



ANNUAL REPORT 1999-2000



BHARAT PETROLEUM CORPORATION LIMITED

In search of customer satisfaction

The customer makes us what we are.

Listening, adapting, making dynamic changes in response to customer needs will gift us the future.

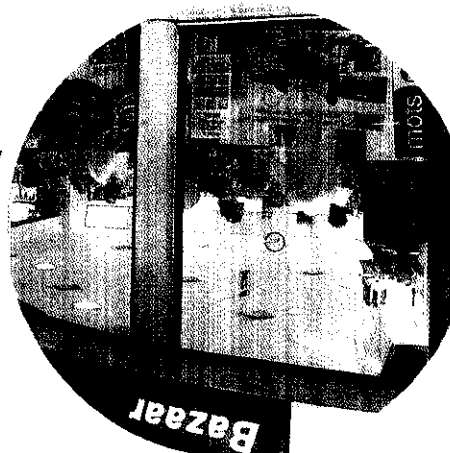
In fact, we have already re-engineered ourselves to produce innovations that have altered the customer's perceptions of who we are.

Owning innovation in the customer's mind is the way ahead.

We will continue to generate a flood of products and services that will define a new lifestyle for our customer.

All this will be achieved through a dynamic relationship between the customer, us and technology.

This is our new dream at BPC.



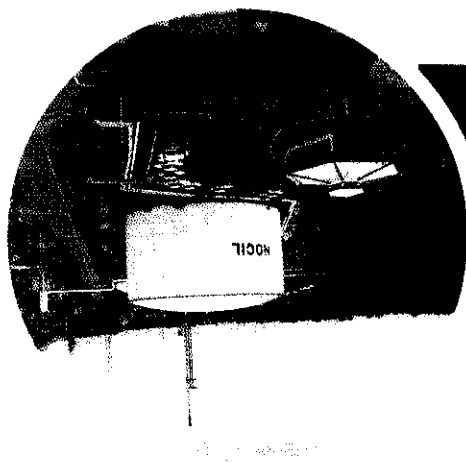
Gross profit of Rs. 17.38 billion



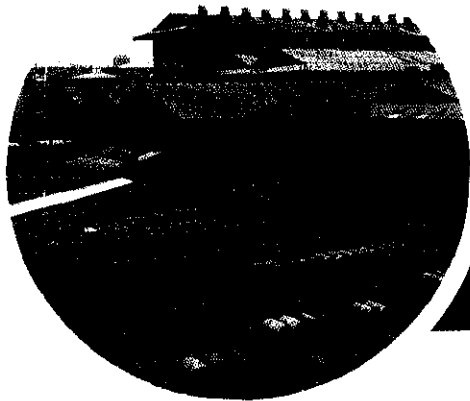
Increase in market share to 20.89 %



Crude throughput of 8.87 MMt



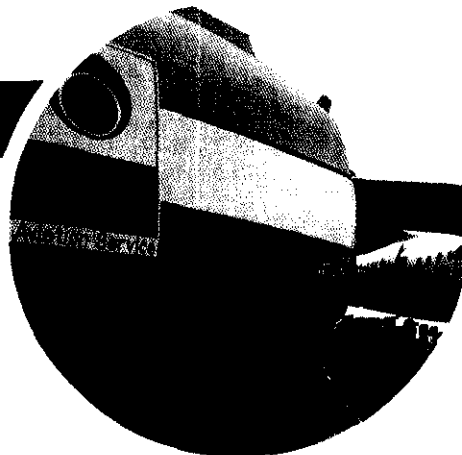
Sales turnover of Rs. 357.43 billion



Net profit of Rs. 7.04 billion

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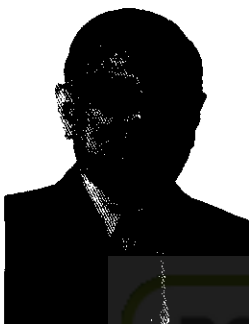
Earnings per share of Rs. 46.92



BOARD OF DIRECTORS



**U.
SUNDARARAJAN**
*Chairman &
Managing Director*



M. B. LAL
Director (Refineries)



ASHOK SINHA
Director (Finance)



