



Bongaigaon Refinery & Petrochemicals Limited

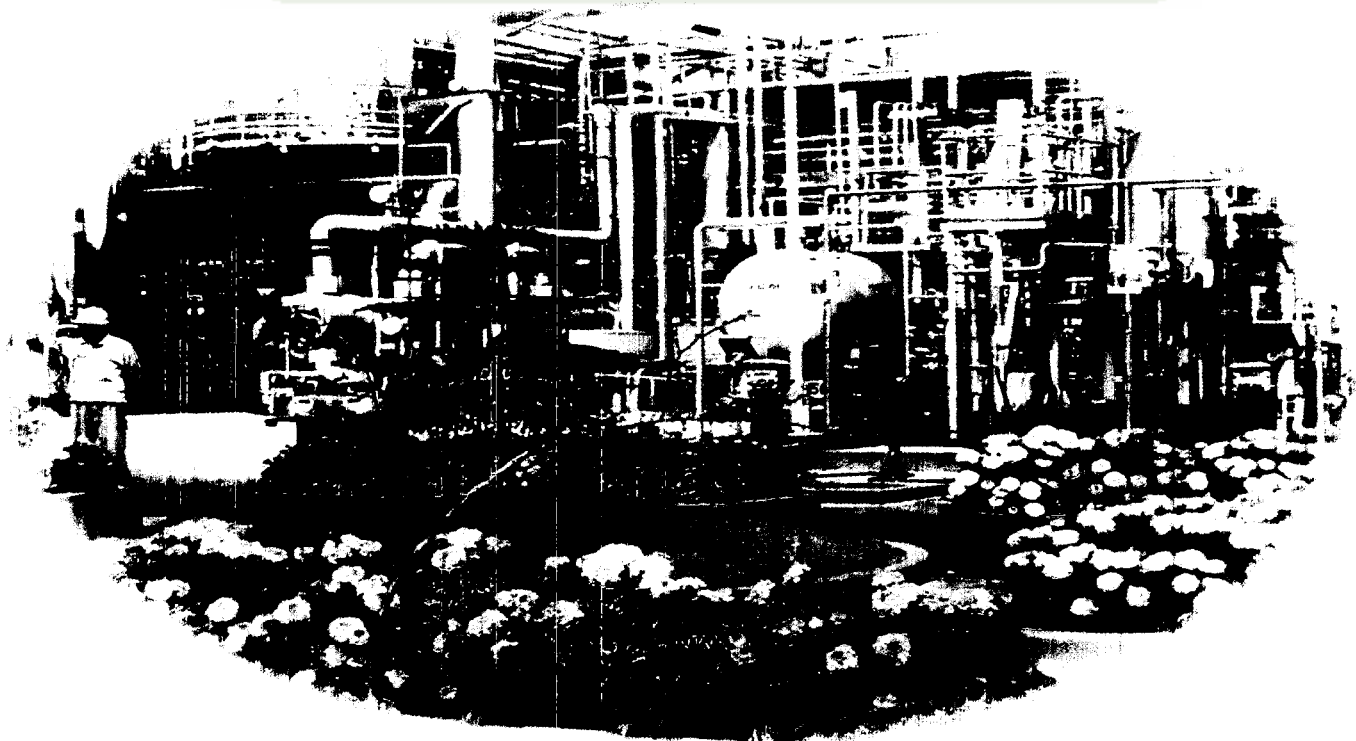
(A group company of IndianOil)

34th ANNUAL REPORT 2007-2008



Growing through consistent performance

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BOARD OF DIRECTORS



Shri Sarthak Behuria
Chairman



Shri A.K. Sarmah
Managing Director



Shri A. Saran
Director (Operations)



Shri T.V. John
Director (Finance)

BRP
Bongalgaon Refinery & Petrochemicals Limited
(A group company of IndianOil)

34th
ANNUAL REPORT
2007-2008

Growing through consistent performance



We believe that growth of an organization depends on its aspiration to achieve new heights of performance through constant efforts and dedication. Our physical and financial performance during the year 2007-08 is a testimony to the above belief.



