Bharat Petroleum Corporation Limited

Bharat Petroleum

Annual Report 2005-2006

ANNUAL REPORT
2005-2006

Bharat Petroleum



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Expanding Horizons

We've evolved a strong vision
with ambitious targets set for the years ahead.

Using our inherent strengths, our endeavour is to explore
the range of opportunities available on the global canvas,
making successful forays into new ventures.

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Harnessing our brand equity,
we've gained an enviable reputation in the market,
addressing the diverse needs of our customers.

With consolidation as our cornerstone,
our focus continues to be on value addition
in all our activities.

Stimulating creativity at different levels
has resulted in excelling beyond the ordinary
and reaching new horizons, using cutting edge technology
to translate our vision into reality.

BPC . . . . . .passion to go beyond !

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BOARD OF DIRECTORS



ASHOK SINHA
Chairman & Managing Director
Chairman & Managing Director (I/C)
(upto 18.8.2005)



S. A. NARAYAN
Director
(Human Resources)



S. RADHAKRISHNAN
Director (Marketing)



S. K. JOSHI
Director (Finance)
(w.e.f. 8.3.2006)



R. K. SINGH
Director (Refineries)
(w.e.f. 8.3.2006)



M. ROHATGI
Director (Refineries)
(upto 30.9.2005)



M. S. SRINIVASAN
Special Secretary,
Ministry of Petroleum &
Natural Gas
(upto 16.6.2005)



P. K. SINHA
Joint Secretary &
Financial Advisor,
Ministry of Petroleum &
Natural Gas
(w.e.f. 21.2.2006)



AJAY TYAGI
Joint Secretary,
Ministry of Petroleum
& Natural Gas
(w.e.f. 21.4.2005)



ADITI S. RAY
Economic Advisor,
Ministry of Petroleum
& Natural Gas
(w.e.f. 21.4.2005
upto 21.2.2006)



P. C. SEN



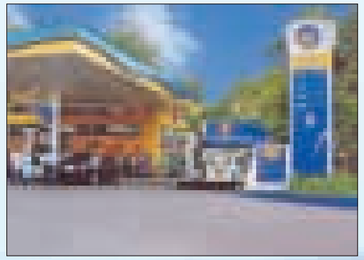
A.H. KALRO



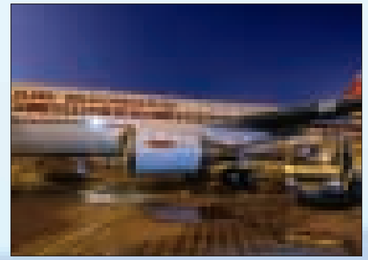
V.D.GUPTA

N. VISWAKUMAR
Company Secretary

GROUP PERFORMANCE HIGHLIGHTS



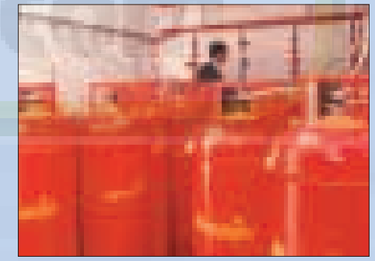
BPC on the Fortune Global 500
and Forbes 2000 lists



Sales Turnover
soared by 19.69%
touching Rs. 862.23 billion



Net Profit at Rs. 7.04 billion



BPC recognised as
a Superbrand



Crude throughput increased
to 19.37 MMT



Market sales including exports
progressed to 23.18 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

AUDITORS

V. SANKAR AIYAR & CO.

REGISTERED OFFICE

BHARAT BHAVAN,
4 & 6 CURRIMBHOY ROAD,
BALLARD ESTATE,
MUMBAI 400 001.

