Bharat Petroleum Corporation Limited

Annual Report 2004-2005

Bharat Petroleum

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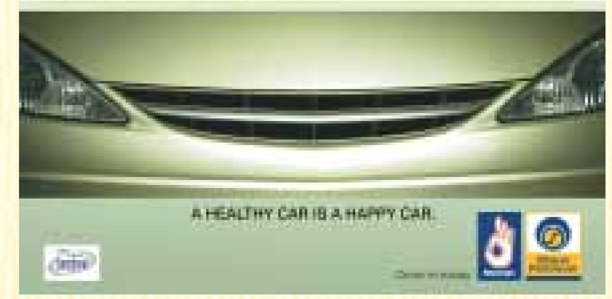
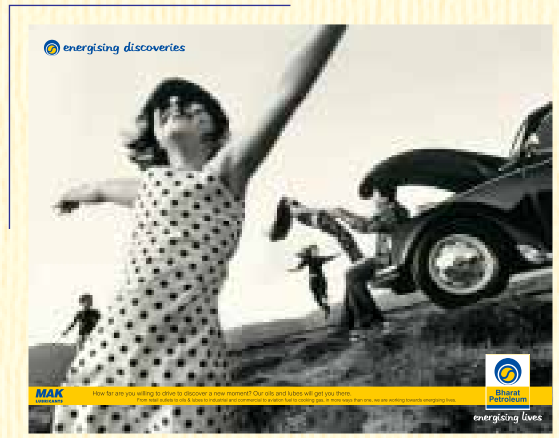
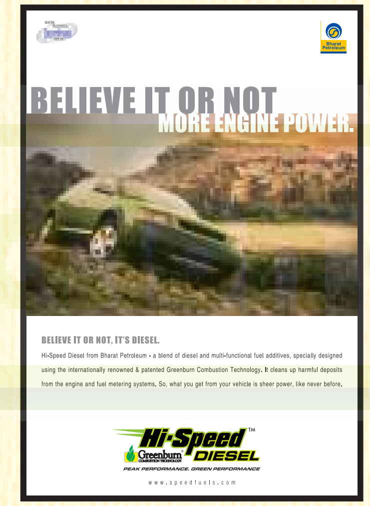
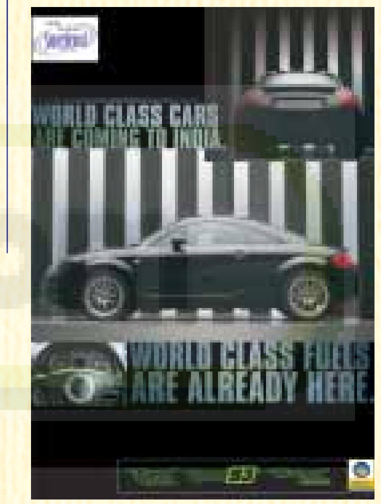
ANNUAL REPORT 2004 - 2005


A HEALTHY CAR IS A HAPPY CAR.


energising discoveries
MAK
energising lives


BELIEVE IT OR NOT
MORE ENGINE POWER.
BELIEVE IT OR NOT. IT'S DIESEL.
Hi-Speed
Greenburn
DIESEL


WORLD CLASS CARS
ARE COMING TO INDIA.
WORLD CLASS FUELS
ARE ALREADY HERE.


BELIEVE IT OR NOT
SMOOTHER DRIVE.
BELIEVE IT OR NOT. IT'S DIESEL.
Hi-Speed
Greenburn
DIESEL


A HEALTHY CAR IS A HAPPY CAR.

Sustaining Growth Through Value Creation

*We are committed to adapting to continuous change,
synergizing efforts to attain stretched targets
in a volatile environment.*

*Harnessing technology to advantage,
we constantly strive to surpass the diverse expectations
of our customers, evoking customer delight.*

*With a firm belief in people delivering results,
we nurture and motivate our human resources
to develop creative solutions to achieve desired goals.*

*We constantly benchmark ourselves against the
best in class practices in the world,
employing novel strategies to maximize business opportunities.*

*Creating value for our stakeholders
is the end-product of continuous innovation leading to growth.*

