

Annual Report 2003 - 2004



energising lives



Energising Lives

Lives of each and every person we touch,
directly or indirectly, each day.

BPC is in the business of energy -
fuelling flights,
motor spirit and diesel for cars and trucks,
cooking gas for homes,
fuels to industry,
kerosene to the humble villages of this land.

But as we progress,
our vision stretches to new frontiers of energy -
to provide value
to the lives of millions of Indians
working towards building
a strong, self-reliant nation.

GROUP PERFORMANCE HIGHLIGHTS

BPC is a Fortune 500 company

Sales Turnover soared by 10% touching Rs. 625.69 billion

Net Profit surged by 30% to Rs. 23.64 billion

Earnings per share zoomed to Rs. 67.80

Market sales including exports leaped to 21.92 MMT

Crude throughput increased to 18.81 MMT

BANKERS

State Bank of India

Union Bank of India

Corporation Bank

Bank of India

State Bank of Patiala

Central Bank of India

Standard Chartered Grindlays Bank

Standard Chartered Bank

ABN Amro Bank N.V.

ICICI Bank

HDFC Bank

State Bank of Travancore

Indian Bank

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AUDITORS

V. Sankar Aiyar & Co.

REGISTERED OFFICE

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

BOARD OF DIRECTORS



S. BEHURIA
Chairman & Managing Director



ASHOK SINHA
Director (Finance)



S.A. NARAYAN
Director (Human Resources)



S. RADHAKRISHNAN
Director (Marketing)



M. ROHATGI
Director (Refineries)



M.S. SRINIVASAN
*Additional Secretary, Ministry
of Petroleum & Natural Gas*



A. K. SRIVASTAVA
*Joint Secretary, Ministry of
Petroleum & Natural Gas
(w.e.f. 16.9.2003)*



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



S. VIJAYARAGHAVAN
*Joint Secretary, Ministry of
Petroleum & Natural Gas
(upto 2.9.2003)*



P. C. SEN
(w.e.f. 5.9.2003)



A. H. KALRO
(w.e.f. 5.9.2003)



V. D. GUPTA
(w.e.f. 5.9.2003)



P.N. KHANDWALLA
(upto 4.9.2003)



K. VASUDEVA
(upto 4.9.2003)



P.P. KALIAPERUMAL
(upto 4.9.2003)

D.M. NAIK BENGRE
Company Secretary

MANAGEMENT TEAM



ASHOK SINHA
Director (Finance)

S. BEHURIA
Chairman & Managing Director

S.A.NARAYAN
Director (Human Resources)

