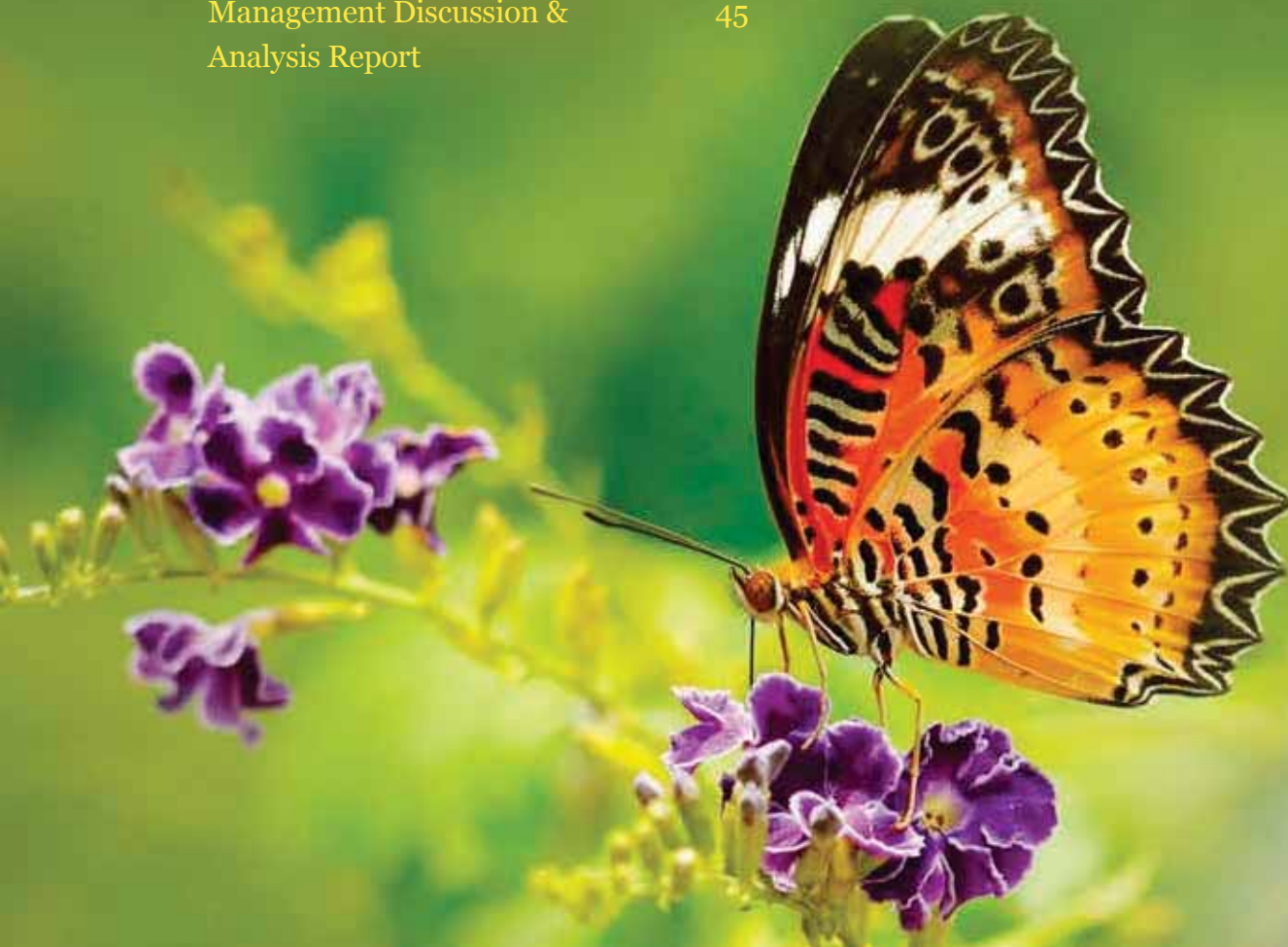




ANNUAL REPORT 2015-16

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Celebrating 40 Years of Sustainable Development

Although we have our roots as the first oil company in the country over a century ago, we started our journey as Bharat Petroleum 40 years ago. We've always traversed on the path of responsible development and we continue to stay true to our goal of being a good corporate citizen, steadfast in our resolve to make the world a better place. With a firm belief in bringing about change in society through concerted collective effort, we have laid special emphasis on inclusive growth and are passionate about social responsibility in all areas of our operations.

Our inspiring vision has been the stimulant for outstanding performance, leveraging technology and an energised workforce. Guided by our blueprint for a glorious future, we have expanded our horizons and explored diverse business opportunities, determined to excel in a dynamic environment.

