ANNUAL REPORT 2014-15

Contents

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 - Excelarator, 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 "#GiveItUp" 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
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

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)

Management Team

Mr. Manoj Pant	Chief Vigilance Officer
Mr. Arjun Hira	ED (Marketing Corporate)
Ms. Dipti Sanzgiri	ED (International Trade)
Mr. George Paul	ED (Retail)
Mr. I. Srinivas Rao	ED (Gas)
Mr. J. Dinaker	ED (Audit)
Mr. K. B. Narayanan	ED (Information Systems)
Mr. K. P. Chandy	ED (Lubes)
Mr. Manmohan Singh	ED (Engineering Services), Marketing
Mr. M. M. Chawla	ED (Engineering & Projects)
Mr. M. M. Somaya	ED (Aviation)
Ms. Monica Widhani	ED (Coordination)
Mr. P. C. Srivastava	ED (HSSE)
Mr. P. Kumaraswamy	ED (Projects), Kochi Refinery
Mr. Prasad K. Panicker	ED I/C (Kochi Refinery)
Mr. Pramod Sharma	ED (New Business Initiatives)
Mr. R. K. Mehra	ED (Pipelines)
Mr. R. P. Natekar	ED (I & C)
Mr. S. K. Agrawal	ED (Corporate Affairs)
Mr. Sharad K. Sharma	ED (Supply Chain Optimization)
Mr. S. Ramesh	ED (LPG)
Mr. S. S. Sunderajan	ED (Mumbai Refinery)
Mr. S. Vijayakumar	ED (Legal)
Mr. S. V. Kulkarni	Company Secretary
Mr. A. Krishnaswamy	GM (IS), Mumbai Refinery
Mr. Ashim K. Dutta	GM (Engineering) E&P HQ
Mr. Ashok K. Gupta	Chief Procurement Officer (Marketing)
Mr. A.K. Kaushik	GM (IT & BI), Retail HQ
Mr. B. Anil Kumar	GM (IS) Infrastructure, CO
Mr. C. J. Iyer	GM (Operations) Mumbai Refinery
Mr. C. K. Soman	GM (Operations) Kochi Refinery
Mr. D. N. Mathur	Regional LPG Manager, North
Mr. E. A. Vimalnathan	GM (Logistics) Retail HQ
Mr. G. Kalaiselvan	GM (Internal Coaching)

Mr. Gautam Mukerji	GM (Operations & Logistics) Aviation
Mr. H. S. Paranjape	GM (Finance), Mumbai Refinery
Mr. J. R. Akut	GM (IS Technology)
Mr. J. S. Shah	GM (HR), Retail HQ
Mr. K. Padmakar	GM (HRD)
Mr. K. Sivakumar	GM (Corporate Finance), CO
Mr. M. B. Pimpale	GM (Projects), Mumbai Refinery
Ms. Madhu Sagar	GM (Vigilance)
Mr. M. Prasanna Kumar	GM (Planning & Project Coordination)
Mr. M. S. Patke	GM (Brand & PR)
Mr. M. Venugopal	GM Finance (Retail), HQ
Mr. N. Manohar Rao	GM (Operations) Retail HQ
Mr. P. Anandasundaresan	GM (Retail) HQ
Mr. P. K. Suresh	GM (Finance), Kochi Refinery
Mr. P. K. Thampi	GM (Technical), Kochi Refinery
Mr. P. S. Ramachandran	GM (Projects-Units), Kochi Refinery
Mr. P. V. Kumar	GM (Gas)
Mr. R. Narayanan	GM (IS Applications)
Mr. R. Rajamani	GM (Corporate Treasury)
Mr. R. R. Nair	GM (HRS)
Mr. S. Bhargava	GM (Corporate R&D Centre)
Mr. Sudhir K. Malik	GM (Sales) I&C, Mumbai
Mr. Sudip Mallick	GM Logistics (LPG), HQ
Mr. Suresh K. Nair	GM Sales (LPG) HQ
Ms. Sujata N. Chogle	GM (HR), Mumbai Refinery
Mr. S. N. Jalali	GM Maintenance (Pipelines)
Mr. S. R. Krishnan	GM (Workplace Safety & Security), HSSE
Mr. S. S. Desai	GM (Engg. & Advisory Services), Mumbai Refinery
Mr. V. Anand	GM I/C (Planning & Infrastructure)
Mr. Vijay Duggal	GM (Gas) Delhi
Mr. V. Jacob	GM (Quality Control Cell)
Ms. S. V. Kelkar	Chief Manager (Employee Satisfaction Enhancement)

NOTICE TO THE MEMBERS

Notice is hereby given that the 62nd Annual General Meeting of the Members of Bharat Petroleum Corporation Limited will be held in the Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C. College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020, on Wednesday, 9th September, 2015, at 10.30 a.m. to transact the following Ordinary and Special Business:

A. Ordinary Business

1) To receive, consider and adopt a) the Audited Financial Statement of the Company for the financial year ended 31st March, 2015 (b) the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2015; and the Reports of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon.

2) To declare dividend.

3) To appoint a Director in place of Shri K. K. Gupta, Director (DIN: 03476812), who retires by rotation and being eligible, offers himself for re-appointment.

4) To appoint a Director in place of Shri B. K. Datta, Director (DIN: 03586382), who retires by rotation and being eligible, offers himself for re-appointment.

5) To fix the remuneration of the Statutory Auditors

   To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013, remuneration of the Single/Joint Statutory Auditors as appointed by the Comptroller & Auditor General of India (C&AG) under Section 139 of the said Act, be and is hereby approved at ₹ 36,00,000/- to be shared in case of Joint Auditors, plus payment of actual reasonable travelling and out-of-pocket expenses, service tax as applicable for the year 2015-16 and also for subsequent years".

B. Special Business

6) **Approval of Private Placement of Non-Convertible Bonds/Debentures and/or Other Debt Securities**

   To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as a Special Resolution:

   "RESOLVED THAT in accordance with the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), including Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time and other applicable Securities and Exchange Board of India Regulations and Guidelines, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of necessary approvals as may be applicable and such other approvals, permissions and sanctions, as may be necessary, including the approval of any long term lenders and trustees of Debenture Holders, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company ("Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, consent of the Company be and is hereby accorded to raise funds through Private Placement of Unsecured/Secured Non-Convertible Bonds/Debentures including but not limited to subordinated Bonds/Debentures and/or other debt securities etc. during the period of one year from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company, as approved by the Members, from time to time in one or more tranches, to such person or persons, who may or may not be the Bond/Debenture Holders of the Company, as the Board or duly constituted Committee of the Board or such other authority as may be approved by the Board may at its sole discretion decide, including eligible investors (whether residents and/or non-residents and/or institutions/incorporated bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets) including Non-Resident

Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Companies, private or public or other entities, authorities and to such other persons in one or more combinations thereof, at such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to Private Placement of Unsecured/Secured Non-Convertible Bonds/Debentures including but not limited to subordinated Bonds/Debentures and/or other debt securities etc., the Board or any duly constituted Committee of the Board or such other authority as approved by the Board, be and is hereby authorised to determine the terms of the issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of Bond/Debenture Holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/documents/undertakings/agreements as may be required in this regard."

7) **Approval of Material Related Party Transactions**

To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of revised Clause 49 of the Listing Agreement, approval of the Company be and is hereby accorded for the contracts/arrangements/transactions entered into and/or to be entered into with Bharat Oman Refineries Limited, a Joint Venture Company and a Related Party under Section 2(76) of the Companies Act, 2013 and Clause 49 (VII) of the Listing Agreement related to transfer or receipt of products, goods, materials, services or other resources and obligations for the Financial Year 2014-15 and subsequent Financial Years exceeding ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company relevant for the respective Financial Years on such terms and conditions as may be mutually agreed between the Company and Bharat Oman Refineries Limited;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to decide upon the nature and value of the products, goods, materials, services or other resources and obligations to be transacted with Bharat Oman Refineries Limited and to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution."

8) **Appointment of Smt Sushma Taishete as Director**

To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Smt Sushma Taishete (DIN: 03585278), who was appointed by the Board of Directors as an Additional Director on the Board with effect from 19th May, 2015 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9) **Approval of Remuneration of the Cost Auditors for the Financial Year 2015-16**

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Cost Auditors viz. M/s. Rohit & Associates, Cost Accountants, Mumbai and M/s. Musib & Company, Cost Accountants, Mumbai, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 be paid the remuneration as set out below:

Name of the Cost Auditor	**Activities / Location**	**Audit Fees (₹)**
M/s. Rohit & Associates, Mumbai (Lead Auditor)	Refineries, products pipelines, etc. (other than Lubes)	2,20,000/- plus service tax as applicable and reimbursement of out-of-pocket expenses.
M/s. Musib & Company, Mumbai	Lube Oil Blending Plants: Wadilube; Tondiarpet and Budge Budge	1,00,000/- plus service tax as applicable and reimbursement of out-of-pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this Resolution."

By Order of the Board of Directors

Sd/-
(S. V. Kulkarni)
Company Secretary

Place : Mumbai
Date : 31st July, 2015

Registered Office:

Bharat Bhavan, P.B. No. 688, 4 & 6 Currimbhoy Road, Ballard Estate,
Mumbai 400 001 CIN: L23220MH1952GOI008931 Phone: 2271 3000 / 4000
Fax: 2271 3874 email: info@bharatpetroleum.in Web: www.bharatpetroleum.in

Notes :

1. Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 in respect of the items of Special Business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
3. A person shall act as proxy for only 50 members and holding in the aggregate of not more than 10 percent of the total share capital of the Company carrying voting rights. A Member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 1st September, 2015 to Wednesday, 9th September, 2015 (both days inclusive) for the purpose of payment of dividend on equity shares for the year ended 31st March, 2015, if declared at the Annual General Meeting as under:
   a) To all Beneficial Owners in respect of shares held in electronic form as per the data to be made available by NSDL/CDSL as of the close of business hours on Monday, 31st August 2015.
   b) To all Members in respect of shares held in physical form after giving effect to transfer in respect of valid share transfer requests lodged with the Company/Registrar & Share Transfer Agent (RTA) viz., Data Software Research Co. Pvt. Ltd. as of the close of business hours on Monday, 31st August 2015.

5. All the documents referred to in the Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.

6. As required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, a brief resume of persons seeking appointment/re-appointment as Directors under Item No. 3, 4 and 8 of the Notice, are attached.

7. As per the provisions of Section 72 of the Companies Act 2013, facility for making nomination is available to Individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Company's Secretarial Department at its Registered Office or its RTA or can download the form from the Company's website viz. www.bharatpetroleum.in. Members holding shares in electronic form have to approach their Depository Participants (DPs) for completing the nomination formalities.

8. In line with the measures of Green Initiative, Companies Act, 2013 provides for sending notice of the meeting and other Member correspondences through electronic mode. Members holding shares in physical mode are requested to register their e-mail id's with the Company/RTA. Members holding shares in demat mode are requested to register their e-mail id's with their respective DPs. If there is any change in the e-mail ID already registered with the Company/ RTA, Members are requested to immediately notify such change to the Company/ RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

9. **Usage of electronic payment modes for making cash payments to the investors:** As per SEBI Circular, Members holding shares in electronic form/dematerialised mode are requested to provide the bank particulars to Depository Participants/Depositories which will be used by the RTA/Company for payment of dividend. In cases where either the bank details as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, RTA/Company will use physical payment instructions for payment of dividend to these Members with printing the bank account details of the Members wherever applicable. Members who hold physical shares may provide updated bank details to Registrar and Share Transfer Agent (Data Software Research Co. Pvt. Ltd. #19, Pycrofts Garden Road, Off. Haddows Road, Nungambakkam, Chennai- 600 006 Ph: +91-44-2821 3738/ 2821 4487, Fax: 91-44-2821 4636, Email : bpcl@dsrc-cid.in) to maintain the information required.

10. The unclaimed dividends of BPCL and erstwhile Kochi Refineries Limited (KRL) for the financial years up to 1993-94 have been transferred by the Companies to the General Revenue Account of the Central Government, which can be claimed by the Members from the Office of the Registrar of Companies at Mumbai and Kochi, respectively.

11. a) Pursuant to Section 205A(5) and Section 205C of the Companies Act, 1956, any amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government. Accordingly, the unclaimed dividends for the financial years from 1994-95 to 2006-07 (Final) of BPCL and erstwhile KRL have been transferred to the said Fund, and no claim shall lie against the said Fund, or the Company, for the amount of dividend so transferred.

    (b) Members of BPCL who have not yet encashed their dividend warrant(s) for the financial year 2007-08 or dividend warrant(s) for any subsequent financial years are requested to make their claims without any delay to the Registrar & Share Transfer Agent/Company. It may be noted that the unclaimed amount of dividend for the Financial Year ended 31.3.2008 becomes due for transfer to IEPF on 28.10.2015.

Instructions for Voting through electronic means:

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide Members facility to exercise their right to vote on the Resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through such e-voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than the venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). In order to enable its

Members who do not have the access to remote e-voting facility, to send their assent or dissent in writing in respect of the Resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for the Ballot Form are given at the back of the said form and instructions for remote e-voting are given herein below. Resolution(s) passed by Members through remote e-voting or Ballot Forms are deemed to have been passed as if they have been passed at the Annual General Meeting.

2. The facility for voting either through electronic voting system or ballot or polling paper shall also be made available at the Annual General Meeting and Members attending the Annual General Meeting who have not already cast their vote by remote e-voting or by Ballot Form shall be able to exercise their right at the Annual General Meeting.

3. The Members who have cast their vote by remote e-voting or Ballot Form prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

4. The remote e-voting period commences on **Friday, 4th September, 2015 (9.00 a.m.) and ends on Tuesday, 8th September, 2015 (5.00 p.m.).** During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Wednesday, 2nd September, 2015** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast his vote again.

5. The instructions to Members for remote e-voting are as under:

(A) In case a Member receives an e-mail from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

(i) Open the email and open the PDF file viz, "BPCL remote e-voting.pdf" with your Client ID/Folio No. as password. The said PDF file contains your User ID and Password/PIN for remote e-voting. Please note that the Password provided in PDF is an 'Initial Password'.

(ii) Launch the internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder – Login.

(iv) Put your User ID and Password as Initial Password/PIN noted in step (i) above. Click on 'Login'.

(v) The Password change menu appears. Change the Password/PIN with a new Password of your choice with minimum 8 digits/characters or combination thereof. Note the new Password. It is strongly recommended not to share your Password with any other person and take utmost care to keep your password confidential.

(vi) The Home page of remote e-voting opens. Click on remote e-voting: Active Voting cycles.

(vii) Select EVEN (E-voting Event Number)of Bharat Petroleum Corporation Limited.

(viii) Now you are ready for remote e-voting as the "Cast Vote" page opens.

(ix) Cast your vote by selecting the appropriate option and click on "Submit" and also "confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bpclagm2015@csraginichokshi.com with a copy marked to evoting@nsdl.co.in

(B) In case a Member receives a physical copy of the Notice of Annual General Meeting[for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting a physical copy]:

(i) EVEN (E-voting Event Number), User ID & Initial password / PIN are provided in the enclosed Ballot Form.

(ii) Please follow all the steps from Sr. No. A(ii) to Sr. No. A (xii) above, to cast your vote.

In case of any queries, please refer to the Frequently Asked Questions (FAQs) and the e-voting user manual for Members available in the 'Downloads' section of http://www.evoting.nsdl.com. You can also contact NSDL via email at evoting@nsdl.co.in or call on the toll free number: 1800-222-990.

General Instructions:

(i) If you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password/ PIN for casting your vote.

(ii) You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication.

(iii) The voting right of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of **Wednesday, 2nd September, 2015.** A person, whose name is recorded in the register of Members or in the register of Beneficial Owners maintained by the Depositories as on the cut-off date of **Wednesday, 2nd September, 2015** only shall be entitled to avail of the facility of remote e-voting or voting through Ballot Form as well as voting at the Annual General Meeting through ballot/polling paper.

(iv) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of notice and holding shares as on the cut-off date i.e. Wednesday, 2nd September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or bpcl@dsrc-cid.in

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User details/password" option available on http://www.evoting.nsdl.com or contact NSDL at the following toll free number: 1800-222-990.

(v) Member(s) can opt for only one mode of voting i.e. either remote e-voting or voting through Ballot Form or physically voting at the Annual General Meeting. In case a Member has cast multiple votes, then voting done by remote e-voting will be treated as valid. A Member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

(vi) Mrs. Ragini Chokshi, Practising Company Secretary (C.P. NO. 1436),Partner of Ragini Chokshi & Co. has been appointed as the Srutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Member(s) who do not have access to the e-voting process) in a fair and transparent manner.

(vii) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, count the votes cast at the meeting and votes received through Ballot Form, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour of, or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

(viii) **In terms of Clause 35B of the Listing Agreement entered into with the Stock Exchange, the Company is providing an option to Members who do not have access to the remote e-voting facility, to cast votes by way of a Ballot. The Ballot Form is enclosed with the Annual Report. Members who do not have access to remote e-voting facility may send their duly completed Ballot Form so as to reach the Scrutinizer, Mrs. Ragini Chokshi, Practising Company Secretary C/o Bharat Petroleum Corporation Limited, Bharat Bhavan I, P.B.No. 688, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001, not later than 5.00 p.m. on Tuesday, 8th September, 2015. Ballot Forms received thereafter will be treated as invalid.**

(ix) The results declared along with the Report of the Scrutinizer shall be placed on the Company's website www.bharatpetoleum.in and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:

Item No. 6: Approval of Private Placement of Non-Convertible Bonds/Debentures and/or Other Debt Securities

As per provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a Company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Members of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for "non-convertible debentures", it shall be sufficient of the Company passes a previous Special Resolution only once a year for all the offers or invitations for such debentures during the year. Non-Convertible Debentures (NCDs) and including subordinated debentures, bonds etc. issued on private placement basis constitute a significant source of borrowings for the Company. In view of the above and to meet the requirements of Section 42 of the Companies Act, 2013 read with applicable Rules, Private Placement of Unsecured/ Secured Non-Convertible Bonds/ Debentures including but not limited to subordinated Bonds/Debentures and or other debt securities etc. during the period of one year from the date of passing the Special Resolution by the Members, within the overall borrowing limits of the Company, as approved by the Members from time to time in one or more tranches, to such person or persons, require approval of the Members of the Company by way of Special Resolution is sought. Further, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, shall be authorised to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the prevailing market price, amount of issue, discount to issue price to class of bonds/debentures holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer Letter and any other Regulatory requirement for the time being in force. The Board in its Meeting held on 28th May, 2015 approved the above proposal.

The Board accordingly recommends the passing of the proposed Special Resolution by Members of the Company as contained in the Notice.

None of the Directors or Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the said Special Resolution.

Item No. 7: Approval of Material Related Party Transactions

Bharat Oman Refineries Limited (BORL) is a Joint Venture Company between Bharat Petroleum Corporation Limited (BPCL) and Oman Oil Company (OOC). The present shareholding of the Company as on 31st March, 2015 is 50% by BPCL and OOC each. BORL is a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Clause 49 (VII) of the Listing Agreement.

In terms of proviso of Clause 49 (VII)(C) of the Listing Agreement, the contracts/arrangements/transactions relating to transfer or receipt of products, goods, materials, services, other resources and obligations with BORL are material in nature if the transactions entered into or to be entered into individually or taken together with previous transactions during the financial year exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. Therefore in terms of Clause 49 (VII) (E) of the Listing Agreement, the contracts/ arrangements/transactions with BORL require the approval of Members of the Company through a Special Resolution and the related parties shall abstain from voting on such resolutions.

The particulars of contracts/arrangements/transactions are as under:

(a) Name of the Related Party: Bharat Oman Refineries Limited (BORL)

(b) Name of the Director or Key Managerial Personnel who is related: None (other than Shri S. Varadarajan, Shri B. K. Datta and Shri P. Balasubramanian to the extent of being common Board members and nominee directors of BPCL).

(c) Nature of relationship: Bharat Oman Refineries Limited (BORL) is a Joint Venture Company between Bharat Petroleum Corporation Limited (BPCL) and Oman Oil Company (OOC).

(d) Nature, material terms of contracts/arrangements/transactions: purchase of products- Crude oil, MS, HSD, LPG, Naptha, SKO, ATF, project materials etc.; sale of goods- crude oil, lubricants etc; interest income on loans; rendering/ receiving of services; canalysing commission, demurrage, port charges, employee deputation, lease rental etc.

(e) Monetary value: The actual value of material transactions falling under Clause 49 for the Financial Year 2014-15 entered into: ₹ 30,474.35 crores. The estimated value of material transactions falling under Clause 49 for Financial Year 2015-16 entered into/to be entered into: ₹ 33,521.79 crores. Ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company for the respective Financial Year 2014-15 and 2013-14 are ₹ 25,873.11 crores and ₹ 27,601.96 crores. The annual material related party transactions exceed/may exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company for the respective Financial years based on the subsisting contracts/ arrangements/transactions entered into or to be entered into;

(f) Any other information relevant or important for the members to make a decision on the proposed transaction: Transactions entered into on arms length basis and in the ordinary course of business.

The Board accordingly recommends the passing of the proposed Special Resolution as contained in the Notice, by Members of the Company.

The Directors or Key Managerial Personnel or their relatives, except Shri S. Varadarajan, Shri B. K. Datta and Shri P. Balasubramanian, Directors to the extent of being common Board members and nominee directors of BPCL, do not have any concern or interest, financial or otherwise, in passing of the said Special Resolution.

Item No. 8: Appointment of Smt Sushma Taishete as Director

Smt. Sushma Taishete was appointed as Additional Director on the Board and as Government Nominee Director of the Company under the provisions of Article 77A of the Articles of Association of the Company read with Section 161(3) of the Companies Act, 2013, effective 19th May, 2015 in accordance with the directions of the Government of India.

Smt. Sushma Taishete, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing her candidature.

Smt. Sushma Taishete is Director (D&MC), Ministry of Petroleum and Natural Gas. The brief resume containing age, qualifaction, experience etc. is attached. She has attended the Board Meetings held on Thursday, 28th May, 2015 and Tuesday, 14th July, 2015 post her appointment.

The Board accordingly recommends the passing of the proposed Ordinary Resolution as contained in the Notice, by Members of the Company.

Smt. Sushma Taishete is interested in the Resolution to the extent as it concerns her appointment. None of the Directors or Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the said Ordinary Resolution.

Item No. 9: Approval of the Remuneration of the Cost Auditor for the Financial Year 2015-16

The Board had approved the appointment and remuneration of M/s Rohit & Associates, Cost Accountants and M/s Musib & Company, Cost Accountants as the Cost Auditors on 28th May, 2015, on the recommendation of the Audit Committee, to conduct the audit of the Cost records for the Financial Year 2015-16. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2015-16 by way of an Ordinary Resolution is being sought from the Members as set out at Item No.9 of the Notice.

The Board accordingly recommends the passing of the proposed Ordinary Resolution for approval by the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in passing of the said Ordinary Resolution.

By Order of the Board of Directors

Sd/-
(S. V. Kulkarni)
Company Secretary

Place : Mumbai
Date : 31st July, 2015

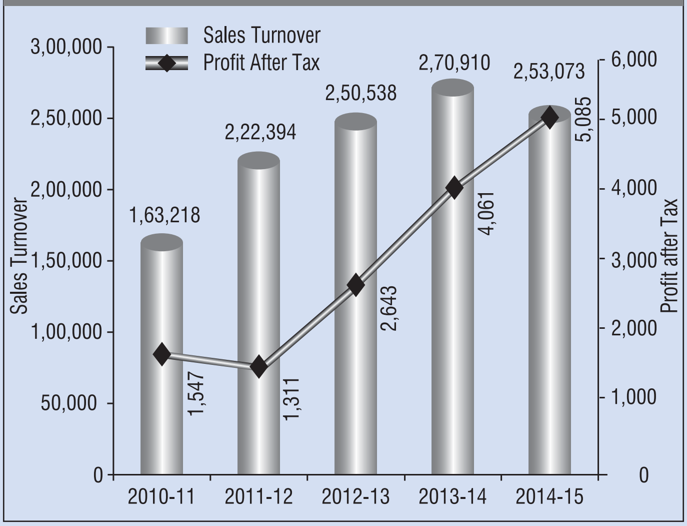
Registered Office:

Bharat Bhavan, P.B. No. 688, 4 & 6 Currimbhoy Road, Ballard Estate,
Mumbai 400 001 CIN: L23220MH1952GOI008931 Phone: 2271 3000 / 4000
Fax: 2271 3874 email: info@bharatpetroleum.in Website: www.bharatpetroleum.in

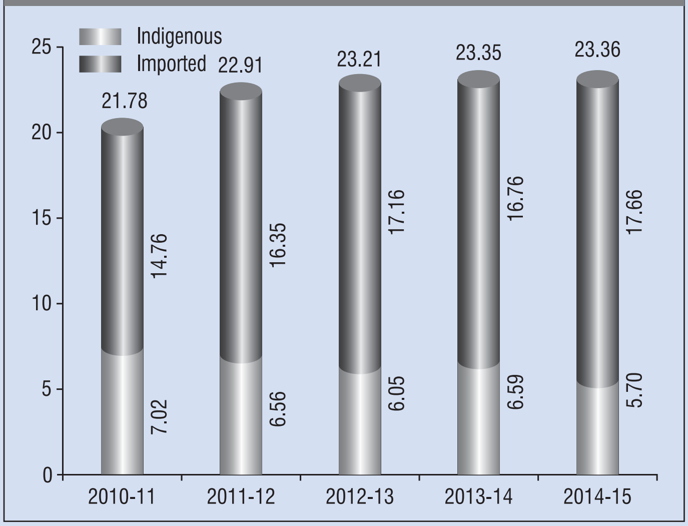
BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 62ND ANNUAL GENERAL MEETING

Name	Shri K. K. Gupta	Shri B. K. Datta	Smt. Sushma Taishete
Date of Birth	01.03.1956	13.09.1956	27.07.1964
Date of Appointment	31.03.2011	01.08.2011	19.05.2015
Qualifications	B.Sc. (Engg.), (Mech.)	B.E. (Chem)	M.Sc. Microbiology, Diploma in Clinical Analysis & belongs to Civil Service batch of 1989.
Experience in specific functional areas	Shri Gupta joined BPCL in 1979 & has had the distinction of heading three major Business Units, viz. Lubes, LPG and Retail. As In-charge of Logistics, he played an important role in planning and consolidating logistics Infrastructure. He nurtured the "Beyond LPG" initiative & promoted Bharat Metal Cutting Gas. He was instrumental in nurturing the MAK lubricant brand. As head of the Retail business, Shri Gupta spearheaded the program for Retail Outlet automation and introduced the 'Automation for Sure' concept. He implemented the Vehicle Tracking System to monitor movement of all tankers transporting fuel.	Shri Datta joined BPCL in August 1979. As Head of the Mumbai Refinery, he was responsible for the entire Refinery Operations, Technology and Projects, which included the commissioning of the major Refinery Modernization Project. He also spearheaded commissioning of the DHDS modification units. He was also associated with the Oil Industry Safety Directorate and Centre for High Technology and has audited 8 Refineries as the Convenor of the team. He also headed the Supply Chain Optimisation function.	Smt Sushma Taishete is presently Director at MoP&NG with works involving distribution of all Petroleum products & policies related to it. She has handled works on marketing of LPG & auto LPG, gas allocation etc. She was a Govt Nominee Director on the Boards of other PSUs. She has worked in the Ministry of Health & Family welfare, Ministry of Defence and was part of programmes of Rural Health Infrastructure & National Rural Health Mission. She has published articles and has also had international exposure.
Directorships held in other Companies	**Chairman :** Bharat Stars Services Pvt. Ltd. Bharat Stars Services (Delhi) Pvt. Ltd. **Director :** Matrix Bharat Pte. Ltd. Sabarmati Gas Ltd.	**Director :** Bharat PetroResources Ltd. Bharat Oman Refineries Ltd.	-
Memberships/ Chairmanships of Audit and Stakeholders Relationship Committee	-	Audit Committee Member : Bharat PetroResources Ltd	-
No. of Shares held in BPCL	-	100 shares	-

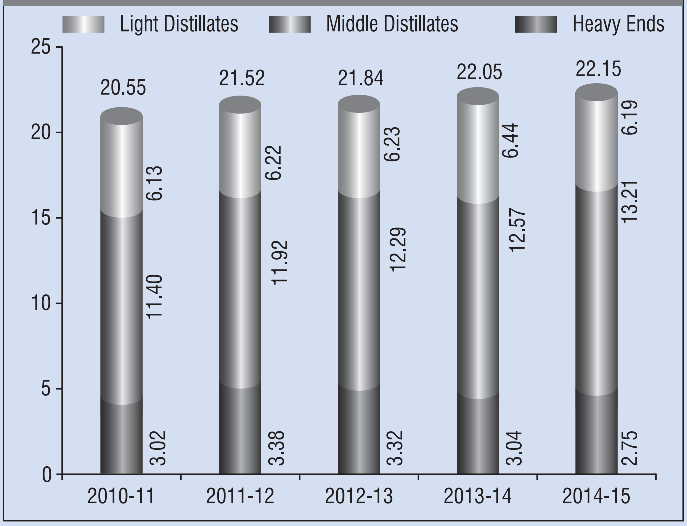
GROSS SALES TURNOVER / PROFIT AFTER TAX (₹ Crores)



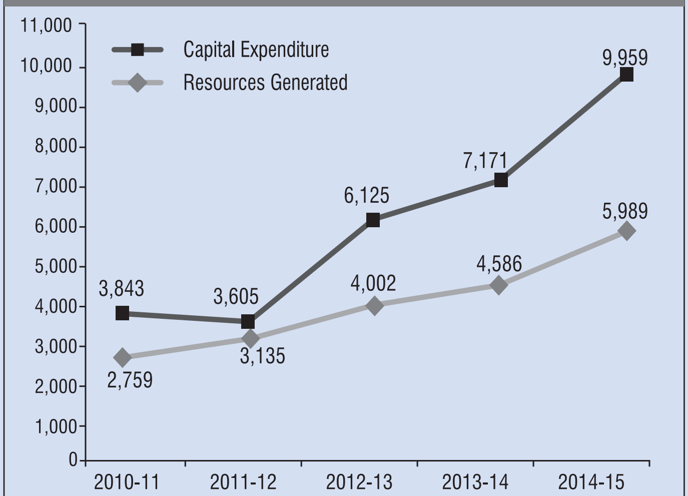
REFINERY THROUGHPUT (Million Metric Tonnes)



PRODUCTION (Million Metric Tonnes)

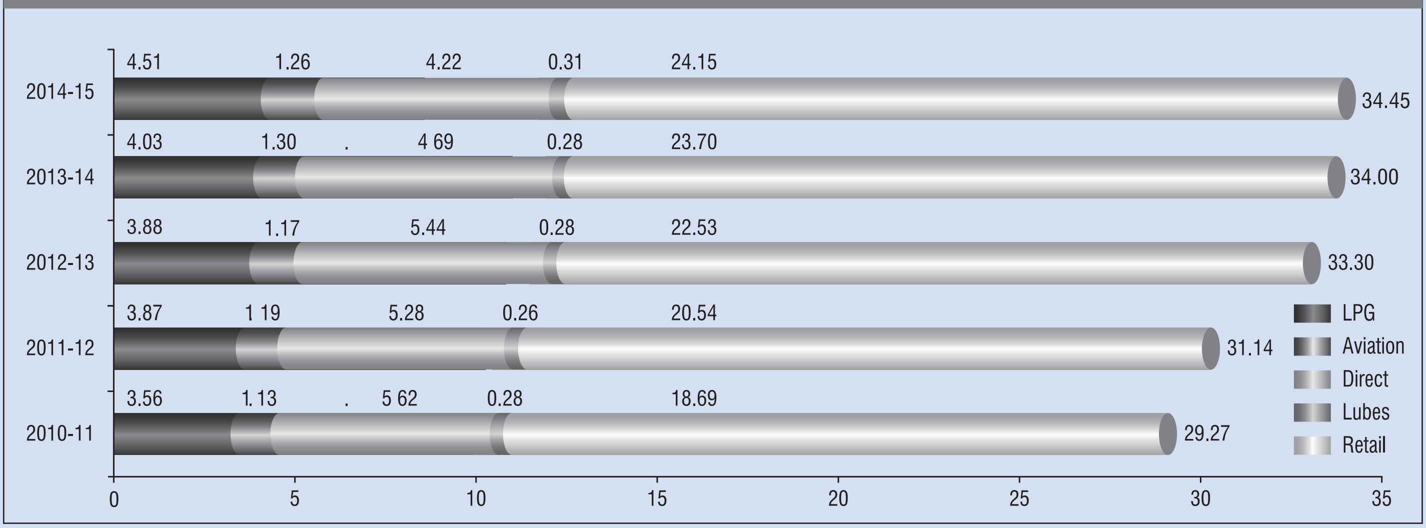


RESOURCES GENERATED / CAPITAL EXPENDITURE* (₹ Crores)

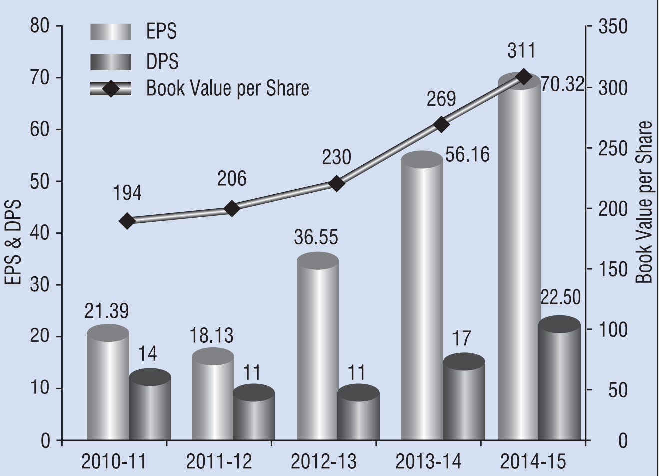


* Includes Capital Expenditure incurred through 100% Subsidiary and investments in Joint Ventures

MARKET SALES VOLUME (Million Metric Tonnes)

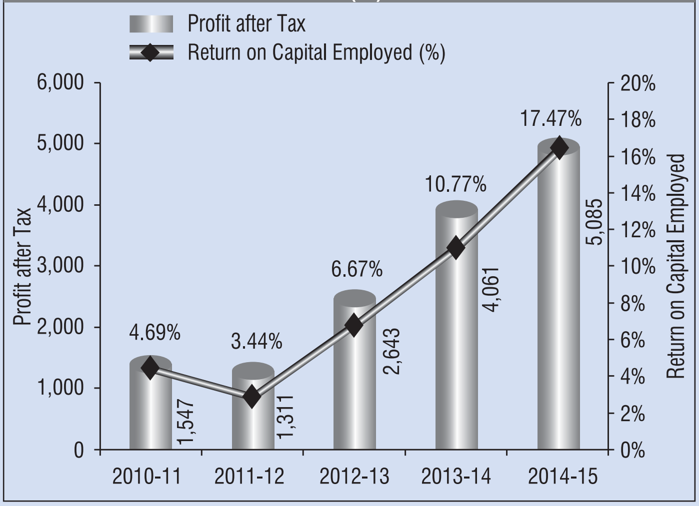


EARNINGS PER SHARE / DIVIDEND PER SHARE/ BOOK VALUE PER SHARE (₹)

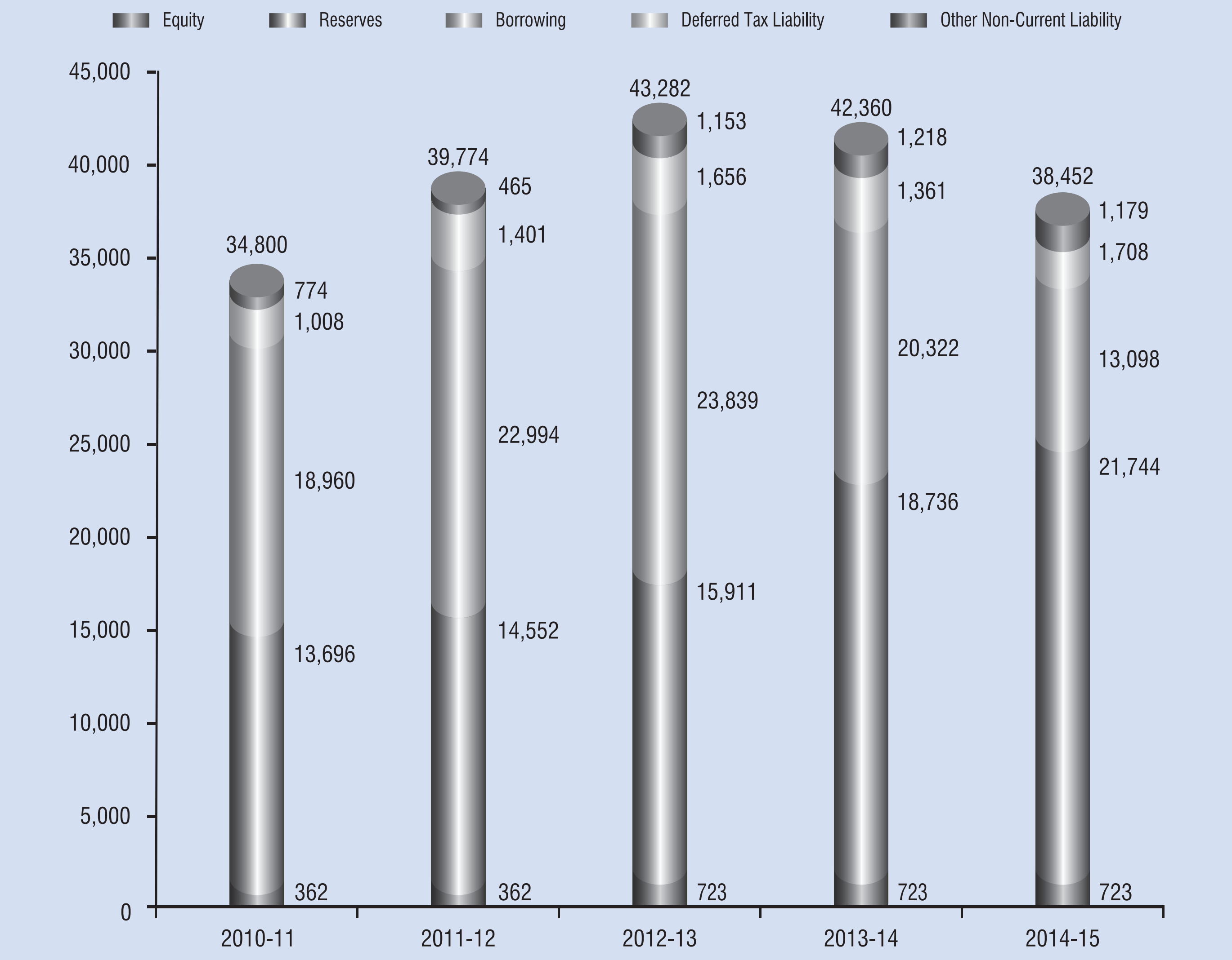


EPS & Book Value per share for previous years have been adjusted for 1:1 bonus issue in July 2012

PROFIT AFTER TAX (₹ Crores) RETURN ON CAPITAL EMPLOYED (%)

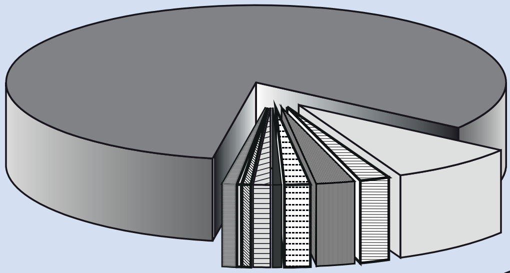


TOTAL FUNDS EMPLOYED (₹ Crores)

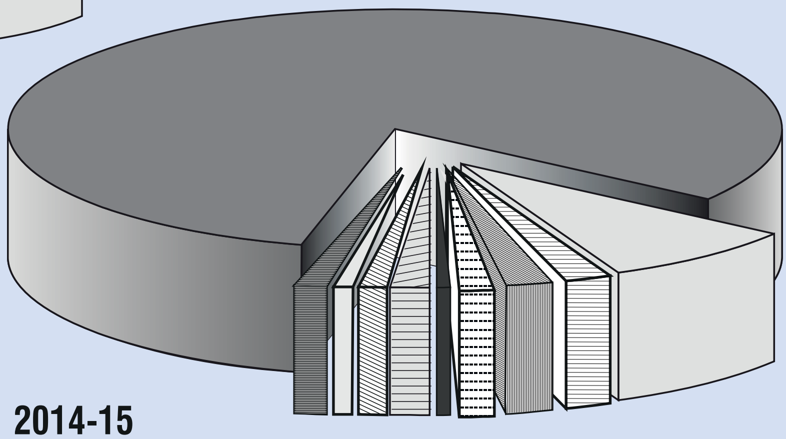


DISTRIBUTION OF EACH RUPEE EARNED

2013-14

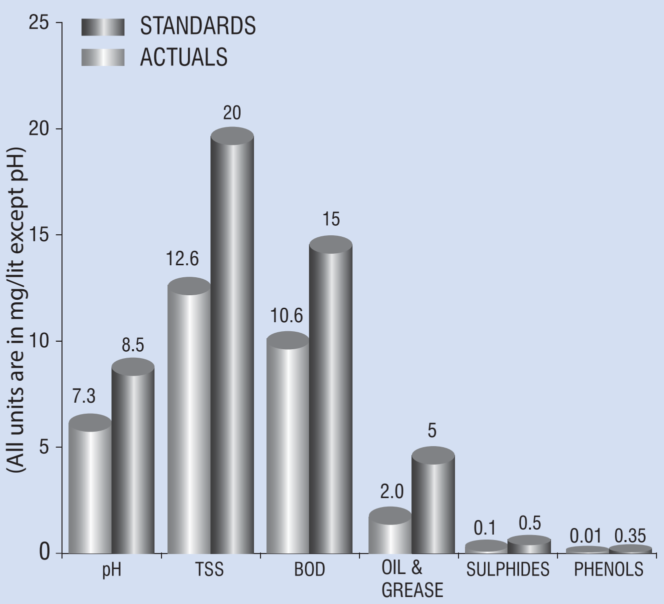


2014-15

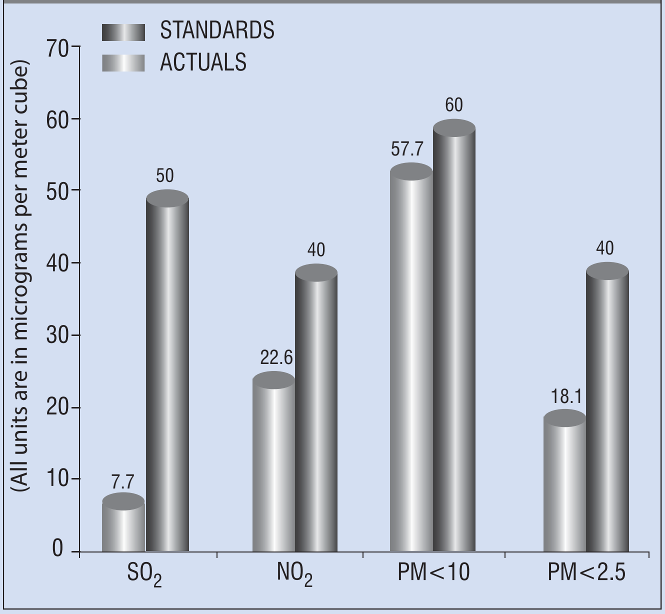


2013-14	2014-15	
87.43	84.61	Raw Materials, Purchase of Product for resale and packages
4.41	6.55	Duties, Taxes etc.
1.64	1.96	Transportation
1.96	1.95	Stores and other Operating Expenses
1.06	0.82	Employees' remuneration and other benefits
0.50	0.23	Finance Cost
0.82	0.98	Depreciation & Amortisation
0.69	0.91	Income Tax
0.52	0.75	Dividend (including Corporate Dividend Tax)
0.97	1.24	Retained Profits (including Appropriation to Debenture Redemption Reserve)

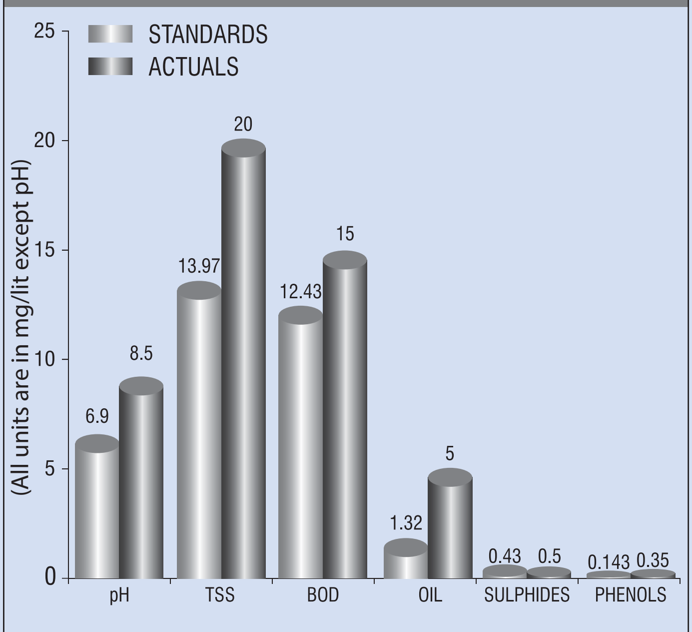
TREATED EFFLUENT WATER QUALITY VIS-A-VIS STATUTORY STANDARDS AT MUMBAI REFINERY



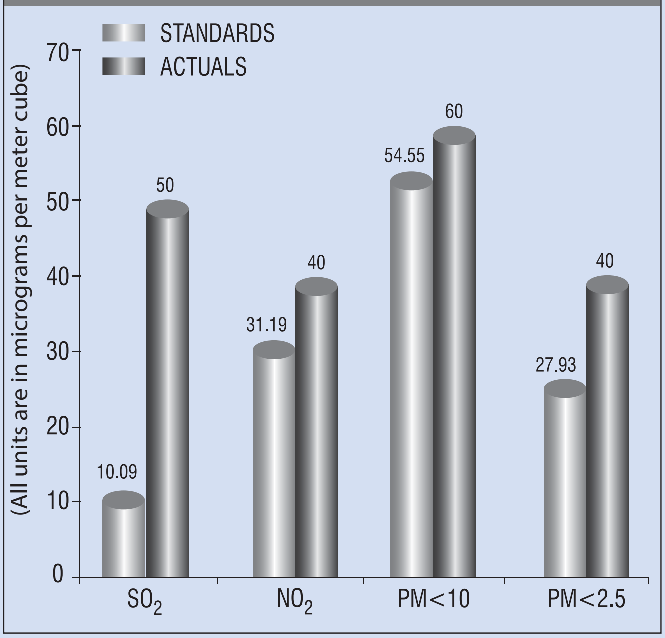
TREATED AMBIENT AIR QUALITY VIS-A-VIS STATUTORY STANDARDS AT MUMBAI REFINERY



TREATED EFFLUENT WATER QUALITY VIS-A-VIS STATUTORY STANDARDS AT KOCHI REFINERY



TREATED AMBIENT AIR QUALITY VIS-A-VIS STATUTORY STANDARDS AT KOCHI REFINERY



Directors' Report

The Board of Directors is pleased to present the 62nd Annual Report on the performance of Bharat Petroleum Corporation Limited (BPCL) for the year ended 31st March, 2015.

PERFORMANCE OVERVIEW

Group Performance

BPCL's Refineries at Mumbai and Kochi, together with its subsidiary company, Numaligarh Refinery Limited (NRL) and including 50% throughput of Joint Venture Company, Bharat Oman Refineries Limited (BORL), aggregated a throughput of 29.27 Million Metric Tonnes (MMT) in 2014-15, in comparison to 28.69 MMT in 2013-14. The BPCL Group generated market sales of 34.95 MMT during 2014-15, as compared to 34.31 MMT in the previous year. The group's exports of petroleum products in 2014-15 stood at 2.22 MMT as against 3.06 MMT in 2013-14.

The group recorded a Gross Revenue from Operations of ₹ 2,58,731.09 crores in 2014-15, as compared to ₹ 2,76,019.55 crores achieved in 2013-14. The Profit after Tax for 2014-15 was ₹ 5,082.01 crores, as against ₹ 4,052.98 crores in the previous year. After setting off the minority interest, the Group earnings per share stood at ₹ 66.47 in the current year, up from ₹ 54.08 in 2013-14.

CONSOLIDATED GROUP RESULTS

	2014-15	2013-14
Physical Performance		
Crude Throughput (MMT)	**29.27**	28.69
Market Sales (MMT)	**34.95**	34.31
Financial Performance		**₹ Crores**
Gross Revenue from Operations	**2,58,731.09**	2,76,019.55
Less: Excise Duty	**(16,132.59)**	(11,598.49)
Net Revenue from Operations	**2,42,598.50**	2,64,421.06
Profit before Depreciation, Finance Costs and Tax	**11,897.62**	10,758.74
Finance Cost	**1,180.47**	1,982.14
Depreciation & amortization expense	**3,026.68**	2,610.92
Profit before tax	**7,690.47**	6,165.68
Provision for taxation – Current (Net of MAT Credit Entitlement)	**2,522.44**	2,554.43
Profit after Current Tax	**5,168.03**	3,611.25
Provision for taxation – Deferred (Asset)/Liability	**95.55**	(355.31)
Short /(Excess) provision for Taxation in earlier years provided for	**(9.53)**	(86.42)
Net Profit	**5,082.01**	4,052.98
Minority Interest	**275.44**	142.30
Net Income of the group attributable to BPCL	**4,806.57**	3,910.68
Group Earnings per share attributable to BPCL (₹)	**66.47**	54.08

COMPANY RESULTS

	2014-15	2013-14
Physical Performance		
Crude Throughput (MMT)	**23.36**	23.35
Market Sales (MMT)	**34.45**	34.00
		₹ Crores
Financial Performance		
Gross Revenue from Operations	**2,53,254.86**	2,71,051.81
Less: Excise Duty	**(15,167.96)**	(10,976.82)
Net Revenue from Operations	**2,38,086.90**	2,60,074.99
Profit before Depreciation, Finance Costs and Tax	**10,514.63**	9,554.88
Finance Cost	**583.10**	1,359.08
Depreciation & amortization expense	**2,516.02**	2,246.82
Profit before tax	**7,415.51**	5,948.98
Provision for Taxation – Current (Net of MAT Credit Entitlement)	**2,010.00**	2,275.00
Provision for Taxation – Deferred	**347.36**	(294.82)
Short/(Excess) provision for taxation in earlier years provided for	**(26.36)**	(92.08)
Net Profit	**5,084.51**	4,060.88
Balance brought forward	**500.00**	500.00
Amount available for disposal	**5,584.51**	4,560.88
The Directors propose to appropriate this amount as under:		
Towards Dividend:		
Final (proposed) Dividend	**1,626.94**	1,229.24
Towards Corporate Dividend Tax	**294.27**	196.58
For transfer to Debenture Redemption Reserve	**194.35**	196.84
For transfer to General Reserve	**2,968.95**	2,438.22
Balance carried to Balance Sheet	**500.00**	500.00
Summarized Cash Flow Statement :		
Cash Flows:		
Inflow/(Outflow) from operations	**18,194.41**	8,404.10
Inflow/(Outflow) from investing activities	**(7,909.12)**	(4,285.89)
Inflow/(Outflow) from financing activities	**(9,132.26)**	(6,243.73)
Net increase/(decrease) in cash & cash equivalents	**1,153.03**	(2,125.52)

Company Performance

During the year 2014-15, the crude throughput achieved by BPCL's refineries at Mumbai and Kochi was 23.36 MMT, as against 23.35 MMT recorded in 2013-14. The market sales of the Company increased to 34.45 MMT in 2014-15, from 34.00 MMT in 2013-14, thus registering a growth of 1.32%.

BPCL's Gross Revenue from Operations for 2014-15 was ₹ 2,53,254.86 crores, 6.57% lower than the previous year's revenues of ₹ 2,71,051.81 crores. The Profit before Tax generated for the year was ₹ 7,415.51 crores, as against ₹ 5,948.98 crores in 2013-14. The Profit after Tax for the year stood at ₹ 5,084.51 crores, as against ₹ 4,060.88 crores recorded in 2013-14, after providing for tax, (including deferred tax) of ₹ 2,331.00 crores, as compared to ₹ 1,888.10 crores during the last year. This is the first time in the history of the Company that the net profit has exceeded ₹ 5,000 crores in a single financial year.

The earnings per share achieved in 2014-15 was ₹ 70.32, as compared to ₹ 56.16 in 2013-14. Internal cash generation during the year was higher at ₹ 5,989.18 crores, 30% more than the level of ₹ 4,585.64 crores in 2013-14. BPCL's contribution to the exchequer by way of taxes and duties during 2014-15 stood at ₹ 51,121.77 crores, as against ₹ 43,602.22 crores in the previous financial year.

BPCL's net worth as on 31st March, 2015 was ₹ 22,467.48 crores, as compared to ₹ 19,458.76 crores at the end of the previous year.

Dividend

The Board of Directors has recommended a dividend of 225% (₹ 22.50 per share) for the year on the paid-up share capital of ₹ 723.08 crores. The amount of dividend totaling to ₹ 1,921.21 crores, inclusive of ₹ 294.27 crores for Corporate Dividend Tax on distributed profits, shall be dispensed from the profit after tax for the year.

Transfer to Reserves

The Company proposes to transfer ₹ 2,968.95 crores to the General Reserve out of the amount available for appropriation and an amount of ₹ 500.00 crores is proposed to be retained as Surplus in the Statement of Profit and Loss.

Borrowings

Borrowings from banks decreased by almost 50% to ₹ 6,925.26 crores as at 31st March 2015, from ₹ 13,843.68 crores as at 31st March, 2014. Loans from Oil Industry Development Board have increased to ₹ 1,049.50 crores as at 31st March, 2015, as compared to ₹ 321.25 crores at the end of the previous year. Debentures worth ₹ 700 crores issued during the year 2012-13 continue to remain outstanding as on 31st March, 2015. 4.625% US Dollar International Bonds issued during 2012-13 of USD 500 Million (equivalent to ₹ 3,129.54 crores) and 3% Swiss Franc International Bonds issued during 2013-14 of CHF 200 Million (equivalent to ₹ 1,293.30 crores) remained outstanding as on 31st March, 2015.

During the year 2014-15, the Company set up a Medium Term Note (MTN) Program to facilitate the raising of funds on a regular basis from the international debt capital markets, with the aggregate nominal amount of Notes outstanding under the program not exceeding USD 2 billion (or its equivalent in other currencies).

Deposits from Public

During the year, the Company has not accepted any deposits from the public. However, unclaimed matured deposits of ₹ 0.08 crores as at the end of the year, pertaining to 21 depositors in the books, are being transferred to the Investor Education and Protection Fund after due dates.

Capital Expenditure

The total Capital Expenditure incurred during the year 2014-15 amounted to ₹ 8,494.40 crores, as compared to ₹ 5,560.39 crores during the year 2013-14.

C& AG Audit

The Comptroller and Auditor General of India (C&AG) has no comment upon or supplement to the Statutory Auditors' Report on the Accounts for the year ended 31st March 2015. The letter from C&AG is annexed as Annexure E.

REFINERIES

MUMBAI REFINERY

During the year 2014-15, Mumbai Refinery achieved throughput of 12.96 MMT of feedstock (crude oil and other feedstock), as against 13.03 MMT achieved in 2013-14. Mumbai Refinery has achieved this level of throughput, despite having planned shutdown of one of the crude processing units and associated secondary facility during the year. This represents a capacity utilization of 108.0%, as compared to 108.6% in the previous year. The reduction in crude throughput is basically due to the higher captive production of Reformate, which has been, hitherto imported to meet Motor Spirit (MS) demand during 2013-14.

During the year, the refinery achieved its highest ever production of MS, High Speed Diesel (HSD) and Lube Base Oils, meeting the demand for MS and HSD complying with Euro-IV quality norms.

The Gross Refining Margin (GRM) for the year stood at USD 3.97 per barrel, as compared to USD 3.95 per barrel realized in 2013-14. The overall gross margin for the refinery in 2014-15 amounted to ₹ 2,363 crores, as compared to ₹ 2,340 crores in 2013-14. The higher GRM in Mumbai Refinery for the year 2014-15 is attributable to higher distillate yield, better product mix pursuant to commissioning of the Continuous Catalytic Reformer (CCR) Unit and reduction in octroi incurrence partially offset by the impact of the crude-product price volatility.

KOCHI REFINERY

Kochi Refinery achieved the highest ever crude throughput of 10.40 MMT in 2014-15, as compared to 10.32 MMT in 2013-14. This is the third year in succession that the throughput at the refinery has crossed the 10 MMT mark. The capacity utilization of the refinery during the year was 109.46%, as against 108.65% in the previous year. During the year, Kochi Refinery recorded its best ever production of LPG, Propylene, Euro-III MS, Euro-III HSD and Euro-IV HSD.

The GRM for the year was USD 3.17 per barrel amounting to ₹ 1,514 crores. The refinery had earned a GRM of USD 4.80 per barrel in 2013-14, amounting to ₹ 2,249 crores. The major reasons for lower margin during 2014-15 are lower product cracks and higher inventory valuation loss.

The details of the performance of the Refineries, their activities and future plans are discussed in the Management Discussion and Analysis Report (MD&A).

MARKETING

During the year 2014-15, BPCL's market sales volume rose to 34.45 MMT, as compared to 34.00 MMT in the previous year. This represented a growth rate of 1.32% over the previous year. BPCL's market share amongst the public sector oil companies stood at 23.29% as at 31st March, 2015, as compared to 23.50% as at the end of the previous year.

A detailed discussion of the performance of the Marketing function is given in the MD&A.

PROJECTS

Integrated Refinery Expansion Project (IREP) at Kochi

The project envisages capacity expansion of Kochi Refinery by 6 Million Metric Tonnes Per Annum (MMTPA) taking it to 15.5 MMTPA and modernisation of processing facilities to produce auto-fuels conforming to Euro-IV/ V specifications. It also envisages refinery residue stream upgradation to value added products.

The project involves a capital outlay of ₹ 16,504 crores with expected completion in May, 2016. The project has achieved an overall physical progress of 83.55% with cumulative expenditure of ₹ 7,147 crores as on 30th June 2015.

Civil, structural and UG piping jobs of units and offsites are nearing completion. The foundations of all major equipments have been completed and all major tenders and orders have been placed. More than 75% of the equipment has been received at site. Mechanical jobs like piping, fabrication, erection and equipment erection are in progress at units and offsites. About 1,000 equipment out of a total of 2,060 have been erected on foundations, which include all three gas turbine generators, crude and vacuum columns, DHDT reactors, VGO and DHDT recycle gas compressors. Electrical and instrumentation jobs have commenced. Package jobs like reactor-regenerator package of FCCU, coke drum structure and coke handling packages, heaters, water packages, utility boilers are progressing at site and a few are nearing completion. The hydrotesting of one out of the two utility boilers has been completed. Two raw water quarries for storage of water from the Periyar River have been commissioned.

A workforce of more than 14,000 labourers has been engaged on a daily basis and works at site progress on a 24x7 basis. Monthly meetings of unions, contractors, and Project Management Consultant (PMC) with the Regional Labour Commissioner help maintain a healthy labour climate. The Government of Kerala continues to provide proactive support to the project and reviews are being held even at the level of the Chief Minister.

Petrochemicals Project

The Board has given approval for diversification into Petrochemicals at an estimated capital cost of ₹ 4,588 crores. BPCL plans to produce niche petrochemicals such as Acrylic Acid, Acrylates and Oxo Alcohols, that are predominantly being imported into the country. Such niche products will be produced using Polymer Grade Propylene that will be available on the completion of the IREP project. The major end uses of these chemicals are in paints and coatings, adhesives, plasticisers, solvents and water treatment. The unit is expected to come on stream during the year 2018-19.

Replacement of CDU /VDU at Mumbai Refinery

The project envisages installation of a state-of-the-art integrated Crude and Vacuum Distillation Unit (CDU-4) of 6 MMTPA capacity to improve mechanical integrity, enhance safety and meet environment norms. The approved cost of the project is ₹ 1,419 crores.

The overall physical progress of project is 97.2% with cumulative expenditure of ₹ 1,171 crores as on 30th June 2015. Pre-commissioning and commissioning activities at site are in progress.

Kota Jobner Pipeline Project:

The project involved laying a 210 km long and 14“ dia cross-country pipeline from Kota to Jobner (near Jaipur) for economic transportation of MS/SKO/HSD from BPCL's Mumbai Refinery as well as BORL's refinery at Bina. Petroleum and Explosives Safety Organisation (PESO) license has been obtained and the pipeline has been commissioned on 31st March, 2015 with an expenditure of ₹ 230 crores as on 30th June, 2015.

Pipeline for Transfer of LPG from BPCR / HPCR Mumbai to Uran

The project envisaged laying a 28 km pipeline (12 km offshore and 16 km onshore) and provision of three 900 MT Mounded Storage Vessels (MSVs) at BPCL's Uran LPG Plant. The pipeline is being laid to transfer LPG from BPCL's Mumbai Refinery and the Mumbai Refinery of Hindustan Petroleum Corporation Limited (HPCL) at a project cost of ₹ 276.84 crores. The pipeline portion of the project, costing ₹ 229.6 crores, will be shared equally with HPCL. The MSVs cost around ₹ 47.24 crores and are on BPCL's account. The pipeline was commissioned on 31st October, 2014. The cumulative expenditure of the project as on 30th June, 2015 is ₹ 269 crores.

RESEARCH & DEVELOPMENT (R&D)

In line with constantly changing business needs, the Research and Development Centres of BPCL are focusing on development of niche and innovative products and process technologies and providing advanced technical support for refinery processes, lubricant formulations and product / process development. These centres have achieved significant breakthroughs in the past few years. They boast of producing more than 20 patents in the last 5 years and the aspiration is to emerge as a world class technology solution provider in the near future.

BPCL has R&D facilities at three locations - the Corporate R&D Centre at Greater Noida, Uttar Pradesh, R&D Product & Application Development Centre at Sewree, Mumbai and the in-plant R&D Centre at Kochi Refinery. All three centres provide the Company an edge over competitors and technological breakthroughs for future business developments.

The core research areas of the R&D centres are broadly divided into four categories, namely (a) development of energy efficient technologies for fuel and chemical production (b) technical support to refining processes (c) new product and additive development and (d) alternate fuels and energy.

The R&D programs have been discussed separately in the MD&A. Further, the areas covered under R&D and the benefits derived from R&D activities are detailed in Annexure A to the Directors' Report.

NON-CONVENTIONAL ENERGY INITIATIVES

BPCL has undertaken initiatives in tapping non-conventional energy sources like wind energy, solar energy and fuel cells, in order to develop such alternate sources of energy.

The improved economics for investment in solar and wind energy and favourable Government policy for renewable energy has prompted the Company to develop a Renewable Energy Policy which was approved by the Board.

BPCL has installed 5 MW capacity windmills in the hilly range of Kappatguda in Chitradurga District, Karnataka and a 0.5 MW wind farm in Tamil Nadu. The windmills are currently working satisfactorily and power produced is sold to the State electricity grid. In addition to the above, BPCL has commissioned smaller KW scale solar plants for a total capacity of about 1500 KW for lighting and admin office building electrical loads at Kochi and Mumbai Refineries, 205 retail outlets, along the Mumbai-Manmad pipeline, some LPG bottling plants and Lube blending plants.

Under the renewable energy policy, a 4 MW solar plant at Bina Despatch Terminal and a 6 MW grid connected wind power project are being put up.

BPCL is currently evaluating the option of setting up more solar farms and windmills in various states, depending on availability of land and other commercial considerations.

INDUSTRIAL RELATIONS

The overall industrial relations climate remained peaceful and cordial throughout the year. All organizational and employee related issues were handled with a collaborative approach and regular communication was ensured to all employees on all important issues affecting them and the Organisation.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Through its CSR initiatives, BPCL has widespread impact throughout the country, in and around our business locations as well as in rural / tribal communities. Every year brings new learning and using these inputs, we have scaled up various projects, taken up new projects and exited from certain projects that have attained sustainability. Our core thrust areas for CSR are education, water conservation, skill development, health and hygiene and community development.

Improving quality education, which is one of our core thrust areas under CSR, is also the biggest equalizer in today's world. Education contributes to individual well being as well as overall development of the country. It enhances the standard of living, helps in overcoming the problems of poverty and unemployment and brings in social equality. Therefore, the projects supported by us under education are primarily focused on improving the 'quality of learning' and bridging the gap that comes in the way of the learning process and inclusivity.

The Computer Assisted Learning Project (CAL), our flagship project, is for the children of primary and secondary grades studying in Government schools and low income private schools. It aims at improving the learning levels of children and making them digitally enabled through a technology interface. In the year 2014-15, the project was scaled up to 45 new centres in Jaipur (Rajasthan), Mumbai and Solapur (Maharashtra). The earlier centres in Uran and Lucknow continue to benefit children year after year. Thus, BPCL reached out to 38,000 new children during the year.

Capacity building sessions were organised with the School Management Committees of the above schools, so that the committee members are empowered on the rules under the Right to Education Act and also take more interest and ownership in the education process and learning levels of their children.

The project also resulted in indirectly generating local level employment, by way of the Sancharikas (teacher facilitators) for imparting computer education. Every school has one or two sancharikas (depending on the enrolment of children in the school) adding to a total of around 100. They are trained in both, technical as well as soft skills, thereby making them thorough professionals.

Our one-of-a-kind Science Education Project, which provides experiential science learning to children, is executed in collaboration with the NGO, 'Agastya International Foundation.' The project is for children from 90 Government schools near Solur, Bangalore (Karnataka) and in the year 2014-15, it has been scaled up to 25 Government schools in and around Chembur, near Mumbai Refinery.

There were about 300 students who have been groomed during the year 2014-15 as Young Instructor Leaders. They act as peer leaders and help in teaching Science through experiments to their fellow mates. In the same year, 105 Government school teachers were trained on the above themes. The training not only composed of clarifying their doubts, but also on how to use creativity in teaching methods and other activities.

Another flagship project i.e. District-wide Education Project - 'Akshar' (Read India) for impacting the learning levels of children through learning camps, was being supported by BPCL in the Districts of Sagar (MP) and Nandurbar (Maharashtra). This project in 2014-15 was scaled up to cover Dausa and Jaipur (Rajasthan). In Nandurbar and Sagar, 30 days of learning camps were conducted in Maths and Language to improve the learning levels of Government school children. 210 schools in Sagar and 180 schools in Nandurbar encompassing 25,343 students from Class I - V were covered in these camps. After BPCL intervention, there was a 24% improvement in children's Reading and Maths levels in Sagar, while Nandurbar saw a similar 18% improvement in Reading levels.

Along similar lines, our project for educating tribal students in Mayurbhanj and Sundergarh districts of Odisha has been continued. 4,453 children now have access to school education. In the coming years, we are now changing the focus of the project to improving the quality of education, rather than solely complying with the provisions of the Right to Education Act, the mantra being, "Attending school & learning well."

In 2014-15, we have successfully completed the second batch of our unique in-house pilot project for professional development of primary teachers, upper primary school teachers and principals from schools run by the Municipal Corporation of Greater Mumbai and other low income schools. This program aimed at encouraging teachers to use new techniques for teaching and classroom management and develop new teaching materials according to the needs of the class. By working with the teachers and school management, we are effecting a sustainable change in the existing education system. Additionally, our employee volunteers too added value in the classroom by telling stories with moral values.

Last year, we had taken up a new library project aimed at impacting literacy and reading skills and therefore, increasing creative thinking and supplementing learning on the whole. In the year 2014-15, we have continued supporting 20 libraries in Mumbai and Delhi and have increased the reach by an additional 5 libraries in Mumbai, where over 3,700 children are benefitted. In addition, these libraries have a special Teachers' section and can be used by the community around the schools as well.

Project BalaJanaagraha was scaled up to include new schools in Kochi, in addition to those in Bangalore. The project aimed at instilling good citizenry in children as the key to building good and vibrant nations. This unique civic education project targeted at creating responsible and proactive citizens through conducting civic sessions in schools, gave 2,862 children know-how about their rights and duties. Civic fests at the local, city and national level were held in which the children participated in nationwide competitions. Citizenship surveys were conducted before and after the program to gauge the increase in awareness levels of the children.

Our education system often turns out students who are not employable, even after completing years of studies. With an objective to empower unemployed youth, women and persons with disabilities near our businesses and also equip them with skills, we have several NGO partners in different parts of the country. Placement linked vocational training of 1,000 youth was supported by BPCL near Kochi Refinery, to increase the skills of the local youth and the economic level of the surrounding community. Training was done in construction and fabrication related trades as well as hospitality, retail management, computer accounting and office automation for the youth, women & differently-abled. Over 70% of these youth have been placed and are being tracked to ensure job retention.

Through training in zardosi and Aari work, about 130 women in Loni earn and save enough to send their children to school. On an average, each woman adds around ₹ 3,000 per month to the family income. The women are provided inputs on financial management through self-help groups and forward and backward market linkages, so that they can earn independently on completion of the project.

Towards inclusion and giving the differently-abled a chance to become economically contributing members of society, we have several projects for skill training of disabled persons. The LABS project for Persons with Disabilities in Mumbai and Noida saw 200 youth who were trained and then placed with various companies. Along similar lines in Kolkata, we trained 80 disabled and underprivileged youth from economically backward families in Desktop publishing. Our BPCL volunteers also gave these youth sessions on personality development to help them get better placement. In various other projects, persons with hearing, visual and physical disability were given training in skills that would make them employable or enable them to start their own businesses like weaving, candle making, massage therapy etc.

