



ANNUAL REPORT 2014-15

A person stands on the peak of a dark, rocky mountain. The sky above is a vibrant blue and white, with swirling patterns and numerous small white stars, creating a dreamlike or celestial atmosphere. The overall color palette is dominated by shades of blue and white.

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Building the Future of our Aspirations

We are driven by a powerful vision, which has been our guiding force, steering our endeavours on the path of continuous excellence. Armed with a road map for a dynamic future, we have evolved strategic plans, with well defined responsibilities and deliverables, and we are determined to transcend all boundaries, while maximizing business opportunities on a global canvas.

We firmly believe in our ability to succeed, leveraging our core strengths of talent and technology. Customer satisfaction is our stimulant for pioneering initiatives and we go to interminable lengths to exceed their diverse expectations and evolve innovative solutions. In all our pursuits, we never lose sight of our values of nurturing relationships and energising lives.

With a plethora of discoveries in the upstream sector, we continue to establish our presence as a leading player in the entire hydrocarbon value chain.

We take pride in our diligent workforce and their infinite capacity to consistently deliver value, imbued with a passion to achieve lofty goals.

While we emphasize on inclusive growth and sustainable development, we balance economic progress with health, safety, security, environmental care and social responsibility. We stand steadfast in our quest for renewable energies, committed to building a better world for future generations.

Enhancing value for our stakeholders and society is an integral part of our DNA, fortifying our stature as one of the most admired global energy companies.

BPCL . . . fuelling dreams

Chairman's Letter

Dear Shareowners,

It is with immense pride that I place before you the report of the performance of your Company in the financial year 2014-15. Like in the preceding year, the Company has scaled a new peak in terms of profitability. For the first time ever, the profit after tax for the year has crossed the ₹ 5,000 crore profit mark. The profit (after tax) of ₹ 5,084.51 crores represents a 25% leap over the previous year's then record level of ₹ 4,060.88 crores. The gross refining margins generated by the two refineries at Mumbai and Kochi continue to be the highest amongst the PSU refineries.

The outstanding performance on all fronts has resulted in BPCL being bestowed with the 'Leading Oil & Gas Corporate of the Year' and the 'Oil & Gas Marketing Company of the Year' Awards, two of the topmost recognitions accorded by PetroFed in the Indian Oil & Gas Industry. This is the fourth time that BPCL is winning the coveted award as the 'Oil & Gas Marketing Company of the Year.' BPCL has attained the rank of 757 in the Forbes Global 2000 List in 2015, a significant leap from the 1045 rank of 2014. Your Company has thus been able to exceed the expectations of all the stakeholders and we would strive to continue on this growth trajectory.

The capital market has also recognized the performance of the Company with the Company's market capitalization growing at a steady pace over the past ten years. Your Company has recorded the highest growth in market capitalization amongst all



oil companies both in the public and private sectors and provided the maximum return to stakeholders. While all these developments are indeed encouraging, it also reinforces our commitment to continuously create value for all our stakeholders.

The sustained excellence in the performance across the Organisation can be attributed to your unwavering faith, the relentless dedication and determination of all our employees across the Organisation, the commendable co-operation of the dealer and distributor network, the continued support of our customers, bankers, suppliers and contractors, and the steady guidance from Ministry of Petroleum & Natural Gas. Our ability to think big has started yielding results. We have been generating good profits on a consistent basis and this has enhanced our confidence to dream and expand our horizons.

Today, as we stand on the threshold of rapid growth of the economy, there are ample opportunities to grow and spread our wings. The need of the hour is to let our agility propel us forward into the realms of a limitless canvas. During 2013-14, we gained an insight into the thoughts of our employees across levels and disciplines and gauged their aspirations for the future of this great Company through the "Let's Talk" series. These ideas were further deliberated upon, validated by the Senior Management and converted into actionable projects. In the light of the present day business environment, these projects have to be churned to develop a comprehensive pathway that will help in achieving the next wave of growth. Being carefully chosen to leverage people and technology, these themes will culminate into a well integrated Corporate Strategy Document. This has been designated as Project Sankalp – our resolve to take the next giant leap. At the core of Sankalp will be our customers, whose patronage has brought us this far, our people whose deep sense of commitment and sincerity will continue to take this Company to greater heights, path-breaking technology that will be leveraged to weave all the pieces together and the abundant opportunities waiting to be exploited. I am confident that not only will we be able to undertake the large capital expenditure programme that will be needed, but also the projects will deliver immense value to the shareholders.