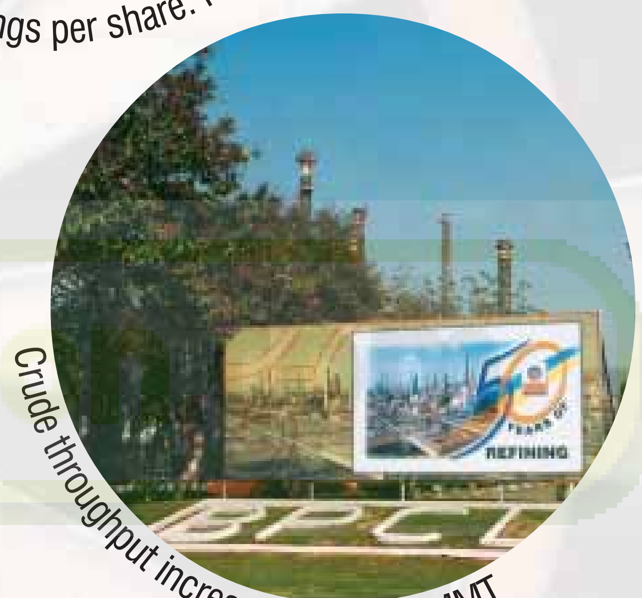
BPC . . . . . aiming to excel !

Group Performance Highlights

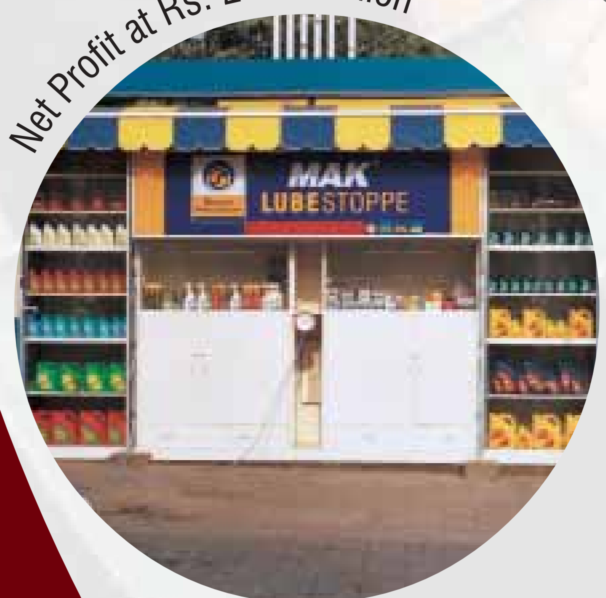
BPC ranks third amongst the Indian companies in the Fortune 500 list

Earnings per share: Rs. 51.40

Sales Turnover surged by 15% touching Rs. 720.37 billion



Crude throughput increased to 19.10 MMT



Net Profit at Rs. 20.74 billion

Market sales including exports zoomed to 23.09 MMT

Contents

Board of Directors

ASHOK SINHA
Chairman & Managing Director
Additional Charge of Chairman & Managing Director (upto 18.8.2005)
Director (Finance) (upto 28.2.2005)

S. BEHURIA
Chairman & Managing Director (upto 28.2.2005)

S.A.NARAYAN
Director (Human Resources)

S. RADHAKRISHNAN
Director (Marketing)

M. ROHATGI
Director (Refineries)

AJAY TYAGI
Joint Secretary, Ministry of Petroleum & Natural Gas (w.e.f. 21.4.2005)

ADITI S. RAY
Joint Advisor, Ministry of Petroleum & Natural Gas (w.e.f. 21.4.2005)

M.S.SRINIVASAN
Special Secretary, Ministry of Petroleum & Natural Gas (upto 16.6.2005)

A. K. SRIVASTAVA
Joint Secretary, Ministry of Petroleum & Natural Gas (upto 7.3.2005)

B. MOHANTY
Joint Advisor (Finance), Ministry of Petroleum & Natural Gas (upto 29.10.2004)

P. C. SEN

A. H. KALRO

V. D. GUPTA

D.M. NAIK BENGRE
Company Secretary

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

Auditors

V. Sankar Aiyar & Co.

Registered Office

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

Management Team

Mr. S. Radhakrishnan, Director (Marketing), Mr. S.A. Narayan, Director (Human Resources), Mr. Ashok Sinha, Chairman & Managing Director and Mr. M. Rohatgi, Director (Refineries).

