



# LEADING THE CHANGE

Annual Report 2022-23

# LEADING THE CHANGE

The year bygone exposed the delicate global interdependencies of the energy world.

Amid the geopolitical strife due to Russia-Ukraine war that jolted the entire world, we not only steered our ship deftly through the troubled waters, but also masterfully docked our ship by achieving the highest-ever physical performance in our corporate history.

This accomplishment was an outcome of adroit handling of the situation and making the best out of the prevailing circumstances through measures guided by foresight and keen business acumen. Our refinery operations were optimized, and we strategically diversified our crude oil sources to reduce the adverse impact of global price volatility in crude oil. These proactive actions made it possible for us to tide over the seemingly unsurmountable challenge, and enabled us to maintain seamless availability of fuel and petroleum products for the nation.

India has emerged as a powerhouse of global economic growth and is witnessing a rising energy demand. We are making large commensurate investments to fuel this growth momentum.

Walking on the path of an ambitious energy transition, we have crafted a blueprint for a more resilient and efficient core business and to build a substantial portfolio of sustainable energy. We are leading this change by leveraging innovation and cutting-edge technology to step up our multi-pronged efforts in this direction.

We are tapping into the profound synergies of integrating refinery and petrochemical operations. We are also helping in the unfolding of an era of sustainable transportation, which is one of the key pillars of climate action. And our rural push in consumer retailing is kindling tantalizing entrepreneurial possibilities for women folk in the hinterland of the nation.

India is a hotbed of new-age entrepreneurship, and ambitious young Indians are eager to make their presence felt nationally and globally. Acting as a catalyst to lead this change, we are nurturing and guiding promising startups to enable them to reach their full potential.

We are captivated by the faith and allegiance of our customers, which is a reflection of our steadfast dedication to constantly delight them with novel and enhanced experiences.


Today's world is characterized by the speed of change, and we are snapping up opportunities and turning them to our advantage through agility and prudence. And by changing intrinsically and adapting to new realities, we strive to be at the forefront of leading the change.



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# CHAIRMAN'S LETTER

Dear Shareholders,

I am delighted to present to you the Annual Report of Bharat Petroleum Corporation Limited (BPCL) for FY 2022-23. Even as we navigate a challenging business environment, our focus continues to be professionalism and good governance in all aspects of our business. This is reflected in the excellent operational performance by all business units during the year and the sharp turnaround in the financial results in the latter part of the year, after being severely impacted by global headwinds in the first half of FY 2022-23.

The domestic economy's resilience through the crisis of a once-in-a-century pandemic followed by the geopolitical crisis has been remarkable. While most of the major economies continue to grapple with fiscal challenges, India has been an oasis of growth and stability. India was second biggest contributor to world growth in 2022.

Our economy grew at 7.2% in FY 2022-23, and the domestic consumption of petroleum products grew at 10.6%. You will be pleased to know that your company recorded the highest-ever market sales of 48.92 MMT in the year, as against 42.51 MMT in the comparative period, registering a growth of 15%. With a market share of 25%, we retained our position as the second-largest Oil Marketing Company during the year. Our refineries supported the marketing efforts by recording the highest-ever throughput of 38.53 MMT in FY 2022-23, at a capacity utilization of 109%.

Our revenue from operations rose to all-time high of ₹5.3 trillion as against ₹4.3 trillion in the previous year, making us the sixth-largest company across all categories in the country by turnover. BPCL's colors shine brightest when it meets challenges head on. In this challenging year which was marred by suppressed marketing margins on certain petroleum products, our robust refineries achieved their all-time high Gross Refining Margins (GRMs) at \$20.24/bbl, highest amongst the PSU Oil Marketing Companies.



The year's financial performance was volatile with two-quarters of losses, but these were put behind with a record-breaking performance in the fourth quarter, with standalone profit rising 159% year-on-year and 231% quarter-on-quarter to ₹64.78 billion. For the year as a whole, the company posted a standalone net profit of ₹18.70 billion as compared to the restated profit of ₹113.63 billion in FY 2021-22.

India is increasingly assuming a leadership role in the comity of nations. The country's democratic fabric, consistent economic growth and focus on sustainability are receiving acclaim globally. Having become the 5<sup>th</sup> largest economy in the world, the country is well on course to becoming a \$10 trillion economy by 2035. As the industrialization and urbanization in India gathers



pace in the coming years, the overall energy demand will keep increasing in the foreseeable future. There is potential for India's share of global oil demand to rise to 11% in the coming years from around 5% currently. A burgeoning middle class will be looking for innovative solutions for their energy requirements. India's ambitious goal of attaining net-zero emissions by 2070, combined with its strong determination to become Aatmanirbhar in energy by 2047, is set to accelerate the adoption of cleaner and more efficient energy solutions. This opens up significant economic opportunities for the companies operating in the energy sector.

