

# ANNUAL REPORT

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MAHARATNA



# REDEFINING RESILIENCE

NATURALLY



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# REDEFINING RESILIENCE ... NATURALLY

The whole world has been severely impacted by the COVID-19 pandemic, which has not only led to loss of lives and livelihoods, but has also brought businesses and services to a near grinding halt.

Exhibiting extraordinary resilience, which is naturally ingrained in us as part of our system, Bharat Petroleum swung into action to combat the disruption caused by the pandemic and adapt to the new normal. We leveraged our arsenal of innovation and technology, catalysed by the indomitable spirit and sheer tenacity of our workforce. We could navigate through uncharted waters, unlock the unknown and successfully meet the human, business and operational needs to keep the wheels of the nation moving.

No stone was left unturned to out-manoeuvre uncertainty. Our 'Corona Warriors' worked day and night, risking their own lives to ensure uninterrupted production and supplies of fuels to essential service providers, as well as domestic LPG customers. Health, safety and environment conservation remained our topmost priority.

Our infinite capacity to meet challenges, along with novel strategies for resource optimisation and risk mitigation, has enabled us to rebound strongly from the global downturn to repurpose and reshape the operations and supply chain, thereby ensuring our financial health and sustainability moving forward.

Being a fully integrated energy company, with a diverse product portfolio and an enviable customer-centric approach, we have focused on digitalisation, startups, R&D, niche petrochemicals, alternate fuels, energy efficiency, expansion in rural markets, optimising business processes and automating activities across the entire hydrocarbon value chain.

Backed by our inspiring vision, with passion to excel embedded in our DNA, we are redefining resilience, stretching beyond limits, as we spread optimism and hope and create significant value for our stakeholders and our nation.