Shri P.C. Sharma
Director



Shri B.M. Bansal
Director



Shri Maninder Singh
Director



Shri J.L. Raina
Director



Dr. D.N. Buragohain
Director



Shri P.K. Goyal
Director



Shri G. Bhanumurthy
Director

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NOTICE

NOTICE IS HEREBY GIVEN THAT the Thirty-fourth Annual General Meeting of the Shareholders of Bongaigaon Refinery & Petrochemicals Limited will be held on **Wednesday, the 10th September, 2008 at 8.30 AM** at the registered office of the Company at Dhaligaon, Dist. Chirang [Assam] to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2008 and the Audited Balance Sheet as on that date along with the Report of the Directors, the Auditors' Report and the comments of the Comptroller & Auditor

General of India in terms of Section 619 of the Companies Act, 1956.

2. To declare dividend.
3. To appoint a Director in place of Shri P C Sharma, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri P K Goyal, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri G Bhanumurthy, who retires by rotation and being eligible, offers himself for reappointment.

By order of the Board of Directors
BONGAIGAON REFINERY & PETROCHEMICALS LTD.

Place : Delhi
Date : July 30, 2008

M Deva Sarma
Company Secretary

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll, to vote instead of himself. Such a proxy need not be a member of the Company. Proxies in order to be valid and effective must be received at the registered office of the Company not later than 48 hours before the meeting. A blank Proxy Form is enclosed.
2. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days except holidays between 1000 hours to 1200 hours upto the date of Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd August, 2008 to 10th September, 2008 [both days inclusive] for the purpose of ascertaining the eligibility for payment of dividend for the year 2007-08.
4. The dividend payable on equity shares, if approved by the members, will be paid to those members whose names appear (a) as member in the Register of Members of the Company as on 10th September, 2008 and (b) as beneficial owners as on 21st August, 2008 as per the beneficial owners position to be received from National

Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March 1995 and thereafter, which remains unpaid or unclaimed for a period of 7 years have to be transferred to the Investor Education and Protection Fund of the Central Government. Accordingly, the amount of unpaid/unclaimed dividend lying in the unpaid dividend account for the years 1994-95, 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000 have been transferred to the Investor Education and Protection Fund of the Central Government on 25.11.2002, 03.12.2003, 02.12.2004, 26.11.2005, 24.11.2006 and 19.11.2007 respectively. **The Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 2003 or any subsequent financial years are requested to make their claim with the Company's Share Transfer Agent or at the registered office of the Company. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund of Central Government, as above, no claim shall lie in respect thereof.**

6. Members holding shares in physical form are requested to notify immediately, change in their address, if any, to the Company Secretary at the registered office or to the Share Transfer Agent of the Company. Similarly, members holding shares in Electronic/Demat form are requested to notify any change of address to their respective Depository Participant (DP) with whom the demat account is maintained as the Company is obliged to use only the data provided by NSDL/CDSL.
7. The Company extends the ECS facility to the shareholders so as to enable the shareholders to receive dividend through electronic mode to their bank. Those who wish to avail the facility may fill up the ECS form attached to this Annual Report and send the same to the Share Transfer Agent of the Company- M/s Karvy Computershare Private Limited in case of shares held in physical form and to their respective Depository Participant in case of shares held in Electronic/Demat form.
8. Facility of making nomination is available to the shareholders in respect of the shares held by them. Interested shareholders can obtain the Nomination Form from the Company's Share Transfer Agent.
9. It may be noted that in terms of Section 224 (8) (aa) of the Companies Act, 1956 shareholders in the 28th AGM held on 21st September 2002 authorised the Board of Directors to fix the remuneration of Statutory Auditors from time to time. In terms of Section 619 (2) of the Companies Act, 1956 the Comptroller & Auditor General of India shall appoint the Auditors of the Company. Requisite disclosure has been made in the Directors' report on the remuneration fixed for the Auditors.
10. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
11. Members who hold shares in dematerialised form are requested to indicate their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
12. Members should bring their copy of the 34th Annual Report to the venue of the meeting.
13. **Brief resume of Directors who are retiring and are eligible for re-appointment in terms of the provisions of clause 49 of the listing agreement:**

Item No. 3:

Shri P. C Sharma shall retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. Business item No. 3 of this Annual General Meeting relates to retirement and reappointment of Shri P C Sharma. Brief profile of Shri P C Sharma is given below.