M. ROHATGI
Director (Refineries)

S. RADHAKRISHNAN
Director (Marketing)

Mr. K. Subramanyam	Chief Vigilance Officer	Mr. N. Haran	General Manager (Real Estate)
Mr. A. K. Bansal	Executive Director (Corporate Affairs)	Mr. Arjun Hira	General Manager (Marketing Coordination)
Mr. S. Chatterjee	Executive Director (Industrial & Commercial)	Mr. U. N. Joshi	General Manager (Aviation)
Mr. S. K. Joshi	Executive Director (Corporate Treasury)	Mr. M. K. Kaul	General Manager (Engineering & Advisory Services), Refinery
Mr. S. Krishnamurti	Executive Director (Retail)	Mr. V. D. Kumar	General Manager (Vigilance)
Mr. T. K. Majumdar	Executive Director (Legal)	Mr. L. Lobo	General Manager (City Gas Task Force)
Mr. S. Mohan	Executive Director (Human Resources Development)	Mr. S. P. Mathur	General Manager (Retail), North
Mr. S. K. Phull	Executive Director (Exploration & Production)	Mr. R. K. Mehra	General Manager (Retail), West
Mr. V. V. Ramamurthy	Executive Director (Refinery Modernisation Project), Refinery	Capt. M. J. Mohan	General Manager (Joint Ventures & Subsidiaries)
Mr. S. S. Ramgarhia	Executive Director (Coordination)	Ms. Nalini K. Murthy	General Manager (Public Relations & Brand)
Mr. J. Ravichandran	Executive Director (Audit)	Mr. A. Ramakrishnan	General Manager (Retail Network Planning & Development)
Mr. C. K. Sengupta	Executive Director (Finance)	Mr. S. Ramesh	General Manager (Retail Strategy / Brand & Allied Retail Business)
Mr. S. K. Sharma	Executive Director (International Trade)	Mr. D. M. Reddy	General Manager (Human Resource Services)
Mr. R. K. Singh	Executive Director (LPG)	Mr. B. S. Sant	General Manager (Bina Refinery Project Cell), Refinery
Mr. R. P. Singh	Executive Director (Integrated Information Systems)	Ms. Dipti Sanzgiri	General Manager (Finance), Retail
Mr. V.K. Agrawal	General Manager (Refinery Modernisation), Refinery	Mr. A. C. Sen	General Manager (Health, Safety & Environment)
Mr. N. Bhakta	General Manager (Taxation)	Mr. Amitabha Sengupta	General Manager (Personnel & Administration), Refinery
Mr. P. S. Bhargava	General Manager (Planning)	Mr. K. V. Seshadri	General Manager (Operations), Refinery
Ms. Sumita Bose Roy	General Manager (International Trade)	Dr. M. A. Siddiqui	General Manager (Research & Development)
Mr. S. Chandramohan	General Manager (Finance), Refinery	Mr. Manmohan Singh	General Manager (Engineering & Projects), Marketing
Mr. B. K. Datta	General Manager Incharge, Refinery	Mr. J. S. Sokhi	General Manager (Strategy)
Mr. Anurag Deepak	General Manager (Industrial Business Development)	Mr. S. Varadarajan	General Manager (Retail) South
Mr. S. P. Gathoo	General Manager (Lubes)	Mr. D. M. Naik Bengre	Company Secretary
Mr. Pallav Ghosh	General Manager (Retail) Headquarters	Mr. B. P. Singh	Dy. General Manager (Employee Satisfaction Enhancement)
Mr. Vinod Giri	General Manager (Retail) East		
Mr. K. K. Gupta	General Manager (Logistics)		

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 51st Annual General Meeting of the Shareholders of Bharat Petroleum Corporation Limited will be held in the Y.B. Chavan Auditorium, at Yeshwantrao Chavan Pratishthan, General Jagannath Bhosale Marg, Mumbai 400021, on Monday, 30th August, 2004, at 10.30 a.m. to transact the following Ordinary Business and Special Business :

A. Ordinary Business

1. To receive and adopt the Directors' Report and the Report on Corporate Governance, the Audited Profit & Loss Account for the year ended 31st March, 2004 and the Balance Sheet as at that date with the Reports of the Statutory Auditors and the Review of the Comptroller & Auditor General of India thereon.
2. To declare final dividend.
3. 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.
4. To appoint a Director in place of Shri S.Radhakrishnan, Director (Marketing), who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri S. Radhakrishnan, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri M. Rohatgi, Director (Refineries), who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri M. Rohatgi, being eligible, offers himself for re-appointment.
6. To fix the remuneration of the Statutory Auditors
To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution :-

"RESOLVED that pursuant to the provisions of Section 224(8)(aa) and other applicable provisions, if any, of the Companies Act, 1956, remuneration of the Single / Joint Statutory Auditors to be appointed by the Comptroller & Auditor General of India (C&AG) under Section 619(2) of the said Act, be and is hereby approved to be fixed at Rs. 10,00,000 to be paid to the Single firm of Statutory Auditors or to be shared equally by the Joint Statutory Auditors, in case of appointment of Joint firms of Statutory Auditors by the C&AG, in addition to actual reasonable travelling and out of pocket expenses and service tax as applicable, for the year 2004-05 and for subsequent years, till further recommendation for increase in the remuneration is approved."

B. Special Business

7. Appointment of Director

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

"RESOLVED that Shri A.K. Srivastava, Joint Secretary, Ministry of Petroleum & Natural Gas (MoP&NG) be and is hereby appointed as a Director of the Company till he holds office in the MoP&NG or till he retires by rotation, whichever is earlier."