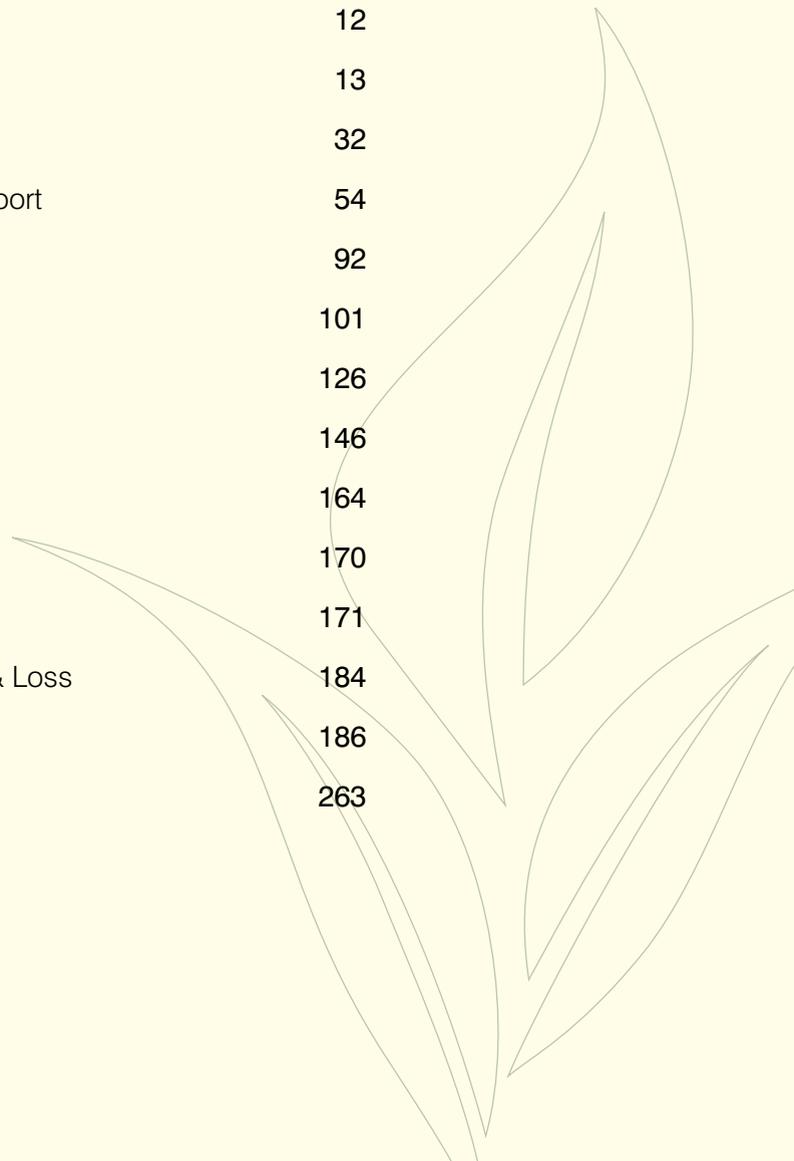
**BPCL... Energising the new**

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# CHAIRMAN'S LETTER

Dear Shareowners,

At the outset, I wish you and your loved ones the best of health and well-being!

I am extremely happy to communicate with you for the first time after taking over additional charge of Chairman and Managing Director of your Company.

The year 2019-20 that progressed well until December 2019, witnessed unprecedented and confounding changes, transitions and economic severities in the last quarter. The COVID-19 pandemic brought the world to a standstill, with most countries, including ours, resorting to lockdowns and containment measures to check the spread of the disease. As global economies gradually open up and activity resumes, it reminds me of a famous quote by Confucius, "Our greatest glory is not in never falling, but in rising every time we fall."

Amidst these adversities, your Company emerged stronger, exhibiting a resolute approach, identifying opportunities, thus redefining resilience.

Playing a leading role in nation building, your Company ensured uninterrupted supplies of petroleum products and has been in the frontline of service during the pandemic. Mindful of the evolving risks on various fronts, we have focussed on safe operations, optimisation of resources and enhancement of efficiencies, leveraging technology and digitalisation to skilfully navigate through these challenging times.

The extreme volatility in the crude oil prices and foreign exchange rates and the pandemic-induced disruption in economic activity at the end of the year 2019-20 severely impacted the annual financial performance, resulting in an overall decline in the profits of the Company for the year. The profit after tax, on a standalone basis, declined to ₹ 2,683 crores, mainly due to lower refining margins and substantial inventory and foreign exchange variation losses. However, your Company has been able to better its physical performance, despite significant loss of sales in March 2020 and achieved market sales and refinery throughput of 43.10 MMT and 31.91 MMT respectively. I am happy to share that your Company was the only Oil Marketing Company (OMC) amongst PSU OMCs to register a growth in physical performance during the year. The Board of Directors declared a dividend of 165% in the month of March 2020.

At the group level, the profit after tax attributable to BPCL stood at ₹ 3,055 crores, while market sales and refinery

throughput were higher at 43.36 MMT and 38.30 MMT respectively. Consolidating interests further, Bharat Oman Refineries Limited, hitherto our 50:50 Joint Venture Company, has undergone a change in its equity structure, consequent to conversion of warrants into equity shares, raising BPCL's equity shareholding to 63.38%.

Leveraging organic and inorganic growth opportunities over the years, your Company has expanded its footprint across the hydrocarbon value chain and become a fully integrated oil and gas player.

Pursuing the Go-GDP strategy, your Company has taken definitive steps towards fostering a Greener environment, permeating Digitalisation in all aspects of business and firming up its footprints in the Petrochemicals portfolio.

Our successful pilots of the newly launched "E-Drive" initiative - an innovative electric vehicle mobility model using BPCL's Retail Outlets as battery swapping stations pave the way for pan India expansion. Our presence across the alternate fuels / energy solutions will enable swift scale up once these verticals prime up and economics improve.

The importance of Digitalisation cannot be over-emphasised in a world which is converging towards a new normal post pandemic. Creating a digital ecosystem has been our immediate priority and the Company has taken major strides in proliferation of digitalisation across operations, particularly refining operations and management, and customer facing interfaces.