Shri P C Sharma is an IAS officer and Master Degree holder of Science and Graduate of Law. He is presently the Chief Secretary to the Govt. of Assam. Shri P C Sharma served in various capacities both in Central Government and State Government of Assam. He has vast experience in his credit. Shri P C Sharma was born on 31.03.1950.

He is Director on the Board of Directors of Assam Industrial Development Corporation Limited, Assam State Transport Corporation Limited, Assam Gas Company Limited, Numaligarh Refinery Limited, Brahmaputra Cracker and Polymer Limited, Assam Hydro-Carbon & Energy Company Limited and DNP Limited. He is a member of the Audit Committee of the Board of Numaligarh Refinery Limited. Shri P C Sharma does not hold any shares of BRPL either in his own name or by / for other persons on a beneficial basis.

None of the Directors except Shri P C Sharma is interested or concerned in the resolution.

Item No. 4:

Shri P K Goyal shall retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. Business item No. 4 of this Annual General Meeting relates to retirement and reappointment of Shri P K Goyal. Brief profile of Shri P K Goyal is given below.

Shri P K Goyal, as nominated by IndianOil, was appointed as Director of the Company with effect from 01.01.2006.

Shri P K Goyal is presently the Executive Director (Finance), Refineries Head Office of IndianOil. He was born on 03.08.1954 and is a Chartered Accountant. Shri Goyal has vast experience in petroleum sector.

Shri P K Goyal is not a Director on any other Company. He is not a member of any Committee of Board of any other Company. He does not hold any shares of BRPL either in his own name or by / for other persons on a beneficial basis.

None of the Directors except Shri P K Goyal is interested or concerned in the resolution.

Item No. 5:

Shri G Bhanumurthy shall retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. Business item No. 5 of this Annual General

Meeting relates to retirement and re-appointment of Shri G Bhanumurthy. Brief profile of Shri G Bhanumurthy is given below.

Shri G Bhanumurthy, as nominated by IndianOil, was appointed as Director of the Company with effect from 10.07.2006.

Shri G Bhanumurthy is BE (Mechanical) and M Tech (Mechanical) from IIT, Madras. He was born on 07.01.1951.

Shri G Bhanumurthy is presently the Executive Director, Guwahati Refinery of IndianOil. Before joining Guwahati Refinery, he was General Manager (Technical) of Gujarat Refinery and was in charge of Production, Maintenance and Power & Utilities Department. Shri Bhanumurthy worked in

various capacities in IndianOil covering Maintenance, Engineering Services & Management Services and has experience of more than 32 years. Shri Bhanumurthy with his expertise was instrumental in completing the mega Linear Alkyl Benzene (LAB) Project of Gujarat Refinery well ahead of time.