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

NOTICE TO THE MEMBERS

Notice is hereby given that the 52nd Annual General Meeting of the members of Bharat Petroleum Corporation Limited will be held in the Y.B.Chavan Auditorium, at Yeshwantrao Chavan Pratishthan, General Jagannath Bhosale Marg, Mumbai 400 021, on Friday, the 23rd September 2005, 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, 2005 and the Balance Sheet as at that date with the Report of the Statutory Auditors and the Review of the Comptroller & Auditor General of India, thereon.
2. To confirm the payment of Interim dividend.
3. To appoint a Director in place of Shri S.A.Narayan, Director (Human Resources), who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri S.A.Narayan, 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.

B. Special Business

5. **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 Ajay Tyagi, Joint Secretary, Ministry of Petroleum & Natural Gas, be and is hereby appointed as Director of the Company."

6. **Appointment of Director**

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

   "RESOLVED that Smt. Aditi S. Ray, Joint Advisor, Ministry of Petroleum & Natural Gas, be and is hereby appointed as Director of the Company."

7. **Delisting of Equity Shares of BPC from the Stock Exchanges at Delhi, Chennai and Kolkata**

   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 the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, the Companies Act, 1956, and all other applicable rules, regulations and guidelines, and subject to approval, consent, permission of the Securities and Exchange Board of India, Stock Exchanges where the shares of the Company are listed and any other appropriate authorities, as may be necessary, and subject to conditions and modifications, if any, as may be prescribed or imposed by the concerned authorities while granting such approvals which may be agreed to by the Board of Directors of the Company, the consent of the Company be and is hereby accorded for delisting the equity shares of the Company from the Madras Stock Exchange Ltd at Chennai, the Delhi Stock Exchange Association Ltd. at New Delhi and the Calcutta Stock Exchange Association Ltd. at Kolkata.

   RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things as the Board may, in its absolute discretion, deem necessary, expedient or proper while giving effect to the above Resolution; and to settle any questions or doubts that may arise in this regard, without requiring the Board to secure any further consent or approval of the members of the Company."

8. **Sitting fees to the Non-executive Directors**

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

   "RESOLVED that pursuant to Section 309(2) and Section 310 of the Companies Act, 1956 read with the Companies (Central Government's) General Rules & Forms, 1956 and any other applicable provisions of the said Act and / or any modifications thereof, the consent of the Company be and is hereby accorded for payment of Rs. 10,000 (Rs. Ten Thousand Only), as sitting fees to the Non-executive Directors of the Company for each meeting of the Board of Directors and the Committee(s) thereof, attended by the Non-executive Directors.

   RESOLVED FURTHER that pursuant to Section 309(2) and Section 310 of the Companies Act, 1956 read with the Companies (Central Government's) General Rules & Forms, 1956 and any other applicable provisions of the said Act and/ or any modifications thereof, the Board of Directors of the Company be and is hereby authorised to increase the quantum of the sitting fees payable to the Non-executive Directors of the Company as they deem appropriate at any time within the overall limits fixed from time to time under the said Act."

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: 22nd August, 2005

Notes :

1. Explanatory statements under Section 173 of the Companies Act, 1956, in respect of the above items of Special Business are annexed hereto.
2. A member 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 proxy/proxies need not be a member. Proxies, in order to be effective, should be duly completed & affixed with the revenue stamp of the value of fifteen paise 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 members 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. 5 Appointment of Director

Shri Ajay Tyagi, Joint Secretary, Ministry of Petroleum & Natural Gas, was appointed as Additional Director, by the Board of Directors, with effect from 21st April 2005, 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. Ajay Tyagi, 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 member, proposing the name of Shri Ajay Tyagi as Director of the Company. A brief resume of Shri Ajay Tyagi, as required under Clause 49(VI)(A) of the Listing Agreement, is provided separately in the Corporate Governance Report enclosed to the Directors' Report. Shri Ajay Tyagi does not hold any share in the Company as on the date of appointment. The Directors recommend appointment of Shri Ajay Tyagi as Director of the Company.