Our water project, 'Boond' has covered 40 villages during the year, in Tamil Nadu, Karnataka, Maharashtra and Rajasthan. 'Boond' now spans across India in Tamil Nadu, Andhra Pradesh, Rajasthan, Maharashtra and Karnataka. Through community based organizations like village water committees, the community that is benefitted by the water structures built or repaired plays an active role in building and maintaining the structure that contributes to their various daily needs. In 2014-15, over 5,500 families have benefitted and over 7 crore liters of water storage capacity was created. Our project also supports sustainable employment through improved agricultural practices, newer crops, innovative methods of irrigation etc. Unseen benefits include recharge of ground water, drinking water for cattle, decrease in migration and a positive effect on the environment, in addition to flood moderation.

In Mokhada Taluka, which is a completely impoverished and tribal predominated block in Maharashtra, BPCL has been supporting Project 'Boond' for the third consecutive year. In 2014-15, we supported a small initiative of 'Group Farming and Collective Marketing model.' Therefore in Mokhada, apart from water conservation, through agriculture alone, we covered 7 villages under our agriculture development program. This included 298 families who benefitted through vegetable farming and floriculture, while 115 farmers enjoyed the benefits of tree plantation.

Project 'Boond' is completing its full cycle from transforming the villages to water positive and also playing an important role in socio-economic development by drudgery reduction, checking migration, enhancement in income and other important social indicators.

With an objective to improve and encourage institutional care and safe delivery of babies under supervised medical attention, we work in HD Kote taluka, Mysore District of Karnataka by supporting reproductive and child healthcare of the tribals. Over 60,000 villagers and specifically 8,975 tribals from 56 tribal colonies are being benefitted from this project, where there has been a steady increase in institutional deliveries, linkage to Government healthcare schemes, essential ID documents like Aadhar card, 100% primary immunization, awareness raised in the community on nutrition, infant mortality etc. through regular meetings.

BPCL has around 15,000 retail outlets and LPG Distributorships which employ Driveway Salesmen (DSMs) and LPG Delivery boys. Most of them, who are critical stakeholders in our value chain, do not have any protection for themselves or their families against major expenses arising from unforeseen health issues. During the year 2014-15, we have launched a health insurance scheme, through which 8,713 DSMs and delivery boys in 24 states have been given coverage of ₹ 1,00,000 for themselves and their families for one year.

We also wholeheartedly plunged into the national mission of 'Swachh Bharat - Swachh Vidyalaya,' by committing towards supporting /constructing 1,864 toilets across 7 states in India (Bihar, Odisha, Chattisgarh, Madhya Pradesh, West Bengal, Telangana and Andhra Pradesh). Not only will we support construction, but post construction, we'll assist in maintaining them for a minimum period of three years. Towards this, we are closely co-ordinating with the respective State Governments, MOP&NG and also MOHRD. In 2014-15, we initiated work in 238 schools and we endeavour to complete all the schools shortly.

In the years to come, we will continue to focus our efforts on initiatives that strengthen our communities, protect our environment and will lead to an advancement of India as a nation. We will lead by example.

The Annual Report on CSR activities of the Company containing composition of committee members, brief outline of the CSR policy, overview of the projects undertaken, prescribed expenditure, amount spent etc. are set out in the specified format forming part of this Report in Annexure B.

The CSR Policy may be accessed on the Company's website at the link:

http://www.bharatpetroleum.co.in/EnergisingSociety/CSR_Policy.aspx?id=2

PROMOTION OF SPORTS

BPCL sportspersons continued to excel in the national as well as international sports arena in the disciplines of Cricket, Hockey, Badminton, Chess, Table Tennis, Kabaddi, Volleyball, Bridge and Billiards/Snooker.

Our sportspersons have won several distinctions and plaudits. Saina Nehwal continued to grab media attention as she won the China Open Badminton tournament. Saina reached the finals of the All England Championships and later, won the India Open, which catapulted her to the top of the World rankings. P.V. Sindhu, our promising badminton star, who is ranked No. 9 in the World, won the Taiwan Open Super Series and was also conferred with the Padmashree Award.

Our Hockey team did extremely well in domestic events and four of our hockey players have been regular members on the Indian Hockey team. S. V. Sunil, Manpreet Singh and Birendra Lakra were members of the Indian team which won the Gold Medal in the Asian Games.

Chess wizard P. Harikrishna is currently the second highest ranked Indian Chess player after Vishwanathan Anand in the World.

Our Kabaddi and Volleyball teams performed exceedingly well in most of the prestigious tournaments they participated in.

Individual sportspersons from BPCL continued to represent the country in various international events viz. Guru Sai Dutt, Jwala Gutta in Badminton, Poulomi Ghatak, Soumyajit Ghosh, Sanil Shetty in Table tennis, Devendra Joshi, Manan Chandra in Billiards and Snooker, Atanu Das in Archery, Abhijit Gupta, G. N. Gopal in Chess, Marianne Karmarkar in Bridge etc. In the Physically Challenged Category, Joby Mathew won several Gold/ Silver medals in the World Arm Wrestling Championship.

Our young Scholarship players excelled at national and international events in the open and junior categories. BPCL also bagged the Second Runners-up “President’s Trophy” of Petroleum Sports Promotion Board (PSPB) during the year.

Our endeavours continue in the various avenues of Sports development through varied support mechanisms extended to our players for excelling in sports in India and abroad, such as coaching, skill development, orientation programmes, performance feedback etc.

RESERVATION AND OTHER WELFARE MEASURES FOR SCHEDULED CASTES/SCHEDULED TRIBES/ OTHER BACKWARD CLASSES AND PERSONS WITH DISABILITIES

BPCL has been following in letter and spirit, the Presidential Directives and other guidelines issued from time to time by Ministry of Petroleum & Natural Gas, Ministry of Social Justice and Empowerment and the Department of Public Enterprises relating to reservations / concessions for Scheduled Castes / Scheduled Tribes / Other Backward Classes. An adequate monitoring mechanism has been put in place for sustained and effective compliance uniformly across the Corporation. Rosters are maintained as per the Directives and are regularly inspected by the Liaison Officer of the Corporation as well as the Liaison Officer of MOP&NG to ensure proper compliance of the Directives.

SC/ST and economically backward students are encouraged by awarding scholarships for pursuing courses at ITIs and secondary school education up to graduation level.

BPCL also complies with provisions under “The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation), Act 1995 relating to providing employment opportunities for Persons with Disabilities (PWDs).

Details relating to representation/appointment of SC/ ST/OBC candidates and Persons with Disabilities are enclosed as Annexure C.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

The Official Language Implementation Committees continued to function at the Corporate, Regional, Refinery, Area offices and major location levels, to take decisions based on the annual program issued by Ministry of Home Affairs, besides the provisions of the Official Language Act and Rules. These Committees perform the task of reviewing the progress made in Official Language Implementation on a quarterly basis.

During the year, the First Sub-Committee of the Parliamentary Committee on Official Language inspected the offices situated at Goa, Draft & Evidence Committee at ECE House, New Delhi and Udaipur. Officials from the Department of Official Languages, Ministry of Petroleum & Natural Gas visited Varanasi, Allahabad, Meerut, Piyala, Bijwasan and Bangalore offices. The Rajbhasha Vibhag of Ministry of Home Affairs inspected nine locations on an all India basis. All committees expressed their appreciation for the efforts taken by BPCL for promotion of Hindi.

Various Hindi competitions were organized during Hindi fortnight, which was celebrated with enthusiasm at all major locations in September, 2014. As per the directives from MOP&NG, a certificate was given to staff, who had done an excellent job in Hindi implementation from all Regions/Refineries as Rajbhasha Gourav Puraskar. Similarly, World Hindi Day was organized on 10th January, 2015 at all Regions and Refineries.

User friendly Hindi Unicode supported Software Indic Language was loaded at all BPCL Offices. A web page was created for help online for training of Hindi ISM V6 software/ Indic Language Software. BPCL bagged the third prize from MOP&NG for the Best Hindi Implementation among PSUs. Hindi Cell, CO was awarded the third prize from Town Official Language Implementation Committee (TOLIC) (Mumbai) for Best Implementation of Hindi. Eastern Region bagged the second prize for Best Implementation of Hindi from TOLIC (Kolkata). Kochi Refinery was awarded the first prize from Deputy Director, Hindi, Ministry of Home Affairs (South - West Zone) Rajbhasha Rolling Trophy, Overall Champions Trophy and award for Best Hindi House Magazine from TOLIC (Kochi).

Our C&MD issued annual check points under the Annual Program of Official Languages Implementation for the year 2015-16. During the year on an all India basis additional 15 offices have been notified under sub-rule 10(4) of OL Rules, 1976. All the Regional/Refinery Hindi Cells have supported the activities of Town Official Language Implementation Committees.

CITIZEN'S CHARTER AND PUBLIC GRIEVANCES REDRESSAL

At BPCL, we are sensitive to the service levels offered across every customer interface, in constant pursuit of excellence. Our various initiatives are driven by our commitment and desire to enhance customer experience. The Citizen's Charter published on our website provides details of a range of services offered to our customers, with an overview of the marketing activities of the Corporation, policy guidelines and processes on marketing of petroleum products; it covers the mandate of the Corporation, customer rights with respect to standards, quality, time-frame for service delivery, the grievance redressal mechanism etc. These service levels are revisited from time to time and updated in line with the changing business environment / customer's expectations.

BPCL has a well established Grievance Redressal framework in place. The Nodal Officers for grievance redressal have been designated right from the Corporate Office to the State and Territory Offices in States, Union Territories and their details are available in the Citizen's Charter. In order to proactively reach out to the customers, BPCL has launched "Smart-Line," a centralized Customer Care System (CCS) portal where customers can log complaints, suggestions and feedback. The CCS provides an interactive platform to customers through dedicated toll-free numbers, as well as web-based access to connect with BPCL, and has been designed to track every interaction with an inbuilt escalation matrix. In addition, an internet-based Grievance Redressal Mechanism (Centralized Public Grievance Redressal & Monitoring System) of Government of India helps BPCL in speedy redressal of public grievances.

The Right to Information (RTI) Act, 2005 was implemented in BPCL since its inception. In order to have effective monitoring and to improve resolution time, BPCL has developed an in-house RTI package, where all RTI applications are logged, tracked and replied.

BPCL has a decentralized structure with 85 Central Public Information Officers (CPIOs) and 11 Appellate Authority (AAs) for providing speedy information to applicants. Through continuous learning programs and workshops for CPIOs / AAs, officials across the organization have been familiarized, sensitized and updated with every aspect of the Act.

As a knowledge management initiative, a RTI Journal is issued every quarter, which covers various aspects of the RTI Act, learnings from key CIC decisions and case studies, with the objective of enhancing knowledge and improvising on deliverables. During the period ending 31st March 2015, we have responded to 3,771 RTI Applicants providing information and redressed 1,510 complaints on the PG portal.

MICRO & SMALL ENTERPRISES

The Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 came into effect from 1st April, 2012. BPCL is fully complying with this policy for MSEs and a "Purchase Preference Clause" for them has been incorporated in the "General Purchase Conditions" of all tenders. As per this clause, in any tender, a participating MSE who is within a price band of L1+15 % will get a portion of the order, provided they match the L1 price. This out-of-turn allocation is not more than 20% and this includes 4% reserved for SC/ST entrepreneurs in this category.

The MSE procurement plan for 2014-15 was put up on the BPCL website www.bharatpetroleum.in. BPCL has been participating in various MSE vendor interaction programs organized by the Department of MSME at various locations. Premier vendor workshops were held during November 2014, which were attended by MSE vendors and special sessions on MSE policies/ guidelines were taken. BPCL continues to organize MSE vendor registration drives across all the four regions. For the year 2014-15, the total procurement value, where MSEs could have participated was ₹ 6,551.37 crores and the actual procurement value from MSEs was ₹ 1,524.80 crores i.e. an achievement of 23.27%, as against the target of 20%.

VIGILANCE

Vigilance in BPCL is committed to nurture and facilitate the highest level of ethical standards in the Organization. As an important catalyst in its Corporate Governance structure, Team Vigilance focuses on proactive and preventive efforts to promote and further good governance and ethical standards in all business processes in the organization.

Vigilance helps the Business identify susceptible areas in existing procedures and processes like tendering processes, vendor bill payments, channel partner selections and matters related to reconstitution of Dealership/Distributorship etc. Information technology is being extensively utilized to effectively institute more transparent processes like e-tendering, e-payments, e-receipts etc., thereby instilling confidence of being a just and fair organization amongst our vendors, channel partners and customers.

'Face to Face' was an initiative spearheaded by CVO to interact with business and regional heads and field staff across the country, including our refineries at Mumbai, Kochi and Numaligarh. This interaction was shared with presentations, case studies, prevalent guidelines and clarifications on the issues raised.

With the purpose of regularly upgrading business knowledge through the learning process, CVO initiated meetings with different business groups.

CVO also initiated a process and kickstarted a brainstorming workshop on "Procurement and Contracting Procedures' at Mumbai Refinery to discuss the process in line with the National Power Training Institutions' (NPTI) comprehensive manual. Along with Director (Refineries), the concerned officials from Mumbai Refinery, Kochi Refinery, Central Procurement Organizations (CPOs) of Refinery and Marketing, Finance and Vigilance participated in the workshop.

A series of training programs and conferences were organized during the year which enabled Team Vigilance officers to develop a comprehensive understanding of various business guidelines and processes. Special Vigilance Awareness sessions were conducted for our employees working at operating locations and commercial offices by Team Vigilance officers during their visits, to enhance knowledge and awareness on the operational aspects of various circulars and guidelines issued by the Central Vigilance Commission (CVC) and the Ministry.

It was ensured that all tenders are being published on the Central Public Procurement (CPP) portal of the Government of India website to increase visibility and transparency in our interactions with vendors, contractors, suppliers and other service providers. The Integrity Pact was adopted and made compulsory for all tenders with a contract value of ₹1 crore or more.

With an objective to keep a check on the implementation of prescribed procedures and practices, surprise inspections were conducted at few of the operating locations, retail outlets, LPG distributorships etc. It also involved inspections of major projects/works/procurements to observe and recommend areas of improvement to concerned departments. Comprehensive System Studies were conducted in critical areas in the Organization and observations, analysis, inferences and recommendations were discussed with business role holders to bring about the suggested improvements expeditiously.

Corporate Vigilance also carried out thorough investigations into the Complaints and Source Information. Complaints, including those received online, were investigated both directly by Team Vigilance and through Businesses / Entities. The references received from CVC and MOP&NG, were always investigated and required recommendations were made within the prescribed timeline.

Team Vigilance keeps track of all complaints through a web-based "Vigilance Complaint Handling System" – an online portal based workflow application, that enables recording, processing and maintaining of all complaints received by the Vigilance team. Timely email alerts and user friendly reports from the program ensure that the team is always focused on expeditious and timely resolution of all complaints.

There is a regular interaction with the employees of BPCL through BPCL's internal website, "Intralink" as well as with the customers/others concerned through the Vigilance portal available on BPCL's corporate website.

The Vigilance portal has the objective of creating awareness on good governance, sharing knowledge on ethical practices and proactive vigilance and connecting with all the employees. This website has useful links of the Central Vigilance Commission, Department of Personnel & Training, Government of India etc. To enhance knowledge of staff and employees' policies and guidelines, articles and case studies are shared.

To reach out to everyone and make a difference, an in-house E-magazine "Soch" was launched. "Soch" is an important step towards participative vigilance in BPCL and would be published on a quarterly basis.

In order to hone their skills, Vigilance Officers were deputed for Training Programs conducted by the Central Bureau of Investigation's Training Academy and other Training Institutions.

Vigilance Awareness Week 2014 (from 27.10.2014 to 1.11.2014) was launched at BPCL Corporate Office in Mumbai on 27th October,2014 with the administering of pledge by CVO & and Director (Finance) in the presence of Director (Human Resources) and other senior BPCL officials. Mr. Praveen Dixit, Director General, Anti-Corruption Bureau, Maharashtra State was the Chief Guest. Similarly, in all the four Regions and two Refineries (Mumbai and Kochi), subsidiary Bharat PetroResources Limited and Joint Venture, Petronet CCK Limited, Vigilance Awareness Week was launched with administering of the pledge by Chief Guests in the presence of senior BPCL officials. During this period, various activities such as awareness sessions, essay contests, question answer sessions, vigilance quiz, debate competition, painting contest and skit program (topic: Fighting Corruption) were conducted for employees and school children.

In September 2014, we have launched an Integrity Club (IC) at a school in Chembur, Mumbai for propagating ethical values in school children so that they become vehicles to carry these values to their families, friends and society. The members of the club are called Young Champions of Ethics (YCEs). By inculcating values, students are slowly made aware of their immense power to make the right choices and their ability to use the power to bring about changes in the society at large. We have commenced Integrity Club activity in the year 2010 in 8 schools in Kochi as part of a Vigilance initiative of BPCL. The activities of the Club have reached new horizons with active participation of various schools.

Value based teachings titled "Choti Choti Batein," an initiative to rekindle the values amongst school children, were conducted by Vigilance officers. Through this initiative, we have covered 10 schools in Mumbai and touched around 2,000 students from various strata of society.

The fifth edition of the vigilance journal, "Vigilance Plus" was released and received excellent feedback. To commemorate the activities carried out during VAW 2014 and other events conducted by Vigilance department, a special Journal, "Vigilance Plus" was released by CVO in January 2015. The theme of the Journal was 'Young Champion of Ethics' dedicated to the school children who would be the next generation of this country. The articles in this magazine were contributed by staff members across the country, narrating their experiences, to making the journal more informative.

In a nutshell, BPCL Vigilance is continuously on a progressive journey, from punitive to participative to preventive to proactive vigilance.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Group consists of 3 Indian subsidiaries and 4 foreign subsidiaries as on 31st March, 2015. Further, the Company has 19 associate companies including joint venture companies within the meaning of Section 2 (6) of the Companies Act 2013 ('the Act').

Details of company that has become/ceased to be a Subsidiary during the financial year 2014-15	: Nil
Details of company that has become a joint venture/associate during the financial year 2014-15	: Kochi Salem Pipeline Private Limited Mumbai Aviation Fuel Farm Facility Private Limited
Details of company that has ceased to be a joint venture/associate during the financial year 2014-15	: BPCL has filed a winding up petition under Section 433 (f)/439 (1) (c) of the Companies Act, 1956 in the Hon'ble High Court of Judicature at Allahabad, Lucknow Bench, to pass an order for winding up of Bharat Renewable Energy Ltd.

Pursuant to provisions of Section 129 (3) of the Act, a separate statement containing the salient features of the financial statement of subsidiaries/associates/joint venture companies in Form AOC-1 is attached along with the financial statement.

As per Section 136 (3) of the Act, the Company has placed its financial statements, including consolidated financial statements and all other documents required to be attached thereto, on its website www.bharatpetroleum.in. Further, the Company has also placed separate Annual Reports / audited accounts in respect of each of its subsidiaries on its above website. A copy of the said documents will be available for inspection and provided to any Member of the Company who asks for it.

The policy for determining material subsidiaries is posted on the Company's website at the link: http://www.bharatpetroleum.co.in/General/PolicyonMaterialSubsidiaries.aspx?id=4

SUBSIDIARY COMPANIES

Numaligarh Refinery Limited (NRL)

NRL was incorporated with an authorized share capital of ₹ 1,000 crores in 1993. As on 31st March 2015, the paid up share capital of NRL was ₹ 735.63 crores, of which BPCL holds 61.65%. NRL is a Category-I Miniratna PSU and operates a 3 MMTPA refinery at Numaligarh in Assam. Besides the refinery, NRL has two marketing terminals, one at Numaligarh and the other at Siliguri, for evacuation of products. NRL also has a 10 TMTPA LPG Bottling Plant at Numaligarh.

During 2014-15, NRL's crude throughput was 2.78 MMT, as compared to 2.61 MMT in the previous year. Thus, capacity utilization improved to 92.5% from 87.1% in 2013-14. In 2014-15, NRL's distillate yield at 90.69% was the highest among PSU oil refineries in the country. This is the fourth consecutive year of such an achievement recorded by NRL. Specific Energy Consumption during 2014-15 at 51.6 MBN was among the best in the industry. In terms of safety management, as on 31st March, 2015 cumulative Loss Time Accident (LTA) free man-hours at the refinery reached 24.5 million (13 years, 1 month).

During the year, NRL had commissioned the Wax project within the approved project cost of ₹ 676 crores. NRL now has the largest Wax producing unit in the country and is expected to contribute significantly towards import substitution of the product.

NRL's GRM for 2014-15, the highest among Indian refineries, was USD 16.67 per barrel, as against USD

12.09 per barrel in the previous year. Such a high GRM contributed in achievement of record profitability. Profit before tax for 2014-15 increased by 101% to reach ₹ 1,134.25 crores, as compared to ₹ 562.66 crores in the previous year.

NRL's Gross Revenue from Operations for the financial year ended 31st March, 2015 was ₹ 10,827.05 crores, as against ₹ 9,876.76 crores in the previous year, marking an increase of 6.56%. The Company's profit after tax for the year was ₹ 718.31 crores, as compared to ₹ 371.09 crores in 2013-14. Earnings per share increased to ₹ 9.76 from ₹ 5.04 in the previous year. The Board of Directors of NRL has recommended a dividend of ₹ 4.00 per fully paid share of ₹ 10 each for 2014-15. NRL's net worth as on 31st March, 2015 reached the level of ₹ 3,354.98 crores and book value per share increased to ₹ 45.61 from ₹ 40.66 in the previous year.

Bharat PetroResources Limited (BPRL)

Bharat PetroResources Ltd (BPRL) was incorporated in the year 2006 as a wholly owned subsidiary company of BPCL with the objective of implementing BPCL's plans in the upstream exploration and production sector. Presently, the authorized capital of BPRL is ₹ 3,000 crores and the subscribed and paid up share capital of BPRL is ₹ 2,620 crores as on 31st March, 2015. BPRL has Participating Interest (PI) in 17 exploration blocks, in consortium with other partners. Out of these blocks, seven blocks are in India and six in Brazil, and one each in Mozambique, Indonesia, Australia and East Timor. The total area of these 17 blocks (where BPRL/its subsidiaries have PI) is around 24,375 sq.km, of which approximately 88% is offshore acreage.

BPRL looks after many of its overseas projects through subsidiary companies. BPRL has a wholly owned subsidiary company, Bharat PetroResources JPDA Limited in India, through which it holds a PI of 20% in Block-JPDA 06-103, in East Timor in the Joint Petroleum Development Area (between Australia and East Timor). Further, BPRL has a wholly owned subsidiary company, BPRL International BV, in the Netherlands which in turn, has three wholly owned subsidiary companies viz. BPRL Ventures BV, BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV. BPRL Ventures BV has a 50% stake in IBV Brasil Petroleo Limitada, which currently holds PI ranging from 20% to 40% in 6 blocks in offshore Brazil. BPRL Ventures Mozambique BV has PI of 10% in a block in Mozambique, and BPRL Ventures Indonesia BV holds PI of 12.5% in a block in Indonesia.

All the blocks of BPRL are under various stages of exploration/appraisal. BPRL has recorded consolidated income of ₹ 27.02 crores and a consolidated loss of ₹ 386.68 crore for the financial year ending 31st March, 2015. In the corresponding year 2013-14, BPRL earned consolidated income of ₹ 9.76 crores and a consolidated loss of ₹ 531.10 crores. This was due to relinquishment of our participating interest in few blocks, in view of poor prospectivity assessed based on drilling results.

Petronet CCK Limited (PCCKL)

BPCL had invested a sum of ₹ 49 crores for a 49% stake in the equity capital of PCCKL, a Joint Venture Company promoted with Petronet India Ltd., with an authorised capital of ₹135 crores and paid up share capital of ₹ 100 crores. The Company owns and operates the 292 km long multi-product Kochi-Karur pipeline from BPCL's installation of Irimpanam to Karur for transportation of MS, HSD and SKO. The pipeline commenced commercial operations from September, 2002.

The pumping volume during the year 2014-15 amounted to 2.46 MMT, as against 2.44 MMT in the previous year. PCCKL registered a turnover of ₹ 98.27 crores and net profit of ₹ 42.96 crores for the financial year ending 31st March, 2015 as compared to a turnover of ₹ 92.91 crores and net profit of ₹ 44.54 crores in the previous year.

BPCL has acquired additional 19,973,332 equity shares of ₹ 10 each of PCCKL (constituting 19.97% of the paid up equity share capital of PCCKL) from a financial investor of PCCKL on 29.5.2015. With this acquisition, PCCKL has become a subsidiary of BPCL, with BPCL holding 68.97% of the paid up share capital of PCCKL w.e.f 29.5.2015.

JOINT VENTURE COMPANIES

Bharat Oman Refineries Limited (BORL)

Bharat Oman Refineries Ltd. (BORL), is a Joint Venture Company between BPCL and Oman Oil Company S.A.O.C. (OOC). As on 31.3.2015, both BPCL and OOC have an equity stake of 50% each in BORL's paid up share capital of ₹ 1,777.23 crores. Besides this, BPCL has subscribed to Share Warrants of ₹ 1,585.68 crores. Also, the State of Madhya Pradesh has subscribed to ₹ 26.90 crores of Share Warrants.

BORL has undertaken various initiatives to maximize crude processing. During the year 2014-15, Bina Refinery processed 6.20 MMT of crude, achieving a capacity utilization of 103%, as compared to 91% in the previous year. This is the highest capacity utilization achieved since commencement of operations in June 2011.

BORL recorded Gross Revenue from Operations of ₹ 29,331.07 crores in the year 2014-15, as compared to ₹ 31,161.04 crores in the previous year. The financial performance was impacted during the year 2014-15, due to a steep fall in prices of crude oil and petroleum products. The Refinery's GRM for the year 2014-15 stood at USD 6.10 per barrel with an overall gross margin of ₹ 1,681 crores against the previous year's GRM of USD 9.30 per barrel with an overall gross margin of ₹ 2,217 crores. The net loss for the year stood at ₹ 790.17 crores, as compared to ₹ 296.51 crores in the previous year.

The Company has undertaken a project to increase the refinery capacity from 6 MMTPA to 7.8 MMTPA and also to meet product quality specifications as stipulated in the Auto Fuel Vision and Policy 2025 guidelines. Environmental Clearance for this project has been received from Ministry of Environment, Forest and Climate Change. M/s Engineers India Ltd. (EIL) has been engaged for process design work of open-art units including Utilities, Offsites, COT, VBPL and BDT, to facilitate BEDP of licensed units and procurement of long lead and priority items. Preparation of the process design package for licensed units is under progress.

Petronet LNG Limited (PLL)

PLL was formed in April,1998 for importing LNG and setting up LNG terminals with facilities like jetty, storage, regasification etc. to supply Natural Gas to various industries in the country. The Company has an authorised capital of ₹ 1,200 crores and paid up share capital of ₹ 750 crores. PLL was promoted by four public sector companies viz. BPCL, Indian Oil Corporation Limited (IOC), Oil and Natural Gas Limited (ONGC) and Gas Authority of India Limited (GAIL). Each of the promoters holds 12.5% of the equity capital of PLL. PLL is a listed Company with the public holding 34.80% of the paid up share capital of the Company. BPCL's equity investment in PLL currently stands at ₹ 98.75 crores. As at 31st March, 2015, PLL had net worth of ₹ 5,688.63 crores with a book value of ₹ 75.85 per share.

PLL recorded a Gross Revenue from Operations of ₹ 39,500.95 crores in the financial year ended as on 31st March, 2015 as compared to ₹ 37,747.58 crores recorded in 2013-14. The net profit for the year stood at ₹ 882.52 crores, as compared to ₹ 711.92 crores in the previous year. The EPS for the year 2014-15 amounted to ₹ 11.77, as compared to ₹ 9.49 in 2013-14. PLL has declared a dividend of ₹ 2.00 per share for the financial year 2014-15, which was the same as the previous year.

Indraprastha Gas Limited (IGL)

IGL, a Joint Venture Company with GAIL as the other co-promoter, was set up in December, 1998 with an authorised capital of ₹ 220 crores for implementing the project for supply of Compressed Natural Gas (CNG) to the household and automobile sectors in Delhi. The paid up share capital of the Company is ₹ 140 crores. BPCL invested ₹ 31.50 crores in IGL for 22.5% stake in its equity. IGL is a listed Company with the public holding 55% of the paid up share capital of the Company. IGL has commissioned 326 CNG stations which supply environment friendly fuel to more than 7,73,400 vehicles. IGL has more than 5,60,000 domestic PNG customers in Delhi. The Company is also extending its business to the towns of Greater Noida and Ghaziabad. IGL has acquired 50% of the equity held by the financial institutions in Central UP Gas Limited, and is also in the process to acquire 50% of the equity held by the financial institutions in Maharashtra Natural Gas Limited. Both these companies are JVCs promoted by BPCL and GAIL.

IGL has registered a Gross Revenue from Operations of ₹ 4,058.24 crores and a profit after tax of ₹ 437.73 crores for the financial year ending as on 31st March, 2015 as compared to a turnover of ₹ 4,324.16 crores and a profit after tax of ₹ 360.26 crores in the previous year. IGL has declared a dividend of ₹ 6.00 per share, as against a dividend of ₹ 5.50 per share in the previous year. IGL's net worth was ₹ 2,098.13 with a book value of ₹ 149.87 per share as at 31st March, 2015.

Sabarmati Gas Limited (SGL)

SGL, a Joint Venture Company promoted by BPCL and Gujarat State Petroleum Corporation (GSPC) was incorporated on 6th June 2006 with an authorized capital of ₹ 100 crores for implementing the City Gas Distribution project for supply of CNG to the household and automobile sectors in the city of Gandhinagar, Mehsana and Sabarkantha Districts of Gujarat. The paid up share capital of the Company is ₹ 20 crores.

Both the promoters have a stake of 25% each in the equity capital of SGL and the balance has been subscribed to by financial institutions. SGL has set up 38 CNG stations. SGL has achieved a Gross Revenue from Operations of ₹ 939.77 crores and net profit of ₹ 110.84 crores for the financial year ending 31st March, 2015 against a turnover of ₹ 975.72 crores and profit of ₹ 31.15 crores in the previous year. The Company has proposed a dividend of ₹ 2.50 per equity share for the financial year ending 31st March, 2015 against ₹ 2.00 per equity share for the last financial year ending 31st March, 2014.

Central UP Gas Limited (CUGL)

CUGL is a Joint Venture Company set up in March, 2005 with GAIL as the other partner, for implementing the project for supply of CNG to the household, industrial and automobile sectors in Kanpur and Bareilly in Uttar Pradesh. The Company was incorporated with an authorised share capital of ₹ 60 crores. The joint venture partners have each invested ₹ 15 crores for an equity stake of 25% each in the Company. Indraprastha Gas Ltd., our Joint Venture is holding the balance 50%. CUGL has set up 16 CNG stations and is carrying on PNG operations.

CUGL has achieved a Gross Revenue from Operations of ₹ 205.88 crores and net profit of ₹ 27.69 crores for the financial year ending 31st March, 2015 as compared to a Gross Revenue from Operations of ₹ 215.32 crores and a net profit of ₹ 25.07 crores in the previous year. The EPS for the year stood at ₹ 4.61 as against ₹ 4.18 in 2013-14. The Board of Directors has recommended the payment of dividend at ₹ 1.40 per share for the current year, as against ₹ 1.25 per share for the previous year.

Maharashtra Natural Gas Limited (MNGL)

MNGL was set up in January 2006 as a Joint Venture Company with GAIL for implementing the project for supply of Natural Gas to the household, industrial and automobile sectors in Pune and its nearby areas. The Company was incorporated with an authorised share capital of ₹ 100 crores. The paid up share capital of the Company is ₹ 95 crores. BPCL and GAIL have invested ₹ 22.50 crores each in MNGL's equity capital. MIDC, as a nominee of the Maharashtra Govt., has taken 5% equity in June, 2015. The balance 50% is being acquired by IGL, our Joint Venture Company from financial institutions. The Company has set up 30 CNG stations so far.

MNGL has achieved a gross turnover of ₹ 499.57 crores for the financial year ending 31st March, 2015 and profit of ₹ 51.99 crores for the year, as against a turnover of ₹ 396.17 crores and profit of ₹ 54.10 crores in the previous year. The MNGL Board has declared ₹ 0.75 per share of interim dividend during the year 2014-15 as against ₹ 1.12 per share declared in the previous year.

Bharat Stars Services Private Limited (BSSPL)

BSSPL, a Joint Venture Company promoted by BPCL and ST Airport Pte Limited, Singapore was incorporated in September, 2007 for providing into-plane fuelling services at the new Bengaluru International Airport. The authorised and paid up share capital of BSSPL is ₹ 20 crores.

The two promoters have each subscribed to 50% of the equity share capital of BSSPL and BPCL's present investment stands at ₹ 10 crores. The Company commenced its operations at the new international airport in Bengaluru from May, 2008 and has also incorporated a wholly owned subsidiary, Bharat Stars Services Pvt. (Delhi) Ltd. for implementing into-plane fuelling services exclusively at the new T3 Terminal of Delhi International Airport.

BSSPL is presently providing into-plane services at 4 airports including Bengaluru, Mumbai and Delhi T1 Airport. It has also taken over the operatorship of 2 AFS' of BPCL.

BSSPL has achieved a turnover of ₹ 17.15 crores for the financial year ending 31st March, 2015 and profit of ₹ 2.01 crores, as against a turnover of ₹ 12.99 crores and profit of ₹ 2.22 crores in the previous year. The Board has recommended a dividend of ₹ 0.25 per equity share for the financial year ending 31st March, 2015 which is the same as the previous year.

Bharat Renewable Energy Limited (BREL)

BREL was incorporated on 17th June, 2008 for undertaking the production, procurement, cultivation and plantation of horticulture crops such as Karanj, Jathropha and Pongamia, trading, research and development and management of all crops and plantation including Biofuels in the State of Uttar Pradesh. The Company has been promoted by BPCL with Nandan Cleantech Limited (erstwhile Nandan Biomatrix Limited), Hyderabad and the Shapoorji Pallonji group, through their affiliate, S.P. Agri Management Services Pvt.Ltd.

Due to non-viability, the operations of this Company have been closed down from September 2014 and BPCL has filed a winding up petition in Court.

Matrix Bharat Pte Limited (MBPL)

MBPL is a Joint Venture Company incorporated in Singapore on 20th May, 2008 for carrying on the bunkering business and supply of marine lubricants in the Singapore market, as well as international bunkering, including expanding into Asian and Middle East markets. The Company has been promoted by BPCL and Matrix Marine Fuels LP USA, an affiliate of the Mabanaft group of companies, Hamburg, Germany. The authorised capital of the Company is USD 4 million. The Company has subscribed 20 lakh shares for an equivalent sum of ₹ 8.41 crores. Both the partners have contributed equally to the share capital. Matrix Marine Fuels LP USA has subsequently transferred their share and interest in the joint venture in favour of Matrix Marine Fuels Pte Limited, Singapore, another affiliate of the Mabanaft group. The name of the Company has been changed to Matrix Bharat Pte Ltd.

MBPL has achieved revenue of USD 636.38 million and earned a profit of USD 1.62 million for the year ending 31.12.2014, as compared to a turnover of USD 837.82 million and a profit of USD 1.05 million in the previous year.

Petronet India Limited (PIL)

BPCL has 16% equity participation with an investment of ₹ 16 crores in PIL, which was formed as a non-government financial holding company to give impetus to the development of a pipeline network throughout the country. PIL has facilitated pipeline access on a common carrier principle through joint ventures for pipelines put up by them viz. Vadinar-Kandla, Kochi-Coimbatore-Karur and Mangalore-Hassan-Bangalore. PIL registered other income of ₹ 1.54 crores and a net profit of ₹ 1.14 crores for the financial year ending 31st March, 2015 as against other income of ₹ 0.19 crores and a net loss of ₹ 0.06 crores in the previous year.

The new pipeline policy announced by the Government of India some time back has affected the future of the Company, as interested companies are permitted to undertake pipeline projects and PIL does not have any new projects in hand. As such, promoters and other investors in PIL have reached a conclusion that continuation of PIL would not be viable. Accordingly, the process of divesting PIL's 26% equity in the 3 joint venture companies promoted by it is in progress. The Company would be wound up thereafter.

Delhi Aviation Fuel Facility Private Limited (DAFFPL)

A Joint Venture Company, DAFFPL has been promoted by BPCL, IOC and Delhi International Airport Limited (DIAL) for implementing Aviation Fuel facility for the new T3 terminal at Delhi International Airport. The authorized and paid up share capital of the Company is ₹ 170 crores and ₹ 164 crores respectively. BPCL and IOC each have subscribed to 37% of the share capital of the joint venture, while the balance has been taken by DIAL.

DAFFPL has registered a turnover of ₹ 96.04 crores and net profit of ₹ 26.58 crores for the financial year ending 31st March, 2015 as against a turnover of ₹ 99.01 crores and net profit of ₹ 30.10 crores in the previous year. The Company has proposed dividend of ₹ 1.25 per share for the financial year ending 31st March 2015, which is the same as last year.

Kannur International Airport Limited (KIAL)

The Government of Kerala has promoted KIAL as a public limited company to establish and operate airports and allied infrastructure facilities at Kannur and other parts of India. KIAL would initially set up an Airport at Kannur in the state of Kerala at an estimated project cost of ₹ 1,892 crores, of which ₹ 1,000 crores will be financed through equity and the balance will be financed by way of borrowings. The paid up share capital of the Company as at 31.3.2015 is ₹ 431.15 crores. The BPCL Board has approved an equity stake of 21.68%. Out of the total contribution sanctioned by the Board amounting to ₹ 216.80 crores, BPCL has so far paid ₹ 120 crores. The Shareholders Agreement has been signed with KIAL for this purpose. Construction of the airport is in progress and it is expected that it will be commissioned by May, 2016.

In May, 2015 BPCL has also formed a subsidiary company, "BPCL-KIAL Fuel Farm Pvt. Ltd." with KIAL for setting up a Fuel Farm at Kannur Airport with 74:26 equity ratio. The authorised capital of this Company is ₹ 18 crores.

GSPL India Transco Limited

BPCL has signed a Joint Venture Agreement in April, 2012 with Gujarat State Petronet Ltd., IOC and HPCL for laying of a gas pipeline, Mallavaram-Bhopal-Bhilwara-Vijaipur (MBBVPL). BPCL's equity contribution to this project will be 11% of the total equity capital. The other JV partners are GSPL (52%), IOC (26%) and HPCL (11%). BPCL has made an initial equity contribution of ₹ 15.40 crores so far. The Company is in the process of acquiring the Right of Way.

The Company had miscellaneous income of ₹ 2.17 crores and net profit of ₹ 1.47 crores during the financial year 2014-15, as compared to income of ₹ 2.43 crores and net profit of ₹ 1.64 crores in the preceding year.

GSPL India Gasnet Limited

BPCL has signed a Joint Venture Agreement on 30th April, 2012 with Gujarat State Petronet Ltd., IOC and HPCL for laying of gas pipelines to Mehsana-Bhatinda (MBPL) and Bhatinda-Jammu-Srinagar (BJSPL). BPCL's equity contribution to this project will be 11% of the total equity capital. The other JV partners are GSPL (52%), IOC (26%) and HPCL (11%). BPCL has made an equity contribution of ₹ 20.57 crores so far.

The Company had miscellaneous income of ₹ 1.89 crores and net profit of ₹ 1.28 crores during the financial year 2014-15 and income of ₹ 2.34 crores and profit of ₹ 1.58 crores during the previous year.

Mumbai Aviation Fuel Farm Facility Private Limited (MAFFFPL)

BPCL has signed a Joint Venture Agreement with IOC, HPCL and Mumbai International Airport Limited (MIAL) for implementing and managing fuel farm facilities at Mumbai Airport and formed MAFFFPL, a Joint Venture Company with equal participation of 25% each. BPCL has invested an amount of ₹ 36.47 crores towards equity so far. MAFFPL has registered a turnover of ₹ 19.77 crores and net loss of ₹ 11.01 crores for the financial year ending 31st March, 2015.

Kochi Salem Pipeline Private Limited (KSPPL)

BPCL has signed a Joint Venture Agreement with IOC for implementation of the Kochi-Coimbatore-Salem LPG pipelines project and formed a Joint Venture Company, KSPPL in January 2015 on a 50:50 basis. Presently, BPCL has paid an amount of ₹ 6.75 crores as advance against equity to the Joint Venture Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

The forward looking statements made in the Management Discussion and Analysis Report are based on certain assumptions and expectations of future events. The Directors cannot guarantee that these assumptions are accurate or these expectations will materialize.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Sub-Section (3)(m) of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are enclosed as Annexure A to the Director's Report.

MEMORANDUM OF UNDERSTANDING WITH MINISTRY OF PETROLEUM & NATURAL GAS

BPCL, for the 26th successive year, has entered into a Memorandum of Understanding (MOU) for the year 2015-16 with the Ministry of Petroleum & Natural Gas. BPCL has been achieving an "Excellent" performance rating since 1990-91.

BPCL also has the distinction of winning the 'MOU Excellence Award' in the petroleum sector for 1998-99, 2000-01, 2002-03 and 2006-07. In 2013-14, BPCL has achieved an 'Excellent' score of 1.178, which is the highest in the petroleum sector.

BOARD EVALUATON

As per MCA Notification dated 5th June, 2015, provisions of Section 134 (3) (p) shall not apply, in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology. As Bharat Petroleum Corporation Ltd. is a Government Company, the above provisions are not applicable.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

As per MCA Notification dated 5th June, 2015, provisions of Section 134 (3) (e) are not applicable to a Government Company; consequently, details on Company's policy on Directors' appointment and other matters are not provided under Section 178 (3).

Similarly, as Section 197 does not apply to a Government Company, disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other such details as may be prescribed, including the statement showing the name of every employee of the Company, who if employed throughout / part of the financial year, was in receipt of remuneration not less than ₹ 60 lakhs / ₹ 5 lakhs per month etc., are not provided in terms of Section 197 (12) read with Rule 5 (1) / (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Chairman & Managing Director and the Whole-time Directors of the Company did not receive any remuneration or commission from any of its subsidiaries.

BPCL being a Government Company, its Directors are appointed / nominated by the Government of India as per the Government / DPE Guidelines which specify fixation of pay, criteria for determining qualifications and other matters as the case may be.

CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement and Department of Public Enterprises (DPE) Guidelines, the Report on Corporate Governance, together with the Auditors' Certificate on compliance of Corporate Governance, is annexed as Annexure D.

SOCIAL, ENVIRONMENTAL AND ECONOMIC RESPONSIBILITIES

BPCL is committed to be a responsible corporate citizen in society, which leads to sustainable growth and economic development for the nation as well as all stakeholders. In order to be a responsible business to meet its commitment, the Board of Directors of the Company has adopted and delegated to the Sustainability Committee the implementation of Business Responsibility Policies based on the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business as issued by the Ministry of Corporate Affairs, Government of India. BPCL's Sustainability Report is in accordance with the Global Reporting Initiative (GRI).

BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Agreement, the Business Responsibility Report describing the initiatives taken by the Company from the environmental, social and governance perspective is attached as part of the Annual Report.

TRANSACTIONS WITH RELATED PARTIES

All contracts or arrangements entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Hence, none of these transactions falls under the scope of Section 188 (1) of the Act.

Pursuant to Clause (h) of sub-section (3)of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014), information on transactions with related parties are provided in Form AOC-2 in Annexure F.

The Company has entered into a transaction with BORL, a Joint Venture Company and a related party which could be considered material in accordance with the policy of the Company on materiality of related party transactions in terms of Clause 49 (VII) of the listing agreement. This transaction is being placed for approval of the shareholders.

The Policy on materiality of related party transactions and dealing with related party transactions are available on the Company's website at the link: http://www.bharatpetroleum.com/pdf/RPT%20Policy_BPCL.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, Guarantees and Investments covered under Section 186 (4) of the Companies Act 2013 form part of the notes to the financial statements provided in this Annual Report and the same were provided for capital expenditure and business operation purposes (Refer to Note No. 49 to the Standalone Financial Statement).

RISK MANAGEMENT

During the year, the Board has constituted a Risk Management Committee and defined the roles and responsibilities of the Committee, which includes reviewing and recommending of the risk management plan and reviewing and recommending the risk management report for approval of the Board with the recommendation by the Audit Committee. The Audit Committee evaluates internal financial controls and risk management systems.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) / (5) of the Companies Act, 2013, the Directors of the Company confirm that:

a. In the preparation of the Annual Accounts for the year ended 31st March, 2015, the applicable Accounting Standards have been followed and there are no material departures;

b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit and loss of the Company for the year ended on that date;

c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Directors have prepared the annual accounts on a 'going concern' basis;

e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and

f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, the Board designated Chairman & Managing Director and Director (Finance) as CEO and CFO respectively for the purpose of the Companies Act 2013 ('the Act') and Listing Agreement. The Chairman & Managing Director, other whole-time Directors and Company Secretary are the Key Managerial Personnel for the purpose of the Act.

Shri P.H. Kurian, Principal Secretary (Industries & IT), Government of Kerala was appointed as Additional Director with effect from 25.11.2013. The Members have appointed him as Director of the Company at the Annual General Meeting held on 18.9.2014.

Shri P. Balasubramanian, Executive Director (Corporate Finance) was appointed as Additional Director with effect from 1.4.2014. The Members have appointed him as Director - Finance of the Company at the Annual General Meeting held on 18.9.2014.

Smt. Sushma Taishete, Director (D&MC), Ministry of Petroleum & Natural Gas was appointed as Additional Director with effect from 19.05.2015. As she has been appointed as Additional Director, she will hold office till the ensuing Annual General Meeting. Notice under Section 160 of the Act has been received from a Member proposing her name for appointment as Director at the ensuing Annual General Meeting.

Shri K. K. Gupta, Director (Marketing) and Shri B. K. Datta, Director (Refineries) will retire by rotation at the ensuing Annual General Meeting as per the provisions of Section 152 of the Act, and being eligible, have offered themselves for re-appointment as Directors at the said Meeting.

As required under the Corporate Governance Clause, brief bio-data of the above Directors who are appointed/re-appointed at the Annual General Meeting are provided in the AGM Notice.

DECLARATION OF INDEPENDENCE

The Company has received declarations from the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

FAMILIARISATION PROGRAMMES

The Company has adopted a policy for the training requirements of Board Members. The details thereof with the programmes sponsored for familiarisation of Independent Directors with the Company are available on the Company's web link: http://www.bharatpetroleum.co.in/General/CR_Familiarisation_programme.aspx?id=4

AUDIT COMMITTEE

The details of the composition of the Audit Committee are provided in the Corporate Governance Report which forms part of this Report.

VIGIL MECHANISM

There exists a vigil mechanism to report genuine concerns in the Organisation. In terms of the Listing Agreement, the Company has implemented the Whistle Blower Policy to ensure greater transparency in all aspects of the Corporation's functioning. The objective of the policy is to build and strengthen a culture of transparency and to provide employees with a framework for responsible and secure reporting of improper activities.

The vigil mechanism provides for adequate safeguards against victimisation of persons who use such a mechanism and has provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The details of establishment of such a mechanism are disclosed on the Company's web link: http://www.bharatpetroleum.co.in/General/WhistleBlowerPolicy.aspx?id=4

NUMBER OF MEETINGS OF THE BOARD

Twelve meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report that forms part of this Report.

EXTRACT OF ANNUAL RETURN

As required under Section 92 (3) of the Act, the extract of Annual Return of the Company is annexed herewith in specified Form MGT-9 as Annexure G to this Report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The details are included in the Management, Discussion & Analysis Report which forms part of this Report.

STATUTORY AUDITORS

M/s. CNK & Associates LLP, Chartered Accountants, Mumbai and M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai, were appointed as Statutory Auditors for the year 2014-15, by the Comptroller & Auditor General of India (C&AG), under the provisions of Section 139 (5) of the Companies Act, 2013. They will hold office till conclusion of the ensuing Annual General Meeting. The said firms have been appointed as the Statutory Auditors also for the financial year 2015-16 by the C&AG. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

During the year 2014-15, the Cost Audit Report has been filed with the Ministry of Corporate Affairs on 26.09.2014 in XBRL Format as per the requirements of The Companies (Cost Audit Report) Rules, 2011. The due date for filing the Cost Audit Report was 27.09.2014. This Cost Audit Report pertains to the year 2013-14 and the Cost Auditors were M/s. Rohit & Associates, Mumbai and M/s. Musib & Company, Mumbai.

The same Cost Auditors have been appointed for the year 2014-15. The Cost Auditor, shall within a period of 180 days from the closure of the financial year, forward the Cost Audit Report and the Company is required to file the Cost Audit Report within 30 days of receipt of the same. M/s. Rohit & Associates, Cost Accountants, were nominated as the Company's Lead Cost Auditor.

SECRETARIAL AUDITOR

The Board has appointed M/s. Ragini Chokshi & Company, Company Secretaries to conduct the Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed herewith in Annexure H to this Report.

The Secretarial Audit Report does contain observation that "during the year under review, the Company did not have the required number of Non-Executive Directors, Independent Directors and at least one Woman Director as on 31st March, 2015 in terms of Section 149 (1)/(4) of Companies Act 2013 and Clause 49 of the Listing Agreement."

Explanations by the Board to the above observation in the Secretarial Audit Report:

Bharat Petroleum Corporation Ltd. is a Government Company under the administrative control of Ministry of Petroleum and Natural Gas. The nomination/appointment of all categories of Directors are done by Government of India in accordance with the laid down Department of Public Enterprises Guidelines. The subject matter of nomination/appointment of adequate number of Independent Directors including a Woman Director falls under the purview of the Government of India.

We have communicated to the Ministry of Petroleum & Natural Gas with respect to the requirements and were informed of action initiated to fulfill the requirements. It may be noted that the Company has since appointed a Woman Director w.e.f 19.5.2015 and nominations for adequate number of Independent Directors is awaited.

GENERAL

There were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

The Company has not issued equity shares with differential rights/sweat equity shares/Employee Stock Options.

During the year under review, there was one complaint of sexual harassment, which was resolved and disposed of.

ACKNOWLEDGEMENTS

The performance of the Company during the year has surpassed all previous records. The Directors convey their appreciation for the excellent performance on all parameters which was possible only due to the steadfast support and deep sense of commitment demonstrated by each and every member of the Organisation.

All the Ministries of the Government of India, particularly the Ministry of Petroleum & Natural Gas, and State Governments have supported BPCL's progress as well.

The continued support of all stakeholders, including members, customers, dealers, distributors, vendors, contractors and other business partners, provided added impetus to the Corporation's progress.

The Directors affirm to remain persistent in our focus on customer centric offerings to enhance stakeholders' value.

For and on behalf of the Board of Directors

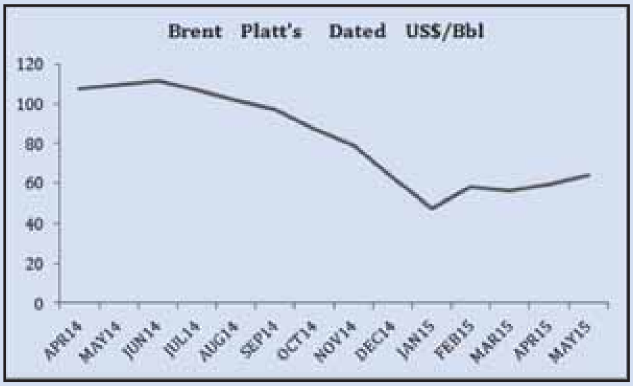
Sd/-

Place : Mumbai **S. Varadarajan**

Date : 31st July, 2015 Chairman & Managing Director

ECONOMIC DEVELOPMENTS : SUSTAINING GROWTH, BUILDING RESILIENCE

The recent months have been extremely eventful for the global economy. While the growth prospects for advanced economies appear promising, emerging economies are expected to grow more modestly than they did in the past. The sharp decline in oil prices, a dramatic increase in the value of the dollar, a slowdown in China, uncertainty in Europe heightened by the Greece crisis, and anticipation of a shift in US monetary policy have all contributed significantly in shaping the world business landscape. The exchange rate volatility in favour of the US dollar has further aggravated the diverging performances observed in several economies.



The US economy continues to exhibit a strong growth path. The impressive recovery of the US job market, and increase in consumer spending and business investment have further boosted the economy.

Europe is at last stepping up, though financial instability emanating from troubles in Greece is an area of grave concern. Growth in the Eurozone is reviving primarily on account of declining oil prices, more aggressive monetary policy, and better credit market conditions. Again, like in the US, the upsurge in consumer spending is what has contributed immensely to this revival, especially in countries such as Germany, Spain, Portugal and Ireland.

Growth in China is decelerating, but the government is proactively attempting to correct the situation, mainly through easing of the monetary policy to accelerate credit expansion, though this runs the risk of further aggravating the imbalances in the Chinese economy.

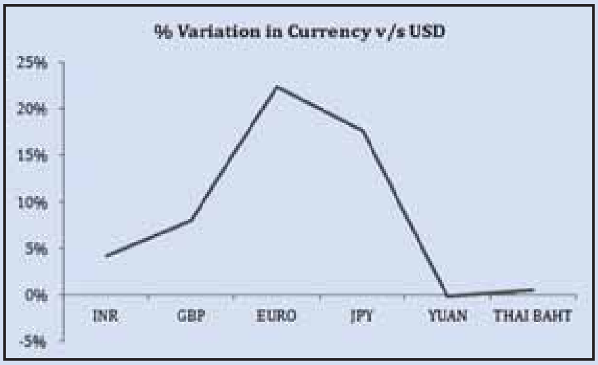
As the Japanese economy emerges from recession caused by an ill timed tax increase, it is the aggressive monetary policy that has aided the country. Even though the recovery is feeble, and investment continues to decline, the increasing wages are expected to enhance consumer spending that bodes well for the overall recovery.

While the declining oil prices have proved beneficial to many countries, Russia has been badly hit. This along with the sanctions imposed by the West, has led to higher inflation levels, declining foreign currency reserves, weakening currency, deteriorating economic activity, and a increased volume of external corporate debt in the country.

Another troubled economy hit by the declining commodity prices, a weakening currency, high inflation, tight monetary policy, and a strong possibility of a new round of recession is Brazil. The Brazilian government has the onerous task of bailing out the economy through prudent fiscal measures.

The Indian economy is being looked at with great optimism by the investors mainly due to the intensive government efforts through various economic and social reforms and enhanced consumption levels. The renewed vibrancy of the Indian economy augurs well for the growth of the world's largest democracy. India will start reaping the benefits of a demographic dividend in the coming years, with more than 50% of its population below the age of 25 years and more than 65% below the age of 35 years. By 2020, the average age in India will be 29 years, much lower than other emerging economies. India's youth is fast moving into the working population and it is expected that 55% of the population will become part of the labour force by 2020. This will further be augmented by the steady increase in urban population and the radical increase in middle class households to almost 70%, together with an increase of average household income by almost 3 times over the next decade. Consumption expenditure is also expected to be 2.5 times more by 2020. India is expected to be leading the BRIC countries in terms of the rate of growth of the Gross Domestic Product (GDP) by 2017.

The most significant change of the Indian economy in recent months is the revision in the methodology of computing GDP estimates, from "GDP at Factor Cost" to "GDP at Market Prices." Further, the CPI base has also been changed from 2010 to 2012. These have resulted in higher GDP numbers, lower inflation trends, easing commodity prices and a positive economic outlook. Growth in 2014-15 is estimated to be about 7.4%, with a 17% share of the manufacturing sector, 30% share of the mining sector and 51% share of the service sector. Further, the Reserve Bank of India (RBI) expects the inflation (Consumer Price



Index) to hover around 5.5%, and remain within 6% in the coming months.

RBI tightened the monetary policy during the past year to ensure demand pressures are contained. This also helped keep the volatility of the rupee under check, thus ensuring that inflation was controlled. Once inflationary pressures eased, the repo rates were reduced by 25 basis points to 7.75% in January 2015, followed by a decrease in statutory liquidity ratio by 50 basis points to 21.5%. Thus, while the Indian economy experienced a firm monetary policy for most part of the year, in the last quarter, RBI relaxed the same to maintain equilibrium.

Economic indicators such as fiscal deficit and current account deficit reflect a robust recovery in the performance of the Indian economy. The fiscal deficit is estimated to be around 4% of GDP in 2014-15, primarily due to a sharp fall in crude prices that have reduced the Government's subsidy burden. In addition, the increase in the rates of excise duty on petroleum products like Motor Spirit (MS) and High Speed Diesel (HSD) has increased Government revenue. The current account deficit is also expected to be lower at around 1.5% of GDP, the lowest since 2007-08.

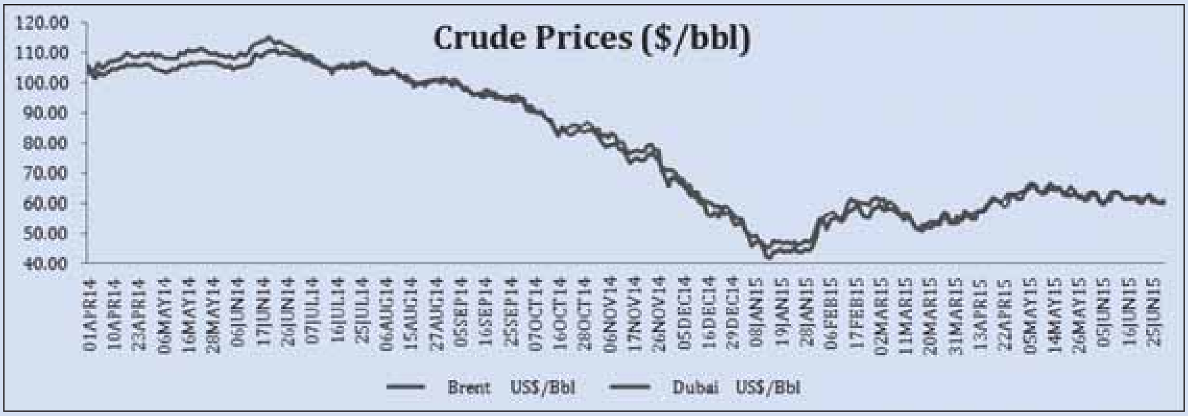
The Indian rupee performed extremely well in 2014-15. While it was one of the worst performing currencies in 2013-14, it bounced back remarkably in 2014-15. The USD gained substantially against most global currencies; however, the INR declined only 4.3% against the Dollar.

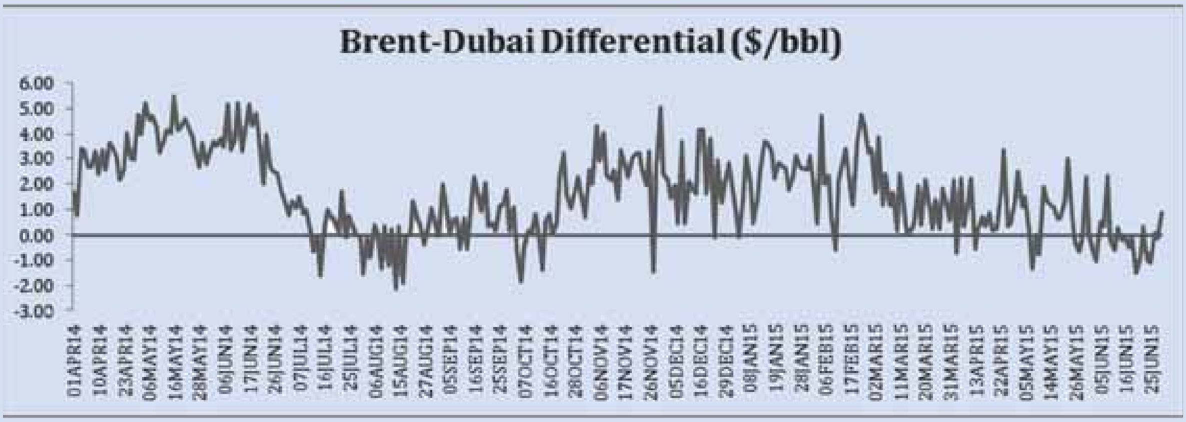
Improved economic sentiments helped the Indian stock market outperform most global markets. A stable government, strong policy initiatives, coupled with increased global liquidity were the principal reasons for increase in capital inflows that led to a sharp increase in the Sensex by approximately 40% in the past year with the index crossing the 29,000 level for the first time in January 2015.

However, there are still some concerns that need to be addressed. Domestic demand still remains weak, even though growth in private consumption and government expenditure supported it to some extent. The poor performance of the manufacturing sector, disappointing export growth, pace and quality of fiscal consolidation, low tax collection growth and slow pace of disinvestment have further aggravated the economic situation and need to be dealt with on priority.

TRENDS IN THE OIL & GAS SECTOR

While the global energy mix is constantly evolving, oil continues to be the largest source of energy, with 36% of global energy consumption being met by oil. Over the past two decades, this proportion has been more or less constant, even though the global energy consumption has grown by 50% in some time pockets during this period.





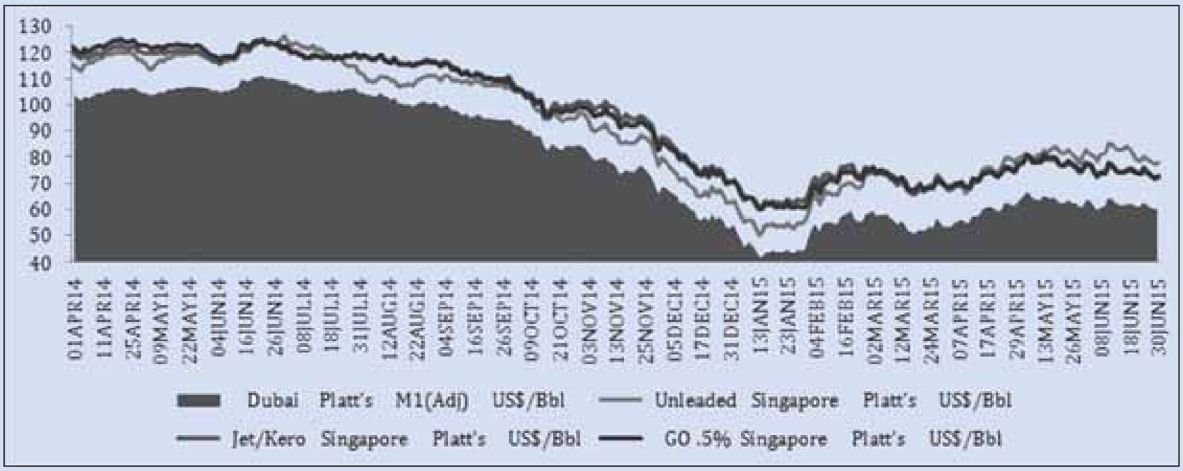
In the recent past, certain events have affected both the demand and supply side of the energy equation. Some of these include lower demand growth in the developed countries, increase in shale gas production in the USA, the Fukushima Daiichi accident in Japan, social and political unrest in traditional oil producing nations, sanctions against Iran and the exponential growth in renewable energy in Europe and Asia.

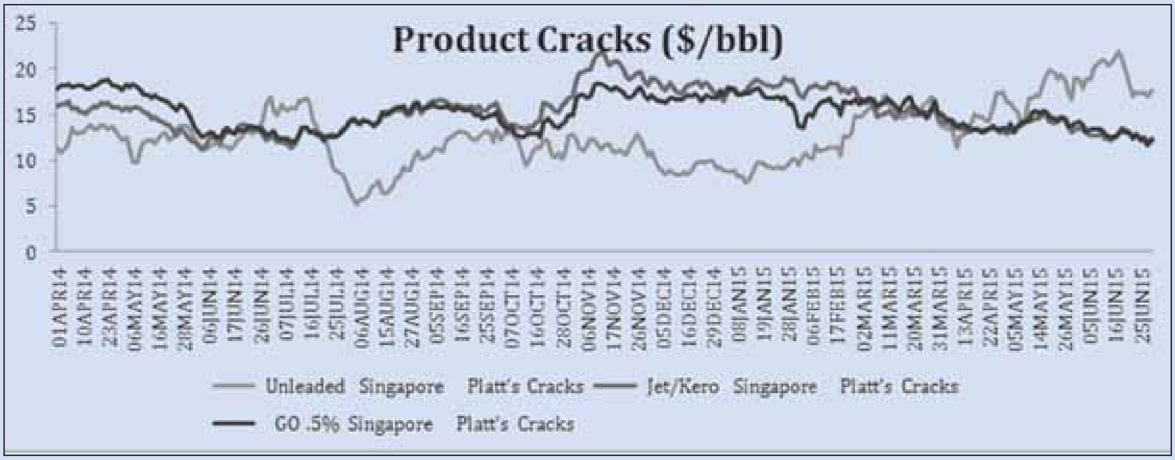
These developments have had a major bearing on the crude oil prices. From their peak in June 2014, crude oil prices plummeted to their six year lows in January 2015. The benchmark Brent fell from USD 115.32 per barrel to USD 45.22 per barrel while Dubai crude fell from a high of USD 111.16 per barrel to its lowest at USD 42.05 per barrel in January 2015. This fall of 61% over a 7 month period has been the steepest since December 2008 when it had touched a level of USD 41.58 per barrel. The single largest fall was recorded on 27th November 2014, when Brent fell by almost 7% (USD6.79 per barrel).

The Brent-Dubai differential, although positive in favour of Brent for most part of the year, did witness Dubai crude exceeding Brent on a number of days.

This differential was the largest in May 2014, when Brent at USD 111.24 per barrel exceeded Dubai crude at USD 105.65 per barrel by USD 5.49 per barrel. However, by August 2014, the difference narrowed in favor of Dubai crude, with Brent at USD 100.445 per barrel and Dubai crude at USD 102.6 per barrel. On an average, the Brent-Dubai differential hovered around USD 1.90 per barrel during 2014-15, lower than the average differential of USD 3 per barrel during 2013-14.

The decline in crude oil prices, though sudden, had its seeds sown over a period of time and can be attributed to a series of events. For a major part of the last decade, oil prices have been high, primarily due to soaring oil consumption in countries such as China, conflicts in key oil producing nations such as Iraq, and slow progress in the field of unconventional energy. But these high prices spurred countries to evaluate alternative options and investments in shale formations in North America. This led to a boom in "unconventional" oil production. The United States of America (USA) alone has added 4 million extra barrels of crude oil per day to the global market since 2008, as against global crude oil production of about 89 million





barrels per day (mbd). To some extent, the situation was balanced with civil war in Libya, US and European Union sanctions on Iran and unrest in Iraq, that took more than 3 mbd off the market. However, weakening oil consumption in Europe and China, enhanced fuel efficiencies in vehicles across the world and declining fuel subsidies in major economies like Indonesia and Iran are some of the reasons that have caused the demand to fall drastically. This has been further aggravated by non-cooperation amongst members of the Organisation of Petroleum Exporting Countries (OPEC), that controls 40% of the world's oil supply, to curb production to reduce supplies and thus, maintain crude oil prices. This also resulted in a price war between conventional oil and shale gas, especially since USA shale projects become vulnerable when oil dips below USD 60 per barrel .

The product prices reflected a similar trend as crude oil. While the correlation of petrol prices with respect to crude oil was almost 99%, that of jet kero and diesel was more than 99.5%.

Though crude oil prices fell sharply by 62% from their peak, the fall in product prices was moderated across countries by increased taxes and duties imposed by governments, and reduction in fuel subsidies to recover the large amounts of inventory losses that oil companies had to incur. Petrol prices dropped by 60% from their peak, while jet kero and diesel prices fell by 52%.

Product cracks have been extremely volatile during 2014-15. MS cracks moved from a low of USD 5.22 per barrel in August 2014 to USD 17.16 per barrel in March 2015 and further to USD 21.93 per barrel in June 2015, registering a 229% and 320% leap respectively. In comparison, jet kero cracks increased by 94% from its low of USD 11.23 per barrel in June 2014 to USD 21.83 per barrel in November 2014. Interestingly, High Speed Diesel (HSD) cracks declined from their peak of USD 18.81 per barrel in April 2014 to USD 11.98 per barrel in July 2015. The average cracks for MS hovered around USD 11.50 per barrel during 2014-15, while that of jet-kero and HSD were in the region of USD 15.50 per barrel.

Back home in India, the impact of the slump in crude oil prices was intense. Refining margins fell sharply to less than USD 4 per barrel and the oil companies together had to incur an inventory loss of approximately ₹ 30,000 crores.

Another important development in the Indian Oil and Gas sector during the year 2014-15 was the decision of the Government to deregulate the retail selling prices of HSD. This will lead to entry of private players in the retail marketing segment of the industry. Though the entry of the private players has reduced the growth and market share of the Public Sector oil companies, the complete impact of the opening up of the market is yet to play out.

One more significant measure taken by the Government of India during the year was the complete roll out of the DBTL (Direct Benefit Transfer for LPG) Scheme. The DBTL scheme that was earlier launched in June 2013 had to be withdrawn, due to certain impediments faced by the consumers. Rechristened as PAHAL (Pratyaksha Hanstantarit Labh), the scheme was reintroduced in November 2014. Together with the State machinery and the Banking sector, the public sector Oil Marketing Companies revolutionized the distribution of LPG subsidy in the country, making it the single largest cash transfer program in the world.

INDIAN PETROLEUM SECTOR

Complete decontrol of Diesel marketing, excise duty hike by the Government of India on petrol & diesel, LPG subsidy disbursal under PAHAL, a new pricing formula for domestic gas after five years and a plunge in global crude prices flagged off a new beginning for the country's oil economy in the financial year 2014-15.