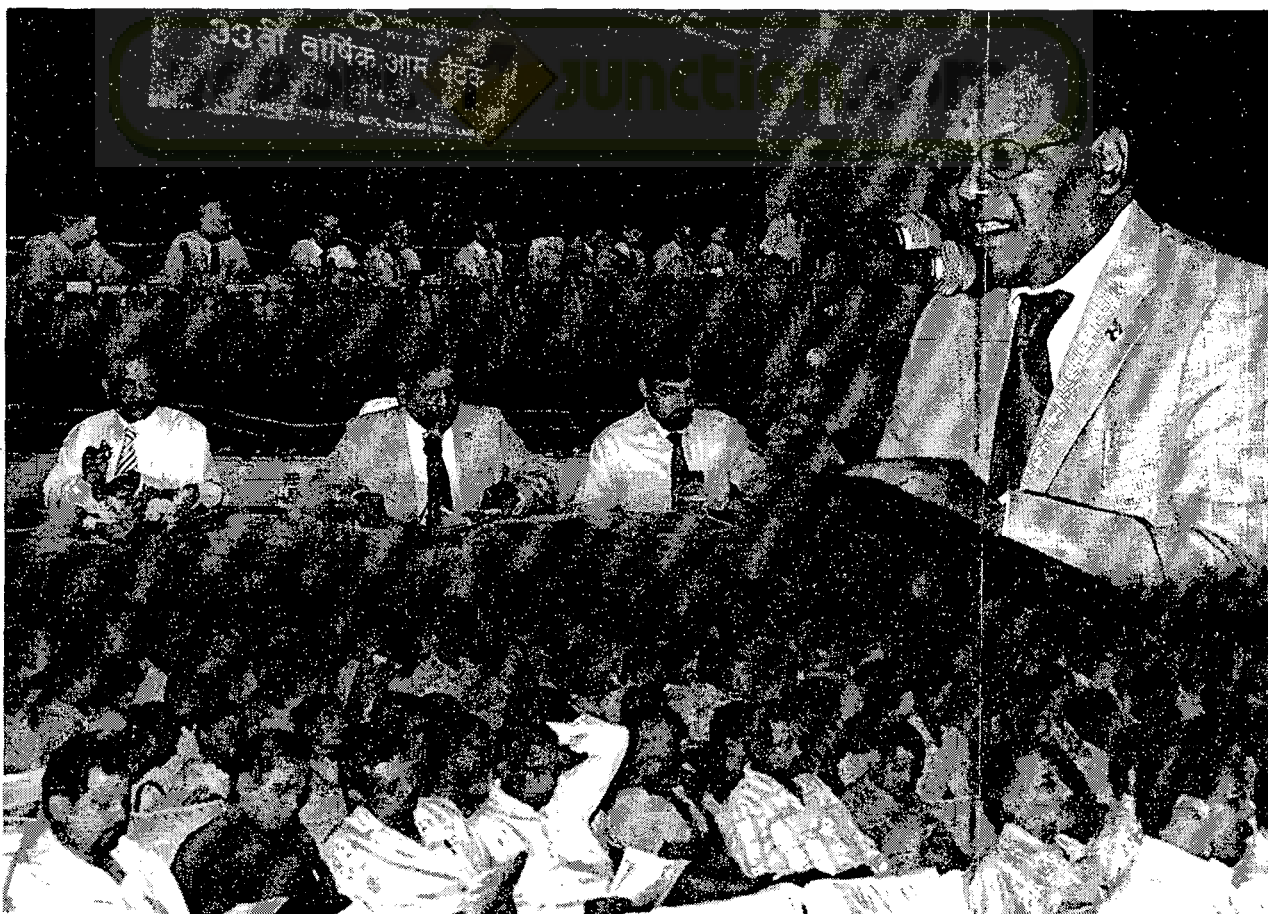
Shri G Bhanumurthy is presently not a Director of any other company. He is not a member of any Committee of Board of any other Company. He does not hold any shares of BRPL either in his own name or by / for other persons on a beneficial basis.

None of the Directors except Shri G Bhanumurthy is interested or concerned in the resolution.

By order of the Board of Directors
BONGAIGAON REFINERY & PETROCHEMICALS LTD.

Place : Delhi
Date : July 30, 2008

M Deva Sarma
Company Secretary



Glimpse of 33rd AGM held on 8th September, 2007

BOARD OF DIRECTORS (AS ON JULY 30, 2008)

Shri Sarthak Behuria
Chairman
Indian Oil Corporation Ltd.

Chairman

Shri A K Sarmah

Managing Director

Shri A Saran

Director (Operations)

Shri T V John

Director (Finance)

Shri P C Sharma, IAS

Director

Chief Secretary to the Government of Assam

Shri Maninder Singh, IAS

Director

Director, Ministry of Petroleum & Natural Gas

Shri B M Bansal

Director

Director (P&BD)

Indian Oil Corporation Ltd.

Shri P K Goyal

Director

Executive Director (Finance), Refineries Head Office

Indian Oil Corporation Ltd.

Shri G Bhanumurthy

Director

Executive Director, Guwahati Refinery

Indian Oil Corporation Ltd.

