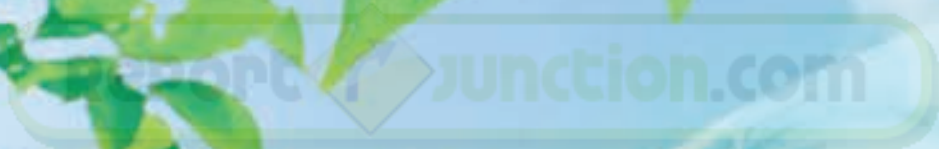


ANNUAL REPORT
2008-2009





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STIMULATING GROWTH

We are constantly evolving new strategies to meet the challenges of a dynamic environment.

We continue to energise lives by harnessing technology and leveraging our talented workforce to advantage. Having consolidated our resources, we're pursuing a growth trajectory, maximizing business opportunities in varied spheres.

Striving to retain the competitive edge, we conjure up real time solutions while augmenting value for our customers and stakeholders.

Setting our sights on achieving excellence, we benchmark ourselves against the highest global standards, forging ahead with enthusiasm and commitment.

Our focus on sustainable development remains unabated, with social responsibility, health, safety, security and environmental care as our corporate goals. We've also redoubled our efforts to seek fresh avenues in our quest for renewable energies, creating a brighter future for generations to come.

BPCL . . . building a better world.

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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