The Indian economy was at a critical stage of development during 2014-15 and there are signs of an increase in the rate of growth in consumption of petroleum products. Keeping pace with the economic growth trend, the consumption of petroleum products in India has grown by 4.2% during 2014-15. India consumed 165 million metric tonnes (MMT) of petroleum products in 2014-15, as against 158 MMT consumed in the last fiscal.

The sharp fall in the international oil prices came as a relief for the Indian economy and consumers, which resulted in lower levels of inflation, higher consumption and decrease in the cost of production of final goods, particularly for energy intensive industries, thereby driving demand growth.

MS and HSD consumption is linked directly to automobile sales. Despite high fuel and interest costs, automobile manufacturers closed 2014-15 on a positive note with vehicle sales reporting growth of almost 9% during the fiscal year ended 31st March, 2015. The Government of India decided to deregulate the diesel prices in the middle of October 2014 and the decision was made when the global oil prices were falling significantly. The decline in oil prices and the deregulation of HSD gave Oil Marketing Companies (OMCs) an opportunity to pass on the benefit to consumers through reduction in prices of automotive fuels, which has also partially fuelled the consumption in 2014-15. MS consumption has continued to grow, clocking a robust growth of 9.2% as against 8.8% during 2013-14. Light commercial vehicle sales continued to be in the slow lane, but the gradual improvement in sales of medium and heavy commercial vehicles has propelled HSD consumption during the year. After recording a muted growth of -1% in 2013-14, HSD consumption bounced back to 69.4 MMT recording a 1.5% growth over the previous year.

PAHAL, the new avatar of the DBTL scheme was launched on 15th November 2014 in 54 districts and in the rest of the country on 1st January 2015. In very coordinated efforts, led by the Ministry of Petroleum & Natural Gas (MOP&NG), the OMCs have been able to bring almost 85% of the customer population under PAHAL. These consumers will have the subsidy on their purchase of Domestic LPG cylinders directly transferred into their bank account, as per their entitlement in terms of the eligible number of subsidized cylinders. The recent reforms in LPG, like weeding out multiple connections, launch of PAHAL, and capping of cylinders have ensured that the consumption of subsidised LPG is contained. Despite all these mitigation measures, LPG consumption recorded a double digit growth of over 10% during 2014-15, up from 4.7% growth in 2013-14. The growth in LPG consumption is attributed to a quantum jump in sale of commercial LPG i.e. consumption of cylinders sold at the market price, new connection releases by penetrating into the rural segment and improvement in industrial activity, resulting in consumption of bulk LPG.

The Indian aviation industry maintained an upbeat sentiment despite over capacities, intense competition, high input costs and regulatory limitations, which have challenged the viability of the aviation value chain in the recent past. India's aviation market picked up speed during the financial year with domestic traffic up 13.9% year-on-year and international traffic up 9.0%. Aviation fuel consumption grew higher than expected, as airlines were able to reduce fares as a result of the steep decline in oil prices.

Though the government is making efforts to switch to concrete and other new materials for road construction, bitumen consumption during 2014-15 has remained strong. For highways especially, construction continues to be largely reliant on bitumen. Indian refiners maintained a steady production of 47 MMT of bitumen; however, the import of bitumen doubled from 2.3 MMT to 4.7 MMT during the year. A sharp increase in bitumen imports is a sign that construction in road projects which were stuck earlier is finally taking off and the signals indicate robust growth in the year 2015-16 also. Petcoke consumption registered a growth of 15% yet again in 2014-15. The country is witnessing this high growth due to increased availability after the commissioning of the Resid project in Gujarat, production at the new refineries at Bina and Bhatinda, and also due to increased imports because of large scale exports from USA. Robust consumption of automotive and cooking fuels have resulted in increased growth in consumption of petroleum products, despite negative trends observed in furnace oil, naphtha and kerosene consumption.

Crude oil prices were largely range bound in the last few years. In June 2014, ICE Brent, marker for light & sweet crude oil, reached a maximum level of USD 115.06 per barrel and fell sharply to the lowest level of USD 46.59 per barrel in mid-January 2015, averaging USD 86.57 per barrel during the year 2014-15. Dubai crude also witnessed similar price movement, reaching its minimum level of USD 42.05 per barrel in January 2015 from a maximum level of USD 111.16 per barrel in June 2014, with an average of USD 83.77 per barrel for the year 2014-15. At the end of the first quarter, there were multiple factors that pushed global crude oil prices higher, including the insurgency in Iraq, the Islamic State of Iraq and Syria (ISIS) threat to oil supplies, the Iran nuclear issue and the Ukraine conflict involving Russia. However, on the other side of the spectrum, the market was witnessing tremendous supply growth from tight oil from USA and other non-OPEC producers. Oil demand suddenly began to weaken due to slowdown in China, Brazil, Russia and core Europe. More broadly, oil demand began flattening in several places around the world. Thus, a combination of weaker-than-expected demand and steadily rising supply caused oil prices to drop sharply as global inventories grew by 1.1 mbpd in 2014. In the November 2014 meeting, OPEC surprised the market by changing its strategy to focus on market share globally, by keeping the output steady at 30 mbpd, with a view that fall in prices would spur demand in key consuming nations and would also act as a trigger to make the shale oil producers in US unprofitable. Thus, market forces would balance the supply - demand gap.

Dated Brent-Dubai differential widened to the maximum extent when the prices of Brent crude and Dubai crude were at the highest level during May-June 2014, due to supply disruptions in Libya and insurgency in Iraq. On an average, the Dated Brent-Dubai differential remained USD at 1.90 per barrel with a maximum of USD 5.49 per barrel and minimum of USD 2.16 per barrel.

Product markets showed a good performance during the year 2014-15. Product cracks were under pressure at the start of the year. However, with the fall in crude oil prices, product cracks and refining margins improved substantially. Light distillates remained very volatile during the year. The market followed a seasonal pattern for naphtha while gasoline witnessed spikes due to strong transportation demand and pass through of fall in prices to end consumers. Middle distillates cracks, especially Gasoil remained capped due to substantial refining capacity addition in the Asia Pacific and Middle East regions. Improvement in light and middle distillate cracks in the latter half of the year allowed refinery margins to increase globally, despite weaker fuel oil, which was hit by lacklustre demand in the bunker sector worldwide.

Crude oil prices play a very significant role in the economy of any country. India’s growth story hovers around the import of oil, as 70% of its crude requirements are imported. Any negative change in the crude oil price has an immediate impact on the growth in GDP and Index of Industrial Production (IIP). The sharp fall in global crude oil prices has cut down the country's import bill and enabled oil marketing companies to reduce the retail prices of petrol and diesel. Lower oil prices have also aided government's efforts to keep inflation low and stable, besides curtailing fuel subsidies.

Based on the provisional data released by Petroleum Planning and Analysis Cell (PPAC), the total quantum of crude oil imported into the country and domestic production remained firm during the year 2014-15. Imports stood at 189.43 MMT, which was a marginal increase over the level of 189.20 MMT imported in 2013-14. The sharp decline in the international crude oil prices has reduced the import bill from USD 143 billion to USD 112.7 billion, which is a drop of almost 21%. During the year under review, Indian refiners processed 223.3 MMT of crude oil, which continues to remain higher than the requirements of the local demand. Due to dipping crude oil prices, the exports of crude and petroleum products, that contribute around 19% of India's exports, have also gone down in value by 22.4% and quantity by 6%. The growth in LPG consumption had to be met with imports resulting in a 22% increase in quantity of imports, even though the value of imports is lower on account of a sharp decline in international prices.

There has been considerable increase in refining capacity in the country over the years, although during the last 3 years, there has been no capacity expansion. The refining capacity stood at 215 MMTPA as on 31st March, 2015. Planned shutdowns and absence of new capacity additions led to slower growth in throughput. The commissioning of a 15 MMTPA refinery at Paradip in Orissa in 2015-16 will add substantially to the country’s overall refining capacity.

The sharp decline in international prices of oil and some other commodities have put the Indian economic storyline in a sweet spot. The decline in oil prices has been reflected in the domestic prices of oil products, which coupled with favourable food prices, resulted in rapid deceleration of inflation. The reduction in oil prices has given the country an opportunity to rationalize energy prices and reduce the fiscal burden of subsidies. Driven by a strong expansion in India, coupled with favourable oil prices, economic growth in South Asia is expected to accelerate.

In tandem with the steady increase in international oil prices, the OMCs’ under-recoveries had also been rising till 2012-13. Controlled deregulation of diesel in 2013-14 accounted for a reduction in the under-recovery bill for the OMCs. However, complete deregulation of diesel from October 2014 and capping of 12 subsidised cooking gas cylinders per year per household has resulted in a substantial reduction in under-recoveries by almost 48%.

Poised to strengthen the foundations to take India to the next growth trajectory, the Government of India is looking at invigorating the economy with measures which will attract investors in various sectors which can in turn propel industrial growth. India’s economic growth is closely linked to the growth in energy demand. The need for oil and gas is therefore projected to grow further, providing vast opportunities for investment (permitting 100%

foreign direct investments in infrastructure segments such as pipelines and refineries) thereby supporting the growth oriented road map of the Government. The fairly stable international prices and deregulated environment could keep the subsidy bill lower than in the preceding year. However, any geo-political supply risk could trigger spiralling of crude oil prices. The times ahead are pointing towards significant growth opportunities, while posing challenges for the oil companies to deal with.

OPPORTUNITIES AND THREATS

The oil industry, which plays a key role in energy security for the country, remains responsive to the changing business environments both in India and abroad. As the country is poised for double digit growth, the oil companies are gearing up to meet the emerging challenges.

Deregulation of prices of auto fuels will bring about greater competition with the entry of the private players. The public sector oil marketing companies will need to gear up to face the higher levels of competition while providing customers the best of service and convenience. With the retail selling prices being deregulated, consumers have been able to reap the benefit of the declining trend of crude oil prices in the international market. The price of the Indian basket of crude oil glided down the proverbial 3 digit level in September 2014 to USD 96.96 per barrel. The prices of the Indian basket of crude oil hovered around USD 84.14 per barrel during 2014-15 as against the level of USD 105.52 per barrel in the previous year. The first quarter of 2015-16 saw the prices sliding down to USD 61.54 per barrel on a monthly average basis. The oil marketing companies have successively passed on this benefit of low crude oil prices to the customer, forcing them to look at their operating costs very closely in order to sustain profitability.

The demand projections for petroleum products during the 13th Plan period prepared by PPAC indicate robust growth across all geographies. The supply-demand evolution of petroleum products in the country is presenting an opportunity for capacity additions in the refineries.

During 2014-15, the oil companies successfully completed the process of enrolling LPG customers into the DBTL Scheme. This has enabled LPG customers to get their subsidies directly in their bank account. The Government of India has reportedly saved ₹ 10,000 crores during January to June 2015, on account of lower subsidy due to introduction of DBTL.

Subsidized LPG is available to consumers up to 12 cylinders a year. The 'Give it Up' appeal of the Government has struck a resounding chord amongst consumers with almost 15 lakh customers voluntarily opting to give up their subsidy. With more such volunteering, it is expected that the subsidy burden may reduce from its previous year level of ₹ 36,580 crores. As LPG consumption in the country in the domestic segment continues to grow at 7% per annum, imports of LPG are increasing. The oil companies are required to make adequate infrastructure arrangements to handle the increased import volumes.

As selling prices of both petrol and diesel are now market-driven, there will be an increased presence of private entities in the retail marketing sector. As long as the retail selling prices were controlled, the private players had maintained a marginal presence, as they were not entitled to subsidies. This constraint is no longer a limiting factor. However, even though both petrol and diesel have now been decontrolled, private companies have been cautious in their re-entry so far.

Natural Gas, as a clean fuel, has potential to replace liquid and solid fuels in the country and compares favourably on economics and ease of use with a wide range of applications in power generation, fertilizer/ petrochemical feedstock, transportation fuel to industrial fuel in burners, etc. Natural Gas is also imported as LNG in the country to bridge the demand-supply gap. There is an increased focus on usage of clean and green fuels and BPCL continues to explore all available opportunities to expand its presence in the business.

Engineering technology has improved significantly in the past few years, with a corresponding impact on the improvement of lubricant quality. Improving engine and lubricant technology has resulted in a decline in the lube to fuel ratio. As the industry in general is focused on lowering the cost of production, BPCL is looking at developing lubricants that provide energy efficiency benefits and lower costs.

The Government of India has set an ambitious target of generating 1,75,000 Megawatts (MW) of renewable energy by 2022. This consists of 1,00,000 MW of solar power, 60,000 MW of wind power, 10,000 MW of energy from biomass and 5,000 MW from small hydroelectric projects. These are welcome developments from the point of view of a green and clean environment and less dependence on oil and gas. These projects would provide opportunities for oil and gas companies to get into the larger domain of the energy business and provides scope for diversification into low carbon footprint areas.

Commissioning of strategic petroleum reserves in the east coast of India has helped transform a long-standing dream of India's quest for energy security into reality. Oil stocks are being built up at a time when oil prices are at historical low levels. However, maintaining the stock and sharing the cost amongst the oil companies remains an area of challenge.

There has been increasing demand for crude oil and petroleum products in India. The energy demand is expected to grow along with the growth of the economy. In view of discoveries and Participating Interest (PI) in various blocks, Bharat PetroResources Limited (BPRL) will have significant opportunities for growth in India. Several geographies like Mexico, which have rich hydrocarbon reserves, are opening up. This will provide more opportunities for growth.

Increasing competition, change in Government policies, crude oil price volatility, macro economic conditions, exchange rate fluctuations, delay in obtaining regulatory approvals from Government etc. are some of the other threats that BPRL is expected to encounter. BPRL could also be vulnerable to the changing health of the big operators in some of the consortia.

BPRL has made investments in various blocks in India and abroad, in consortium with world renowned companies like Petrobras, Anadarko, British Petroleum, ONGC, Mitsui, Maersk etc. Most of the blocks are in an advanced stage of exploration. Presently, BPRL is moving towards appraisal and development to realize early monetization. Owing to entry into the blocks at low cost in exploration stages, BPRL is better placed to address the uncertainties of crude oil prices and market fluctuations.

RISKS, CONCERNS & OUTLOOK

2014-15 has been an eventful year for India. The recovery in growth, controlled levels of inflation, reduction in interest rates, easing monetary policy, and a general economic well-being have provided an immense boost to India's performance. Further, the Indian rupee has been able to withstand the pressures of the fluctuations in the market and has emerged as one of the strongest currencies against the US dollar.

While the outlook for India and the Indian petroleum industry is expected to be positive, there are certain risks and concerns that need to be acknowledged and incorporated in our contingency plans.

The crude oil price volatility that the world witnessed during 2014-15 has been felt in India too. India being a large importer of crude oil, the decline in prices since June 2014 has been a favourable external shock. Crude oil prices impact economic activity in several ways. For India, it could mean higher real incomes for consumers, lower input cost boosting corporate profitability, lower current account deficit, lower subsidy burden and overall improved market sentiment. However, for an oil and refining company, it also signifies tremendous inventory losses. A falling trend in crude oil prices, without a commensurate increase in demand, would adversely affect the profitability of oil companies. BPCL has suffered a loss of approximately ₹ 3,000 crores in 2014-15 due to the sharp fall in crude oil prices during the year. Further, the returns on upstream investments planned, based on higher crude oil prices, will also need to be reviewed.

In the coming years, BPCL hopes to invest heavily in infrastructure related projects with the spends likely to be much in excess of amounts spent in the past few years. This is expected to take the Company to a higher growth path. Arranging for the requisite funds at an optimum cost is a challenge that the Company will have to deal with. This will further be augmented by the need to ensure timely completion of projects within budgeted costs. Any cost or time overruns may prove to be detrimental to the interests of the Company.

Deregulation of diesel has had its implications on the market share of the existing players. Though the private entities are still to gain a substantial market share, it is imperative to recognize their presence and frame plans accordingly. Aggressive marketing strategies, uninterrupted product security, robust logistics plans and competitive pricing will be the key ingredients for competing at the marketplace.

India being an LPG deficit nation, imports of LPG are now on the rise. BPCL imports more than 40% of LPG volumes. With a substantial increase in new connections and double bottle connections, the requirement of LPG is increasing. Further, the government has propagated universal accessibility of clean cooking fuel, implying at least 85% penetration of LPG in the country, with special emphasis on the eastern and north-eastern regions. This will have a direct impact on the LPG volumes imported. There is great concern on the availability of LPG in the right quantity, of the right quality, at the right time and at the right price to ensure uninterrupted supplies in the marketplace.

Safety continues to be high on our radar. Owing to the hazardous nature of petroleum products, safety in operations, storage, logistics and delivery is of utmost significance. While this is one area where any amount of preparation may prove to be insufficient, continuous focus to incorporate safety in the DNA of the organization is extremely crucial. BPCL is proactively engaged in building a comprehensive safety management framework that will include safety in all aspects and all levels of BPCL as a core business value, to meet stakeholder expectations and integrate best practices in the oil and gas sector.

The Oil PSUs continue to receive the under-recovery compensation within the stipulated timelines. Conscious steps are being taken to enhance the infrastructure issues being faced today, with heavy investments in refining and marketing infrastructure. Crude oil and LPG imports are carefully planned to ensure timely receipts of parcels with minimal disruptions to production and marketing. The safety drive undertaken by the Company focuses on "Safety First and Safety Must." Aware of the multifarious challenges of a dynamic environment, BPCL is getting future ready and has implemented a slew of initiatives to continue on its growth trajectory. These steps will help mitigate the risks and concerns that have been enumerated above.

PERFORMANCE

The performance of the various Strategic Business Units (SBUs) and Entities is discussed in detail in the following paras.

REFINERIES

During the year 2014-15, the crude throughput at BPCL's refineries at Mumbai and Kochi was 23.36 MMT as compared to the level of 23.35 MMT registered in 2013-14. The refineries achieved a capacity utilisation of 108.6% in the year 2014-15.

Mumbai Refinery has achieved total throughput of 12.96 MMT of feedstock (crude oil and other feedstocks) during the year 2014-15, as against 13.03 MMT achieved in 2013-14. The reduction in crude throughput was due to higher captive production of Reformate, which had been hitherto imported to meet MS demand during 2013-14. During the year 2014-15, the refinery's capacity utilization was at 108%.

Kochi Refinery has achieved the highest ever crude throughput of 10.40 MMT in 2014-15, surpassing the previous best of 10.32 MMT in 2013-14, reflecting an increased capacity utilization of 109.5% in FY 2014-15.

During the year, Mumbai Refinery achieved its highest ever production of MS (1910.2 Thousand Metric Tonnes (TMT)), HSD (5750.3 TMT) and Lube Base Oils (245.9 TMT). Mumbai Refinery has once again demonstrated its ability to meet the demand for MS & HSD complying with Euro-IV quality norms. During the year, Kochi Refinery recorded its best ever production of LPG (525.9 TMT), Propylene (28.8 TMT), Euro-III MS (1579.4 TMT), Euro-III HSD (4828.7 TMT) and Euro-IV HSD (382.1 TMT).

Mumbai Refinery's Gross Refining Margin (GRM) for the year stood at USD 3.97 per barrel as compared to USD 3.95 per barrel realized in 2013-14. The overall gross margin for the refinery in 2014-15 amounted to ₹ 2,363 crores as compared to ₹ 2,340 crores in 2013-14. The higher GRM in Mumbai Refinery for the year 2014-15 is attributable to higher distillate yield and better product mix, pursuant to commissioning of the Continuous Catalytic Regeneration (CCR) Reformer Unit and reduction in octroi incurrence, partially offset by the impact of the crude-product price volatility.

Kochi Refinery's GRM for the year stood at USD 3.17 per barrel, as compared to USD 4.80 per barrel realized in 2013-14. The overall gross margin for the refinery in 2014-15 amounted to ₹ 1,514 crores, as compared to ₹ 2,249 crores in 2013-14. The major reasons for a lower GRM during 2014-15 are lower product cracks and higher inventory valuation loss.

During the year 2014-15, Mumbai Refinery took several initiatives like consistent running of the Hydrocracker and CCR Units at higher intake levels for maximization of MS & HSD, implementation of Advanced Process Control (APC) in process units, efficient hydrogen management, optimized crude blends for maximum distillate yield, reduction in Naphtha production, implementation of energy saving schemes etc. that have helped to achieve better refining margins and improved distillate yield. The major achievements during 2014-15 include the highest ever production of transportation fuel (MS, HSD & ATF) viz.65.4% on throughput against 59.6% in FY 2013-14, highest ever distillate yield of 81.8%, maximum absorption of Naphtha in MS & HSD, leading to reduction in Naphtha production and commissioning of the Mumbai-Uran pipeline for transfer of LPG.

During the year, Kochi Refinery had taken several improvement initiatives like maximum capacity utilization of all process units, installing a process and energy efficient divided wall column in the CCR unit, using RLNG in the Hydrogen plant as feed, implementation of APC in the VGO HDS unit, optimizing the crude mix for distillate yield and various energy saving schemes. These initiatives have resulted in the highest crude throughput, maximum distillate yield and lowest fuel and loss as per current configuration of the refinery. Kochi Refinery has recorded the highest ever production of transportation fuels viz. 71.9% on throughput against 66.2% in FY 2013-14 and lowest Naphtha production of 4.8% on crude charge.

Mumbai Refinery laboratory continued to perform well in the international laboratory proficiency testing scheme run by Shell Global with a 97.5% rating. The refinery also received an excellent rating for achieving all targets related to safety. The refinery completed 15 million man-hours without Lost Time Accident (LTA) on 30th March 2015 for the first time in its history. Two process technicians received Oil Industry Safety Directorate (OISD) awards in the individual category for noteworthy contribution for promoting safety by prevention of untoward incidents in the refinery. Kochi Refinery has also met all the Safety targets in 2014-15 and has also achieved 39 million man-hours without LTA on 31st March 2015.

Mumbai Refinery has taken various energy conservation measures like improvement in effectiveness of insulation of steam headers, increased captive power generation by an innovative upgradation, incorporation of Advanced Process Control Logic in furnace operations and anti-fouling chemical injection in crude side of pre-heat exchanger trains.

During the year 2014-15, energy conservation initiatives undertaken in Kochi Refinery include installing a fan less cooling tower in the CPP-2 area, impeller trimming of pumps in the FCCU unit, rationalization of steam headers, reducing steam header pressure and optimization of pumps by studying process requirements. This has helped the refinery in efficient use of available energy sources and also to achieve the lowest fuel and loss for the year in the current configuration.

On the environmental conservation front, more usage of RLNG by replacing liquid fuels helped in reduction of CO_2 and SO_2 emissions and usage of more treated water in cooling towers reduced fresh raw water consumption in the refinery. Another 1200 sq.m. area has been identified and will be covered for rainwater harvesting by the year 2015-16.

The major highlights of various environment conservation activities undertaken during the year 2014-15 include signing of an MOU with M/s. Rashtriya Chemicals & Fertilizers Ltd. for setting up a joint Sewage Treatment Plant (STP) to produce 15 million litres per day (MLD) of treated water; commissioning of a rainwater harvesting facility in the Refinery Sports Club (an area of 25,000 sq.m. was covered for harvesting ground water runoff); four acres green belt development in APMC, Vashi with unique collaboration between BPCL & APMC; commissioning of a 40 KVA Solar Power plant in the refinery and sewage treatment facility of 250 KLs per day in the refinery for water conservation.

In Kochi, the various activities undertaken towards environment protection include planting of 12,000 trees under the program, "20,000 trees for Mother Nature" which was started on World Environment Day; roadside beautification by planting palm trees, awareness classes, quiz competitions and seminars for students through KR Encon clubs and display of environment messages all over the refinery.

Mumbai Refinery organized several learning and development initiatives based on individual, functional and organizational needs viz. strategy workshops, functional programs, Management Development programs, people management skills, and on-the-job training. Mumbai Refinery has won a contract from M/s. ORPIC (Oman Oil Refineries and Petroleum Industries Company, UAE) for imparting training to their staff on refinery operations.

The BPCL group ultimately aspires to reach a refining capacity of 1 Million Barrels Per Day in the next four to five years. BPCL also has ambitions of venturing into the Petrochemical sector. While this will call for a huge quantum of investments, BPCL is focused on meeting the challenging targets, which in turn will help in satisfying the growing energy needs of the country.

The accolades that were conferred on Mumbai Refinery during the year 2014-15 include the highest level of Ramkrishna Bajaj National Quality Award (Manufacturing) 2014 organized by Indian Merchants' Chambers (RBNQA) - BPCL is the first PSU to win this award; the ICC Award for Excellence in Energy Conservation and Energy Management – 2013 and the 'CII (WR) SHE Excellence Award 2013-14 in the Manufacturing Sector' organized by Confederation of Indian Industry (Western Region).

During the year, Kochi Refinery received the Safety Award instituted by the Factories & Boilers Dept., Government of Kerala for Outstanding Performance in Industrial Safety among very large factories for the year 2014; Excellence Award 2014 from Kerala State Pollution Control Board (KSPCB) among very large industries for making substantial and sustained efforts towards pollution control. This is the eighth time in a row Kochi Refinery is getting recognized by KSPCB for its pollution control efforts; Third prize in Refinery Energy Performance awards instituted by Centre for High Technology (CHT), for Furnace/Boiler Insulation effectiveness; the Kerala State Energy Conservation Award 2014 in the category of large scale energy consumers from the Department of Power, Government of Kerala; BPCL Chairman's Award in the Creative Stroke category of Ideas 2014 for successful modification of the Gasoline Splitter Unit to the Naphtha Splitter Unit, thereby increasing MS and HSD production and reduction in low value Naphtha production; Corporate Excellence Award for Green Initiatives by the Kerala Management Association for environment management efforts during 2014.

Social welfare and development has been at the core of BPCL's Mumbai Refinery Corporate Social Responsibility (CSR) philosophy. The Refinery is taking all efforts to bring about qualitative changes in the lives of the surrounding community through well planned and coordinated CSR initiatives. Such programs include assistance in education, vocational guidance courses and medical services at Mahul, Karjat and Washala villages near Mumbai. In its continuous endeavour to ensure quality education, programs such as scholarships and assistance to poor students, extending capability exploration and enhancement programs for talented poor children were undertaken. Other CSR activities undertaken were providing Group Mediclaim Policy to 87 fishermen from Mahul village, vocational training like 'Liquid Soap & Phenyl making' and a 'Cookery class' for Self Help Groups formed by BPCL in Mahul village.

During the year, a number of major community programmes were initiated by Kochi Refinery in the neighbouring areas. The refinery has enhanced various infrastructure facilities to the benefit of the community by renovating Anganvadis and maintaining roads in rural areas. Two Primary Health Centres were renovated for the poor in the neighbouring Panchayats and medical camps were conducted in the vicinity. Language labs were set up in the neighbouring schools for encouraging rural students to learn English and Hindi. In a move to lay emphasis on skill development, Kochi Refinery is providing vocational skills for 1000 unemployed youth in Kochi through M/s. ITCOT Consultancy and Services Ltd. A Home Based Rehabilitation Programme for rehabilitation of children afflicted with cerebral palsy, autism etc. in eleven Panchayats nearby, is being run by the NGO, Adarsh with the support of the refinery.

RETAIL

The year 2014-15 witnessed an important change in the retail segment dealing with the marketing of auto fuels, when the Government of India deregulated the retail selling prices of diesel. This development happened nearly four years after the retail selling prices of petrol were deregulated. Prices for both diesel and petrol are now directly linked with the prices in the international market. Under-recovery on account of selling diesel at regulated prices, which accounted for about 45% of the total subsidy burden in 2013-14 has thus got eliminated, thereby reducing the burden on the oil companies. With the private players expected to enter in a big way, there is now an enhanced focus on customer service standards.

The Retail SBU continued to deliver superior performance and achieved the highest sales growth amongst the public sector oil companies, during the year. The total market sales for the business reached 24.09 MMT, which represented a growth of 2% over last year. The sales volume of MS at 5.34 MMT in 2014-15 was 11.1% higher than the level of 4.8 MMT achieved last year. HSD sales volume in 2014-15 stood at 17.4 MMT, as against 17.46 MMT last year, reflecting a negative growth of 0.4%. In the alternate fuels segment, BPCL recorded a growth of 7.22% on the sale of Compressed Natural Gas (CNG) and the sales volumes for the year stood at 294 TMT. Auto LPG recorded a sales volume of 43 TMT.

BPCL delivers superior service standards through a robust network of 12,864 retail outlets. To enhance market penetration, 695 retail outlets were added during the year. BPCL's network has a distinct format of retail outlets with unique services and technology, designed to make them relevant for the diverse needs of the customers visiting them.

'Pure for Sure' has been our commitment to our customer on right quality and quantity. BPCL has 5,700 outlets which offer 'Pure for Sure' service standards. Almost 75% of the total volume sold by the BPCL network is through PFS certified outlets where service standards have been elevated to 'Pure for Sure Platinum,' and retail outlets make available fully computerized offerings monitored through CCTV. The PFS Platinum network has reached 600, assuring the promise of purity, service and enablement through technology.

There are 112 Company Owned and Company Controlled (COCO) outlets, where the customer experiences a wide array of services like Q&Q of product, service standards of 'Pure for Sure Platinum', branded fuel, 'Speed,' free air, clean toilets, assured bills, cashless and secured transactions for credit and debit cards and additional reward points on fuel purchase for Loyalty Program members.

The signature brand of outlets for highways, the One Stop Trucker Shops (OSTSs), strategically positioned on major highways, give transporters and their drivers an experience of 'a home away from home.' These outlets, in addition to services of COCO, offer SmartFleet services, a customer care centre, truckers' air gauge and greasing facility, driver rest rooms and secured parking.

The Company has been able to create a differentiation by upgrading various forecourt service initiatives to the next level by leveraging technology and automation. BPCL has garnered customer confidence through assurance of quality and quantity and payment integration with fueling delivered through automation. These efforts have helped in building customer trust, customer identification and acquisition, good governance, better asset utilization, inventory management, effective outlet management and overall creating a competitive advantage.

BPCL has 5,657 Automated Retail Outlets with a facility to monitor the outlet premises remotely and track them to identify product stocks in real time, reflect price changes quickly and ensure better and efficient utilization of assets. BPCL has gone a step forward and now offers registered customers an experience of getting SMS confirmations on fuelling transactions. All our Multi Pump Dispensers (MPDs), display real time retail selling prices, and No Print No Delivery where the delivery of fuel does not happen without the bill being issued to the end customer. Reinforcing its trust through technology amongst customers, BPCL generated e-bills through SMSs sent to 15 lakh registered customers during the year.

The BPCL First initiative was successfully rolled out across 64 Cities with inter SBU customer centric events in various markets. As a part of this initiative, enterprise level offerings are communicated to the customer and city level events are conducted to create a customer connect with the retail outlets. 'SmartLine', a 24x7 Customer Care Service is also a part of this program for creating a platform for closer customer interaction.

BPCL has been managing and fostering customer relations to address the changing business dynamics and customer expectations through its relationship programs viz. PetroBonus and SmartFleet. These programs have now been operative for over 15 years and have played an important role in the relationship space, addressing the need of cashless secured transactions and offering loyalty points which can be exchanged for exciting rewards. Regular communication with the members keeps them updated about the program and their transactions. The Company has provided all options like mobile, email, website and call centre to stay connected with the members and our Dealer network. The programs recorded sales of 4.43 Million Kilolitres (MKL) during the year.

BPCL has partnered with HDFC bank, which enables credit and debit card acceptance and gives a truly cashless experience to customers even without being members of our loyalty programs. Big fleet operators and transporters have been given benefits of the HDFC credit financing scheme to manage their working capital well.

The enhanced version of the 'Fuel Finder' mobile application was launched to help customers in locating retail outets for meeting their fuelling needs.

As a step towards creating a strong relationship with highway truckers, 30200 Life insurance policies were issued for the Drivers enrolled under our SmartFleet Program .

The Allied Retail Business (ARB) achieved a turnover of ₹ 450.20 crores with a growth of 4.2% during the year 2014-15. The business generated an income of ₹ 23.01 crores, which was higher by 2.2% as compared to the previous year. Our network of convenience stores, branded as 'In&Out' operate at 169 retail outlets. The network spans over 1.1 lakh sq. ft. area, achieving a turnover of ₹ 186 crores. The "millionaire stores" included 51 In&Out stores having sales of over ₹ 1 million per month and 28 stores with sales in excess of ₹ 2 million per month. We also have a widespread network of over 100 Quick Service Restaurants in alliance with leading Indian and International food chains. Another first from BPCL was an agreement signed with M/s. Amazon Transport Service Pvt. Ltd. (ATSPL) for a "Pick Up" store initiative.

Green lighting was introduced at 205 retail outlets to promote non-conventional energy usage. With energy efficient lights like LEDs and Induction Lights, there is an approximate saving of 35-40% on the lighting load. Currently, Solar Systems have been provided at 280 retail outlets as our commitment to greening India.

Retail Operations handled more than 25 MMT of products at 82 Depots & Terminals to ensure uninterrupted supplies to the retail outlets, in support to the sales teams, enabling them to achieve a market leadership position.

BPCL ended the year complying with 101 out of the 113 recommendations of the MB Lal Committee, thereby enhancing safety at its POL Depots and Terminals. The state-of-the-art IP based CCTV surveillance system was installed at POL Depots & Terminals. The Automation policy was revised in line with the MB Lal Committee Recommendations & Provisions of OISD-244.

State-of-the-art Terminal automation systems have been installed at 28 locations and 16 locations have been converted to NANO (No Automation No Operation) supply locations during the year. The automation ensures seamless operation and enhances efficiency. Additionally, safety and security also gets reinforced through a dual biometric access control system.

Centre of Excellence, Retail carried out extensive functional training. 36 training programs were conducted, providing 31,118 man-days of training to 707 staff. Training was also conducted at OEM's works for specialized training on Automation for maintenance engineers.

Infrastructure creation remained a key focus area. The Kota-Jobner Pipeline has been commissioned and mechanical works have been completed at the Jobner Terminal. Common user terminal for BPCL and Indian Oil at Raipur is also expected to be commissioned in August 2015. Augmentation of Tankage capacities was completed in many locations to ensure product availability in line with market demand.

Health, Safety, Security and Environment is given utmost priority in our operations. As per the M.B. Lal Committee recommendations on HSSE improvements, new fire and safety equipments have been provided at all supply locations. Online work permit system, online statutory and licensees tracking system, online tracking for pipeline pressure testing and tank cleaning are our continuous technologically enabled endeavours adopted at our operating locations, in line with our motto of "Safety First and Safety Must". Excellence in operations is a deep routed purpose in BPCL, aimed at surpassing industry benchmarks and achieving efficiencies, which help BPCL become a cost leader.

INDUSTRIAL AND COMMERCIAL

The Industrial & Commercial SBU has taken its partnership with the Indian Army to new heights by commissioning HSD, SKO and ATF tankages at Dahung in the north-east, on the China border. These facilities, the biggest in the north-east, include inter-alia, product tankages and lorry loading facility. The Business has also commissioned two consumer pumps in the Kargil Sector at an altitude of 11,000 feet. These are the first such facilities commissioned in a working season viz. June – November 2014. During the year, the sales volume of 3.40 MMT has been registered against 3.72 MMT in 2013-14, which represents a negative growth of 8.43% in Industrial fuels and Specialties.

BPCL is also working consistently towards improving the product offerings to customers. As a step in this direction, three successful trials were conducted for Polypack Bitumen at difficult locations, including hilly areas like Uttarakhand and Jammu & Kashmir. It was observed that the small polypacks would be very helpful to customers in these terrains, obviating the need for carrying drums all the way to the hills. This product would soon be available to BPCL customers.

In the beginning of the year, HSD prices for the Retail sector continued to be subsidized, due to which many industrial consumers opted to purchase diesel from retail outlets. However, this trend has been reversed effective November 2014, when diesel prices were deregulated and brought on par for both retail and industrial consumers. The superior services available, while purchasing diesel directly from the Company, would now bring consumers back and an increase in volumes has been observed. Deregulation also brings new challenges in the form of competition from the private sector and BPCL is gearing up to face them.

The sales volume of all products registered a small decline during the year, mainly due to stoppage of sales of special products like Special Cut Naphtha and LABFS. However, the value generation and optimization of volume continue to give good results, resulting in higher margin contribution to the Corporation, despite lower sales.

BPCL is always driven by the philosophy of providing total fuel solutions to its Industrial & Commercial customers. Keeping this in mind, efforts are on to bring down impurities like Benzene in Hexane and Mineral Turpentine Oil. The improved products are likely to be launched in a year or so. In addition, the industrial consumers could also look at the availability of Biodiesel blended Diesel.

The BPCL product stable will soon have additions like Petcoke, Polymer Grade Propylene and other chemicals. Post completion of the Integrated Refinery Expansion Project (IREP) Project in Kochi, BPCL would launch these products throughout the country. BPCL is in the process of building suitable competencies for these business segments.

Having consolidated margins over the last two years, the I&C business is geared up to focus on increasing volumes in future.

GAS

During the year 2014-15, the total volume of Gas handled was 1205 TMT, of which 314 TMT of Gas was supplied to our Mumbai Refinery, 76 TMT was supplied to our Kochi Refinery for own use requirements and the balance approx. 815 TMT of Gas was sold to various customers across different sectors like Fertilizer, Power, Steel, CGD etc. Around 15 TMT LNG was supplied through Tank Trucks to customers who are located away from the pipeline grids.

While all along long term LNG prices have been lower than the spot prices, the market saw steep fall in the spot prices of LNG from the third quarter of 2014-15, making the long term prices costlier than Spot LNG prices by around USD 4 to 5 per mmbtu. This has put tremendous pressure on the sale of long term LNG, with customers preferring cheaper Spot LNG prices.

In the year 2014-15, BPCL created history by supplying LNG bunkers ex PLL Kochi LNG Terminal, for the first time in India to a ship, MV KVITBJORN, on her maiden voyage to Europe.

With an objective to enhance capacity to meet future requirements, BPCL also signed a term sheet for booking a capacity of 1 MMTPA out of 5 MMTPA capacity FSRU being planned to be commissioned by 2018-19 by Swan LNG Pvt. Limited at Jafrabad in the State of Gujarat. Earlier BPCL had signed an agreement with PLL for using a capacity of 1 MMTPA at their Dahej Terminal from end 2016 for 20 years. This is in addition to capacities currently available at Dahej and Kochi.

BPCL is a co-promoter with 11% shareholding in two JVCs formed along with GSPL, IOCL and HPCL for developing cross-country pipelines : GSPL India Gasnet Ltd. (GIGL) for the Mehsana-Bhatinda Pipeline and Bhatinda-Jammu-Srinagar pipeline and GSPL India Transco Ltd (GITL) for the Mallavaram-Bhopal-Bhilwara-Vijaipur pipeline.

BPCL is aggressively pursuing its efforts for enhancing its presence in the Gas markets in India, by securing access to infrastructure, sourcing of LNG and participation in development of City Gas Distribution Networks.

LUBRICANTS

Kline's report mentions that the lubricant consumption in India is projected to grow at an annual rate of 3% over the next five years. The per capita lubricant consumption in India is quite low compared to the developed countries.

A comparison with other developing countries like China and Indonesia also reveals significant potential in India for growth in lubricant consumption.

The Lubricants industry in India, on the other hand, continues to be extremely competitive with several new players including MNCs. Nearly 40 established players have made deep inroads into the market. Despite the supremacy of the three PSU oil marketing companies in retaining a formidable market share, the availability of cheaper Base Oil from the South East Asia region has provided major impetus to the private lubes marketing companies.

Higher income distribution amongst the Indian households has given a significant boost to personal mobility through two-wheelers and four-wheelers. More than 50% of two-wheelers are today sold in small towns and villages. With poor public transport infrastructure, the two-wheelers continue to be the only reliable mode of transport for many. This trend will continue to influence the Indian Automotive lubricants.

Industrial lubricants are the largest market segment in India, with more than 54% of the total market. Power generation, chemicals, automotive and other manufacturing, railways, marine, and metals are the leading end-user industries, accounting for nearly 80% of industrial lubricant consumption.

As far as the three public sector oil marketing companies are concerned, the shift of sales from retail forecourt to Hi Street Bazaar resulted in a decline of 7.75% in the Retail segment. The Bazaar market however, bounced back during the second half of the year, registering 2% growth.

BPC's Lubes Business registered a growth of 11.93% in 2014-15 over the previous year with 18.6% growth in Industrial, 6% in Bazaar and 39% in export. Overall the value added sales also recorded a growth of 10.2%.

Lube Sales through the retail channel remained one of BPCL's focus areas, as it contributes to nearly 35% of the total sales. Several service initiatives planned out for the year proved to be fruitful - MAK QUIK, MAK Dispensers, Product specific campaigns, One Day wonders / Mega One Day Wonders etc.

A large number of enterprising retail dealers were encouraged to explore the potential and market lubricants in their catchment area in the rural market. The focus on new retail outlets commissioned in recent years has shown excellent results. Outlets commissioned after April 2013 have registered 161% growth in sales. The proliferation of the Quick Oil Change machines for the 4T segment has resulted in a growth of 26% in the segment.

The Bazaar channel continues to remain competitive since secondary customers like retailers, garages etc. remain open without particular affiliations or commitment. This channel is very critical and relies upon the success of the Brand. The buying behaviour of customers in this segment is influenced by various factors and the environment is flooded with strategies adopted by the competition. Discounts, loyalty programs for the secondary customers, high brand equity, new product launches and product availability have all contributed towards the growth in this very competitive channel. Network expansion continued to be another important initiative with around 30% of the distributor network commissioned only during 2014-15. Emphasis on training of the staff of our Distributors was an important initiative, which has helped in marketing of premium grades of MAK Lubricants resulting in a 6% growth in sales volume.

BPCL has successfully managed both, superior product quality and prompt service and recorded 18.6% growth in the Industrial segment. MAK expanded the customer base across segments with specific focus on key growth sectors in India like Power, Steel & Mining. Approvals from several turbine manufacturers like Siemens and Triveni Turbines provided the requisite fillip in marketing in the power sector. MAK also had the privilege of entering the deep drilling segment through Atlas Copco, the major manufacturer of mining equipment.

BPCL's continued market presence in SAARC countries like Nepal, Sri Lanka and Bangladesh has resulted in growth of market share substantially. MAK has also entered in select Middle East and African (MENA) countries like Kingdom of Saudi Arabia, Bahrain, Qatar, Oman, Kuwait and Egypt for marketing of Lubricants by appointing exclusive MAK distributors for these markets. In addition to exclusive distribution arrangement in the above countries, MAK has also cemented its presence in few African countries like Congo, Uganda, Angola, Tanzania, Burundi, Rawanda etc. through merchant exports, resulting in a 38% growth in export volumes.

Concentrated efforts were employed throughout the year to promote the MAK brand with its presence on television and radio, advertisement in magazines, branding in ROs/ wall painting / retailer boards, hoardings and bus shelter campaigns, participation in exhibitions / college fests, rural melas/ rural activation programmes etc.

During the year, as a pilot, one city was chosen as a MAK branded city with extensive branding activities. This MAK city proved to be extremely useful in capturing the attention of our customers, which led to increase in volume in this city.

One other major contributor to the growth in sales of Lubricants has been our R&D, which developed new grades across engine, driveline, transmission and industrial lubricant product segments. The focus has been to develop new generation lubricants keeping pace with the evolving lubrication needs of modern vehicles and equipments.

LPG

The year 2014-15 was an eventful year for the LPG Business. One of the major achievements was the roll out of the PAHAL scheme of the Government of India. BPCL successfully enrolled 31.6 million customers into the scheme as Cash Transfer Compliant consumers (CTC). Under the scheme by end of March 2015, BPCL had already transferred ₹ 2,384 crores to customers' accounts (₹ 1,161.26 crores as permanent advance and ₹ 1,222.74 crores as subsidy transfer).

The LPG Business closed the year 2014-15 with all time high sales of 4510 TMT, recording an overall growth of 11.9% and increasing the market share from 25.6% to 25.8%.

Making clean cooking fuel available and accessible to the people of India remained a priority with LPG and in line with the same, BPCL enrolled 48.9 lakhs new customers during the year, taking the domestic customer base to 458 lakhs. To make available a steady supply of LPG to the consumers, 30.2 lakhs additional cylinders were issued to consumers taking the Double Bottle Connection holders tally to 49%.

To enhance the penetration of LPG in the country and with an objective to provide clean fuel (LPG) to deep rural pockets, the focus has been on network expansion. BPCL added 339 Regular Distributors and 366 Rajiv Gandhi Gramin LPG Vitraks (RGGLV), taking the total number of Distributors to 4,044 (2,862 Regular and 1,182 RGGLV). Of these, the number of LPG Distributors in rural areas is 1,583 (401 Regular and 1,182 RGGLV) i.e. 39% of the total LPG Distributors.

Providing consumers with ease of completing LPG related transactions was another area of focus. The consumers were provided the convenience of doing all their LPG related transactions viz. book a refill, register for a new connection, audit the Distributor, Give Up subsidy, unique ID etc. through the website 'MyLPG.in', bringing in greater transparency, in addition to convenience. The LPG SBU continued to encourage digital options for booking of cylinders i.e. SMS, IVRS, web and mobile app, as a result of which more than 90% refill booking was received through the digital mode.

The LPG Business continued its foray into the international market for its exclusive product Bharat Metal Cutting Gas (BMCG) and entered into an agreement with Air Liquide Middle East & North Africa FZCO 'ALMENA" to market BMCG in Middle East countries.

BPCL continued to remain focused on best practices in HSSE, productivity improvement and cost optimisation. For the 5th consecutive year, BPCL was awarded the 'Best LPG Marketing Organization' by Oil Industry Safety Directorate. During the year, 7 Bottling Plants received ISO 50001 certification on their Energy Management System and a ₹ 2 Crore project was completed under Sustainable Development.

During the year 2014-15, record filling of 4250 TMT was carried out in 50 bottling plants of BPCL to meet the demand. Another milestone was the handling of a volume of 0.7 MMT, against last year's volume of 0.3 MMT, an increase of 133%, at the JNPT-Uran import terminal.

On the infrastructure front, BPCL has augmented its cylinder bottling capacity from 3,165 TMT to 3,215 TMT. BPCL's Uran facility was connected through a submarine pipeline from Mumbai Refinery, thereby making Uran a key strategic location connected by road, rail and pipeline.

AVIATION

For the Aviation Business, acquisition of new customers remained an important focus area. The portfolio was expanded by the enrolment of Fly Dubai, Air Seychelles, Air Arabia, Hong Kong Airlines and Citilink Indonesia in the international segment and Indigo, Vistara and Air Pegasus in the domestic segment, at some of the airports.

As a customer retention strategy, the Aviation BU offered world class service to successfully roll over all contracts of its existing customers, including Spice Jet, Jet Airways, Qatar Airways, AACO Airlines, Kalitta Air, JAL, Silk Air, Tiger Airways, Virgin and Etihad. During 2014-15, the Aviation BU notched up sales of 1255 TMT, with a market share of 23.6%. This year, BPCL has become the first Indian oil marketing company to pass on the benefit of SFIS (Serve For India Scheme) to Jet Airways.

The Aviation Business consolidated its presence in the Defence segment by setting up stations for the Army in the state of Arunachal Pradesh in the north-east and started supply to these bases. Supply has also started at the Indian Air Force base at Thanjavur. Facing stiff competition, BPCL has been shortlisted to construct and operate an AFS at Jaisalmer Airforce base. This will be the sixth IAF base for BPCL.

In the process of expanding the network, 3 new Aviation Fuelling Stations at Indore, Dimapur and Dibrugarh have been completed and are ready for commissioning. A new AFS at Imphal is likely to be commissioned very shortly. The strategy to maximize supplies from our subsidiary NRL has been set in motion, with the establishing of our presence in major airports in north-eastern India. The containerized model, which had been imported last year, has now been fully indigenized, resulting in considerable cost savings while commissioning new AFSs.

To strengthen our infrastructure and to optimize our logistics costs, locations have been linked to appropriate supply sources. An MOU has been signed and hook-up is being done to IOCL's ATF pipeline to Bengaluru airport from BPCL's Devangonthi installation. ATF facilities have been constructed at New Jalpaiguri depot. Additional tankage is being created at Calicut AFS and Bijwasan depot. For supplies to the proposed Navi Mumbai airport, a Pre-feasibility report has been prepared for the pipeline from BPCL's Mumbai Refinery to the proposed airport.

BPCL has been awarded the Operatorship of the prestigious Fuel Farm facility owned by Mumbai Fuel Farm Facility Ltd. at Mumbai airport. BPCL and Cochin International Airport Ltd. (CIAL) have agreed to extend the arrangement for operating the hydrant fuel farm at Cochin airport for a period of 30 years. Work on the extension of the hydrant at the new CIAL terminal has already started.

BPCL is increasing its equity stake in Kannur International Airport Ltd. The construction of the airport is in full progress and the airport along with the Fuel Farm is likely to be commissioned by March 2016. BPCL has exclusive rights to operate the fuel facilities at the airport.

The Aviation BU accords the highest priority to HSSE, safe and cost efficient operations while providing customer service. No major accident/incident/spills occurred at any of the locations. Nil LTA has been recorded in 2014-15. During the year, recognitions came our way when the Sarvashreshtha National Safety Council Award was given to Gwalior AFS by the Madhya Pradesh Government and Certificate of Merit for Meritorious Performance in Industrial Safety was awarded to Mumbai AFS for the tenth time in a row.

PROJECT CUBE INITIATIVE

Project CUBE (Customer Understanding for Business Excellence), a customer centric business transformation program, was designed to improve BPCL's business performance by connecting deeply with customers. BPCL First, an important initiative of Project CUBE, was launched on 16th August 2012, with a vision of creating a differentiation in the minds of customers through a collaborative process and making BPCL the preferred brand. This would yield substantial long-term benefits.

The idea is to implement key deliverables identified by each of the SBUs with greater consistency and rigour. In view of the feedback from customers, BPCL focused on improving the basics, so as to create a positive impact on a customer every time he utilizes a BPCL product or service. The end objective of BPCL First is to convert a location into a BPCL city/town.

The growth in Tier II and Tier III cities is aided by the increasing disposable income of people, creating immense potential for companies. Since these cities are relatively untapped, they offer greater opportunities for growth in terms of differentiation with respect to products and services. BPCL has strategically chosen to focus BPCL First as an initiative in major Tier II/III cities.

As a part of BPCL First, the organization has launched a robust grievance redressal mechanism – the Customer Care System (CCS). CCS provides a single-window for BPCL customers to reach out to BPCL for feedback, complaints or queries on any of its products and services. It has been designed to provide ease of access to customers to connect with BPCL through our corporate website and the toll free number (BPCL SmartLine – 1800 22 4344), which are displayed across customer touch points. An important feature of CCS is to seek feedback on each and every query and complaint in order to assess customer satisfaction on an ongoing basis.

HUMAN RESOURCES

The year 2014-2015 saw many endeavours in the realm of developing talent within the Corporation, in line with our vision of leveraging talent and technology. We at BPCL have made rapid strides in the linkage of key HR Processes such as Career Advancement through multiple role exposures, Performance Management, Potential Assessment and Learning Management Framework, to name a few. The second cycle of the ASCEND process, a 360 degree competency assessment framework, was rolled out, covering 2800 officers in the mid and senior levels. The outcomes derived from this process are being used to draw up focussed individual development plans through candid feedback conversations aimed at career development.

The learning framework, that provides for structured training programs, has stabilized and attuned to the inputs that emerge from the individual development plans.

Significant investment has been made in the area of Leadership Development, aimed at enriching the leadership pipeline within the Corporation and building capability within managers. Our flagship program 'Excelerator' is aimed at equipping our leaders with relevant leadership competencies to enable them to unleash their potential, thereby creating the necessary business impact. This program has seen a participation of 80 managers at mid & senior levels and is rapidly on its way to becoming a breeding ground for top leadership.

At another level, to equip managers with crucial skills needed in the context of building capability in the changing business scenario, we have nominated officers for our tailor-made management programs on the lines of an Executive MBA Program from premier institutes like SP Jain Institute of Management & Research. 38 officers were sponsored for the Advanced Management programs during the year. To further enhance leadership capability, we have deputed top talent from senior leadership levels to attend globally acclaimed programs at world-renowned business schools such as Harvard, Wharton, Kellogg and Tuck. 19 officers were nominated for these programs.

We have also exploited our internal social media network, an IT-enabled HR platform called 'JAM' to communicate on forums within closed user groups. JAM has been used by closed user groups to engage in knowledge-transfer and to understand processes and practices that various departments have deployed.

We have successfully leveraged technology as an enabler to learning with the Learning Management System (LMS) launched during 2013-14. It has provided easy access to all learning interventions from multiple sources under a single umbrella. The implementation of LMS has transformed the role of the training role-holders, who now spend more time on need analysis, design, evaluation and most importantly, creating a learning culture in the organization. 95% of critical mass for the behavioural learning framework have been covered under LMS. Proof of our emphasis on providing training programs as a platform for developing our people is the fact that that we clocked more than 25,000 man-days of training during the year 2014-15.

Innovative learning platforms have been our forte, with events like Socratix and Mercurix organized for our people. Socratix is a case-study challenge, a platform that provides individuals an opportunity to sharpen their cognitive abilities required in the organizational context and also showcase their individual capabilities in a competitive environment. Mercurix is an annual story-telling platform that aims at encouraging a very important aspect of Leadership-Storytelling. Our people have a chance to display their leadership capability to inspire and motivate, using storytelling as a tool for effective leadership and culture building in the organization.

IDEAS, one of the biggest events every year, visualized to give a platform to creative minds in the Organisation, is another feather in our cap. The event sees 1000+ entries every year from around the Corporation.

With the future of the Corporation seeing more than 50% of its population from the Gen Y brigade, we have rolled out an initiative called 'You-Ngage'. It was conceptualized with the objective of communicating the organization's expectations from the young generation while effectively engaging them, understanding their connect with BPCL's vision, strategy and goals.

As on 31st March 2015, the staff strength stood at 12,687. 408 Management trainees joined us during the year.

EMPLOYEE SATISFACTION ENHANCEMENT

The ESE cell's vision is to be an active facilitator towards a healthy, productive, vibrant and energized workforce, by working towards 360 degree wellness, living up to the core purpose of 'energizing lives' to make BPCL 'A Great Place to Work.' To fulfill the vision, various initiatives are undertaken by ESE through employee connect, employee engagement, employee wellness and prompt grievance redressal.

Through Roshni, our Employee Assistance Program, counseling services are provided to BPCL employees and their family members by professional counsellors, with the costs borne by BPCL – a first in the oil sector. Physical wellness services covering health risk assessment, wellness coaching, health articles etc. were introduced this year. To make employees aware about EAP Roshni Plus, ESE held 93 meetings across the country, increasing the registration by 100% to touch 3600. There were 202 counseling sessions availed by employees using Roshni services.

Fortnightly bulletins on physical and emotional wellness were circulated to all employees on topics like Embracing Excellence, Happiness by Choice, Lifestyle choices, Making Exercise a daily Habit etc. Manager referral sessions, Stress audit for LPG TMs, LOP workshops for employees on loss of pay, session for retiring employees etc. were also organized. A pilot on Peer counseling for early help to employees was rolled out at Mumbai Refinery.

ESE conducted health camps and talks on cancer awareness, cardiovascular rehabilitation, desktop and laughter yoga, Sujok accupressure, and Nadi Pariksha. A special edutainment program 'Bollywood and stress management' was introduced, along with programs such as Manovikas, positivity for stress-free living and psycho-neurobics. For positive employee engagement, programs like 'Basics of Photography, Prudent Financial Investment, Women's Day, Organ Donation awareness, Art & Science of Parenting, book exhibitions, Father's Day contest, and Volunteering to Make a Difference' were held. To assist employees in achieving their work related goals, programs like 'Shikhar - A Journey to the Top' and 'Managing Difficult People' were held. In all, 46 workshops/ talks were organized for about 4800 employees across locations. This year, ESE handled 61 employee grievances to closure. To ensure a quick response, a 'Grievance Management System' portal – Phase I was rolled out.

An Employee Assistance Program (EAP) Customers' Forum was organized for the first time to understand the industry trends in EAP. Many private and public sector companies such as NTPC, Johnson & Johnson, Glaxo, Siemens, Oracle, RCF etc. participated in the forum and agreed to form a network for sharing best practices on a continual basis.

ESE plays a proactive role in an employee's life on their special occasions such as birthdays, long service, promotions and retirement. These measures and initiatives undertaken by ESE have reinforced BPCL as a caring and employee friendly organization and immensely contributed in enhancement of overall satisfaction and well-being of its employees.

INTEGRATED INFORMATION SYSTEMS

During the year, a plethora of process improvements and new IT initiatives have been implemented, adding significant business value.

The PAHAL scheme, an initiative from the Ministry of Petroleum & Natural Gas was taken up and completed as per the directives from the Ministry during the year. In addition to Aadhaar Based DBTL, this offers subsidy transfer directly into the bank account number provided by the consumers.

An application was launched to manage the Bharat Arogya Yojana scheme for Driveway Sales Men (DSMs), LPG delivery persons and the transport crew. The application has enabled capturing of data required by the insurance company to extend insurance to the eligible members through an interface between systems for seamless data exchange.

The LPG Transparency Portal was enhanced with new features for consumers like registration for new connection, booking of cylinders, rating of distributors, checking DBTL status, providing feedback etc. These services were also enabled through a new mobile app for the consumers, providing flexibility to transact using different platforms. A Centralized Complaint Management System was implemented as a single window for consumers to log complaints, including complaints related to the DBTL process.

A process to automate updation of Retail Selling Price (RSP) at automated retail outlets was implemented with a seamless linkage of RSP changes in the system to the retail outlets. Display of the latest RSP was also enabled through dealer customer accounts, thereby improving transparency.

New online processes were implemented to manage new investment proposals and upgrade investment proposals for retail outlets with seamless integration to other relevant processes to bring better controls and informed decision making.

An online medical claim application was implemented for retired staff for easy tracking and faster processing of claims.

Many Talent Management initiatives have been enabled through SAP Success Factor for better decision making.

As per Government guidelines, all old electronic IT Assets (Laptops, Desktops, Printers and other allied IT equipments) are being disposed across BPCL under eWaste to Government approved vendors.

Webcasting technology has been effectively used for corporate events to reach out to the employee community in real time manner.

Tech refresh has been carried out in end-user compute device landscape including Windows & Office suite, deploying energy star rated light-weight devices that significantly improved the employee mobility and productivity experience.

HEALTH, SAFETY, SECURITY & ENVIRONMENT

Upholding the "Safety First Safety Must" mantra, each SBU / Entity continues to take Workplace Health, Safety, Security & Environment (HSSE) including Sustainable Development as an integral component of its business policies and strategic plans.

To ensure smooth and safe operations across locations, each of the critical processes, systems and their implementation methodology were reviewed and their monitoring/governance practices were strengthened, along with bringing clarity in responsibilities and accountabilities.

Learning from the incidents in the external environment, end-to-end analysis of the incident reporting system was done and a new comprehensive procedure has been institutionalized to ensure that time bound action is taken by each stakeholder. To bring in clarity and speedy reporting, minor and major incidents were segregated with reporting flowcharts for ease in understanding and quick communication across locations.

As a proactive measure, asset integrity was taken as a key activity to once again reassess the health and integrity of pipelines and railway siding facilities. During the process, all assets owned by BPCL or a third party were looked at and necessary actions were identified. While we have completed the assessment of all pipelines, gaps have been identified for railway siding and work is in progress with an aggressive schedule to ensure that all our assets render safe operations.

For capacity building of officers working at the field level, HSSE workshops were held at all four regions, wherein inter/intra organization best practices were discussed and commitments were taken for systemic improvements and these were monitored till completion.

In order to be in a state of readiness, mock drills were regularly carried out at all locations and recommendations for improving the system were immediately implemented.

In our quest to ensure safe operations, root cause analysis for the incidents reported was done and learnings were circulated across locations on a monthly basis to prevent recurrence, as a knowledge management initiative.

Internal Safety Audits were carried out at all locations and observations were analysed and categorized and an action plan was drawn up to complete jobs within time schedules. Security of all locations and refineries were ensured by deploying competent persons and imparting training at regular intervals.

Online sustainability development software was extensively used to capture data from locations pan India. All Sustainability Development targets for 2014-15 were achieved with excellent rating. 95,096 sq.m. catchment area was covered for rainwater harvesting.

Energy efficient lighting was installed at 64 locations, which includes marketing storage locations, COCOs/ OSTSs and Refineries, leading to savings of ₹ 136 lakhs/ year. 420 KWP of solar power was installed at ROs leading to savings of ₹ 10 lakhs/year.

BPCL achieved an 'A' plus level of reporting as per GRI – G 3.1 (Global Reporting Initiative) as well as with core guidelines of GRI GR4 norms for Sustainability Development in the year 2013-14. This is the 7th consecutive year where BPCL has achieved an A+ level for its sustainability development reporting as per GRI norms. All these reports were assured by an independent third party Assurance Provider as per AA 1000 AS (2008) and ISAE 3000 international standards of assurance.

BPCL's efforts on Health, Safety and Environment were acknowledged in various forums. BPCL also received the OISD Award for 'Best Near Miss Incident Reporting by Marketing Organizations' for the year 2012-13 for the second consecutive year. BPCL was also conferred with the Corporate Governance & Sustainability Vision Award 2015 by Indian Chamber of Commerce (ICC) for taking a leadership role and making a significant difference by undertaking various initiatives in the areas of Corporate Governance and Sustainability.

INTERNATIONAL TRADE AND RISK MANAGEMENT

BPCL always accords priority to procurement of domestic crude oil for running its refineries. Based on Government allocation of indigenous crude oil,BPCL was allotted 5.29 MMT of Mumbai High crude during 2014-15, as compared to 6.14 MMT in the year 2013-14. Uninterrupted supply of crude oil to the BPCL refineries was ensured by procuring alternate grades at short notice to offset the lower allocation of indigenous crude.

In view of the higher crude oil processing plan during 2014-15 at BPCL Refineries (22.75 MMT as compared to 22.53 MMT in 2013-14), additional volumes were procured from foreign sources. The total quantity of imported crude oil during the year 2014-15 was 18.11 MMT as compared to 16.94 MMT during the previous year. While the majority of high sulphur crude oil is imported from the Middle East Gulf region on term basis, imports of low sulphur crude oil grades was done from the Far East /West Africa / Mediterranean Region on term as well as spot basis. This was done to meet the requirement of maintaining a desired ratio between high sulphur crude oil and low sulphur crude oil in line with refinery processing. While securing the crude oil, efforts were continued to seek better terms and conditions with the suppliers, expand the vendor base, addition of new grades of crude oil and opening up of new avenues for procurement.

Global crude benchmark prices fell sharply in the third quarter of 2014-15 after a few years of stable price regime, as global production exceeded demand. The impact of significant volatility in crude oil prices was minimized by increasing procurement of short haul crude from term suppliers. Accordingly, the ratio of "Term to Spot" procurement increased from 76:24 during 2013-14 to 81:19 in the year 2014-15.

The Brent-Dubai differential is an important determinant while deciding whether to operate the refinery on low sulphur crude oil or high sulphur crude oil. The differential widened to the maximum extent in May-June 2014 when the prices of Brent crude reached the highest level due to supply disruptions; thereafter, it narrowed down due to increased demand for Dubai and other heavy crudes from addition of new refineries in the Middle East and Asia.

In value terms, the Free On Board (FOB) cost of 18.11 MMT imported crude oil amounted to USD 11.66 billion (₹ 71,137 crores) in 2014-15 as against FOB cost of 16.94 MMT imported crude amounting to USD 13.71 billion (₹ 83,301 crores) in 2013-14. The average price paid by BPCL for the crude oil imported during the year 2014-15 was USD 85.44 per barrel as compared to USD 107.98 per barrel in the previous year, while the average cost of the Indian basket of crude oil was USD 84.16 per barrel in the year 2014-15, as compared to USD 105.57 per barrel in the previous year.

The total foreign exchange outgo on account of imports of crude oil (including high sea sales and excluding high sea purchases) during the year 2014-15 was USD 11.79 billion (₹ 71,916 crores) as against USD 13.76 billion (₹ 83,532 crores) in the previous year.

Engaging tankers to bring crude oil from the Far East, Middle East and West African countries on the most favourable terms continued to remain a focus area in the year 2014-15. In order to minimize the freight cost, co-loading of cargoes on Very Large Crude Carriers (VLCCs) from two different ports was resorted to. Engaging vessels on time charter, voyage charter and also under Contract of Affreightment (COA) was done. BPCL renewed the COA with Shipping Corporation of India (SCI) for two years commencing from October 2014 to September 2016 with an option of further extension for one year.

The major share of transportation was contributed by spot chartered vessels. Out of the total 18.11 MMT crude oil imported by BPCL, 13.76 MMT (i.e. 75.81%) was transported by spot chartered vessels. Time chartered vessels transported 1.54 MMT crude oil whilst COA vessels transported the remaining quantity i.e. 2.85 MMT crude oil. The freight cost for import of crude during the year 2014-15 amounted to USD 203.62 million (₹ 1,245 crores), as compared to USD 181.98 million (₹ 1,101 crores) in the year 2013-14.

All the tanker operations were handled during the year with a high degree of constant monitoring of loading and discharge operations. 169 tankers were handled during the year 2014-15 involving single-port as well as two-port discharge. Mumbai Refinery received its crude oil from 104 tankers whilst Kochi Refinery received its crude oil from 68 tankers, conforming to the highest standards of safety and timeliness to ensure uninterrupted supply of crude oil. With high degree of planning and coordination with all concerned parties, all efforts were made to ensure timely berthing of vessels, expeditious completion of loading and unloading operations with emphasis on minimization of demurrage.

For the second consecutive year, BPCL did not import any Diesel during the year 2014-15. Import of Motor Spirit was nil during the year 2014-15, against import of 47 TMT during 2013-14. Import of Reformate was also nil during the year 2014-15, against import of 42 TMT during 2013-14. Import of LPG increased from 1.51 MMT during the year 2013-14 to 2.04 MMT during the year 2014-15. However, the purchase value declined from USD 1,409 million (₹ 8,595 crores) in 2013-14 to USD 1,372 million (₹ 8,379 crores) in 2014-15, due to decrease in global prices of LPG by around 23% in 2014-15, as compared to 2013-14.

The total foreign exchange outgo on account of import of LPG (including high sea sales and excluding high sea purchases) during the year 2014-15 was USD 1,195 million (₹ 7,310 crores) as against USD 790 million (₹ 4,824 crores) in 2013-14.

On the export front, BPCL exported 2,203 TMT of refined petroleum products during the year 2014-15, as compared to 3,014 TMT during the year 2013-14. Naphtha continued to remain a principal component of the export basket. However, the quantity came down from 1.62 MMT in the year 2013-14 to 1.04 MMT in the year 2014-15 (indicating a decline of 36%) due to maximizing production of value added products at refineries. The prices in the international market were also lower compared to the previous year, due to which realization of Naphtha export declined from USD 1,472 million in the year 2013-14 to USD 731 million in the year 2014-15. Fuel oil exports also declined from 1,309 TMT in the year 2013-14 to 1,097 TMT in the year 2014-15 and its realization decreased from USD 777 million in 2013-14 to USD 516 million in 2014-15. Export of Benzene increased from 21 TMT in 2013-14 to 45 TMT in 2014-15, resulting in an increase in realization from USD 26 million in 2013-14 to USD 42 million in 2014-15. There was no export of diesel in 2014-15 against export of 48 TMT during the year 2013-14, which had fetched USD 45 million in 2013-14.

BPCL was successful in protecting the refineries' operating cost by covering refinery margins through the instruments of hedging in the international market. In the wake of rising volatility in the dynamic global oil market, BPCL remained steadfast in its hedging activities while complying with regulatory requirements. The performance of the BPCL hedging portfolio was not only better than the budget, but also better than the market, resulting in protection of refinery margins. Freight cost of the voyage chartered vessels and the bunker requirements of time chartered vessels were effectively hedged during the year.

BPCL continues to adopt new instruments of hedging to enhance its capability of risk management. It has decided to introduce new hedging instruments such as options and outright price hedging in day-to-day operations. All the risk management activities are reviewed by the Trading & Risk Management Board and Risk Management Committee from time to time. Regular reviews of hedging positions and credit exposure of the counterparties are undertaken.

RESEARCH & DEVELOPMENT

In line with constantly changing business needs, the Research & Development Centres of BPCL are focusing on development of innovative products and process technologies and providing advanced technical support for refinery processes, lubricant formulations and product / process development. These R&D Centres have achieved significant breakthroughs in the past few years. The Centres boast of producing more than 20 granted patents to their credit in the last 5 years and aspire to emerge as world class technology solution providers in the near future.

Bharat Petroleum has R&D facilities at three locations: Corporate R&D Centre at Greater Noida, Uttar Pradesh; R&D (Product & Application Development) Centre at Sewree, Mumbai and the in-plant R&D Centre at Kochi Refinery. All three centres are providing the Company an edge over competitors and technological breakthroughs for future business development.

The core research areas of the R&D centres are broadly divided into four categories, namely: (a) Development of energy efficient technologies for fuel and chemical production (b) Technical support to refining processes, (c) New product and additive development and (d) Alternative fuels and energy.

During the financial year, the R&D Centres continued to provide a competitive edge through development and commercialization of novel cost effective products and processes such as (i) New neutralizing amine (ii) Sorption enhanced steam reforming (iii) De-aromatized speciality solvents having less than 0.5 wt% aromatics content (iv) Cost effective FCC gasoline sulphur reduction additive, (v) Hydro treating catalyst for production of Euro-V diesel (vi) Catalyst for Lube Oil Base Stock (vii) New grades of bitumen (viii) Natural gas storage technology (ix) Novel reactor schemes for Hydro-processing and FCC applications.