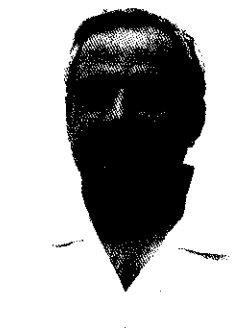
S. A. NARAYAN
*Director
(Human Resources)*



S. BEHURIA
*Director
(Marketing)*



B. MOHANTY
*Joint Advisor
(Finance),
Ministry of Petroleum
& Natural Gas*



NARESH NARAD
*Additional Secretary,
Ministry of Petroleum
& Natural Gas
w.e.f. 06.07.1999*



S. M. DATTA
*Director
upto 27.01.2000*



**P. P.
KALIAPERUMAL**
Director

**D. M. NAIK
BENGRE**
Company Secretary

BANKERS

State Bank of India

Central Bank of India

Standard Chartered Bank

Indian Bank

Bank of India

State Bank of Patiala

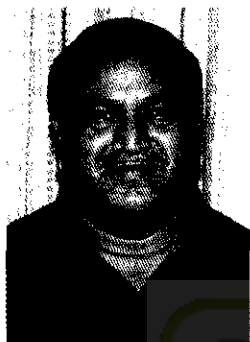
ANZ Grindlays Bank

ABN Amro Bank N.V.

Union Bank of India

Corporation Bank

State Bank of Travancore



DEVI DAYAL
*Additional Secretary
Ministry of Petroleum
& Natural Gas
upto 12.05.1999*



K. V. RAO
*Joint Secretary
(Ports),
Ministry of Surface
Transport*



**P. N.
KHANDWALLA**
Director



K. VASUDEVA
Director

AUDITORS

RSM & Co.

Mehra Goel & Co.

REGISTERED OFFICE

Bharat Bhavan,
4 & 6 Currimbhoy Road,
Ballard Estate,
Mumbai 400 001.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 47th Annual General Meeting of the Shareholders of Bharat Petroleum Corporation Ltd., will be held at Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Thursday, 28th September 2000, at 10.30 a.m. to transact the following Ordinary and Special Business:

A. Ordinary Business

1. To receive and adopt the Directors' Report, the Audited Profit & Loss Account for the year ended 31st March, 2000, and the Balance Sheet as at that date with the Reports of the Statutory Auditors and the Comments and the Review of the Comptroller & Auditor General of India thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri M.B. Lal, Director (Refineries), who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri M.B. Lal, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ashok Sinha, Director (Finance) who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri Ashok Sinha, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S. Behuria, Director (Marketing) who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri S. Behuria, being eligible, offers himself for re-appointment.

B. Special Business

6. Amendments to Articles of Association of the Company.

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:-

"RESOLVED that the Articles of Association of the Company be and are hereby amended by way of replacements, modifications and additions as under:

(A) Replacements :-

- (i) The existing Article 77 be modified by replacements/deletion as under :-

- (x) Existing clause (1)(a) be replaced by the following :-

"(1)(a) So long as the Company is a Government Company, the President shall be entitled to appoint at any time not more than one third of the total number of Directors holding office for the time being or to remove any such Director appointed by him and to fill any vacancy in the office of any of these Directors from whatever cause arising. Such appointment by the President may include the appointment of part-time directors from Govt. Departments on an ex-officio basis, who shall cease to be a Director on ceasing to be an officer of that Department."



- (y) Existing clause (1)(e) be deleted.
- (z) Existing clause (2) be replaced by the following :-

- “(2)(a) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office shall be liable to determination by retirement of Directors by rotation, and save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting. The remaining Directors shall not be liable to retire by rotation and may, subject to the provisions of these Articles, be appointed by the Company in General Meeting.
- (b) At every Annual General Meeting of the Company, one-third of such of the Directors as are liable to retire by rotation and if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.
- (c) Directors to retire by rotation at every Annual General Meeting shall be those (other than the *Chairman-cum-Managing Director of the Company and such other non-retiring directors*, if any) who have been longest in office since their last appointment but as between persons who became Directors on the same day, those who are to retire shall, unless otherwise agreed among themselves, be determined by lot.
- (d) A Director retiring by rotation shall be eligible for re-appointment. The Company at the Annual General Meeting at which a Director retires, may fill-up the vacancy by appointing the retiring Director or some other person thereto.”

