

MAHARATNA



UNLOCKING POSSIBILITIES EMPOWERING LIVES



ANNUAL REPORT
2021-22

UNLOCKING POSSIBILITIES EMPOWERING LIVES

Recent times remind us of how incredibly the modern world has shrunk and how closely we are intertwined with the rest of the globe. Just as the world was nudging out of the grips of the viral pandemic, it has been rocked by the recent geopolitical tremors that have rippled through the global economy.

Unperturbed by these mega-scale upheavals, we are navigating through the prevailing testing times deftly, charting our journey with extraordinary resilience, financial prudence, and robust performance.

Steadfastly anchored to the energy needs of the nation and aligned with global climate action, we have embarked upon an ambitious voyage of energy transition towards a cleaner and sustainable future.

Stepping into the realm of green energy, we are changing intrinsically and proactively, summoning our synergies and the ingenuity of our human talent pool.

Bharat Petroleum has been among the first corporates in India that have announced their 'Net Zero' plans. Our ambition is to achieve 'Net Zero' in Scope 1 and Scope 2 emissions by the year 2040 to curb the carbon footprint of our operations.

We are at the cusp of a transformation that defines our future as we metamorphose from a predominantly oil & gas company into an 'energy' company. Unfolding our strategic vision for the future, we are evolving new-age energy solutions.

With customer-centricity at the fulcrum, our teams are creating new services and delightful experiences for customers and our rural push is creating inclusive growth and new economic opportunities in the hinterland of the nation.

Inspired by a pragmatic vision, our alacrity to excel and tenacity to rise amidst challenges creates bountiful value for our stakeholders and enables us to unlock newer possibilities for empowering lives.

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CHAIRMAN'S LETTER

Dear Shareowners,

Greetings for the day!

It is my pleasure and privilege to present to you the Annual Report for 2021-22 and share the highlights for the year.

On the physical front, your Company performed better than last year. BPCL, on a standalone basis, registered sales of 42.51 MMT and crude throughput of 30.07 MMT in the year 2021-22, as against 38.74 MMT and 26.40 MMT, respectively, in the previous year. On the financial front, your Company recorded a Profit After Tax (PAT) of ₹8,789 crore on a standalone basis, as against PAT of ₹19,042 crore in the previous year. The higher PAT last year was essentially due to the one-time gain on the sale of stake in Numaligarh Refinery Limited. Besides, this year, the gains due to higher refining margins were more than offset by the lower marketing margins and lower inventory gains, resulting in a dampening effect on our profit. The Board of Directors declared a total dividend of ₹16 per share on earnings of ₹41.31 per share for the year.

Recent times have brought tumult and uncertainty on a global scale. Having undergone the harrowing churnings of the viral onslaught, the world felt less gloomy when the pandemic began to taper off gradually, rekindling a new enthusiasm in hope of better times ahead. Now, as we move forward, the world faces a fresh set of challenges posed by spiraling global inflation and unsettling geopolitical tensions marring the socio-economic prospects that were rising on the horizon as the impact of pandemic was abating. Certainly, these are trying times, testing one's strength, patience, and resilience. But challenges are not new for BPCL, and our unyielding can-do spirit and never-give-up determination are the underpinnings of our inherent strength to take challenges head-on.

The international oil and gas market continues to be volatile, with supply-side constraints leading to abnormally high prices. In such a scenario, even with robust refining margins, the profitability of domestic Oil Marketing Companies (OMCs) has taken a severe hit on the marketing side. Needless to say, your Company is taking all necessary actions to minimize the adverse impact on its financial position as it continues to serve the growing fuelling needs of the nation.



A major highlight for us is the merger of Bharat Oman Refineries Limited (BORL), our wholly owned subsidiary. I am extremely happy to announce that BORL has been merged with BPCL with effect from July 1, 2022. This will result in substantial logistics, operational and talent-pool synergies for the Company, while also facilitating faster execution of the proposed Petrochemical project at Bina. The merger of Bharat Gas Resources Limited, the wholly owned gas subsidiary, with BPCL is in its last leg and is expected to be completed soon.