During the year, the R&D Centre at Sewree contributed to the Lubes business by developing new product formulations such as OE specific Shock Absorber Fluid, Limited Slip Gear Oil, High Performance Compressor Oil, Engine Oil for 2 Stroke Stationary Natural Gas Engines, Defence Specific Hydraulic Transmission Oil, etc. Apart from these new products, new formulations for existing products also helped in providing better performance indices and lower production/operating costs. The requisite steps have been taken to scale up synthetic Refrigeration Compressor Oil. Efforts are being made to develop a new product slate based on synthetic Base Oil for concentrated solar power application, synthetic Transformer Oil, and biodegradable Base Oil for cutting oil application.

Significant progress has been made by Corporate R&D Centre on major national and international collaborative projects, initiated earlier in the emerging areas of natural gas conversion to methanol and Dimethyl ether, CO_2 utilization and conversion of coal to liquid fuels. The Corporate R&D centre bagged the prestigious Indo-UK collaborative project funding award from Global Innovation Technology Alliance (GITA) for real time optimization of crude distillation units for carrying out collaborative research with Process Systems Enterprise Ltd., UK. During the year, BPCL R&D has filed four Indian patents and was granted six patents (two Indian, one USA and three in other countries). BPCL continued its research collaborations with a number of leading research institutes entered into in previous years and made substantial progress. Some of these include EIL, IIP, IITs, ICT, Delhi University, BITs Goa etc., as well as international partnerships with NTNU, Norway, CSIRO-Clayton, RMIT and University of Melbourne. In its pursuit to excel in the area of innovation, BPCL R&D continues to work in tandem with academia and other knowledge partners for fulfilling the Company's vision of being an innovative and technology driven company.

EXPLORATION AND PRODUCTION OF CRUDE OIL AND GAS

BPCL's ambitious plans in the upstream exploration & production sector are being undertaken by its wholly owned subsidiary company, Bharat PetroResources Limited (BPRL), which was incorporated in the year 2006. Presently, BPRL has Participating Interest (PI) in 17 exploration/appraisal blocks. Of this, seven blocks are in India, six blocks in Brazil and one each in Mozambique, Indonesia, Australia and East Timor. BPRL's PI in these blocks range from 10% to 40%. All these blocks are in various stages of exploration/appraisal and the total area of all these blocks is about 24,375 sq.km, of which approximately 88% is offshore acreage. BPRL holds the PI in the various blocks either directly, or through its wholly owned subsidiary companies or joint ventures.

BPRL has incorporated a wholly owned subsidiary company, Bharat PetroResources JPDA Limited in India. Also, BPRL has incorporated a wholly owned subsidiary company, BPRL International BV, in the Netherlands which in turn, has incorporated BPRL Ventures BV, BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV as wholly owned subsidiary companies. BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV directly hold PI in a block in Mozambique and Indonesia respectively. Further, BPRL's Brazilian assets are managed by a joint venture company in Brazil viz. IBV Brasil Petróleo Limitada, which is a 50-50 JV of the overseas subsidiaries of BPRL and Videocon Industries Limited.

In Mozambique, BPRL through its subsidiary company, BPRL Ventures Mozambique BV, holds a 10% PI in the Area 1 offshore block, where Anadarko Mocambique Area Limitada, a subsidiary of Anadarko Petroleum Corporation, USA, is the Operator. In early 2015, the consortium completed a very successful exploration and appraisal campaign which discovered 75 plus trillion cubic feet (Tcf) of recoverable Natural Gas resources.

The consortium is progressing with setting up two 6 MMTPA onshore initial LNG Plants in Northern Mozambique in order to monetize this gas discovery. The Operator has selected the EPC contractor for setting up the onshore plant and Non-binding Heads of Agreement for long term sales of more than 8 MMTPA of LNG have been secured. The land for setting up the LNG plant as well as independently certified reserves, sufficient for the initial two LNG trains, are available.

A Decree Law has been passed by the Government of Mozambique at the end of 2014, which marks a critical step towards establishing a project wide legal and contractual framework. The pace of development will largely be determined by the Mozambique Government's approval of various agreements, for which the Operator of the block is closely engaged.

In Brazil, in the Sergipe Alagoas basin, a new oil province was established in the ultra deep waters with the Barra discovery in the year 2010. Further, five additional discoveries, namely Barra#1, Farfan, Cumbe, Farfan ADR and Farfan#3 have established the promising potential of our blocks with five exploratory wells and eight appraisal wells drilled over the past few years.

At present, various appraisal activities are underway, as per the four approved appraisal plans. Two appraisal wells, Farfan ADR & Farfan#3 and Drill Stem Testing (DST) on the Farfan#3 well, have successfully appraised the light oil and gas discovery and have discovered new light oil (37° API) accumulations in deeper reservoirs. The Barra#3 appraisal well also successfully appraised the earlier Barra discovery to the north. Presently, drilling of the Cumbe#2 appraisal well, is in progress. The Operator has already commenced pre-development engineering studies for studying/exploring the various options for development of the Barra and Farfan discoveries. The first oil from these fields is expected during the year 2019-20 and the first gas in the year 2020-21.

Due to sub-commercial field size, the area under the Papangu appraisal plan has been relinquished by the consortium, retaining approx. 20 sq.km area under the Verde appraisal plan.

In the Potiguar Basin, the consortium has decided to enter into an appraisal plan for the Ararauna discovery where presently, G&G studies are ongoing and it is proposed to drill the first firm appraisal well during the year 2015-16.

In the Campos Basin, two appraisal wells have been completed with good oil shows. Presently Pre-FEED and FEED engineering studies are in progress to study various options for development of the Wahoo discovery.

In the Espirito Santos Basin, after completion of exploration activities, two blocks were relinquished by the consortium during 2013-14. The consortium partners have decided to relinquish ES-M-661, the remaining block in the financial year 2014-15 due to the sub-commercial nature of the field.

In Indonesia, BPRL Ventures Indonesia BV had farmed-in into an exploration block in Indonesia in the Nunukan PSC, Tarakan basin with a PI of 12.5%, in consortium with PT Pertamina Hulu Energy (Operator), PT Medco and Videocon Indonesia. Till date, four wells have been drilled in the Badik and West Badik prospects. There has been discovery of oil and natural gas in the Badik 1 well and hydrocarbon discovery confirmed in all appraisal wells. The exploration phase has been extended till June 2016.

In Timor Leste, the block was held through the Indian subsidiary company, Bharat PetroResources JPDA Ltd. In view of the uncertainty arising out of arbitration proceedings by the Timor Leste Govt. against the Govt. of Australia with regard to the Certain Maritime Arrangements in Timor Sea (CMATS) Treaty, the JV had submitted its request to ANP for termination of the Production Sharing Contract (PSC) without claim or penalty. ANP has been granting temporary suspension of PSC for successive three month periods, back to back. Subsequently, ANP informed the JV that it would initiate termination provisions of the PSC for non-completion of the Minimum Work Programme (MWP) commitment. Thereafter, ANP has delivered its Notice to terminate the PSC, imposing Contractors' Liabilities upon Termination (CLT), which is liable to be charged off, in line with the provisions of the PSC. The JV has decided to accept termination and is going to request for a negotiated amicable settlement of CLT.

In Australia, BPRL currently has a PI of 27.803% in Block EP - 413 (onland) in consortium with Norwest Energy NL (Operator) and ARC Energy, a 100 % subsidiary of Australia Worldwide Exploration. This block is being explored for shale gas/tight gas and till date, an exploratory well has been drilled, vertically fracked and tested to evaluate shale gas and tight gas reserves. Hydrocarbon shows were observed in all the zones. The permit has been renewed for 5 years up to August 2018. As part of the renewal phase work commitment, acquisition of 3D seismic data has been carried out over 105 sq.kms of the block area and based on the processing and interpretation of data acquired, further course of action will be determined by the JV.

In India, BPRL has PI of 40% in an onland block in the Cauvery basin, wherein ONGC is the Operator. In this block, post discovery of the MD#3 well, the Declaration of Commerciality (DOC) has been approved for the proved reserves and corresponding Field Developmental Plan (FDP) has been submitted to DGH for approval. The production from the block will commence on receipt of approval for the FDP and obtaining the Petroleum Mining Lease. The drilling of the two appraisal wells for the MD#3 discovery have been completed and the first appraisal well, MD#5 flowed gas from both, the basement and Kamalapuram formation. The second appraisal well, MD#6 flowed oil/ gas from the Kamalapuram formation. These have been declared as new discoveries. During the year 2015-16, major developmental activities towards production of oil and gas, including drilling of development wells shall be taken up.

BPRL has PI of 20% in two Cauvery onland blocks, wherein ONGC is the Operator. In one of the blocks, the MWP has been completed and the well CD#6 had indications of hydrocarbon presence during drilling. However, the well did not flow during production testing. As there are no more drillable prospects in the block, the consortium proposed relinquishment of the block, for which DGH approval is awaited. In the other block, the DOC for well PN#8 discovery has already been submitted and is being processed for approval from DGH. The drilling of the first appraisal well has been completed, but it did not flow during testing. During the year 2015-16, drilling of the second appraisal well, one exploratory well in exploration phase II and the planning of developmental activities related to the PN#8 discovery shall be taken up.

BPRL has PI of 33.33% in an onland block in Rajasthan as Joint Operator with Hindustan Oil Exploration Company Ltd. Acquisition, processing and interpretation of 3D seismic data have been completed in this block.

BPRL is a Lead Operator with 25% PI in the block in the Cambay Basin, Gujarat in consortium with GAIL (India) Ltd. as Joint Operator, Engineers India Ltd., BF Infrastructure Ltd. and Monnet Ispat & Energy Ltd.

As Lead Operator of the block, BPRL on behalf of the consortium, has to undertake the committed MWP as per the PSC. The activities are mainly 2D/3D seismic data acquisition, processing and interpretation (API) and drilling of eight exploratory wells. In accordance with the MWP commitment, the seismic data acquisition, processing and interpretation is already completed. Based on the interpretation results, four well locations are proposed for drilling. The pre-drilling EIA report is submitted to Ministry of Environment, Forest and Climate Change for environmental clearance. As per the schedule, the drilling related activities are expected to commence in the block area during the third quarter of 2015-16.

BPRL has PI of 25% in an onland block in the Cambay Basin, Gujarat, PI of 20% in an onland block in the Assam-Arakan Basin & PI of 20% in a shallow water block in the Mumbai Basin. BPRL is the Joint Operator in the block in the Cambay Basin wherein GAIL India Ltd is the Lead Operator. In the other two blocks, Oil India Limited is the Operator.

Acquisition, processing and interpretation of seismic data has been completed in the Cambay block. Environment clearance and hiring of services & procurement of materials for drilling is in progress in the block. Pre-drilling activities are in progress in the Mumbai Basin block. Drilling of wells as per the MWP commitment shall commence in these blocks shortly. In the Assam-Arakan block, seismic acquisition has been completed and during the year 2015-16, processing and interpretation of acquired data shall be taken up to identify the drillable prospects.

Looking ahead, BPRL is focused on value enhancement through early monetization, moving up the hydrocarbon value chain and skill based expansion through operatorship.

AWARDS AND RECOGNITION

Nurturing Brand has been a key priority for BPCL and, many initiatives have been undertaken towards this end in each business unit. Continuing its presence in the Fortune Global 500 list, BPCL retained its position with a rank of 242 and is among the eight Indian companies featured in the list.

For its outstanding global, financial and industry performance, BPCL has been ranked among the top 20 Oil and Gas Refining and Marketing companies in the Platts Top 250 Global Energy Company Rankings for 2014. BPCL ranks 4th in Oil & Gas Refining and Marketing in the Asia/Pacific Rim, 7th in Oil & Gas Refining and Marketing globally and 17th in overall performance in the Asia/Pacific Rim. On an overall global performance, Bharat Petroleum has been ranked 66th.

BPCL bagged the Public Sector Unit of the Year Award at the premier edition of the ICICI Lombard & CNBC-TV18 India Risk Management Awards, which recognises those organisations and teams that have significantly added to the understanding and practice of risk management.

BPCL also obtained the 'Leading Oil & Gas Corporate of the Year' and the 'Oil & Gas Marketing Company of the Year' Awards, two of the topmost recognitions of the PetroFed Oil & Gas Industry Awards. PetroFed also conferred the Innovator of the Year 2013 Team Award to BPCL Pipelines and a Special Commendation Award for 'Innovator of the Year - Team' to Corporate R&D Centre.

BPCL was also awarded as the Best Performing PSU among the Navratnas that have powered the nation's growth by the India Today Group. One of the most prestigious awards, this award attains utmost relevance as it is the culmination of a nation-wide study on the country's best performing Public Sector Undertakings, who are contributing the most towards nation building. Most befittingly, BPCL has been adjudged the winner for its consistent performance during the last three years.

The Asian Centre for Corporate Governance & Sustainability honoured BPCL with the 'Company with Best CSR & Sustainability Award 2014,' in recognition of the transformation of 90 villages in Southern India and 80 villages across Maharashtra and Rajasthan from water deficient to water positive dwellings, achieved through its flagship CSR Program, 'Project Boond.'

BPCL was also adjudged the Winner of the 2014 ICAI Award in Corporate Social Responsibility in the Rural Development Category by the Institute of Chartered Accountants of India.

Yet another noteworthy recognition for BPCL was the CSI Excellence in IT Award for the in-house developed 'Customer Care System' – an integrated platform for all customers of Bharat Petroleum to reach out to the company.

BPCL also won the Silver Award for its in-house magazine, 'Petro Plus' and the Bronze Award for its Corporate Calendar from the Association of Business Communicators of India (ABCI), symbolizing excellence in Corporate Communications.

The Indian Institution of Industrial Engineering (IIIE) conferred the Performance Excellence Award 2013 in the Platinum Category (Organization in the Energy Sector) on BPCL.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system (including Internal Financial Controls and with reference to Financial Statements) ensures efficiency, reliability and completeness of accounting records and timely preparation of reliable financial and management information, compliance with all applicable laws and regulations, optimum utilisation and the protection of the Company's assets. The Company has a clearly defined organisational structure, decision rights, manuals and operating procedures for its business units and service entities to ensure orderly and efficient conduct of its business. State-of-the-art ERP solutions (SAP) and Business Information Warehouse, which has inbuilt preventive controls including the authorization controls, provide an audit trail and further enhance control and seamless exchange of information with access controls. The Company has a whistle blower policy and fraud policy to address fraud risk.

An independent Audit function, consisting of professionally qualified persons from accounting, engineering and IT domains, review the business processes and controls through risk focused audits. In addition, the Internal Team reviews key business process changes before implementation. The Audit Committee of the Board regularly reviews significant findings of the Internal Audit Department covering operational, financial and other areas and provides guidance on internal controls.

ANNEXURE A

Particulars in regard to Conservation of energy, Technology Absorption, and Foreign Exchange Earnings and Outgo pursuant to the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy

Energy conservation efforts received continuous focus, both in terms of improvement in operations/maintenance as well as development of new projects. Continuous monitoring of fuel consumption and hydrocarbon loss is undertaken using sophisticated instruments and data acquisition system. Elaborate and systematic energy accounting and Management Information Systems are important features of Refinery operations.

BPCL refineries have been committed to conserve energy at all levels, through sustained efforts. Fully aware of the current supply/demand gap reaching a critical point and supply worries due to the geo-political situation in crude exporting countries compounded by the volatility of crude prices, refineries continuously strives hard to conserve energy and thus contribute immensely in saving the natural resources and protecting the environment. Besides excellence in the refining process, BPCL is pursuing relentlessly in the areas of energy conservation and environment management.

As a part of Oil & Gas Conservation Fortnight 2015, M/s. Centre for High Technology (CHT) had organized a detailed “Steam leaks & Boiler Efficiency Survey” in the refineries along with industry and external experts. In addition, various awareness programs on the Oil Conservation theme were conducted, both inside & outside the refineries. BPCL refineries have been in the forefront to protect the environment and are constantly on the lookout for energy saving opportunities.

MUMBAI REFINERY

The following energy conservation and loss control measures were adopted by Mumbai Refinery during the year 2014-15 which have resulted in significant fuel savings:

- Maximization of crude throughput in the modern highly energy efficient Integrated Crude & Vacuum Unit.
- Anti-fouling chemical injection in all Crude & Vacuum Units.
- “Chemical decontamination” technique has been adopted for the Refinery turnarounds. This resulted in reduction of turnaround duration and also improved heat exchanger cleaning.
- During turnaround, the services of the combustion technology specialists were obtained, to acquire the best practices, leading to improved efficiency of the furnaces.
- Excellent Hydrogen Management was achieved by processing of the hydrogen rich Catalytic Reformer Unit (CRU) off gas in DHDS, Hydro-cracker Unit PSA and Hydrogen Unit, to recover valuable hydrogen from the off gases.
- Online chemical cleaning of furnaces to clean off fouling and deposits on the radiation tubes leading to better heat absorption in the radiation section. In the Reformer Feed Unit, high tube wall temperature of one of the furnace passes was kept under control with this technique leading to sustained unit throughput.
- Use of energy saving CFL lamps.
- Continuous monitoring & control of all parameters of Furnaces & Boilers.
- Continuous monitoring of flare to control loss.
- Superior insulation (Perlite) was provided on steam headers to reduce surface heat loss, which resulted in saving of energy.
- A robust “Energy Portal” for online monitoring of refinery process performance and energy consumption, including monitoring of “significant energy uses” was deployed as part of the “Business Process Monitoring and Intelligence” system.
- Sustenance of Crude side “anti-fouling” injection scheme in CDU 1 & CDU 2 unit, has resulted in higher crude preheat leading to fuel saving.
- Electrical Energy Audit was carried out with the help of M/s PCRA and various energy saving schemes are being evaluated for implementation.

- Replacement of existing fan blades in Air Fin Coolers (AFC) with energy efficient Epoxy FRP blades to maximize air flow and to save power consumption.
- Advance Process Control (APC) schemes were implemented for process improvements.
- Flare Gas Recovery System was commissioned during the year and has resulted in recovery of flare gas as well as reduction of emissions.
- Commissioning of Condensate recovery system in Utilities section.

In addition, Mumbai Refinery has taken up various energy conservation and loss control projects as given below which are under various stages of implementation and exploration:

- Replacement of old Crude and Vacuum units with the state-of-the-art, energy efficient integrated unit with higher distillate yield.
- Application of superior insulation on steam headers.
- Implementation of “Zero steam leaks” program in the process units.
- Provision of Plate Type heat exchangers for Sour Water Stripper (SWS) and Amine Treating Unit (ATU) is being conceptualized to reduce steam consumption in re-boilers.
- Installation of Condensate recovery system in BBU plant.
- Implementation of recommendations of Electrical Energy Audit, wherever possible.
- Exploring feasibility of undertaking low grade heat recovery schemes in process units.
- Revamp of existing Train 3 for energy and process improvements.

Mumbai Refinery has a very robust and effective Energy Management System (EnMS) accredited with ISO 50001:2011 certification and is one of the first refineries to achieve this landmark certification in India.

Mumbai Refinery achieved “Specific Energy Consumption” of 69.12 MBTU/BBL/NRGF during the year 2014-15.

KOCHI REFINERY

The following energy conservation and loss control measures were adopted during the year 2014-15, resulting in significant fuel savings:

- Steam savings of 4.5 MT/HR by improving availability of 1500 steam traps in CDU-2 offsite area.
- Installed fan-less cooling tower in CPP 2 area resulting in power savings of 30 KW.
- Stopped one cooling water pump in PRU resulting in power saving of 145 KW.
- Sectionalising the redundant steam header to CDU-2 for restricting steam up to GSU take off resulting in power saving of 40 KW.
- Commissioned electronic governor for UB11 feed water pump (operation at lower RPM) resulting in steam saving of 1 MT/HR
- Impeller trimming of MP205C pump by 8% resulting in power saving of 36 KW.
- Various steam optimization measures in off sites resulting in steam saving of 5 MT/HR.
- DEA optimization in process units resulting in steam saving of 2 MT/HR.
- Operation of DDV14 stripper at lower pressure resulting in steam saving of 0.7 MT/HR.
- Through various energy conservation measures and close monitoring reduced PF& Loss from 6.63% in 2013-14 to 6.35% in 2014-15 resulting in a total fuel reduction of 23,000 MT even with slightly higher crude throughput compared to the previous year.
- Implemented Energy Management System ISO 50001: 2011 and got it recommended for certification by M/s. Bureau Veritas Certification (I) Pvt. Ltd. Through the application of this International Standard, KR contributes to more efficient use of available energy sources, to enhanced competitiveness and to reducing greenhouse gas emissions and other related environmental impacts.

(ii) The steps taken by the Company for utilising alternate sources of energy

Mumbai Refinery

During Financial Year 2014-15, commissioned a solar power system to meet the lighting requirements of the south block admin building. The feasibility of installing solar panels in other locations in the refinery is being explored.

Kochi Refinery

15.96 MWH of power was generated in 2014-15 from the 15 KW solar power plant which is connected to the grid. Sun pipe (to utilize sunlight for interior lighting and reduce power consumption) is being installed in the Workshop building.

(iii) The capital investment on energy conservation equipments

Mumbai Refinery

Sr. No.	Details of energy conservation equipments and division	Capital investments in ₹ crores	Energy savings (type; unit; total amount; rate / unit)
1	Commissioning of Flare Gas Recovery System (FGRS) Recovery of Flare Gas 5 MT/D	14.11	Fuel Gas, 1650 MT/year, ₹ 554.8 lakhs/year, ₹ 33627 / MT
2	Installation of E-FRP blades in air fin coolers fans in FCC / DHDS (saving of 140 KW)	1.17	Power, 1108.8 MWH, ₹ 101.34 lakhs/year, ₹ 9.14/ KWH
3	Provided superior insulation on steam headers (Two) which resulted in surface heat loss reduction equivalent to 3 MT/D of fuel oil.	0.49	Fuel oil, 1095 MT/year, ₹ 368.2 lakhs/year, ₹ 33627 / MT
4	Commissioning of Condensate Recovery System in Boiler House – saving of 14 MT/D of condensate	1.57	Condensate, 4620 MT/year ₹ 23.1 lakhs/year, ₹ 500/ MT
5	Optimization of DM & condensate pumps in utility area – (130 KW saving)	1.02	Power, 1138.8 MWH, ₹ 104.1 lakhs/year, ₹ 9.14/ KWH
6	Impeller trimming of P901 A/B/C & CDU3 P-108 resulting in a power saving of 61 KW.	Nil	Power, 534.4 MWH, ₹ 48.84 lakhs/year, ₹ 9.14/ KWH
7	Various steam optimization (saving) measures 1) HVU under reflux optimization – 35 MT/D 2) VDU ejector set optimization – 85 MT/D	Nil	Steam, 39600 MT/year, ₹ 1580 lakhs/year, Steam Rate - ₹ 3990/ MT
8	DEA optimization in process units resulting in steam saving of 22 MT/D	Nil	Steam, 7260 MT/year, ₹ 289.7 lakhs/year, Steam Rate - ₹ 3990/ MT
9	Increased Heat Recovery from Under reflux in CDU1 GO-3, Fuel saving of 0.96 MT/D.	Nil	Fuel, 316.8 MT/year, ₹ 106.5 lakhs/year, ₹ 33627 / MT

Kochi Refinery:

Sr. No.	Details of energy conservation equipments and division	Capital investments in ₹ crores	Energy savings (type; unit; total amount; rate / unit)
1	Steam savings of 4.5 MT/H by improving availability of 1500 steam traps in CDU-2 offsite area.	82.0	Fuel, 2760 MT/year, ₹ 834.1 lakhs/year, ₹ 30221/ MT
2	Installed fan-less cooling tower in CPP 2 area resulting in power savings of 30 KW.	0.54	Power, 248.4 MWH, ₹ 24.34 lakhs/year, ₹ 9.8/ KWH

Sr. No.	Details of energy conservation equipments and division	Capital investments in ₹ crores	Energy savings (type; unit; total amount; rate / unit)
3	Commissioned electronic governor for UB11 feed water pump (operation at lower RPM) resulting in steam saving of 1 MT/H	0.31	Fuel, 613 MT/year, ₹ 185.36 lakhs/year, ₹ 30221/ MT
4	Sectionalizing the redundant steam header to CDU-2 for restricting steam up to GSU take off resulting in power saving of 40 KW.	0.2	Power, 331.2 MWH, ₹ 27.80 lakhs/year, ₹ 9.8/ KWH
5	Stopped one cooling water pump in PRU resulting power saving of 145 KW.	Nil	Power, 1200.6 MWH, ₹ 117.66 lakhs/year, ₹ 9.8/ KWH
6	Impeller trimming of MP205C pump by 8% resulting in a power saving of 36 KW.	Nil	Power, 29.21 MWH, ₹ 298.08 lakhs/year, ₹ 9.8/ KWH
7	Various steam optimization measures in off sites resulting in steam saving of 5 MT/H.	Nil	Fuel, 3066.67 MT/year, ₹ 926.78 lakhs/year, ₹ 30221/ MT
8	DEA optimization in process units resulting in steam saving of 2 MT/H.	Nil	Fuel, 1226.67 MT/year, ₹ 370.71 lakhs/year, ₹ 30221/ MT
9	Operation of DDV14 stripper at lower pressure resulting in steam saving of 0.7 MT/H.	Nil	Fuel, 429.33 MT/year, ₹ 129.75 lakhs/year, ₹ 30221/ MT

B. TECHNOLOGY ABSORPTION

Mumbai Refinery

(i) The efforts made towards technology absorption and (ii) the benefits derived like product improvement, cost reduction, product development or import substitution

a) Continuous Catalytic Regeneration (CCR) & Naphtha Hydro Treatment (NHT) Units have been commissioned smoothly and are operating at 100% design capacity, thereby upgrading naphtha into MS. During 2014-15 MS production was 1910.2 TMT, an increase by 33 % as against 2013-14 MS production of 1,437 TMT.

b) Optimum utilization of NSU and CRU splitter units & online monitoring of MS batches have resulted in reduction of naphtha production from 7% to 3.5 % of crude, thereby increasing MS production by the same percent.

c) MUPL line has been commissioned for pumping LPG to Uran installation. In 2014-15, 55.4 TMT of LPG was moved through MUPL. This reduced LPG bulk lorry loading from 55 to 8 per day.

d) DHDS operated in Hydro-dearomatisation mode (HDA) giving benefit of lower product density due to lower aromatic content of the product through hydrogen absorption. Approximately 28 KL/day of additional Euro IV HSD production was realized and also additional benefit of HSD back blending resulted in overall benefit of ₹ 11.1 lakhs per day (₹ 3.3 crores per month, ₹ 39.6 crores per annum).

e) CRDC developed Gasoline Sulfur Reduction (GSR) catalyst additive and trial was successfully conducted in FCCU. The reduction in sulfur was observed by 22.3 %wt & 25.5%wt at GSR loading of 10%wt & 15%wt respectively. This resulted in lower product sulfur of MS thus increasing the flexibility during intermittent processing of Medium Sulfur crude VGO in FCCU.

f) CRDC developed Diesel Lubricity additive and field trial was successfully carried out on BS-IV HSD. This development is an alternate to the various existing vendors and will result in cost reduction of the additive due to higher competition.

g) By continuous monitoring of APC strategies, overall 98% uptime achieved during the year.

h) NSU plant trials conducted with assistance from CRDC resulted in successful reduction of benzene content in Food Grade Hexane from 350 ppm to 200 ppm.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) The details of technology imported; and b) the year of import

Technology Imported	Year of Import
• NHT / CCR unit licensed by M/s. Axens IFP Group Technologies, France	2014

(b) Whether the technology has been fully absorbed

Yes.

(c) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

Not applicable.

Kochi Refinery

(i) The efforts made towards technology absorption and (ii) the benefits derived like product improvement, cost reduction, product development or import substitution

a. The Dividing Wall Column for Kochi Refinery is designed by M/s Kellogg Brown & Root, USA for Reformate splitting in the Continuous Catalytic Reformer (CCR). This is the first of its kind in India. The technology enables better separation of highly valuable products, while consuming the same energy as that of a conventional 3 cut column. The process concentrates the feed to Aromatics Recovery Unit (ARU) with benzene simultaneously separating non-aromatics from the ARU feed enabling it to be routed to the MS pool. This reduces feed rate and thereby energy consumption in the downstream ARU. The non-aromatics portion of the ARU feed can be routed to the MS pool thereby increasing the MS make.

b. Crude column overhead circuit comprehensive corrosion control program was implemented, involving procurement of demulsifier, corrosion inhibitor and neutralizing amines and availing the services and technical support of an expert agency. This program is now implemented in CDU/ VDU-1.

c. Gasoline Splitter Unit (GSU) in FCCU block was originally designed for splitting CCN into light/heart/heavy cut. With the increased processing of Hydrotreated VGO in FCCU, the olefin content in CCN improved, enabling its full absorption in the MS pool. This operating philosophy saved the operating cost of the GSU. The existing NSU1 and NSU2 were running above the design capacity, leading to overlapping of the cuts and thereby, loss of MS blend stock and NHT feedstock in the LAN pool. At this point, it was decided to use the existing GSU column for Naphtha service, thereby generating additional MS blend stream and NHT feed. This modification was implemented in July 2014. The capital cost for this project is ₹ 80 lakhs and the annual savings is ₹ 1.4 Crores.

d. Wet Gas Compressor (WGC) I and II inter-stage cooler interconnection: With only one WGC online, the maximum possible FCC charge was 165 TPH with the inter-stage cooler of the WGC found to be limiting. A scheme was developed for interconnecting the inter-stage coolers of both the WGCs and was implemented in May, 2014. After implementing the scheme the FCCU charge was increased up to 185 TPH with only one WGC online. Net savings in steam is about 4 TPH.

e. RLNG to Hydrogen Generation Unit (HGU) was commissioned in July, 2014 replacing Naphtha. RLNG is taken as feed to Hydrogen unit based on availability.

f. Scheme to route DHDS unit feed filter back wash residue to HSD feed tank was implemented. The scheme had reduced the reprocessing cost in crude unit. The benefit derived from the above scheme is about ₹ 52 Lakhs/ annum.

g. VGO/HDS unit cold flash drum off gas which is rich is Hydrogen, was taken as HGU feed in July, 2014 for Hydrogen recovery. Savings derived from the above scheme is about ₹ 6.5 Lakhs /day.

h. APC was implemented in the VGO/HDS Fractionation section, using Aspen Tech DMC plus software. The objective is to maximize Diesel Components, Naphtha to MS and CCR Feed, and minimize Steam and Fuel consumption, while maintaining product quality and unit constraints.

i. Reactor cooling circuit was implemented in VGOHDS unit for catalyst cooling during turnaround. The scheme facilitates safe unloading of catalyst and man entry into the reactor. This had reduced the Turnaround time by 30 hrs and provided benefits of about ₹ 2.0 Crores.

j. Various optimization measures were carried out for power savings in pumps as listed below:

   * VGO HDS unit HSD pump of 50KW was stopped by utilizing another pump from the circuit. Benefit derived from the above modification carried out is about ₹ 34.8 Lakhs.
   * A new steam driven product Diesel pump was commissioned in the DHDS unit. Two motor driven pumps of about 400 KW were stopped fetching a benefit of ₹ 1.29 Crores per annum.
   * A cooling water pump of about 145 KW was stopped in PRU, deriving a power saving of ₹ 54.5 Lakhs.
   * Impeller trimming of the following pumps in FCCU was carried out with a total savings of about ₹ 45 Lakhs/ annum.

a)	FP1C	-	20	KWH
b)	GP7A	-	9.5	KWH
c)	MP205C	-	36	KWH
d)	FP4C	-	1.29	KWH
e)	MP209A	-	4.5	KWH
f)	FP112 pump was stopped	-	12	KWH
g)	MP205 one pump was stopped	-	36	KWH

k. A fan less cooling tower was installed in GT2 to replace the conventional mechanical draft packaged cooling tower, saving about 30KW power. The technology utilizes specially designed nozzles, which create a low pressure zone in the spray area. This induces co-current air flow, without the use of a fan. Annual savings is equivalent to about ₹ 26.75 lakhs. Since there are no moving parts or fills, the tower is comparatively maintenance free.

l. Electronic governor was installed for UB11 boiler feed water pump turbine, which enables variable speed operation for drum level control. Pump discharge pressure is reduced due to lower speed operation and avoiding control valve pressure drop. Drive power has been reduced, equivalent to 1TPH steam requirement. Annual savings is about ₹ 2.05 crores per annum.

m. LP steam header pressure in refinery block was reduced by about 1.0 kg/cm^2g. This resulted in lower saturation temperature of LP steam and reduced the steam consumption in tracing applications. Heat losses through unrecovered tracing steam condensate also has come down due to lower heat content and lower steam consumption. About 7 TPH of steam could be saved, equivalent to about ₹ 14.32 crores per annum.

n. Sectionalising of long MP steam header was done by installing isolation valve, so that a major part of the header could be shut down, reducing steam condensation losses. DM plant transfer pump turbine drive could be operated after this and GSU steam could be supplied with minimum transmission loss. Savings due to turbo drive operation is about 40 KW, equivalent to about ₹ 35.67 Lakhs/annum.

o. Additional HP filter was installed in GT2, for having duplex configuration, which has improved availability and reliability of GT2.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) The details of technology imported and b) the year of import

Technology	**Year of Import**
▪ VGO HDS Unit licensed by M/s UOP, USA.	2011
▪ Sulphur Recovery Unit licensed by EIL-JACOB INC, Canada.	2011

(b) Has Technology been fully absorbed?

Yes.

(c) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action

Not applicable.

(iv) The expenditure incurred on Research and Development during 2014-15

(₹ in crores)

Expenditures	**2014-15**
Capital Expenditure	10.04
Revenue / Recurring Expenditure	30.69
Total	**40.73**

RESEARCH & DEVELOPMENT (R&D)

1. Specific areas in which R&D has been carried out by the Company

1. Development of Gasoline Sulphur reduction additive for FCC.
2. Development of Diesel lubricity improver Additive.
3. Sorption Enhanced Steam Methane Reforming (SESMR) process for hydrogen production.
4. Development of technology for De-aromatized Kerosene.
5. Development of indigenous dewaxing catalyst for LOBS production.
6. Development of novel Cross-Flow Hydroprocessing Reactor.
7. Development of technology for natural gas conversion to DME.
8. Development of real time optimization tool for process units.
9. Gasification & Pyrolysis of coal/ biomass.
10. Development of synthetic / biodegradable lubricants for i) transformer oil, ii) high VI VG 32 grade refrigeration lubricant, iii) cutting oil and iv) concentrated solar power generation applications.
11. Benzene valorization through niche chemical production.
12. Development of superabsorbent polymers.
13. Development of Adsorbed Natural Gas (ANG) platform for on-board storage application.
14. Development of additives and dosing chemicals for refinery applications.
15. Development of polymer packed, colored and fuel resistant bitumen.
16. Biodiesel process development and its evaluation for performance & emissions in engines.
17. Resolving corrosion and fouling problems in refineries and pipelines.
18. Advanced technical support to refineries and marketing.
19. Resid-upgradation technologies.
20. Development of technologies for Syngas conversion to chemicals.
21. Modeling and simulation studies.
22. Development of catalysts and additives for refining processes.
23. Advanced PCMO for modern cars.
24. OE Specific Shock Absorber Fluid.
25. Limited Slip Gear Oil for SUVs.
26. High Performance Compressor Oil.
27. Engine Oil for 2 Stroke Stationary Natural Gas Engine.
28. Defence specific Hydraulic Transmission Fluid.
29. Alternate formulations for existing products.
30. Development of catalyst and process for hydro conversion of vegetable oil to diesel and jet fuels.
31. Development of catalyst for Hydro-desulfurization of Light Gas oil feed.
32. Development of Bottoms cracking Additive for Fluid Catalytic Cracker Unit.
33. Glycerine to value added products.
34. Process for Food Grade Hexane.
35. Process intensification studies of biodiesel to reduce the cost.
36. Development of high density column packing material to increase the extraction efficiency.
37. Development of 1.050 MWP solar power plant for Corporate R&D Centre.

2. Benefits derived as a result of the above R&D

1. An indigenous novel Gasoline Sulphur reduction additive was developed based on R&D know-how, trial of which was successful at commercial scale. This would bring down additive and inventory cost by more than 50%.
2. Commercial trials of lubricity additive for diesel "Bharat Diesel Lubricity Additive" was successfully developed and demonstrated at BPCL refineries. This will minimize inventory cost as in-house production is cheaper compared to imported additives by more than 30%.
3. The process of sorption enhanced steam methane reforming for one step production of 90% pure hydrogen at 650^{o}C was conceptualized on a thermal swing fixed bed reactor platform and demonstrated at bench scale. The process is expected to reduce fuel consumption in the hydrogen reformer furnace.
4. The technology for de-aromatisation of Kerosene has been developed. The product, "Aromatic Free solvent", meets all the commercial solvent specifications including aromatic content of less than 0.5 wt %. Presently this product is being imported.
5. Development of an innovative instrument for crude oil characterization with an ASTM verified method is being developed. This will enhance BPCL's brand image as an innovative company. This innovation received the Special Commendation Award for "Innovator of the year- Team" from Petroleum Federation of India.
6. Conceptualized novel Cross-Flow Hydroprocessing Reactor configuration, which is superior in terms of conversion, energy efficiency and economics. CHT-OIDB has awarded a research grant for project execution in collaboration with EIL & IIT, Delhi.
7. BPCL has joined hands with CSIRO and RMIT, Australia and IIP, Dehradun through the Australia India Strategic Research Fund (AISRF), a platform for bilateral collaboration in science, for developing technology for conversion of stranded natural gas to DME. The Grand Challenge project was entitled as "Mini DME: A custom designed solution to bring natural gas to the energy market". It is indeed a matter of pride for BPCL R&D since it is the sole industrial partner in this project.
8. Advanced Real Time Monitoring and Optimization (ARRMO) tool for online optimization of the Crude Distillation Unit is being developed. Expected benefit of this project is to the tune of USD0.1/bbl. This project won a prestigious funding award from the Department of Science and Technology and UK's Technology Strategy Board, an Indo-UK collaborative research program.
9. A process for production of high value syngas has been demonstrated on an indigenously designed gasifier by gasification of biomass in presence of superheated steam. The study substantiates overall feasibility of production of high value syngas from waste biomass without leaving any carbon footprint on the environment.
10. Sustained and targeted R&D efforts in the development of synthetic/biodegradable lubricants have resulted in further strengthening of the in-house knowledge base and development of cost effective products to cater to the emerging market in the country. The developed products such as biodegradable cutting oil, synthetic refrigeration oil, synthetic transformer oil are envisaged to offer better profit margin w.r.t currently marketed mineral oil based products.
11. R&D efforts on development of indigenous dewaxing catalyst has resulted in cost effective catalyst recipe at 1/10th cost as compared to commercial catalyst.
12. The focused efforts on benzene valorization to niche chemicals viz. biphenyl and cyclohexylbenzene (CHB) have led to creation of a knowledge base on closely guarded hydroalkylation technology. The successful development of process know-how and its implementation would offer a platform to boost GRM in the coming years.
13. In view of the increasing natural gas demand in the country and the upcoming roll out of city gas distribution networks during the 12th plan period, the development of the ANG platform is expected to offer benefits in terms of lowering capital costs of Natural Gas infrastructure and in rolling out pre-filled low pressure gas canisters with enhanced safety for onboard natural gas storage and its distribution.

14. Bharat Petroleum Neutralizing Amine (BPNA) developed in-house for mitigation of overhead corrosion of crude distillation units was successfully tried in one of the refineries. Further trials will be taken in other refineries. This will provide benefits of more than ₹ 0.3/ton of crude oil processed.
15. R&D's recommendation of injecting antifoulants in the crude oil preheat exchanger train has provided substantial improvement in crude preheat recovery and increase in crude throughput.
16. R&D's recommendations on corrosion inhibitor selection and dosage based on in-house expertise and trial results have significantly improved the reliability aspect of pipelines, tanks and process equipments.
17. Water Detecting Capsule (WDC) used for water detection in ATF was developed & tested. Product performance was found to be at par with the commercial sample and meets DGCA specifications. Field trials are planned before scale up/commercialization in the next year.
18. Successful trials of Poly Packed Bitumen done at three locations in the country. Preliminary colored Bitumen trials were also carried out at different locations. Commercial trials are lined up for next year. This will enhance BPCL's bitumen product portfolio.
19. Field trial of Bio diesel blend with BS III HSD was successfully carried out in-house. The fuel properties of the blends were found to be meeting BIS standards. The on road performance was superior in terms of average fuel consumption, acceleration and cold-start up. The Engine test of bio diesel blends was observed to be conforming with BSIII emission norms. This is in line with BPCL's commitment towards making cleaner fuel.
20. Detailed crude oil evaluations were carried out for in-house requirement. This facilitates in making appropriate crude oil selection and scheduling.
21. Technical support was provided through evaluation of Drag reducing additives and cetane improvers to support the tendering process. Carried out stability studies on diesel ethanol blends, monitored health of amine units at refineries, precious metals were analyzed in spent catalyst samples during disposal activity.
22. Superabsorbent polymers (SAP) developed at laboratory scale for enhancing BPCL's new product slate in niche markets.
23. Advanced PCMO for modern cars would meet the lubrication requirements of new generation cars targeted for fuel economy, is resource conserving, suitable for cars operating on ethanol containing petrol and would help us to generate new business.
24. OE Specific Shock Absorber Fluid would offer the benefit of using one oil suitable for both rear and front Shock Absorbers and help us to generate new business.
25. Limited Slip Gear Oil would help in smooth operation of SUVs fitted with Limited Slip Differentials, operating under arduous conditions and help us to generate new business.
26. High Performance Compressor Oil would cater to lubrication requirements of new generation Screw Compressors requiring oil having superior thermal stability & anti-wear properties, would extend the drain period and help us in generating new business.
27. Engine Oil for 2 Stroke Stationary Natural Gas Engines would cater to 2 stroke stationary gas engines requiring "ashless" type oils for lubrication and would generate new business.
28. Defence Specific Hydraulic Transmission Oil would expand our product portfolio of Defence grades and would give Defence another viable option.
29. Alternate formulation for existing grades would provide operational flexibility, besides reducing the input cost of respective grades.

3. Future R&D Plans

1. Development of improved desalter design.
2. Prevention of crude column overhead corrosion by continuous monitoring & working out mitigation measures.
3. Crude pre-heat monitoring and fouling mitigation studies.

4. Process development for production of propylene from FCC at lower severity.
5. Development of novel reactor configurations for catalytic resid upgradation.
6. Process and catalyst development for syngas conversion to ethanol.
7. Development of novel hydroprocessing reactor configuration.
8. Benchmarking refining units for improving energy efficiency and yields.
9. Continuous monitoring and optimization of Refinery process units by employing in-house developed rigorous kinetic models (including deactivation kinetics, and mechanistic model with catalyst parameters).
10. Continue research activities in Biofuels area (Ethanol, Butanol) production from biomass.
11. Biomass to Liquid production through catalytic hydro-pyrolysis.
12. HiGee vacuum deaeration – a process intensification.
13. Divided Wall Distillation Column Technology.
14. Process development for Syngas to chemicals like DME and Methanol.
15. New catalyst material for olefin removal from aromatic streams, propylene separation.
16. Regeneration and alternate applications of spent catalysts and adsorbents.
17. Benzene valorization to produce valuable chemicals.
18. Sludge valorization.
19. Drag reducer Additive development for pipeline applications.
20. Diesel Cetane improver additive development.
21. Alternate formulations for existing lube oil products.
22. Development of lube oil formulations for: Synthetic 2T; 4T oil for high power bikes; Total Driveline Oil; Gear Oil for use in 2 Stroke 2 wheeler; High performance Aluminium Machining Oil and Defence specific oil.
23. Development of energy efficient domestic LPG burner.
24. Enhancement of performance of refinery heat exchanger through tube inserts.

C FOREIGN EXCHANGE EARNINGS/OUTGO

The foreign exchange earned in terms of actual inflows and outgo during the year are given below:

(₹ in Crores)

	2014-15	2013-14
Earnings in Foreign Exchange - includes receipt of ₹ 1,438.32 Crores (previous year ₹ 1,858.70 Crores) in Indian currency out of the repatriable funds of foreign airline and I&C customers and ₹ 62.06 Crores (previous year ₹ 54.42 Crores) of INR exports to Nepal and Bhutan.	**12,364.27**	19,122.06
Foreign Exchange Outgo - on account of purchase of Raw Materials, Capital Goods, Chemicals, Catalysts, Spare Parts, International Trading Activities.	**80,736.57**	91,471.64

ANNEXURE B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Bharat Petroleum Corporation Limited (BPCL) has always been committed to society through its Corporate Social Responsibility initiatives across the country. As per the new Companies Act, 2013, we have our CSR policy and guidelines in place, the highlights of the same are as below:

- In every Financial Year, at least 2% of average net profits of the Company made during the three immediately preceeding financial years will be earmarked for undertaking CSR activities.
- We have a CSR Committee of the Board of Directors consisting of three Directors and headed by an External Director, which regularly reviews and monitor all CSR projects.
- Schedule VII of the new Companies Act, 2013 has given a list of ten activities under which CSR activities may be taken up. Within these ten activities, BPCL takes up CSR projects largely in the 5 core thrust areas of :
    - Education
    - Water Conservation
    - Skill Development
    - Health/Hygiene and
    - Community Development.

The details of the CSR policy, projects and programme are available on the website of the Company www.bharatpetroleum.in

2)	**The composition of the CSR Committee**	: The CSR Committee of the Board comprises- 1. Shri B. Chakrabarti, Chairman of the Committee, 2. Shri S.P Gathoo, Director (HR) and 3. Shri P. Balasubramanian, Director (Finance).
3)	**Average net profit of the Company for the last three Financial Years**	: ₹ 3,800.53 Crores
4)	**Prescribed CSR Expenditure for 2014 -15**	: ₹ 76.01 Crores
5)	**Details of CSR Spend during the Financial Year 2014-15**	
	a. Total Amount to be spent	: ₹ 76.01 Crores
	b. Amount unspent	: ₹ 42.06 Crores
	c. Details of the manner in which the amount was spent	: Enclosed in Attachment

6) In case the Company has failed to spend two per cent of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

BPCL recognizes the strong synergy between business and society and has always had an aspiration to create "Real Value" for the marginalized through its CSR activities. For the last five years, we have been focusing all our efforts in five thrust areas which are also key pillars of the Millennium Development Goals i.e quality education, water conservation, skill development, health and community development.

Under the purview of the new Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, our efforts only got dovetailed with the Schedule VII and our strong foundation got institutional strength. Our deep insight and commitment for CSR has made us appreciate the various challenges that exist in the third sector but at the same time through strategic interventions & stringent monitoring, we have ensured that every rupee spent not only reaches the last person but also creates the required change. Hence, our focus has always been on supporting quality projects and delivering value.

With Honb'le Prime Minister making an announcement on 15th August, 2014 that all schools in India should have separate toilets for girls and that this target will be completed in a years' time, BPCL wholeheartedly got immersed in this National Mission "Swachh Bharat- Swachh Vidyalaya" committing construction of 1,864 toilets in the States of Odisha, Bihar, Andhra Pradesh, Telangana, Madhya Pradesh, West Bengal and Chhattisgarh before 31st July, 2015.

Recognizing the vital role of water (both drinking and agriculture), especially related to the rural economy, we have consistently supported water conservation projects in drought affected areas. The focus has been in building, reviving and maintaining water harvesting structures, all through village participation and promotion of a community based organization. What started in 2 villages has snowballed in the last five years crossing 100 villages. In the year 2014-15 itself we have made around 40 villages water positive, creating 7 crore liters of water storage and benefiting over 5,500 families.

Similarly, "Quality Education" is considered the biggest equalizer in today's society. It not only contributes to individual's well-being but also to the overall development of the country. Thus, by supporting quality education in low income/ government schools, BPCL is committed to give further impetus to this fundamental right. Over the last five years, we have improved the learning levels of 4 lakh children. In 2014-15, we reached out to over one lakh children bridging the gap, be it digital divide, learning levels or scientific temper.

In the last four to five years, we have piloted several projects, Pan India, and after thorough study and assessments, today we are ready for scaling them up across districts/geography. Just the way we have progressively scaled up our outreach, we have also steadily increased our spending from 0.5 to 1.5 % of our profit, however keeping a fragile balance between 'Delivering & Spending'.

High governance standards and accountability have been of paramount importance to us. Hence we have been careful with funds, taking one step at a time. We provided a budget of ₹ 76.01 Crores in 2014-15 and we have allocated the entire budget for various projects in our thrust areas mentioned above including Swachh Bharat-Swachh Vidyalaya.

However, since most of these projects are being executed in a dynamic environment, encompassing various stake-holders, projects do tend to get delayed, sometimes even stalled. We, as a Company are conscious of the fact that CSR is an opportunity to transform the lives of the marginalized, hence just to achieve our spending target, we will not disburse funds on projects which are not 'sustainable' or not delivering 'results'. Hence, as a responsible Corporate, it will be our key endeavor to complete the project, create the impact and in the process, funds may have to be carried forward, sometimes even reallocated. The CSR fund that was unspent in the year 2014-15, inspite of being allocated, for the reasons mentioned above, is being carried forward next year and will be rightfully spent/ reallocated as the case may be.

We are confident that in the years to come BPCL would have innovatively crafted various social projects which will help in creating long term value for our stakeholders.

7) **Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.**

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives. We are confident that in the years to come we will continue to invest in the community and would have innovatively crafted various social projects which will help in creating long term value for our stakeholders and will lead to a sustainable future.

Sd/-	Sd/-	Sd/-
P. Balasubramanian	**S.P. Gathoo**	**B. Chakrabarti**
Director (Finance)	Director (HR)	Chairman - CSR Committee

Date : 31st July, 2015

Attachment

5(c) Details of the manner in which the amount was spent

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure upto the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
1	Rain Water Harvesting Project Mohada villages	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Other	Dist- Palghar, Maharashtra	6,26,18,267	91,82,649		1,78,48,766	Implementing Agency
2	Rain Water Harvesting Project - Chinnemapettai		Local	Dist- Tiruvallur, Tamil Nadu	9,25,000	92,500		9,25,000	Implementing Agency
3	Rain Water Harvesting Project		Local	Tamil Nadu	5,20,000	5,20,000		5,20,000	Implementing Agency
4	Rain Water Harvesting Project - Kanchipuram		Local	Dist - Kanchipuram, Tamil Nadu	28,39,000	5,04,250		28,39,000	Implementing Agency
5	Rain Water Harvesting Project - Kolar & Magdi		Local	Dist - Kolar & Ramanagara, Karnataka	26,66,000	3,33,000		26,66,000	Implementing Agency
6	Rain Water Harvesting Project - Kolar & Ramanagar		Local	Dist - Kolar & Ramanagara, Karnataka	3,02,64,000	50,22,000		50,22,000	Implementing Agency
7	Rain Water Harvesting Project - Tumkur		Local	Dist - Tumkur, Karnataka	26,66,000	3,33,000		26,66,000	Implementing Agency
8	Rain Water Harvesting Project - Tuticorin		Local	Tamil Nadu	2,53,60,684	40,24,575		40,24,575	Implementing Agency
9	Rain Water Harvesting Project - Vellathukottai		Local	Dist-Thiruvallur, Tamilnadu	15,00,000	1,50,000		15,00,000	Implementing Agency
10	Rain Water Harvesting Project		Local	Dist - Bharatpur, Rajasthan	4,72,49,430	1,28,21,311		1,52,48,314	Implementing Agency
11	Health for tribal women	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Local	Dist - Thane, Maharashtra	10,46,044	5,23,022		7,84,530	Implementing Agency
12	Sanitation Blocks in School - Swachh Bharat		Local	Madhya Pradesh	1,04,30,000	1,04,30,000		1,04,30,000	Implementing Agency
13	Building of Hospital		Local	Dist - Dakshin Kannada, Karnataka	1,00,00,000	4,50,994		74,58,974	Implementing Agency
14	Swachh Bharat - Campaign through Multimedia		Other	Across India	33,000	15,000		15,000	Implementing Agency
15	Mumbai Refinery - AIDS awarness campaign		Local	Dist - Mumbai, Maharashtra	8,400	8,400		8,400	Implementing Agency
16	Healthcare project for tribal mother & child -2013-14		Local	Dist - Mysore, Karnataka	8,55,800	3,13,805		8,55,800	Implementing Agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure upto the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
17	Healthcare project for tribal mother & child -2014-16			Dist - Mysore, Karnataka	20,64,400	6,44,735		6,44,735	Implementing Agency
18	Van for Healthcare project		Local	Dist - Bastar, Chattisgarh	7,40,000	7,38,797		7,38,797	Implementing Agency
19	Project for Healthcare for tribals		Local	Dist - Bastar, Chattisgarh	6,00,000	3,00,000		3,75,000	Implementing Agency
20	Health camps for rural underprivileged		Local	Dist - Mumbai, Maharashtra	20,71,100	20,71,100		20,71,100	Implementing Agency
21	Health camps		Local	Dist - Raiganj, West Bengal	3,84,000	80,000		3,84,000	Implementing Agency
22	Project for helping equipment for patients		Local	Dist - Mumbai, Maharashtra	50,00,000	50,00,000		50,00,000	Implementing Agency
23	Swachh Vidyalaya		Other	Across India	525,88,617	5,25,88,617		5,25,88,617	Implementing Agency
24	Project of Insurance of underprivileged		Local	Across India	211,00,000	74,05,929		74,05,929	Implementing Agency
25	Project of Insurance for underprivileged - Mahul		Local	Dist-Mumbai, Maharashtra	3,94,639	3,86,944		3,86,944	Implementing Agency
26	Healthcare awareness for deprived adolescent girls and women in rural areas health camps		Local	Dist -Raebareli, Uttar Pradesh	6,08,300	60,830		60,830	Implementing Agency
27	Activity with eye hospital		Local	Dist - Mumbai, Maharashtra	22,500	22,500		22,500	Implementing Agency
28	Science education - Solur Ramanagar Project	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Local	Dist -Bangalore, Karnataka	1,28,73,937	25,58,701		44,64,497	Implementing Agency
29	Science Education -Mumbai Project		Local	Dist -Mumbai, Maharashtra	21,44,040	3,12,500		3,12,500	Implementing Agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure upto the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
30	Vocationally skilling rural women in zardozi work		Local	Dist -Ghaziabad, Uttar Pradesh	24,00,000	7,13,000		7,13,000	Implementing Agency
31	Skill Development Project for Persons with disabilities		Local	Dist - Mumbai, Noida Maharashtra, UP	21,79,000	5,46,000		13,19,000	Implementing Agency
32	Collaboration with government for infrastructure for school building		Local	Andhra Pradesh	80,00,000	80,00,000		80,00,000	Implementing Agency
33	Career Counselling to ITI students		Local	Dist -Raigarh, Maharashtra	6,02,450	1,80,735		1,80,735	Implementing Agency
34	Vocational Skilling to Blind		Other	Dist - Latur, Maharashtra	20,53,030	7,75,520		16,92,508	Implementing Agency
35	Career Counselling to secondary students		Local	Dist - Mumbai, Maharashtra	2,00,564	1,17,000		1,17,000	Implementing Agency
36	Training for unemployed women and youth as caregivers and then finding them placement		Local	Dist - Gautam Buddh Nagar, Uttar Pradesh	24,96,900	5,46,250		5,46,250	Implementing Agency
37	Skill Development Project for Persons with disabilities		Local	Dist - Kolkata, West Bengal	48,23,446	15,34,930		22,68,230	Implementing Agency
38	Skill development project		Local	Andhra Pradesh & Telengana	1,96,33,000	43,25,000		43,25,000	Implementing Agency
39	Skill development project		Local	Dist- Ernakulam, Kerala	1,80,43,650	72,17,460		162,39,285	Implementing Agency
40	Project for ITI students promoting education		Other	Dist - Raigarh, Maharashtra	2,20,000	2,20,000		2,20,000	Implementing Agency
41	Civics Education Project		Local	Dist - Bangalore, Karnataka	21,22,165	10,60,000		10,60,000	Implementing Agency
42	Skill Development Project		Local	Dist-Nagpur, Maharashtra	1,10,500	1,10,500		1,10,500	Implementing Agency
43	Secondary Education project to help academically weak students		Other	Dist -Raigarh, Maharashtra	30,25,890	6,54,465		16,63,095	Implementing Agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure upto the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
44	Building of college		Local	Karnataka	14,00,000	8,49,994		8,49,994	Implementing Agency
45	Units for Personality development, English classes, counselling etc		Local	Dist- Ernakulam, Kerala	33,21,725	15,41,895		18,40,470	Implementing Agency
46	Skill Development Project for Blind		Local	Dist - Mumbai, Maharashtra	4,16,800	15,000		2,92,500	Implementing Agency
47	Skill Development for persons with disabilities		Local	Dist - Mumbai, Maharashtra	4,90,000	4,45,000		4,45,000	Implementing Agency
48	Quality Education for tribal Students		Other	Dist - Sundargarh, Odisha	35,91,500	7,18,300		7,18,300	Implementing Agency
49	Right To Education project for tribal schools		Other	Dist - Sundargarh & Mayurbanj, Odisha	40,73,800	16,75,071		40,00,471	Implementing Agency
50	Read India project-Nandurbar & Sagar		Other	Dist - Nandurbar, Sagar Maharashtra, Madhya Pradesh	9,34,99,751	2,10,93,921		4,70,91,236	Implementing Agency
51	Read India project -Jaipur & Dausa		Local	Dist - Jaipur & Dausa, Rajasthan	2,76,31,395	84,62,019		84,62,019	Implementing Agency
52	Education Improvement in-Lachhda Village		Other	Dist - Sundargarh, Odhisa	5,12,000	2,56,000		2,56,000	Implementing Agency
53	Computer Assisted Learning Project (Uran / Lucknow)		Local	Dist -Raigarh & Lucknow, Maharashtra & Uttar Pradesh	3,91,00,000	1,29,29,100		2,63,76,800	Implementing Agency
54	Computer Assisted Learning Project Mahul		Local	Dist - Mumbai, Maharashtra	43,20,948	9,06,100		9,06,100	Implementing Agency
55	Saksham Upper Primary - Teacher Training		Local	Dist - Mumbai, Maharashtra	23,44,361	5,00,000		5,00,000	Implementing Agency
56	Utkarsh Classes - Project for secondary students		Local	Dist - Mumbai, Maharashtra	1,07,21,570	29,11,700		57,20,835	Implementing Agency
57	Skill development Project for unemployed youth		Local	Dist - Mumbai, Maharashtra	4,09,116	3,08,430		3,08,430	Implementing Agency
58	Computer Assisted Learning project (Mumbai, Solapur, Jaipur)		Local	Dist - Mumbai, Maharashtra	4,78,61,710	1,08,38,500		1,08,38,500	Implementing Agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure upto the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
59	Saksham Primary Teacher Training		Local	Dist - Mumbai, Maharashtra	29,33,989	5,00,000		5,00,000	Implementing Agency
60	Project of Coaching classes, Vikas Kendra and Computer education for slum-living children		Local	Dist - Kolkata, West Bengal	10,83,643	5,69,822		5,69,822	Implementing Agency
61	Project for students for Diploma in Automobile Engineering & Computer Engineering		Local	Dist- Chennai, Tamilnadu	94,50,000	28,00,000		28,00,000	Implementing Agency
62	20 Libraries in Government schools		Local	Dist - Mumbai, Delhi Maharashtra, Delhi	41,43,363	7,35,422		34,16,471	Implementing Agency
63	5 Libraries in Government School		Local	Dist - Mumbai, Maharashtra	10,94,256	2,58,522		2,58,522	Implementing Agency
64	Scholarship payment		Local	Dist - Mumbai, Maharashtra	96,33,600	22,77,600		22,77,600	Implementing Agency
65	Skill Development for autistic students		Local	Dist - Mumbai, Maharashtra	46,74,000	4,30,500		4,30,500	Implementing Agency
66	Education program & therapeutic rehabilitation for the differently abled		Local	Dist - Thane, Maharashtra	7,98,000	6,72,500		6,72,500	Implementing Agency
67	Education for differently abled		Local	Dist - Aurangabad, Maharashtra	16,42,000	8,15,500		16,36,500	Implementing Agency
68	Teacher Training & Leadership Development Project		Local	Dist-Mumbai, Maharashtra	1,36,097	1,36,097		1,36,097	Implementing Agency
69	Education project promoting scientific attitude		Other	Dist - Pune, Maharashtra	84,000	67,102		67,102	Implementing Agency
70	Initiative with IIT		Other	Maharashtra	-3,600	-3,600		-3,600	Implementing Agency
71	Ekalvidyalaya One teacher schools for primary education of tribals		Local	Dist- Ernakulam, Kerala	40,00,000	10,00,000		10,00,000	Implementing Agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure upto the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
72	Rain Water Harvesting Structures & other community development project	Rural development projects	Other	Dist - Sundargarh, Odisha	3,40,000	3,40,000		3,40,000	Implementing Agency
73	Lights to Villagers		Other	Dist - Sundargarh, Odisha	3,49,700	3,49,700		3,49,700	Implementing Agency
74	Training for SHG formation		Local	Dist - Lucknow, Uttar Pradesh	1,15,600	40,000		40,000	Implementing Agency
75	Mumbai Refinery Project for rural development		Local	Maharashtra	10,61,873	10,61,873		10,61,873	Implementing Agency
76	Rain Water Harvesting & Community Development Project		Other	Dist - Sundargarh, Odisha	23,298	23,298		23,298	Implementing Agency
77	Community Development Project in Khurda		Local	Dist - Khurda, Odisha	22,23,000	1,66,725		22,23,000	Implementing Agency
78	Community Development activities in Jahazpur		Local	Dist - Puruliya, West Bengal	74,551	74,551		74,551	Implementing Agency
79	Capacity Building activities for staff, NGO partners & other stakeholders	Capacity Building	Other	Maharashtra	7,89,712	7,89,712		7,89,712	Implementing Agency or Direct
80	Travelling/Miscellaneous/ Admin. expenses	Admin. Expense	Local	Across India	14,92,911		14,92,911	14,92,911	Implementing Agency or Direct
81	Kochi Refinery CSR expenditure	Community Development Activities	Local	Kerala	11,85,37,788	11,85,37,788		118537788	Implementing Agency or Direct
						33,79,90,161	14,92,911		
				Grand Total		33,94,83,072			

Sd/- **P. Balasubramanian** Director (Finance)	Sd/- **S. P. Gathoo** Director (HR)	Sd/- **B. Chakrabarti** Chairman - CSR Committee

ANNEXURE C

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCHEDULED CASTES(SC), SCHEDULED TRIBES (ST) AND OTHER BACKWARD CLASSES (OBC) AS ON 1st JANUARY 2015 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR 2014

NAME: BHARAT PETROLEUM CORPORATION LIMITED

Groups	Representation of SCs/STs/OBCs				Number of appointments made during the calendar year 2014										
	(As on 1.1.2015)				By Direct Recruitment				By Promotion			By Other Methods			
	Total number of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group-A	5584	892	339	779	336	51	19	134	62	12	5	9*	-	-	-
Group-B	2851	402	151	247	1	-	-	1	100	9	3	3**		-	-
Group-C	2474	387	161	334	68	7	4	33	174	18	5	6***	-	-	-
Group-D(Excluding Safai Karamcharis)	1834	366	135	202	3	1	-	-	-	-	-	-	-	-	-
Group-D (Safai Karamcharis)	7	6	1	2	-	-	-	-	-	-	-	-	-	-	-
Total	12750	2053	787	1564	408	59	23	168	336	39	13	18	-	-	-

* 5 Sportspersons recruited in Group 'A' & 4 Sportspersons from Non-Management promoted to Management .

** 3 Sportspersons recruited in Group ' B'

*** 2 Sportspersons recruited & 4 Sportspersons promoted in Group "C"

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCHEDULED CASTES(SC), SCHEDULED TRIBES (ST) AND OTHER BACKWARD CLASSES (OBC) IN VARIOUS GROUP "A" SERVICES AS ON 1ST JANUARY, 2015 AND NUMBER OF APPOINTMENTS MADE IN THE SERVICE IN VARIOUS GRADES DURING CALENDAR YEAR 2014

NAME : BHARAT PETROLEUM CORPORATION LIMITED

JG	Pay Scales (in ₹)	Representation of SCs/STs/OBCs (as on 01.01.2015)				Number of appointments made during the calendar year 2014										
						By Direct Recruitment				By Promotion			By Other Methods			
		Total Number of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A	24900-50500	1248	201	90	294	336	51	19	134	62	12	5	9*	-	-	-
B	29100-54500	1181	177	60	222	-	-	-	-	-	-	-	-	-	-	-
C	32900-58000	1202	198	86	169	-	-	-	-	-	-	-	-	-	-	-
D	36600-62000	882	171	69	78	-	-	-	-	-	-	-	-	-	-	-
E	43200-66000	529	94	26	15	-	-	-	-	-	-	-	-	-	-	-
F	51300-73000	346	44	8	1	-	-	-	-	-	-	-	-	-	-	-
G	51300-73000	116	4	-	-	-	-	-	-	-	-	-	-	-	-	-
H	51300-73000	51	2	-	-	-	-	-	-	-	-	-	-	-	-	-
I	62000-80000	24	1	-	-	-	-	-	-	-	-	-	-	-	-	-
J	75000-100000	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
K	80000-125000	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	5584	892	339	779	336	51	19	134	62	12	5	9	-	-	-

* 5 Sportspersons recruited in Group 'A' & 4 Sportspersons from Non-Management promoted to Management .

ANNUAL STATEMENT SHOWING REPRESENTATION OF THE PERSONS WITH DISABILITIES IN SERVICE AS ON 1st JANUARY 2015 AND DIRECT RECRUITMENT / PROMOTION DURING THE CALENDAR YEAR 2014

NAME : BHARAT PETROLEUM CORPORATION LIMITED

Groups	NUMBER OF EMPLOYEES (as on 01.01.2015)				Direct Recruitment - 2014							Promotion - 2014						
					NO. OF VACANCIES RESERVED			NO. OF APPOINTMENTS MADE				NO. OF VACANCIES RESERVED			NO. OF APPOINTMENTS MADE			
	TOTAL	VH	HH	OH	VH	HH	OH	TOTAL	VH	HH	OH	VH	HH	OH	TOTAL	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
"A"	5584	4	6	49	3	3	4	336	-	-	1	-	-	-	62	-	-	-
"B"	2851	8	5	62	-	-	1	1	-	-	-	-	-	-	100	-	1	-
"C"	2474	14	9	24	1	1	-	68	-	-	-	-	-	-	174	3	-	1
"D/DS"	1841	5	4	19	-	-	-	3	-	-	-	-	-	-	-	-	-	-
TOTAL	12750	31	24	154	4	4	5	408	-	-	1	-	-	-	336	3	1	1

(i) VH stands for Visually Handicapped (persons suffering from blindness or low vision)

(ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment)

(iii) OH stands for Orthopaedically Handicapped (persons suffering from locomotor disability or cerebral palsy)

There is no reservation for persons with disabilities in case of promotion to Group A and B posts. However, persons with disabilities can be promoted to such posts, provided the concerned post is identified suitable for persons with disabilities.

There is no promotion within Group "D".

ANNEXURE D
Report on Corporate Governance

1) Company's philosophy on Code of Governance

Bharat Petroleum Corporation Limited's ("the Company") corporate philosophy on Corporate Governance has been to ensure fairness to the Stakeholders through transparency, full disclosures, empowerment of employees and collective decision making.

2) Board of Directors

As per the Articles of Association of the Company, the number of Directors shall not be less than three and not more than sixteen.

As on 31st March 2015, the BPCL Board comprised 9 Directors represented by 5 Whole-time (Executive) Directors including Chairman & Managing Director, 2 Part-time (Ex-Officio) Directors (Government Directors) and 2 Part-time (Non-official) Directors (Independent Directors). For nomination of additional 5 Independent Directors as on 31st March, 2015 as required under Clause 49 of the Listing Agreement, the Company has taken up the matter with the Government of India. The requirement of having at least one Woman Director on Board was later complied with effective 19.05.2015.

During the year, all meetings of the Board and the Annual General Meeting were chaired by the Chairman & Managing Director.

None of the Non-Executive Directors of BPCL had any pecuniary relationship / transaction with the Company during the year.

The Directors neither held membership of more than 10 Committees nor Chairmanships of more than 5 Committees as specified in Clause 49 of the Listing Agreement and Clause 3.3.2 of Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises across all the companies in which they were Directors.

The required information as indicated in Annexure X to Clause 49 of the Listing Agreement and Annexure IV to Guidelines on Corporate Governance for Central Public Sector Enterprises were made available to the Board of Directors.

Details regarding the Board Meetings, Annual General Meeting, Directors' attendance thereat, Directorships and Committee positions held by the Directors are as under:

Board Meetings

Twelve Board Meetings were held during the financial year on the following dates:

04.04.2014	29.05.2014	21.07.2014	12.08.2014
18.09.2014	26.09.2014	12.11.2014	03.12.2014
12.01.2015	13.02.2015	18.02.2015	31.03.2015

The Board has reviewed the compliance of all laws applicable to the Company.

The Board has adopted a Code of Conduct for the Directors and also for the Senior Management of the Company and the same has been posted on the website of the Company. There is a system in the organization of affirming compliance with Corporate Governance by the Board Members and Senior Management Personnel of the Company. A declaration of compliance signed by Chairman & Managing Director of the Company is enclosed with this Annual Report.