- (ii) The existing clause (4) of Article 91 be replaced by the following :-

“(4) to incur capital expenditure on purchase of new items or for replacement without any monetary ceiling.”

(B) Modifications :-

- (i) In the Article 4, the words “and to the rights of the President” be deleted.
- (ii) In the Article 29, the words “Subject to the rights of the President” be deleted.
- (iii) In the Article 43, the words “with the approval of the President” be deleted.
- (iv) In the Article 45, the words “Subject to the approval of the President and” as well as the ‘Proviso to the said Article’ be deleted.
- (v) In the Article 46, the words “subject to the approval of the President” be replaced with the words “subject to the provisions of the Act” and the ‘Proviso to the said Article’ be deleted.
- (vi) In the Article 48, the words “subject to the rights of the President” be deleted.



(vii) In the Article 49, the words "Subject to the approval of the President and" be deleted.

(viii) In the clause (20) of Article 91, the figure "58" be replaced with the figure "60" and the words "exceeds Rs 2500/- or the post to which appointment is to be made is in the scale of Rs. 2500- 3000 or above" be replaced with the words "exceeds the starting salary in the scale of pay approved to a whole-time Director or the post to which the said pay scale applies".

(C) Additions :-

(i) The following new Article 3A be inserted after the existing Article 3 :-

"3A Power to issue shares with differential rights as to dividend, voting or otherwise

Subject to the provisions of the Act, the Company may by its Resolution, authorise the issue of equity shares, with differential rights as to dividend, voting or otherwise."

(ii) The following new Article 7A be inserted after the existing Article 7 :-

"7A Power of the Company to buy back its own shares and other securities

Notwithstanding anything contained in these Articles, the Company shall have power, subject to the provisions of the Act, to purchase or buy back its own shares or other specified securities".

(iii) The following two new clauses, (5) & (6) be inserted after the existing clause (4) of Article 77:-

"77(5) Debenture Director

Subject to the provisions of these articles, if it is provided by any Trust Deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification Shares. A Debenture Director shall ipso facto vacate such office immediately after the money owing by the Company to the Debenture-Holders is paid off or on satisfaction of the liability of the Company on this account.

77(6) Nominee Director

Subject to the provisions of these articles, in case the Company obtains any loans and/or other facilities from financial institutions/banks and it is a term thereof that the said financial institution/bank shall have a right to nominate one Director, then subject to such terms and conditions, the said financial institution/bank shall be entitled to nominate one Director, on



the Board of Directors of the Company, and to remove from office any such Director so appointed and to nominate another in his place or in place of the Director so appointed who resigns or otherwise vacates his office. Any Director or Directors so nominated shall not be required to hold any qualification shares."

7. Amendments to Articles of Association of the Company.

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution :-

"RESOLVED that the Articles of Association of the Company be and are hereby amended by way of replacements, modifications & addition as under :-

(A) Replacements :-

(i) The existing Article 77 be modified by replacements/deletion as under :-

(x) Existing clauses (1)(b), (1)(d)(i), (1)(d)(ii) & (1)(f) be deleted.

(y) Existing clause (3) be replaced by the following :-

"(3) So long as the Company is a Government Company,

(a) the President may, from amongst the Directors appoint the Chairman, Chairman-cum-Managing Director or the Managing Director and, in consultation with the Chairman of the Company, one or more Functional Directors, subject to terms and conditions as may be determined by the President and such Chairman, the Chairman-cum-Managing Director or Managing Director and Functional Directors shall be whole-time employees of the Company;

(b) the Directors shall be paid such remuneration (whether by way of salary or otherwise) as the President may, from time to time, determine;

(c) subject to the provisions of Section 314 of the Act, such reasonable additional remuneration as may be fixed by the President may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise;

(d) the President may, from time to time or at any time, remove any director appointed under sub-clause (a) above viz. Chairman, Chairman-cum-Managing Director, Managing Director or any functional or whole-time Director from office at his absolute discretion and such Chairman, Chairman-cum-Managing Director, Managing Director or functional or whole-time Director may be removed from office in accordance with his terms of appointment, or, if no such terms are specified, on the expiry of 3 months' notice issued in writing by the President or with immediate effect on payment of the salary in lieu of the notice period."