With the existing diverse portfolio of products and services, and our strategic aspirations centered on the principles of *Nurturing the Core* – refining, upstream and marketing of petroleum products; and *Investing in future big bets* – petrochemicals, gas, non-fuel, green energy and digital, the company is well positioned to play a critical role in the energy landscape of India and to increase its global footprints. The strategy aligns with the company's plan to achieve net-zero emissions by 2040 in Scope 1 and Scope 2. These aspirations, with a planned capex outlay of around ₹1.5 lakh crore in the next five years, will enable us to create long-term value for our stakeholders while preserving our planet for future generations.

The merger of Bharat Oman Refineries Limited (BORL) with BPCL, executed flawlessly this year, has not only bolstered our core refining and marketing businesses but also laid a robust foundation for our ambitious ventures in the petrochemical industry.

I am delighted to share the wonderful news of our recent finalization of the Ethylene Cracker Project at Bina. With a staggering investment of ₹490 billion, this project marks a historic milestone as the largest single investment in BPCL's illustrious history. The project also involves brownfield expansion of the Bina refinery capacity from 7.8 MMTPA to 11 MMTPA, to primarily cater to the feed requirements of petrochemical plants. This project will drive the production of essential petrochemicals, increasing the share of petrochemicals in the company's product portfolio to about 8%. This investment fits well with the government's mission

to make India a self-reliant and globally competitive petrochemical manufacturing hub.

The disruptions in the global energy supply chain and the soaring oil prices have brought the issue of supply security to the fore - not just for your company but for the country as well. The Company will continue its focus and efforts on the upstream Oil & Gas projects, particularly to enable earliest monetization of the discoveries made in Mozambique and Brazil. The initial 2-Train LNG Project in Area 1, Mozambique which is the first step towards unlocking the world-class gas resources of approximately 63 Trillion Cubic Feet in which BPCL holds 10% stake, is poised to resume operations in the latter part of 2023. We are confident that this will propel us to new heights on the energy frontier.

During the year, the Company strategically fortified its gas portfolio by seamlessly integrating Bharat Gas Resources Limited (BGRL) through the merger. We are steadfastly working towards development of the City Gas Distribution network with a capital outlay of over ₹375 billion.

To strengthen the supply chain and streamline the distribution of essential petroleum products, the Company is investing around ₹27.53 billion in Petroleum Oil Lubricants and Lube Oil Base Stock installations at Rasayani in Maharashtra and product pipeline from its Mumbai Refinery to Rasayani.

I am happy to share that we are investing almost ₹10 billion to set up two 50MW captive wind power plants in Maharashtra and Madhya Pradesh to support our refineries in Mumbai and Bina. Feasibility studies are in progress for additional energy projects in wind and solar. Aligning with the government's efforts towards boosting Green Hydrogen capacity, we are also setting up a Green Hydrogen Plant at Bina Refinery to meet the hydrogen requirements of the refinery.

Significant initiatives are being taken on the sustainable mobility front. We have launched an initiative to offer electric vehicle charging stations at around 7,000 energy stations over the next five years to support and accelerate growth of electric vehicles (EV) in the country. Several highways have already been covered under our Fast-

Charging EV Corridors. We are actively working on Sustainable Aviation Fuel. Having achieved 10.6% ethanol blending in petrol in this year, we plan to increase the blending to 12% in the FY 2023-24 and endeavor to reach 20% blending by 2025. To support this initiative and to ensure availability of ethanol across the country, the company more than doubled its Ethanol storage capacity to 112 TKL in the last financial year. We have started selling biodiesel-blended diesel, and the ratio of blending is bound to go up in the coming months. Sale of Compressed Bio-Gas was commenced from 41 retail outlets, and over 300 Letters of Intent were issued for a total production of over 5 lakh TPA of Compressed Bio-Gas.

Your company has been on a massive digital transformation exercise over the last few years. Digitisation, machine learning, and artificial intelligence are being adopted across the company's activities, from refinery operations to supply-chain management to receiving and processing orders from retail and industrial customers. End-consumers are getting the best customer experience across all touch points through the 'Hello BPCL' platform, which now has more than 3 million registered users and a footprint of 100,000 customers per day. Our UPI-based solution, Ufill, has also found good traction. The Corporation endeavors to integrate more operations and services through technological solutions.