Particulars of Directors including their attendance at the Board/Members' Meetings during the financial year 2014 - 15

Names of the Directors	Academic Qualifications	Attendance out of 12 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Companies	Memberships held in Committees as specified under Clause 49 of the Listing Agreement
Whole-time Directors		**No. of Meetings Attended**	**%**			
Shri S. Varadarajan Chairman & Managing Director	A.C.A., A.I.C.W.A	12	100	Attended	Chairman: Numaligarh Refinery Ltd Bharat Oman Refineries Ltd Matrix Bharat Pte Ltd Director: Bharat PetroResources Ltd Petronet LNG Ltd	Audit Committee Chairman: Bharat PetroResources Ltd
Shri K. K. Gupta Director (Marketing)	BSc. (Engg.), (Mech.)	12	100	Attended	Chairman: Bharat Stars Services Pvt Ltd Bharat Stars Services (Delhi) Pvt Ltd Director: Sabarmati Gas Ltd Matrix Bharat Pte Ltd	-
Shri B. K. Datta Director (Refineries)	B.E. (Chem)	12	100	Attended	Director: Bharat Oman Refineries Ltd Bharat PetroResources Ltd	Audit Committee Member: Bharat PetroResources Ltd
Shri S. P. Gathoo Director (Human Resources)	M.PM (PG. Master's Degree in Personnel Management), Fellow of LEAD	12	100	Attended	Chairman: Petronet India Limited Petronet CCK Ltd	Audit Committee Member: Petronet CCK Ltd
Shri P. Balasubramanian Director (Finance) (w.e.f. 01.04.2014)	A.C.A.	12	100	Attended	Chairman: Delhi Aviation Fuel Facillity Pvt Ltd Director: Bharat Oman Refineries Ltd Bharat PetroResources Ltd	Audit Committee Member: Bharat Petroleum Corporation Ltd Bharat PetroResources Ltd Stakeholders' Relationship Committee Member: Bharat Petroleum Corporation Ltd.

Names of the Directors	Academic Qualifications	Attendance out of 12 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Companies	Memberships held in Committees as specified under Clause 49 of the Listing Agreement
Non Executive Directors a) Part-time (Ex officio)		**No. of Meetings Attended**	**%**			
Dr. Neeraj Mittal Joint Secretary (Marketing), Ministry of Petroleum & Natural Gas	I.A.S B.Tech (Elec.Engg), M.B.A. Ph.D in MIS	6	50	Did not attend	-	-
Shri P. H. Kurian Principal Secretary (Industries & IT), Government of Kerala	I.A.S	5	42	Did not attend	Director & Chairman: Malabar Cements Ltd. Transformers & Electricals Kerala Ltd. Rubber Park India Pvt. Ltd. ICICI KINFRA Ltd. Kottayam Port and Container Terminal Services Pvt. Ltd. Director: The Kerala Minerals & Metals Ltd. Kerala State IT Infrastructure Ltd. Kerala State Ind. Development Corp Ltd. Apollo Tyres Ltd. INKEL Ltd. Smart City (Kochi) Infrastructure Pvt. Ltd. Nitta Gelatin India Ltd. Kerala Academy for Skills Excellence Marine Products Infrastructure Development Corporation Pvt. Ltd. Symphony TV & Entertainments Pvt Ltd. Indian Institute of Information Technology and Management Kerala Information and Communication Technology Academy of Kerala PTL Enterprises Ltd.	-

Names of the Directors	Academic Qualifications	Attendance out of 12 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Companies	Memberships held in Committees as specified under Clause 49 of the Listing Agreement
Non Executive Directors (b) Part-time (Independent)		**No. of Meetings Attended**	**%**			
Prof. J.R. Varma	A.I.C.W.A. Doctorate in Management from IIM, Ahmedabad	12	100	Attended	Director: Infosys BPO Limited Gujarat International Finance Tec-city Co. Ltd	Audit Committee Chairman: Bharat Petroleum Corporation Ltd Infosys BPO Ltd Gujarat International Finance Tec-city Co. Ltd.
Shri B. Chakrabarti	A.C.A	11	92	Attended	Director GIC Housing Finance Limited	Audit Committee Member: Bharat Petroleum Corporation Ltd. Stakeholders' Relationship Committee Chairman: Bharat Petroleum Corporation Ltd.

3) **Board Committees**

A) **Audit Committee**

BPCL took the initiative to introduce Corporate Governance in the organisation during the year 1996 itself, by constituting an Audit Compliance Committee. The said Committee was reconstituted and renamed as Audit Committee in the year 2000 and the role, powers and functions of the Audit Committee were specified and approved by the Board.

As on 31st March 2015, the Audit Committee comprised two Part-time (Independent) Directors and one Whole-time Director. Prof. J.R. Varma is the Chairman of the Committee, Shri B. Chakrabarti and Shri P. Balasubramanian are the present Members of the Committee. During the Financial Year, Shri S. Varadarajan, Chairman and Managing Director (who was also holding additional charge as Director Finance till 31.03.2014) ceased to be a Member of the Committee, consequent to appointment of Shri P. Balasubramanian, Director (Finance). The Members possess the requisite knowledge of Finance & Accounting for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

Executive Director (Audit) is actively involved with the meetings of the Audit Committee besides attending and participating at the said meetings. In addition, other Whole-time Directors also attend the meetings. The Statutory Auditors and Cost Auditors are invited to attend and participate at the meetings.

The terms of reference of the Audit Committee cover all matters specified in Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013 and Guidelines on Corporate Governance for Central Public Sector Enterprises.

The role and responsibilities of the Audit Committee include the following:

1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2) Recommending to the Board the fixation of Audit Fees;
3) Approval of payment to Statutory Auditors for any other services rendered by them;
4) Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgment by Management.
   d) Significant adjustments made in the financial statements arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party transactions.
   g) Qualifications in the draft audit report;
5) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6) Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
8) Approval or any subsequent modification of transactions of the Company with related parties;
9) Scrutinizing of inter-corporate loans and investments;
10) Valuation of undertakings or assets of the Company, wherever it is necessary;
11) Evaluating internal financial controls and risk management systems;
12) Reviewing, with the Management, performance of the Statutory and Internal Auditors, and adequacy of the internal control systems;

13) Reviewing the adequacy of the Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14) Discussing with the Internal Auditors any significant findings and follow up thereon;

15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16) Discussing with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17) Looking into the reasons for substantial defaults in the payment to the Depositors, Debenture holders, Members (in case of non-payment of declared dividends) and Creditors;

18) Reviewing the functioning of the Whistle Blower mechanism;

19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20) Carrying out any other function as mentioned in the 'Terms of reference' to the Audit Committee.

Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

21) Management discussion and analysis of financial condition and results of operations;

22) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

23) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;

24) Internal audit reports relating to internal control weaknesses; and

25) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

26) The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.

27) All related party transactions shall require prior approval of the Audit Committee.

28) Whistle blower policy mechanism should also provide for adequate safeguards against victimization of Director(s)/ Employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

Nine meetings of the Audit Committee were held during the Financial Year on the following dates:

04.04.2014	29.05.2014	21.07.2014
12.08.2014	18.09.2014	11.11.2014
12.01.2015	13.02.2015	31.03.2015

Attendance at the Audit Committee Meetings:

Names of the Members	No. of meetings attended	%
Prof. J.R. Varma, Chairman	9	100%
Shri B. Chakrabarti, Member	9	100%
Shri P. Balasubramanian, Member	9	100%

The Chairman of the Audit Committee has attended the last Annual General Meeting held on 18th September, 2014. The Committee at its meetings held on 12th August, 2014, 11th November, 2014 and 13th February, 2015 reviewed the Quarterly/Half Yearly/Year to date Financial Statements as on 30th June 2014, 30th September 2014 and 31st December 2014 respectively. Further, Annual Financial Statements as on 31st March 2015 were reviewed by the Committee at its meeting held on 28th May 2015, before the same were submitted to the Board for approval.

BPCL has presently three unlisted Indian Subsidiary Companies i.e. Numaligarh Refinery Ltd (NRL), Bharat PetroResources Ltd (BPRL) and Bharat PetroResources JPDA Ltd (Wholly owned subsidiary of BPRL) and four Foreign Subsidiaries i.e. BPRL International BV (subsidiary of BPRL), BPRL Ventures BV, BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV (subsidiaries of BPRL International BV).

These Subsidiary Companies do not fall under the category of 'material non listed Indian subsidiary' as indicated in Clause 49 V of the Listing Agreement and Department of Public Enterprises (DPE) Guidelines on Corporate Governance. Financial Statements of Subsidiary Companies including investments made, if any, are reviewed by the Audit Committee/Board. The performance of the Subsidiary Companies and the minutes of their Board meetings are discussed at the Board meetings of the Company. Any significant transactions or arrangement entered into by the Subsidiary Companies are also reported to the Board of Directors of the Company.

B) Projects Evaluation Committee

The Board has constituted a Projects Evaluation Committee (PEC) on 29th March, 2011 comprising of two Part-time (Independent) Directors, one Part-time (Ex-Offico) Director and Director (Finance), for evaluating and recommending for Board approval, projects costing over ₹ 150 crores.

PEC will evaluate, guide implementation, monitor, review and assess deliverables, provide recommendations and advice to Board for projects costing over ₹ 150 Crores including investments in Subsidiaries / Joint Ventures.

Shri B. Chakrabarti is the Chairman of the Committee and Prof. J. R. Varma, Shri P. Balasubramanian and Shri P. H. Kurian were the Members of the Committee as on 31st March, 2015. The Committee was re-constituted on 1st April, 2014 by the induction of Shri P. Balasubramanian, Director (Finance) in place of Shri S. Varadarajan, Chairman & Managing Director (who was also holding additional charge as Director Finance till 31st March, 2014).

Six meetings of the Projects Evaluation Committee were held during the financial year on the following dates:

29.05.2014	21.07.2014	12.08.2014
18.09.2014	11.11.2014	18.2.2015

Attendance at the Projects Evaluation Committee Meetings:

Names of the Members	No. of meetings attended	%
Shri B. Chakrabarti, Chairman	5	83
Prof. J.R. Varma, Member	6	100
Shri P.H. Kurian, Member	3	50
Shri P. Balasubramanian, Member	6	100

C) Nomination and Remuneration Committee

The Nomination and Remuneration Committee formulates and review policies related to remuneration/perquisites/ incentives within the parameters of Guidelines issued by the Government of India.

BPCL being a Government Company, appointment/nomination of all the Directors is made by the President of India through the Ministry of Petroleum & Natural Gas including fixation of remuneration of Directors and Employees. The Remuneration Committee comprised three Part-time Directors as Members with Director (Human Resources) and Director (Finance) being invitees. Prof. J.R. Varma is the Chairman of the Committee and Shri B Chakrabarti and Dr. Neeraj Mittal are Members. During the Financial Year 2014-15, one meeting was held on 12th January 2015 which was attended by Prof. J. R. Varma and Shri B. Chakrabarti.

D) Stakeholders' Relationship Committee

The role of the Stakeholders' Relationship Committee is to specifically look into the redressal of grievances of Members, debenture holders and other security holders, including complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc.

The Committee comprises Shri B. Chakrabarti as Chairman and Shri P. Balasubramanian, Director (Finance) as Member. The Committee, at its meeting held on 13th February, 2015 reviewed the services rendered to the Members/ Investors including response to complaints/communications and expressed its satisfaction on the performance of the Investors Relation Department of the Company.

Shri. S.V. Kulkarni, Company Secretary acts as the Compliance Officer for matters related to investor relations.

During the year, 6 complaints were received from investors through SEBI, BSE and NSE which were attended to and resolved on priority basis. One Complaint remained unresolved as on 31st March, 2015 in view of a Court Case.

All valid share transfer requests received during the year were duly processed and approved within the stipulated period. There was no share transfer request in physical form pending as on 31st March, 2015.

E) Corporate Social Responsibility Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has re-constituted the Corporate Social Responsibility Committee on 21st July, 2014.

The Committee comprised one Part-time (Independent) Director, Director (Finance) and Director (Human Resources) as Members.

The terms of reference of the Corporate Social Responsibility Committee (CSR) Committee broadly comprises:

1) In every Financial Year, utilizing atleast 2% of average net profits of the Company made during the three immediately preceeding Financial Years towards CSR activities as specified in Schedule VII of the Companies Act, 2013;
2) Providing guidance and suggestions on CSR activities to the CSR role holders and to monitor its progress, bringing greater transparency and experience in the execution of CSR activities of the Company etc.

The Committee comprised Shri B. Chakrabarti as Chairman, and Shri P. Balasubramanian, Director (Finance) and Shri S.P. Gathoo, Director (Human Resources) as Members. During the Financial Year 2014-15, two meetings were held on 12th November, 2014 and 12th January, 2015 which were attended by all Members.

F) Risk Management Committee

In compliance with the provisions of clause 49 of the Listing Agreement, the Board constituted a 'Risk Management Committee' on 12th November, 2014 comprising Shri B. Chakrabarti as Chairman and Shri J.R. Varma, Independent Director and Shri P. Balasubramanian, Director (F) as Members.

The role and responsibilities of the Risk Management Committee include the following:

1) Review and recommend the risk management plan comprising risks assessed and their mitigation plans, identification of corporate level risks and their mitigation plans for approval of the Board with the recommendation by the Audit Committee;
2) Review and recommend the Risk Management Report consisting of status of risk mitigation plans (including reporting of risks by businesses) to the Audit Committee/Board;
3) Review and recommend the statement to be published in the Board's Report indicating development and implementation of the risk management policy for the Company;
4) Review and recommend any other proposal in relation to Risk Management to be put up to the Audit Committee/ Board.

G) Sustainable Development Committee

During the Financial Year 2014-15, the Board re-constituted the 'Sustainable Development Committee' on 21st July, 2014 comprising Shri B. Chakrabarti as Chairman and Shri K.K. Gupta and Shri B.K. Datta as Members. The terms of reference of the Committee are to oversee, approve, provide budgetary allocation and monitor the projects covered under Sustainable Development projects as part of the business plan of business units. It involves an enduring and balanced approach to environmental responsibilities and includes reviewing of the 'Business Responsibility Report' on a half yearly basis and to place this report to the Board for information on an annual basis. During the Financial Year 2014-15, two meetings were held on 18th September, 2014 and 31st March, 2015 which were attended by all Members.

H) Separate Meeting of Independent Directors:

During the Financial Year 2014-15, a separate meeting of Independent Directors was held on 13th February, 2015 wherein the Independent Directors reviewed various parameters for assessing the quality, quantity and timelines of flow of information between the Company, Management and the Board to effectively and reasonably perform their duties.

4) Remuneration to Directors

BPCL being a Government Company, appointment and remuneration of Whole-Time Directors are determined by the Government through the Ministry of Petroleum & Natural Gas. The Part-time (Ex officio) Directors do not receive any remuneration from the Company. The Part-time (Independent) Directors received sitting fees of ₹ 20,000 for each Board/Audit Committee/other Committee Meetings attended by them during the year 2014-15. Performance Linked Incentives are payable to the Whole-time Functional Directors as employees of the Company as per the policy applicable to all employees of the Company.

a) Details of remuneration paid / payable to the Whole-time Directors during the Financial Year 2014-15 are as follows:

Names of Directors	All elements of remuneration packages of the Directors. i.e. salary, benefits, bonus, pension etc.				Total
	Salary & allowances	Contribution to Provident Fund & other funds	Other benefits & perquisites	Performance Related Pay	
	₹	₹	₹	₹	₹
Shri S. Varadarajan Chairman & Managing Director	20,51,643	5,02,653	22,10,675	17,55,295	65,20,266
Shri K.K. Gupta Director (Marketing)	20,35,044	4,98,586	32,52,692	15,05,360	72,91,682
Shri B.K. Datta Director (Refineries)	19,38,545	4,74,944	13,23,645	14,33,331	51,70,465
Shri S.P. Gathoo Director (Human Resources)	20,00,745	4,90,182	17,31,556	14,79,370	57,01,853
Shri P. Balasubramanian Director (Finance) (w.e.f. 1st April, 2014)	19,18,329	469,991	15,24,469	6,65,783	45,78,572
Total	**99,44,306**	**24,36,355**	**1,00,43,038**	**68,39,139**	**2,92,62,838**

Service Contracts : As per terms & conditions of appointment communicated by the administrative Ministry. (i.e. from the date of taking over charge of the post or till the date of superannuation or until further orders, whichever is earlier);

Notice period : Three months.

The Company has not introduced any Stock Options Scheme. None of the Non-Executive Part-time (Independent) Directors and Part-time (Ex-officio) Directors holds any share in the Company.

During the Finanacial Year, the Non-Executive (Independent) Directors, Prof. J. R. Varma and Shri B. Chakrabarti received sitting fees of ₹ 6,80,000 and ₹ 8,00,000 respectively for attending the meetings of the Board/Committees.

5) Annual General Meetings during the last three years

The details of these Meetings are given below.

	Date and Time of the Meeting	Venue
59th Annual General Meeting	21st September 2012 at 10.30 a.m.	Rama Watumull Auditorium Kishinchand Chellaram College (K.C. College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020
60th Annual General Meeting	20th September 2013 at 10.30 a.m.	
61st Annual General Meeting	18th September, 2014 At 10.30 a.m.	

During the year 2012-13, in accordance with Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011, Postal Ballot Notice dated 25th May, 2012 containing Special Resolution for Increase of Authorised Share Capital and Consequent Alteration of Memorandum of Association and Articles of Association and Ordinary Resolution for Issue of Bonus Shares by way of Capitalisation of Reserves were circulated to the Members of the Company. The Company appointed Shri. B.V. Dholakia, Practising Company Secretary, M/s Dholakia & Associates, Mumbai, as Scrutinizer for conducting the Postal Ballot process. The result of the Postal Ballot was announced on 5th July, 2012.

For the Special Resolution, out of total 3,736 postal ballots received for 28,13,65,580 number of equity shares, 203 ballots for 25,376 equity shares were invalid. Of the total 3,533 valid ballots for 28,13,40,204 equity shares representing 100% of valid votes received, 3,441 ballots representing 27,59,86,688 equity shares representing 98.10% of valid votes received voted in favour of the resolution and 92 ballots for 53,53,516 shares representing 1.90% of valid votes received dissented to the resolution. The Special Resolution was accordingly passed by the requisite majority.

For the Ordinary Resolution, out of total 3,736 postal ballots received for 28,13,65,580 number of equity shares, 255 ballots for 33,740 equity shares were invalid. Of the total 3,481 valid ballots for 28,13,31,840 equity shares representing 100% of valid votes received 3,460 ballots representing 28,13,30,348 equity shares representing 99.99% of valid votes received voted in favour of the resolution and 21 ballots for 1,492 shares representing 0.01% of valid votes received dissented to the resolution. The Ordinary resolution was accordingly passed by the requisite majority.

During the year 2013-14, there was no occasion of postal ballot.

During the year 2014-15, in accordance with Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Postal Ballot Notice dated 21st July, 2014 containing Special Resolutions for Borrowing Powers of the Company and Creation/Providing of Security and Private Placement of Non-Convertible Bonds/Debentures and/or other Debt Securities were circulated to the Members of the Company. The Company appointed Shri. B.V. Dholakia, Practising Company Secretary, M/s Dholakia & Associates, Mumbai, as Scrutinizer for conducting the Postal Ballot process. The result of the Postal Ballot was announced on 10th September, 2014.

For Special Resolution on Borrowing Powers of the Company and Creation/Providing of Security, out of total 2,306 postal ballots received for 60,05,53,110 number of equity shares, 418 ballots for 3,43,15,120 equity shares were invalid. Of the total 1,888 valid ballots for 56,62,37,990 equity shares representing 100% of valid votes received, 1,801 ballots representing 56,48,84,749 equity shares representing 99.76% of valid votes received voted in favour of the resolution and 87 ballots for 13,53,241 shares representing 0.24% of valid votes received dissented to the resolution. The Special Resolution was accordingly passed by the requisite majority.

For Special Resolution on Private Placement of Non-Convertible Bonds/Debentures and/or other Debt Securities, out of total 2,292 postal ballots received for 59,87,27,461 number of equity shares, 488 ballots for 3,33,56,755 equity shares were invalid. Of the total 1,804 valid ballots for 56,53,70,706 equity shares representing 100% of valid votes received, 1,700 ballots representing 56,39,15,085 equity shares representing 99.74% of valid votes received voted in favour of the resolution and 104 ballots for 14,55,621 shares representing 0.26% of valid votes received dissented to the resolution. The Special Resolution was accordingly passed by the requisite majority.

The procedures prescribed for conducting Postal Ballot in terms of Companies Act, 1956/2013 read with relevant Rules were followed for passing the above resolutions.

No Special Resolution requiring a Postal Ballot is being proposed for the ensuing Annual General Meeting (AGM). However, e-voting and ballot form option was provided to the Members to cast their vote on AGM agenda items in the last AGM.

6) Disclosures and Compliance

Except where the Company has incurred expenses on behalf of joint ventures as co-promoter and the same are recoverable from the joint venture companies, there were no transactions of material nature that may have potential conflict with the interests of the Company at large. The details of 'Related Party Disclosures' are shown in Notes forming part of Accounts.

The designated member of the Audit Committee reviewed the related party transactions and the same were placed before the Audit Committee.

The Company has been adhering to the provisions of the laws and guidelines of regulatory authorities including SEBI, and covenants in the agreements with the Stock Exchanges and Depositories. There was no instance of non-compliance of any provisions of law, guidelines from regulatory authorities and the matters related to capital markets, during the last three years except as stated in the following paragraph:

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance except provisions relating to the composition of the Board of Directors with respect to the number of Non-Executive Directors, Independent Director and appointment of atleast one Woman Director on the Board as on 31st March, 2015, for which the Government of India is taking necessary action, as the Company is a Government Company.

There are no items of expenditure in the books of accounts, which are not for the purpose of Business. Further no expenses were incurred which were personal in nature and incurred for the Board of Directors and Top Management. Administrative & Office expenses and Financial expenses constitute 0.43% and 0.24% of the total expenses respectively for the Financial Year 2014-15. Reason for decrease in Finance Expenses in Financial Year 2014-15 vis-à-vis Financial Year 2013-14 (from 0.52% to 0.24%) is mainly because of reduction in finance cost. There is a slight increase in Office and Administrative expenses as % of total expenses (from 0.40% to 0.43 %) because of reduction in total expenses.

The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure XIII to Clause 49 of the Listing Agreements with the Stock Exchanges :-

a) Independent Directors appointed by the Government of India have initial tenure not exceeding 3 years. No Independent Director has served in aggregate a period of nine years, on the Board of the Company.

b) The Company has adopted requirements with regard to sending of quarterly/half yearly financial results to the Members of the Company.

c) The Standalone and Consolidated Financial Statements of the Company are unqualified.

CEO/CFO Certification: The Chairman & Managing Director and Director (Finance) have certified to the Board in accordance with Clause 49 V of the Listing Agreement and DPE Guidelines on Corporate Governance for the Financial Year 2014-15.

The Company has also laid down a Risk Management Policy and procedures thereof for periodically informing the Board Members about the risk assessment and procedures for minimizing the risks.

BPCL nominates Directors for relevant training programmes/seminars conducted by reputed Institutions/SCOPE. Further, strategy workshops are held to deliberate strategic issues, policy decisions etc. BPCL has also implemented the Whistle Blower Policy.

7) 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in BPCL' & the 'Code of Conduct to Regulate, Monitor and Report Trading for Prevention of Insider Trading in the Securities of BPCL'.

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company had earlier adopted the 'Code of Conduct, Procedure and Disclosures for Prevention of Insider Trading in the Securities of Bharat Petroleum Corporation Limited' and 'Code of Corporate Disclosure Practices'. The Company Secretary was the Compliance Officer for implementation of the said Codes.

Consequent to introduction of SEBI (Prohibition of Insider Trading) Regulations, 2015 which replaced the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in Bharat Petroleum Corporation Limited' and 'Code of Conduct to Regulate, Monitor and Report Trading for Prevention of Insider Trading in the Securities of Bharat Petroleum Corporation Limited' in the Board meeting held on 13th May, 2015. The Company Secretary has been appointed as the Compliance Officer and Chief Investor Relations Officer for implementation of the said Codes.

8) Means of Communication of Financial Performance

In order to give wider publicity and to reach the Members and other investing public across the nation, the half-yearly and quarterly results were published in various editions of leading newspapers having wide circulation such as The Economic Times, The Times of India, Maharashtra Times etc. Reports on Limited Review of the Financial Results for the quarters ended 30th June 2014, 30th September 2014, 31st December 2014 were obtained from the Auditors of the Company and filed with the Stock Exchanges. The Financial Statements for the first quarter ended June 2014, half year ended September 2014, third quarter ended December 2014, were sent to all Members at their registered addresses/email IDs as the case may be.

Periodic financial performance of the Company is also displayed on the website of the Company at www.bharatpetroleum.in and available on Corporate Filing and Dissemination System www.corpfiling.co.in and the websites of BSE and NSE.

9) Management Discussion & Analysis Report

A detailed chapter on Management Discussion & Analysis is attached to the Directors' Report.

10) Investors' Service Centre

BPCL's Investors' Service Centre (ISC), by Data Software Research Co. Pvt. Ltd., our Registrar & Share Transfer Agents, has been functioning at the Registered Office of the Company at the following address :

Data Software Research Co. Pvt. Ltd. (DSRC)

C/o. Bharat Petroleum Corporation Ltd.	Tel. No. 022 – 2271 3170
Bharat Bhavan No.1, Ground Floor, 4 & 6 Currimbhoy Road	Fax. No. 022 – 2271 3759/ 022-2271 3688
Ballard Estate, P.B. No. 688, Mumbai 400 001	Email : z_dsrc@bharatpetroleum.in

This centre has been effectively catering to the needs of the Members/Investors located in western region. It coordinates with DSRC based at Chennai and facilitates our efficient investor complaint redressal mechanism.

For any assistance/information on share related matters such as transfer / transmission of shares, issue of duplicate share certificates, dividend etc., or for redressal of any grievance in this regard, Members / Investors located in western region/other places may get in touch with ISC at the above address.

Further, BPCL has designated an exclusive e-mail ID : ssc@bharatpetroleum.in for the purpose of communication from Members including investor complaints.

11) General Members'/Investors' Information

SEBI has included BPCL shares for compulsory trading in dematerialised form.

Annual General Meeting Date, Time and Venue : Wednesday, 9th September, 2015, at 10.30 a.m. at Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College, 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020.

Financial Calendar : BPCL follows the Financial Year from April to March. The Unaudited Results/Audited Results for the four quarters were taken on record by the Board and published on the following dates :

Period	Date of Board Meeting	Date of Publication	Unaudited/ Audited
Apr-Jun 2014	12th Aug 2014	13th Aug 2014	Unaudited
Jul -Sep 2014	12th Nov 2014	14th Nov 2014	Unaudited
Oct-Dec 2014	13th Feb 2015	14th Feb 2015	Unaudited
Jan-Mar 2015	28th May 2015	29th May 2015	Unaudited
Apr-Mar 2015	28th May 2015	29th May 2015	Audited

Dividend Payment Date : The Board has recommended dividend of ₹ 22.50/- per equity share of ₹ 10 each for consideration of the Members at the ensuing Annual General Meeting. If approved by the Members, the same will be paid on or before 22nd September, 2015.

Date of Book Closure : 1st September, 2015 to 9th September, 2015, both days inclusive, for the purpose of determining the names of Members/Beneficial Owners who would be entitled for dividend.

Listing on Stock Exchanges & Security Code : The Company's shares are listed on the following Stock Exchanges:

Name of Stock Exchange	Security Code / Symbol
BSE Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400001.	500547
National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1 Bandra Kurla Complex, Bandra (E), Mumbai 400 051.	BPCL

The Listing Fees have been paid for the Financial Year 2015-16 to both the above Exchanges.

ISIN Number : For National Securities Depository Ltd(NSDL) & Central Depository Services India Ltd (CDSL) for equity shares : INE029A01011

Market Price Data : High, low during each month in the last financial year : Please see Annexure I

: Performance in comparison to broad based indices i.e.BSE100 : Please see Annexure II

Registrar and Transfer Agents : Shri Benjamin Rajaratnam
General Manager (Capital Issues Division),
Data Software Research Co. Pvt. Ltd.
#19, Pycrofts Garden Road,
Off. Haddows Road, Nungambakkam,
Chennai- 600 006
Ph: +91-44-2821 3738 / 2821 4487
Fax: 91-44-2821 4636
Email : bpcl@dsrc-cid.in

Share Transfer System	:	A Committee comprising two Whole-time Directors considers the requests for transfer / transmission of shares, dematerialisaton of shares etc. A Committee comprising four Directors i.e. two Whole-Time Directors and two Part-time Directors considers requests for issue of share certificates. Transfers in physical form are registered after ascertaining objections, if any, from the transferors; and no valid transfer applications are kept pending beyond the stipulated period of fifteen days. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories viz. NSDL and CDSL within 15 days.

Distribution of shareholding as on 31st March, 2015 :

	Shareholder	No.of Shares Held	% of holding
1)	Government of India	39,72,00,120	54.93
2)	Government of Kerala	62,22,222	0.86
3)	BPCL Trust for Investments in Shares	6,74,57,474	9.33
4)	Mutual Funds/UTI	4,66,56,119	6.45
5)	Financial Institutions/Banks	7,91,384	0.11
6)	Insurance Companies	3,77,71,944	5.22
7)	Foreign Institutional Investors	12,42,50,741	17.18
8)	Bodies Corporate	2,45,60,825	3.40
9)	Others	1,81,73,419	2.52
Total		**72,30,84,248**	**100.00**

Distribution of shareholding on number of shares held by Members and shareholding pattern are given in Annexure III.

Dematerialization of shares and liquidity

After merger of KRL with BPCL, out of the shares held by the Members, 98.89% are held in dematerialised form and balance in physical form as on 31st March, 2015.
The Company has not issued any GDRs /ADRs/ Warrants etc.

Plant Locations

Mumbai Refinery : Bharat Petroleum Corporation Limited Mahul, Mumbai 400 074

Kochi Refinery : Bharat Petroleum Corporation Limited Ambalamugal, Kochi 682 302

Lubricant Plants : Bharat Petroleum Corporation Limited
Wadilube Installation, Mallet Road, Mumbai – 400 009
Bharat Petroleum Corporation Limited
24, Parganas, Budge – Budge 743 319
Bharat Petroleum Corporation Limited
35, Vaidyanatha Mudali street, Tondiarpet, Chennai-600 081.

Address for Correspondence

The Secretarial Department
Bharat Petroleum Corporation Ltd
Bharat Bhavan No.I, Ground Floor,
4&6, Currimbhoy Road
Ballard Estate,
Mumbai 400 001.
Tel No. 022 – 2271 3170 / 2271 3435
Fax. No. 022 – 2271 3759/
022-2271 3688
Email : ssc@bharatpetroleum.in

General Manager (Capital Issues Division),
Data Software Research Co. Pvt. Ltd.
#19, Pycrofts Garden Road,
Off. Haddows Road, Nungambakkam,
Chennai- 600 006
Ph: +91-44-2821 3738 / 2821 4487
Fax: 91-44-2821 4636
Email : bpcl@dsrc-cid.in

Contact details of Debenture Trustee:

8.65% Redeemable Non-Convertible Debentures of the Company for ₹ 700 Crores are listed at WDM segmemt of NSE with ISIN No. INE029A07067
The details of Debenture Trustee for the same is as under:
SBICAP Trustee Company Ltd.
3, Dinshaw Wachha Road,
Churchgate, Mumbai - 400 020.
Tel: 022-4302 5555 Fax: 022-2204 0465
helpdesk@sbicaptrustee.com

Annexure I

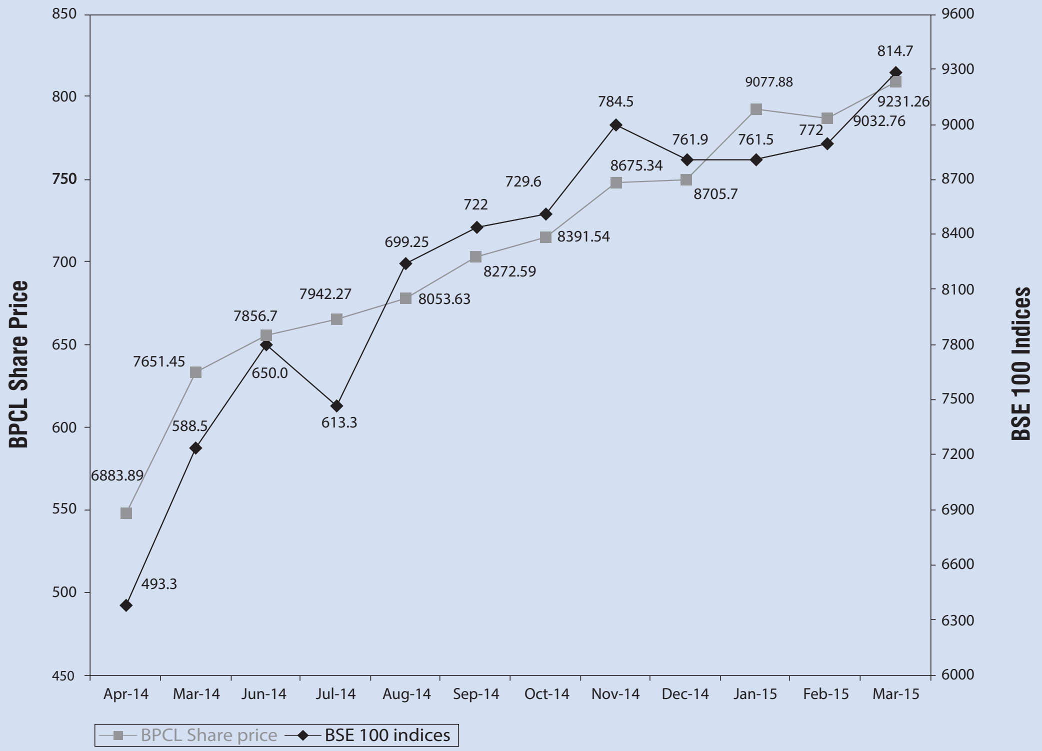
BPCL MARKET PRICE DATA						
Month(s) (April 2014- March 2015)	BSE Ltd.			National Stock Exchange of India Ltd		
	High (₹ per share)	Low (₹ per share)	Monthly Volume (No. of Shares)	High (₹ per share)	Low (₹ per share)	Monthly Volume (No. of Shares)
April	493.30	**431.90**	2479389	493.70	**431.65**	32116317
May	588.50	456.05	2693399	589.00	455.80	33305017
June	650.00	524.15	5327296	650.00	523.75	50689754
July	613.30	555.00	3262009	613.00	556.50	31207600
August	699.25	561.15	3305256	699.30	560.50	33735928
September	722.00	598.35	3159050	722.85	597.35	30109163
October	729.60	645.00	2432997	728.90	644.35	25281357
November	784.50	698.00	2941565	785.00	705.05	35155461
December	761.90	622.45	3115301	761.50	625.00	32120758
January	761.50	630.20	2333571	763.25	630.00	31175842
February	772.00	689.50	3014528	772.80	689.00	30618983
March	**814.70**	714.60	2349721	**815.90**	713.10	30340194

MARKET CAPITALISATION/SHARES TRADED DURING 1ST APRIL 2014 TO 31ST MARCH, 2015		
	BSE	**NSE**
No of Shares traded	3,64,14,082	39,58,56,374
No. of Shares	72,30,84,248	72,30,84,248
Highest Share Price (₹)	(31.03.2015) 814.70	(31.03.2015) 815.90
Lowest Share Price (₹)	(04.04.2014) 431.90	(04.04.2014) 431.65
Closing Share price as on 31st March, 2015 (₹)	809.95	810.80
Market Capitalisation as on 31st March, 2015 (₹ Crores)	58,566.21	58,627.67

Annexure II

BPCL MARKET PRICE MOVEMENT IN COMPARISON TO BSE 100 INDICES

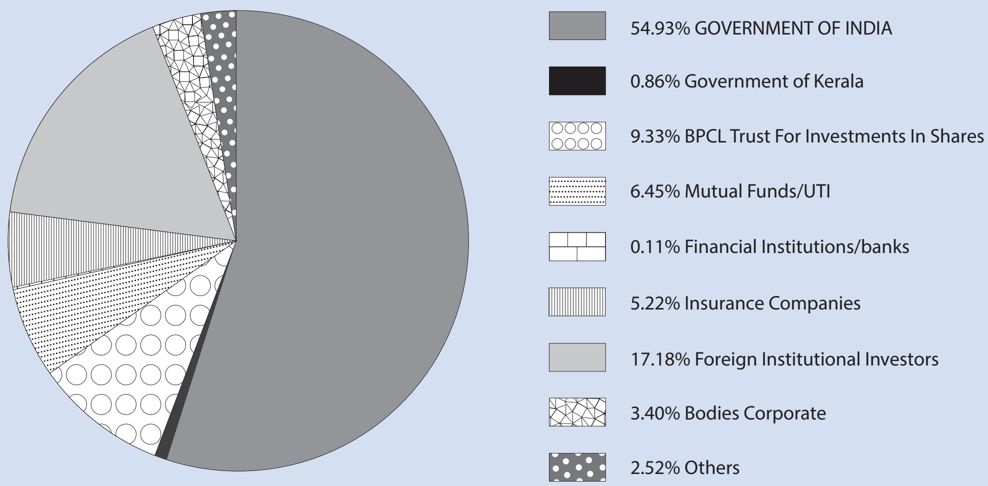
Share Prices/BSE 100 Monthly High Quotation



Annexure III

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015			
NO. OF. EQUITY SHARES HELD	NO. OF MEMBERS	NO. OF SHARES	% OF TOTAL
UPTO 5000	83,100	1,51,17,420	2.09
5001 TO 10000	207	15,10,219	0.20
10001 TO 50000	318	73,20,492	1.01
50001 TO 100000	104	72,80,962	1.01
100001 TO 500000	189	4,37,31,366	6.05
500001 TO 1000000	49	3,50,42,120	4.85
1000001 TO 2000000	28	3,77,35,133	5.22
2000001 TO 3000000	10	2,42,06,535	3.35
3000001 AND ABOVE	14	55,11,40,001	76.22
TOTAL	**84,019**	**72,30,84,248**	**100.00**

SHAREHOLDING PATTERN OF BPCL AS ON 31ST MARCH, 2015 (Percentage)



CODE OF CONDUCT

DECLARATION

I hereby declare that all the Board Members & Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors for the year ended 31st March, 2015.

Sd/-
S. Varadarajan
Chairman & Managing Director
Bharat Petroleum Corporation Limited

Place : Mumbai
Date : 31st July, 2015

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Bharat Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Bharat Petroleum Corporation Limited ("the Company"), for the year ended on 31st March, 2015, as stipulated in clause 49 of the Equity Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Equity Listing Agreement except that the Company did not have the minimum number of non-executive directors, independent directors and at least one woman director in terms of the Clause 49(II)(A)(1)/(2).However, the Company has complied with provision of Clause 49 (II)(A)(1) by appointing a woman non-executive director on 19th May, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
For CNK & Associates LLP
Chartered Accountants
ICAI FRN 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391
Place: Mumbai
Date: 17th July, 2015

For and on behalf of
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Bharat Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Bharat Petroleum Corporation Limited ("the Company"), for the year ended on 31st March, 2015, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 ("the Guidelines") issued by Department of Public Enterprises of Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Guidelines except that the Company did not have the minimum number of non-executive directors, independent directors and at least one woman director in terms of Clause 2.2 / 3.1.4 of the Guidelines. However, the Company has since appointed a woman non-executive director on 19th May, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
For CNK & Associates LLP
Chartered Accountants
ICAI FRN 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391
Place: Mumbai
Date: 17th July, 2015

For and on behalf of
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

BUSINESS RESPONSIBILITY REPORT 2014-2015

About this report

The Securities and Exchange Board of India (SEBI), vide circular dated 13th August 2012, has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of a company's Annual Report for the top 100 listed entities based on market capitalization at the BSE Ltd. and the National Stock Exchange of India Ltd. (NSE) as on March 31, 2012 – which includes BPCL. The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles. Following is the Business Responsibility Report of our Company based on the format suggested by SEBI in the cited circular.

Section A: General Information about the Company	
1. Corporate Identity Number (CIN) of the Company	L23220MH1952GOI008931
2. Name of the Company	Bharat Petroleum Corporation Limited
3. Registered address	Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001
4. Website	http://www.bharatpetroleum.in
5. E-mail id	ssc@bharatpetroleum.in
6. Financial Year reported	2014-15
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	**Group :** 192 **Class :** 1920 **Sub-class :** 19201 **Description :** Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals **Group :** 192 **Class :** 1920 **Sub-class :** 19203 **Description :** Bottling of LPG/CNG **Group :** 192 **Class :** 1920 **Sub-class :** 19209 **Description :** Manufacture of other petroleum products (includes petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)
8. List three key products/services that the Company manufactures/provides (as in balance sheet):	The Company produces and supplies primary fuels including (but not limited to): • High Speed Diesel • Motor Spirit (petrol) • Liquefied Petroleum Gas (LPG)
9. Total number of locations where business activity is undertaken by the Company **i. Number of International Locations (Provide details of major 5)** **ii. Number of National Location**	BPCL does not directly operate at any international locations (only Subsidiary Companies have overseas operations). 2 Refineries (Mumbai and Kochi); 82 Retail (installations/depots/TOPs); 49 LPG bottling plants; 4 Lube blending plants; 30 Aviation locations/fuelling stations/on-wheels; 1 Head office; and 4 Regional offices.
10. Markets served by the Company	Local ☑ / State ☑ / National ☑ / International ☑

Section B: Financial Details of the Company	
1. Paid up Capital (INR)	₹ 723.08 Crores
2. Total Turnover (INR)	₹ 2,53,254.86 Crores
3. Total profit after taxes (INR)	₹ 5,084.51 Crores

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	In line with the Companies Act, 2013 and the Companies (Corporate Social Responsibility policy) Rules, 2014, BPCL has earmarked 2% of our average net profit amounting to ₹ 76 crores out of which BPCL has spent ₹ 33.95 crores. The balance amount is earmarked for Swachh Bharat Abhiyan related projects.
5. List of activities in which expenditure in 4 above has been incurred.	Our CSR related activities are mainly in the areas of: • Education • Skill Development • Water Conservation • Community Development • Health/ Hygiene

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?	Yes, BPCL has seven subsidiaries, of which 3 are Indian and 4 are foreign subsidiaries: • Numaligarh Refinery Ltd. • Bharat PetroResources Ltd. (BPRL) • Bharat PetroResources JPDA Ltd. • BPRL International B.V. • BPRL Ventures B.V. • BPRL Ventures Mozambique B.V. • BPRL Ventures Indonesia B.V.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No; Subsidiary Companies operate in different geographies/ business domains and are each driven by their own policies.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Entity	Initiative	% of entity
Suppliers	All BPCL's suppliers undergo a stringent check before being awarded the contract, and are required to comply with our purchasing terms and conditions, which among other things, require suppliers to comply with the applicable laws of the land. Furthermore, BPCL has also taken initiatives to purchase from local/small vendors. Further details have been provided under Section E – Principle 2 (Question 4). Our Central Procurement Organisation (Marketing) has issued an "Advisory" to our suppliers and vendors on all aspects of sustainable supply chain practices.	More than 60%
Contractors	Contractors (including personnel working at our plants, those involved in transportation of our products etc.) are provided appropriate safety trainings. BPCL organizes a certification course for the transport drivers on a periodic basis in order to improve the fuel efficiency of the vehicle, reduce pilferage and impart knowledge on health & safety. We conduct regular health check-up programs at our locations for the contractors, workmen and Private Contract Vehicle Operator crew members.	More than 60%
Dealers & Distributors	A large majority of BPCL's dealers and distributors participate in the CSR activities initiated by the Company including providing training to transport crews and others.	More than 60%
Customers	We ensure that BPCL customers are trained on the safe use of our products. We also conduct regular surveys and engage with our customers through various forums in order to continuously improve our service delivery systems. LPG Safety clinics are conducted for safe usage by domestic customers. Any accident during LPG usage is thoroughly investigated and corrective action is initiated.	More than 60%

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The review and implementation of the BR policies are the responsibility of the Sustainable Development Committee of the Board of BPCL. The details of the Committee members as on 31st March, 2015 are given below.

DIN Number	Name	Designation
00017513	Shri B. Chakrabarti, Chairman of the Committee	Independent Director
03476812	Shri K. K. Gupta	Director (Marketing)
03586382	Shri B. K. Datta	Director (Refineries)

b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Shri S.V. Kulkarni
3.	Designation	Company Secretary
4.	Telephone number	022- 2271 3440
5.	e-mail id	ssc@bharatpetroleum.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The 9 principles outlined in the National Voluntary Guidelines are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for...	Y	Y	Y	Y	Y*	Y	Y#	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	Refer table below @								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

*The Company upholds the value of Human Rights by complying with laws like the Industrial Disputes Act, 1947, Factories Act, 1948, Trade Unions Act, 1926, Equal Remuneration Act, 1976, Presidential Directives and other Guidelines issued by the Government relating to reservations/concessions, The Persons with Disabilities (Equal Opportunities Protection of Rights and Full Participation) Act, 1995 etc. The Company has also put in place a Human Rights Policy to be approved by the Board in the coming year.

#The Chairman & Managing Director of BPCL, as a member of the 'Constitution of Working Group for the formulation of 12th Five Year Plan (2012-17) for Petroleum & Natural Gas Sector', and several other similar forums, guides BPCL's participation in public policy advocacy.

@ **Web-link for the policy:**

NVG Principle	Web-link
Principle 1: Ethics, transparency & accountability	http://www.bharatpetroleum.in/General/CR_COC.aspx?id=4 http://www.bharatpetroleum.com/PDF/BPCL_Implementation_of%20Integrity_pact.pdf
Principle 2: Sustainability in life-cycle of product	Company's Internal web (Intralink)
Principle 3: Employee well-being	Company's Internal web (Intralink)
Principle 4: Stakeholder engagement	http://www.bharatpetroleum.in/EnergisingSociety/CSR_Sustainability_Report.aspx?id=2
Principle 5: Promotion of human rights	Company's Internal web (Intralink)
Principle 6: Environmental protection	http://www.bharatpetroleum.in/EnergisingEnvironment/HSE_policy.aspx?id=3
Principle 7: Responsible public policy advocacy	-
Principle 8: Inclusive growth	Company's Internal web (Intralink)
Principle 9: Customer value	http://www.bharatpetroleum.com/PDF/Citizen_Charter.pdf

2A. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles.	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3.	The Company does not have financial or manpower resources available for the task.									
4.	It is planned to be done within the next 6 Months.									
5.	It is planned to be done within the next 1 year.									
6.	Any other reason (please specify).									

3. Governance related to BR

1. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year).**

   As per the provision under the law, the Company has formulated the **'Sustainable Development Committee of the Board'.** Every 3-6 months the Committee reviews the sustainability initiatives and also gives overall suggestions for further improvement from time to time.

2. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   Yes; BPCL publishes its GRI based Sustainability Report on an annual basis since FY 2007-08. BPCL Sustainability Reports for the past years are available at:

   http://www.bharatpetroleum.in/EnergisingSociety/CSR_Sustainability_Report.aspx?id=2

Section E: Principle-wise performance

Principle 1 : *Ethics, Transparency and Accountability*

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

   The BPCL policy on ethics, prevention of corruption and bribery covers the entire operations of the Company as well as its suppliers, vendors and contractors. All contractors and vendors are expected to sign an Integrity Pact as formulated by the Company and comply by it throughout their association with BPCL. Additionally, BPCL has a Code of Conduct which expands to the Senior Management and Board Members dictating the principles that senior management must always abide by, with regards to ethics, bribery and corruption.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   During the Financial Year 2014-15, 6 complaints were received from Members through SEBI/Stock Exchanges which have been resolved except for one complaint which remained unresolved as on 31st March, 2015 in view of a Court Case. We have a robust Customer Care System (CCS) which provides a singlewindow for consumers to reach out to BPCL for feedback, complaints, or queries on any of its products and services. CCS has been designed to provide ease of access to customers to connect with BPCL through our corporate website and the toll free numbers which are displayed across customer touch points. The CCS has an in-built 3-level escalation matrix to ensure all interactions are attended to with utmost priority. During the year 2014-15, a total of 4.5 lakh interactions were received and 100% were resolved with an average closure time of 6 days.

Principle 2 : *Sustainability in the life-cycle of the product*

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Given the nature of its business, BPCL is aware that its products are and could have significant social and environmental concerns during production and consumption. Over the years it has been constantly investing its efforts in producing products which are durable, environment friendly and minimise damage to society and the environment. In order to successfully do this it has put together a capable R&D team that works constantly on innovating new products and improving existing products. Some of our products with enhanced environmental performance include:

   - Euro III & IV Motor Spirit
   - Euro III & IV HSD
   - Horticulture Mineral Oil (HMO)

   MAK All Season HMO is a single product which abides by the stringent requirements of IMO. Both conventional and organic farmers benefit from this product.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

i. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

1. Aligned with the Government of India Autofuel policy, BPCL has undertaken a rolling plan to periodically upgrade from Euro Stage II to III and IV standards of fuel. As the stage progresses, the fuels become more efficient during their use in vehicles, resulting in reduction in fuel consumption and in turn, minimized pollution. The rolling plan in consultation with MOP&NG and the Environment Ministry is advanced and the exercise to introduce Euro IV standard fuel to be rolled out on an all India basis to be completed by end 2016 instead of earlier slated to be completed by end 2017.
2. This year BPCL has paid close attention to the reduction of energy at our distribution outlets and centres. Keeping this goal in mind, we have provided green lighting and solar systems in 205 retail outlets in the year 2014-2015. This has resulted in a significant decrease in our energy consumption. We have also scheduled ISO 50001 certification programs at our Refineries, LPG plants and Retail depots/installations.

ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   MAK All Season HMO–MAK All Season HMO is a single product which abides by the stringent requirements of IMO. Both conventional and organic farmers benefit from this product. This environment friendly product has been found to be much safer than conventional products for plants, soil, environment, farmers' health and even for human consumption. Because of its effectiveness, only a small quantity is required to be applied.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   Yes; The BPCL standard tender document incorporates a clause on "compliance of regulations" stipulating all material that is being procured is being produced and delivered in strict compliance with all applicable laws, labour agreement, technical codes, statutory requirements etc. as applicable. The tendering document is used for all major and large procurements at BPCL which takes into account all aspects with respect to production using ethical business practices and environmentally sustainable practices. Additionally BPCL ensures utmost safety of the goods during transportation such that the lives of the drivers are not compromised with at any given time. The Company also has in place several wellbeing and training programmes for our drivers at regular intervals. We conduct training on safe driving skill, programs on fuel conservation techniques and courses on health management on a regular basis for our drivers and cleaners engaged in fuel transportation.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes; BPCL has taken specific steps to procure goods and services from small/local vendors. The tenders in the Central Procurement Office (CPO) have the following Purchase Preference clause for MSEs:

   "Owner reserves its right to allow Micro and Small Enterprises (MSEs) and MSEs owned by Scheduled Caste (SC) or Scheduled Tribe (ST) entrepreneurs, purchase preference as admissible/applicable from time to time under the existing Govt. policy. Purchase preference to a MSE and a MSE owned by SC/ST entrepreneurs shall be decided based on the price quoted by the said MSEs as compared to L1 Vendor at the time of evaluation of the price bid.

   Furthermore, the Government has issued 'Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012'.

   Currently 23.27% of BPCL procurement is from Micro & Small Enterprises (MSEs), exceeding the Government of India mandate of 20% of overall procurement.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)**

   The nature of business conducted by BPCL does not provide for a high scope for using recycled material as process units. The estimate of the percentage of waste recycled would be less than 5%. That being said BPCL business units constantly look for opportunities to recycle waste generated as a result of its operations. Additionally, it has significant water waste generation at some of its locations, and has installed Effluent Treatment Plants (ETPs). The water that is treated using the ETP is further used in gardening, toilets and other non-potable applications. BPCL constantly looks for new methods and ways in which it can increase the amount of water recycled at its units.

   Some of the items that have potential to be recycled at our units are as follows:

   - Batteries (hazardous waste-through buy-back arrangements with the suppliers)
   - Used filters (hazardous)
   - Oil rags/ cotton (hazardous)
   - Paper (non-hazardous)
   - Sludge (hazardous from Refineries)

   As part of our sustainability development initiatives, we have undertaken waste management studies and have implemented effective ways to manage waste at our Refineries and Marketing Locations.

Principle 3 : *Employee well-being*

1. **Please indicate the total number of employees**

   Permanent Employees 12,687

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis**

   Temporary/Contractual /Casual Employees :
   Contract labour (sourced through tendering process) is employed for several operational activities across the various locations of BPCL. While BPCL acts as principal employer, it ensures that all statutory requirements are complied with, it does not track the total number of employees hired on a contractual basis at the corporate level.

3. **Please indicate the number of permanent women employees**

   1,151

4. **Please indicate the number of permanent employees with disabilities**

   213

5. **Do you have an Employee Association that is recognized by management?**

   There are 22 registered unions (Including Refineries).

6. What percentage of your Permanent Employees are members of this recognized Employee Association?

94.5% of our (non-management) employees are represented through these employee unions.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as at the end of the financial year.

S.No.	Category	No of complaints filed during the financial year	No of complaints pending as at the end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	NA
2.	Sexual harassment	01	Nil
3.	Discriminatory employment	Nil	NA

8. What percentage of your undermentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees:

  The data includes Management Staff & Workmen of Marketing. On an average, 18.7 man-hours of training per employee was provided in the reporting period. This is inclusive of safety related training undertaken at plants, and technical and behavioural training offered by BPCL Learning Centre (BPLC) centrally.

- Permanent Women Employees:

  On an average, 14.3 man-hours of training per woman employee was provided in the reporting period. This is inclusive of safety related training undertaken at plants, and technical and behavioural training offered by BPCL Learning Centre (BPLC) centrally.

- Casual/ Temporary/ Contractual Employees:

  While we do not separately track the proportion of our contractual labour that were given safety & skill up-gradation training in the previous year, the safety of our labour is of utmost importance to us. Across all our locations and especially within the Refineries, our contract workers have to mandatorily attend a comprehensive training programme which includes sessions on 'Safety within the workplace' before which they are not provided access cards.

- Employees with Disabilities:

  Not tracked separately

Principle 4 : *Stakeholder engagement*

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes; BPCL has mapped its internal and external stakeholders. Its internal stakeholders are largely its employees. The following process has been carried out through an in-depth process which is also used for our materiality identification and analysis.

In no order of preference, its external stakeholders are as follows:

- Members & lenders
- Government and regulatory authorities
- Industry associations
- Customers
- Suppliers
- Community
- Dealers and distributors
- Contractors
- Media and academic institutions

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. The community from low socio-economic strata and who are in and around our business units like Refinery, depots, installations, bottling plants are identified as vulnerable. Also remote rural/tribal communities are under the ambit of marginalized and vulnerable stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Under CSR, we largely support projects in the above mentioned thrust areas. All our education projects are aiming at improving the learning levels in Zilla Parishad/ Government/low income private schools. The children studying in these schools are largely from very low economic strata like daily wage earners, migrant workers etc. One such project Computer Assisted Learning project (CAL) through which we are imparting computer education to more than 70,000 children, who do not have access to computers in their schools. By reaching out to them in Government schools, we are facilitating them, providing an opportunity, so that they are empowered and tomorrow, lack of computer knowledge does not become detrimental in the job seeking prospects or higher studies.

Principle 5 : *Promotion of Human Rights*

1. **Does the policy of the Company on Human Rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The BPCL practices and policies relating to Human Rights extends to all its suppliers, vendors and contractors.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Total 236,196 customer complaints were received and all have been resolved during the year.

Principle 6 : *Environmental protection*

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**

   The policy pertaining to environmental protection covers only the Company.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes; BPCL has undertaken several initiatives which focus on mitigating global environmental issues. The link is as follows:http://www.bharatpetroleum.co.in/EnergisingEnvironment/EnergisingEnvironment.aspx?id=3

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes; BPCL has in a place a detailed Health, Safety and Environment Policy through which we access and identify our potential environmental risks that are material to it. Further, details on its initiatives and details on materiality are available in its Sustainability Report.

4. **Does the Company have any project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed?**

   Yes; BPCL has established a 5 MW windmill project at Kappatguda, Karnataka, which is registered with UNFCCC & the Company has received carbon credits for the same.

   Apart from the above, following projects on non-conventional energy are undertaken by BPCL and are at various stages of development :

   - 4 MW solar installation at Bina Dispatch Terminal
   - 1 MW solar installation at CRDC, Noida
   - 6.3 MW wind installation in Karnataka

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

   Research, investment and initiatives to promote clean technology, energy efficiency, and renewable energy are priority focuses for BPCL. The details of these initiatives can be found in our GRI based Sustainability Report.

   http://www.bharatpetroleum.co.inEnergisingEnvironment/Ren_Overview.aspx?id=3

   http://www.bharatpetroleum.co.in/EnergisingEnvironment/MumbaiRefinery.aspx?id=3

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?**

   Information regarding the emissions/waste generated from our locations will be detailed in our Sustainable Development Report for this year. The Report also provides details on compliance with the CPCB / SPCB limits for these parameters.

7. **Number of showcause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There are no pending CPCB/SPCB showcause / legal notices at the close of Financial Year 2014 -15.

Principle 7 : *Responsible public policy advocacy*

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

   Yes; BPCL is a member of several industrial and trade associations. Some of the major ones are listed below:

   - Confederation of Indian Industry (CII)
   - Federation of Indian Chambers of Commerce and Industry (FICCI)
   - Bombay Chamber of Commerce & Industry
   - ASSOCHAM
   - Indian Merchant Chambers
   - World Energy Council-Indian Member Committee
   - World LP Gas Association
   - Petroleum Federation of India
   - Bio Diesel Association of India
   - The Advertising Standards Council of India
   - National Accreditation Board for Testing and Calibration Laboratories

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

BPCL actively participates in the above associations and uses these as platforms to address issues that might impact its stakeholders. Rather than lobbying on any specific issues, it actively participates in the broader policy development process. BPCL's C&MD is also a member of the 'Working Group for the Formulation of the 12th Five Year Plan (2012-17) for Petroleum & Natural Gas Sector. As a key member of oil industry specific bodies, the Company also actively contributes in formulating sector specific guidelines including OISD, NSC etc.

Principle 8 : *Inclusive growth*

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Under CSR, BPCL has identified Water Conservation through Rain Water Harvesting (RWH) as one of the thrust areas. The projects supported under the aforementioned have Multifood implications - Social, environmental & economical.

Villages which are drought affected and where villagers were facing acute drinking water scarcity have been transformed. This has led to reduction in drudgery, better education and health.

Further, villagers are being guided on better agricultural practices by using less water and pesticide. This has both economical as well as environmental benefits. Not only is the financial status of villagers improving, but it is also checking migration for many villages.

Most of the RWH structures are in the nature of bunds, ponds, gabions, tanks etc. This has a direct impact in recharging ground water, soil moisture conservation & checking soil erosion.

With availability of water, some flora & fauna can also be seen around the water bodies, highlighting the existence of biodiversity.

In the year 2014-15, BPCL transformed more than 35 villages from water scarce to water positive.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

Our CSR related projects are monitored through an internal team. We largely collaborate with various NGOs, other professional agencies, foundations for execution of the project on ground and also obtain community participation.

3. Have you done any impact assessment of your initiative?

Yes; BPCL does perform impact assessment of its initiatives internally as well as through external agencies to understand whether the projects are delivering the intended benefits.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

₹ 33.95 Crore. Details of the CSR projects undertaken are provided in the Annual Report on CSR Activities forming part of this Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Seeking community participation is very integral to project planning & execution. Several efforts are taken like forming village water committees, farmers' groups, village education committees, school management committees etc. so that during the project phase, we also do knowledge transfer & capacity building. This ensures sustainability post exit of the project. We also use the transformed communities as resource groups to empower other villages/ communities. This acts like peer learning and is much more effective. In several projects, more specifically skill development & water conservation, the community also contributes a small amount. This brings in more ownership & accountability.

Principle 9 : *Customer value*

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Total 236,196 customer complaints were received and all have been resolved during the year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

All BPCL's product labels provide information required as per National and International specifications on the product. It also displays information relevant for safe handling of the product.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year. If so, provide details thereof, in about 50 words or so.

	No. of cases filed in the last five years	**No. of cases pending as on end of Financial Year 2014-15**
Unfair trade practices	Nil	Nil
Irresponsible advertising	Nil	Nil
Anti-competitive behaviour	3	3

Details of Cases regarding Anti-competitive behaviour are as follows:

1. RIL/Essar/Shell had filed a complaint before the Petroleum & Natural Gas Regulatory Board (PNGRB) against PSU OMCs and upstream Companies alleging collusion, cartelization and predatory pricing for MS and HSD.
2. A complaint was filed by RIL before the Competition Commission of India alleging cartelization and misuse of its dominant position.
3. India Glycols Ltd Vs India Sugar Mills Associates & Ors. alleging that ISMA, on behalf of member Companies (including BPCL) have lobbied with Govt. of India for increasing the price of Ethanol from various suppliers.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes; BPCL carries out annual consumer surveys through an external agency. The objective of this survey is to derive the Brand Equity Index of our Strategic Business Units (SBUs). The Company assesses the response of its customers in the following areas:

- Visibility
- Existing customer service levels
- Complaints redressal mechanism

ANNEXURE E
ADDENDUM
COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2015	The preparation of financial statements of **Bharat Petroleum Corporation Limited** for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their audit report dated 28 May 2015. I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **Bharat Petroleum Corporation Limited** for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-

Parama Sen

Place : Mumbai
Principal Director of Commercial Audit &

Date : 30th July, 2015
ex-officio Member, Audit Board –II, Mumbai

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2015	The preparation of consolidated financial statements of **Bharat Petroleum Corporation Limited** for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their audit report dated 28 May 2015. I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of **Bharat Petroleum Corporation Limited** for the year ended 31 March 2015. We conducted a supplementary audit of the financial statements of (As per Annexure – I), but did not conduct supplementary audit of financial statements of (As per Annexure – II) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-

Parama Sen

Principal Director of Commercial Audit &
ex-officio Member, Audit Board –II, Mumbai

Place : Mumbai
Date : 30th July, 2015

Annexure-I	**Annexure-II**
Subsidiaries	Joint Venture Companies (JVC)
1. Numaligarh Refinery Limited	1. Indraprastha Gas Limited
2. Bharat PetroResources Limited	2. Maharashtra Natural Gas Limited
Joint Ventures	3. Bharat Oman Refineries Limited
1. Central UP Gas Limited	4. Matrix Bharat Pte Ltd.
2. Delhi Aviation Fuel Facility Private Limited	5. Petronet LNG Limited
3. Petronet CCK Limited	6. Sabarmati Gas Limited
4. Petronet India Limited	7. Bharat Stars Services Private Limited
5. GSPL India Gasnet Limited	8. Kannur International Airport Limited
6. GSPL India Transco Limited	9. Petronet CI Limited
7. Mumbai Aviation Fuel Farm Facility Private Limited	10. Bharat Renewable Energy Limited

ANNEXURE-F

Form No. AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	Name of the Related Party	Nature of Relationship	Nature of Contract/ Arrangement/ Transactions	Duration of the Contract/ Arrangement/ Transactions	Salient Terms of the Contracts/ Arrangements/ Transactions	Transaction Values in FY 2014-15 (₹ Crores)	Date of Board Approval	Amount Paid as Advances (₹ Crores)
1	Bharat Oman Refineries Ltd. (BORL)	Joint Venture Company	Purchase of Goods	2014-15	Purchase of petroleum products for resale	29,610.52	NA	-
2	Bharat Oman Refineries Ltd.	Joint Venture Company	Sale of Goods	2014-15	Import of Crude Oil on behalf of BORL and supplies to them. Also, sale of lubricants.	661.21	NA	-
3	Bharat Oman Refineries Ltd.	Joint Venture Company	Receiving of Services	2014-15	Interest on the loans provided to BORL	129.12	NA	-
4	Indraprastha Gas Ltd.	Joint Venture Company	Purchase of Goods	2014-15	Purchase of Compressed Natural Gas for resale at the Retail Outlets	203.95	NA	-
5	Indraprastha Gas Ltd.	Joint Venture Company	Sale of Goods	2014-15	Sale of Liquefied Natural Gas/Lubricants.	434.38	NA	-
6	Matrix Bharat Pte. Ltd	Joint Venture Company	Sale of Goods	2014-15	Sale of bunker fuels/Naphtha.	2,286.27	NA	-
7	Numaligarh Refinery Ltd.	Subsidiary Company	Purchase of Goods	2014-15	Purchase of petroleum products for resale	9,010.19	NA	-
8	Petronet CCK Limited (PCCK)	Joint Venture Company	Receiving of Services	2014-15	Transportation of petroleum products through PCCK pipeline.	108.45	NA	-
9	Petronet LNG Ltd.	Joint Venture Company	Purchase of Goods	2014-15	Purchase of Regassified Liquefied Natural Gas for consumption/sale	5,612.34	NA	112.36
10	Sabarmati Gas Ltd.	Joint Venture Company	Purchase of Goods	2014-15	Purchase of Compressed Natural Gas for resale at the Retail Outlets	129.56	NA	-
11	Sabarmati Gas Ltd.	Joint Venture Company	Sale of Goods	2014-15	Sale of Liquefied Natural Gas.	339.64	NA	-

Note: The threshold for determining the material transaction has been considered in line with Rule 15(3) of Companies (Meetings of Boards and its Powers) Rules, 2014.
All transactions are in the ordinary course of business and at arm's length.