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

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MANAGEMENT TEAM

Mr. A. K. Bansal	Executive Director (Corporate Affairs)
Mr. B. K. Datta	Executive Director, Mumbai Refinery
Mr. B. K. Menon	Advisor (Exploration & Production)
Mr. C. K. Sengupta	Executive Director (International Trade)
Mr. D. M. Reddy	Executive Director (Human Resource Services)
Mr. J. Ravichandran	Executive Director (Audit)
Mr. K. K. Gupta	Executive Director (Lubes)
Mr. P. S. Bhargava	Executive Director (Quality Control Cell)
Mr. S. Chatterjee	Executive Director (Industrial & Commercial)
Mr. S. Krishnamurti	Executive Director (Retail)
Mr. S. K. Jain	Executive Director (LPG)
Mr. S. Mohan	Executive Director (Human Resources Development)
Mr. S. P. Gathoo	Executive Director (Integrated Information Systems)
Mr. Cherian Punnoose	Advisor (Finance), Kochi Refinery
Mr. A. C. Sen	General Manager (Health, Safety & Environment)
Mr. Anurag Deepak	General Manager (Industrial Business Development)
Mr. Arjun Hira	General Manager (Retail), North
Mr. A. R. Sarkar	General Manager (Materials)
Mr. Amitabha Sengupta	General Manager (Personnel & Administration), Mumbai Refinery
Mr. A. S. Bhatia	General Manager (Retail) East
Mr. D. Rajkumar	General Manager (Exploration & Production)
Ms. Dipti Sanzgiri	General Manager (Finance & Internal Coach), Retail
Mr. E. Nandakumar	General Manager (Projects), Kochi Refinery
Mr. G. S. Baveja	General Manager (Administration)
Mr. John Minu Mathew	General Manager (Technical & Development), Kochi Refinery
Mr. J. S. Sokhi	General Manager (Retail Initiatives) Headquarters
Mr. K. N. Ravindran	General Manager (Operations), Kochi Refinery
Mr. K. V. Seshadri	General Manager (Operations), Mumbai Refinery
Dr. M. A. Siddiqui	General Manager (Research & Development)
Mr. M. J. Mohan	General Manager (Human Resources), Kochi Refinery
Mr. M. K. Kaul	General Manager (Engineering & Advisory Services), Mumbai Refinery
Mr. Manmohan Singh	General Manager (Engineering & Projects)
Mr. N. Nandakumaran	General Manager (In-Charge), Kochi Refinery
Mr. N. S. Ramu	General Manager (Retail), South
Mr. N. Viswakumar	Company Secretary
Mr. Pallav Ghosh	General Manager (Retail) Headquarters
Mr. R. K. Mehra	General Manager (Logistics)
Ms. Sumita Bose Roy	General Manager (International Trade)
Mr. S. Chandramohan	General Manager (Finance), Mumbai Refinery
Mr. S. K. Mathur	General Manager (Coordination)
Mr. S. P. Mathur	General Manager (Aviation)
Mr. S. Ramesh	General Manager (Retail), West
Mr. S. Varadarajan	General Manager (Corporate Treasury)
Mr. U. N. Joshi	General Manager (Planning)
Mr. Vinod Giri	General Manager (Marketing Coordination)
Mr. V.K. Agrawal	General Manager (Refinery Modernisation), Mumbai Refinery
Mr. S.K. Agrawal	Dy. General Manager (Legal)
Mr. M. M. Somaya	Dy. General Manager (Public Relations & Brand)
Ms. Madhu Sagar	Dy. General Manager (Employee Satisfaction Enhancement)

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 53rd Annual General Meeting of the Shareholders of Bharat Petroleum Corporation Limited (BPC) will be held in the Y.B.Chavan Auditorium, at Yeshwantrao Chavan Pratishthan, General Jagannath Bhosale Marg, Mumbai 400 021, on Monday, 18th December 2006 at 10.30 a.m. to transact the following Ordinary Business and Special Business:

A. Ordinary Business

1. To receive and adopt the Directors' Report alongwith the addendum thereto and the Report on Corporate Governance, the Audited Profit & Loss Account for the year ended 31st March, 2006 and the Balance Sheet as at that date along with the Report of the Statutory Auditors and the Comments of the Comptroller & Auditor General of India.

2. To declare dividend.

3. To appoint a Director in place of Shri V. D. Gupta, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri V. D. Gupta, being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Shri P. C. Sen, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri P. C. Sen, being eligible, offers himself for re-appointment.