Human Resource is the most important asset of this organization. With the largest young work force in the world, India is a breeding ground for bright and enthusiastic minds. Identifying resources capable of adapting to new technologies, assisting them in filling skill gaps and grooming them to becoming good leaders is a priority of BPCL. The combination of a technically sound work force with an ability to adapt to modern technology will yield rich dividends to the company. Demonstrating true care for the welfare of our workforce is firmly embedded in the value system of the organization.

Fostering a healthy climate for entrepreneurship by supporting startups has been another contribution by BPCL to unearth and channelize inherent talents.

BPCL is committed towards upliftment of society and the underprivileged. Our thrust areas for social development are education, skill development, water conservation and community development, and healthcare.

Dear shareholders, the current financial year will be equally challenging, as the external environment remains dynamic with the reshaping of the world order. It will be interesting to observe how production cuts by some OPEC+ members and the expected slowdown in advanced economies counteract each other. Yet, each challenge offers an opportunity to innovate and evolve. As demonstrated in the last financial year, we will continue to be agile, putting customers and people at the center of our actions. Ensuring safe and reliable operations will always remain paramount in all our actions.

I would like to thank the Ministry of Petroleum & Natural Gas for their unflinching support and guidance in all our activities. I am thankful to my colleagues on Board of Directors for providing astute leadership to the organization. I would like to take the opportunity to thank various State Governments, our channel partners, customers, vendors, bankers and our employees for their sustained support that has been instrumental in BPCL having another very successful year. To all our shareholders, thank you for the faith you have placed in BPCL.

I would like to end with a quote "Be the change that you wish to see in the world". We have envisioned a much bigger and much brighter tomorrow and I assure you that we will be the change catalyst in our collective effort to realize our aspirations.



**Krishnakumar Gopalan**  
Chairman & Managing Director

# BOARD OF DIRECTORS



**KRISHNAKUMAR GOPALAN**  
Chairman & Managing Director  
(w.e.f. 17.03.2023)



**ARUN KUMAR SINGH**  
Chairman & Managing Director  
(up to 31.10.2022)  
Additional charge as Director (Marketing)  
(up to 21.08.2022)



**VETSA RAMAKRISHNA GUPTA**  
Director (Finance)  
Additional charge as Chairman & Managing Director  
(from 01.11.2022 up to 17.03.2023), Additional charge  
as Director (Human Resources) (up to 30.04.2023)



**SANJAY KHANNA**  
Director (Refineries)



**SUKHMAL KUMAR JAIN**  
Director (Marketing)  
(w.e.f. 22.08.2022)



**RAJKUMAR DUBEY**  
Director (Human Resources)  
(w.e.f. 01.05.2023)



**KAMINI CHAUHAN RATAN**  
AS&FA, MoP&NG  
(w.e.f. 21.12.2022)



**YATINDER PRASAD**  
JS&FA, MoP&NG  
(w.e.f. 29.10.2022 up to 19.12.2022)



**GUDEY SRINIVAS**  
AS&FA, Ministry of Consumer Affairs & Food  
& Public Distribution, Financial Adviser,  
MOP&NG (up to 25.09.2022)



**SUMAN BILLA**  
Principal Secretary,  
(Industries & NORKA)  
Government of Kerala



**HARSHADKUMAR P. SHAH**  
Independent Director  
(up to 15.07.2022)



**PRADEEP VISHAMBHAR AGRAWAL**  
Independent Director



**GHANSHYAM SHER**  
Independent Director



**DR. AISWARYA BISWAL**  
Independent Director



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



**GOPAL KRISHAN AGARWAL**  
Independent Director



**DR. SUSHMA AGARWAL**  
Independent Director  
(w.e.f. 10.03.2023)



(L to R) : Mr. Rajkumar Dubey, Director (Human Resources), Mr. Sanjay Khanna, Director (Refineries), Mr. Krishnakumar Gopalan, Chairman & Managing Director, Mr. Vetsa Ramakrishna Gupta, Director (Finance), Mr. Sukhmal Kumar Jain, Director (Marketing)