For and on behalf of the Board of Directors

Sd/-
S. Varadarajan
Chairman & Managing Director

Place : Mumbai
Date : 28th May, 2015

ANNEXURE G

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i) CIN	L23220MH1952GOI008931
(ii) Registration date	3rd November,1952
(iii) Name of the Company	Bharat Petroleum Corporation Limited
(iv) Category/Sub-Category of the Company	Public Company Limited by Shares/Government Company
(v) Address of the Registered Office and contact details	Bharat Bhavan, 4&6, Currimbhoy Road, Ballard Estate, P.B. No. 688, Mumbai 400 001, India Tel No. 022 2271 3000 / 4000 Fax. No. 022 2271 3874 Email : info@bharatpetroleum.in Website : www.bharatpetroleum.in
(vi) Whether listed Company	Yes
(vii Name, Address and Contact details of Registrar and Transfer Agent, if any	Data Software Research Co. Pvt. Ltd. #19, Pycrofts Garden Road, Off. Haddows Road, Nungambakkam,Chennai- 600 006 Ph: +91-44-2821 3738 / 2821 4487; Fax: 91-44-2821 4636; Email : bpcl@dsrc-cid.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No	Name and Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the Company (After allocating Cash subsidy received)
1	Motor Spirit (MS)	Group 192; sub-class: 19201	20.15
2	High Speed Diesel (HSD)	Group 192; sub-class: 19201	51.30

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Numaligarh Refinery Limited 122A, G. S. Road, Christian Basti, Guwahati, Assam 781005, India	U11202AS1993GOI003893	Subsidiary	61.65%	2(87)
2	Bharat PetroResources Limited Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai, Maharashtra 400001, India	U23209MH2006GOI165152	Subsidiary	100.00%	2(87)
3	Bharat PetroResources JPDA Limited Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai, Maharashtra 400001, India	U23209MH2006GOI165279	Subsidiary	*100.00%	2(87)
4	BPRL International BV., WTC Amsterdam, Tower C-11 Strawinskylaan 1143 I 1077 XX Amsterdam, Netherlands	Not Applicable	Subsidiary	*100.00%	2(87)

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5	BPRL Ventures BV. WTC Amsterdam, Tower C-11 Strawinskylaan 1143 I 1077 XX Amsterdam, Netherlands	Not Applicable	Subsidiary	*100.00%	2(87)
6	BPRL Ventures Mozambique BV WTC Amsterdam, Tower C-11 Strawinskylaan 1143 I 1077 XX Amsterdam, Netherlands	Not Applicable	Subsidiary	*100.00%	2(87)
7	BPRL Ventures Indonesia BV WTC Amsterdam, Tower C-11 Strawinskylaan 1143 I 1077 XX Amsterdam, Netherlands	Not Applicable	Subsidiary	*100.00%	2(87)
8	Bharat Oman Refineries Limited Administrative Building, Refinery Complex, Post BORL Residential Complex, Bina, Dist. Sagar, Bina, Madhya Pradesh 470124, India	U11101MP1994PLC008162	Associate	50.00%	2(6)
9	Petronet LNG Limited First floor, World Trade Centre, Babar Road, Barakhamba Lane, New Delhi, Delhi 110 001, India	L74899DL1998PLC093073	Associate	12.50%	2(6)
10	Indraprastha Gas Limited IGL Bhawan, Plot No 4, Community Centre, Sector 9, R K Puram, New Delhi 110022, India	L23201DL1998PLC097614	Associate	22.50%	2(6)
11	Sabarmati Gas Limited Plot No 907, Sector 21, Gandhinagar, Gujarat 382021, India	U40200GJ2006PLC048397	Associate	25.00%	2(6)
12	Central U.P. Gas Limited A-1/4, Lakhanpur, Upsidcomplex, Kanpur, Uttar Pradesh 208024, India	U40200UP2005PLC029538	Associate	25.00%	2(6)
13	Maharashtra Natural Gas Limited Plot No 27, Narveer Tanaji wadi, PMT Bus Depot, Commercial Building, 1st floor, Shivaji Nagar, Pune 411005, India	U11102PN2006PLC021839	Associate	23.68%	2(6)
14	Bharat Stars Services Private Limited Aviation Fuelling Station, Shahbad Mohammad Pur, New Delhi 110061, India	U11100DL2007PTC168158	Associate	50.00%	2(6)
15	Bharat Renewable Energy Limited Room No. 200, 1st Floor, Bio-Business Block, Biotech Park, Sec-G, Jankipuram, Kursi Road, Lucknow, Uttar Pradesh 226021, India	U74999UP2008PLC035469	Associate	33.33%	2(6)
16	Matrix Bharat Pte Limited, 2 Shenton way, SGX Centre 1, Singapore 068804	Not Applicable	Associate	50.00%	2(6)

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
17	Petronet India Limited BPCL Sewree Installation, Sewree Fort Road, Sewree (East), Mumbai 400015, India	U45203MH1997PLC108251	Associate	16.00%	2(6)
18	Petronet CCK Limited New Oil Installation, Irimpanam, Ernakulam, Kerala 682309 India	U60300KL1998PLC012336	Associate	49.00%	2(6)
19	Delhi Aviation Fuel Facility Pvt Limited Aviation Fuelling Station,Shahbad Mohammad Pur, IGI Airport, New Delhi 110061, India	U74999DL2009PTC193079	Associate	37.00%	2(6)
20	Kannur International Airport Limited 'Parvathy', T.C.36/1, Near Ananthapuri Hospital, NH Bypass, Pettah, Thiruvananthapuram, Kerala 695024, India	U63033KL2009SGC025103	Associate	21.68%	2(6)
21	GSPL India Transco Limited GSPC Bhavan, B/H Udyog Bhavan, Sector 11, Gandhinagar, Gujarat 382011, India	U40200GJ2011SGC067450	Associate	11.00%	2(6)
22	GSPL India Gasnet Limited GSPC Bhavan, B/H Udyog Bhavan, Sector 11, Gandhinagar, Gujarat 382011, India	U40200GJ2011SGC067449	Associate	11.00%	2(6)
23	Mumbai Aviation Fuel Farm Facility Private Limited 1st floor, Terminal 1 B, CSI Airport Mumbai 400099, India	U63000MH2010PTC200463	Associate	25.00%	2(6)
24	Kochi Salem Pipeline Private Limited Irimpanam Installation, Irimpanam P O, Kochi, Kerala 682309, India	U40300KL2015PTC037849	Associate	50.00%	2(6)
25	IBV Brasil Petroleo Limitada, Av.das Américas, 4200 Salas 217B a 220B (parte), Bloco 09. Centro Empresarial Barra Shopping Cep 22 640-102, Rio de Janeiro, RJ Brasil	Not applicable	Associate	*50.00%	2(6)
26	DNP Limited, Adams Plaza, 1st Floor, Christian Basti, G S Road, Guwahati, Assam 781005, India	U51410AS2007SGC008410	Associate	*26.00%	2(6)

* Shares are held by Subsidiary

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individual / HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt / State Govt(s)	397200120	-	397200120	54.93	397200120	-	397200120	54.93	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**397200120**	-	**397200120**	**54.93**	**397200120**	-	**397200120**	**54.93**	-
(2)	**Foreign**									
(a)	NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**397200120**		**397200120**	**54.93**	**397200120**		**397200120**	**54.93**	
B.	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds/UTI	64367065	44	64367109	8.90	46656075	44	46656119	6.45	-2.45
(b)	Banks / FI	644549	3092	647641	0.09	788292	3092	791384	0.11	0.02
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	6222222	6222222	0.86	-	6222222	6222222	0.86	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	49925459	-	49925459	6.90	37771944	-	37771944	5.22	-1.68
(g)	FIIs	82244029	800	82244829	11.37	124249941	800	124250741	17.18	5.81
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**197181102**	**6226158**	**203407260**	**28.13**	**209466252**	**6226158**	**215692410**	**29.83**	**1.70**
(2)	**Non-Institutions**									
(a)	Bodies Corporate									
(i)	Indian	35776006	35628	35811634	4.95	24525285	35540	24560825	3.40	-1.55
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
(i)	Individual Shareholders holding Nominal Share Capital upto ₹1 lakh	13183717	1859160	15042877	2.08	12739217	1738533	14477750	2.00	-0.08
(ii)	Individual Shareholders holding Nominal Share Capital in excess of ₹1 lakh	2377506	20656	2398162	0.33	2013119	20656	2033775	0.28	-0.05
(c)	Others (specify)									
(i)	NRI	493492	23428	516920	0.07	504241	34250	538491	0.07	-
(ii)	BPCL Trust for investment in shares	-	67457474	67457474	9.33	67457474	-	67457474	9.33	-
(iii)	Clearing Members	1249801	-	1249801	0.17	1123403	-	1123403	0.16	-0.01
	Sub-Total (B)(2)	**53080522**	**69396346**	**122476868**	**16.94**	**108362739**	**1828979**	**110191718**	**15.24**	**-1.70**
	Total Public Shareholding (B)=(B)(1) + (B)(2)	**250261624**	**75622504**	**325884128**	**45.07**	**317828991**	**8055137**	**325884128**	**45.07**	**-**
C.	**Shares held by Custodian for GDRs & ADRs**									
	Grand Total (A+B+C)	**647461744**	**75622504**	**723084248**	**100.00**	**715029111**	**8055137**	**723084248**	**100.00**	**-**

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)			Shareholding at the end of the year (31.03.2015)			% Change in Share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1	President of India	397200120	54.93	-	397200120	54.93	-	-
	Total	**397200120**	**54.93**	-	**397200120**	**54.93**	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	397200120	54.93	397200120	54.93
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	There is no change in Promoter's Shareholding between 01.04.2014 to 31.03.2015			
	At the end of the year	397200120	54.93	397200120	54.93

(iv) Shareholding Pattern of top ten Members (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Date	Increase/ decrease in Share-holding	Reason	Cumulative Shareholding during the year (01.04.2014-31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	BPCL Trust for Investment in Shares	67457474	9.33	01.04.2014				
				31.03.2015	-	-	67457474	9.33
2	Life Insurance Corporation of India	39162846	5.42	01.04.2014				
				04.04.2014	-1079997	Sale	38082849	5.27
				11.04.2014	-810340	Sale	37272509	5.15
				13.06.2014	-246947	Sale	37025562	5.12
				20.06.2014	-7448	Sale	37018114	5.12
				04.07.2014	-134780	Sale	36883334	5.10
				11.07.2014	-663106	Sale	36220228	5.01
				05.09.2014	-862686	Sale	35357542	4.89
				12.09.2014	-483422	Sale	34874120	4.82
				19.09.2014	-11428	Sale	34862692	4.82
				07.11.2014	-491855	Sale	34370837	4.75
				14.11.2014	-1508716	Sale	32862121	4.54
				21.11.2014	-748542	Sale	32113579	4.44
				28.11.2014	-1799774	Sale	30313805	4.19
				05.12.2014	-647085	Sale	29666720	4.10

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Date	Increase/ decrease in Share-holding	Reason	Cumulative Shareholding during the year (01.04.2014-31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				02.01.2015	35131	purchase	29701851	4.11
				09.01.2014	1064167	purchase	30766018	4.25
				16.01.2015	158061	purchase	30924079	4.28
				23.01.2015	250045	purchase	31174124	4.31
				27.02.2015	-168221	Sale	31005903	4.29
				06.03.2015	-1727005	Sale	29278898	4.05
				13.03.2015	-972478	Sale	28306420	3.91
				20.03.2015	-602428	Sale	27703992	3.83
				31.03.2015	-617233	Sale	27086759	3.75
3	ICICI Prudential Life Insurance Co.	12485353	1.73	01.04.2014				
				04.04.2014	28389	purchase	12513742	1.73
				11.04.2014	-8827	sale	12504915	1.73
				18.04.2014	18275	purchase	12523190	1.73
				02.05.2014	-30727	sale	12492463	1.73
				09.05.2014	-19844	sale	12472619	1.72
				16.05.2014	26678	purchase	12499297	1.73
				23.05.2014	70351	purchase	12569648	1.74
				30.05.2014	-6636	sale	12563012	1.74
				06.06.2014	-22694	sale	12540318	1.73
				13.06.2014	-538414	sale	12001904	1.66
				20.06.2014	-9592	sale	11992312	1.66
				30.06.2014	15534	purchase	12007846	1.66
				04.07.2014	28668	purchase	12036514	1.66
				11.07.2014	18611	purchase	12055125	1.67
				18.07.2014	-626211	sale	11428914	1.58
				25.07.2014	-975349	sale	10453565	1.45
				01.08.2014	-197654	sale	10255911	1.42
				08.08.2014	70081	purchase	10325992	1.43
				15.08.2014	4094	purchase	10330086	1.43
				22.08.2014	-184959	sale	10145127	1.40
				29.08.2014	-102440	sale	10042687	1.39
				05.09.2014	-211523	sale	9831164	1.36
				12.09.2014	5325	purchase	9836489	1.36
				19.09.2014	53562	purchase	9890051	1.37
				26.09.2014	48525	purchase	9938576	1.37
				03.10.2014	-1373	sale	9937203	1.37
				17.10.2014	49050	purchase	9986253	1.38
				24.10.2014	-330992	sale	9655261	1.34
				31.10.2014	-163155	sale	9492106	1.31
				07.11.2014	-105095	sale	9387011	1.30

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Date	Increase/ decrease in Share-holding	Reason	Cumulative Shareholding during the year (01.04.2014-31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				14.11.2014	54154	purchase	9441165	1.31
				21.11.2014	8871	purchase	9450036	1.31
				28.11.2014	-229261	sale	9220775	1.28
				05.12.2014	-759487	sale	8461288	1.17
				12.12.2014	-22034	sale	8439254	1.17
				19.12.2014	-130159	sale	8309095	1.15
				02.01.2015	24567	purchase	8333662	1.15
				09.01.2014	-514209	sale	7819453	1.08
				23.01.2015	-88410	sale	7731043	1.07
				30.01.2015	-231900	sale	7499143	1.04
				06.02.2015	-152365	sale	7346778	1.02
				13.02.2015	-6092	sale	7340686	1.02
				20.02.2015	-3275	sale	7337411	1.01
				27.02.2015	-7823	sale	7329588	1.01
				06.03.2015	23963	purchase	7353551	1.02
				13.03.2015	-341366	sale	7012185	0.97
				20.03.2015	-86182	sale	6926003	0.96
				27.03.2015	-172621	sale	6753382	0.93
				31.03.2015	-85373	sale	6668009	0.92
4	Government Pension Fund Global	9235807	1.28	01.04.2014				
				04.04.2014	66346	purchase	9302153	1.29
				11.04.2014	-198405	sale	9103748	1.26
				18.04.2014	-162813	sale	8940935	1.24
				02.05.2014	-638234	sale	8302701	1.15
				09.05.2014	-227630	sale	8075071	1.12
				16.05.2014	-43617	sale	8031454	1.11
				23.05.2014	-292479	sale	7738975	1.07
				06.06.2014	-371911	sale	7367064	1.02
				13.06.2014	-773448	sale	6593616	0.91
				20.06.2014	-1576758	sale	5016858	0.69
				30.06.2014	-2309603	sale	2707255	0.37
				11.07.2014	-44760	sale	2662495	0.37
				28.11.2014	-70000	sale	2592495	0.36
				31.12.2014	-553435	sale	2039060	0.28
				27.02.2015	650174	purchase	2689234	0.37
				31.03.2015	1363858	purchase	4053092	0.56
5	HDFC Standard Life Insurance Co. Ltd.	8951951	1.24	01.04.2014				
				04.04.2014	93053	purchase	9045004	1.25
				11.04.2014	21577	purchase	9066581	1.25
				18.04.2014	23730	purchase	9090311	1.26

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Date	Increase/ decrease in Share-holding	Reason	Cumulative Shareholding during the year (01.04.2014-31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				02.05.2014	-24408	sale	9065903	1.25
				09.05.2014	589	purchase	9066492	1.25
				16.05.2014	-244526	sale	8821966	1.22
				23.05.2014	21526	purchase	8843492	1.22
				06.06.2014	-49079	sale	8794413	1.22
				13.06.2014	-39187	sale	8755226	1.21
				20.06.2014	-3773	sale	8751453	1.21
				30.06.2014	42585	purchase	8794038	1.22
				04.07.2014	23508	purchase	8817546	1.22
				11.07.2014	-480179	sale	8337367	1.15
				18.07.2014	246610	purchase	8583977	1.19
				25.07.2014	204466	purchase	8788443	1.22
				01.08.2014	42407	purchase	8830850	1.22
				15.08.2014	299	purchase	8831149	1.22
				22.08.2014	-541793	sale	8289356	1.15
				29.08.2014	-107251	sale	8182105	1.13
				05.09.2014	-421858	sale	7760247	1.07
				12.09.2014	-54485	sale	7705762	1.07
				19.09.2014	-107696	sale	7598066	1.05
				26.09.2014	62897	purchase	7660963	1.06
				17.10.2014	110040	purchase	7771003	1.07
				24.10.2014	-235574	sale	7535429	1.04
				31.10.2014	-238366	sale	7297063	1.01
				07.11.2014	-32805	sale	7264258	1.00
				14.11.2014	-78299	sale	7185959	0.99
				21.11.2014	-166765	sale	7019194	0.97
				28.11.2014	15	purchase	7019209	0.97
				05.12.2014	-82787	sale	6936422	0.96
				12.12.2014	29	purchase	6936451	0.96
				19.12.2014	-35448	sale	6901003	0.95
				02.01.2015	4748	purchase	6905751	0.96
				09.01.2014	3116	purchase	6908867	0.96
				16.01.2015	-520267	sale	6388600	0.88
				23.01.2015	9884	purchase	6398484	0.88
				30.01.2015	-584	sale	6397900	0.88
				06.02.2015	-430814	sale	5967086	0.83
				13.02.2015	-6714	sale	5960372	0.82
				20.02.2015	-4363	sale	5956009	0.82
				27.02.2015	-178769	sale	5777240	0.80
				06.03.2015	-220441	sale	5556799	0.77

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Date	Increase/ decrease in Share-holding	Reason	Cumulative Shareholding during the year (01.04.2014-31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				13.03.2015	-11325	sale	5545474	0.77
				27.03.2015	-95360	sale	5450114	0.75
				31.03.2015	-271269	sale	5178845	0.72
6	HDFC Trustee Co. Ltd.-HDFC Equity	8385440	1.16	01.04.2014				
				02.05.2014	-184500	sale	8200940	1.13
				23.05.2014	-100000	sale	8100940	1.12
				20.06.2014	300000	purchase	8400940	1.16
				30.06.2014	1599060	purchase	10000000	1.38
				04.07.2014	200000	purchase	10200000	1.41
				11.07.2014	354397	purchase	10554397	1.46
				25.07.2014	50000	purchase	10604397	1.47
				26.09.2014	176000	purchase	10780397	1.49
				23.01.2015	-400000	sale	10380397	1.44
				06.02.2015	-200000	sale	10180397	1.41
				20.02.2015	-350000	sale	9830397	1.36
				31.03.2015	-75000	sale	9755397	1.35
7	HDFC Trustee Co. Ltd. - HDFC Top	6427592	0.89	01.04.2014				
				04.04.2014	-200000	sale	6227592	0.86
				02.05.2014	-257500	sale	5970092	0.83
				23.05.2014	-100000	sale	5870092	0.81
				30.06.2014	200000	purchase	6070092	0.84
				17.10.2014	-132000	sale	5938092	0.82
				20.02.2015	-50000	sale	5888092	0.81
				06.03.2015	-132000	sale	5756092	0.80
				13.03.2015	-94000	sale	5662092	0.78
				31.03.2015	0	-	5662092	0.78
8	Governor of Kerala	6222222	0.86	01.04.2014				
				31.03.2015	0	-	6222222	0.86
9	The New India Assurance Co. Ltd.	3876438	0.54	01.04.2014				
				30.05.2014	-60000	sale	3816438	0.53
				06.06.2014	-5000	sale	3811438	0.53
				13.06.2014	-48977	sale	3762461	0.52
				20.06.2014	-10000	sale	3752461	0.52
				30.06.2014	-76023	sale	3676438	0.51
				12.09.2014	-6313	sale	3670125	0.51
				19.09.2014	-15000	sale	3655125	0.51
				26.09.2014	-10000	sale	3645125	0.50
				17.10.2014	-35689	sale	3609436	0.50
				24.10.2014	-25000	sale	3584436	0.50
				31.10.2014	-35000	sale	3549436	0.49

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Date	Increase/ decrease in Share-holding	Reason	Cumulative Shareholding during the year (01.04.2014-31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				07.11.2014	-10000	sale	3539436	0.49
				14.11.2014	-25000	sale	3514436	0.49
				21.11.2014	-23356	sale	3491080	0.48
				28.11.2014	-15306	sale	3475774	0.48
				05.12.2014	-36338	sale	3439436	0.48
				13.03.2015	-31611	sale	3407825	0.47
				20.03.2015	-26300	sale	3381525	0.47
				31.03.2015	-2089	sale	3379436	0.47
10	HDFC Trustee Co. Ltd. - Tax Saver	3228555	0.45	01.04.2014				
				12.12.2014	-200000	sale	3028555	0.42
				13.03.2015	-216000	sale	2812555	0.39
				31.03.2015	0	-	2812555	0.39
11	Vanguard Emerging Mkts Stock Index	3171176	0.44	01.04.2014				
				04.04.2014	15360	purchase	3186536	0.44
				11.04.2014	18816	purchase	3205352	0.44
				18.04.2014	2688	purchase	3208040	0.44
				23.05.2014	6912	purchase	3214952	0.44
				11.07.2014	13440	purchase	3228392	0.45
				25.07.2014	15360	purchase	3243752	0.45
				01.08.2014	24576	purchase	3268328	0.45
				22.08.2014	9600	purchase	3277928	0.45
				12.09.2014	10752	purchase	3288680	0.45
				28.11.2014	5936	purchase	3294616	0.46
				05.12.2014	5300	purchase	3299916	0.46
				09.01.2014	-10660	sale	3289256	0.45
				23.01.2015	-9100	sale	3280156	0.45
				06.02.2015	-1300	sale	3278856	0.45
				13.02.2015	-5200	sale	3273656	0.45
				31.03.2015	-3900	sale	3269756	0.45
12	Franklin Templeton Investment Funds	2410000	0.33	01.04.2014				
				11.04.2014	450000	purchase	2860000	0.40
				18.04.2014	414423	purchase	3274423	0.45
				02.05.2014	233641	purchase	3508064	0.49
				25.07.2014	536000	purchase	4044064	0.56
				05.12.2014	775000	purchase	4819064	0.67
				19.12.2014	877972	purchase	5697036	0.79
				02.01.2015	1347028	purchase	7044064	0.97
				23.01.2015	1050000	purchase	8094064	1.12
				13.02.2015	-430000	sale	7664064	1.06
				27.02.2015	960578	purchase	8624642	1.19

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Date	Increase/ decrease in Share-holding	Reason	Cumulative Shareholding during the year (01.04.2014-31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				13.03.2015	39422	purchase	8664064	1.20
				20.03.2015	100000	purchase	8764064	1.21
				31.03.2015	0	-	8764064	1.21
13	Robeco Capital Growth Funds	94696	0.01	01.04.2014				
				14.11.2014	780000	purchase	874696	0.12
				28.11.2014	594829	purchase	1469525	0.20
				05.12.2014	1066443	purchase	2535968	0.35
				12.12.2014	2096	purchase	2538064	0.35
				19.12.2014	298371	purchase	2836435	0.39
				16.01.2015	300000	purchase	3136435	0.43
				13.02.2015	-7375	sale	3129060	0.43
				20.02.2015	190000	purchase	3319060	0.46
				27.02.2015	60000	purchase	3379060	0.47
				13.03.2015	-603	sale	3378457	0.47
				31.03.2015	0	-	3378457	0.47

Note: The Shares of the Company are traded on daily basis and hence date wise increase/decrease in Shareholding is provided as per weekly download from Depositories.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2014)		Date	Increase/ decrease in Share-holding	Reason	Cumulative Shareholding during the year (01.04.2014-31.03.2015)	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
	Whole Time Directors:							
1	Shri S.Varadarajan, Chairman & Managing Director	-	-	01.04.2014	-	-		
				31.03.2015			-	-
2	Shri K. K. Gupta, Director (Marketing)	-	-	01.04.2014	-	-		
				31.03.2015			-	-
3	Shri B. K.Datta, Director (Refineries)	150	0.00	01.04.2014				
				08.08.2014	-50	Transfer	100	0.00
				31.03.2015			100	0.00
4	Shri S. P. Gathoo, Director (Human Resources)	1,200	0.00	01.04.2014	0	-		
				31.03.2015			1,200	0.00
5	Shri P. Balasubramanian, Director (Finance)	6	0.00	01.04.2014	0	-		
				31.03.2015			6	0.00

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2014)		Date	Increase/ decrease in Share-holding	Reason	Cumulative Shareholding during the year (01.04.2014-31.03.2015)	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
	Non-Executive (Ex-Officio) Directors:							
6	Dr. N. Mittal	-	-	01.04.2014	-	-		
				31.03.2015			-	-
7	Shri P. H. Kurian	-	-	01.04.2014	-	-		
				31.03.2015			-	-
	Non-Executive (Independent) Directors:							
8	Prof. J. R. Varma	-	-	01.04.2014	-	-		
				31.03.2015			-	-
9	Shri B. Chakrabarti	-	-	01.04.2014	-	-		
				31.03.2015			-	-
	Key Managerial Personnel:							
10	Shri S V Kulkarni, Company Secretary	-	-	01.04.2014	-	-		
				31.03.2015			-	-
	Total	**1,356**	**0.00**				**1,306**	**0.00**

V. Indebtedness

Amount (₹ in Crores)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposit**	**Total Indebtedness**
Indebtedness at the beginning of the financial year (01.04.2014)				
(i) Principal Amount	3,525.16	16,796.40	0.14	20,321.70
(ii) Interest due but not paid	-	-	* 0.07	0.07
(iii) Interest accrued but not due	29.37	108.42	-	137.79
Total (i+ii+iii)	**3,554.53**	**16,904.82**	**0.21**	**20,459.56**
Change in Indebtedness during the financial year				
Addition	88,018.72	18,804.33	-	1,06,823.05
Reduction	89,896.11	24,150.91	0.09	1,14,047.11
Net Change	(1,877.39)	(5,346.58)	(0.09)	(7,224.06)
Indebtedness at the end of the financial year (31.03.2015)				
(i) Principal Amount	1,647.77	11,449.83	0.08	13,097.68
(ii) Interest due but not paid	-	-	* 0.04	0.04
(iii) Interest accrued but not due	29.03	135.99	-	165.02
Total (i+ii+iii)	**1,676.80**	**11,585.82**	**0.12**	**13,262.74**

Note: *Cheques for interest due were issued but not claimed.

VI. Remuneration of Directors and Key Managerial Personnel **Amount (₹ in Crores)**

A. Remuneration to Managing Director, Whole time Directors and/or Manager

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total
		S. Varadarajan	K. K. Gupta	B. K. Datta	S. P. Gathoo	P. Bala-subramanian	
1	Gross Salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	50,85,918	56,91,599	35,37,202	39,34,352	33,97,917	216,46,989
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	9,97,673	11,46,775	10,65,853	9,89,879	7,28,235	49,28,415
	(c) Profits in lieu of salary under section 17(3) of Income-Tax Act, 1961	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-
5	Others: Allowances/Contributions	4,36,674	4,53,308	5,67,410	7,77,622	4,52,420	26,87,434
	Total (A)	**65,20,266**	**72,91,682**	**51,70,465**	**57,01,853**	**45,78,572**	**292,62,838**
	Ceiling as per the Act	Provisions of Section 197 of the Companies Act, 2013 with respect to overall maximum managerial remuneration is not applicable to the Company being a Govt. Company as per MCA notification GSR 463(E) dated 05.06.2015.					

B. Remuneration to other Directors **(Amount in ₹)**

Sl. No.	Particulars of Remuneration	Name of Directors				Total
		N. Mittal	P. H. Kurian	J. R. Varma	B. Chakrabarti	
1	Independent Directors					
	- Fee for attending Board Committee meetings	-	-	6,80,000	8,00,000	14,80,000
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (1)	**-**	**-**	**6,80,000**	**8,00,000**	**14,80,000**
2	Other Non-Executive Directors					
	- Fee for attending Board Committee meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**-**	**-**	**6,80,000**	**8,00,000**	**14,80,000**
	Total Managerial Remuneration	Provisions of Section 197 of the Companies Act, 2013 with respect to overall maximum managerial remuneration is not applicable to the Company being a Govt. Company. (as per MCA notification GSR 463(E) dated 05.06.2015).				
	Overall ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD **(Amount in ₹)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	-	40,46,370	-	40,46,370
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	9,13,897	-	9,13,897
	(c) Profits in lieu of salary under section 17(3) of Income-Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	
	- as % of profit	-	-	-	
	- others, specify	-	-	-	
5	Others: Allowances/Contributions	-	4,18,874	-	4,18,874
	Total	**-**	**53,79,141**		**53,79,141**

C&MD and Director (Finance) are CEO and CFO respectively whose remuneration details are provided under VI A above.

VII. Penalties/Punishment/Compounding of Offences

Sr. No	Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A.	Company/ Director	Complaint Nos. (1) CC 194 of 2014, (2) CC 195 of 2014, (3) CC 196 of 2014 & (4) CC 197 of 2014 (Old Complaint Nos. 7285 to 7288 of 2008) Under Section 211(7) read with Schedule VI of the Companies Act, 1956.	The Complainant, Addl Registrar of Companies, Bombay have filed the Complaint against the Accused late Shri Raj Kumar Gajree (then Managing Director) charging offences for non- disclosure of information regarding fees paid to Auditors for 'Other Services' and non-disclosure of information relating to short term deposits – 'Income from Investment' for the years of (1) 1987-88, (2) 1988-89, (3) 1989-90 & (4) 1990-91 as required under section 211 read with Schedule VI, Part II, Item 4 B of the Act.	Penalty provided under Section 211(7): Imprisonment up to 6 months or fine up to ₹ 1,000/- or both.	The Additional Chief Metropolitan Magistrate, Girgaon, Mumbai.	Not Applicable (Complaints are Pending for Hearing).
	Penalty	Nil				
	Punishment					
	Compounding					
B.	Directors					
	Penalty					
	Punishment					
	Compounding					
C.	Other Officers in default					
	Penalty					
	Punishment					
	Compounding					

ANNEXURE H

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
BHARAT PETROLEUM CORPORATION LIMITED
Bharat Bhavan
4 & 6 Currimbhoy Road
Ballard Estate
Mumbai 400001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BHARAT PETROLEUM CORPORATION LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **BHARAT PETROLEUM CORPORATION LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **BHARAT PETROLEUM CORPORATION LIMITED** for the financial year ended on 31st March, 2015 according to the provisions of:

(i) The Companies Act, 1956 and the Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the review period:

e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Based on the compliance mechanism established by the Company and the legal compliance report submitted to and taken on record by the Board of Directors, we are of the opinion that the Company has complied with the following laws specifically applicable to the Company:

a. The Petroleum Act,1934;
b. The Oil Fields (Regulation and Development) Act,1948;
c. The Oil Industry (Development) Act, 1974;
d. The Energy Conservation Act, 2001;
e. The Petroleum & Natural Gas Regulatory Board Act, 2006;
f. Government Guidelines/Rules/Regulations as may be applicable to the Company

We have also examined compliance with applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India. (Since these Secretarial Statements have come into effect from 1st July, 2015, not applicable to the Company during the audit period under review).

b) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

* (i) During the year under review the company did not have the required number of Non-Executive Directors, Independent Directors and at least one Woman Director as on 31st March, 2015 in terms of Section 149 (1)/(4) of Companies Act 2013 and Clause 49 of the Listing Agreement.

However, we were informed that Bharat Petroleum Corporation Limited is a Government Company under the Administrative Control of Ministry of Petroleum and Natural Gas. The nomination / appointment of all categories of Directors are done by Government of India in accordance with the laid down Department of Public Enterprises Guidelines. The subject matter of nomination / appointment of adequate number of Independent Directors including Woman Director falls under the purview of the Government of India. The Company has communicated to the Administrative Ministry with respect to the requirements and were informed of actions initiated to fulfill the requirements. It may be noted that the Company has since appointed a Woman Director w.e.f. 19.5.2015 and nominations for adequate number of Independent Directors awaited.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to the above observation*****. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

(i) The Company has set-up a Medium Term Note (MTN) Programme to facilitate the raising of funds on a regular basis from the international debt capital markets with the aggregate nominal amount of Notes outstanding under the program not exceeding USD 2 billion (or its equivalent in other currencies).

For RAGINI CHOKSHI & CO.
(Company Secretaries)

Sd/-
(Ragini Chokshi)
Partner
C.P.No. 1436
FCS No. 2390

Place : Mumbai
Date : 14th July, 2015

PERFORMANCE PROFILE

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
1. Refinery Thruput (TMT)										
Imported	**17,661**	16,761	17,155	16,353	14,769	14,126	13,143	13,904	13,465	11,584
Indigenous	**5,694**	6,590	6,050	6,559	7,015	6,281	6,802	7,042	6,317	5,653
TOTAL	**23,355**	23,351	23,205	22,912	21,784	20,407	19,945	20,946	19,782	17,237
2. Production Quantity (000 KL)	**27,366**	27,180	26,871	26,526	26,346	24,449	22,820	23,960	22,154	19,795
Light Distillates %	**30.32**	31.57	31.08	31.54	34.51	32.80	30.46	30.73	28.20	31.97
Middle Distillates %	**59.35**	56.93	56.36	55.34	53.48	52.88	53.67	54.13	53.55	50.43
Heavy Ends %	**10.33**	11.50	12.55	13.12	12.01	14.32	15.87	15.14	18.25	17.60
3. Fuel and Loss as % of Crude Processed *	**5.2**	5.6	5.9	6.1	5.7	5.9	6.6	6.6	6.6	6.7
4. Market Sales (MMT)	**34.45**	34.00	33.30	31.14	29.27	27.89	27.35	25.79	23.45	21.63
5. Lubricants Production (MT)	**2,87,649**	2,58,112	2,58,586	2,17,851	2,20,387	2,09,301	1,51,788	1,61,957	1,16,337	100,461
6. Market Participation %	**23.3**	23.5	23.1	22.4	22.5	22.5	22.8	22.7	22.6	22.4
7. Marketing Network										
Installations	**13**	12	12	12	12	12	12	12	12	12
Depots	**114**	116	115	115	114	129	120	126	121	121
Aviation Service Stations	**35**	34	36	36	31	30	23	22	21	20
Total Tankages (Million KL)	**3.52**	3.49	3.44	3.43	3.39	3.40	3.33	3.32	3.27	3.01
Retail Outlets	**12,809**	12,123	11,637	10,310	9,289	8,692	8,402	8,251	7,537	7,332
LPG Bottling Plants	**50**	50	50	49	49	49	49	48	48	45
LPG Distributors	**4,044**	3,355	2,949	2,658	2,452	2,187	2,117	2,137	2,129	2,123
LPG Customers (No. Million)	**45.8**	41.2	37.4	34.5	31.1	28.3	26.6	25.3	23.5	22.2
8. Manpower (Nos.)	**12,687**	13,214	13,213	13,343	13,837	13,900	14,016	14,006	13,970	13,876
9. Sales and Earnings (Figures in ₹ Crores)										
i) Sales and Other Income	**2,47,552**	2,53,492	2,29,796	2,03,866	1,54,886	1,27,884	1,30,118	1,13,936	1,02,428	82,935
ii) Gross Profit before Depreciation, Interest & Tax	**10,515**	9,555	7,787	5,569	5,167	4,619	4,246	4,368	4,204	1,423
iii) Depreciation	**2,516**	2,247	1,926	1,885	1,655	1,242	1,076	1,098	904	768
iv) Interest	**583**	1,359	1,825	1,800	1,117	1,011	2,166	673	533	247
v) Profit before Tax	**7,416**	5,949	4,036	1,884	2,395	2,366	1,004	2,597	2,768	407
vi) Tax	**2,331**	1,888	1,393	573	848	828	268	1,017	962	116
vii) Profit after Tax	**5,085**	4,061	2,643	1,311	1,547	1,538	736	1,581	1,806	292

* The Figures of Fuel & Loss reported do not include the external fuel used in Refineries

PERFORMANCE PROFILE (CONTD.)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
10. What the Company Owned (₹ Crores)										
i) Gross Fixed Assets(including Capital Work-in-Progress)	**49,475**	41,229	36,095	32,846	30,307	27,930	24,560	22,268	20,310	18,545
ii) Net Fixed Assets (including Capital Work-in-Progress)	**27,981**	22,105	19,110	17,732	16,972	16,187	14,003	12,735	11,833	11,086
iii) Net Current Assets	**(991)**	9,584	14,690	13,612	9,715	19,954	20,536	15,445	10,652	7,783
iv) Non-Current Assets	**11,463**	10,671	9,482	8,430	8,113					
Total Assets Net (ii + iii+ iv)	**38,453**	42,360	43,282	39,774	34,800	36,141	34,539	28,180	22,485	18,869
11. What the Company Owed (₹ Crores)										
i) Share Capital	**723**	723	723	362	362	362	362	362	362	362
ii) Reserves and Surplus	**21,744**	18,736	15,911	14,552	13,696	12,725	11,766	11,315	9,912	8,778
iii) Net Worth (i +ii)	**22,467**	19,459	16,634	14,914	14,058	13,087	12,128	11,677	10,273	9,139
iv) Borrowings	**13,098**	20,322	23,839	22,994	18,960	22,195	21,172	15,022	10,829	8,374
v) Deferred Tax Liability (net)	**1,708**	1,361	1,656	1,401	1,008	859	1,239	1,481	1,383	1,356
vi) Non- Current Liabilites	**1,180**	1,218	1,153	465	774					
Total Funds Employed (iii + iv + v +vi)	**38,453**	42,360	43,282	39,774	34,800	36,141	34,539	28,180	22,485	18,869
12. Internal Generation (₹ Crores)	**5,989**	4,586	4,002	3,135	2,759	1,897	1,282	2,636	2,218	1,061
13. Value Added (₹ Crores)	**20,569**	20,855	17,638	14,837	12,926	10,085	10,447	8,024	7,955	4,781
14. Earnings in Foreign Exchange (₹ Crores)	**12,364**	19,122	18,456	19,316	12,380	9,504	6,567	7,440	5,585	4,287
15. Ratios										
i) Gross Profit before Depreciation, Interest & Tax as % age of Sales and Other Income	**4.1**	3.5	3.1	2.5	3.1	3.5	2.9	3.5	3.9	1.7
ii) Profit after Tax as % age of average Net Worth	**24.3**	22.5	16.8	9.1	11.4	12.2	6.2	14.4	18.6	3.2
iii) Gross Profit before Depreciation, Interest & Tax as % age of Capital Employed	**36.1**	25.4	19.7	14.6	15.7	13.7	13.1	15.9	19.4	8.0
iv) Profit before Tax as % age of Capital Employed	**25.5**	15.8	10.2	4.9	7.2	7.0	3.1	9.5	12.8	2.3
v) Profit After Tax as % age of Capital Employed	**17.5**	10.8	6.7	3.4	4.7	4.6	2.3	5.8	8.3	1.6
vi) Debt Equity Ratio	**0.58**	1.04	1.43	1.54	1.35	1.70	1.75	1.29	1.05	0.92
16. Earnings per Share (₹)	**70.32**	56.16	36.55	18.13	21.39	21.27	10.18	21.86	24.97	4.03
17. Book Value per Share (₹)	**310.72**	269.11	230.04	206.25	194.41	180.99	167.74	161.50	142.08	126.41
18. Dividend										
i) Percentage	**225**	170	110	110	140	140	70	40	160	25
ii) Amount (₹ Crores)	**1,627**	1,229	795	398	506	506	253	145	578	90

Note : The figures from the year 2010-11 and onwards are prepared as per the requirements of the Revised Schedule VI

SOURCES AND APPLICATION OF FUNDS

(₹ in Crores)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
SOURCES OF FUNDS										
OWN										
Profit after Tax	**5,085**	4,061	2,643	1,311	1,547	1,538	736	1,581	1,806	292
Foreign Exchange Gain credited to Foreign Currency Monetary Item Translation Difference Account (Net of amortisation)	**-**	184	-	-	-	-	-	-	-	-
Capital Grants received / (Reversed) (Net of amortisation)	**3**	5	-	-	2	-	-	-	(1)	3
Adjustment on account of Transitional Provisions	**-**	-	-	-	-	-	-	(36)	-	-
Depreciation	**2,524**	2,247	1,926	1,885	1,655	1,247	1,084	1,099	1,056	771
Investment	**-**	262	-	461	2,124	4,577	-	-	-	-
Deferred Tax Provision	**347**	(295)	255	393	148	(380)	(242)	111	27	102
BORROWINGS										
Loans (net)	**-**	-	845	4,022	-	1,024	6,149	4,193	2,456	3,715
LPG Deposits	**1,183**	904	653	613	570	411	237	232	154	150
Decrease in Working Capital	**9,533**	3,109	-	-	235	-	2,432	-	1,382	-
Adjustment on account of Deletion/Re-classification, etc.	**(28)**	19	236	63	50	16	38	38	4	7
	18,647	10,496	6,558	8,748	6,331	8,433	10,434	7,218	6,884	5,040
APPLICATION OF FUNDS										
Capital Expenditure	**8,494**	5,553	3,544	2,762	2,532	3,447	2,389	2,039	1,808	2,009
Foreign Exchange Loss debited to Foreign Currency Monetary Item Translation Difference Account (including amortisation)	**157**									
Dividend	**1,627**	1,229	795	398	506	506	253	145	579	90
Tax on distributed profits	**294**	197	127	57	71	73	32	9	92	13
Repayment of Loans (net)	**7,224**	3,517	-	-	3,222	-	-	-	-	-
Investment	**851**	-	1,192	-	-	-	7,760	2,023	4,405	2,788
Increase in Working Capital	**-**	-	900	5,531	-	4,407	-	3,002	-	140
	18,647	10,496	6,558	8,748	6,331	8,433	10,434	7,218	6,884	5,040

Note: The figures for the years 2005-06 and onwards are merged figures including erstwhile KRL.

SALES VOLUME ('000 MT)

	2014-15		2013-14		2012-13		2011-12		2010-11	
	Sales	**Market Share (%)**	Sales	Market Share (%)	Sales	Market Share (%)	Sales	Market Share (%)	Sales	Market Share (%)
Light Distillates :										
Naphtha	**326**	**6.8**	640	11.5	594	11.5	459	11.1	704	19.1
LPG (Bulk & Packed)	**4,510**	**25.8**	4,031	25.6	3,884	25.9	3,870	26.3	3,555	26.0
Motor Spirit	**5,350**	**28.8**	4,814	28.8	4,443	28.7	4,152	28.2	3,914	28.1
Special Boiling Point Spirit/Hexane	**31**	**50.6**	36	48.4	36	46.9	38	44.3	45	41.9
Benzene	**31**	**16.5**	20	11.6	48	26.6	43	30.8	72	55.5
Toluene	**26**	**100.0**	15	100.0	21	100.0	29	100.0	21	100.0
Polypropylene Feedstock	**109**		102		100		95		73	
Regasified - LNG	**816**		976		912		736		607	
Others	**337**		324		307		286		261	
Sub Total	**11,536**		10,958		10,345		9,708		9,252	
Middle Distillates :										
Aviation Turbine Fuel	**1,255**	**23.6**	1,303	24.6	1,172	23.0	1,189	22.1	1,129	22.8
Superior Kerosene Oil	**1,171**	**16.1**	1,223	16.5	1,304	16.8	1,437	16.9	1,582	17.2
High Speed Diesel	**18,375**	**26.7**	18,337	26.9	18,039	26.1	16,320	25.2	14,552	24.8
Light Diesel Oil	**81**	**22.1**	68	17.5	72	17.8	64	15.3	66	14.4
Mineral Turpentine Oil	**84**	**66.1**	94	67.2	101	69.2	122	70.8	132	67.5
Sub Total	**20,966**		21,025		20,688		19,132		17,461	
Others :										
Furnace Oil	**650**	**14.0**	636	13.8	747	14.7	855	14.0	1,314	17.1
Low Sulphur Heavy Stock	**162**	**42.9**	183	40.7	323	23.7	249	14.2	254	12.8
Bitumen	**733**	**16.8**	819	18.2	817	18.7	846	19.6	651	16.0
Lubricants	**311**	**26.0**	277	22.3	283	23.3	265	22.0	275	22.7
Others	**91**	**14.3**	97	16.4	94	15.8	87	15.2	67	15.2
Sub Total	**1,947**		2,012		2,264		2,302		2,561	
Grand Total	**34,449**	**23.3**	33,995	23.48	33,297	23.14	31,142	22.33	29,274	22.49

Note 1: Market Share is based on Sales Volumes of Public Sector Oil Companies.

PRODUCTION ('000 MT)

	2014-15	2013-14	2012-13	2011-12	2010-11
Light Distillates :					
Naphtha	**1,291**	2,184	2,262	2,354	2,567
LPG	**955**	931	924	977	982
Motor Spirit	**3,686**	2,966	2,666	2,516	2,365
Special Boiling Point Spirit/Hexane	**32**	36	35	38	46
Benzene	**78**	37	50	47	75
Toluene	**25**	16	21	29	20
Polypropylene Feedstock/ Propylene	**108**	103	100	94	74
Ind. Reformate	**12**	164	171	164	-
Others	**1**	-	-	2	1
Sub Total	**6,187**	6,437	6,229	6,221	6,130
Middle Distillates:					
Aviation Turbine Fuel	**1,268**	1,226	1,165	1,193	1,170
Superior Kerosene Oil	**530**	534	787	961	1,215
High Speed Diesel	**11,005**	10,397	9,953	9,391	8,614
Light Diesel Oil	**80**	62	70	53	60
Mineral Turpentine Oil	**82**	97	100	123	131
Lube Oil Base Stock	**246**	239	215	206	205
Others		20	-	-	-
Sub Total	**13,211**	12,575	12,290	11,927	11,395
Heavy Ends :					
Furnace Oil	**1,706**	1,912	2,083	2,175	2,051
Low Sulphur Heavy Stock	**221**	191	322	261	256
Sulphur	**93**	92	92	87	70
Bitumen	**731**	845	827	851	645
Others		-	-	-	-
Sub Total	**2,751**	3,040	3,324	3,374	3,022
Grand Total	**22,149**	22,052	21,843	21,522	20,547

Lubricants Production (MT)

2014-15	2013-14	2012-13	2011-12	2010-11
2,87,649	2,58,112	2,58,586	2,17,851	2,20,387

Quantity of LPG Filled in Cylinders (MT)

2014-15	2013-14	2012-13	2011-12	2010-11
42,67,898	38,31,127	35,77,335	35,15,549	32,36,274

HOW VALUE IS GENERATED

		(₹ in Crores)
	2014-15	2013-14
Value of Production (Refinery)	**1,03,555**	1,23,972
Less : Direct Materials Consumed	**(1,00,305)**	(1,19,730)
Added Value	**3,250**	4,242
Marketing Operations	**15,119**	15,159
Value added by Manufacturing &		
Trading Operations	**18,369**	19,401
Add : Other Income and prior period items	**2,200**	1,454
Total Value Generated	**20,569**	20,855

HOW VALUE IS DISTRIBUTED

				(₹ in Crores)
		2014-15		2013-14
1. OPERATIONS				
Operating & Service Costs		**7,969**		8,403
2. EMPLOYEES' BENEFITS				
Salaries, Wages & Bonus	**1,398**		2,172	
Other Benefits	**688**	**2,086**	725	2,897
3. PROVIDERS OF CAPITAL				
Interest on Borrowings	**583**		1,359	
Dividend	**1,627**	**2,210**	1,229	2,588
4. INCOME TAX		**2,278**		2,380
5. RE-INVESTMENT IN BUSINESS				
Depreciation	**2,516**		2,247	
Deferred Tax	**347**		(295)	
Retained Profit (including Debenture Redemption Reserves)	**3,163**	**6,026**	2,635	4,587
Total Value Distributed		**20,569**		20,855

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BHARAT PETROLEUM CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bharat Petroleum Corporation Limited ("the Corporation"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Corporation's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Corporation has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Corporation's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at 31st March 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143 (5) of the Act, we give in Annexure B, a statement on the matters specified by the Comptroller and Auditor-General of India for the Corporation.

(3) As required by Section 143 (3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Corporation has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 50 of the standalone financial statements;

(ii) The Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 51 of the standalone financial statements;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Corporation.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FRN. 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FRN. 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

Place : Mumbai
Date : 28th May, 2015

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited ("the Corporation") on the standalone financial statements for the year ended March 31, 2015]

(i) (a) The Corporation has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As per information and explanations given to us, physical verification of fixed assets (except LPG Cylinders and pressure regulators with customers) has been carried out by the Management during the year in accordance with the phased programme of verification of all assets over three years which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(ii) (a) The inventory (excluding stocks with third parties and goods in transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Corporation and the nature of its business.

(c) The Corporation is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventories carried out at the end of the year.

(iii) As informed, the Corporation has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there exists generally an adequate internal control system commensurate with the size of the Corporation and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Corporation.

(v) In our opinion and as explained to us, the Corporation has complied with provisions of Sections 73 to 76 of the Act read with The Companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Act.

(vi) We have broadly reviewed the books of account maintained by the Corporation in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) The Corporation is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as per Annexure A1.

(c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Corporation.

(viii) The Corporation does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.

(ix) According to the information and explanations given to us, the Corporation has been regular in the repayment of dues to financial institution(s), bank(s) or debenture holder(s).

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Corporation, for loans taken by a joint venture company of the Corporation from banks or financial institutions, are not prejudicial to the interest of the Corporation.

(xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(xii) During the course of our examination of the books and records of the Corporation, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Corporation, noticed or reported during the year, except for following instances of fraud identified by the management.

a) The incident of an irregularity of Rs. 0.96 crore by a Company Owned Company Operated retail outlet operator. An amount of Rs. 0.88 crore has since been recovered. Legal action has been initiated for recovery of the balance amount.

b) The incident of an irregularity of Rs. 0.15 crore relating to the Retail Territory by an officer. The officer concerned has since been dismissed from services of the Corporation. His dues and the transporter's dues have been withheld.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FRN. 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FRN. 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

Place : Mumbai
Date : 28th May, 2015

ANNEXURE A1

Details of dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute

₹ in Crores

Sr No	Name of the Statute	Forum Where Dispute is pending	Amount	Period block to which it relates
1	Central Excise Act, 1944	Supreme Court	740.92	2000 to 2010
		High Court	41.67	1995 to 2015
		Appellate Tribunal *	875.06	1985 to 2015
		Appellate Authority **	96.75	1985 to 2015
		Adjudicating Authority ***	6,161.87	1995 to 2015
		Total	**7,916.27**	
2	Customs Act, 1962	Supreme Court	27.34	1995 to 2010
		Appellate Tribunal *	94.83	1990 to 2010
		Appellate Authority **	5.65	1995 to 2015
		Adjudicating Authority ***	9.19	2005 to 2010
		Total	**137.01**	
3	Income Tax Act, 1961	High Court	7.65	1990 to 2005
		Appellate Tribunal *	6.21	1990 to 2005
		Appellate Authority **	11.38	1995 to 2015
		Total	**25.24**	
4	Sales Tax/VAT Legislations	Supreme Court	82.26	1985 to 2010
		High Court	331.97	1980 to 2015
		Appellate Tribunal *	756.64	1985 to 2015
		Appellate Authority **	6,459.02	1985 to 2015
		Adjudicating Authority ***	1,107.94	1990 to 2015
		Total	**8,737.83**	
5	Finance Act,1994 (Service tax)	Supreme Court	26.50	2005 to 2015
		Appellate Tribunal *	154.16	2000 to 2015
		Appellate Authority **	7.22	2005 to 2015
		Adjudicating Authority ***	73.38	2000 to 2015
		Total	**261.26**	
6	Bombay Provincial Municipal Corporation Act, 1949	High Court	50.29	1995 to 2015
		Total	**50.29**	
7	Gujarat Municipal Act,1963	Adjudicating Authority ***	0.43	2010 to 2015
		Total	**0.43**	
8	Bombay Prohibition Act,1949	Appellate Tribunal *	0.16	2005 to 2010
		Total	**0.16**	
		Grand Total	**17,128.49**	

Dues include Penalty & Interest, wherever applicable

* Appellate Tribunal includes Sales Tax Tribunal, CESTAT and ITAT.

** Appellate Authority includes Commissioner Appeals, Assistant Commissioner Appeals, Deputy Commissioner Appeals, Joint Commissioner Appeals and Deputy Commissioner Commercial Taxes Appeals.

*** Adjudicating Authority includes Collector of Sales Tax, Sales Tax Officer and Deputy Commissioner Sales Tax, Joint / Deputy/ Additional Commissioner of Commercial Taxes

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited ("the Corporation") on the standalone financial statements for the year ended March 31, 2015]

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Bharat Petroleum Corporation Limited (Standalone) for the year 2014-15 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013.

According to the information and explanations given to us we report as under:

<table>
<tr><th>Sr. No.</th><th>Areas Examined</th><th>Observation / Finding</th></tr>
<tr><td>1</td><td>If the Corporation has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including committed and general reserves) may be examined including the mode and present stage of disinvestment process.</td><td>The Corporation has not been selected for disinvestment during the year.</td></tr>
<tr><td>2</td><td>Please report whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons there for and the amount involved.</td><td>The details of cases of waiver/ write off of debts / loans / interest by the Corporation during the year are as under:
<table>
<tr><th>Particulars</th><th>₹ in crores</th></tr>
<tr><td>Write off of debts</td><td>0.73</td></tr>
<tr><td>Waiver of penalty & interest</td><td>0.01</td></tr>
<tr><td>Total</td><td>0.74</td></tr>
</table></td></tr>
<tr><td>3</td><td>Whether proper records are maintained for inventories lying with third parties and assets received as gift from Government or other authorities</td><td>a. Proper records are maintained for inventories lying with third parties;
b. The Corporation has not received any assets as gifts from Government or other authorities.</td></tr>
<tr><td>4</td><td>A report on age-wise analysis of pending legal / arbitration cases including the reasons for pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.</td><td>The age-wise analysis of pending legal / arbitration cases are as under:
<table>
<tr><th>Period</th><th>No of Active Cases</th></tr>
<tr><td>Prior to 2004</td><td>571</td></tr>
<tr><td>FY 2004-2009</td><td>747</td></tr>
<tr><td>FY 2009-2012</td><td>792</td></tr>
<tr><td>FY 2012-2014</td><td>1002</td></tr>
<tr><td>FY 2014-2015</td><td>897</td></tr>
<tr><td>Total</td><td>4009</td></tr>
</table>
The above does not include pending legal cases concerning tax matters which are listed in Note 50 of the standalone financial statements and also referred to in clause vii (b) of Annexure A of this report.</td></tr>
</table>

Sr. No.	Areas Examined	Observation / Finding
		Reasons of pendency: Courts / Arbitrators are required to dispose of the cases as per procedure prescribed under law. Parties need to be given reasonable opportunity of being heard. Further, Law provides appeal before higher courts. Reasons for pendency vary from case to case.
		Existence / effectiveness of monitoring system for expenditure on all legal cases (Foreign/Local) There exists an effective monitoring system for expenditure on legal cases. As informed to us there are no legal or arbitration matters pending outside India.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FRN. 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FRN. 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

Place : Mumbai
Date : 28th May, 2015

BALANCE SHEET AS AT 31ST MARCH 2015

	Note No.	As at 31/03/2015	₹ in Crores As at 31/03/2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2	**723.08**	723.08
(b) Reserves and surplus	3	**21,744.40**	18,735.68
		22,467.48	19,458.76
(2) Non-current liabilities			
(a) Long-term borrowings	4	**11,737.01**	11,808.36
(b) Deferred tax liabilities (Net)	5	**1,708.26**	1,360.90
(c) Other long-term liabilities	6	**70.03**	60.74
(d) Long-term provisions	7	**1,108.60**	1,157.31
		14,623.90	14,387.31
(3) Current liabilities			
(a) Short-term borrowings	8	**40.27**	8,183.70
(b) Trade payables	9	**12,216.41**	12,038.74
(c) Other current liabilities	10	**16,805.21**	14,878.84
(d) Short-term provisions	11	**3,575.61**	3,179.94
		32,637.50	38,281.22
TOTAL		**69,728.88**	72,127.29
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	**20,226.06**	18,968.83
(ii) Intangible assets	13	**89.00**	70.68
(iii) Capital work-in-progress	15	**7,640.61**	3,040.03
(iv) Intangible assets under development	14	**25.07**	25.07
(b) Non-current investments	16	**7,302.05**	7,238.10
(c) Long-term loans and advances	17	**4,077.17**	3,266.66
(d) Other non-current assets	18	**83.46**	166.14
		39,443.42	32,775.51
(2) Current assets			
(a) Current investments	19	**5,089.09**	4,608.79
(b) Inventories	20	**14,457.85**	19,071.13
(c) Trade receivables	21	**2,607.67**	4,080.16
(d) Cash and bank balances	22	**1,360.20**	203.76
(e) Short-term loans and advances	23	**748.39**	641.23
(f) Other current assets	24	**6,022.26**	10,746.71
		30,285.46	39,351.78
TOTAL		**69,728.88**	72,127.29
Significant Accounting Policies	1		
Other Notes to Accounts	33 to 57		

For and on behalf of the Board of Directors

As per our attached report of even date
For and on behalf of

Sd/-
S. VARADARAJAN
Chairman and Managing Director

CNK & ASSOCIATES LLP
Chartered Accountants
FR No.: 101961W

HARIBHAKTI & CO. LLP
Chartered Accountants
FR No.: 103523W

Sd/-
P. BALASUBRAMANIAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place : Mumbai
Dated : 28th May, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

₹ in Crores

		Note No.	2014-15	2013-14
I)	Revenue from operations	25	**2,38,086.90**	2,60,074.99
II)	Other income	26	**2,199.96**	1,454.20
III)	**Total revenue (I + II)**		**2,40,286.86**	2,61,529.19
IV)	**Expenses**			
	1) Cost of raw materials consumed	27	**94,424.39**	1,09,197.43
	2) Purchases of stock-in-trade	28	**1,17,051.71**	1,30,897.87
	3) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	**4,513.32**	(2,030.30)
	4) Employee benefits expense	30	**2,085.60**	2,896.35
	5) Finance costs	31	**583.10**	1,359.08
	6) Depreciation and amortization expense	12,13	**2,516.02**	2,246.82
	7) Other expenses	32	**11,697.21**	11,012.96
	Total expenses		**2,32,871.35**	2,55,580.21
V)	**Profit / (Loss) before tax (III - IV)**		**7,415.51**	5,948.98
VI)	**Tax expense**			
	1) Current tax		**2,010.00**	2,275.00
	2) Deferred tax		**347.36**	(294.82)
	3) Short / (Excess) provision of earlier years		**(26.36)**	(92.08)
	Total tax expense		**2,331.00**	1,888.10
VII)	**Profit / (Loss) after tax for the year (V - VI)**		**5,084.51**	4,060.88
VIII)	**Basic and Diluted Earnings per share (Face value ₹ 10)** (Refer Note No. 44)		**70.32**	56.16
	Significant Accounting Policies	1		
	Other Notes to Accounts	33 to 57		

For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director

Sd/-
P. BALASUBRAMANIAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Place : Mumbai
Dated : 28th May, 2015

As per our attached report of even date
For and on behalf of

CNK & ASSOCIATES LLP
Chartered Accountants
FR No.: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
FR No.: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

CASH FLOW STATEMENT

		31/03/2015	₹ in Crores 31/03/2014
	For the year ended	**31/03/2015**	31/03/2014
A	**Cash Flow from Operating Activities**		
	Net Profit before tax & Prior Period Items	**7,371.80**	5,900.96
	Adjustments for :		
	Depreciation	**2,516.02**	2,246.82
	Interest	**583.10**	1,297.15
	Foreign Exchange Fluctuations (Refer explanatory note 3)	**(366.41)**	328.62
	(Profit) / Loss on Sale of fixed assets	**(0.15)**	12.98
	(Profit) / Loss on Sale of investments	**-**	29.45
	Income from Investments	**(878.66)**	(818.32)
	Dividend Received	**(159.30)**	(139.22)
	Expenditure towards Corporate Social Responsibility	**76.01**	
	Other Non-Cash items (Refer explanatory note 4)	**(344.19)**	577.52
	Operating Profit before Working Capital Changes	**8,798.22**	9,435.95
	(Invested in)/Generated from :		
	Inventories	**4,613.28**	(2,380.76)
	Trade Receivables	**1,337.65**	(310.79)
	Other receivables	**4,700.07**	(1,788.40)
	Current Liabilities & Payables	**1,064.97**	5,188.56
	Cash generated from Operations	**20,514.19**	10,144.56
	Direct Taxes paid	**(2,329.54)**	(1,788.48)
	Paid for Corporate Social Responsibility	**(33.95)**	
	Cash flow before prior period items	**18,150.70**	8,356.08
	Prior Period Items	**43.71**	48.02
	Net Cash from / (used in) Operating Activities	**18,194.41**	8,404.10

₹ in Crores

	For the year ended	31/03/2015	31/03/2014
B	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	**(8,034.94)**	(4,743.87)
	Sale of fixed assets	**18.32**	7.10
	Capital Advances	**(121.57)**	(293.36)
	Capital Grant Received	**4.98**	6.30
	Investment, Loans and Advances to Joint Venture Companies		
	Bharat Renewable Energy Ltd.	**(0.75)**	(0.61)
	Petronet LNG Limited (Advances)	**(93.82)**	-
	Petroleum India International	**-**	(1.13)
	GSPL India Gasnet Ltd.	**(5.50)**	(6.59)
	GSPL India Transco Ltd.	**(2.75)**	(4.95)
	Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	**(4.50)**	-
	Kannur International Airport Limited	**(50.00)**	(30.00)
	Kochi Salem Pipeline Pvt. Ltd. (Advance against equity shares)	**(6.75)**	-
	Investment, Loans and Advances to Subsidiaries		
	Bharat PetroResources Ltd. (Advance against equity shares)	**(300.00)**	-
	Bharat PetroResources Ltd. (Investment)	**-**	(250.00)
	Bharat PetroResources Ltd. (Loan)	**(350.00)**	(300.00)
	Investment in BPCL Trust for investment in shares	**(0.01)**	-
	Sale of Investments	**3.12**	220.55
	Income from Investment	**875.75**	971.45
	Dividend Received	**159.30**	139.22
	Net Cash from / (used in) Investing Activities	**(7,909.12)**	(4,285.89)
C	**Cash Flow from Financing Activities**		
	Long term Borrowings	**907.50**	6,351.23
	Repayment of loans	**(7,937.13)**	(10,199.77)
	Interest paid	**(676.81)**	(1,472.33)
	Dividend Paid	**(1,229.24)**	(795.39)
	Corporate Dividend Tax	**(196.58)**	(127.47)
	Net Cash from / (used in) Financing Activities	**(9,132.26)**	(6,243.73)
D	**Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)**	**1,153.03**	(2,125.52)

₹ in Crores

Cash and Cash equivalents as at	31/03/2014	31/03/2013
Cash on hand	**47.07**	48.05
Cheques and drafts on hand	**55.68**	74.46
Cash at Bank	**100.32**	2,204.77
Effect of Exchange difference on Translation of Foreign Currency cash and cash equivalents	**(2.11)**	(0.80)
	200.96	2,326.48
Cash and Cash equivalents as at	**31/03/2015**	31/03/2014
Cash on hand	**26.86**	47.07
Cheques and drafts on hand	**25.88**	55.68
Cash at Bank	**1,303.99**	100.32
Effect of Exchange difference on Translation of Foreign Currency cash and cash equivalents	**(2.74)**	(2.11)
	1,353.99	200.96
Net change in Cash and Cash equivalents	**1,153.03**	(2,125.52)

Explanatory notes to Cash Flow Statement

1. The Cash Flow Statement is prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Accounting Standard 3 as notified by the Central Government.
2. In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
3. The net profit / loss arising due to conversion of current assets / current liabilities, receivable / payable in foreign currency is furnished under the head “Foreign Exchange Fluctuations”.
4. “Other Non-Cash items” include excess provisions written back, diminution in value of investment, amortisation of Capital grant, Bad debts and materials written off and miscellaneous adjustments not affecting cash flow.
5. "Current Liabilities and Payables" may include Payables in respect of Purchase of Fixed Assets, if any.
6. Figures of the previous year have been regrouped wherever necessary, to conform to current year's presentation.

For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director

Sd/-
P. BALASUBRAMANIAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Place : Mumbai
Dated : 28th May, 2015

As per our attached report of even date
For and on behalf of

CNK & ASSOCIATES LLP
Chartered Accountants
FR No.: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
FR No.: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Company Overview

Bharat Petroleum Corporation Limited referred to as "BPCL" or "the Corporation" was incorporated on 3rd November, 1952. BPCL is a Government of India Enterprise listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Corporation is engaged in the business of refining of crude oil and marketing of petroleum products. It has refineries at Mumbai and Kochi, LPG bottling plants and Lube blending plants. The Corporation's marketing infrastructure includes vast network of Installations, Depots, Retail Outlets, Aviation Service Stations and LPG distributors.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS FOR PREPARATION

The financial statements of the Corporation have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Corporation has prepared these financial statements to comply in all material respects with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule (7) of the Companies (Accounts) Rules, 2014 and other provisions of the Act (to the extent notified). The financial statements have been prepared on an accrual basis (unless otherwise stated) and under historical cost convention. The accounting policies are consistent with those used in previous year except for the policy in respect of the depreciation of Fixed Assets referred to in para 1.5.1.

1.1 USE OF ESTIMATES

The preparation of financial statements requires the management of the Corporation to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences, if any, between actual amounts and estimates are recognised in the period in which the results are known.

1.2 FIXED ASSETS

1.2.1. TANGIBLE FIXED ASSETS

a) Fixed Assets are stated at cost net of accumulated depreciation.

b) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

c) First time procurement cost of catalyst is capitalized along with the project cost and the cost of subsequent replacements are charged off in the year of issuance to consumption.

d) Expenditure on assets, other than plant and machinery, LPG cylinders and pressure regulators, not exceeding ₹ 1,000 per item are charged to revenue.

e) Machinery spares that are specific to a fixed asset are capitalised along with the fixed asset. Replacement of such spares is charged to revenue.

f) Land acquired on lease where period of lease exceeds 99 years is treated as freehold land.

g) **Expenditure during construction period:** Direct expenses including borrowing cost incurred during construction period on capital projects are capitalised. Indirect expenses of the project group which are allocated to projects costing ₹ 5 crores and above are also capitalised. Crop compensation expenses incurred in the process of laying pipelines are capitalised as part of pipeline cost. Expenditure incurred during construction period on projects like electricity transmission lines, roads, culverts etc. the ownership of which is not with the Corporation are charged to revenue in the accounting period of incurrence of such expenditure.

1.2.2. INTANGIBLE ASSETS

a) Intangible assets are carried at cost less accumulated amortization.

b) Cost of Right of Way which is perpetual and absolute in nature is amortised over a period of 99 years and in other cases, over its estimated useful life.

c) Expenditure incurred for creating/acquiring other intangible assets of ₹ 0.50 Crore and above, from which future economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is lower, from the time the intangible asset starts providing the economic benefit. In other cases, the expenditure is charged to revenue in the year the expenditure is incurred.

1.3 IMPAIRMENT OF ASSETS

The values of tangible and intangible assets of respective Cash Generating Units are reviewed by the management for impairment at each Balance Sheet date, if events or circumstances indicate that the carrying values may not be recoverable. If the carrying value is more than higher of net selling price of the asset or present value of estimated future cash flows, the difference is recognized as an impairment loss.

1.4 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets till the month in which the asset is ready for use. All other borrowing costs are charged to revenue.

1.5 DEPRECIATION

1.5.1. Depreciation on fixed assets is provided on the straight line basis, over the useful lives of assets (after retaining the residual value of upto 5%) as prescribed by the Schedule II of the Act, except in following cases:

a) Premium paid for acquiring leasehold land for lease period not exceeding 99 years, is amortised over the period of lease.

b) Plant & Machinery at Retail Outlets (other than Storage tanks and related equipments) are depreciated over a useful life of 15 years based on the technical assessment.

c) Computer equipments are depreciated over a period of 4 years and Mobile phones are depreciated over a period of 3 years based on internal assessment. Furniture, other than computer equipments and mobile phones, provided at the residence of management staff are depreciated over a period of 7 years as per internal assessment.

d) Fixed assets costing not more than ₹ 5,000 each are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.

1.5.2. Depreciation is charged on addition / deletion on pro-rata monthly basis including the month of addition / deletion.

1.6 INVESTMENTS

1.6.1. Current investments are valued at lower of cost or fair value determined on an individual investment basis.

1.6.2. Long-term investments are valued at cost. Provision for diminution in value is made to recognise a decline, other than of temporary nature, in the value of such investments.

1.7 INVENTORY

1.7.1. Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis (determined on periodical basis as appropriate) and comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.

1.7.2. The net realizable value of finished goods and stock-in-trade are based on the inter-company transfer prices and final selling prices (applicable at the location of stock) for sale to oil companies and retail consumers respectively. For the purpose of stock valuation, the proportion of sales to oil companies and retail sales are determined on all India basis and considered for stock valuation at all locations.

1.7.3. The cost of Stock-in-Process is determined at raw material cost plus cost of conversion.

1.7.4. Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

1.8 REVENUE RECOGNITION

1.8.1. Revenue is recognised when, sufficient risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection.

1.8.2. Sales represents invoiced value of goods supplied net of trade discounts, and include applicable excise duty, surcharge and other elements as are allowed to be recovered as part of the price but excludes VAT / Sales Tax. Further, it includes other elements allowed by the Government from time to time.

1.8.3. Claims including subsidy on LPG and SKO from Government of India are booked on in principle acceptance thereof on the basis of available instructions/clarifications subject to final adjustments after necessary audit, as stipulated.

1.8.4. Other claims are booked when there is a reasonable certainty of recovery. Claims are reviewed on a periodical basis and if recovery is uncertain, provision is made in the accounts.

1.8.5. Income from sale of scrap is accounted for on realisation.

1.8.6. Dividend income is recognized when the Corporation's right to receive the dividend is established.

1.8.7. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

1.9. CLASSIFICATION OF INCOME/EXPENSES

1.9.1. Expenditure on Research, other than capital expenditure, is charged to revenue in the year in which the expenditure is incurred.

1.9.2. Income/expenditure upto ₹ 0.05 crore in each case pertaining to prior year(s) is charged to the current year.

1.9.3. Prepaid expenses upto ₹ 0.05 crore in each case, are charged to revenue as and when incurred.

1.9.4. Deposits placed with Government agencies/ local authorities which are perennial in nature are charged to revenue in the year of payment.

1.10. EMPLOYEE BENEFITS

1.10.1. Contributions to defined contribution schemes such as Pension, Superannuation, Provident Fund, etc. are charged to the Statement of Profit and Loss as and when incurred.

1.10.2. The Corporation also provides for retirement / post-retirement benefits in the form of gratuity, leave encashment, post retirement benefits and other long term benefits. Such defined benefits are charged to the Statement of Profit and Loss based on valuations made by independent actuary using the Projected Unit Credit Method, as at the Balance Sheet date.

1.10.3. Expenditure on account of Voluntary Retirement Scheme are charged to Statement of Profit and Loss as and when incurred.

1.11. DUTIES ON BONDED STOCKS

1.11.1. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

1.11.2. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on end use.

1.12. FOREIGN CURRENCY & DERIVATIVE TRANSACTIONS

1.12.1. Transactions in foreign currency are accounted in the reporting currency at the exchange rate prevailing on the date of transaction.

1.12.2. Monetary items denominated in foreign currency are converted at exchange rates prevailing on the date of Balance Sheet.

1.12.3. Foreign Exchange differences arising at the time of translation or settlement are recognised as income or expense in the Statement of Profit and Loss either as Profit or Loss on Foreign Currency transactions and translations or Finance Cost, as the case may be.

1.12.4. However, foreign exchange differences on long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of the asset or liability.

1.12.5. Premium/discount arising at the inception of the forward exchange contracts to hedge foreign currency risks are amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss.

1.12.6. Gains / losses arising on settlement of Derivative transactions entered into by the Corporation to manage the commodity price risk and exposures on account of fluctuations in interest rates and foreign exchange are recognised in the Statement of Profit and Loss. Provision for losses in respect of outstanding contracts as on Balance Sheet date is made based on mark to market valuations of such contracts.

1.13. GOVERNMENT GRANTS

1.13.1. When the grant relates to an expense item or depreciable fixed assets, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grants relating to depreciable fixed assets are reflected as Capital Grants under Reserves & Surplus in Balance Sheet and recognised in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

1.13.2. Government grants of the nature of promoters' contribution or relating to non-depreciable assets are credited to Capital Reserve in Balance Sheet.

1.14. PROVISIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

1.14.1. A provision is recognized when the Corporation has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made.

1.14.2. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation.

1.14.3. Capital commitments and Contingent liabilities disclosed are in respect of items which exceed ₹ 0.05 crore in each case.

1.15. TAXES ON INCOME

1.15.1. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

1.15.2. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date.

1.15.3. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, in respect of unabsorbed depreciation or carry forward losses, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

1.15.4. The carrying amount of deferred tax assets and unrecognized deferred tax assets are reviewed at each Balance Sheet date.

1.16. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and on hand. The Corporation considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.18. CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON-CURRENT:

All assets and liabilities are classified as current or non-current as per the Corporation's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

1.19. ACCOUNTING FOR LEASES

For operating leases, rentals are expensed with reference to lease terms and other relevant considerations.