8. Appointment of Director

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

“RESOLVED that Shri V.D. Gupta, be and is hereby appointed as a Director of the Company.”

9. Appointment of Director

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

“RESOLVED that Shri P. C. Sen, be and is hereby appointed as a Director of the Company.”

10. Appointment of Director

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

“RESOLVED that Prof. A.H. Kalro, be and is hereby appointed as a Director of the Company.”

By Order of the Board of Directors

Sd/-

(D.M. Naik Bengre)

Company Secretary

**Registered Office :**

Bharat Bhavan,
4 & 6 Currimbhoy Road,
Ballard Estate,
MUMBAI - 400 001.
Date : 27th July, 2004

Notes :

1. Explanatory statements under Section 173 of the Companies Act, 1956, in respect of the above items of Special Business and Explanatory Statement in respect of the Special Resolution at Item No. 6 are annexed hereto.
2. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies, in the alternative, to attend and vote instead of himself and such proxy need not be a shareholder. Proxies, in order to be effective, should be duly completed & affixed with the revenue stamp and be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.
3. In order to help us in providing appropriate answers backed by relevant financial data, the shareholders may please send their queries that they would desire to raise at the Annual General Meeting, at least one week in advance, to the Company Secretary at the Registered Office.

EXPLANATORY STATEMENTS FOR THE SPECIAL BUSINESS PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**Item No 6. Fixation of the remuneration of the Statutory Auditors**

The Remuneration of the Statutory Auditors was fixed, earlier, by the shareholders at the 48th Annual General Meeting held on 26th September, 2001, at Rs. 8,50,000 to be shared equally in addition to actual reasonable travelling and out of pocket expenses and applicable service tax. However, the nature and scope of the Audit have increased due to the developments such as implementation of certain new Accounting Standards by the Institute of Chartered Accountants of India, increase in reporting responsibilities and need for verification of additional data due to issue of the Companies (Auditor's Report) Order, 2003 which replaces the Manufacturing & Other Companies (Auditor's Report) Order, 1988, by Dept. of Co. Affairs, etc. Considering increase in the nature and scope of audit activities, the Audit Committee has recommended increase in the remuneration of the Statutory Auditors from Rs. 8,50,000 to Rs. 10,00,000 to be paid to the single / joint firm of Statutory Auditors, in addition to actual reasonable travelling and out of pocket expenses and service tax as applicable, for the year 2004-05 and for subsequent years, till further approval of the shareholders for increase in the remuneration.

None of the Directors are interested or concerned in the Resolution.

Item No. 7. Appointment of Director

Shri A.K. Srivastava, Joint Secretary, Ministry of Petroleum & Natural Gas, was appointed as Additional Director, by the Board of Directors, with effect from 16th September, 2003, under the provisions of Article 77A of the Articles of Association of the Company, in accordance with the intention of the Government of India.

Shri A.K. Srivastava, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice, u/s 257 of the Companies Act, 1956, from a shareholder, proposing the name of Shri A.K. Srivastava as Director of the Company. A brief resume of Shri A.K. Srivastava, as required under Clause 49(VI) of the Listing Agreement, is provided separately in the Corporate Governance Report enclosed to the Directors' Report. The Directors recommend appointment of Shri A.K. Srivastava as Director of the Company.

Except Shri A.K. Srivastava, no other Director is interested or concerned in the Resolution.

Item No. 8. Appointment of Director

Shri V.D. Gupta was appointed as Additional Director, by the Board of Directors, with effect from 5th September, 2003, under the provisions of Article 77A of the Articles of Association of the Company, in accordance with the intention of the Government of India.

Shri V.D. Gupta, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice, u/s 257 of the Companies Act, 1956, from a shareholder, proposing the name of Shri V.D. Gupta as Director of the Company. A brief resume of Shri V.D. Gupta, as required under Clause 49(VI) of the Listing Agreement, is provided separately in the Corporate Governance Report enclosed to the Directors' Report. The Directors recommend appointment of Shri V.D. Gupta as Director of the Company.

Except Shri V.D. Gupta, no other Director is interested or concerned in the Resolution.