We relentlessly focus on evincing customer delight in all our endeavours, through pioneering initiatives and a basket of offerings. We strive to retain the competitive edge, while conjuring up real time solutions. We firmly believe in our core strengths of nurturing relationships and energising lives, while augmenting value for our customers and stakeholders.

Our manifold discoveries in the upstream sector, combined with the expertise acquired in operations, has encouraged us to redouble our efforts to establish our presence as a leading player on a global palette.

With sustainable development as our lodestar, we continually accord paramount importance to social responsibility, health, safety, security and environmental care. We also transcend boundaries in our search for renewable energies, creating a brighter future for generations to come.

We are committed to consistently deliver value to our stakeholders and society, benchmarking ourselves against the highest global standards, consolidating our status as one of the most admired world class energy companies.

As we look back on our journey of 40 years, we take pride in our sustained efforts to achieve excellence and improve lives and we pledge to forge ahead with the same passion to make a difference to the people whose lives we touch.

BPCL . . . energizing a better world

Dear Shareowners,

It is indeed a great privilege for me to present the report of the performance of your Company for the year 2015-16. It has been a year when the Company has crossed several milestones. In terms of profitability, BPCL has once again delivered a stupendous performance by achieving an all-time high profit after tax of ₹ 7,431.88 crores. These phenomenal results have enabled the Company to meet the stringent criteria set by the Government of India for classification as a Maharatna Company. Given the dedication and commitment of every member of the BPCL family, I am sure that BPCL will keep delivering outstanding results in the years ahead.

The record profits have been the result of strong all-round performance. The refineries at Mumbai and Kochi have delivered robust gross refining margins. The marketing business units have more than held their own in a highly competitive environment with sales volume growing at 6% over the previous year. BPCL's subsidiary company, Numaligarh Refinery Limited registered an all-time high profit after tax of ₹ 1,224.35 crores. For the first time since the commissioning of the Bina Refinery, Bharat Oman Refineries Limited ended the year in the black with a profit after tax of ₹ 365.78 crores.

The Company's earnings per share crossed the 3 digit mark and stood at ₹ 102.78 per share. The Board has proposed the highest ever dividend in the Company's history, including interim dividend which has already been paid. You would have also received the Bonus Shares that were issued by capitalizing a part of the Company's Reserves. The capital market has given its vote of confidence with the market capitalization crossing ₹ 87,000 crores.

While the operational and financial results achieved are indeed heartening, our ability to incur substantial amounts of capital expenditure and execute high value complex projects in a timely and cost effective manner is a matter of great pride. The Integrated Refinery Expansion Project (IREP) at Kochi Refinery, which is by far the largest single project to be undertaken

by the Company, is being commissioned on schedule. Work on the Propylene Derivatives Petrochemicals Project at Kochi Refinery has commenced. During the year, the capital expenditure of the BPCL group was ₹ 11,360 crores, which is 14% more than the previous year. All this gives immense confidence that the BPCL group will be able to deliver on the ambitious capital expenditure plans for the next five years, involving an outlay of around ₹ 1,00,000 crores.

BPCL's wholly owned subsidiary company, Bharat PetroResources Limited (BPRL) continues to take rapid strides and has joined hands with Oil India Limited and Indian Oil Corporation Limited to acquire stakes in a couple of key assets in Russia. This will contribute significantly towards the country's efforts in enhancing its crude oil security, apart from enabling BPRL to commence revenue generation in a significant manner.

The year gone by was memorable, as BPCL celebrated its 40th Foundation Day in January 2016. The Ruby Anniversary is an important milestone and provides a perfect opportunity to look back with great satisfaction on all that we have achieved and rededicate ourselves to excelling in the years ahead. We have reached our present position thanks to the hard work and dedication of the entire BPCL team. The contribution of all our partners cannot be overstated. It is this unstinted support and unlimited energy that propels the Organisation to transcend boundaries and create lasting value.

We continue to remain steadfast in our commitment to society. To commemorate the occasion of the Ruby Anniversary, we have institutionalized the 'Energising Bharat Awards', to felicitate individuals, who have selflessly made a significant contribution to society in the fields of primary education, skill development, water conservation, rural health and women's empowerment. These awards were presented by the Hon'ble Minister of State (I/C) for Petroleum & Natural Gas, Shri Dharmendra Pradhan during the celebrations in Mumbai.