1.20. CASH FLOW

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2. SHARE CAPITAL

		31/03/2015	31/03/2014
			₹ in Crores
i	**Authorised**		
	2,50,00,00,000 equity shares	**2,500.00**	2,500.00
	(previous year 2,50,00,00,000 equity shares)		
ii	**Issued, subscribed and paid-up**		
	72,30,84,248 (previous year 72,30,84,248) equity shares fully paid-up	**723.08**	723.08
	Total	**723.08**	723.08

iii The Corporation has only one class of shares namely equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Corporation, the holders of equity shares will be entitled to receive the remaining assets of the Corporation in proportion to the number of equity shares held.

The Corporation declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iv During the period ended 31st March 2015, proposed dividend per share is ₹ **22.50** (previous year ₹ 17). The total dividend appropriation for the year ended 31st March 2015 amounted to ₹ **1,921.21 crores** (previous year ₹ 1,425.82 crores) including Corporate Dividend Tax of ₹ **294.27 crores** (previous year ₹ 196.58 crores)

v During Financial Year 2012-13, the Corporation had issued Bonus Shares in the ratio of 1:1 by capitalisation of General Reserve. The total number of Bonus Shares issued is 36,15,42,124 equity shares having face value of ₹ 10 each.

vi **Reconciliation of No. of Equity Shares**

		31/03/2015	31/03/2014
A.	Opening Balance	**72,30,84,248**	72,30,84,248
B.	Shares Issued		
	- Bonus Shares	**-**	-
C.	Shares Bought Back	**-**	-
D.	Closing Balance	**72,30,84,248**	72,30,84,248

vii **Details of shareholders holding more than 5% shares**

Name of shareholder	31/03/2015		31/03/2014	
	% Holding	No. of shares	% Holding	No. of shares
Government of India	**54.93**	**39,72,00,120**	54.93	39,72,00,120
BPCL Trust for Investment in shares	**9.33**	**6,74,57,474**	9.33	6,74,57,474
Life Insurance Corporation of India	**3.75**	**2,70,86,759**	5.42	3,91,62,846

3. RESERVES AND SURPLUS

₹ in Crores

	31/03/2015	31/03/2014
Capital Reserve :		
As per last Balance Sheet	**12.33**	12.33
Capital Grant :		
As per last Balance Sheet	**9.37**	3.94
Add: Grant received during the year	**4.98**	6.30
Less : Amortisation of Capital Grant during the year	**(2.30)**	(0.87)
	12.05	9.37
Debenture Redemption Reserve :		
As per last Balance Sheet	**323.14**	126.30
Add : Transfer from Surplus	**194.35**	196.84
	517.49	323.14
General Reserve :		
As per last Balance Sheet	**17,706.59**	15,268.37
Add : Transfer from Surplus	**2,968.95**	2,438.22
	20,675.54	17,706.59
Foreign Currency Monetary Item Translation Difference Account :		
(Refer Note No. 34)		
As per last Balance Sheet	**184.25**	-
Add/(Less) : Additions/(Deletions) during the year	**(149.35)**	191.84
Less : Amortization during the year	**(7.91)**	(7.59)
	26.99	184.25
Surplus :		
As per last Balance Sheet	**500.00**	500.00
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	**5,084.51**	4,060.88
Less : Proposed Dividend	**(1,626.94)**	(1,229.24)
Less : Corporate Dividend Tax	**(294.27)**	(196.58)
Less : Transfer to Debenture Redemption Reserve	**(194.35)**	(196.84)
Less : Transfer to General Reserve	**(2,968.95)**	(2,438.22)
	500.00	500.00
Total	**21,744.40**	18,735.68

4. LONG-TERM BORROWINGS

₹ in Crores

	31/03/2015		31/03/2014	
	Current #	**Non-Current**	Current #	Non-Current
Secured				
From others				
Debentures				
8.65% Secured Non-Convertible Debentures 2017 *	**-**	**700.00**	-	700.00
Term Loan				
Loan from Oil Industry Development Board	**-**	**907.50**	-	-
Unsecured				
From banks				
Foreign Currency Loans - Syndicated	**1,251.82**	**5,633.17**	150.25	6,610.98
From Others				
Bonds				
4.625% US Dollar International Bonds 2022	**-**	**3,129.54**	-	3,004.99
3% Swiss Franc International Bonds 2019	**-**	**1,293.30**	-	1,350.39
(Refer Note No. 51 (c))				
Term Loan				
Loan from Oil Industry Development Board	**68.50**	**73.50**	179.25	142.00
Total	**1,320.32**	**11,737.01**	329.50	11,808.36

Classified under other current liabilties (Refer Note No. 10)

4. LONG-TERM BORROWINGS (CONTD.)

Terms of Repayment Schedule of Long-term borrowings as on 31/03/2015 :

Non-Current	₹ in Crores	Maturity
8.65% Secured Non-Convertible Debentures 2017	700.00	8-Oct-17
Loan from Oil Industry Development Board - 2017	73.50	Apr 16 - Sep 17
Loan from Oil Industry Development Board - 2019	888.00	Apr 16 - Sep 19
Loan from Oil Industry Development Board - 2020	19.50	Jan 17 - Jan 20
Foreign Currency Loans - Syndicated	1,877.72	9-Mar-17
	1,032.75	7-Nov-17
	625.91	5-Feb-18
	1,064.04	7-Nov-18
	1,032.75	7-Nov-19
3% Swiss Franc International Bonds 2019	1,293.30	20-Dec-19
4.625% US Dollar International Bonds 2022	3,129.54	25-Oct-22

Current	₹ in Crores	Maturity
Foreign Currency Loans - Syndicated	1,251.82	26-Feb-16
Loan from Oil Industry Development Board - 2015	19.25	20-Apr-15
Loan from Oil Industry Development Board - 2017	24.25	28-Sep-15
Loan from Oil Industry Development Board - 2017	25.00	30-Mar-16

* The Corporation had allotted redeemable non-convertible 8.65% Debentures of face value of ₹ 700 crores on 8th October 2012 reedemable on 8th October 2017 with a put call option on 8th October 2015. These are secured by first legal mortgage by way of a Registered Debenture Trust Deed over the fixed assets of the Corporation, mainly Plant and Machinery at Mumbai Refinery.

5. DEFERRED TAX LIABILITIES (NET)

The net deferred tax liability of ₹ **347.36 crores** (previous year deferred tax asset of ₹ 294.82 crores) is recognised during the year in the Statement of Profit and Loss. The breakup of components of deferred tax assets / liabilities are as under :

₹ in Crores

	31/03/2015	31/03/2014
Deferred Tax Liabilities :		
On account of depreciation	**2,878.25**	2,574.80
Total Deferred Tax Liabilities	**2,878.25**	2,574.80
Deferred Tax Assets :		
Disallowances under Income Tax Act, 1961	**755.68**	611.16
Provisions for mark to market for investments & Loans, doubtful debts, claims, etc.	**381.64**	556.52
Voluntary Retirement Scheme & Long Term Capital Loss	**32.67**	46.22
Total Deferred Tax Assets	**1,169.99**	1,213.90
Deferred Tax Liabilities (Net)	**1,708.26**	1,360.90

6. OTHER LONG-TERM LIABILITIES

₹ in Crores

	31/03/2015	31/03/2014
Security/Earnest Money Deposits	**20.00**	13.93
Retiral Dues	**50.03**	46.81
Total	**70.03**	60.74

7. LONG - TERM PROVISIONS

₹ in Crores

	31/03/2015	31/03/2014
Provision for employee benefits (Refer Note No. 39)	**1,108.60**	1,157.31
Total	**1,108.60**	1,157.31

8. SHORT - TERM BORROWINGS

₹ in Crores

	31/03/2015	31/03/2014
Loans repayable on demand		
Secured		
From banks		
Working capital loans / Cash Credit *	**40.27**	1,723.91
From others		
Collateralized Borrowings and Lending Obligation **	**-**	1,101.25
Unsecured		
From banks		
Foreign Currency Loans	**-**	5,358.54
Total	**40.27**	8,183.70

* Secured in favour of the participating banks ranking pari passu inter-alia by hypothecation of raw materials, finished goods, stock- in- process, book debts, stores, components and spares and all movables both present and future.

** Secured by Oil Marketing Companies GOI Special Bonds 2026 of ₹ **2,450 crores** (previous year ₹ 2,450 crores) and a bank guarantee of ₹ **500 crores** (previous year ₹ 500 crores) issued in favour of Clearing Corporation of India Limited.

9. TRADE PAYABLES

₹ in Crores

	31/03/2015	31/03/2014
Dues to subsidiaries	**1,161.63**	191.45
Dues to others (Refer Note No. 38)	**11,054.78**	11,847.29
Total	**12,216.41**	12,038.74

10. OTHER CURRENT LIABILITIES

₹ in Crores

	31/03/2015	31/03/2014
Current maturities of long-term borrowings (Refer Note No.4)	**1,320.32**	329.50
Interest accrued but not due on borrowings	**165.02**	137.79
Security/Earnest Money deposits	**411.45**	358.81
Deposits for Containers	**7,677.48**	6,494.96
Advances from Customers	**663.23**	590.80
Unclaimed Dividend *	**3.47**	2.80
Unclaimed Deposits *	**0.08**	0.14
Unclaimed Interest on Deposits *	**0.04**	0.07
Statutory Liabilities	**2,438.22**	2,535.55
Dues to Micro, Small and Medium Enterprises (Refer Note No. 40)	**163.67**	131.87
Other Liabilities (including creditors for expenses and others)	**3,962.23**	4,296.55
Total	**16,805.21**	14,878.84

* No amount is due at the end of the period for credit to Investors Education and Protection Fund.

11. SHORT TERM PROVISIONS

₹ in Crores

	31/03/2015	31/03/2014
Provision for employee benefits (Refer Note No. 39)	**146.07**	153.01
Provision for Taxation (Net of Advance tax paid)	**738.71**	1,089.76
Proposed dividend	**1,626.94**	1,229.24
Corporate Dividend Tax on Proposed dividend	**294.27**	196.58
Provision for CSR Expenditure (Refer Note No. 47)	**42.06**	-
Others (Refer Note No. 46)	**727.56**	511.35
Total	**3,575.61**	3,179.94

12. TANGIBLE ASSETS

₹ in Crores

Particulars	Gross Block					Depreciation				Net Carrying Amount	
	As at 01-04-2014	Additions	Other Adjustments (Refer Note 34)	Reclassifications / Deductions on Account of Retirement / Disposal	**As at 31/03/2015**	Up to 31/03/2014	For the Year	Reclassifications / Deductions on Account of Retirement / Disposal	**Up to 31/03/2015**	**As at 31/03/2015**	As at 31/03/2014
(1)	(2)	(3)	(4)	(5)	**(6)**	(7)	(8)	(9)	**(10)**	**(11)**	(12)
1 Land [Refer Note 12(b)]											
(a) Freehold	756.52	130.14	-	76.12	**810.54**	-	-	-	**-**	**810.54**	756.52
(b) Leasehold	198.34	15.57	-	(0.81)	**214.72**	35.25	5.27	-	**40.52**	**174.20**	163.09
2 Buildings including Roads *	6,334.26	434.91	24.38	249.59	**6,543.96**	1,136.84	1,226.86	52.28	**2,311.42**	**4,232.54**	5,197.42
3 Plant and Equipments *	13,168.91	990.17	67.58	(18.72)	**14,245.38**	5,539.12	680.94	(13.99)	**6,234.05**	**8,011.33**	7,629.79
4 Furniture and Fixtures *	286.17	45.24	-	(184.28)	**515.69**	127.40	115.71	(22.33)	**265.44**	**250.25**	158.77
5 Vehicles	183.95	7.62	-	112.68	**78.89**	126.07	6.06	76.91	**55.22**	**23.67**	57.88
6 Office Equipments *	918.20	98.50	-	(11.11)	**1,027.81**	680.42	99.22	37.46	**742.18**	**285.63**	237.78
7 Railway Sidings	310.94	1.40	-	2.88	**309.46**	168.65	29.63	2.02	**196.26**	**113.20**	142.29
8 Tanks and Pipelines *	6,350.12	675.82	-	4.10	**7,021.84**	3,499.42	143.08	10.44	**3,632.06**	**3,389.78**	2,850.70
9 Dispensing Pumps	2,526.14	218.99	15.90	28.02	**2,733.01**	751.55	158.76	23.99	**886.32**	**1,846.69**	1,774.59
10 LPG Cylinders and Allied Equipments	6,944.32	1,117.30	26.93	1.17	**8,087.38**	6,944.32	56.08	1.25	**6,999.15**	**1,088.23**	-
Total	**37,977.87**	**3,735.66**	**134.79**	**259.64**	**41,588.68**	**19,009.04**	**2,521.61**	**168.03**	**21,362.62**	**20,226.06**	**18,968.83**
Previous Year	33,505.51	4,295.74	331.30	154.68	**37,977.87**	16,881.48	2,236.19	108.63	**19,009.04**	**18,968.83**	

* These include assets which are given on Operating Leases, the details thereof are included in Note No. 43

Additional information in respect of Note No. 12:

a) In accordance with the requirements prescribed under Schedule II of the Act, the Corporation has assessed the estimated useful lives of its fixed assets and has adopted the useful lives as prescribed in Schedule II except in certain cases (Refer Note No 1.5.1).

This has resulted in decrease in the depreciation expense for the year ended 31st March 2015 by ₹ **1,033.29 Crores** as compared to depreciation under Schedule XIV of Companies Act, 1956 applicable till 31st March 2014.

As per the transitional provisions of Schedule II of the Companies Act, 2013, and in line with the Notification dated August 29, 2014 issued by Ministry of Corporate Affairs (MCA), the Corporation has charged ₹ **993.38 Crores** to the Statement of Profit and Loss on account of the carrying amount of assets (after retaining the residual value) where the remaining useful life of the asset is Nil.

As permitted by the notification dated August 29, 2014 issued by Ministry of Corporate Affairs, the Corporation will comply with the requirements of paragraph 4(a) of Notes to Schedule II of the Act relating to componentization, from financial year 2015-16.

b) Land:

i. Freehold land includes ₹ **33.54 Crores** (previous year ₹ 32.04 Crores) with more than 99 years lease period.

ii. Freehold land includes ₹ **387.56 Crores** (previous year ₹ 339.34 Crores) capitalized at various locations for which conveyance deeds are yet to be executed and/or mutation is pending.

iii. Freehold land includes ₹ **2.20 Crores** (previous year ₹ 2.20 Crores) which is in the process of being surrendered to the Competent Authority.

iv. Leasehold land includes the following which though in the possession of Corporation, the lease deeds are yet to be registered :

- Land acquired on lease for a period exceeding 99 years ₹ **1.06 Crores** (previous year ₹ 0.91 Crores).
- Other leasehold land - Gross Block ₹ **0.40 Crores** (previous year ₹ 0.40 Crores), Net Block ₹ **0.31 Crores** (previous year ₹ 0.32 Crores).

c) Buildings include Ownership flats of ₹ **49.36 Crores** (previous year ₹ 47.43 Crores) in proposed / existing co-operative societies and others.

d) Other adjustments include capitalization of foreign exchange differences (net) of ₹ **131.24 Crores** (previous year ₹ 288.02 Crores) and borrowing costs of ₹ **3.55 Crores** (previous year ₹ 43.28 Crores).

e) Land, Plant and Equipments, Tanks and Pipelines, Railway Sidings and Buildings jointly owned in varying extent with other Oil Companies / Railways : Gross Block ₹ **292.26 Crores** (previous year ₹198.67 Crores), Cumulative Depreciation ₹ **128.92 Crores** (previous year ₹ 116.32 Crores), Net Block ₹ **163.34 Crores** (previous year ₹ 82.35 Crores).

f) Gross Block includes ₹ **16.15 Crores** (previous year ₹ 42.41 Crores) towards assets which are not currently in active use during the period in respect of which additional depreciation of ₹ **6.08 Crores** (previous year ₹ 17.82 Crores) has been provided to recognize the expected loss on disposal.

13. INTANGIBLE ASSETS

₹ in Crores

Particulars	Useful Life (No. of Years)	Gross Amount					Amortisation				Net Carrying Amount	
		As at 01/04/2014	Additions	Other Adjustments	Reclassifications/ Deletions	**As at 31/03/2015**	Up to 31/03/2014	For the year	Reclassifications/ Deletions	**Up to 31/03/2015**	**As at 31/03/2015**	As at 31/03/2014
(1)	(2)	(3)	(4)	(5)	(6)	**(7)**	(8)	(9)	(10)	**(11)**	**(12)**	(13)
1 Right of Way	upto 99	36.46	21.59	-	6.86	**51.19**	2.53	0.92	0.50	**2.95**	**48.24**	33.93
2 Software/ License	2 - 5	74.70	7.58	-	0.12	**82.16**	47.00	9.80	-	**56.80**	**25.36**	27.70
3 Development Rights	5	1.50	-	-	-	**1.50**	1.50	-	-	**1.50**	**-**	-
4 Process Licenses	5	73.25	12.85	-	-	**86.10**	64.20	6.50	-	**70.70**	**15.40**	9.05
Total		**185.91**	**42.02**	**-**	**6.98**	**220.95**	**115.23**	**17.22**	**0.50**	**131.95**	**89.00**	**70.68**
Previous Year		169.27	29.10	0.24	12.70	**185.91**	102.89	14.23	1.89	**115.23**	**70.68**	

Additional information in respect of Note Nos. 12 and 13:

a. Deduction from Gross Block includes :

i) Write back of excess capitalisation of ₹ **140.23 Crores** (previous year ₹ 41.71 Crores)

ii) Deletions during the year ₹ **126.39 Crores** (previous year ₹ 125.67 Crores).

b. Depreciation and amortization for the year includes :

i) Charged to Statement of Profit and Loss ₹ **2,530.41 Crores** (previous year ₹ 2,250.42 Crores)

ii) Charged to Prior Period expenses ₹ **8.42 Crores** (previous year NIL).

c. Deductions from depreciation includes :

i) On excess capitalisation ₹ **2.16 Crores** (previous year ₹ 3.52 Crores)

ii) On withdrawal of depreciation on deletion during the year ₹ **108.22 Crores** (previous year ₹ 105.50 Crores)

iii) On reclassification of assets ₹ **12.23 Crores** (previous year ₹ 0.08 Crores)

iv) Credited to Prior Period ₹ **45.92 Crores** (previous year ₹ 1.42 Crores)

14. INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crores

Particulars	Gross Amount				Amortisation				Net Carrying Amount	
	As at 01/04/2014	Additions	Capitalizations as Intangible Asset/ Deletions	**As at 31/03/2015**	Up to 31/03/2014	For the year	Deletions/ Reclassifications	**Up to 31/03/2015**	**As at 31/03/2015**	As at 31/03/2014
(1)	(2)	(3)	(4)	**(5)**	(6)	(7)	(8)	**(9)**	**(10)**	(11)
1. Process Licenses	25.07	-	-	**25.07**	-	-	-	**-**	**25.07**	25.07
Total	**25.07**	**-**	**-**	**25.07**	**-**	**-**	**-**	**-**	**25.07**	**25.07**
Previous Year	-	-	-	**-**	-	-	-	**-**	**-**	

There are no internally generated Intangible Assets

15. CAPITAL WORK-IN-PROGRESS

₹ in Crores

			31/03/2015	31/03/2014
Capital work-in-progress (at cost)				
Tangible Assets under erection/ construction			**5,701.63**	2,079.38
Capital stores including lying with contractors			**1,149.36**	588.17
Capital goods in transit			**162.78**	23.44
Allocation of Construction period expenses				
	31/03/2015	31/03/2014		
Opening balance	**349.04**	120.91		
Add: Expenditure during the year				
Establishment charges including Salaries & Wages	**97.89**	79.15		
Interest	**175.49**	43.23		
Loss on foreign currency transactions and translations	**65.10**	183.10		
Others	**36.04**	32.12		
	723.56	458.51		
Less: Allocated to assets capitalised during the year / charged off	**(96.72)**	(109.47)		
Closing balance pending allocation			**626.84**	349.04
Total			**7,640.61**	3,040.03

16. NON - CURRENT INVESTMENTS

(At Cost unless otherwise specified)

(Refer Note No. 49)

	No. of Units		Book Value	
	31/03/2015	31/03/2014	**31/03/2015**	31/03/2014
Long Term	**Nos.**	Nos.	**₹ in Crores**	₹ in Crores
(a) Trade Investment in Equity Instruments				
Quoted				
Equity Shares of ₹ 10 each (fully paid up)				
Joint ventures				
Petronet LNG Limited	**9,37,50,000**	9,37,50,000	**98.75**	98.75
Indraprastha Gas Limited	**3,15,00,080**	3,15,00,080	**31.50**	31.50
Others				
Oil India Limited	**1,33,75,275**	1,33,75,275	**561.76**	561.76
			692.01	692.01
Unquoted				
Equity Shares of ₹ 10 each (fully paid up)				
Subsidiaries				
Numaligarh Refinery Limited	**45,35,45,998**	45,35,45,998	**453.55**	453.55
Bharat PetroResources Limited	**2,62,00,02,670**	2,62,00,02,670	**2,620.00**	2,620.00
Joint ventures				
Bharat Oman Refineries Limited	**88,86,13,336**	88,86,13,336	**888.61**	888.61
Delhi Aviation Fuel Facility Private Limited	**6,06,80,000**	6,06,80,000	**60.68**	60.68
Petronet CCK Limited	**4,90,00,000**	4,90,00,000	**49.00**	49.00
Maharashtra Natural Gas Limited	**2,24,99,600**	2,24,99,600	**22.50**	22.50
Sabarmati Gas Limited	**50,00,000**	50,00,000	**19.96**	19.96
Petronet India Limited	**1,60,00,000**	1,60,00,000	**16.00**	16.00
Central UP Gas Limited	**1,49,99,600**	1,50,00,000	**15.00**	15.00
Bharat Stars Services Pvt. Ltd.	**1,00,00,000**	1,00,00,000	**10.00**	10.00
Bharat Renewable Energy Ltd.	**33,60,000**	33,60,000	**3.36**	3.36
Petronet CI Limited	**15,84,000**	15,84,000	**1.58**	1.58
GSPL India Gasnet Ltd.	**2,05,72,128**	1,50,72,128	**20.57**	15.07
GSPL India Transco Ltd.	**1,54,00,000**	1,26,50,000	**15.40**	12.65
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	**45,02,500**	-	**4.50**	-
Others				
Cochin International Airport Limited	**1,05,00,000**	1,05,00,000	**10.50**	10.50
Equity Shares of ₹ 100 each (partly paid up)				
Joint ventures				
Kannur International Airport Limited Current year ₹ **70.59** (Previous Year ₹ 41.18) paid up	**1,70,00,000**	1,70,00,000	**120.00**	70.00
Equity Shares of USD 1 each (fully paid up)				
Joint ventures				
Matrix Bharat Pte. Ltd.	**20,00,000**	20,00,000	**8.41**	8.41
Others				
BPCL Trust for investment in shares			**659.11**	659.10
(Refer Note No. 35)			**4,998.73**	4,935.97
Investment in Share Warrants				
Unquoted				
Joint ventures				
Bharat Oman Refineries Limited				
- of ₹ 10 each (fully paid up)	**48,68,86,664**	48,68,86,664	**486.89**	486.89
- of ₹ 15 each (fully paid up)	**29,91,94,364**	29,91,94,364	**448.79**	448.79
- of ₹ 18 each (fully paid up)	**36,11,11,111**	36,11,11,111	**650.00**	650.00
			1,585.68	1,585.68

16. NON - CURRENT INVESTMENTS (CONTD.)

	No. of Units		Book Value	
	31/03/2015 Nos.	31/03/2014 Nos.	**31/03/2015 ₹ in Crores**	31/03/2014 ₹ in Crores
Investment in Debentures or Bonds				
Unquoted				
6% Optional Convertible Debenture of ₹ 1,00,000 each (fully paid up)				
Joint ventures				
Sabarmati Gas Limited	**2,000**	2,000	**20.00**	20.00
			7,296.42	7,233.66
Less : Provision for diminution in value of investment				
Petronet India Limited			**(16.00)**	(16.00)
Bharat Renewable Energy Ltd			**(3.36)**	(3.36)
Petronet CI Limited			**(1.58)**	(1.58)
			(20.94)	(20.94)
			7,275.48	7,212.72
(b) Non Trade				
Investment in Equity Instruments				
Unquoted				
Equity Shares of Kochi Refineries Employees Consumer Co-operative Society Limited (Fully paid up)	**500**	500	**##**	##
## Value ₹ 5,000				
Ordinary Shares (Fully paid up) of Sindhu Resettlement Corporation Limited	**6**	6	**#**	#
# Value ₹ 19,000				
Investment in Debentures or Bonds				
Unquoted				
Debentures (Irredeemable - Fully Paid up)				
5 % debentures of East India Clinic Limited	**1**	1	**0.01**	0.01
			0.01	0.01
In Association of Persons				
Unquoted				
Capital Contribution in Petroleum India International			**10.00**	10.00
Share in accumulated surplus of Petroleum India International			**16.56**	15.37
			26.56	25.37
Member Companies ###				
Bharat Petroleum Corporation Limited				
Engineers India Limited				
Hindustan Petroleum Corporation Limited				
Indian Oil Corporation Limited				
Indian Petrochemicals Corporation Limited				
Chennai Petroleum Corporation Limited				
Oil and Natural Gas Corporation Limited				
Oil India Limited				
Total			**7,302.05**	7,238.10

Aggregate value of Unquoted Securities ₹ **6,610.04 crores** (previous year ₹ 6,546.09 crores)

Aggregate value of Quoted Securities ₹ **692.01 crores** (previous year ₹ 692.01 crores)

Market value of Quoted Securities ₹ **3,535.38 crores** (previous year ₹ 2,866.35 crores)

The total capital is ₹ 55.00 crores of which share of Bharat Petroleum Corporation Limited is ₹ 10.00 crores, Indian Oil Corporation Limited is ₹ 15.00 crores and other members have equal share of ₹ 5.00 crores each.

17. LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	31/03/2015	31/03/2014
Capital advances	**508.67**	387.10
Security deposits		
Considered good	**28.10**	23.76
Considered doubtful	**0.45**	-
Less : Provision for doubtful deposits	**(0.45)**	-
Loans and advances to subsidiaries (Refer Note No. 49)		
Loan to Bharat PetroResources Limited	**650.00**	300.00
Advance to Bharat PetroResources Limited *	**300.00**	-
Loans and advances to related parties (Refer Note No. 49)		
Bharat Oman Refineries Limited	**1,354.10**	1,354.10
Petronet LNG Limited	**150.00**	56.18
Bharat Renewable Energy Limited *	**0.75**	-
Less: Provision in respect of Bharat Renewable Energy Limited	**(0.75)**	-
Kochi Salem Pipeline Pvt. Ltd. *	**6.75**	-
Loans and advances to employees (including accrued interest) (secured) (Refer Note No. 42)	**539.02**	547.27
Loans to others (Refer Note No. 49)		
Considered good	**30.40**	37.76
Considered doubtful	**1.03**	0.10
Less: Provision for doubtful loans	**(1.03)**	(0.10)
Claims & Deposits		
Considered good	**452.20**	439.88
Considered doubtful	**80.91**	47.68
Less : Provision for doubtful claims & deposits	**(80.91)**	(47.68)
Advance Income Tax (Net of provision for taxation)	**57.93**	120.61
Total	**4,077.17**	3,266.66

* Advance against equity shares (pending allotment)

18. OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	31/03/2015	31/03/2014
Unamortized Borrowings Expenses	**70.57**	100.21
Gratuity Account Balance (Refer Note No. 39)	**11.93**	64.96
Bank deposits with more than twelve months maturity		
Considered good *	**0.96**	0.97
Considered doubtful	**0.02**	-
Less: Provision for Bank deposits with more than twelve months maturity	**(0.02)**	-
Total	**83.46**	166.14

* Includes deposit of ₹ **0.80 crores** (previous year ₹ 0.80 crores) that have been pledged / deposited with local authorities.

19. CURRENT INVESTMENTS

(Current Investments are valued at lower of cost or fair market value)

₹ in Crores

		No. in Thousands		Book Value	
		31/03/2015	31/03/2014	**31/03/2015**	31/03/2014
Investments in Government Securities (Face Value ₹ 100 each)					
Non Trade - Quoted					
1	6.35% Oil Marketing Companies GOI Special Bonds 2024	**2,09,496**	2,09,496	**2,094.96**	2,094.96
2	6.90% Oil Marketing Companies GOI Special Bonds 2026 #	**2,47,400**	2,47,400	**2,474.00**	2,474.00
3	7.59% Oil Marketing Companies GOI Special Bonds 2015	**-**	231	**-**	2.31
4	7.61% Oil Marketing Companies GOI Special Bonds 2015	**-**	81	**-**	0.81
5	7.95% Oil Marketing Companies GOI Special Bonds 2025	**1,063**	1,063	**10.63**	10.63
6	8.20% Oil Marketing Companies GOI Special Bonds 2024	**89,778**	89,778	**897.78**	897.78
				5,477.37	5,480.49
	Less : Provision for diminution in value of investment				
	in 6.35% Oil Marketing Companies GOI Special Bonds 2024			**(211.39)**	(405.09)
	in 6.90% Oil Marketing Companies GOI Special Bonds 2026			**(176.89)**	(405.74)
	in 7.59% Oil Marketing Companies GOI Special Bonds 2015			**-**	(0.02)
	in 7.61% Oil Marketing Companies GOI Special Bonds 2015			**-**	(0.01)
	in 7.95% Oil Marketing Companies GOI Special Bonds 2025			**-**	(0.91)
	in 8.20% Oil Marketing Companies GOI Special Bonds 2024			**-**	(59.93)
	Total provision for diminution in value of investment			**(388.28)**	(871.70)
	Total			**5,089.09**	4,608.79

Kept as Collateral Security with Clearing Corporation of India Limited for borrowing in CBLO of face Value ₹ **2,450 crores** (previous year ₹ 2,450 crores)

Market value of Quoted Securities ₹ **5,104.33 crores** (previous year ₹ 4,608.79 crores)

20. INVENTORIES

(Refer Note No. 1.7)

₹ in Crores

	31/03/2015	31/03/2014
Raw materials	**3,439.66**	3,538.35
[Including in transit ₹ **1,585.10 crores** (previous year ₹ 1,365.01 crores)]		
Stock in process	**376.42**	910.90
Finished goods	**6,065.55**	8,986.00
Stock-in-trade	**4,311.12**	5,369.51
[Including in transit ₹ **559.81 crores** (previous year ₹ 387.52 crores)]		
Stores and spares	**254.68**	255.46
[Including in transit ₹ **1.44 crores** (previous year ₹ 1.32 crores)]		
Packaging material	**10.42**	10.91
Total	**14,457.85**	19,071.13

21. TRADE RECEIVABLES

(Unsecured unless otherwise stated)

₹ in Crores

	31/03/2015	31/03/2014
Outstanding for a period exceeding 6 months from due date of payment		
Considered good *	**124.90**	171.57
Considered doubtful	**491.20**	291.36
Less: Provision for doubtful debts	**(491.20)**	(291.36)
Other debts		
Considered good *	**2,482.77**	3,908.59
Considered doubtful	**16.81**	95.30
Less: Provision for doubtful debts	**(16.81)**	(95.30)
Total	**2,607.67**	4,080.16

* Includes Secured debts ₹ **621.40 crores** (previous year ₹ 764.97 crores)

22. CASH AND BANK BALANCES

₹ in Crores

	31/03/2015	31/03/2014
Cash on hand	**26.86**	47.07
Cheques and drafts on hand	**25.88**	55.68
Balances with Banks		
On Current Account	**193.99**	98.21
Demand deposits with Banks with original maturity of less than three months	**1,110.00**	-
Cash and Cash equivalents	**1,356.73**	200.96
Earmarked Balances *	**3.47**	2.80
Total	**1,360.20**	203.76

* Represents unpaid dividend

23. SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	31/03/2015	31/03/2014
Loans and advances to related parties		
Dues from subsidiaries	**5.44**	5.09
Dues from Joint Venture Companies	**11.66**	7.16
Loans and advances to employees (including accrued interest) (Secured) (Refer Note No. 42)	**65.06**	65.94
Loans to Others (Refer Note No. 49)	**8.64**	7.53
Advances		
Advances Recoverable in cash, or in kind or for value to be received	**181.21**	166.29
Advances considered doubtful	**11.78**	6.81
Less : Provision for doubtful advances	**(11.78)**	(6.81)
	272.01	252.01
Advance Income Tax (Net of provision for taxation)	**72.12**	72.69
Claims (net)	**81.13**	122.32
Balances With Customs, Excise, Port Trust, etc.	**320.18**	191.18
Others	**2.95**	3.03
Total	**748.39**	641.23

24. OTHER CURRENT ASSETS

₹ in Crores

	31/03/2015	31/03/2014
Interest accrued on investments & bank deposits		
Considered good	**71.11**	69.39
Considered doubtful	**0.02**	-
Less: Provision for Interest accrued on investments & bank deposits	**(0.02)**	-
Interest accrued on Loans to Related Parties	**28.65**	28.65
Receivable from Government of India	**5,869.64**	10,615.09
Unamortised premium (foreign exchange forward contract)	**0.85**	0.81
Unamortised Borrowings Expenses	**52.01**	32.77
Total	**6,022.26**	10,746.71

25. REVENUE FROM OPERATIONS

₹ in Crores

	2014-15	2013-14
(i) a) **Sales**		
Petroleum products	**2,43,954.36**	2,50,380.84
Crude oil	**1,215.67**	1,515.23
	2,45,170.03	2,51,896.07
b) Subsidy on LPG (Domestic) & SKO (PDS)*	**612.79**	639.96
c) Subsidy from Government of India (Refer Note No. 33(b))	**7,290.40**	18,374.28
	2,53,073.22	2,70,910.31
Less: Excise duty	**(15,167.96)**	(10,976.82)
	2,37,905.26	2,59,933.49
(ii) Other operating revenues	**181.64**	141.50
Total	**2,38,086.90**	2,60,074.99

* As per the scheme of the Government of India

26. OTHER INCOME

₹ in Crores

	2014-15	2013-14
Income from current investments		
Interest Income	**426.99**	382.03
Dividend income	**17.36**	2.66
Income from non current investments		
Dividend income - Subsidiaries	**72.57**	45.35
Dividend income - Others	**69.38**	91.21
Interest income	**1.20**	1.20
Income from Association of Persons	**1.19**	1.13
Income from Others (Refer Note No. 35)	**114.68**	74.20
Interest - Others (including on bank deposits)	**334.60**	359.76
Write back of liabilities no longer required	**13.82**	5.79
Profit on sale of fixed assets (net)	**0.15**	-
Reversal towards diminution in value of current investments	**483.42**	-
Prior period income (net) #	**43.71**	48.02
Gain on foreign currency transactions and translations (net) (Refer Note No. 51(b) & (c))	**224.33**	-
Others #	**396.56**	442.85
Total	**2,199.96**	1,454.20

Includes amortisation of capital grants ₹ **2.30 Crores** (previous year ₹ 0.87 Crores)

27. COST OF RAW MATERIALS CONSUMED

₹ in Crores

	2014-15	2013-14
Opening stock	**3,538.35**	3,075.03
Add : Purchases (Refer Note No. 33(a))	**94,325.70**	1,09,660.75
Less: Closing stock	**(3,439.66)**	(3,538.35)
Total	**94,424.39**	1,09,197.43

Particulars	Year	Imported		Indigenous		Total
		₹ in Crores	%	₹ in Crores	%	₹ in Crores
Crude oil	**2014-15**	**73,899.40**	**79.45**	**19,108.74**	**20.55**	**93,008.14**
	2013-14	84,530.96	78.84	22,688.62	21.16	1,07,219.58
Others	**2014-15**	**39.49**	**2.79**	**1,376.76**	**97.21**	**1,416.25**
	2013-14	351.22	17.76	1,626.63	82.24	1,977.85
Total	**2014-15**	**73,938.89**	**78.30**	**20,485.50**	**21.70**	**94,424.39**
	2013-14	84,882.18	77.73	24,315.25	22.27	1,09,197.43

28. PURCHASES OF STOCK-IN-TRADE

₹ in Crores

	2014-15	2013-14
Petroleum products (Refer Note No. 33(a))	**1,15,836.04**	1,29,381.68
Crude Oil	**1,215.67**	1,516.19
Total	**1,17,051.71**	1,30,897.87

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crores

	2014-15	2013-14
Value of opening stock of		
Finished goods	**8,986.00**	6,234.73
Stock-in-trade	**5,369.51**	6,271.94
Stock in process	**910.90**	729.44
	15,266.41	13,236.11
Less : Value of closing stock of		
Finished goods	**6,065.55**	8,986.00
Stock-in-trade	**4,311.12**	5,369.51
Stock in process	**376.42**	910.90
	10,753.09	15,266.41
Net (increase) / decrease in inventory	**4,513.32**	(2,030.30)

30. EMPLOYEE BENEFITS EXPENSE

(Refer Note No. 52)

₹ in Crores

	2014-15	2013-14
Salaries and wages	**1,397.77**	2,171.72
Contribution to Provident and Other funds	**227.33**	329.39
Staff Welfare Expenses	**459.22**	268.42
Voluntary Retirement Scheme	**1.28**	126.82
Total	**2,085.60**	2,896.35

31. FINANCE COSTS

₹ in Crores

	2014-15	2013-14
Interest expense	**409.97**	449.22
Interest on shortfall in payment of advance tax	**58.10**	61.93
Other borrowing costs	**54.40**	51.31
Applicable loss on foreign currency transactions and translations (Net)	**60.63**	796.62
Total	**583.10**	1,359.08

32. OTHER EXPENSES

₹ in Crores

	2014-15	2013-14
Transportation	**5,003.62**	4,467.41
Excise Duty on inventory differential	**731.32**	169.47
Octroi, Other Levies and Irrecoverable Taxes	**767.44**	747.86
Repairs and maintenance		
Machinery	**619.09**	819.61
Building	**93.70**	43.65
Others	**167.70**	145.58
Sub-Total	**880.49**	1,008.84
Power and fuel	**5,104.80**	5,398.22
Less: Consumption of fuel out of own production	**(3,368.68)**	(4,201.33)
Power and fuel consumed (net)	**1,736.12**	1,196.89
Stores, spares and materials	**394.64**	511.98
Less: Charged to other revenue accounts	**(275.04)**	(446.65)
Stores, spares and materials (net)	**119.60**	65.33
Packages consumed	**150.36**	165.35
Office Administration, Selling and Other expenses		
Rates and Taxes	**69.23**	134.43
Rent (Refer Note No. 43)	**223.89**	244.29
Utilities	**223.41**	195.17
Terminaling and related expenses	**175.93**	151.07
Travelling and conveyance	**155.38**	140.44
Insurance	**52.83**	51.20
Communication expenses	**35.06**	23.99
Remuneration to auditors		
Audit fees	**0.30**	0.25
Fees for other services - Certification	**0.46**	0.43
Reimbursement of out of pocket expenses	**0.01**	-
Sub-Total	**0.77**	0.68
Write offs		
Bad debts and claims	**0.83**	2.68
Other write offs	**0.75**	5.16
Sub-Total	**1.58**	7.84
Provision for doubtful debts & advances (net)	**161.69**	232.14
Loss on sale of current investments	**-**	29.45
Provision towards diminution in value of current investments	**-**	302.11
Provision towards diminution in value of non-current investments	**-**	3.36
Loss on sale of fixed assets (net)	**-**	12.98
Loss on foreign currency transactions and translations (net) (Refer Note No. 51(b) & (c))	**-**	678.03
CSR Expenditure (Refer Note No. 47)	**76.01**	35.17
Others	**1,132.48**	949.46
Sub-total - Office Administration, Selling and Other expenses	**2,308.26**	3,191.81
Total	**11,697.21**	11,012.96
Details of stores / spare parts and components		
Imported - Amount	**105.30**	229.12
Imported - % of total	**26.68%**	44.75%
Indigenous - Amount	**289.34**	282.86
Indigenous - % of total	**73.32%**	55.25%
Sub-total	**394.64**	511.98
Less: Charged to other revenue accounts	**(275.04)**	(446.65)
Total	**119.60**	65.33

33. Consequent to non-revision in Retail Selling Prices corresponding to the international prices and applicable foreign exchange rates prevailing during the year, the Corporation has suffered gross under-recovery of ₹ **16,140.66** Crores (previous year ₹ 34,462.56 Crores) on sale of sensitive petroleum products.

As advised by the Ministry of Petroleum & Natural Gas, the Corporation has accounted compensation towards sharing of under-recoveries on sale of sensitive petroleum products as follows:

a) ₹ **8,362.88 Crores** (previous year ₹ 15,576.78 Crores) discount on crude oil / products purchased from ONGC/ GAIL/NRL which has been adjusted against purchase cost;

b) ₹ **7,290.40 Crores** (previous year ₹ 18,374.28 Crores) subsidy from Government of India has been accounted as Revenue from operations.

After adjusting the above compensation, the net under-recovery absorbed by the Corporation is ₹ **487.38 Crores** (previous year ₹ 511.50 Crores).

34. Pursuant to the Ministry of Corporate Affairs Notification G.S.R. 914 (E) dated 29th December 2011, the Corporation had exercised the option under Para 46 A of AS-11 (notified under the Companies (Accounting Standards) Rules, 2006) (as amended) and has changed its accounting policy from financial year 2011-12 onwards for recognition of exchange differences arising on reporting of long term foreign currency monetary items. For the current financial year, the impact on account of this change (net of depreciation and amortization) is increase in profit before tax of ₹ **307.06 Crores** (previous year ₹ 209.76 Crores). The net gain remaining unamortised under Foreign Currency Monetary Item Translation Difference Account as at 31st March 2015 is ₹ **26.99 Crores** (previous year ₹ 184.25 Crores).

35. As per the scheme of Amalgamation of the erstwhile Kochi Refineries Limited (KRL) with the Corporation approved by the Government of India, 3,37,28,737 equity shares of the Corporation were allotted (in lieu of the shares held by the Corporation in the erstwhile KRL) to a trust for the benefit of the Corporation in the financial year 2006-07. After the 1:1 Bonus issue in July 2012, presently the trust holds 6,74,57,474 equity shares of the Corporation. Accordingly the cost of the original investment of ₹ **659.10 Crores** and contribution to the corpus of the trust of ₹ **0.01 Crores** (previous year NIL) is included in Non Current Investments (Refer Note No.16). The income distributed by the trust during the year 2014-15 amounting to ₹ **114.68 Crores** (previous year ₹ 74.20 crores) have been included in 'Other income' (Refer Note No.26).

36. **Impairment of Assets:** It is assumed that suitable mechanism would be in place by the Government of India, in line with earlier/ current year(s), to provide compensation towards under-recoveries of margin, if any, and recoveries against Direct Benefit Transfer for LPG Scheme on account of sale of sensitive petroleum products in subsequent years. Hence, there is no indication of impairment of assets of the Corporation as at 31st March 2015.

37. **Segment Reporting:** The Corporation operates in a single segment - Refinery and Marketing activities, i.e. downstream petroleum sector. Considering the nature of business and operation, there is no reportable segment (business and/or geographical) in accordance with the requirements of Accounting Standard 17.

38. The Corporation has numerous transactions with other oil companies. The outstanding balances (included under Trade Payables / Trade Receivables, etc) from them including certain other outstanding credit and debit balances are subject to confirmation/reconciliation. Adjustments, if any, arising therefrom are not likely to be material on settlement and are accounted as and when ascertained.

39. **Disclosure as per requirements of Accounting Standard 15 - "Employee Benefits":**

The Corporation's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Corporation and charged to Statement of Profit and Loss.

Gratuity: The Corporation has a defined benefit gratuity plan managed by a trust. The contribution based upon actuarial valuation is paid /payable to a trust which is invested as per investment pattern prescribed by the Government in plan assets. Gratuity is paid to a staff member who has put in a minimum qualifying period of 5 years of continuous service on superannuation, resignation, termination or to his nominee on death.

Leave Encashment: The Employees are entitled to accumulate Earned Leave and Sick Leave, which can be availed during the service period. Employees are also allowed to encash the accumulated earned leave during the service period. Further, the accumulated earned leave and sick leave can be encashed by the employees on superannuation, resignation, and termination or by nominee on death.

Other Defined Benefits: These are (a) Post Retirement Medical Scheme benefit (managed by a trust) to employees, spouse, dependent children and dependent parents; (b) Pension/ex-gratia scheme to the retired employees who are entitled to receive the monthly pension / ex-gratia for life; (c) Death in service / Permanent disablement given to employee, the spouse of the employee, provided the deceased's family/disabled employee deposits retirement dues such as PF, Gratuity, Leave encashment payable to them with the Corporation; and (d) Resettlement allowance paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

Disclosure as per requirements of Accounting Standard 15 continued:

₹ Crores

a) Reconciliation of balances of Defined Benefit Obligations.	Gratuity - Funded		Post Retirement Medical - Funded		Leave Encashment - Non Funded		Burmah Shell Pension - Non Funded		Death / Permanent disablement - Non Funded		Resettlement Allowance - Non Funded		Ex-gratia scheme - Non Funded	
	2014-15	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14
Defined Obligations at the beginning of the year	**594.76**	647.35	**551.84**	476.74	**783.15**	740.44	**88.46**	74.20	**8.75**	7.73	**5.14**	5.75	**272.81**	250.35
Interest Cost	**55.02**	51.79	**51.16**	40.00	**72.44**	57.45	**7.41**	5.41	**0.38**	0.37	**0.57**	0.54	**26.10**	21.02
Current Service Cost	**3.32**	4.00	**25.32**	20.20	**46.36**	38.23	**-**	-	**-**	-	**0.99**	1.00	**18.26**	13.18
Past service cost	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Benefits paid	**(91.40)**	(35.70)	**(25.21)**	(20.34)	**(311.09)**	(121.01)	**(17.01)**	(17.17)	**(9.33)**	(6.45)	**(0.02)**	(0.02)	**(19.03)**	(17.54)
Actuarial (Gains)/ Losses on obligations	**50.96**	(72.68)	**46.45**	35.24	**80.69**	68.04	**3.86**	26.02	**11.84**	7.10	**(1.38)**	(2.13)	**35.24**	5.80
Defined Obligations at the end of the year	**612.66**	594.76	**649.56**	551.84	**671.55**	783.15	**82.72**	88.46	**11.64**	8.75	**5.30**	5.14	**333.38**	272.81

b) Reconciliation of balances of Fair Value of Plan Assets in respect of Gratuity / Post Retirement Medical Fund				
Fair Value at the beginning of the year	**659.76**	556.20	**530.36**	475.22
Expected Return (a)	**57.40**	48.39	**45.61**	41.81
Actuarial gains/ (losses) (b)	**(1.17)**	(0.37)	**3.47**	12.59
Actual Return on Plan assets (a+b)	**56.23**	48.02	**49.08**	54.40
Contribution by employer	**-**	91.24	**46.69**	21.08
Contribution by employee	**-**	-	**1.18**	-
Benefits paid	**(91.40)**	(35.70)	**(25.21)**	(20.34)
Fair Value of Plan Assets at the end of the year	**624.59**	659.76	**602.10**	530.36

c) Amount recognised in Balance sheet (a-b)	**(11.93)**	(65.00)	**47.46**	21.48	**671.55**	783.15	**82.72**	88.46	**11.64**	8.75	**5.30**	5.14	**333.38**	272.81

d) Amount recognised in Statement of Profit and Loss														
Current Service Cost	**3.32**	4.00	**25.32**	20.20	**46.36**	38.23	**-**	-	**-**	-	**0.99**	1.00	**18.26**	13.18
Past Service cost	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Interest Cost	**55.02**	51.79	**51.16**	40.00	**72.44**	57.45	**7.41**	**5.41**	**0.38**	0.37	**0.57**	0.54	**26.10**	21.02
Expected Return on Plan Assets	**(57.40)**	(48.39)	**(45.61)**	(41.81)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Contribution by employee	**-**	-	**(1.18)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Actuarial (Gains)/ Losses	**52.13**	(72.31)	**42.98**	22.65	**80.69**	68.04	**3.86**	**26.02**	**11.84**	7.10	**(1.38)**	(2.13)	**35.24**	5.80
Expenses for the period	**53.07**	(64.91)	**72.67**	41.04	**199.49**	163.72	**11.27**	**31.43**	**12.22**	7.47	**0.18**	(0.59)	**79.60**	40.00

e) Major Actuarial Assumptions														
Discount Rate (%)	**7.90**	9.25	**7.95**	9.27	**7.90**	9.25	**7.99**	9.27	**8.04**	9.27	**7.90**	9.25	**7.95**	9.27
Salary Escalation/ Inflation (%)	**8.00**	8.00	**7.00**	7.00	**8.00**	8.00	**-**	-	**-**	-	**-**	-	**-**	-
Expected Return on Plan assets (%)	**7.90**	8.70	**7.95**	8.60	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-

f) Investment pattern for Fund as on	**31/03/2015**	31/03/2014	**31/03/2015**	31/03/2014
Category of Asset	%	%	%	%
Government of India Asset	**24.94**	25.23	**7.96**	10.33
Corporate Bonds	**27.06**	19.56	**54.48**	6.95
Insurer Managed funds	**40.19**	30.01	**-**	-
State Government	**5.38**	7.94	**34.10**	61.87
Others	**2.43**	17.26	**3.46**	20.85
Total	**100.00**	100.00	**100.00**	100.00

g) As per our best estimate, ₹ Nil is the expected contribution to be paid to the Gratuity fund in year 2015-16

h) Effect of Increase / Decrease of 1% is assumed for medical cost trend to the Post Retirement Medical Liability:

	31/03/2015	31/03/2014
Change in liability for 1% increase in Discount Rate	**(68.66)**	(67.84)
Change in service cost for 1% increase in Discount Rate	**(2.23)**	(1.78)
Change in liability for 1% decrease in Discount Rate	**83.16**	61.03
Change in service cost for 1% decrease in Discount Rate	**2.58**	2.06

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation

Disclosure as per requirements of Accounting Standard 15 continued:

Details of present value of obligation, fair value of plan assets, surplus/deficit in plan and experience adjustments

Particulars	₹ in Crores				
	2014-15	**2013-14**	**2012-13**	**2011-12**	**2010-11**
Present Value of Obligation					
Funded*	**1,262.22**	1,146.60	1,124.09	1,032.60	600.75
Unfunded**	**1,104.59**	1,158.31	1,078.47	947.78	1,248.49
Sub-Total	**2,366.81**	**2,304.91**	**2,202.56**	**1,980.38**	**1,849.24**
Fair Value of Plan Assets	**1,226.69**	1,190.12	1,031.42	903.76	457.00
Deficit / (Surplus)	**1,140.12**	**1,114.79**	**1,171.14**	**1,076.62**	**1,392.24**
Experience Adjustments					
Gain/(Loss) On Funded Plan Liabilities	**50.88**	51.83	(33.44)	(13.50)	12.37
Gain/(Loss) On Funded Plan Assets	**2.30**	(0.37)	24.36	(7.08)	(14.96)
Gain/(Loss) On Un-Funded Plan Liabilities	**(6.11)**	(157.72)	(100.63)	(100.16)	(67.22)

* Gratuity & Post Retirement Medical Benefit Scheme. The Post Retirement Medical Benefit Scheme has become funded from financial year 2011-12 onwards.

** Leave encashment, Burmah Shell Pension, Death/ Permanent Disablement, Resettlement Allowance & Ex-Gratia Scheme.

40. To the extent, the Corporation has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under:

₹ in Crores

	31/03/2015	31/03/2014
Amount Due and Payable at the year end		
- Principal	**3.10**	58.24
- Interest on above Principal	**-**	-
Payment made during the year after the due date		
- Principal	**-**	-
- Interest	**-**	-
Interest due and payable for Principal already paid	**-**	-
Total Interest accrued and remained unpaid at year end	**-**	-

The interest payable to such vendors is not likely to be material.

41. Related Party Disclosures as per Accounting Standard 18

Names of the Related parties (Joint Venture Companies)

Indraprastha Gas Limited

Petronet India Limited *

Petronet CCK Limited

Petronet CI Limited *

Petronet LNG Limited

Bharat Oman Refineries Limited

Maharashtra Natural Gas Limited

Central UP Gas Limited

Sabarmati Gas Limited

Bharat Stars Services Private Limited
(Including Bharat Star Services (Delhi) Pvt. Limited)

Bharat Renewable Energy Limited *

Matrix Bharat Pte. Ltd.

Delhi Aviation Fuel Facility Private Limited

Kannur International Airport Limited

GSPL India Gasnet Limited

GSPL India Transco Limited

Mumbai Aviation Fuel Farm Facility Private Limited

Kochi Salem Pipeline Private Limited

IBV (Brazil) Petroleo Ltda.

*Companies in the process of winding up

Key Management Personnel (Whole time directors):

Shri S. Varadarajan, (Chairman & Managing Director) w.e.f. 01/10/2013 and (Director Finance) up to 31/03/2014

Shri P. Balasubramanian, Director (Finance) w.e.f. 01/04/2014

Shri K.K. Gupta, Director (Marketing)

Shri B.K. Datta, Director (Refineries)

Shri S.P. Gathoo, Director (Human Resources)

Shri R.K. Singh, (Chairman & Managing Director) up to 30/09/2013

The nature wise transactions with the above related parties are as follows:

S.No.	Nature of Transactions	2014-15	₹ in Crores 2013-14
1	Purchase of goods	**35,756.86**	37,534.10
2	Sale of goods	**3,802.70**	6,826.85
3	Rendering of Services	**24.35**	29.66
4	Receiving of Services	**144.25**	130.59
5	Interest Income	**129.12**	129.92
6	Dividend Received	**53.44**	51.98
7	Investment and Advance for Investments	**70.25**	48.24
8	Loans and Advances given	**112.36**	56.18
9	Management Contracts (Employees on deputation/ consultancy services)	**23.76**	22.35
10	Lease Rental & Other Charges received	**30.04**	29.78
11	Lease Rental & Other Charges paid	**0.07**	0.29
12	Sale of Assets	**5.01**	-
13	Receivables as at year end	**1,701.33**	1,799.50
14	Payables as at year end	**1,017.37**	1,886.28

Disclosure with respect to Related Party Transactions during the year (more than 10% of the total transaction value):

1. Purchase of goods: Bharat Oman Refineries Limited ₹ **29,610.52 Crores** (previous year ₹ 30,971.47 Crores) and Petronet LNG Limited ₹ **5,612.34 Crores** (previous year ₹ 6,018.80 Crores).
2. Sale of goods: Matrix Bharat Pte. Ltd. ₹ **2,286.27 Crores** (previous year ₹ 4,676.70 Crores), Bharat Oman Refineries Limited ₹ **661.21 Crores** (previous year ₹ 1,158.61 Crores) and Indraprastha Gas Limited ₹ **434.38 Crores** (previous year ₹ 570.37 Crores)
3. Rendering of Services: Bharat Oman Refineries Limited ₹ **16.13 Crores** (previous year ₹ 24.71 Crores) and Indraprastha Gas Limited ₹ **7.38 Crores** (previous year ₹ 4.57 Crores)
4. Receiving of Services: Petronet CCK Limited ₹ **108.45 Crores** (previous year ₹ 104.39 Crores) and Bharat Star Services Private Limited ₹ **16.70 Crores** (previous year ₹ 11.68 Crores)
5. Interest income: Bharat Oman Refineries Limited ₹ **129.12 Crores** (previous year ₹ 128.96 Crores)
6. Dividend received: Petronet LNG Limited ₹ **18.75 Crores** (previous year ₹ 23.44 Crores), Indraprastha Gas Limited ₹ **17.33 Crores** (previous year ₹ 17.33 Crores) and Delhi Aviation Fuel Facility Pvt. Ltd. ₹ **7.59 Crores** (previous year ₹ 7.28 Crores)
7. Investment and Advances for Investments: Kannur International Airport Ltd. ₹ **50.00 Crores** (previous year ₹ 30.00 crores)
8. Loans and Advances: Petronet LNG Limited ₹ **112.36 Crores** (previous year ₹ 56.18 Crores)
9. Management Contracts (Employees on deputation / consultancy services): Bharat Oman Refineries Limited ₹ **16.46 Crores** (previous year ₹ 16.75 Crores)
10. Lease Rental & other charges received: Bharat Oman Refineries Limited ₹ **29.21 Crores** (previous year ₹ 29.21 Crores)
11. Lease Rental & Other Charges paid: Delhi Aviation Fuel Facility Pvt. Ltd ₹ **0.07 Crores** (previous year ₹ 0.21 crores).
12. Sale of Assets: Bharat Star Services Pvt. Limited ₹ **3.09 Crores** (previous year Nil) and Mumbai Aviation Fuel Farm Facility Private Limited ₹ **1.92 Crores** (previous year Nil).
13. Receivables as at period end: Bharat Oman Refineries Limited ₹ **1,390.18 Crores** (previous year ₹ 1,385.83 Crores), which is mainly on account of Subordinated loan of ₹ **1,354.10 Crores** (previous year ₹ 1,354.10 Crores).
14. Payables as at period end: Bharat Oman Refineries Limited ₹ **820.38 Crores** (previous year ₹ 1,592.05 Crores) and Petronet LNG Limited ₹ **151.03 Crores** (previous year ₹ 255.54 Crores)

Remuneration to Key Management Personnel

₹ in Crores

Key Management Personnel	2014-15	2013-14
Shri S. Varadarajan	**0.65**	0.50
Shri R.K. Singh	**-**	0.75
Shri P. Balasubramanian	**0.46**	-
Shri K.K. Gupta	**0.73**	0.52
Shri B.K. Datta	**0.52**	0.57
Shri S.P. Gathoo	**0.57**	0.52
Total	**2.93**	2.86

In view of the exemption provided under AS-18 Related Party Disclosures, related party relationships with other state-controlled enterprises and transactions with such enterprises are not included in the above.

42. Dues from Directors is ₹ **0.32 Crores** (previous year ₹ 0.25 Crores) and Dues from Officers is ₹ **3.30 Crores** (previous year ₹ 3.74 Crores).

43. Disclosure for Operating Leases as per Accounting Standard - 19

The Corporation enters into cancellable/ non-cancellable operating lease arrangements for office premises, staff quarters and others. The lease rentals paid/ received for the same are charged to the Statement of Profit and Loss.

A) As Lessee

a) The Corporation enters into non-cancellable operating leases in respect of Godowns. The details are as follows-

₹ in Crores

S.No.	Particulars	2014-15	2013-14
i)	Future Lease payment obligations under non-cancellable operating leases		
	a) Not later than one year	**0.10**	-
	b) Later than one year and not later than five years	**0.36**	-
	c) Later than five years	**-**	-
ii)	Lease Rentals recognized in the Statement of Profit and Loss	**0.11**	-

b) The Corporation enters into cancellable operating leases in respect of office premises, staff quarters and others which are cancellable by giving appropriate notices as per respective agreements. During the year ₹ **27.29 Crores** (previous year ₹ 24.03 Crores) has been charged to Statement of Profit and Loss on account of lease rentals.

B) As Lessor

i) The Corporation enters into cancellable/non-cancellable operating lease arrangements in respect of commercial spaces, storage and distribution facilities and others. The details are as follows-

₹ in Crores

Particulars	Buildings		Plant and Equipments		Tanks and Pipelines		Furniture and Fixtures		Office Equipments	
	2014-15	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14
Gross Carrying Amount	**158.28**	152.30	**567.10**	530.36	**23.45**	26.70	**12.47**	11.65	**5.37**	5.50
Accumulated depreciation	**53.98**	17.26	**134.46**	105.91	**22.21**	24.25	**7.57**	5.28	**4.48**	3.91
Depreciation recognized in the Statement of Profit and Loss	**36.63**	3.49	**26.11**	26.41	**-**	0.17	**2.19**	0.68	**0.67**	0.39

ii) Total contingent rent recognised as income in the Statement of Profit and Loss in the financial year 2014-15 is ₹ **18.32 Crores** (previous year ₹ 17.06 Crores).

iii) Future Lease rentals under non-cancellable operating leases

₹ in Crores

S.No.	Particulars	2014-15	2013-14
i)	Future Lease rentals under non-cancellable operating leases		
a)	Not later than one year	**26.12**	26.29
b)	Later than one year and not later than five years	**104.00**	104.01
c)	Later than five years	**156.00**	182.00

44. Earnings per share

Particulars	Unit	2014-15	2013-14
Profit after Tax	₹ in Crores	**5,084.51**	4,060.88
Weighted average number of shares outstanding during the year	Crore nos.	**72.31**	72.31
Basic earnings per share	₹	**70.32**	56.16
Diluted earnings per share	₹	**70.32**	56.16

45. In compliance with Accounting Standard – 27 'Financial Reporting of Interests in Joint Ventures', the required information is as under:

(a)

Jointly controlled entities	Country of Incorporation	Percentage of ownership interest as on	
		31/03/2015	31/03/2014
Indraprastha Gas Limited	India	**22.50**	22.50
Petronet India Limited (#)	India	**16.00**	16.00
Petronet CCK Limited	India	**49.00**	49.00
Petronet CI Limited (#)	India	**11.00**	11.00
Petronet LNG Limited	India	**12.50**	12.50
Bharat Oman Refineries Limited	India	**50.00**	50.00
Central UP Gas Limited	India	**25.00**	25.00
Maharashtra Natural Gas Limited	India	**22.50**	22.50
Sabarmati Gas Limited	India	**25.00**	25.00
Bharat Stars Services Private Limited	India	**50.00**	50.00
Bharat Renewable Energy Limited (#)	India	**33.33**	33.33
Matrix Bharat Pte. Ltd.	Singapore	**50.00**	50.00
Delhi Aviation Fuel Facility Pvt. Limited	India	**37.00**	37.00
Kannur International Airport Limited @	India	**21.68**	17.00
GSPL India Gasnet Limited	India	**11.00**	11.00
GSPL India Transco Limited	India	**11.00**	11.00
Mumbai Aviation Fuel Farm Facility Private Limited	India	**25.00**	-
Kochi Salem Pipeline Private Limited *	India	**50.00**	-

Companies in the process of winding up

* The percentage of ownership interest is after considering Advance against Equity as per the Joint Venture Agreement.

@ Current year percentage of ownership interest is after considering proposed increase in equity participation

BPRL Ventures B.V., a 100% step- down subsidiary of the Corporation holds 50% equity in IBV (Brazil) Petroleo Ltda., a joint venture company incorporated in Brazil.

The percentage of ownership interest is as per the respective Joint Venture Agreement.

(b) In respect of jointly controlled entities, the Corporation's share of assets, liabilities, income, expenditure, contingent liabilities and capital commitments compiled on the basis of unaudited / audited financial statements received from these joint ventures are as follows:

₹ in Crores

Particulars	31/03/2015	31/03/2014
(i) Assets		
- Non Current Assets	**7,431.73**	7,190.37
- Current Assets	**2,706.17**	4,823.58
- Deferred Tax Asset	**650.44**	419.00
(ii) Liabilities		
- Non Current Liabilities	**5,101.74**	5,459.70
- Current Liabilities	**3,334.11**	4,532.98
- Deferred Tax Liability	**144.72**	117.29
(iii) Revenue	**21,146.17**	22,913.17
(iv) Expenses	**21,379.83**	22,792.14
(v) Contingent Liabilities	**997.97**	259.55
(vi) Capital & Other Commitments	**259.25**	548.23

46. In compliance of Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

₹ in Crores

Nature	Opening balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	50.60	4.40	0.20	0.06	54.74
Customs	65.12	-	-	-	65.12
Service Tax	0.03	0.07	0.03	-	0.07
Sales Tax	353.82	233.53	0.04	36.50	550.81
Property Tax	54.91	29.89	-	1.72	83.08
Total	**524.48**	**267.89**	**0.27**	**38.28**	**753.82**
Previous year	280.90	246.23	-	2.65	524.48

The above provisions are made based on estimates and the expected timing of outflows is not ascertainable at this stage.

Above includes provision of ₹ **26.26 Crores** (previous year ₹ 13.13 Crores) in respect of which deposits have been made.

47. Disclosure in respect of Expenditure on Corporate Social Responsibility Activities

₹ in Crores

a)	Amount required to be spent by the Company during the year.	**76.01**
b)	Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the company) #	**33.95 ***
c)	Provision created for balance amount	**42.06**

The above expenditure includes contribution to funds, expenses through registered trusts / registered society or company established under section 8 of the Act and direct expenses by the company.

* including payables of ₹ **7.28 Crores** as on 31/03/2015.

48. Disclosure as required by Clause 32 of Listing Agreement

₹ in Crores

Particulars	Balance as on		Maximum amount outstanding during the period	
	31/03/2015	31/03/2014	**2014-15**	2013-14
(a) Loans and advances in the nature of Loans:				
(i) To Subsidiary Company- Bharat PetroResources Limited	**650.00**	300.00	**650.00**	300.00
(ii) To Associates	**-**	-	**-**	-
(iii) Where there is :				
a) No repayment schedule or repayment beyond 7 years- Petronet CCK Limited	**-**	-	**-**	52.06
b) No interest or interest below Section 372A of Companies Act, 1956	**-**	-	**-**	-
(iv) To Firms/ Companies in which Directors are interested- Bharat Oman Refineries Limited	**1,354.10**	1,354.10	**1,354.10**	1,354.10
(b) Investment by the loanee in the shares of BPCL and its subsidiary companies	**-**	-	**-**	-

49. Disclosure under Section 186(4) of the Companies Act, 2013

a) Loans given during the year

₹ in Crores

Loans Given to	Opening balance	Additions during the year	Deletions during the year	Closing balance
Bharat Oman Refineries Ltd.	1,354.10	-	-	1,354.10
Bharat PetroResources Ltd.	300.00	350.00	-	650.00
Total	**1,654.10**	**350.00**	**-**	**2004.10**

The above loans are for the purpose of financing the capital projects.

b) Loans given to SC/ST Distributors

₹ in Crores

Opening balance	Additions during the year	Deletions during the year	Closing balance
45.39	3.42	8.74	40.07

The above loans are for the purpose of financing the working capital requirements.

c) Investments during the year

₹ in Crores

Opening balance	Additions during the year	Deletions during the year	Closing balance
7,238.10	63.95	-	7,302.05

Additions in Investments during the year	₹ in Crores
Equity shares in GSPL India Gasnet Ltd.	5.50
Equity shares in GSPL India Transco Ltd.	2.75
Equity shares in Kannur International Airport Ltd.	50.00
Equity shares in Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	4.50
Increase in Accumulated Surplus in Petroleum India International	1.19
Contribution to BPCL Trust for Investment in Shares	0.01
Total	**63.95**

d) **Guarantees given during the year**

₹ in Crores

Guarantee Given on behalf of	Opening balance	Additions during the year *	Expired during the year	Closing balance
Bharat Oman Refineries Ltd.	1,406.34	58.29	-	1,464.63

*Additions represent mark to market Revaluation impact.

Guarantees given to banks on behalf of Bharat Oman Refineries Ltd. are against foreign currency loans raised.

50. Capital Commitments and Contingent Liabilities :

₹ in Crores

	31/03/2015	31/03/2014
(a) Capital Commitments :		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	**7,877.49**	9,662.74
ii) Uncalled liability on shares and other investments partly paid	**50.00**	100.00
(b) Contingent Liabilities :		
In respect of Income Tax matters	**80.68**	84.13
Other Matters :		
i) Claims against the Corporation not acknowledged as debts * :		
Excise, Service Tax and Customs matters	**1,093.13**	1,146.12
Sales tax matters	**6,526.43**	3,191.77
Land Acquisition cases for higher compensation	**121.05**	139.87
Others	**441.42**	399.02

* These include ₹ **4,163.89 Crores** (previous year ₹ 1,065.60 Crores) against which the Corporation has a recourse for recovery and ₹ **49.93 Crores** (previous year ₹ 75.55 Crores) which are on capital account.

	31/03/2015	31/03/2014
ii) Claims on account of wages, bonus/ex-gratia payments in respect of pending court cases.	**15.95**	13.28
iii) Guarantees given on behalf of Subsidiaries/JV's	**2,698.04**	2,661.06

51. (a) The Corporation has on the Balance Sheet date, outstanding forward contracts amounting to **USD 184 Million**, of which **Nil** (previous year USD 175 Million i.e. an equivalent of ₹ 1,051.75 Crores) is to hedge the foreign currency exposure towards loans and **USD 184 Million** i.e. an equivalent of ₹ **1,152.96 Crores** (previous year Nil) to hedge foreign currency exposure for payment of crude oil.

Following are the unhedged foreign currency on account of exposures :

	31/03/2015		31/03/2014	
Exposure Type	**USD Million**	**₹ in Crores**	USD Million	₹ in Crores
Imports	**838.71**	**5,249.57**	973.37	5,849.91
Buyers Credit Loan (Short Term)	**-**	**-**	716.61	4,306.80
ECB (Long Term) *	**1,806.63**	**11,307.83**	1,853.29	11,138.23
Export Debtors	**132.09**	**826.78**	227.20	1,365.45

* This includes 3 % CHF Bonds 2019 for CHF 200 Million which were swapped into USD 228.29 Million

(b) The Corporation has on the Balance Sheet date, outstanding forward contracts amounting to **Nil** (previous year USD 1,229 Million equivalent to ₹ 7,386.27 Crores) to hedge the foreign currency exposure arising out of RBI Swap window transactions. All the RBI swap transactions outstanding as on 31/03/14 have matured during 2014-15 and the gain of ₹ **521.14 Crores** (out of which ₹ 324.35 Crores is on account of reversal of mark to market losses accounted in previous years) have been recognised in the Statement of Profit and Loss.

(c) The Corporation had raised Swiss Franc (CHF) 200 Million of 3% CHF Bonds 2019 in March 2014, the proceeds of which were swapped into USD 228.29 Million on the same day. The mark to market losses of ₹ **96.09 Crores** (previous year ₹ 15.41 Crores) in respect of this CHF-USD Swap transaction have been recognized as expense during 2014-15 based on the concept of prudence and in line with the ICAI announcement of 29th March 2008 on Accounting for Derivatives.