I am happy to share that the Propylene Derivative Petrochemical Project (PDPP) at Kochi Refinery (KR) for manufacturing niche petrochemicals is completed and will start commercial production soon. The project to produce Polyols and related products at KR is on track and will add to our growing petrochemicals portfolio, generating substantial value going forward.

In a major step towards enhancing the distribution network and reaching nearer to customers, your Company commissioned 1,447 new Retail Outlets across the country, the highest in a financial year amongst the PSU OMCs. BPCL also commissioned 118 vehicles fitted with dispensers, once again the highest amongst PSU OMCs, under the new initiative of door-to-door delivery of Diesel to stationary engines / generators and mining and construction equipment. Customer centricity being an integral part of BPCL's culture, the Company has created newer benchmarks in customer service and carved a niche for itself.



Towards exploring innovative solutions to identified business concerns and simultaneously supporting the startup ecosystem making India self-reliant, your Company launched a unique grand challenge for startups, with prize money for winners as well as creating opportunities to partner with BPCL. Going forward, BPCL is committed to support startups in a variety of ways, including grant of funds, equity investment, business exposure, mentoring and guidance.

Amidst the pandemic crisis, when Health, Safety, Security and Environment (HSSE) is gaining traction globally, BPCL has always recognised it as the topmost priority. Further strengthening the HSSE framework, your Company has put in place comprehensive pandemic compliant protocols across all touchpoints to ensure safety of all including employees, customers, vendors and partners.

Capitalising on the 'work from home' norm, we have seamlessly managed business operations across all functions in the organisation, leading to limited onsite presence of manpower in these dire circumstances. Remaining steadfast towards being a learning organisation, we have also utilised this opportunity of 'work from home' to augment people capabilities and upgrade their skill sets through various technologically enabled initiatives like digital learning and purposeful engagement.

With the Government of India's decision to sell its stake in BPCL to a strategic buyer, your Company is at the threshold of a major transformation, which is expected to unlock immense value by way of enhanced professionalism, access to advanced technologies, newer global markets, a diversified product portfolio and improved availability of resources and capital. This will create significant value for all stakeholders. The market capitalisation of your Company scaled peaks during the year and even surpassed the market capitalisation of the largest PSU OMC on a couple of occasions, bearing testimony to the rising investor confidence in BPCL's intrinsic value.

Before I conclude, I would like to thank all the stakeholders for their immense contribution and wholehearted support in designing our success and partnering in all our endeavours and aspirations. We fully acknowledge the valuable guidance and inspiration from the Ministry of Petroleum and Natural Gas. I would also like to place on record the deepest appreciation for the relentless efforts, unparalleled dedication and unmatched loyalty of our employees, who are our biggest asset, together with our network of dealers, distributors, business partners, vendors and service providers. We are thankful for the confidence reposed in us by the investors and customers, which gives us courage to dream, strength to accomplish and incentive to excel.

Humanity occupies centre stage at this juncture and we in Bharat Petroleum have always taken the lead in service before self. Our dynamic teams have demonstrated deep reserves of resilience in responding swiftly to the needs of the nation and will continue to ceaselessly serve our nation. We take pride in touching lives and making a difference.

As the impending wave of transition, structural and sectoral, reshapes the Company and rearranges the energy matrix, I firmly believe that BPCL, with its farsightedness, responsiveness, agility and fortitude will continue to occupy its central position in the industry and scale newer heights in times to come.

Stay safe and healthy !

