Bharat Petroleum

# ANNUAL REPORT
# 2007-2008



# Contents

# *Focusing on* sustainable development

*We are committed to creating a better world for future generations.*

*With ecological consciousness, we strive to provide a steady supply of environment friendly energy.*

*We also reach out to people in myriad ways, taking pride in honouring our social responsibility goals.*

*Besides, we accord paramount importance to health, safety, security and care for the environment.*

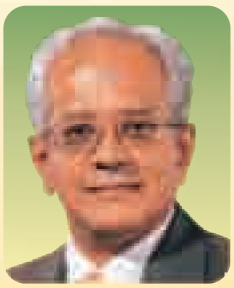
*Leveraging technology, our efforts are honed to explore business opportunities, while meeting diverse needs in a dynamic scenario.*

*Our energized human resources continue to evolve innovative solutions, enhancing value for our customers and stakeholders.*

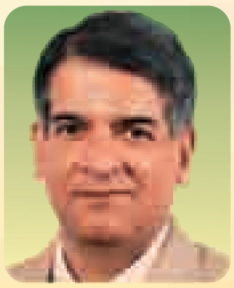
***BPC.. energising your future.***

# Board of Directors

**ASHOK SINHA**
Chairman & Managing Director



**S. A. NARAYAN**
Director (Human Resources)
(up to 9.6.2008)



**S. RADHAKRISHNAN**
Director (Marketing)

**S. K. JOSHI**
Director (Finance)

**R. K. SINGH**
Director (Refineries)

**S. MOHAN**
Director (Human Resources)
(w.e.f. 25.6.2008)



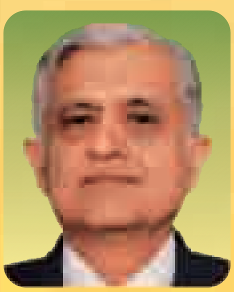
**P. K. SINHA**
Addl. Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas

**D. N. NARASIMHA RAJU**
Joint Secretary, Ministry of Petroleum & Natural Gas
(up to 19.4.2007)

**P. H. KURIAN**
Secretary, Investment Promotion, Government of Kerala
(w.e.f. 23.4.2007)

**P. C. SEN**
Director
(up to 19.5.2008)

**V. D. GUPTA**
Director
(up to 19.5.2008)



**A. H. KALRO**
Director

**N. VENKITESWARAN**
Director
(w.e.f. 16.7.2007)

**S. K. BARUA**
Director
(w.e.f. 20.5.2008)

**RAMA BIJAPURKAR**
Director
(w.e.f. 20.5.2008)

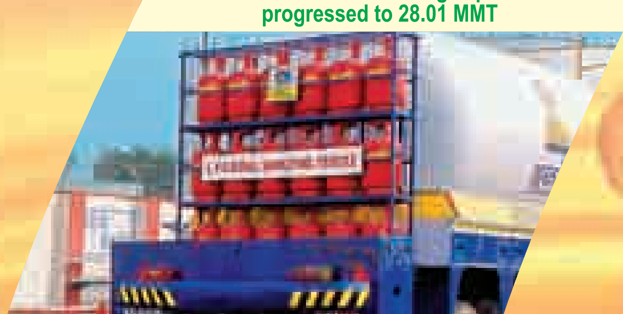
**N. VISWAKUMAR**
Company Secretary

# *Highlights of* Group Performance

Sales Turnover soared by 12.93% touching Rs. 1231.80 billion

Net Profit at Rs. 19.13 billion

Market Sales including exports progressed to 28.01 MMT



Expanding horizons in Exploration & Production

Crude Throughput increased to 23.52 MMT

## Bankers

State Bank of India
Union Bank of India
Corporation Bank
Bank of India
State Bank of Patiala
Central Bank of India
Deutsche Bank
Standard Chartered Bank
ABN AMRO Bank N.V.
ICICI Bank
HDFC Bank
State Bank of Travancore
Indian Bank
Industrial Development Bank of India Ltd.
BNP Paribas
Calyon Bank

## Auditors

B. K. Khare & Co.

## Share Transfer Agents

Data Software Research Co. Pvt. Ltd.
22, Sree Sovereign Complex,
4th Cross Street, Trustpuram,
Kodambakkam, Chennai 600 024

## Registered Office

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

*Mr. S. K. Joshi, Director (Finance), Mr. S. Radhakrishnan, Director (Marketing), Mr. Ashok Sinha, Chairman & Managing Director, Mr. R. K. Singh, Director (Refineries) and Mr. S. Mohan, Director (Human Resources)*