#### **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 & 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

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



# MANAGEMENT TEAM

<b>Meenaxi Rawat</b>	Chief Vigilance Officer
<b>Abhai Raj Singh Bhandari</b>	Executive Director (Kochi Refinery)
<b>Chacko M Jose</b>	Executive Director (Bina Refinery)
<b>D V Mamadapur</b>	Executive Director (LPG)
<b>Dinabandhu Mandal</b>	Executive Director Ops. & Logistics (Retail)
<b>Kani Amudhan N</b>	Executive Director (Aviation)
<b>M R Subramoni Iyer</b>	Executive Director I/C (Mumbai Refinery)
<b>Manoj Heda</b>	Executive Director (ITRM)
<b>N Shukla</b>	Executive Director (Corporate Planning)
<b>P Anilkumar</b>	Executive Director I/C (Gas)
<b>P Sudhahar</b>	Executive Director (Lubes)
<b>P K Bhowmick</b>	Executive Director E&AS, Projects & Proj.Procurement (MR)
<b>P S Ravi</b>	Executive Director (Corporate Entities) up to 31.07.23
<b>P V Ravitej</b>	Executive Director I/C (Refineries Projects)
<b>Pankaj Kumar</b>	Executive Director (Corp. Finance) with addl. charge of Corp. Affairs
<b>Pardeep Goyal</b>	Executive Director (Pipelines)
<b>Priyotosh Sharma</b>	Chief Procurement Officer (CPO Mktg.)
<b>Pushp Kumar Nayar</b>	Executive Director (HRD)
<b>R R Ghalsasi</b>	Executive Director (Refineries Projects Org.)
<b>Ramakrishnan N</b>	Executive Director (IIS)
<b>Sanjeeb Kumar Paul</b>	Executive Director (Engg. & Projects)
<b>Sanjeev Agrawal</b>	Executive Director (Corporate Marketing)
<b>Santosh Kumar</b>	Executive Director I/C (Retail)
<b>Subikash Jena</b>	Executive Director I/C (I&C)
<b>Teresa Naidu</b>	Executive Director (Internal Audit)
<b>A N Sreeram</b>	Chief Procurement Officer (Refineries)
<b>Achman Trehan</b>	State Head (Retail), AP & Telangana
<b>Akash Tiwari</b>	Chief General Manager Marketing (Lubes)
<b>Akshay Wadhwa</b>	Chief General Manager Marketing (LPG)
<b>Anil Ahir</b>	Head (Retail Engg. & Technology), HQ
<b>Anoop Taneja</b>	State Head (Retail), Karnataka
<b>Anurag Saraogi</b>	Chief General Manager Biofuels, (Retail), HQ
<b>Arul Muthunathan V</b>	Head (Gas), West
<b>Arun Kumar Das</b>	Head (HSSE), Refineries
<b>Ashish I Nainani</b>	Chief General Manager (IS)
<b>Atul Kumar</b>	Managing Director (Sabarmati Gas Ltd.)
<b>B L Newalkar</b>	Chief General Manager (R&D)
<b>Biju Gopinath</b>	Head (New Businesses)
<b>C Rajeev</b>	Chief General Manager (Technical), BR
<b>D Parthasarthy</b>	Chief General Manager (HRS)
<b>Debashis Ganguli</b>	Chief General Manager (P&AD), Lubes
<b>Debashis Naik</b>	Head (Retail), East
<b>Elis George</b>	Chief General Manager (HRD), CO
<b>Geeta Venkatesh Iyer</b>	Chief Financial Officer (RRPCL)
<b>Inderjit Singh</b>	Chief General Manager SCM (Lubes)
<b>K K Das</b>	Chief General Manager (Manufacturing), KR
<b>K Naveen Chander</b>	Chief General Manager (Refinery Projects Org.)
<b>K Rajashekar</b>	Chief General Manager (Inspection) KR
<b>K Ravi</b>	CGM Rural Initiatives (Retail), HQ up to 31.07.23
<b>K Ravi</b>	Chief General Manager (Refinery Projects Org.)
<b>Kamal Kant</b>	Chief General Manager (Finance), MR
<b>L Ravi</b>	Chief General Manager (Manufacturing), BR
<b>M Sankar</b>	Chief General Manager I/C (Operations), KR
<b>Mahadevan Easwaran S</b>	Chief General Manager (IS)
<b>Manoj K</b>	Chief General Manager (Bio fuels & Major Projects), E&P
<b>Manoj Menon</b>	Chief General Manager Sales (I&C)