P. H. KURIAN
Ex-Secretary,
Investment Promotion,
Government of Kerala
(up to 15.6.2009)



T. BALAKRISHNAN
Principal Secretary
(Industries & Commerce)
Government of Kerala
(w.e.f. 17.6.2009)



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



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



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

N. VISWAKUMAR
Company Secretary

GROUP PERFORMANCE HIGHLIGHTS



Sales turnover rose by
19.61% to Rs.147,336.82 crores

Net profit at Rs. 724.13 crores

Market Sales including exports at 28.83 MMT

Crude throughput at 22.20 MMT

Consolidating global presence

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



MANAGEMENT TEAM

| | | | |
|------------------------------|-------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------|
| Ms. I. Sasikala | Chief Vigilance Officer | Mr. John Minu Mathew | General Manager (Technical), Kochi Refinery |
| Mr. A.K. Bansal | Executive Director (Gas & Gas based Power Projects) | Mr. J.S. Sokhi | General Manager (Retail Initiatives), Retail HQ |
| Mr. Anurag Deepak | Executive Director Logistics (Retail), Mumbai | Mr. K.B. Narayanan | General Manager (ERP - CC) |
| Mr. B.K. Datta | Executive Director (Supply Chain Optimization) | Mr. K. N. Ravindran | General Manager (Projects), Kochi Refinery |
| Mr. D.M. Reddy | Executive Director (Industrial & Commercial) | Mr. K.P. Chandy | Regional LPG Manager, South |
| Ms. Dipti Sanzgiri | Executive Director (Human Resources Development) | Mr. K.V. Seshadri | General Manager In-charge, Mumbai Refinery |
| Mr. E. Nandakumar | Executive Director, Kochi Refinery | Mr. K.V. Shenoy | General Manager (Highway Retailing), Retail HQ |
| Mr. J. Ravichandran | Executive Director (Refineries Finance) | Mr. M.K. Kaul | General Manager (Engineering & Advisory Services), Mumbai Refinery |
| Mr. K.K. Gupta | Executive Director (Retail) In-charge | Mr. M.M. Chawla | General Manager (Pipeline Projects), E&P |
| Dr. M.A. Siddiqui | Executive Director (Research & Development) | Mr. M.P. Govindarajan | General Manager (Human Resources), Kochi Refinery |
| Mr. P.S. Bhargava | Executive Director (Planning) | Ms. Monica Widhani | General Manager (Urban Retailing) |
| Mr. R.K. Mehra | Executive Director (International Trade) | Mr. N.S. Ramu | General Manager (Retail), South |
| Mr. R.M. Gupta | Executive Director (LPG) | Mr. N. Viswakumar | Company Secretary |
| Mr. S. Krishnamurti | Executive Director (Corporate Affairs) | Mr. P. Balasubramanian | General Manager (Management Accounts) |
| Mr. S.P. Gathoo | Executive Director (Human Resources Services) | Mr. P. C. Srivastava | General Manager (Retail), West |
| Mr. S. P. Mathur | Executive Director (Aviation) | Mr. Pallav Ghosh | General Manager (Retail), HQ |
| Mr. S. Ramesh | Executive Director (Lubes) | Mr. P. Padmanabhan | General Manager (Technical), Mumbai Refinery |
| Ms. Sumita Bose Roy | Executive Director (Audit) | Mr. Pramod Sharma | General Manager (Coordination) |
| Mr. S. Varadarajan | Executive Director (Corporate Treasury) | Mr. R.P. Natekar | General Manager (Treasury) |
| Mr. A.K. Kaushik | General Manager (Information Systems – Infrastructure & Services) | Mr. R. Ranganath | General Manager Finance (Retail) HQ |
| Mr. A.R. Sarkar | General Manager (Materials) | Mr. S.B. Bhattacharya | General Manager (Marketing) Lubes |
| Mr. Amitabha Sengupta | General Manager (Human Resources), Mumbai Refinery | Mr. S.K. Agrawal | General Manager (Legal) |
| Mr. Basudev Rana | General Manager (Sales) I&C, Mumbai | Mr. S.K. Mathur | General Manager (Retail), North |
| Mr. Brij Pal Singh | General Manager (Operations), Retail | Mr. Sharad K. Sharma | General Manager Sales (LPG) HQ |
| Mr. George Paul | General Manager (Brand & ARB) Retail HQ | Mr. Tomy Mathews | General Manager (Operations), Kochi Refinery |
| Mr. G.S. Baveja | General Manager (Health, Safety & Environment) | Mr. T. Somanath | General Manager – Talent Management |
| Mr. G.S. Wankhede | General Manager (Operations), MMBPL | Mr. Vinod Giri | General Manager (Marketing Corporate) |
| Mr. I. Srinivas Rao | General Manager LNG Marketing (Industrial) | Dr. G. Vasudev | Dy. General Manager (Quality Control Cell) |
| Mr. J. Dinaker | General Manager Finance (International Trade) | 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 56th Annual General Meeting of the Shareholders of Bharat Petroleum Corporation Limited will be held in the Rama Watumull Auditorium at Kishinchand Chellaram College (K.C. College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020, on Tuesday, the 8th September, 2009, 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, 2009, 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 Prof. N. Venkiteswaran, Director, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Prof. N. Venkiteswaran, being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri P. K. Sinha, Additional Secretary & Financial Advisor, Ministry of Petroleum and 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.

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 pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri T. Balakrishnan, Principal Secretary, Industries & Commerce, Government of Kerala 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: 24th July, 2009

Notes:

- 1) Explanatory statement under Section 173 of the Companies Act, 1956, in respect of the item of Special Business is annexed hereto.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES 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 A 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, 28th August, 2009 to Tuesday, 8th September, 2009, both days inclusive, for the purpose of payment of dividend on equity shares for the year ended 31st March, 2009, 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 27th August, 2009.

- b) To all Members in respect of shares held in physical form after giving effect to transfer in respect of valid share transfer requests lodged with the Share Transfer Agent viz., Data Software Research Co. Pvt. Ltd., on or before 27th August, 2009.
- 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, any 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 31st March, 1995 to 31st March, 2001 of BPCL and erstwhile KRL had been transferred to the said Fund, and no claim shall lie against the said Fund, or the Company, for the amount of dividends so transferred.
- (b) Shareholders of BPCL who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2002 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 final dividend for the financial year ended 31st March, 2002 and unclaimed dividend for subsequent financial years of erstwhile KRL, the claims can be made to the Share Transfer Agent of the Company.