Except Shri Ajay Tyagi, no other Director has any interest or concern in the Resolution.

Item No. 6 Appointment of Director

Smt. Aditi S. Ray, Joint Advisor, Ministry of Petroleum & Natural Gas, was appointed as Additional Director, by the Board of Directors, with effect from 21st April 2005, under the provisions of Article 77A of the Articles of Association of the Company, in accordance with the intention of the Government of India.

Smt. Aditi S. Ray, 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 member, proposing the name of Smt. Aditi S. Ray as Director of the Company. A brief resume of Smt. Aditi S. Ray, as required under Clause 49(VI)(A) of the Listing Agreement, is provided separately in the Corporate Governance Report enclosed to the Directors' Report. Smt. Aditi S. Ray does not hold any share in the Company as on the date of appointment. The Directors recommend appointment of Smt. Aditi S. Ray as Director of the Company.

Except Smt. Aditi S. Ray, no other Director has any interest or concern in the Resolution.

Item No. 7 Delisting of Equity Shares of BPC from the Stock Exchanges at Delhi, Chennai and Kolkata

At present, the equity shares of the Company are listed on The Stock Exchange, Mumbai (BSE), the National Stock Exchange of India Ltd.(NSE), the Madras Stock Exchange Ltd(MSE), the Delhi Stock Exchange Association Ltd.(DSE) and the Calcutta Stock Exchange Association Ltd.(CSE).

BPC shares are traded regularly on BSE and NSE, but there was no trading in BPC shares on the MSE, DSE and CSE during the last five years, the prime reason being spread of nationwide trading terminals of BSE and NSE, coupled with internet trading.

The Securities and Exchange Board of India (SEBI) has issued guidelines viz SEBI (Delisting of Securities) Guidelines-2003 allowing the delisting of shares by a company voluntarily. As per the guidelines, if the shares of a company are continued to be listed in any stock exchange having nationwide trading terminals, the shares may be delisted from other stock exchanges without giving exit opportunity to the investors.

In view of the above, it is proposed to delist the shares of the Company from DSE, MSE and CSE. The equity shares of the Company will continue to be listed on BSE and NSE. As provided in the guidelines, approval of the members by way of a Special Resolution is required.

The Directors recommend the proposal for the approval of the members. None of the Directors of the Company has any interest or concern in the Resolution.

Item No. 8 Sitting fees to the Non-executive Directors

In terms of Sub-Clause (1) (B) of the revised Clause 49 of the Listing Agreement, which will be effective from 1st January 2006, all fees payable to Non-executive Directors shall be fixed by the Board of Directors and shall require prior approval of the members in a general meeting. Presently, sitting fees of Rs. 10,000 are paid to the Part-time (Non-official) Directors, as approved by the Board of Directors, for attending every meeting of the Board and Committees thereof which they attend. In order to meet the requirements under Sub-Clause (1) (B) of the revised Clause 49 of the Listing Agreement, the approval of the members is sought for payment of sitting fees to the Non-executive Directors. Further, authorization to the Board to increase the quantum of sitting fees payable to the Non-executive Directors within the overall limits fixed from time to time under the Companies Act, 1956 is also requested.

The Directors recommend the proposal for approval of the members.

All the Non-executive Directors are concerned or interested in this Resolution.

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 : 22nd August, 2005

Management Discussion and Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian economy is poised to register a growth of about 6.9% for the fiscal 2004-05 as against last year's performance of 8.1%. The main contributor to this fall was the agriculture sector which fell sharply from its 2003-04 level of 9% to 1% primarily because of a bad monsoon. While the industrial sector contributed its bit, the main driver was the services sector with a growth of about 11%.

Though the growth rate has receded in 2004-05, it is still one of the highest growth rates witnessed since 1991. There are many factors behind the robust performance of the Indian economy in 2004-05. High growth rates in the industrial & services sector and a benign world economic environment provided a backdrop conducive to the Indian economy. Another positive feature was that the growth was accompanied by continued maintenance of relative stability of prices. The average inflation rate during the fiscal was about 5.5%. The rise in inflation can be attributed to upward adjustment of fuel prices, firming up of metal prices and demand pressures in the manufacturing segment expected during the recovery phase.