Shri J L Raina

Director

Secretary General

Petrotech Society

Dr. D N Buragohain

Director

Ex-Director, IIT, Guwahati

Company Secretary
Shri M Deva Sarma

REGISTERED OFFICE :

PO : Dhaligaon; Dist. Chirang-783 385 (Assam)

BANKERS :

State Bank of India

State Bank of Hyderabad

United Bank of India

UCO Bank

SHARE TRANSFER AGENT :

Karvy Computershare Private Limited

17-24, Vittal Rao Nagar, Madhapur

Hyderabad-500 081

STATUTORY AUDITORS :

M/s Ghoshal & Ghosal, Chartered Accountants,

4, Commercial Buildings, 23, Netaji Subhash Road,

KOLKATA - 700 001

COST AUDITORS :

M/s R J Goel & Co., Cost Accountants,

31, Community Centre, Ashok Vihar Phase-I

Delhi - 110 052

PERFORMANCE AT A GLANCE

YEAR ENDED 31 ST MARCH	2007-08	2007-08	2006-07	2005-06	2004-05	2003-04
PHYSICAL:						
Crude throughput (Refinery) (MMT)		2.020	2.067	2.356	2.311	2.127
Capacity Utilisation (Refinery) (%)		86	88	100	98	91
Distillate Yields (Refinery) (%)		86.11	85.99	84.40	84.14	85.82
Fuel & Loss (Refinery) (%)		5.29	5.40	5.42	5.46	5.60
FINANCIAL:						
	US \$ million	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)
What we owe						
Share Capital	50	19,982	19,982	19,982	19,982	19,982
Reserves & Surplus	237	95,239	77,497	67,182	55,858	35,312
	287	115,221	97,479	87,164	75,840	55,294
Less : Deferred Revenue Expenditure remaining unammortised	-	-	-	25	50	287
Net Worth	287	115,221	97,479	87,139	75,790	55,007
Borrowings	77	30,815	10,467	8,729	6,246	7,082
	364	146,036	107,946	95,868	82,036	62,089
What we own:						
Gross Fixed & intangible Assets	258	103,343	101,457	96,261	94,065	92,758
Less : Depreciation & amortisation	161	64,678	62,680	59,058	55,810	52,599
Less : Impairment Loss	14	5,468	5,468	-	-	-
Net Fixed & intangible Assets	83	33,197	33,309	37,203	38,255	40,159
Net Current Assets	168	67,723	55,507	51,727	40,802	22,055
Capital Employed	251	100,920	88,816	88,930	79,057	62,214
Construction-Work-In-Progress	104	41,505	14,533	6,139	3,734	1,229
Dismantled Capital stores	-	5	7	-	-	-
Investment	19	7,702	7,857	7,849	6,683	6,616
Deferred Tax (net)	(10)	(4,096)	(3,266)	(7,051)	(7,438)	(7,971)
	364	146,036	107,946	95,868	82,036	62,089
What we earned:						
Turnover	1,652	664,500	642,596	628,864	499,245	320,394
Net claim from Industry pool Account	-	-	-	-	(219)	(775)
Other Income	21	8,475	4,503	3,707	2,727	2,237
	1,673	672,975	647,099	632,571	501,753	321,856
What we spent:						
Variable Cost	1,330	534,963	499,482	493,541	348,957	227,215
Fixed Cost (Other than Interest, Depreciation & Impairment loss)	54	21,691	21,426	16,614	15,231	14,099
Depreciation / Write Off	8	3,051	3,638	3,405	3,423	3,109
Impairment Loss	-	-	5,468	-	-	-
Cost of Production	1,392	559,705	530,014	513,560	367,611	244,423
(Accretion) / Decretion in Stock	(40)	(15,996)	(3,207)	(5,027)	(4,913)	(9,756)
Cost of Sales	1,352	543,709	526,807	508,533	362,698	234,667
Interest	2	959	1,205	1,390	363	1,516
Freight & CST Under recovery	53	21,336	26,995	30,370	26,425	13,557
Other Cost (Excise Duty, Sales Tax, Octroi, Cess etc.)	154	61,933	64,427	65,551	44,573	28,128
Prior Period Adjustments - Dr./(Cr.)	-	176	116	-	(24)	1
Extra Ordinary Items - Dr./(Cr.)	-	-	-	-	-	-
	1,561	628,113	619,549	605,844	434,035	277,869

PERFORMANCE AT A GLANCE (Contd.)