Warm regards,

**K. Padmakar**  
Chairman & Managing Director



# BOARD OF DIRECTORS



**K. PADMAKAR**  
Chairman & Managing Director  
(w.e.f. 1.9.2020)  
Director (Human Resources)



**D. RAJKUMAR**  
Chairman & Managing Director  
(up to 31.8.2020)



**R. RAMACHANDRAN**  
Director (Refineries)  
(up to 31.8.2020)



**ARUN KUMAR SINGH**  
Director (Marketing)



**N. VIJAYAGOPAL**  
Director (Finance)



**DR. K. ELLANGO VAN**  
Principal Secretary (Industries),  
Govt. of Kerala



**RAJIV BANSAL**  
Additional Secretary & Financial Advisor,  
MoP&NG (up to 7.1.2020)



**RAJESH AGGARWAL**  
Additional Secretary & Financial Advisor,  
MoP&NG (w.e.f. 8.1.2020)



**RAJESH KUMAR MANGAL**  
Independent Director  
(up to 30.11.2019)



**VISHAL V SHARMA**  
Independent Director  
(up to 8.2.2020)



**JANE MARY SHANTI SUNDHARAM**  
Independent Director  
(up to 4.3.2020)



**VINAY SHEEL OBEROI**  
Independent Director  
(up to 9.4.2020)



**HARSHADKUMAR P. SHAH**  
Independent Director  
(w.e.f. 16.7.2019)



(L to R) : Mr. N. Vijayagopal, Director (Finance) | Mr. R. Ramachandran, Former Director (Refineries)  
Mr. D. Rajkumar, Former Chairman & Managing Director  
Mr. K. Padmakar, Chairman & Managing Director | Mr. Arun Kumar Singh, Director (Marketing)

## **BANKERS**

- State Bank of India
- Standard Chartered Bank
- BNP Paribas
- Union Bank of India
- Corporation Bank
- Bank of India
- Deutsche Bank
- ICICI Bank
- HDFC Bank
- IDBI Bank

## **AUDITORS**

M/s. CVK & Associates  
2, Samarth Apartments,  
Ground Floor,  
D. S. Babrekar Road,  
Off Gokhale Road (North),  
Dadar (W), Mumbai 400 028.

M/s. Borkar & Muzumdar  
21/168, Anand Nagar  
Om C. H. S.,  
Anand Nagar Lane,  
Vakola, Santacruz (East),  
Mumbai 400 055.

## **SHARE TRANSFER AGENT**

Data Software Research  
Co. Pvt. Ltd.  
19 Pycrofts Garden Road,  
Nungambakkam,  
Chennai 600 006.

## **REGISTERED OFFICE**

### **BHARAT PETROLEUM CORPORATION LTD.**

CIN: L23220MH1952GOI008931

Bharat Bhavan, P. B. No. 688, 4 & 6 Currimbhoy Road,  
Ballard Estate, Mumbai 400 001

Phone: 2271 3000 / 4000 • Fax: 2271 3874

Email: [info@bharatpetroleum.in](mailto:info@bharatpetroleum.in) • Website: [www.bharatpetroleum.in](http://www.bharatpetroleum.in)