The growth in the industrial and services sector also resulted in a growth of about 3.7% in the consumption of petroleum products during the year 2004-05. Petro products consumption now stands at 111.7 million metric tonnes (MMT). High Speed Diesel (HSD) consumption was in the process of reversing the declining trend during the last year. The trend continued during the current year and growth registered during the year was 7%. Motor Spirit (MS) consumption also increased by about 5%. The Aviation industry continued to have another good year of performance and sales of Aviation Turbine Fuel (ATF) increased by 14% during the year. Other products like Naphtha, LPG, and Fuel Oils also showed a growth.

The year 2004-05 witnessed sharp and spiralling increases in the international price of crude oil. The benchmark Brent crude prices touched a high of US$ 55.72 per barrel during the year. The average price of the Indian basket of crude which was around US$ 26.7 per barrel in 2002-03 and US$ 27.9 per barrel in 2003-04, scaled up about 30% to US$ 39.3 per barrel in 2004-05. There were several instances when the crude prices breached the US$ 50 per barrel mark. Another new phenomenon was the change in the spread between the light – sweet and heavy – sour crude oils. The average spread between Dubai and Brent crude prices during the year 2003-04 was US$ 2 per barrel. The same increased to US$ 6 per barrel. This has given a great benefit to all refineries which have the capability to process a higher quantum of heavy – sour crude oils. After the commissioning of the Refinery Modernisation Project, the BPC Refinery at Mumbai would be processing an increased percentage of heavy – sour crude oils and would be able to reap the advantage of this increased spread.

International prices of products also went up in tandem with crude oil prices. The average HSD prices, which were around US$ 32 per barrel in 2003-04, rose significantly to US$ 48 per barrel in 2004-05. In fact, HSD prices have almost steadily been above US$ 50 per barrel since Sept 2004 and peaked at US$ 60 per barrel during the first fortnight of March 2005. Similar trends were also seen in other products as well. The domestic prices of the products – particularly the mass consumption products viz. MS and HSD – did not rise in the same proportion. This resulted in a squeeze in the marketing margins of these products. This has impacted the profitability of the oil marketing companies severely.

The increase in international prices of products has been engaging the attention of the Government of India on a consistent basis. The Government has taken certain steps to alleviate the problem, like elimination of customs and excise duties in Superior Kerosene Oil (SKO) and LPG, reduction of customs duty by 5% in crude and by 10% on major products. This has, no doubt, helped the consumers to a certain extent. However, with the reduction in customs duties, the duty protection available to the refineries has come down. Further, the restructuring of excise duties in the union budget has also increased the costs to the oil marketing companies.

Out of the subsidised products, LPG Domestic prices were raised in two steps by Rs. 40 per cylinder. However, the SKO Domestic prices were not revised at all during the year.

Crude oil production in 2004-05 was close to 37 MMT, registering a marginal growth of about 1.8%. Imports of crude oil in 2004-2005 in terms of quantity was about 96 MMT valued at US$ 26 billion.

The overall refining capacity in the country, as on 31st March 2005 stood at 127.37 MMTPA. The refining sector processed 127.12 MMT of crude oil, which marks an increase of 4.3% over 2003-04, achieving 99.8% capacity utilization. With the proposed expansion of various refineries, which is in the offing, the country is expected to remain long on refining capacity for a few more years to come.

Imports of petro-products in 2004-05, including imports by the private sector, were 8.9 MMT, which is higher by 10.9% than the previous year. Product exports during the fiscal were around 17.5 MMT registering an impressive growth of 19.9%. The increase in exports was mainly on account of HSD, Naphtha and ATF.

The new Auto-fuel policy announced by the Government of India mandated marketing of Euro-III grades of petrol and diesel for 11 major cities to begin with, from April 2005. The Euro-III grades provide a lower Sulphur content as well as improvement in other parameters like Octane number for MS and Cetane number for HSD. The rest of the country is expected to migrate from the existing grades to Bharat Stage-II grades during 2005-06. About 20 states have already been converted and by October 2005 the country would not be selling any auto fuel confirming to the old specifications.