YEAR ENDED 31 ST MARCH	2007-08 US \$ million	2007-08 (Rs. in lakh)	2006-07 (Rs. in lakh)	2005-06 (Rs. in lakh)	2004-05 (Rs. in lakh)	2003-04 (Rs. in lakh)
WHAT WE SAVED:						
Profit before Tax	112	44,862	27,550	26,727	67,718	43,987
Provision for Tax	38	15,432	9,052	9,251	19,888	13,613
Profit after Tax	74	29,430	18,498	17,476	47,830	30,374
Value Addition	74	29,916	24,148	17,686	67,061	38,304
Internal Resource Generation	83	33,311	23,819	20,494	50,720	35,942
Contribution to Exchequer	224	89,909	95,773	100,535	86,163	49,052
Dividend	25	9,991	6,994	5,395	23,978	15,386
Dividend Tax	4	1,698	1,189	757	3,274	1,971
Dividend Payout (%)	34	34	38	31	50	51
PER SHARE DATA						
Earning Per Share (Rs.)	0.37	14.73	9.26	8.75	23.94	15.20
Dividend Per Share (Rs.)	0.12	5.00	3.50	2.70	12.00	7.70
Dividend (%)	50	50	35	27	120	77
Book Value Per Share (Rs.)	1.43	58	49	44	38	28
Year end Closing Market Price	1.22	48.95	40.85	65.65	90.45	77.55
Price Earning Ratio	3.32	3.32	4.41	7.51	3.78	5.10
Market Capitalisation	243	97,811	81,626	131,180	180,735	154,959
RATIOS/FINANCIAL INDICATORS :						
Profit before Interest & Tax						
- to Net Sales (%)	7.60	7.60	4.97	4.99	14.98	15.50
- to Net Worth (%)	39.77	39.77	29.50	32.27	89.83	82.72
- to Equity (%)	229.31	229.31	143.90	140.71	340.71	227.72
- to Capital Employed (%)	45.40	45.40	32.38	31.62	86.12	73.14
Net Profit after Tax						
- to Sales Turnover (%)	4.43	4.43	2.88	2.78	9.58	9.48
- to Net Worth (%)	25.54	25.54	18.98	20.06	63.11	55.22
- to Equity (%)	147.28	147.28	92.57	87.46	239.37	152.01
- to Capital Employed (%)	29.16	29.16	20.83	19.65	60.50	48.82
Other Income to total revenue	1.26	1.26	0.70	0.59	0.54	0.70
Cost of Sales : Inventory (Times)	4.88	4.88	7.36	7.05	5.01	4.98
Sales : Debtors (Times)	17.16	17.16	27.96	25.39	28.64	35.54
Net Working Capital to Sales (%)	10.19	10.19	8.64	8.23	8.17	6.88
Capital Employed to Sales (%)	15.19	15.19	13.82	14.14	15.84	19.42
Fixed Asset Turnover Ratio	20.02	20.02	19.29	16.90	13.04	7.98
Investment to total Assets	0.08	0.08	0.09	0.09	0.08	0.11
Current Ratio	1.68:1	1.68:1	1.91:1	1.87:1	1.61:1	1.48:1
Debt/Equity (Net Worth) (%)	26.74	26.74	10.74	10.02	8.24	12.87
Admn. & Office Exp.	8.27	3326.74	2650.21	2293.87	2203.95	1831.92
% of Total Expenditure		0.57	0.47	0.42	0.56	0.70
Financial Expenses	2.60	1044.58	1314.49	1514.94	418.77	1599.32
% of Total Expenditure		0.18	0.24	0.28	0.11	0.61
Expenses towards Corporate Social Responsibility	0.33	131.34	124.46	131.89	134.74	101.23
MANPOWER						
Number of Employees	1676	1676	1717	1723	1741	1761
Sale per Employee	0.99	396.48	374.25	364.98	286.76	181.94
Value Addition per employee	0.04	17.85	14.06	10.26	38.52	21.75
Exchange rate per dollar Rs.	40.217					

DIRECTORS' REPORT

Dear Shareholders,

The Directors have the pleasure of presenting the Thirty-fourth Annual Report of your Company for the Financial Year 2007-08 together with the Audited Accounts, Auditors' Report and Comments of the Comptroller & Auditor General of India for the year ended 31st March 2008.