BPCL continues to support the initiatives undertaken by the Ministry of Petroleum & Natural Gas to promote economical, easily accessible, clean and safe cooking fuel across the country, especially in the rural pockets. The PAHAL (Pratyaksh Hanstantarit Labh) Scheme launched in November 2014, to transfer the LPG subsidy directly to the bank account of the consumer, has been recognized by the Guinness Book of World Records as the largest cash transfer programme (households). Similarly, the '#GiveltUp' campaign appeal by the Government of India towards nation building has made considerable progress, with over 104 lakh customers across the country having surrendered their LPG subsidy entitlement. These initiatives have substantially reduced the subsidy burden on the Government and enabled it to use the money for providing LPG connections to families who are below the poverty line. The Company has also been in the forefront of the other flagship initiative introduced by the Government of India viz. the Pradhan Mantri Ujjwala Yojana (PMUY). The scheme, launched on 1st May, 2016 by the Hon'ble Prime Minister, aims to provide free LPG connections to women belonging to below poverty line households. The initiatives not only enhance the quality of life in rural areas, but also take India a step closer to being a developed nation.

The Organisation is constantly exploring new opportunities which can contribute towards enhancing shareholder value and meet emerging customer needs. We have recently launched diverse non-fuel initiatives with offerings, which are customized to meet the specific needs of identified customer segments like the rural markets, urban travellers, fleet owners etc. These are also expected to significantly augment fuel sales. The pilots undertaken in select rural locations have given encouraging results. I am sure that these initiatives will give BPCL a definite competitive edge.

BPCL has consistently been creating value for all its stakeholders. It has emerged as a truly comprehensive player in almost all facets of business. In the coming years, BPCL plans to invest heavily in infrastructure related projects to support the growing energy demand in the Indian economy, which is poised to become one of the fastest growing economies in the world.



I would like to conclude by acknowledging the steadfast support of BPCL's entire ecosystem. I take this opportunity to thank each one of you for your resolute belief in our competencies. BPCL will continue to create value and enhance its performance to levels which hitherto have not been reached. As I prepare to lay down office by the end of September, I remain confident that the Company has all the ingredients necessary to continue fuelling the dreams and aspirations of all its stakeholders, just as it has done in the last four decades.

Warm regards,

S. VARADARAJAN

Chairman & Managing Director

BOARD OF DIRECTORS



S. VARADARAJAN

Chairman & Managing Director



K. K. GUPTA

Director (Marketing)
(up to 29.2.2016)



B. K. DATTA

Director (Refineries)
(up to 31.7.2016)



S. P. GATHOO

Director (Human Resources)



P. BALASUBRAMANIAN

Director (Finance)



S. RAMESH

Director (Marketing)
(w.e.f. 1.3.2016)



R. RAMACHANDRAN

Director (Refineries)
(w.e.f. 1.8.2016)



P. H. KURIAN

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



ANANT KUMAR SINGH

Additional Secretary &
Financial Advisor, MOP&NG
(w.e.f. 2.1.2016)



NEERAJ MITTAL

Joint Secretary (M), MOP&NG
(up to 10.12.2015)



SUSHMA TAISHETE

Director (D&MC), MOP&NG
(From 19.5.2015 up to 1.1.2016)



RAJESH K. MANGAL

Director
(w.e.f. 1.12.2015)



DEEPAK BHOJWANI

Director
(w.e.f. 1.12.2015)



GOPAL C. NANDA

Director
(w.e.f. 1.12.2015)



J. R. VARMA

Director
(up to 9.8.2015)



B. CHAKRABARTI

Director
(up to 9.8.2015)

S. V. KULKARNI

Company Secretary

BANKERS

State Bank of India
State Bank of Travancore
Standard Chartered Bank
Royal Bank of Scotland
State Bank of Patiala
Central Bank of India
BNP Paribas
Calyon Bank

Union Bank of India
Corporation Bank
Bank of India
Deutsche Bank
ICICI Bank Ltd.
HDFC Bank Ltd.
IDBI Bank Ltd.

AUDITORS

M/s. CNK & Associates LLP
Mistry Bhavan, 3rd floor,
Dinshaw Vaccha Road,
Churchgate, Mumbai – 400 020.

M/s. Haribhakti & Co. LLP
705, Leela Business Park,
Andheri Kurla Road,
Andheri (East), Mumbai – 400 059

REGISTERED OFFICE

BHARAT PETROLEUM CORPORATION LTD.