The era-defining trend of today for our industry is Energy Transition. As the energy landscape changes globally, your Company has been recalibrating its strategies to leverage emerging opportunities while mitigating risks. The Company has firmed up plans to diversify and expand in adjacent and alternative businesses to create additional revenue streams



and provide a hedge against any possible future decline in liquid fossil-fuel business. In this direction, six strategic areas have been identified as pillars of future growth and sustainability, viz., Petrochemicals, Gas, Renewables, New Businesses (Consumer Retailing), E-mobility and Upstream, while the core businesses of refining and marketing of petroleum products continue to serve as a solid foundation, providing stability and consistent cash flows. The Company has laid out a detailed roadmap under each of these strategic areas, and has planned a capex outlay of around ₹1.4 lakh crore in the next five years.

I will now elaborate Company's plans in each of these six strategic areas.

BPCL has placed topmost priority on the expansion of its petrochemicals product portfolio and taken definitive steps in this direction. The Company has identified two new refinery-integrated petrochemical projects—the 1.2 MMTPA Ethylene Cracker unit at Bina Refinery and the 0.4 MMTPA Polypropylene unit at Kochi Refinery. Action has been initiated for these projects.

Another key area of focus for BPCL is natural gas. Expanding its natural gas footprints, your Company has secured licenses for 8 new Geographical Areas (GAs) under the recently concluded 11th and 11A City Gas Distribution (CGD) bid rounds. With this, BPCL has licenses for developing CGD networks in 25 GAs covering 62 districts and a total of 50 GAs covering 105 districts, inclusive of JVs. The success in the past few CGD rounds has placed BPCL among the top 3 CGD players in the country. Further, 8 new GAs were commissioned during the year, while work in other GAs is fast progressing towards completion. Capitalising on its extensive experience and wide presence, the Company is well poised to become a significant player in the growing natural gas market in the country.

Aligned with national priorities and committed to the common global cause of climate stabilisation, your Company has pledged to achieve "Net Zero" in Scope 1 and Scope 2 emissions by 2040. To realise this aspiration, diversification into Renewal Energy (RE) business will play a major role, and to this end, the Company established a new business unit "Renewable Energy" to take forward this initiative. Also, the Company has clearly articulated its RE targets to reach 1 GW by 2025 and 10 GW by 2040. Further, pursuing the nation's objectives of ensuring energy security and a cleaner environment through usage of biofuels, your Company has recently achieved blending of more than 10% ethanol in petrol and is committed to

enhancing the blending in line with the roadmap laid out by the government.

Non-fuel offerings have been an important constituent of BPCL's retailing portfolio and one of the major drivers of growth in fuel business through the rub-off effect. The Company has formed a business unit called "New Businesses" for expanding the consumer retailing business more vigorously and in newer ways, with initial focus on small towns and rural areas. Deploying a unique digitally enabled business model, the Company has dovetailed fuel with non-fuel offerings and enrolled rural womenfolk entrepreneurs called "Urja Devis" to reach out to the lowest denominator in the Indian market. I am extremely happy to inform you that in just nine months since the creation of this business unit, we have already opened 30 "In & Out stores" in Tehsils and partnered with 300 Urja Devis in rural areas. Our endeavour is to create 1,500 "In & Out stores" and engage 15,000 Urja Devis in the coming year.

In the Electric Mobility space, to address range anxiety pertaining to electric 4-wheelers, the Company came up with a novel concept of creating Highway Fast Charging Corridors, and on a pilot basis, adopted the 900-km Chennai-Trichy-Madurai-Chennai highway (NH-45) to develop it as a Highway Fast Charging Corridor. Going forward, BPCL plans to grow in this space in tandem with market expansion.

On the upstream front, Bharat PetroResources Limited (BPRL), our wholly owned upstream subsidiary achieved a major milestone with the consortium submitting the Declaration of Commerciality for the oil and gas discovery in BM Seal 11 Concession in Brazil during the year. The Field Development Plan is expected to be submitted shortly, which will be followed by Final Investment Decision for monetization of the discoveries. Also, in Mozambique, where world-class offshore gas discoveries are being developed for monetization through the LNG route by the consortium, the project execution activities are expected to re-commence soon with the improving security situation. With most of its assets now either in development or production phase, BPRL is well on its path to take its revenue generation to the next level.

Over the years, BPCL has been focusing on creating additional capacities and augmenting its infrastructure to reduce dependence on other oil companies to serve its markets. I am proud to share with you that today your Company is self-sufficient in product availability and distribution across the country. It was a great honour that



during the year, our 355-km Bina-Kanpur multi-product pipeline was dedicated to the nation by Hon'ble Prime Minister. Our strategically located refineries and well laid out network of depots, installation, plants, and pipelines give us the confidence to ensure seamless supply of products and pursue growth in the near future without any constraints.