It may be noted that the unclaimed amount of final dividend for the financial year ended 31st March, 2002 will become due for transfer to the Investor Education and Protection Fund on 24th October, 2009 in respect of erstwhile KRL and 31st October, 2009 in respect of BPCL.

EXPLANATORY STATEMENT

Annexed to the Notice convening the 56th Annual General Meeting to be held on Tuesday, the 8th September, 2009

Item No. 5 Appointment of Director

Shri T. Balakrishnan was appointed as Additional Director of Bharat Petroleum Corporation Limited under the provisions of Article 77A of the Articles of Association of the Company, effective 17th June, 2009 in accordance with the directions of the Government of India.

Shri T. Balakrishnan, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956, from a Member, proposing the name of Shri T. Balakrishnan, as Director of the Company. A brief resume of Shri T. Balakrishnan, as required under Clause 49(IV)(G) of the Listing Agreement, is provided separately in the Corporate Governance Report enclosed to the Directors' Report. Shri T. Balakrishnan does not hold any shares in the Company as on the date of appointment. The Directors recommend appointment of Shri T. Balakrishnan as Director of the Company.

Except Shri T. Balakrishnan, no other Director is interested in the Resolution.

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: 24th July, 2009



DIRECTORS' REPORT

The Directors take pleasure in presenting their Report on the performance of Bharat Petroleum Corporation Limited (BPCL) for the year ended 31st March, 2009.

PERFORMANCE OVERVIEW

Group Performance

The aggregate Refinery throughput at BPCL's Refineries at Mumbai and Kochi, along with that of BPCL's subsidiary company, Numaligarh Refinery Limited (NRL) in 2008-09, was 22.20 Million Metric Tonnes (MMT) as compared to 23.52 MMT in 2007-08. The market sales of the BPCL Group in 2008-09 stood at 27.45 MMT, as compared to 26.08 MMT in the previous year. The group's exports of petroleum products during the year was 1.38 MMT as against 1.93 MMT in 2007-08.

The sales turnover for the year of the BPCL Group increased to Rs. 147,336.82 crores from the previous year's level of Rs. 123,179.69 crores. The Group Profit after Tax (PAT) amounted to Rs. 724.13 crores in 2008-09 as against Rs. 1,912.52 crores in the previous year. After setting off the minority interest, the Group earnings per share declined to Rs. 17.53 in 2008-09 from Rs. 48.94 in the previous year.

CONSOLIDATED GROUP RESULTS

| | 2008-09 | 2007-08 |
|------------------------------------------------------------|-------------|----------------------|
| Physical Performance | | |
| Crude Throughput (MMT) | 22.20 | 23.52 |
| Market Sales (MMT) | 27.45 | 26.08 |
| Financial Performance | | |
| | | Rs. in Crores |
| Sales / Income from Operations | 147,336.82 | 123,179.69 |
| Less: Excise Duty Paid | (10,779.70) | (11,936.58) |
| Net Sales / Income from Operations | 136,557.12 | 111,243.11 |
| Gross Profit | 4,800.60 | 5,027.04 |
| Interest | 2,404.32 | 714.89 |
| Depreciation & amortisation | 1,261.71 | 1,292.10 |
| Profit before tax | 1,134.57 | 3,020.05 |
| Provision for taxation - Current | 674.06 | 1,025.89 |
| Profit after Current Tax | 460.51 | 1,994.16 |
| Provision for Fringe Benefit Tax | 14.40 | 16.21 |
| Provision for taxation - Deferred | (285.11) | 58.70 |
| Short provision for Taxation in earlier years provided for | 7.09 | 6.73 |
| Net Profit | 724.13 | 1,912.52 |
| Minority Interest | 90.37 | 142.97 |
| Net Income of the group attributable to BPCL | 633.76 | 1,769.55 |
| Group Earnings per share attributable to BPCL (Rs.) | 17.53 | 48.94 |