CIN: L23220MH1952GO1008931

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

Website: www.bharatpetroleum.in

SHARE TRANSFER AGENT

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

CULTURE

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

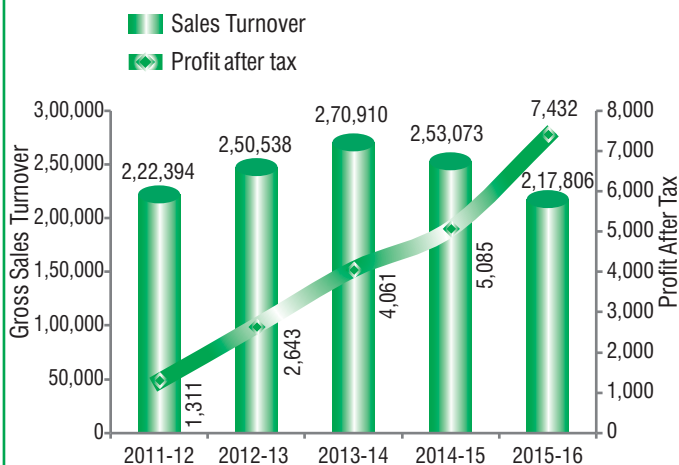
- Participate prominently in nation-building by meeting its growing energy needs, and to support this endeavour, pursue the creation of economic surplus by efficiently deploying all available resources and aiming towards global competitiveness in the energy sector
- Strengthen and expand areas of core 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

PERFORMANCE HIGHLIGHTS

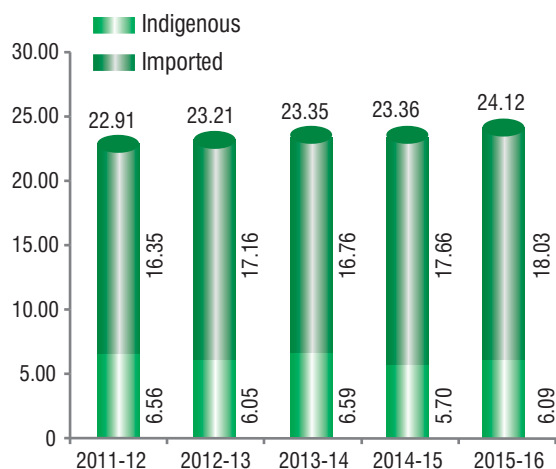


- Gross Revenue from Operations is ₹ 2,18,011.04 crores
- Crude throughput increases to 24.12 MMT
- Market Sales including exports is 38.42 MMT
- Net profit soars to ₹ 7,431.88 crores
- Core strengths are talent and technology

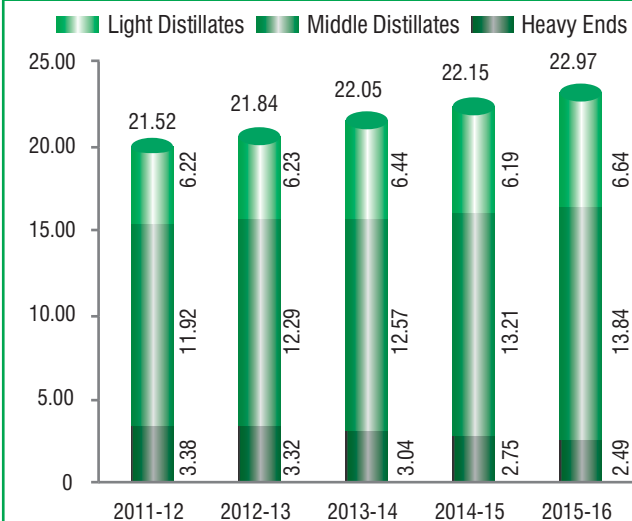
GROSS SALES TURNOVER / PROFIT AFTER TAX (₹ Crores)



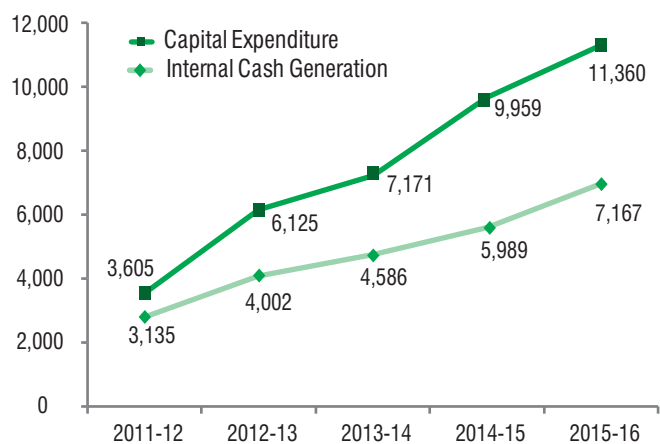
REFINERY THROUGHPUT (Million Metric Tonnes)



PRODUCTION (Million Metric Tonnes)



INTERNAL CASH GENERATION / CAPITAL EXPENDITURE* (₹ Crores)



* Includes Capital Expenditure incurred through 100% Subsidiary and investments in Joint Ventures

MARKET SALES VOLUME (Million Metric Tonnes)