Adding another feather to the cap, your Company achieved a major milestone by expanding its fuel-retailing network, crossing the 20,000 mark for the number of Fuel Stations, in March 2022. The growth leadership position that the Company registered amongst PSU OMCs in sales of petrol and diesel during the year bears testimony to the faith that customers have reposed in BPCL. Mindful of the need to reinvent ourselves with the changing times, we are committed to and progressing towards transforming our Fuel Stations into Energy Stations, where all forms of energy solutions for mobility, like petrol, diesel, natural gas, EV solutions, flexi fuels and, eventually, hydrogen, would be available.

During the year, BPCL has taken further measures to optimize manpower and enhance efficiencies by restructuring various roles and centralising various functions, thus making the organisation leaner and more agile. This will go a long way towards enhancing competitiveness of the Company, while also providing better exposure and opportunities to employees.

Further, as a binding enabler for all our strategic initiatives, we have embraced the best of technologies to optimally harness their potential. It is with immense satisfaction that I share that the digitalisation journey we embarked upon about two years back with "Project Anubhav" has started bearing fruits. In a short span of time, BPCL has created powerful brands like HelloBPCL, IRIS, Urja, UFill and SalesBuddy. "Project Anubhav" has catalysed the creation of a multiplier effect to reinforce our commitment of Trust, Convenience and Personalisation to our customers and offer them a bouquet of new digital experiences, while also improving our operational efficiencies.

Also, the year 2021-22 saw a paradigm shift in how the public perceived the BPCL Brand. Leveraging various social media platforms, we reimaged and repositioned our presence in the public domain, setting the stage for highly positive brand perceptions. BPCL, today, has the largest follower base on social media among oil & gas companies in India and has been able to garner a viewership of 10 crore for our social media content during the year.

BPCL's image in the society is that of a sterling corporate citizen, born out its unflinching belief in what Philip Kotler has said: "A company's civic character is its most potent customer preference builder". Your company has always been at the forefront of service to the society and the nation and has been contributing whole-heartedly to the cause of societal ascent and wellbeing, including during the pandemic.

Fully seized of the growing need to re-invent ourselves and align with the tide of change ushered in by the global energy transition, your Company has been moving steadily towards creating a distinct identity on a larger canvass and eventually becoming an Energy Company in the broadest sense of the term. You would be aware that the government has recently put on hold its plans to disinvest its stake in the Company. Notwithstanding any such decision, the Company has been and will continue with its expansion plans consistent with its long-term business strategy, in its pursuit of creating value for all stakeholders.

Before I conclude, I would like to place on record my sincere thanks to all our leaders, employees, business partners, customers, vendors, bankers and other stakeholders, for their continued support, unmatched dedication and unwavering loyalty, which has always served as a beacon of inspiration in all our endeavours. I would also like to place on record my heartfelt gratitude to the Ministry of Petroleum & Natural Gas for their invaluable guidance and constant support. I am humbled by the immense confidence reposed by the investors in the BPCL management, which has given us the courage to spread our wings even wider.

As I prepare to embark upon the next phase of my life after my retirement later this year, I envision BPCL conquering newer peaks as it marches forward on the path of growth and sustainability. I assure all of you that the leadership pipeline of the company is vibrant and robust, with intelligent and young leaders set to take this great organization to even greater heights.

I conclude with a quote by Winston Churchill, which, I hope, will help sum up my journey in this wonderful organization: "Success is not final; failure is not fatal: it is the courage to continue that counts."

Arun Kumar Singh
Chairman & Managing Director



BOARD OF DIRECTORS



ARUN KUMAR SINGH

Chairman & Managing Director
(w.e.f. 07.09.2021)

with additional charge of Director (Marketing)
(w.e.f. 14.09.2021)



K. PADMAKAR

Director (Human Resources)
(up to 31.12.2021)

with additional charge of Chairman & Managing
Director (up to 06.09.2021)



VETSA RAMAKRISHNA GUPTA

Director (Finance)
(w.e.f. 07.09.2021)

with additional charge of Director (Human Resources)
(w.e.f. 01.01.2022)



N. VIJAYAGOPAL

Director (Finance)
(up to 31.07.2021)



SANJAY KHANNA

Director (Refineries)
(w.e.f. 22.02.2022)