# MANAGEMENT TEAM

<b>Mr. Sunil Jain</b>	Chief Vigilance Officer	<b>Mr. M. Prasanna Kumar</b>	CGM (Planning & Project Coordination)
<b>Dr. D. C. Patra</b>	ED (Planning)	<b>Mr. M. R. Chaturvedi</b>	CGM (Comp. & Ben.)
<b>Mr. G. Krishnakumar</b>	ED (HRD)	<b>Mr. M. R. Subramoni Iyer</b>	CGM (Refinery Operations), Kochi Refinery
<b>Mr. J. S. Shah</b>	ED (HRS)	<b>Mr. N. Shukla</b>	CGM (Planning)
<b>Mr. L. R. Jain</b>	Chief Procurement Officer (Marketing)	<b>Mr. P. Anilkumar</b>	CGM Pipelines (Ops. & Projects)
<b>Mr. M. A. Khan</b>	ED (Corp. Coordination & Development)	<b>Mr. P. K. Bhowmick</b>	Chief Procurement Officer (Refineries)
<b>Mr. M. S. Patke</b>	ED (Biofuels)	<b>Mr. Pushp Kumar Nayar</b>	Head Supply Chain Management (Lubes)
<b>Mr. Murali Madhavan P.</b>	ED (Kochi Refinery)	<b>Mr. P. K. Ramanathan</b>	CGM Logistics (LPG) HQ
<b>Mr. P. S. Ravi</b>	ED (Retail) I/C	<b>Ms. P. Rajeswari</b>	CGM (Vigilance)
<b>Mr. Priyotosh Sharma</b>	ED (Gas)	<b>Mr. P. Sudhahar</b>	Project Lead (Gas) HQ
<b>Mr. P. V. Ravitej</b>	ED (Mumbai Refinery)	<b>Mr. Prabhu Venkatesh</b>	CGM (Refineries Finance), Mumbai
<b>Mr. R. Narayanan</b>	ED (Information Systems)	<b>Mr. Ramakrishnan N.</b>	Head BPEC
<b>Mr. R. P. Natekar</b>	ED (Planning & Corporate Affairs) I/C	<b>Mr. Ramakrishnan T. N.</b>	CGM (Rural Initiatives) Retail, Chennai
<b>Mr. Ravi Pratap Singh</b>	ED (HSSE)	<b>Mr. Ramesh S.</b>	Team Member (Infra T/F) HQ
<b>Mr. S. Bhargava</b>	ED (Research & Development)	<b>Mr. Ravikumar V.</b>	CGM (Research & Development)
<b>Mr. Santosh Kumar</b>	ED (Lubes)	<b>Mr. Ravindra V. Deshmukh</b>	Regional LPG Manager, West
<b>Mr. S. K. Agrawal</b>	ED (Internal Audit)	<b>Mr. R. P. Singh</b>	CGM (E & AS) Mumbai Refinery
<b>Mr. Subikash Jena</b>	ED (I&C)	<b>Mr. Sanjeev Agrawal</b>	CGM (Retail Engg. & Compressed Biogas Project) RHQ
<b>Ms. Sujata N. Chogle</b>	ED (Legal)	<b>Mr. S. Khanna</b>	CGM (Operations), Mumbai Refinery
<b>Mr. Sukhmal K. Jain</b>	Head (Retail) East	<b>Mr. Sanjeeb K. Paul</b>	CGM (Biofuels)
<b>Mr. Surjeet Mahalik</b>	Head (Retail) North	<b>Mr. Sanjeev Raina</b>	CGM (HSSE)
<b>Mr. T. Peethambaran</b>	ED (LPG)	<b>Mr. Shrikant Yadwadkar</b>	CGM (Sales), Gas
<b>Mr. V. Jacob</b>	ED (Quality Control Cell)	<b>Mr. Sreeram A. N.</b>	CGM (Project Technical & Petchem), Kochi Refinery
<b>Mr. Y. V. Apte</b>	ED (Engineering & Projects)	<b>Mr. Subhankar Sen</b>	CGM (Retail Initiatives & Brand) HQ
<b>Mr. Abhay Shah</b>	CGM Strategy & Brand (Lubes)	<b>Mr. Subhasis Mukherjee</b>	CGM (Internal Audit)
<b>Mr. A. R. Shah</b>	CGM (Projects Procurement), Mumbai Refinery	<b>Mr. Sunil Kumar</b>	CGM Projects (Rasayani), Mumbai Refinery
<b>Mr. Arul Muthunathan V.</b>	CGM (RNP & RE) HQ	<b>Mr. Suresh John</b>	CGM (Engg. Projects & Contract Mgt.), Kochi Refinery
<b>Mr. Bibhudutta Mishra</b>	Regional Manager (Lubes) North	<b>Mr. S. Srinivasan</b>	CGM Sales (I&C) HQ
<b>Mr. Chacko M. Jose</b>	CGM (Special Projects), Mumbai Refinery	<b>Ms. Teresa Naidu</b>	CGM (Corporate Treasury)
<b>Mr. Debashis Ganguli</b>	CGM (P & AD) Lubes	<b>Mr. T. V. Rama Rao</b>	CGM IS & Digital Strategy (MR & KR)
<b>Mr. Deepak Jha</b>	CGM (OEM), Lubes	<b>Mr. V. Chandrasekaran</b>	CGM (Prod.Desp. & Trombay Terminal Projects), Mumbai Refinery
<b>Mr. Dinabandhu Mandal</b>	CGM (Logistics), Retail	<b>Mr. Varinder S. Chadha</b>	CGM (Corporate Finance)
<b>Mr. D. V. Mamadapur</b>	CGM (Supply Chain Optimization)	<b>Mr. V. N. Herwadkar</b>	CGM (Contract Mgt. & Administration), Mumbai Refinery
<b>Ms. Geeta V. Iyer</b>	CGM Finance (Taxation)	<b>Mr. Vijay N. Tilak</b>	CGM Sales & LPG Marketing Strategy, HQ
<b>Mr. J. Vedagiri</b>	CGM (LPG Infrastructure)	<b>Mr. Vijay Ranjan</b>	CGM (Aviation)
<b>Mr. K. Ajith Kumar</b>	CGM (Projects), Kochi Refinery	<b>Mr. Anil Ahluwalia</b>	GM (Employee Satisfaction Enhancement)
<b>Mr. Kani Amudhan N.</b>	CGM (Marketing Corporate)	<b>Ms. Kala V.</b>	Company Secretary
<b>Mr. K. A. Trivedi</b>	CGM (International Trade)	<b>Mr. Rahul Tandon</b>	GM (Corporate Strategy)
<b>Mr. Kurian Parambi</b>	CGM (HR), Mumbai Refinery	<b>Mr. Syed Abbas Akhtar</b>	GM (Brand & PR)
<b>Mr. Kurian P. Alapatt</b>	CGM (HR), Kochi Refinery		
<b>Mr. Lalit K. Watts</b>	CGM (HRS), North		
<b>Mr. Mahadevan Easwaran S.</b>	CGM (IS Technology)		
<b>Mr. Mahesh Narain</b>	CGM (Gas Projects), Delhi		
<b>Mr. Mohammad Gayasuddin</b>	CGM Engg. (E&P) North		