FINANCIAL RESULTS & HIGHLIGHTS

The summary of operating results for the year 2007-08 and appropriation of divisible profits is given below:

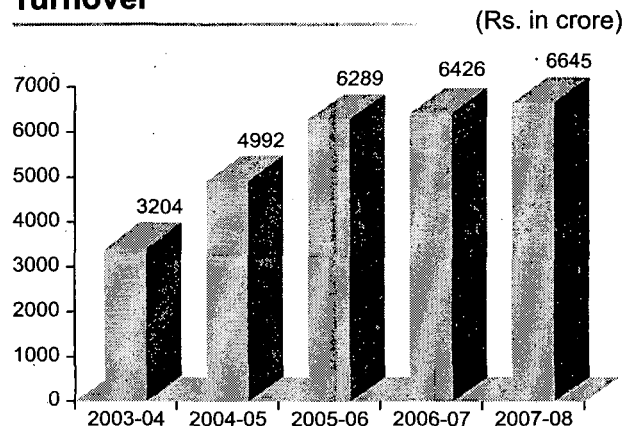
	(Rs. in crore)	
Particulars	2007-08	2006-07
TURNOVER	6,645	6,426
PROFIT		
Profit/(Loss) before Depreciation, Interest & Tax (PBDIT)	489	378
Interest payment	10	12
Depreciation, amortisation & write off	31	36
Impairment of assets	-	55
Profit/(Loss) after Depreciation & Interest (PBT)	448	275
Provision for Tax	145	127
Deferred Tax Adjustment	8	(38)
Fringe Benefit Tax	1	1
Profit/(Loss) after Tax	294	185
APPROPRIATIONS		
Provisions for Dividend including Dividend Tax	117	82
Transfer to General Reserves	177	103

- Highest ever turnover of Rs.6,645 crore was achieved during the year 2007-08, registering a growth of 3% over the previous year.
- Net profit increased by 59% over previous year.
- Dividend of 50% has been recommended by the Board for the year 2007-08 (Dividend was 35% for the previous year).

HIGHLIGHTS OF PHYSICAL PERFORMANCE

- Crude throughput for the year 2007-08 was 2,019.7 TMT (1,542.4 TMT of Ravva Crude Oil, 400.2 TMT of Assam Crude Oil & 77.1 TMT of Imported Crude Oil) against MoU target of 2,000 TMT, which corresponds to the capacity utilization of 85.9%.
- Distillate yield of 86.1% achieved during the year is the highest ever achieved (Previous highest was 86.0% in the year 2006-07).
- The yield of LPG at 2.36% on crude throughput is the highest ever achieved, the previous best being 2.32% achieved during the year 2006-07.
- The Fuel & Loss was 5.29% on crude which is the lowest ever achieved, the previous best being 5.40% achieved during the year 2006-07.

Turnover



- The hydrocarbon loss was 0.20% on crude, which is the lowest ever achieved, the previous best being 0.23% achieved during the year 2006-07.
- MBN for the year at 90.4 is the lowest ever achieved, the previous best being 91.1 achieved during the year 2006-07.
- Highest ever LTA free period of 2,228 days (24.5 million manhours) has been achieved as on 31.03.2008. (Previous best LTA free period was 6.4 million man hours). There has been no LTA since 24.02.2002.

PHYSICAL PERFORMANCE

REFINERY

Crude Throughput

The crude throughput during the year 2007-08 was 2,019.7 TMT. Crude throughput was marginally lower than previous year due to lower crude availability.

The Annual plan target, actual crude receipts and crude throughput for the year 2007-08 and 2006-07 are given below:

	(Figures in TMT)	
Crude Receipts & Throughput	2007-08	2006-07
(a) Crude throughput target (OEB)		
Assam Crude	500.0	750.0
Imported Crude		
Ravva Crude	1,500.0	1,500.0
Total	2,000.0	2,250.0
(b) Actual Crude Receipt		
Assam Crude	398.3	503.6
Imported Crude	99.9	-
Ravva Crude	1,536.8	1,541.2
Total	2,035.0	2,044.8
(c) Actual Crude throughput		
Assam Crude	400.2	505.8
Imported Crude	77.1	-
Ravva Crude	1,542.4	1,561.5
Total	2,019.7	2,067.3
(d) % Capacity utilization	85.9	88.0