The uniqueness of Project Sankalp is highlighted by the fact that this will be an in-house initiative planned and driven by BPCians themselves. The abundant talent available in the Company has been leveraged, thus sowing the seeds of ownership and accountability. This has been possible due to our tremendous focus on learning and development in the past few years. Preparing the leadership pipeline and grooming the future generations remains high on our priority list. Almost 200 candidates have been

nominated for Executive Management Programs in leading Management Institutes. Further, 135 candidates have also been exposed to our intensive management program - Excelerator, specially designed in-house by the Talent Development Team to help them meet future challenges and responsibilities.

A significant milestone achieved by the Oil Industry during 2014-15 was the successful implementation of the Direct Benefit Transfer for LPG Scheme. Reintroduced in November 2014 as PAHAL (Pratyaksha Hanstantarit Labh), the scheme has revolutionized the disbursement of LPG subsidy and has been instrumental in reducing the LPG subsidy burden of the Government and ensuring that the same reaches the targeted consumer. Even as the issues identified in the earlier DBTL scheme have been addressed, the modified scheme has simplified the mechanism to provide a hassle-free experience to the consumer. More than 88% of our customers have been covered by the PAHAL Scheme. Further, the "#GiveltUp" campaign initiated by the Government of India, encouraging consumers to surrender their LPG subsidy for Nation Building has been well received and in BPCL alone, more than 4 lakh consumers have given up their subsidy.

I am thankful to each of you for your confidence in our capabilities. We will forever strive to take this great Company to the ultimate pinnacle and create value, far exceeding your expectations. I assure you that BPCL is and will always remain a performance driven institution, delivering on the commitments made to each and every stakeholder.

Warm regards,



S. VARADARAJAN
Chairman & Managing Director

Board of Directors



S. VARADARAJAN
Chairman & Managing Director



K. K. GUPTA
Director (Marketing)



B. K. DATTA
Director (Refineries)



S. P. GATHOO
Director (Human Resources)



P. BALASUBRAMANIAN
Director (Finance)
(w.e.f. 1.4.2014)



NEERAJ MITTAL
Joint Secretary (M),
MOP&NG



SUSHMA TAISHETE
Director (D&MC),
MOP&NG (w.e.f. 19.5.2015)



P. H. KURIAN
Principal Secretary
(Industries & IT), Govt. of Kerala



J. R. VARMA
Director



B. CHAKRABARTI
Director

S. V. KULKARNI
Company Secretary

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
Royal Bank of Scotland

ICICI Bank Ltd.
HDFC Bank Ltd.
State Bank of Travancore
IDBI Bank Ltd.
BNP Paribas
Calyon Bank

Auditors

CNK & Associates LLP
Haribhakti & Co. LLP

Share Transfer Agent

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

Registered Office

BHARAT PETROLEUM CORPORATION LTD.

CIN: L23220MH1952GO1008931

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Phone: 2271 3000 / 4000 Fax: 2271 3874

Email: info@bharatpetroleum.in

Website: www.bharatpetroleum.in

Performance Highlights



- Gross Revenue from Operations is ₹ 2,53,254.86 crores
- Crude throughput increases to 23.36 MMT
- Market Sales including exports is 36.65 MMT
- Net profit soars to ₹ 5,084.51 crores
- Excellence in operations
- Investing in people

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

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 liberalization of the economy to achieve a global presence
- Promote ecology, environmental upgradation and national heritage



(L to R) Mr. P. Balasubramanian, Director (Finance), Mr. S. P. Gathoo, Director (Human Resources),
Mr. S. Varadarajan, Chairman & Managing Director,
Mr. K. K. Gupta, Director (Marketing) and Mr. B. K. Datta, Director (Refineries)