GUDEY SRINIVAS

AS&FA, Ministry of Consumer Affairs, Food &
Public Distribution, Financial Adviser, MoP&NG
(w.e.f. 13.10.2021)



RAJESH AGGARWAL

Additional Secretary & Financial
Adviser, MoP&NG
(up to 22.09.2021)



SUMAN BILLA

Principal Secretary (Industries & NORKA)
Govt. of Kerala
(w.e.f. 16.03.2022)



DR. K. ELLANGO VAN

Principal Secretary (Industries & NORKA)
Govt. of Kerala
(up to 31.01.2022)



HARSHADKUMAR P. SHAH

Independent Director
(up to 15.07.2022)



**PRADEEP
VISHAMBHAR AGRAWAL**

Independent Director
(w.e.f. 12.11.2021)



GHANSHYAM SHER

Independent Director
(w.e.f. 12.11.2021)



DR. (SMT.) AISWARYA BISWAL

Independent Director
(w.e.f. 12.11.2021)



**PROF. (DR.) BHAGWATI
PRASAD SARASWAT**

Independent Director
(w.e.f. 12.11.2021)



GOPAL KRISHAN AGARWAL

Independent Director
(w.e.f. 12.11.2021)





(L to R) : Mr. Sanjay Khanna, Director (Refineries)

Mr. Arun Kumar Singh, Chairman & Managing Director with additional charge of Director (Marketing)
Mr. Vetsa Ramakrishna Gupta, Director (Finance) with additional charge of Director (Human Resources)

BANKERS

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

AUDITORS

Kalyaniwalla and Mistry LLP
Chartered Accountants
2nd Floor, Esplanade House,
29, Hazarimal Somani Marg,
Fort, Mumbai – 400 001

K.S. Aiyar & Co
Chartered Accountants
F-7, Laxmi Mills Compound
Shakti Mills Lane,
Off Dr. E.Moses Road,
Mahalaxmi, Mumbai – 400 011