<b>Mathews M John</b>	Chief General Manager (Technology), MR
<b>Mohit Bhatia</b>	CEO (Haridwar Natural Gas Pvt Ltd)
<b>N Chandrasekhar</b>	Chief General Manager (Operations), MR
<b>Nikhil K Singh</b>	Chief General Manager (Co-Ordination)
<b>P Raman</b>	Director (CHT) up to 31.07.23
<b>Pawan Kumar</b>	Director (Commercial), IGL
<b>Peter M Gantzer</b>	Team Leader (Analytics), Digital Business
<b>Prasanth V Kamath</b>	Chief Executive Officer (BSSPL) up to 30.06.23
<b>R C Agarwal</b>	Chief General Manager, On Deputation To CHT
<b>R K Voolapalli</b>	Chief General Manager I/C (R&D)
<b>R Krishnaprasad</b>	Chief General Manager Coordination (Retail)
<b>R Sundaravadhanan</b>	Head Business Processing Excellence Centre (BPEC)
<b>Radhakrishnan S</b>	Chief General Manager (Finance), BR
<b>Rahul Tandon</b>	Chief General Manager Marketing (Retail)
<b>Rajeev Jaiswal</b>	Head (Retail), South
<b>Rajiv Dutta</b>	Head (Retail), North
<b>Ranjan Nair</b>	Head (LPG), North
<b>Ravi R Sahay</b>	Head (LPG), South
<b>Ravindra V Deshmukh</b>	Chief General Manager (QCC) up to 30.06.23
<b>Rouf Mohd Khan</b>	Head (Gas), East
<b>S Abbas Akhtar</b>	Chief General Manager (PR & Brand)
<b>S Suresh</b>	Chief General Manager (Maintenance), MR
<b>S B Nivendkar</b>	State Level Co-Ordinator (Oil Industry), Maharashtra
<b>S C Gupta</b>	Deputy Adviser On Deputation - PNGRB
<b>S Dhanapal</b>	Chief General Manager (QCC)
<b>S Kannan</b>	Head (Lubes), South
<b>S O Kakan</b>	Chief General Manager (Ops Pipelines), HQ
<b>S S Santakke</b>	Chief General Manager (Sourcing, Logistics & Sales), Gas
<b>S Sriram</b>	Chief General Manager (Engg. & Advisory Services), KR
<b>Saibal H Mukherji</b>	State Head (Retail), Uttar Pradesh
<b>Sandeep Srivastava</b>	Chief General Manager Logistics & Ops. (LPG)
<b>Sanjay Kumar Suri</b>	Chief General Manager Liaison & Co-ordination (Marketing Corporate)
<b>Sanjeev Kumar</b>	Chief General Manager Marketing (I&C)
<b>Sanjeev Raina</b>	Chief General Manager (Corporate HSSE)
<b>Sarah Thomas</b>	Chief General Manager (HR), KR
<b>Satheesh Kumar K P</b>	Chief General Manager (CMRO)
<b>Senthilkumar G R</b>	Chief General Manager (Technology), KR
<b>Shankar N Karajagi</b>	Head Channel Partner Management (New Business)
<b>Shelly Abraham</b>	Head (Renewable Energy)
<b>Sreekumar R</b>	Chief General Manager I/C (SCO)
<b>Srikanth S</b>	Chief General Manager (Vigilance)
<b>Subhankar Sen</b>	Head (Retail), West
<b>Subhasis Mukherjee</b>	Chief General Manager (Internal Audit)
<b>Sunil K Bains</b>	Director (Commercial), CUGL Kanpur
<b>Suresh John</b>	CGM(Refineries Projects Org.), KR up to 31.07.23
<b>T.V Karunanidhi</b>	Chief General Manager (SCO)
<b>T V Pandiyan</b>	Chief General Manager Marketing (Gas)
<b>U S N Bhat</b>	Chief General Manager, On Deputation To BPRL
<b>V R Rajan</b>	Chief General Manager I/C (IS & Digital Strategy), MR, KR & BR
<b>V Srividya</b>	Chief General Manager (Corporate Treasury)
<b>Vijay Narsimha Tilak</b>	Chief General Manager (Corporate Planning)
<b>Aidaphi Giri Saxena</b>	General Manager I/C (ESE)
<b>Anu Mohla (Ms.)</b>	General Manager I/C (Legal) up to 30.06.23
<b>Kala V</b>	Company Secretary
<b>Sameet Pai</b>	General Manager (Corp. Strategy), CO

# VISION

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- 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

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- **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

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- 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

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- 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