## VISION



- We are the most admired global energy company leveraging talent and technology
- We are the first choice of customers, always
- We exploit profitable growth opportunities outside energy
- We are the role model for Health, Safety, Security & Environment
- We are a great organisation to work for
- We are a learning organisation
- We are a model corporate entity with social responsibility

## VALUES



- **Trust** is the bedrock of our existence
- **Customer Centricity** is intrinsic to our achievements
- **Development of People** is the only way to success
- **Ethics** govern all our actions
- **Innovation** is our daily inspiration
- **Collaboration** is the essence of individual action
- **Involvement** is the way we pursue our organisation goals

## CULTURE



- We remain result focused with accountability for governance
- We collaborate to achieve organisational goals
- We enroll people through open conversations
- Our every action delivers value to the customer
- We proactively embrace change
- We care for people

## MISSION



- Participate prominently in nation-building by meeting its growing energy needs, and to support this endeavour, pursue the creation of economic surplus by efficiently deploying all available resources and aiming towards global competitiveness in the energy sector
- Strengthen and expand areas of core competencies throughout the country, total quality management in all spheres of business and maintain the status of a leading national company
- Create awareness among people on the imperatives of energy conservation and efficient consumption of petroleum resources, by disseminating information through appropriate media
- Availing ourselves of new opportunities for expansion / diversification arising from the liberalisation of the economy to achieve a global presence
- Promote ecology, environmental upgradation and national heritage



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# PERFORMANCE HIGHLIGHTS

Gross Revenue from Operations is ₹ 3,27,580.78 Crores

Refinery throughput increases to 31.91 MMT

Market Sales including exports surges to 45.72 MMT

Net Profit is ₹ 2,683.19 Crores

Market Share soars to 24.52%

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