SHARE TRANSFER AGENT

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

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MANAGEMENT TEAM

Meenaxi Rawat	Chief Vigilance Officer	Pankaj Kumar	Chief General Manager (Corporate Treasury)
Sukhmal K. Jain	Executive Director I/C (Marketing Corporate)	Pardeep Goyal	Head CGD Projects (Gas BU)
Amit Garg	Executive Director (Aviation)	Pushp Kumar Nayar	Head (Retail), South
D. V. Mamadapur	Executive Director (International Trade)	R. Sundaravadhanan	Head Business Process Excellence Centre (BPEC)
G. Krishnakumar	Executive Director (Lubes)	Radhakrishnan S	CFO, BORL
K. Ajith Kumar	Executive Director (Kochi Refinery)	Rahul Tandon	Head CGD Marketing (Gas)
Kurian Parambi	Executive Director (HR)	Rajashekar K.	Chief General Manager (Inspection), Kochi Refinery
L. R. Jain	Executive Director I/C (E&P)	Rajeev C	Chief General Manager Technical, BR
M. A. Khan	Executive Director (Corporate Coordination & Development)	Rajeev Jaiswal	Chief General Manager Sales Strategy (Retail), HQ
M. R. Subramoni Iyer	Executive Director (Mumbai Refinery)	Rajiv Dutta	Head (Retail), North
Manoj Heda	Executive Director (Corporate Finance)	Ramakrishnan N.	Chief General Manager (Finance), Mumbai Refinery
N. Shukla	Executive Director (Planning)	Ramakrishnan T. N.	Chief General Manager Rural Initiatives (Retail)
P. Anilkumar	Executive Director (Gas Business Unit)	Ranjan Nair	Regional LPG Manager, North
P. K. Ramanathan	Executive Director Logistics & Ops. (LPG), HQ	Ravi L	On Deputation To BORL BINA
P. S. Ravi	Executive Director I/C (Retail)	Ravi R. Sahay	Regional LPG Manager, South
P. Sudhakar	Executive Director (Marketing Corporate)	Ravikumar V.	Chief General Manager I/C (R&D)
P. V. Ravitej	Executive Director I/C (Refineries Projects)	Ravindra V. Deshmukh	Chief General Manager (OCC), HQ
Priyotosh Sharma	Chief Procurement Officer (CPO Marketing)	S. B. Nivendkar	State Level Co-ordinator (Oil Industry), Maharashtra
R. P. Natekar	Executive Director I/C (Planning & Corporate Affairs)	S. Dhanapal	Chief General Manager Ops. & Logistics (LPG), HQ
R. R. Ghalsasi	Executive Director (Refineries Projects Org.)	S. Kannan	Regional Manager (Lubes), South
S. Srinivasan	Executive Director Sales (I&C), HQ	S. Mehreshi	Chief General Manager (IS), Kochi Refinery
Sanjeeb K. Paul	Executive Director Biofuels & Major Projects (E&P), HQ	S. S. Sontakke	Head LNG Marketing (Gas)
Sanjeev Agrawal	Executive Director (Engg. & Automation Retail), HQ	Saibal H. Mukherji	State Head (Retail), Uttar Pradesh
Santosh Kumar	Executive Director I/C (LPG)	Sanjeev Kumar	State Head (Retail), Karnataka
Subikash Jena	Executive Director I/C (I&C)	Sanjeev Raina	Chief General Manager (Corporate HSSE)
T. Peethambaran	Executive Director (IS & Digital Business)	Sarah Thomas	Chief General Manager (HR), Kochi Refinery
Teresa Naidu	Executive Director (Internal Audit)	Senthilkumar G.R.	Chief General Manager Technology, Kochi Refinery
Abhay Shah	Chief General Manager Marketing I/C (Lubes), HQ	Shankar N. Karajagi	Head Channel Partner Management (New Business)
Akash Tiwari	State Head (I&C), Maharashtra - 1	Shelly Abraham	Head (Renewable Energy)
Akshay Wadhwa	Head (Retail), West	Sreekumar R.	Chief General Manager I/C (SCO)
Anil Ahir	Chief General Manager (HRS), CO	Sreeram A.N.	Chief Procurement Officer (Refineries)
Anurag Saraogi	Chief General Manager Biofuels (Retail), HQ	Srikanth S.	Chief General Manager (SCO)
Arul Muthunathan V.	Regional Manager (Gas), West	Sriram S.	Chief General Manager (Engg. & Advisory Services), Kochi Refinery
B. L. Newalkar	Chief General Manager (R&D)	Subhankar Sen	Chief General Manager (Retail Initiatives & Brand), Retail HQ
Biju Gopinath	Head, New Businesses	Subhasis Mukherjee	Chief General Manager (Internal Audit)
Chacko M. Jose	Chief General Manager (Operations), Kochi Refinery	Suresh John	Chief General Manager (Refineries Projects Org.), Kochi Refinery
Chandrasekhar N.	Chief General Manager (Operations), Mumbai Refinery	Syed Abbas Akhtar	Chief General Manager (PR & Brand)
D. Parthasarthy	Chief General Manager (HRD)	T. V. Pandiyan	Regional LPG Manager, West
Debashis Ganguli	Chief General Manager (P&AD), Lubes	T. V. Rama Rao	Chief General Manager IS & Digital Strategy I/C (MR & KR), Mumbai Refinery
Debashis Naik	Head (Retail), East	V. R. Rajan	Chief General Manager Manufacturing, Mumbai Refinery
Dinabandhu Mandal	Chief General Manager Logistics I/C (Retail), HQ	V. Srividya	Chief General Manager (Retail), HQ
Geeta V. Iyer	Chief General Manager (Finance), Kochi Refinery	Vijay N. Tilak	Chief General Manager Planning
Inderjit Singh	Head Supply Chain Management (Lubes)	Aidaphi Giri Saxena	General Manager I/C (ESE)
K. Ravi	Chief General Manager Rural Initiatives (Retail), HQ	Anu Mohla	General Manager I/C (Legal), HQ
Kani Amudhan N.	Chief General Manager Pipelines (Ops. & Projects)	Kala V.	Company Secretary
M. Sankar	Chief General Manager Manufacturing, Kochi Refinery	R. C. Agarwal	General Manager I/C (CMR0)
Mahadevan Easwaran S.	Chief General Manager (IS)	R. D. S. Dhillon	Head (Project Anubhav)
Mathews M. John	Chief General Manager Technology, Mumbai Refinery	Rajiva R. Mandal	General Manager I/C Vigilance
Nikhil K. Singh	Chief General Manager Sales & LPG Marketing Strategy, HQ	Sameet Pai	General Manager (Corporate Strategy)
P. K. Bhowmick	Chief General Manager (E&AS, Projects & Proj. Procurement), Mumbai Refinery		



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