Conversion from one grade to another requires considerable planning and pre-activity. It also requires investments and reconfiguration in various refineries. As the investment programmes of most of the refineries were not completed in time, the country had to import the Euro-III and BS II grade products for a short time. As this demand was unexpected, the premiums for these products in the international markets also shot up considerably. With the changes being implemented in the refineries one by one, the imports are expected to stop by end September 2005.

In the domestic market, the new players who were allowed retail marketing of petroleum products, have increased their presence. Both Reliance and Essar have increased their retail network during the year. The commissioning of the first retail outlet by Shell in Bangalore in November 2004, signalled the re-entry of MNCs in India. While ONGC has also recently opened its first outlet, BPC's subsidiary, Numaligarh Refinery Limited (NRL), has also opened 7 outlets during the year. With the advent of new players, the Indian retail market is sure to be characterised by several marketing initiatives which could include intensified branding and differential pricing.

OPPORTUNITIES & THREATS

The fundamentals of the Indian economy are strong and stable. The country is poised for a strong GDP growth. The new infrastructure being developed, particularly the road network, will boost the demand for energy consumption in general and auto fuels in particular. With an expected GDP growth of 6-7% and an energy intensity of about 70%, the oil and gas sector is expected to grow at rates above 4% during the years to come.

The refiners' margin cycle is currently at its peak with the spreads between the products and crude increasing considerably. BPC Refinery would be increasing its capacity and throughput during the next 2 years. The current trends would help in increasing the refinery's profitability to a great extent. In order to ensure that the products from BPC Refinery are consumed domestically and also to address the problems of supply security in the Northern Region, BPC has already embarked on extension of its pipeline upto Delhi. The project is likely to be completed by end December 2006 and would not only ensure that BPC Refinery retains its fuel margins by way of domestic consumption, but also would reduce transportation costs considerably.

On the retail marketing of fuels, the rural markets present a great opportunity. A considerable growth in the automobiles sector, both passenger cars and 2 wheelers, is due to the additional demand arising in the rural markets. In order to reach these consumers, BPC is setting up alternative models of distribution and would be in a position to reap rich dividends from these markets.

The lubricants business is poised for a major change. BPC Refinery would be providing 180 TMT of Group 2 Base Oils. These Base Oils will be of better quality than the currently available grades and would command a premium in the market.

Another opportunity that would be encashed is the gas sector. BPC believes that gas is the fuel for the future and that it is set for an exponential growth. Here, the ability to secure gas supplies at competitive prices coupled with the ability to provide quality service to the consumers would be the two major challenges in gas marketing. With a share in Petronet LNG Ltd., BPC has already entered the gas market. The Company is in the process of looking at other opportunities including Iran LNG. BPC would also be looking at 'farming in' opportunities in the domestic gas sector.

The proposed merger of Kochi Refineries Limited (KRL) with BPCL provides another opportunity to utilize the synergies and plan the supply chain on a holistic basis. This would bring in additional cost savings to the Company.

The main risk for the overall business remains the high prices of crude oil and products and the inability to pass on the same to the consumers. The socio-economic and political factors currently do not allow the marketing companies to pass on increase in prices of mass consumed retail products to the consumers. A fully deregulated market perforce requires no controls on the selling prices of products. However, if the same is not followed, some players are likely to end up in a loss.

The competition certainly is another big challenge that needs to be taken into account by the existing players like BPC. However, most of the tools that can be utilized for thwarting the onslaught of competition are in the hands of the Company and BPC would be taking steps to face the same effectively.

PERFORMANCE

BPC operates in upstream and downstream sections of the oil industry. In the downstream sector, the performance of the various Strategic Business Units (SBUs) is discussed in detail further.

Refinery

Refinery

The Mumbai Refinery has completed 50 golden years of creditable service to the nation. It was in March 1955 that the refining facilities were inaugurated by Dr. Sarvapalli Radhakrishnan, the then Vice-President of India. During these years, the refining sector has experienced enormous transformations due to accelerating technological trends, the communication revolution, liberalized global markets, stringent product quality requirements etc. BPC Refinery has successfully responded to these challenges by continuously improving the efficiency of its existing operations coupled with the adoption of state-of-the-art technologies while growing in capacity from 2 million metric tonnes per annum (MMTPA) in 1955 to 12 MMTPA.