered to some extent subsequently. During this period, HPCL continued its operations, without disruption, to ensure supply of essential petroleum products.

The impact of Covid19 pandemic on the physical and financial performance of the company for the year 2019-20 was lesser as the lockdown was announced only in the last week of March 2020. However, sharp fall in crude oil prices in March/April 2020 did have inventory loss impact. As advised in the SEBI circular dated 20.5.2020, the impact of Covid19 on the financial statements for the year 2019-20, to the extent possible, was disclosed while submitting the financial statements under Regulation 33 of SEBI LODR.

The impact of Covid19 Pandemic on the Company's business for April-June 2020 is as follows: -

a) **Demand of Petroleum products:** There was a significant fall in demand of petroleum products in the month of April 2020 due to lockdown in the country and sales was down by over 48.5% as compared to April 2019. However, with the relaxations announced by the Central Government and some of the State Governments related to movement of people, goods and services, the demand for petroleum products gradually improved subsequently. Sales of petroleum products in May 2020 was about 77% compared to May 2019 and sales in June 2020 was about 91% as compared to June 2019.

MS, HSD sales were down by 62% and 55% respectively in April 2020 compared to April 2019, which improved to about 85% in June 2020 compared to June 2019.

Sharp increase in demand for LPG was witnessed during the lockdown period. The Company increased the production of LPG by optimizing its operations and supplied on an average 12.5 lacs cylinders per day to the customers during April-June 2020.

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- b) **Refinery Operations:** By optimizing the day to day crude run rate and regulating the product procurements from other sources, Company could achieve an overall capacity utilization of almost 100% at Mumbai and Visakh Refineries of the Company for the period April-June 2020.
- c) Company managed the crude oil inventory by optimizing the scheduling of crude cargos in line with refinery operations. Product inventories were managed by leveraging cross country product pipeline network and pan India marketing infrastructure of the Company.
- d) All critical supply locations of the Corporation continued operating during the lockdown period with all health, hygiene and safety measures in place. All the supply distribution locations including bulk storage terminals and depots, LPG bottling plants, aviation fuel stations, lube blending plants etc., functioned with optimized manpower under the advisories of the respective State Governments and local administrations to maintain supply of POL products.
- e) The working at the HPCL's non-critical locations was streamlined with work-from-home norms and minimal physical presence to ensure proper social distancing enabled through mobile communications, digital connectivity and dedicated portals.
- f) Project construction sites were required to be closed after announcement of nationwide lockdown under directives from concerned authorities. However, after announcement of relaxations from Central Government and some of the State Governments, project sites have been restarted gradually from April 20, 2020.
- g) The Company has put in place a comprehensive strategy and developed Standard Operating Procedures (SOPs) to ensure health and safety of its stakeholders (employees, service providers, contract work force, petrol pump dealers & customer attendants, LPG distributors, delivery boys etc.) while also ensuring business continuity. Digital technology is extensively leveraged for information-sharing.

This is for your information.

Thanking you,

Very truly yours,

V Murali
Company Secretary