# *Management* Team

| | |
|---|---|
| **Ms. I. Sasikala** | Chief Vigilance Officer |
| **Mr. A.K. Bansal** | Executive Director (Corporate Affairs) |
| **Mr. Anurag Deepak** | Executive Director Logistics (Retail), Mumbai |
| **Mr. B.K. Datta** | Executive Director (Supply Chain Optimization) |
| **Mr. D.M. Reddy** | Executive Director (Human Resources Services) |
| **Ms. Dipti Sanzgiri** | Executive Director (Human Resources Development) |
| **Mr. E. Nandakumar** | Executive Director, Kochi Refinery |
| **Mr. J. Ravichandran** | Executive Director (Audit) |
| **Mr. K.K. Gupta** | Executive Director (Lubes) |
| **Dr. M.A. Siddiqui** | Executive Director (Research & Development) |
| **Mr. P.S. Bhargava** | Executive Director, Mumbai Refinery |
| **Mr. R.K. Mehra** | Executive Director (Planning) |
| **Mr. R.M. Gupta** | Executive Director (Engineering & Projects) |
| **Mr. S. Chatterjee** | Executive Director (Industrial & Commercial) |
| **Mr. S. Krishnamurti** | Executive Director (Retail) In-Charge |
| **Mr. S.K. Jain** | Executive Director (LPG) |
| **Mr. S.P. Gathoo** | Executive Director (Integrated Information Systems) |
| **Mr. S. P. Mathur** | Executive Director (Aviation) |
| **Mr. S. Ramesh** | Executive Director (Retail), West |
| **Ms. Sumita Bose Roy** | Executive Director (International Trade) |
| **Mr. S. Varadarajan** | Executive Director (Corporate Treasury) |
| **Mr. A.K. Kaushik** | General Manager (Information Systems - Applications) |
| **Mr. A.R. Sarkar** | General Manager (Materials) |
| **Mr. Amitabha Sengupta** | General Manager (Human Resources), Mumbai Refinery |
| **Mr. A.S. Bhatia** | General Manager (Retail), East |
| **Mr. Basudev Rana** | General Manager (Sales) I&C, Mumbai |
| **Mr. Brij Pal Singh** | General Manager (Operations), Retail |
| **Mr. C.S. Chakrabarti** | General Manager (Maintenance) Mumbai Refinery |
| **Mr. George Paul** | General Manager (Brand & ARB) Retail HQ |
| **Mr. G.S. Baveja** | General Manager (Health, Safety & Environment) |
| **Mr. G.S. Wankhede** | General Manager (Operations), MMBPL |
| **Mr. I. Srinivas Rao** | General Manager LNG Marketing, (Industrial) |
| **Mr. J. Dinaker** | General Manager Finance (International Trade) |
| **Mr. John Minu Mathew** | General Manager (Technical), Kochi Refinery |
| **Mr. J.S. Sokhi** | General Manager (Retail Initiatives), RHQ |
| **Mr. K.B. Narayanan** | General Manager (ERP Process) |
| **Mr. K. N. Ravindran** | General Manager (Projects), Kochi Refinery |
| **Mr. K.P. Chandy** | Regional LPG Manager, South |
| **Mr. K.V. Seshadri** | General Manager (Operations), Refinery |
| **Mr. K.V. Shenoy** | General Manager (Highway Retailing), HQ |
| **Mr. M.K. Kaul** | General Manager (Engineering & Advisory Services), Mumbai Refinery |
| **Mr. M.M. Chawla** | General Manager (Pipeline Projects), E&P |
| **Mr. M.P. Govindarajan** | General Manager (Human Resources), Kochi Refinery |
| **Ms. Monica Widhani** | General Manager (Sales), Retail North |
| **Mr. N.S. Ramu** | General Manager (Retail), South |
| **Mr. N. Viswakumar** | Company Secretary |
| **Mr. P. Balasubramanian** | General Manager (Management Accounts) |
| **Mr. P. C. Srivastava** | General Manager, LPG North |
| **Mr. Pallav Ghosh** | General Manager (Retail), HQ |
| **Mr. P. Padmanabhan** | General Manager (Technical), Mumbai Refinery |
| **Mr. Pramod Sharma** | General Manager (Coordination) |
| **Mr. R.P. Natekar** | General Manager (Treasury) |
| **Mr. R. Ranganath** | General Manager Finance (Retail) HQ |
| **Mr. S.B. Bhattacharya** | General Manager (Marketing) Lubes |
| **Mr. S. Chandramohan** | General Manager (Finance), Mumbai Refinery |
| **Mr. S.K. Agrawal** | General Manager (Legal) |
| **Mr. S.K. Mathur** | General Manager (Retail), North |
| **Mr. Sharad K. Sharma** | General Manager Sales (LPG) HQ |
| **Mr. Tomy Mathews** | General Manager (Operations), Kochi Refinery |
| **Mr. T. Somanath** | General Manager – Talent Management |
| **Mr. Vinod Giri** | General Manager (Marketing Corporate) |
| **Dr. G. Vasudev** | Dy. General Manager (Quality Control Cell) |
| **Ms. Madhu Sagar** | Dy. General Manager (Employee Satisfaction Enhancement), CO |
| **Mr. M.M. Somaya** | Dy. General Manager (Brand & Public Relations) |

# NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 55th 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, the 22nd September 2008, at 10.30 a.m. to transact the following Ordinary and Special Business :

**A. Ordinary Business**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2008, the Balance Sheet as at that date and the Reports of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India, thereon.

2. To declare dividend.

3. To appoint a Director in place of Shri P. K.Sinha, Additional Secretary & Financial Advisor, Ministry of Petroleum Natural Gas, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri P. K.Sinha, being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Prof A.H.Kalro, Director, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Prof. A.H.Kalro, being eligible, offers himself for re-appointment.

5. To appoint a Director in place of Shri R.K.Singh, Director (Refineries), who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri R.K.Singh, 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 an Ordinary 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 at Rs. 16,00,000, 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 2008-09 and also for subsequent years."

**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 pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Ms. Rama Bijapurkar, be and is hereby appointed as Director of the Company."

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 pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Prof. S.K.Barua, be and is hereby appointed as 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 pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri S. Mohan, be and is hereby appointed as Director of the Company."

By Order of the Board of Directors

Sd/-
**(N. Viswakumar)**
Company Secretary

**Registered Office:**
Bharat Bhavan,
4 & 6 Currimbhoy Road,
Ballard Estate,
Mumbai – 400 001.
Date: 14th August, 2008

**Notes :**

1. Explanatory statements under Section 173 of the Companies Act, 1956, in respect of the 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 SUCH PROXY NEED NOT BE A MEMBER. 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. The Share Transfer Books of the Company will remain closed from Friday, 12$^{th}$ September 2008 to Monday, 22$^{nd}$ September 2008, both days inclusive, for the purpose of payment of dividend on equity shares for the year ended 31$^{st}$ March 2008, if declared at the Annual General Meeting as under:

   A) To all Beneficial Owners in respect of shares held in electronic form as per the data to be made available by NSDL/CDSL as at the close of day on 11$^{th}$ September, 2008.

   B) To all members in respect of shares held in physical form after giving effect to transfer in respect of valid transfer requests lodged with the Company on or before 11$^{th}$ September, 2008.

4. The unclaimed dividends of BPCL and erstwhile Kochi Refineries Limited (KRL) for the financial years upto 1993-94 had been transferred by the Companies to the General Revenue Account of the Central Government, which can be claimed by the Shareholders from the Office of the Registrar of Companies at Mumbai and Kochi, respectively.

5. (a) Pursuant to Section 205A(5) and Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund established by the Central Government. Accordingly, the unclaimed dividends for the financial years ended 31$^{st}$ March 1995 to 31$^{st}$ March 2000 for BPCL and erstwhile KRL, and also unclaimed amount of interim dividend for the financial year 31$^{st}$ March 2001 in respect of BPCL, had been transferred to the said Fund, and no claim shall lie against the said fund, or the Company, for the amount of dividend so transferred.

   (b) Shareholders of BPCL who have not yet encashed their Final Dividend for the financial year ended 31$^{st}$ March 2001 or any subsequent financial years are requested to make their claims to the Share Transfer Agent of the Company or to the Registered Office of the Company. With regard to unclaimed amount of dividend for the financial year ended 31$^{st}$ March 2001 and unclaimed dividend for subsequent financial years of erstwhile KRL, the claims can be made from the Share Transfer Agent of the Company.

   It may be noted that the unclaimed amount of final dividend for the financial year ended 31$^{st}$ March 2001 will become due for transfer to the Investor Education and Protection Fund on 24$^{th}$ November 2008 in respect of erstwhile KRL and 1$^{st}$ December 2008 in respect of BPCL.

6. 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 AGM, at least one week in advance, to the Company Secretary at the Registered Office.