5. To appoint a Director in place of Prof. A. H. Kalro, 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.

6. To fix the remuneration of the Statutory Auditors.

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To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special 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 to be fixed at Rs. 13,50,000, 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 2006-07 and for subsequent years, till further recommendation for increase in the remuneration is approved."

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 Shri. P. K. Sinha, Joint Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas be and is hereby appointed as Director of the Company."

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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 Shri. S. K. Joshi, 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 Shri R. K. Singh, 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 : 17th November 2006

Notes :

1. Explanatory statements under Section 173 of the Companies Act, 1956, in respect of the above items of Special Business and Explanatory Statement in respect of the Special Resolution at Item No. 6 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. 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.

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EXPLANATORY STATEMENTS PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 6 Fixation of the remuneration of the Statutory Auditors

The Remuneration of the Statutory Auditors was fixed, earlier, by the shareholders at the 51st Annual General Meeting held on 30th August 2004 at Rs. 10,00,000, to be shared equally in addition to actual reasonable travelling and out of pocket expenses and applicable service tax. However, consequent to the merger of the erstwhile Kochi Refineries Limited with BPC, the accounts of Kochi Refinery will not be separately published and will have to be merged with the accounts of BPC, thereby increasing the scope and coverage of audit of BPC. Considering the increase in the nature and scope of audit activities, the Audit Committee has recommended increase in the remuneration of the Statutory Auditors, from Rs. 10,00,000 to Rs. 13,50,000, to be paid to the single/joint firm of the Statutory Auditors, in addition to actual reasonable travelling and out of pocket expenses and service tax as applicable, for the year 2006-07 and for subsequent years, till further approval of the shareholders for increase in the remuneration.

None of the Directors are interested or concerned in the Resolution.

Item No.7 Appointment of Director

Shri P. K. Sinha, Joint Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas, was appointed as Additional Director, by the Board of Directors, under Article 77A of the Articles of Association of the Company, with effect from 21st February 2006, in accordance with the directions of the Government of India.

Shri P. K. Sinha, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice, u/s 257 of the Companies Act, 1956, from a member, proposing the name of Shri P. K.Sinha as Director of the Company. A brief resume of Shri P. K. Sinha, 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 P. K. Sinha does not hold any shares in the Company as on the date of appointment. The Directors recommend appointment of Shri P.K.Sinha as Director of the Company.

Except Shri P. K. Sinha, no other Director is interested in the Resolution.

Item No. 8 Appointment of Director

Shri S.K. Joshi was appointed as Additional Director, by the Board of Directors, under Article 77A of the Articles of Association of the Company, with effect from 8th March 2006, in accordance with the directions of the Government of India. Shri S.K.Joshi has further been appointed as Director (Finance) of the Company.

Shri S.K. Joshi, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice, u/s 257 of the Companies Act, 1956, from a member, proposing the name of Shri S.K. Joshi as Director of the Company. A brief resume of Shri S.K. Joshi, as required under Clause 49(IV)(G) of the Listing Agreement, is provided separately in the Corporate Governance Report enclosed to the Directors' Report. The Directors recommend appointment of Shri S.K. Joshi as Director of the Company.

Except Shri S.K. Joshi, no other Director is interested in the Resolution.

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Item No. 9 Appointment of Director

Shri R.K. Singh was appointed as Additional Director, by the Board of Directors, under Article 77A of the Articles of Association of the Company, with effect from 8th March 2006, in accordance with the directions of the Government of India. Shri R.K. Singh has further been appointed as Director (Refineries) of the Company.

Shri R.K. Singh, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice, u/s 257 of the Companies Act, 1956, from a member, proposing the name of Shri R.K. Singh as Director of the Company. A brief resume of Shri R.K. Singh, as required under Clause 49(IV)(G) of the Listing Agreement, is provided separately in the Corporate Governance Report enclosed to the Directors' Report. The Directors recommend appointment of Shri R.K. Singh as Director of the Company.

Except Shri R.K. Singh, 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 : 17th November 2006

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