(d) The Corporation has on the Balance Sheet date the following outstanding derivatives for hedging purposes:

Instrument	**Description**	**Quantity**
OTC Swap	Spread between Petroleum Products and Crude Oil	3.20 million barrels

Mark-to-market losses amounting to ₹ **0.01 Crores** have been accounted as on 31st March 2015 (previous year Nil) in respect of these derivative contracts.

52. The Employee benefits expense for financial year 2014-15 include reversal of provisions no longer required ₹ **657.93 Crores.**

53. Value of imports calculated on C.I.F. basis

₹ in Crores

	2014-15	2013-14
(a) Raw Materials (including crude oil)	**72,139.49**	85,221.96
(b) Capital goods	**432.75**	268.84
(c) Components and spare parts (including packages, chemicals and catalysts)	**77.28**	124.83

54. Expenditure in foreign currency :

	2014-15	2013-14
		₹ in Crores
(a) Purchase of products	**7,308.71**	5,109.48
(b) Professional Consultancy Fees	**5.27**	11.84
(c) Freight	**333.80**	256.08
(d) Interest	**375.63**	362.07
(e) Royalty	**1.21**	1.24
(f) Other matters	**62.43**	115.30

55. Earnings in foreign exchange :

	2014-15	2013-14
		₹ in Crores
Exports on FOB basis #	**12,364.27**	19,122.06

Includes receipt of ₹ **1,438.32 Crores** (previous year ₹ 1,858.70 crores) in Indian currency out of the repatriable funds of foreign airline and I&C customers and ₹ **62.06 Crores** (previous year ₹ 54.42 crores) of INR exports to Nepal and Bhutan.

56. Research and development

	2014-15	2013-14
		₹ in Crores
(a) Revenue expenditure	**30.69**	23.89
(b) Capital expenditure	**10.04**	12.93

57. Figures of the previous year have been regrouped wherever necessary, to conform to current period presentation.

Signature to Notes `1' to `57'
For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director

Sd/-
P. BALASUBRAMANIAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Place : Mumbai
Dated : 28th May, 2015

As per our attached report of even date
For and on behalf of

Sd/-
CNK & ASSOCIATES LLP
Chartered Accountants
FR No.: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
FR No.: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT PETROLEUM CORPORATION LIMITED

To the Members of
Bharat Petroleum Corporation Limited

We have audited the accompanying consolidated financial statements of BHARAT PETROLEUM CORPORATION LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture companies ("JV") [except three JVs as mentioned in note no. 1.1 (c)-note (vi),(vii) of the consolidated financial statements] comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements" or "the CFS").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these CFS in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and of JVs in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of JVs are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these CFS based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the CFS are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the CFS. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the CFS, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the CFS that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the CFS. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (2) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the CFS.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its JVs as at 31st March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

(1) The auditors of a Subsidiary Company have stated in their report about the incorporation of details of its share in assets, liabilities, income and expense in the operations of jointly controlled entities based on the audited/ unaudited statements received from the respective Operators. They have observed that:

(a) In case of one block, no audited statements have been received by the Company. Total assets, liabilities, income and expenses in respect of these blocks, amount to ₹ 61.18 crores, ₹ 0.57 crores, ₹ 0.01 crores and ₹ Nil, respectively;

(b) The audited statements referred above are prepared, as stated there in, to meet requirements of production sharing contracts and are special purpose statement;

(c) None of the statements, audited as well as unaudited, are drawn up in the format prescribed under Schedule III to the Act;

(d) Some of the Operators use accounting policies other than those adopted by the Company for like transactions. The Company has made appropriate adjustments while incorporating relevant data; and

(e) No break-up of assets and liabilities is available in respect of one block where the Company has invested ₹ 9.25 crores.

The said Subsidiary Company's proportionate share in jointly controlled assets, liabilities for which the Company is jointly responsible, Company's proportionate share of income and expenses for the year, the elements making up the Cash Flow Statement and related disclosures contained in the enclosed financial statements and their observations thereon are based on such audit reports and statements from the operators to the extent available with the said Subsidiary Company.

(2) The auditors of a Subsidiary Company have drawn attention to the observation made by the auditors of its Subsidiary Company regarding the financial statements indicating that the Company has accumulated losses and negative net worth. The Company has incurred a net loss of ₹ 22.95 crores during the current year (previous year loss ₹ 86.38 crores). These conditions, along with other matters indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

(3) We draw attention to note no. 51(j) to the CFS regarding recognition of Deferred Tax Assets of ₹ 635.22 crores (previous year ₹ 398.39 crores) on unabsorbed losses and unabsorbed depreciation by a JV;

(4) We draw attention to note no. 51(k) to the CFS in respect of accumulated losses in the Financial Statements of a JV. In view of the matters stated therein, the financial statements of this JV have been drawn up on going concern basis;

(5) We draw attention to note no. 51(t) to the CFS wherein the promoters/ shareholders of a JV Company in their meeting of the 12th March, 2004 as noted in the JV Company's Board of Directors meeting on the 20th March, 2004 have unanimously opined that the continuation of this JV is not viable and to explore realization of investment.

Our Opinion is not modified in respect of these matters.

Other Matters

(1) The auditors of JV of a Subsidiary Company have drawn attention to the fact that the said JV has spent significant amounts that are related mainly to exploration and evaluation costs, the recovery of which is subject to the success of all its exploration campaigns. The management of the said JV understands that the members of the JV will continue to provide the funds necessary for keeping the Company's operations and, therefore, the financial statements for the year ended December 31, 2014 were prepared based on the assumption that the Company will continue to operate as a going concern;

(2) We did not audit the financial statements of two subsidiaries (and its step down subsidiaries and JVs), whose financial statements reflect total assets (net) of ₹ 4,784.60 crores as at March 31, 2015, total revenue of ₹ 9,963.22 crores and net cash outflow aggregating ₹ 583.65 crores for the year then ended. We also did not audit the financial statements of ten JVs, whose aggregate share of total assets (net) of ₹ 1,517.42 crores as at March 31, 2015 / December 31, 2014, total revenue of ₹ 19,852.80 crores and net cash outflow of ₹ 157.73 crores for the year then ended are also included in the CFS. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the CFS, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and JVs, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and JVs, is based solely on the reports of the other auditors.

(3) The CFS include unaudited figures in respect of four JVs which are provisional / as approved by their Management. The aggregate share of total assets (net) of these JVs is ₹ 690.53 crores as at March 31, 2015, total revenue is ₹ 1,292.29 crores and net cash inflow is ₹ 2.36 crores for the year then ended. Our opinion on the CFS, insofar as it relates to the amounts and disclosures included in respect of these JVs, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid JVs, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to these CFS.

Our opinion on the CFS and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements approved by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, Subsidiary Companies and JVs incorporated in India to whom the Order is applicable and further based on our comments in respect of Companies which are unaudited, stated in clause (3) of Other Matters, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section (3) of Section 143 of the Act, we report, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid CFS. However, we have not received responses to the Group Audit instructions from the auditors of subsidiaries and JVs and hence we are unable to comment on its implications, if any;
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid CFS have been kept so far as it appears from our examination of those books and the reports of the other auditors;
   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and working / records maintained for the purpose of preparation of the CFS;
   (d) In our opinion, the aforesaid CFS comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors and report of the statutory auditors of the respective Companies of the Group and JVs incorporated in India, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act, except in respect of one Subsidiary Company where the Statutory Auditor of that Company has stated that as per notification no. G.S.R. 829 (E) dated October 21, 2003, the Government Companies are exempted from the provisions of Section 164(2) of the Act;
   (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Group and its JVs have disclosed the impact of pending litigations, on its financial position in the CFS- Refer Note 56 of the CFS;
      ii. The Group and its JVs have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 51 of the CFS;
      iii. There has been no delay in transferring amounts, where required to be transferred, to the Investor Education and Protection Fund by the Group and its JVs.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FRN. 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FRN. 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

Place : Mumbai
Date : 28th May, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited ("the Corporation") on the consolidated financial statements for the year ended March 31, 2015]

With respect to Bharat Petroleum Corporation Limited ('Holding Company') and its subsidiaries and joint venture companies ("JV") incorporated in India and to whom the provisions of the Order apply ('Covered Entities'), we report as follows –

(i) (a) The Holding Company and the Covered Entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) With respect to the Holding Company, as per information and explanations given to us, physical verification of fixed assets (except LPG Cylinders and pressure regulators with customers) has been carried out by the Management during the year in accordance with the phased programme of verification of all assets over three years which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

In respect of a Subsidiary, the fixed assets are verified by the management in a phased manner designed to cover all items over a period of three years, which in the said Subsidiary's auditors' opinion is reasonable having regard to the size of the said Subsidiary and nature of its assets. Pursuant to the programme of verification of other fixed assets (Buildings, Plant & Machineries, Tanks & Pipelines, Railway Sidings, Dispensing tanks & Pumps & Vehicles) have been physically verified by the management during the year and the discrepancies noticed between book records and physical inventory, though not significant, have been duly adjusted in the books of account.

In respect of other Covered Entities, the respective managements have physically verified fixed assets as per regular programme for physical verification and no material discrepancies between book records and physical inventory were noticed.

(ii) (a) In respect of the Holding Company, the inventory (excluding stocks with third parties and goods in transit) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

In respect of a Subsidiary, the inventories of finished goods, raw materials, and stores and spares, except those lying with contractors / third parties, have been physically verified by the Management and the frequency of verification is reasonable.

In respect of other Covered Entities, the physical verification of inventory has been conducted by the respective Management at reasonable intervals.

(b) The procedures of physical verification of inventory followed by the Management of the Holding Company and the Covered Entities are reasonable and adequate in relation to their respective size and the nature of their respective business.

(c) The Holding Company and the Covered Entities are maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventories carried out at the end of the year, except in respect of one Subsidiary where discrepancies noticed were not material and adjusted in the accounts.

In respect of six Covered Entities, the respective Company did not hold physical inventories during the year and thus provisions of Clause (ii) of Para 3 of the Order are not applicable to such Covered Entities.

(iii) As informed, the Holding Company and the Covered Entities have not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable, except in case of one covered entity which has granted unsecured loan to a Company listed in the register under Section 189 of Act, for which outstanding amount of ₹ 0.46 crores has been fully provided for.

(iv) In our opinion and according to the information and explanations given to us, there exists generally an adequate internal control system commensurate with the size of the Holding Company and the Covered Entities and the nature of their respective business for the purchase of inventory and fixed assets and for the sale of goods and services.

During the course of audit by us and the auditors of other Covered Entities, any continuing failure to correct major weaknesses in internal control system has not been observed.

In respect of two Covered Entities, as they have not commenced commercial operation, there were no purchases of inventory and sale of goods and services. Therefore to that extent provisions of Clause (iv) of Para 3 of the Order is not applicable to these entities.

(v) In our opinion and as explained to us, the Holding Company and the Covered Entities have complied with provisions of Sections 73 to 76 of the Act, read with The Companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Act;

(vi) The books of account maintained by the Holding Company and the Covered Entities have been broadly reviewed by the respective auditors in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

In respect of three Covered Entities who have not commenced their commercial operations and three Covered Entities for whom the Central Government has not prescribed the maintenance of cost records in respect of the activities carried out by them, the provisions of Clause (vi) of Para 3 of the Order are not applicable.

(vii) (a) The Holding Company and the Covered Entities are generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to them.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to the Holding Company and covered entities, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to the Holding Company and the covered entities, on account of any dispute, are as per Annexure A1.

(c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the covered entities.

(viii) The Holding Companies and the Covered Entities do not have accumulated losses at the end of the financial year nor have they incurred cash losses in the current and immediately preceding financial year except –

(a) In respect of three Covered Entities the accumulated losses at the end of the financial year are more than fifty percent of their respective net worth. These entities have also incurred cash losses in current year and in the immediately preceding financial year.

(b) In respect of one Covered Entity the accumulated losses are less than 50% of the net worth and it has not incurred cash losses in the current financial year but has incurred cash losses in the immediately preceding financial year.

(c) In respect of two Covered Entities which are registered for a period less than five years, the provisions of Clause (viii) of Para 3 of the Order are not applicable.

(ix) According to the information and explanations given to us, the Holding Company and the covered entities have been regular in the repayment of dues to financial institution(s), bank(s) or debenture holder(s).

In respect of three Covered Entities there are no borrowings of any sums from financial institutions, banks or by way of debentures and to that extent provisions of Clause (ix) of Para 3 of the Order are not applicable.

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company, for loans taken by its JV from banks or financial institutions, are not prejudicial to the interest of the Holding Company.

In case of one Covered Entity there are no guarantees given for loans taken by others from banks or financial institutions. However, the said entity has entered into a Standby Letter of Credit (SBLC) facility agreement with number of Indian banks to the extent of $1,750 million (₹ 10,953.39 crores). As per the SBLC facility agreement, banks will issue SBLCs on behalf of its subsidiary for loans taken by the said subsidiary in favour of foreign currency lenders. As per the practice followed, all expenses are reimbursed by the said Subsidiary. As on the Balance Sheet date, SBLCs to the tune of $959.62 million (₹ 6,006.34 crores) have been issued. In opinion of the covered entity's auditors, such practice is not prima facie prejudicial to the interest of the said entity.

In case of one Covered Entity, Corporate Guarantees are given for ₹ 63.12 crores for loans taken by a Company from two other entities, but the terms and conditions of which are not prejudicial to the interest of such Covered Entity.

In case of nine Covered Entities who have not given any guarantees for loan taken by others from bank or financial institutions, the provisions of Clause (x) of Para 3 of the Order are not applicable.

(xi) According to the information and explanations given to us, the term loans of the Holding Company and the Covered Entities have been applied for the purpose for which the loans were obtained.

In case of five Covered Entities who do not have any term loans, the provisions of Clause (xi) of Para 3 of the Order are not applicable.

(xii) During the course of our examination of the books and records of the Holding Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Holding Company, noticed or reported during the year, except for following instances of fraud identified by the management.

a) The incident of an irregularity of ₹ 0.96 crores by a Company Owned Company Operated retail outlet operator. An amount of ₹ 0.88 crores has since been recovered. Legal action has been initiated for recovery of the balance amount.

b) The incident of an irregularity of ₹ 0.15 crores relating to the Retail Territory by an officer. The officer concerned has since been dismissed from services of the Corporation. His dues and the transporter's dues have been withheld.

In case of the Covered Entities, no fraud on or by the company has been noticed or reported during the course of audit.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FRN 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FRN 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

Place : Mumbai
Date : 28th May, 2015

ANNEXURE A1

Details of dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to the Holding Company and the Covered Entities, on account of any dispute

₹ in crores

Sr No	Name of the Statute	Forum Where Dispute is pending	Amount	Period to which it relates
1	Central Excise Act, 1944	Supreme Court	740.92	2000 to 2010
		High Court	41.67	1995 to 2015
		Appellate Tribunal *	1,185.14	1985 to 2015
		Appellate Authority **	96.75	1985 to 2015
		Adjudicating Authority ***	6,161.87	1995 to 2015
		Total	**8,226.35**	
2	Customs Act, 1962	Supreme Court	27.34	1995 to 2010
		Appellate Tribunal *	94.83	1990 to 2010
		Appellate Authority **	6.75	1995 to 2015
		Adjudicating Authority ***	9.19	2005 to 2010
		Total	**138.11**	
3	Income Tax Act, 1961	High Court	7.65	1990 to 2005
		Appellate Tribunal *	6.21	1990 to 2005
		Appellate Authority **	12.93	1995 to 2015
		Total	**26.79**	
4	Sales Tax/VAT Legislations	Supreme Court	190.15	1985 to 2010
		High Court	332.00	1980 to 2015
		Appellate Tribunal *	774.09	1985 to 2015
		Appellate Authority **	6,472.60	1985 to 2015
		Adjudicating Authority ***	1,113.61	1990 to 2015
		Total	**8,882.45**	
5	Finance Act,1994 (Service Tax)	Supreme Court	26.50	2005 to 2015
		Appellate Tribunal *	161.15	2000 to 2015
		Appellate Authority **	7.56	2005 to 2015
		Adjudicating Authority ***	73.86	2000 to 2015
		Total	**269.07**	
6	Bombay Provincial Municipal Corporation Act, 1949	High Court	50.29	1995 to 2015
		Total	**50.29**	
7	Gujarat Municipal Act,1963	Adjudicating Authority ***	0.43	2010 to 2015
		Total	**0.43**	
8	Bombay Prohibition Act,1949	Appellate Tribunal *	0.16	2005 to 2010
		Total	**0.16**	
9	ESI Matters	High Court	1.86	2010 to 2015
		Total	**1.86**	
		Grand Total	**17,595.51**	

Dues include Penalty & Interest, wherever applicable

Dues in respect of covered entities are included to the extent of Holding Company’s share in respective entites

* Appellate Tribunal includes Sales Tax Tribunal, CESTAT and ITAT.

** Appellate Authority includes Commissioner Appeals, Assistant Commissioner Appeals, Deputy Commissioner Appeals, Joint Commissioner Appeals and Deputy Commissioner Commercial Taxes Appeals.

*** Adjudicating Authority includes Collector of Sales Tax, Sales Tax Officer and Deputy Commissioner Sales Tax, Joint/ Deputy/ Additional Commissioner of Commercial Taxes

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

	Note No	As at 31/03/2015	As at 31/03/2014
			₹ in Crores
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	**723.08**	723.08
(b) Reserves and Surplus	3	**21,825.42**	18,703.19
		22,548.50	19,426.27
(2) Minority Interest		**1,286.37**	1,146.86
(3) Share Warrants in respect of Joint Venture		**13.45**	13.45
(4) Non-current liabilities			
(a) Long-term borrowings	4	**19,341.82**	21,997.72
(b) Deferred tax liabilities (net)	5	**1,997.21**	1,670.10
(c) Other Long-term Liabilities	6	**184.34**	100.75
(d) Long term provisions	7	**1,396.86**	1,325.76
		22,920.23	25,094.33
(5) Current liabilities			
(a) Short-term borrowings	8	**1,675.88**	10,800.82
(b) Trade payables	9	**12,614.66**	12,899.11
(c) Other current liabilities	10	**21,678.03**	16,119.33
(d) Short-term provisions	11	**4,219.78**	3,379.00
		40,188.35	43,198.26
TOTAL		**86,956.90**	88,879.17
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	**28,520.65**	26,811.53
(ii) Intangible assets	13	**574.30**	768.42
(iii) Capital work-in-progress	15	**15,762.27**	9,346.65
(iv) Intangible assets under development	14	**25.07**	25.07
(b) Goodwill on consolidation		**14.45**	-
(c) Non-current investments	16	**2,351.35**	2,306.40
(d) Deferred tax assets (net)	5	**650.44**	419.00
(e) Long-term loans and advances	17	**2,695.21**	2,520.89
(f) Other non-current assets	18	**84.47**	166.56
		50,678.21	42,364.52
(2) Current assets			
(a) Current investments	19	**5,360.46**	4,678.91
(b) Inventories	20	**17,400.02**	23,169.47
(c) Trade receivables	21	**2,948.38**	4,543.69
(d) Cash and Bank Balances	22	**3,446.26**	2,311.34
(e) Short-term loans and advances	23	**1,027.43**	895.61
(f) Other current assets	24	**6,096.14**	10,915.63
		36,278.69	46,514.65
TOTAL		**86,956.90**	88,879.17
Significant Accounting Policies	1		
Other Notes to Accounts	33 to 57		

For and on behalf of the Board of Directors

As per our attached report of even date
For and on behalf of

Sd/-
S. VARADARAJAN
Chairman and Managing Director

CNK & ASSOCIATES LLP
Chartered Accountants
FR No: 101961W

HARIBHAKTI & CO. LLP
Chartered Accountants
FR No: 103523W

Sd/-
P. BALASUBRAMANIAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place : Mumbai
Dated : 28th May, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

₹ in Crores

		Note No	2014-15	2013-14
I)	Revenue from operations	25	**2,42,598.50**	2,64,421.06
II)	Other income	26	**2,120.05**	1,386.75
III)	**Total Revenue (I + II)**		**2,44,718.55**	2,65,807.81
IV)	**Expenses**			
	1) Cost of raw materials consumed	27	**1,18,466.57**	1,34,041.98
	2) Purchases of stock-in-trade	28	**93,872.77**	107,085.74
	3) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	**4,351.45**	(1,977.74)
	4) Employee benefits expense	30	**2,349.85**	3,115.26
	5) Finance costs	31	**1,180.47**	1,982.14
	6) Depreciation and amortization expense	12,13	**3,026.68**	2,610.92
	7) Other expenses	32	**13,780.29**	12,783.83
	Total expenses		**2,37,028.08**	2,59,642.13
V)	**Profit / (Loss) before tax (III - IV)**		**7,690.47**	6,165.68
VI)	**Tax expense**			
	1) Current tax		**2,551.38**	2,566.48
	2) Less: MAT credit entitlement		**(28.94)**	(12.05)
	3) Deferred tax		**95.55**	(355.31)
	4) Short / (Excess) provision of earlier years		**(9.53)**	(86.42)
	Total tax expense		**2,608.46**	2,112.70
VII)	**Profit / (Loss) after tax for the year (V - VI)**		**5,082.01**	4,052.98
VIII)	Minority Interest		**275.44**	142.30
IX)	**Net Profit / (Loss) for the Group**		**4,806.57**	3,910.68
X)	**Basic and Diluted Earnings per Share (Face value ₹ 10)** (Refer Note No. 43)		**66.47**	54.08
	Significant Accounting Policies	1		
	Other Notes to Accounts	33 to 57		

For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director

Sd/-
P. BALASUBRAMANIAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Place : Mumbai
Dated : 28th May, 2015

As per our attached report of even date
For and on behalf of

CNK & ASSOCIATES LLP
Chartered Accountants
FR No: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
FR No: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

CONSOLIDATED CASH FLOW STATEMENT

₹ in Crores

	For the Year ended	31/03/2015	31/03/2014
A	**Cash Flow from Operating Activities**		
	Net Profit Before tax & Prior Period Items	**7,646.61**	6,116.55
	Adjustments for :		
	Depreciation	**3,026.68**	2,610.92
	Interest	**1,180.47**	1,803.09
	Foreign Exchange Fluctuations (Refer explanatory note 3)	**(391.64)**	370.94
	(Profit) / Loss on Sale of fixed assets	**3.48**	15.88
	(Profit) / Loss on Sale of investments	**(7.57)**	28.00
	Income from Investments	**(904.08)**	(804.41)
	Dividend Received	**(52.89)**	(57.79)
	Expenditure towards Corporate Social Responsibility	**83.80**	
	Other Non-Cash items (Refer explanatory note 4)	**(50.67)**	1,083.40
	Operating Profit before Working Capital Changes	**10,534.19**	11,166.58
	(Invested in)/Generated from :		
	Inventories	**5,769.85**	(3,214.89)
	Trade Receivables	**1,638.16**	(496.92)
	Other Receivables	**4,679.31**	(1,600.88)
	Current Liabilities & Payables	**867.99**	5,813.09
	Cash generated from Operations	**23,489.50**	11,666.98
	Direct Taxes paid	**(2,749.30)**	(2,128.03)
	Paid for Corporate Social Responsibility	**(41.74)**	
	Cash flow before prior period items	**20,698.46**	9,538.95
	Prior Period Items	**43.86**	49.13
	Net Cash from / (used in) Operating Activities	**20,742.32**	9,588.08
B	**Net Cash Flow from Investing Activities**		
	Purchase of fixed assets	**(10,884.59)**	(7,237.62)
	Sale of fixed assets	**18.70**	7.59
	Capital Advances	**(121.57)**	(293.36)
	Capital Grant Received	**4.98**	6.30
	(Investment) / Sale of Investment in Shares	**(50.00)**	(31.74)
	(Investment) / Sale of Investment in Associate Companies	**-**	(7.49)
	Loans & Advances		(9.27)
	Bharat Renewable Energy Ltd	**(0.75)**	-
	Petronet LNG Limited (Advances)	**(82.09)**	-
	Kochi Salem Pipeline Pvt Ltd (Advance against equity shares)	**(6.75)**	-
	Goodwill on Acquisition of Shares	**(14.45)**	-
	Investment in BPCL Trust for investment in shares	**(0.01)**	-
	Purchase of Investments	**(369.91)**	(550.01)
	Sale of Investments	**18.44**	222.00
	Income from Investment	**119.99**	993.07
	Dividend Received	**47.49**	54.66
	Interest Received	**784.89**	(34.77)
	Net Cash from / (used in) Investing Activities	**(10,535.63)**	(6,880.64)
C	**Net Cash Flow from Financing Activities**		
	Proceeds towards issue of Share Capital	**-**	2.76
	Long term Borrowings	**2,096.20**	10,645.86
	Short term Borrowings	**77.56**	-
	Repayment of loans	**(9,231.30)**	(11,455.71)
	Interest paid	**(1,237.32)**	(1,955.61)
	Dividend Paid	**(1,272.90)**	(831.68)
	Corporate Dividend Tax	**(224.91)**	(141.67)
	Net Cash from / (used in) Financing Activities	**(9,792.67)**	(3,736.05)
D	**Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)**	**414.02**	(1,028.61)

₹ in Crores

Cash and Cash equivalents as at	31/03/2014	31/03/2013
Cash on hand	**48.34**	52.75
Cheques and drafts on hand	**55.68**	74.46
Cash at Bank	**1,626.11**	2,644.23
Current Investments (Cash Equivalents)	**10.84**	32.08
Effect of Exchange difference on Translation of Foreign Currency cash and cash equivalents	**33.16**	(0.80)
	1,774.11	2,802.72
Cash and Cash equivalents as at	**31/03/2015**	31/03/2014
Cash on hand	**27.24**	48.34
Cheques and drafts on hand	**25.88**	55.68
Cash at Bank	**2,647.19**	1,626.11
Current Investments (Cash Equivalents)	**9.27**	10.84
Effect of Exchange difference on Translation of Foreign Currency cash and cash equivalents	**(521.43)**	33.16
	2,188.13	1,774.11
Net change in Cash and Cash equivalents	**414.02**	(1,028.61)

₹ in Crores

Reconciliation of Cash and Cash Equivalents with Balance Sheet	31/03/2015	31/03/2014
A. Cash and Bank Balances as per Balance Sheet (Refer Note no. 22)	**3,446.26**	2,312.92
B. Less: Bank Balances not considered as Cash & Cash Equivalents		
Ear Marked Balances (Unclaimed Dividend)	**4.46**	2.89
Deposits not included in Cash and Cash Equivalents	**741.49**	581.29
	2,700.31	1,728.74
C. Add: Items to be considered as part of Cash & Cash Equivalents		
Effect of Exchange difference on Translation of Foreign Currency cash and cash equivalents	**(521.44)**	35.28
Bank deposit under Current Assets included in Cash and Cash Equivalents as per AS 3	**9.26**	10.09
	(512.18)	45.37
Cash and Cash Equivalents at the end of the year as per Cash Flow (A-B+C)	**2,188.13**	**1, 774.11**

Explanatory notes to Cash Flow Statement

1. The Cash Flow Statement is prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Accounting Standard 3 as notified by the Central Government.
2. In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
3. The net profit / loss arising due to conversion of current assets / current liabilities, receivable / payable in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
4. “Other Non-Cash items” include excess provisions written back, diminution in value of investment, amortisation of Capital grant, Bad debts and materials written off and miscellaneous adjustments not affecting cash flow.
5. "Current Liabilities and Payables" may include Payables in respect of Purchase of Fixed Assets, if any.
6. Figures of the previous year have been regrouped wherever necessary, to conform to current year's presentation.

For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director

Sd/-
P. BALASUBRAMANIAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Place : Mumbai
Dated : 28th May, 2015

As per our attached report of even date
For and on behalf of

CNK & ASSOCIATES LLP
Chartered Accountants
FR No: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
FR No: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONSOLIDATED)

1.1 BASIS OF CONSOLIDATION:

The Consolidated Financial Statements relate to Bharat Petroleum Corporation Limited (BPCL or Parent Company or Corporation), its subsidiary companies and interest in Joint Ventures (together referred to as Group).

(a) **Basis of accounting:** The Financial Statements of the subsidiary companies and the Joint Venture Companies (JVCs) used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of BPCL i.e. 31st March 2015, except for Matrix Bharat Pte. Ltd. whose accounts are drawn for the year ended 31st December 2014, where there are no significant transactions or other events that have occurred between 31st December, 2014 to 31st March, 2015. The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP), except for the financial statements of Matrix Bharat Pte. Ltd. which have been prepared in accordance with Singapore Financial Reporting Standards ("FRS" and "INT FRS").

(b) **Principles of Consolidation:** The Consolidated Financial Statements have been prepared as per AS- 21 "Consolidated Financial Statements" and AS- 27 "Financial Reporting of Interest in Joint Ventures" as notified on the following basis:-

i. The Financial Statements of BPCL and its subsidiary companies (which are not in the nature of joint ventures) have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, contingent liabilities and capital commitments. The intra group balances and intra group transactions and unrealised profits or losses resulting from intra group transactions are fully eliminated.

ii. The Consolidated Financial Statements include the interest of the Corporation in JVCs, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Corporation's share of assets, liabilities, income and expenses, contingent liabilities and capital commitments of a jointly controlled entity is considered as a separate line item in the Consolidated Financial Statements. The exchange rate used for conversion in case of Matrix Bharat Pte. Ltd. (where the reporting currency is USD) is average rate for calendar year 2014 for Statement of Profit and Loss and closing rate as at 31st December 2014 for Balance Sheet items.

iii. The share of equity in the subsidiary companies / joint venture companies as on the date of investment, if in excess of the cost of investment, the difference is recognised as "Capital Reserve on Acquisition of Subsidiaries / Consolidation" and if the cost of investment in the subsidiary companies / joint venture companies exceeds share of equity, the difference is recognised as "Goodwill".

iv. Minority interest in the Net Assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders as on the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments as stated above.

v. In cases where unaudited financial statements have been consolidated in the previous financial year, the difference between the audited and unaudited financial statements, if any, are adjusted in the appropriate heads of accounts in the current financial year.

(c) The percentage of ownership interest of the Corporation in the Subsidiary Companies and the JVC's as on 31st March 2015 are as under :

	Percentage of ownership interest as on		Country of Incorporation
	31/03/2015	**31/03/2014**	
Subsidiaries			
Numaligarh Refinery Limited (NRL)	**61.65**	61.65	India
Bharat PetroResources Limited (BPRL)	**100.00**	100.00	India
Bharat PetroResources JPDA Limited (Note i)	**100.00**	100.00	India
BPRL International BV (Note i)	**100.00**	100.00	Netherlands
BPRL Ventures BV (Note ii)	**100.00**	100.00	Netherlands
BPRL Ventures Mozambique BV (Note ii)	**100.00**	100.00	Netherlands

	Percentage of ownership interest as on		Country of Incorporation
	31/03/2015	**31/03/2014**	
BPRL Ventures Indonesia BV (Note ii)	**100.00**	100.00	Netherlands
Joint Venture Companies (JVC)			
Indraprastha Gas Limited	**22.50**	22.50	India
Petronet CCK Limited (Note iv)	**53.16**	49.00	India
Petronet LNG Limited	**12.50**	12.50	India
Bharat Oman Refineries Limited (BORL)	**50.00**	50.00	India
Central UP Gas Limited(Note v)	**36.25**	36.25	India
Maharashtra Natural Gas Limited (Note viii)	**33.75**	22.50	India
Sabarmati Gas Limited	**25.00**	25.00	India
Bharat Stars Services Private Limited	**50.00**	50.00	India
Bharat Renewable Energy Limited (Note vi)	**33.33**	33.33	India
Matrix Bharat Pte Ltd.	**50.00**	50.00	Singapore
Delhi Aviation Fuel Facility Private Limited	**37.00**	37.00	India
IBV (Brazil) Petroleo Pvt. Ltda. (Note iii)	**50.00**	50.00	Brazil
Petronet CI Limited (Note vi)	**11.00**	11.00	India
Petronet India Limited	**16.00**	16.00	India
GSPL India Gasnet Limited	**11.00**	11.00	India
GSPL India Transco Limited	**11.00**	11.00	India
Kannur International Airport Limited (Note vii)	**21.68**	17.00	India
Mumbai Aviation Fuel Farm Facility Private Limited	**25.00**	-	India
Associates			
DNP Limited (Note ix)	**26.00**	26.00	India

Notes:

(i) Bharat PetroResources JPDA Limited and BPRL International BV are 100% subsidiaries of BPRL.

(ii) BPRL Ventures BV, BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV are wholly owned subsidiaries of BPRL International BV which have been incorporated outside India.

(iii) BPRL Ventures BV holds 50% equity in Joint Venture Company IBV (Brazil) Petroleo Pvt. Ltda., incorporated in Brazil.

(iv) Petronet CCK Limited's proportionate share includes 4.16% indirectly held by BPCL through Petronet India Limited.

(v) Central UP Gas Limited proportionate share includes 11.25% indirectly held by BPCL through Indraprastha Gas Limited.

(vi) Proportionate consolidation in respect of Investment in Petronet CI Limited and Bharat Renewable Energy Limited have not been considered in the preparation of Consolidated Financial Statements as the parent company has decided to exit from these Joint Ventures and provision for full diminution in the value of investment has been done in the standalone financial statements of the parent company.

(vii) Kannur International Airport Limited is a Joint Venture Company which has not yet started operations. Hence, the same has not been considered for consolidation since no financial statements have been prepared and the same are not expected to be material. Current year percentage of ownership interest is after considering proposed increase in equity participation.

(viii) BPCL's ownership in Maharashtra Natural Gas Limited has been considered at 33.75% after considering the indirect holding of 11.25% through Indraprastha Gas Limited. BPCL's direct ownership in Maharashtra Natural Gas Limited is 22.50% as per the Joint Venture Agreement. The actual percentage of Share Capital as on 31st March 2015 held by BPCL is marginally higher. The management is of the opinion that it is a temporary phase and the other joint venture partners will contribute their share of the equity capital as per the Joint Venture Agreement. This excess contribution by BPCL in the Equity Share Capital amounting to **₹ 1.13 crores** (previous year ₹ 1.13 crores) is included in "Advances Recoverable in cash or in kind or for value to be received" (Refer Note No. 23).

(ix) DNP Limited is an associate of Numaligarh Refinery Limited which has not been considered for consolidation, since the same is not considered material.

(x) The financial statements of Joint Venture companies Indraprastha Gas Limited, Central UP Gas Limited, Sabarmati Gas Limited and Maharashtra Natural Gas Limited are yet to be audited and hence the provisional financial statements provided by the respective management have been considered for the purpose of preparation of Consolidated Financial Statements.

1.2 BASIS FOR PREPARATION:

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Corporation has prepared these financial statements to comply in all material respects with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule (7) of the Companies (Accounts) Rules, 2014 and other provisions of the Act (to the extent notified). The financial statements have been prepared on an accrual basis (unless otherwise stated) and under historical cost convention. The accounting policies are consistent with those used in previous year except for the policy in respect of the depreciation of Fixed Assets referred to in para 1.8 and for Sabarmati Gas Limited for the policy in respect of revenue recognition in 'Other Operating Income' referred to in para 1.11.ix.

1.3 USE OF ESTIMATES:

The preparation of financial statements requires the management of the company to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences, if any, between actual amounts and estimates are recognised in the period in which the results are known.

1.4 Certain accounting policies of JVCs towards Depreciation, Inventory Valuation, Employee Benefits and Classification of Income/Expenses, etc are different with that followed by the Parent Company which has been stated along with the respective policy.

1.5 FIXED ASSETS

(a) Tangible Fixed Assets

(i) Fixed Assets are stated at cost net of accumulated depreciation.

(ii) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

(iii) First time procurement cost of catalyst is capitalized along with the project cost and the cost of subsequent replacements are charged off in the year of issuance to consumption.

(iv) Expenditure on assets, other than plant and machinery, LPG cylinders and pressure regulators, not exceeding ₹ 1,000 per item are charged to revenue.

(v) Machinery spares that are specific to a fixed asset are capitalised along with the fixed asset. Replacement of such spares is charged to revenue.

(vi) Land acquired on lease where period of lease exceeds 99 years is treated as freehold land.

(vii) The dead stock of fuel maintained in the storage tanks by design or nature is capitalized as fixed assets by Mumbai Aviation Fuel Farm Facility Private Limited.

(viii) **Expenditure during construction period:** Direct expenses including borrowing cost incurred during construction period on capital projects are capitalised. Indirect expenses of the project group which are allocated to projects costing ₹ 5 crores and above are also capitalised. Crop compensation expenses incurred in the process of laying pipelines are capitalised as part of Pipeline cost. Expenditure incurred during construction period on projects like electricity transmission lines, roads, culverts etc. the ownership of which is not with the Corporation are charged to revenue in the accounting period of incurrence of such expenditure.

(b) Intangible Assets

(i) Intangible assets are carried at cost less accumulated amortization.

(ii) Cost of Right of Way which is perpetual and absolute in nature is amortised over a period of 99 years and in other cases, over its estimated useful life.

(iii) Expenditure incurred for creating/acquiring other intangible assets of ₹ 0.50 crores and above and ₹ 0.02 crores and above in case of Joint Venture Company Petronet CCK Limited, from which future economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is lower, from the time the intangible asset starts providing the economic benefit. In other cases, the expenditure is charged to revenue in the year the expenditure is incurred.

(iv) Expenditure incurred on intangible assets is capitalised and amortised over a period of 5 years by Indraprastha Gas Limited and Central UP Gas Limited and over a period of 3 years by Petronet LNG Limited and Maharashtra Natural Gas Limited.

(v) Bharat Oman Refineries Limited - Expenditure incurred on construction of facilities such as SPM, Sub-sea Pipeline etc., the ownership of which is not with the Company but for which the Company has license to use, is capitalized as “Intangible Asset”. Intangible assets are amortized over their estimated economic useful lives as estimated by the management, but not exceeding the period given hereunder:

a) Computer software – 5 years

b) Single Point Mooring System and Sub-sea Pipeline – 25 years

c) Others – 5 years

(vi) GSPL India Transco Limited and GSPL India Gasnet Limited – Software is amortised at 40% on WDV method.

(vii) In case of GSPL India Transco Limited and GSPL India Gasnet Limited, ‘Right of Use and Right of way on land’ is not amortised but is tested for impairment on periodic basis.

1.6 IMPAIRMENT OF ASSETS

The values of tangible and intangible assets (including Goodwill) of respective Cash Generating Units are reviewed by the management for impairment at each Balance Sheet date, if events or circumstances indicate that the carrying values may not be recoverable. If the carrying value is more than the higher of net selling price of the asset or present value of estimated future Cash Flows, the difference is recognized as an impairment loss. At each Balance Sheet date, the goodwill is tested for impairment and the impairment loss, if any, is recognized in the financial statements.

1.7 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets till the month in which the asset is ready for use. All other borrowing costs are charged to revenue.

1.8 DEPRECIATION

The group has provided depreciation on fixed assets on straight line basis, over the useful lives of assets (after retaining the residual value of upto 5%) as prescribed in Schedule II of the Act, except in certain cases based on technical / internal evaluation.

a) Premium paid for acquiring leasehold land for lease period not exceeding 99 years is amortised over the period of lease.

b) In case of the Corporation, Plant & Machinery at Retail Outlets (other than Storage tanks and related equipments) are depreciated over a useful life of 15 years based on the technical assessment.

c) In case of the Corporation, Numaligarh Refinery Limited and Bharat PetroResources Limited, computer equipments are depreciated over a period of 4 years and Mobile phones are depreciated over a period of 3 years based on internal assessment. Furniture, other than computer equipments and mobile phones, provided at the residence of management staff are depreciated over a period of 7 years as per internal assessment.

d) In case of the Corporation, Numaligarh Refinery Limited, Bharat PetroResources Limited and Bharat Oman Refineries Limited fixed assets costing not more than ₹ 5,000 each are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators in case of the Corporation which are depreciated over a useful life of 15 years based on the technical assessment.

e) Indraprastha Gas Limited:

i. Mother compressors, Online compressors and Booster compressors – 10 years

ii. Signages (forming part of Buildings) - 10 years

iii. Pipelines – 25 years

f) Petronet LNG Limited: Useful life of the assets, required to be transferred under Concession Agreement have been restricted up to the end of the Concession Agreement.

g) Bharat Stars Services Private Limited: Depreciation is provided on Written Down Value(WDV) method as per the useful lives prescribed in Schedule II of the Act except the following assets:

i. Chassis of dispensers and refuellers (Aviation Refuelling Equipments) – 8 years

ii. Cost of Operating rights is amortised over a period of 10 years.

h) Maharashtra Natural Gas Limited:

i. Mother compressors, Online compressors and Booster compressors – 7 years

ii. Computer and Mobile Phones - 3 years

iii. Signages – 10 years

iv. Pipelines – 21 years

v. Vehicles – 6 years

vi. Buildings – 30 years

i) Sabarmati Gas Limited: Certain items of Plant & Machinery ranging from 15 to 30 years.

j) Bharat Oman Refineries Limited:

i. Roads and Boundary walls – 30 years

ii. Cetane and Octane Engine – 25 years

k) Delhi Aviation Fuel Facility Private Limited: Building is charged over useful life of 25 years as provided in concession and operating agreement.

l) Petronet CCK Limited :

i. Furniture and Fixtures provided at the residence of employees – 7 years

ii. Computers and Peripherals (other than servers and hubs) and mobile phones– 4 years

m) GSPL India Gasnet Limited and GSPL India Transco Limited: Depreciation is provided on WDV method as per the useful life of the Schedule II of the Act except on mobile instruments which are depreciated over 2 years.

n) Mumbai Aviation Fuel Farm Private Limited: Depreciation on dead stock forming part of the plant and machinery is provided on the basis of diminution in the value of dead stock calculated on realization price method. In respect of the assets acquired from the promoters, the useful life been determined ranging from 0 to 21 years based on technical advice.

o) Depreciation is charged on addition / deletion on pro-rata monthly basis including the month of addition / deletion.

1.9 INVESTMENTS

i. Current investments are valued at lower of cost or fair value determined on an individual investment basis.

ii. Long-term investments are valued at cost. Provision for diminution in value is made to recognise a decline, other than of temporary nature, in the value of such investments.

1.10 INVENTORY

i. Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis (determined on periodical basis as appropriate) and comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.

ii. The net realizable value of finished goods and stock in trade are based on the inter-company transfer prices and final selling prices (applicable at the location of stock) for sale to oil companies and retail consumers respectively. For the purpose of stock valuation, the proportion of Sales to oil companies and retail sales are determined on all India basis and considered for stock valuation at all locations.

iii. The Cost of Stock-in-process is determined at raw material cost plus cost of conversion.

iv. Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks. In case of Numaligarh Refinery Limited, the obsolete, slow-moving/ non-moving/ surplus stores and other materials including project materials for three years and above are provided for in full and regular stores are provided for at the rate of 2%.

v. Finished products are valued at weighted average cost or at net realisable value, whichever is lower. In case of Indraprastha Gas Limited, Maharashtra Natural Gas Limited and Central UP Gas Limited the cost is determined on First-in-First-Out basis. In case of Matrix Bharat Pte. Ltd. inventories are valued at fair value less cost to sell.

vi. In case of Petronet CCK Limited, the stores and spares are valued on First-in-First-Out basis.

vii. The cost of raw materials in case of Petronet LNG Limited is determined on First-in-First-Out basis.

viii. Sabarmati Gas Limited, Mahanagar Gas Limited and Central UP Gas Limited estimate their closing stock of PNG pipelines on volumetric basis.

1.11 REVENUE RECOGNITION

i. Revenue is recognised when sufficient risks and rewards incidental to ownership is transferred to the customers, it can be reliably measured and it is reasonable to expect ultimate collection.

ii. Sales represents invoiced value of goods supplied net of trade discounts, and include applicable excise duty, surcharge and other elements as are allowed to be recovered as part of the price but excludes VAT / Sales Tax. Further, it includes other elements allowed by the Government from time to time.

iii. Claims including subsidy on LPG and SKO from Government of India are booked on 'in principle acceptance' thereof on the basis of available instructions/clarifications subject to final adjustments after necessary audit, as stipulated.

iv. Other claims are booked when there is a reasonable certainty of recovery. Claims are reviewed on a periodical basis and if recovery is uncertain, provision is made in the accounts.

v. Income from sale of scrap is accounted for on realisation.

vi. Dividend income is recognized when the Corporation's right to receive the dividend is established.

vii. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

viii. Bharat PetroResources Limited

Liquidated damages for delay in execution of contracts/ supplies are accounted for as per the terms of the contracts and are recognized as income in the year of deduction.

ix. Sabarmati Gas Limited

During the year, the company changed its accounting policy in respect of Accounting for Initial Connection Charges (ICC).

Hitherto, the amounts collected towards ICC from Industrial Customers and Commercial / Non Commercial customers for providing the infrastructure to facilitate the supply of gas were recognised as revenue only when such infrastructure is commissioned by the company.

Based on Management review and opinion taken by the company from Senior Counsel on identical facts and also to fall in line with the treatment of such ICC in accordance with section 14(2) of Service Obligation of Authorised Entity (Post Commissioning) notified under The Petroleum and Natural Gas Regulatory Board (Authorising Entities To Lay, Build, Operate or Expand City Or Local Natural Gas Distribution Networks) Regulations 2008 as well as practice generally adopted by the similar industries, the company, effective from 1st April 2014, has changed the accounting treatment by considering the amount so collected towards ICC as "Refundable Security Deposit" instead of revenue and carried the same to Balance Sheet as liability and classified under the head "Other Non Current Liabilities" as "Security Deposits from customers".

1.12 CLASSIFICATION OF INCOME/EXPENSES

i. Expenditure on Research, other than capital expenditure, is charged to revenue in the year in which the expenditure is incurred.

ii. Income/expenditure upto ₹ 0.05 Crores in each case pertaining to prior years is charged to the current year by the parent company, Numaligarh Refinery Limited and Petronet CCK Limited; and ₹ 50,000 by GSPL India Transco Limited and GSPL India Gasnet Limited.

iii. Prepaid expenses upto ₹ 0.05 Crores in each case, are charged to revenue as and when incurred by the parent company and Numaligarh Refinery Limited, upto ₹ 50,000 by GSPL India Transco Limited and GSPL India Gasnet Limited and upto ₹ 10,000 by Bharat PetroResources Limited and Petronet CCK Limited. No such policy exists in other group companies.

iv. Deposits placed with Government agencies / local authorities which are perennial in nature are charged to revenue in the year of payment.

v. Liabilities for expenses in Bharat PetroResources Limited and in Petronet CCK Limited (other than for transportation, rent and property taxes) are provided only if the amount exceeds ₹ 10,000 in each case.

1.13 EMPLOYEE BENEFITS

i. Contributions to defined contribution schemes such as Pension, Superannuation, Provident Fund, etc. are charged to the Statement of Profit and Loss as and when incurred.

ii. The Group also provides for retirement / post-retirement benefits in the form of gratuity, leave encashment, post retirement benefits and other long term benefits. Such defined benefits are charged to the Statement of Profit and Loss based on valuations made by independent actuary using the Projected Unit Credit Method, as at the Balance Sheet date.

iii. Expenditure on Voluntary Retirement Scheme is charged to Statement of Profit and Loss as and when incurred.

1.14 DUTIES ON BONDED STOCKS

i. Customs duty on raw materials / finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

ii. Excise duty on finished stocks lying at manufacturing location is provided for, at the assessable value applicable at each of the locations based on end use.

1.15 FOREIGN CURRENCY & DERIVATIVE TRANSACTIONS

i. Transactions in foreign currency are accounted in the reporting currency at the exchange rate prevailing on the date of transaction.

ii. Monetary items denominated in foreign currency are converted at exchange rates prevailing on the date of Balance Sheet.

iii. Foreign Exchange differences arising at the time of translation or settlement are recognised as income or expense in the Statement of Profit and Loss either as profit or loss on Foreign Currency transactions and translations or finance cost as the case may be.

iv. In case of parent company, Numaligarh Refinery Limited, Bharat Oman Refineries Limited and Bharat PetroResources Limited the foreign exchange differences on long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in “Foreign Currency Monetary Item Translation Difference Account” and amortised over the balance period of the asset or liability.

v. Premium/discount arising at the inception of the forward exchange contracts entered into to hedge foreign currency risks are amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss.

vi. Gains / losses arising on settlement of Derivative transactions entered into by the Corporation to manage the commodity price risk and exposures on account of fluctuations in interest rates and foreign exchange are recognised in the Statement of Profit and Loss. Provision for losses in respect of outstanding contracts as on Balance Sheet date is made based on mark to market valuations of such contracts.

vii. All the subsidiaries and joint ventures incorporated outside India are considered to be “non integral foreign operations” in terms of Accounting Standard 11 “The Effects of Changes in Foreign Exchange Rates”. Consequently, the assets and liabilities, monetary and non-monetary of such subsidiaries and joint ventures have been translated at the closing rates. Income and expense items of the non-integral foreign operation are translated at average exchange rate prevailing during the period.

1.16 GOVERNMENT GRANTS

i. When the grant relates to an expense item or depreciable fixed assets, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grants relating to depreciable fixed assets are reflected as Capital Grants under Reserves & Surplus in Balance Sheet and recognised in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

ii. Government grants of the nature of promoter's contribution or relating to non depreciable assets are credited to capital reserve in Balance Sheet.

iii. In case of Bharat Oman Refineries Limited grants related to specific fixed assets are shown as a deduction from the gross value of fixed asset concerned. Grants related to revenue are deducted in reporting the related expenses.

1.17 PROVISIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

i. A provision is recognized when corporation has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made.

ii. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation.

iii. Capital commitments and Contingent liabilities disclosed are in respect of items which exceed ₹ 0.05 crores in each case of the Corporation, Numaligarh Refinery Limited, and Bharat Oman Refineries Limited and ₹ 0.01 crores in case of Bharat PetroResources Limited.

1.18 TAXES ON INCOME

i. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

ii. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

iii. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, in respect of unabsorbed depreciation or carry forward losses, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty supported by convincing evidence that the assets will be realized in future.

iv. The carrying amount of deferred tax assets and unrecognized deferred tax assets are reviewed at each Balance Sheet date.

1.19 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and on hand. The Corporation considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.21 CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON-CURRENT

All assets and liabilities are classified as current or non-current as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act..

1.22 ACCOUNTING FOR LEASES

For operating leases, rentals are expensed with reference to lease terms and other relevant considerations.

1.23 CASH FLOW

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.24 OIL AND GAS EXPLORATION ACTIVITIES IN CASE OF BHARAT PETRORESOURCES LIMITED

(i) The Company follows the "Full Cost" method of accounting for its oil and natural gas exploration and production activities read with the Guidance Note(A) 15 (Revised 2013) on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India. Accordingly, all acquisition, exploration and development costs are treated as capital work-in-progress and are accumulated in a cost centre. General & Administrative expenses identifiable in respect of blocks or cost centre is capitalised along with block or cost centre. The cost centre is not normally smaller than a country except where warranted by major difference in economic, fiscal or other factors in the country. When any well in a cost centre is ready to commence commercial production, these costs are capitalised from capital work-in-progress to the gross block of assets regardless of whether or not the results of specific costs are successful. Depletion is charged on all capitalised costs according to the unit of production method. On completion of the minimum work programme or on the expiration of licence period and if hydrocarbons are not found in any of the block or the cost centre then expenditure accumulated under the head Capital work-in-progress in relation to the block or cost centre is written off.

The net quantities of the group's interest is in proved reserves and proved developed reserves of oil and gas at the beginning and additions, deductions, productions and closing balance for the year and disclosure of quantities on the geographical basis are not mentioned as the group is in exploratory/appraisal phase.

(ii) Surrender of field / disposal of participation interest

If the Company were to surrender a field, the accumulated acquisition, exploration, development and general & administrative costs in respect of such field are deemed to be fully depreciated if the remainder of the wells in the cost centre continue to produce oil or gas. Gain or loss is recognised only when the last well on the cost centre ceases to produce and the entire cost centre is abandoned. Also, in the event the Company assigns or farms out the whole or any part of its participating interest, the corresponding carrying value of the capitalised amount is adjusted against the consideration and the net amount credited or, as the case may be, is charged to the profit and loss account in the year in which the Company's participating interest is assigned, surrendered or farmed out.

(iii) Depletion

Depletion charge is calculated on the capitalised cost according to the unit of production method. The depreciation charge or the unit of production (UOP) charge for all costs within a cost centre is calculated by multiplying the UOP rate with the production for the period. The unit of production rate is arrived at by dividing the depreciation base of the cost centre by the Proved Oil and Gas Reserves. The depreciation base of a cost centre includes gross block of the cost centre, estimated future development expenditure and estimated site restoration expenditure and is reduced by the accumulated depreciation and accumulated impairment charge of the cost centre. The estimates of proved reserves used are based on the latest technical assessment available with the Company.

(iv) Site restoration costs

Liabilities for site restoration costs (net of salvage values) are recognized when the Company has an obligation to dismantle and remove a facility such as oil and natural gas production or transportation facility or an item of plant and to restore the site on which it is located and when a reasonable estimate of that liability can be made. Where an obligation exists for a new facility, the liability is recognized on construction or installation. An obligation may also crystallize during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognized is the value of estimated future expenditure determined in accordance with local conditions and requirements. The corresponding amount is added to the cost of the tangible fixed asset and is subsequently depleted as part of the capital costs of the facility or item of plant. Any change in the value of the estimated expenditure is reflected as an adjustment to the provision and the corresponding tangible fixed assets.

2. SHARE CAPITAL (CONSOLIDATED)

₹ in Crores

		31/03/2015	31/03/2014
i.	**Authorised**		
	2,50,00,00,000 equity shares	**2,500.00**	2,500.00
	(previous year 2,50,00,00,000 equity shares)		
ii.	**Issued, subscribed and paid-up**		
	72,30,84,248 (previous year 72,30,84,248) equity shares fully paid-up	**723.08**	723.08
	Total	**723.08**	723.08

iii. The Corporation has only one class of shares namely equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Corporation, the holders of equity shares will be entitled to receive the remaining assets of the Corporation in proportion to the number of equity shares held.

iv. The Corporation declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the period ended 31st March 2015, proposed dividend per share for the Corporation is ₹ **22.50** (previous year ₹ 17). The total dividend appropriation for the year ended 31st March 2015 amounted to ₹ **1,921.21 crores** (previous year ₹ 1,425.82 crores) including Corporate Dividend Tax of ₹ **294.27 crores** (previous year ₹ 196.58 crores).

v. During Financial Year 2012-13, the Corporation had issued Bonus Shares in the ratio of 1:1 by capitalisation of General Reserve. The total number of Bonus Shares issued is 36,15,42,124 equity shares having face value of ₹ 10 each.

vi. Reconciliation of No. of Equity Shares

		31/03/2015	31/03/2014
A.	Opening Balance	**72,30,84,248**	72,30,84,248
B.	Shares Issued		
	- Bonus Shares	**-**	-
C.	Shares Bought Back	**-**	-
D.	Closing Balance	**72,30,84,248**	72,30,84,248

vii. Shareholders holding more than 5% shares

	31/03/2015		31/03/2014	
Name of shareholder	**% Holding**	**No. of Shares**	% Holding	No. of Shares
Government of India	**54.93**	**39,72,00,120**	54.93	39,72,00,120
BPCL Trust for Investment in shares	**9.33**	**6,74,57,474**	9.33	6,74,57,474
Life Insurance Corporation of India	**3.75**	**2,70,86,759**	5.42	3,91,62,846

3. RESERVES AND SURPLUS (CONSOLIDATED)

₹ in Crores

	31/03/2015	31/03/2014
Capital Reserve		
As per last Balance Sheet	**50.68**	50.68
Capital Grant		
As per last Balance Sheet	**9.37**	3.94
Add: Grant received during the year	**4.98**	6.30
Less: Amortization of Capital Grant during the year	**(2.30)**	(0.87)
	12.05	9.37
Capital Reserve on Acquisition of subsidiaries (Refer Note No. 49)	**66.45**	66.45
Debenture Redemption Reserve		
As per last Balance Sheet	**323.14**	126.30
Add: Transfer during the year	**194.35**	196.84
	517.49	323.14
Foreign currency translation reserve	**397.29**	(56.16)
Foreign Currency Monetary Item Translation Difference Account		
As per last Balance Sheet	**184.25**	-
Add / Less : Additions / (Deletions) during the year	**(149.35)**	191.84
Less : Amortisation during the year	**(7.91)**	(7.59)
	26.99	184.25
General reserve		
As per last Balance Sheet	**19,861.80**	17,190.19
Add: Transfer from Surplus	**3,333.10**	2,671.61
	23,194.90	19,861.80
Surplus as per Statement of Profit and Loss *	**(1,438.53)**	(994.40)
Sub Total	**22,827.32**	19,445.13
Less: Minority Interest (net of dividend payable)	**(1,004.29)**	(864.78)
Share of interest in Joint Ventures #	**2.39**	122.84
Grand Total	**21,825.42**	18,703.19
# Share of Interest in Joint Ventures		
Debenture Redemption Reserve	**11.66**	1.87
General Reserve	**137.45**	126.47
Securities Premium Reserve	**224.39**	224.39
Foreign Currency Translation Reserve	**2.72**	2.47
Surplus as per Statement of Profit and Loss	**(373.83)**	(232.36)
Sub Total	**2.39**	122.84
*** Surplus as per Statement of Profit and Loss**		
As per last Balance Sheet	**(994.40)**	(600.28)
Add : Profit / (Loss) for the year	**5,177.28**	3,965.29
Less : Proposed Dividend	**(1,739.78)**	(1,274.38)
Less : Corporate Dividend Tax	**(354.18)**	(216.58)
Less: Transfer to Debenture Redemption Reserve	**(194.35)**	(196.84)
Less : Transfer to General Reserve	**(3,333.10)**	(2,671.61)
Sub Total	**(1,438.53)**	(994.40)

4. LONG-TERM BORROWINGS (CONSOLIDATED)

₹ in Crores

	31/03/2015		31/03/2014	
	Current #	**Non-Current**	Current #	Non-Current
Secured				
From others				
Debentures				
8.65% secured non-convertible debentures 2017 *	**-**	**700.00**	-	700.00
Term Loan				
Term loan from Banks / Financial Institutions**	**3,129.54**	**2,816.59**	-	4,958.17
Foreign Currency Loan Syndicated ***	**-**	**469.43**	-	450.75
Loan from Oil Industry Development Board@	**-**	**941.10**	-	42.00
Unsecured				
Term Loan				
Loan from Oil Industry Development Board	**93.15**	**73.50**	203.48	158.25
From Banks				
Foreign Currency Loan Syndicated	**1,251.82**	**5,633.17**	150.25	6,610.98
Bonds				
4.625% US Dollar International bonds 2022	**-**	**3,129.54**	-	3,004.99
3% Swiss franc International bonds 2019	**-**	**1,293.30**	-	1,350.39
	4,474.51	**15,056.63**	353.73	17,275.53
Share of Interest in Joint Ventures	**-**	**4,285.19**	-	4,722.19
Total	**4,474.51**	**19,341.82**	353.73	21,997.72

Classified under other current liabilities (Refer Note No.10)

* The Corporation had allotted redeemable non-convertible 8.65% Debentures of face value of ₹ 700 crores on 8th October 2012 redeemable on 8th October 2017 with a put call option on 8th October 2015. These are secured by first legal mortgage by way of a Registered Debenture Trust Deed over the fixed assets of the Corporation, mainly Plant and Machinery at Mumbai Refinery.

** Pledge of shares held in BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV; a first rank of security interest on fixed and current assets and cash flows of BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV.

*** Loan is secured in favour of participating banks ranking pari-passu inter-alia by hypothecation of Plants & Equipments both present and future.

@ Loan is secured by way of mortgage / hypothecation of assets / projects financed out of loan proceeds from OIDB for which the charge is under creation.

4. LONG-TERM BORROWINGS (CONSOLIDATED) (CONTD.)

Terms of Repayment Schedule of Long-term borrowings as on 31/03/2015

Non-Current	**₹ in Crores**	**Maturity**
8.65% Secured Non-Convertible Debentures 2017	700.00	8-Oct-17
Loan from Oil Industry Development Board - 2017	73.50	Apr 16 - Sep 17
Loan from Oil Industry Development Board - 2019	888.00	Apr 16 - Sep 19
Loan from Oil Industry Development Board - 2020	19.50	Jan 17 - Jan 20
Foreign Currency Loans - Syndicated	1,877.72	9-Mar-17
	1,032.75	7-Nov-17
	625.91	5-Feb-18
	1,064.04	7-Nov-18
	1,032.75	7-Nov-19
3% Swiss Franc International Bonds 2019	1,293.30	20-Dec-19
4.625% US Dollar International Bonds 2022	3,129.54	25-Oct-22
Loan from Bank (BPRL)	1,877.72	6-Dec-17
Loan from Bank (BPRL)	938.86	16-Jun-16

In respect of Numaligarh Refinery Limited

Secured Loans from Oil Industry Development Board consists of 3 loans as on 31.03.2015:

a) ₹ 22.68 crores drawn at 8.56% p.a. and repayable in 5 years (incl. 1 year moratorium) in annual instalment of ₹ 5.67 crores.

b) ₹ 3.16 crores drawn at 8.65% p.a. and repayable in 5 years (incl. 1 year moratorium) in annual instalment of ₹ 0.79 crores.

c) ₹ 7.76 crores drawn at 8.77% p.a. and repayable in 5 years (incl. 1 year moratorium) in annual instalment of ₹ 1.94 crores.

External Commercial Borrowing is repayable in 3 equal yearly instalments at the end of 4th, 5th and 6th year from the date of the loan taken on various dates and keeping the average age of the maturity of repayments as 5 years.

Current	**₹ in Crores**	**Maturity**
Foreign Currency Loans - Syndicated	1,251.82	26-Feb-16
Loan from Oil Industry Development Board - 2015	19.25	20-Apr-15
Loan from Oil Industry Development Board - 2017	24.25	28-Sep-15
Loan from Oil Industry Development Board - 2017	25.00	30-Mar-16
Loan from Bank (BPRL)	3,129.54	29-Nov-15

5. DEFERRED TAX LIABILITIES & ASSETS (CONSOLIDATED)

₹ in Crores

	31/03/2015	31/03/2014
Deferred Tax Liabilities:		
On account of depreciation	**3,163.74**	2,859.43
Total Deferred Tax Liabilities (A)	**3,163.74**	2,859.43
Deferred Tax Asset:		
Disallowance under Income Tax Act, 1961	**828.13**	677.83
Provisions for mark to market for investments & Loans, doubtful debts, claims, etc.	**381.64**	556.52
Voluntary Retirement Scheme & Long term Capital loss	**32.67**	46.22
Others	**68.81**	26.05
Total Deferred Tax Assets (B)	**1,311.25**	1,306.62
Net Deferred Tax Liabilities (A-B)	**1,852.49**	1,552.81
Share of Interest in Joint Ventures	**144.72**	117.29
Total Deferred Tax Liabilities	**1,997.21**	1,670.10
Deferred Tax Assets:		
Share of Interest in Joint Ventures	**650.44**	419.00
Total Deferred Tax Assets	**650.44**	419.00

6. OTHER LONG-TERM LIABILITIES (CONSOLIDATED)

₹ in Crores

	31/03/2015	31/03/2014
Security / Earnest Money Deposits	**22.46**	16.39
Retiral Dues	**50.03**	46.81
	72.49	63.20
Share of Interest in Joint Ventures	**111.85**	37.55
Total	**184.34**	100.75

7. LONG-TERM PROVISIONS (CONSOLIDATED)

₹ in Crores

	31/03/2015	31/03/2014
Contingencies for probable obligations	**269.94**	154.53
Provision for employee benefits (Refer Note No. 46)	**1,118.02**	1,165.34
	1,387.96	1,319.87
Share of Interest in Joint Ventures	**8.90**	5.89
Total	**1,396.86**	1,325.76

8. SHORT-TERM BORROWINGS (CONSOLIDATED)

₹ in Crores

	31/03/2015	31/03/2014
Loans repayable on demand		
Secured		
From banks		
Working capital loans / Cash Credit*	**40.27**	1,756.99
From Others		
Collateralized borrowing and lending obligation **	**-**	1,101.25
Unsecured		
From banks		
Bank overdraft	**1.08**	0.70
Foreign currency loans	**164.53**	5,584.06
	205.88	8,443.00
Share of Interest in Joint Ventures	**1,470.00**	2,357.82
Total	**1,675.88**	10,800.82

* Secured in favour of the participating banks ranking pari passu inter-alia by hypothecation of raw materials, finished goods, stock- in- process, book debts, stores, components and spares and all movables both present and future.

** Secured by Oil Marketing Companies GOI Special Bonds 2026 of ₹ **2,450 crores** (previous year ₹ 2,450 crores) and a bank guarantee of ₹ **500 crores** (previous year ₹ 500 crores) issued in favour of Clearing Corporation of India Limited.

9. TRADE PAYABLES (CONSOLIDATED)

₹ in Crores

	31/03/2015	31/03/2014
Dues to Micro, Small and Medium Enterprises	**0.65**	1.55
Dues to others	**12,185.52**	11,809.69
	12,186.17	11,811.24
Share of Interest in Joint Ventures	**428.49**	1,087.87
Total	**12,614.66**	12,899.11

10. OTHER CURRENT LIABILITIES (CONSOLIDATED)

₹ in Crores

	31/03/2015	31/03/2014
Current maturities of long-term borrowings (Refer Note No. 4)	**4,474.51**	353.73
Interest accrued but not due on borrowings	**181.00**	153.12
Security / Earnest Money Deposits	**476.98**	361.60
Deposits for Containers	**7,677.48**	6,494.96
Advances from Customers	**666.85**	593.13
Unclaimed Dividend*	**3.47**	2.80
Unclaimed Deposits*	**0.08**	0.14
Unclaimed Interest on Deposits*	**0.04**	0.07
Statutory Liabilities	**2,650.62**	2,661.41
Dues to Micro, Small and Medium Enterprises (Refer Note No. 39)	**163.67**	131.87
Other Liabilities (Including Sundry creditors and others)	**4,049.26**	4,375.33
	20,343.96	15,128.16
Share of Interest in Joint Ventures	**1,334.07**	991.17
Total	**21,678.03**	16,119.33

*No amount is due at the end of the year for credit to Investors Education and Protection Fund.

11. SHORT-TERM PROVISIONS (CONSOLIDATED)

₹ in Crores

	31/03/2015	31/03/2014
Provision for Taxation (Net of Advance Tax paid)	**882.25**	1,095.36
Provision for Liquidated Damages	**25.48**	5.63
Proposed dividend	**1,739.78**	1,274.38
Corporate Dividend Tax on proposed dividend	**354.18**	216.58
Provision for employee benefits (Refer Note No. 46)	**198.97**	187.45
Provision for CSR Expenditure (Refer Note No. 45)	**42.06**	-
Others (Refer Note No. 44)	**727.56**	511.35
	3,970.28	3,290.75
Share of Interest in Joint Ventures	**249.50**	88.25
Total	**4,219.78**	3,379.00

12. TANGIBLE ASSETS (CONSOLIDATED)

₹ in Crores

Particulars	Gross Block					Depreciation				Net Carrying Amount	
	As at 01/04/2014	Additions	Other adjustments	Reclassification / Deductions on account of disposals	As at 31/03/2015	Up to 31/03/2014	For the year	Reclassification / Deductions on account of disposals	Up to 31/03/2015	As at 31/03/2015	As at 31/03/2014
Land											
Freehold	785.91	132.62	-	76.12	**842.41**	-	-	-	**-**	**842.41**	785.91
Leasehold	198.50	15.57	-	(0.81)	**214.88**	35.34	5.27	-	**40.61**	**174.27**	163.16
Buildings including Roads	6,746.47	543.01	24.38	249.61	**7,064.25**	1,226.88	1,278.01	52.32	**2,452.57**	**4,611.68**	5,519.59
Plant And Equipments	16,264.96	1,335.71	67.58	(15.31)	**17,683.56**	7,446.25	772.55	(13.27)	**8,232.07**	**9,451.49**	8,818.71
Furniture And Fixtures	298.54	48.04	-	(183.95)	**530.53**	133.56	117.45	(21.95)	**272.96**	**257.57**	164.98
Vehicles	188.58	8.82	-	113.52	**83.88**	128.95	6.51	77.62	**57.84**	**26.04**	59.63
Office Equipments	932.82	102.27	-	(10.58)	**1,045.67**	685.99	104.85	37.92	**752.92**	**292.75**	246.83
Railway Sidings	359.02	2.08	-	2.88	**358.22**	192.26	32.79	2.02	**223.03**	**135.19**	166.76
Tanks and Pipelines	6,350.12	675.82	-	4.10	**7,021.84**	3,499.42	143.08	10.44	**3,632.06**	**3,389.78**	2,850.70
Dispensing Pumps	2,526.14	218.99	15.90	28.02	**2,733.01**	751.55	158.76	23.99	**886.32**	**1,846.69**	1,774.59
LPG Cylinders And Allied Equipments	6,944.32	1,117.30	26.93	1.17	**8,087.38**	6,944.32	56.08	1.25	**6,999.15**	**1,088.23**	-
Others	81.62	12.28	-	2.73	**91.17**	44.24	16.47	2.02	**58.69**	**32.48**	37.38
Total	**41,677.00**	**4,212.51**	**134.79**	**267.50**	**45,756.80**	**21,088.76**	**2,691.82**	**172.36**	**23,608.22**	**22,148.58**	**20,588.24**
Share of interest in Joint Ventures	**7,420.35**	**404.32**	**44.72**	**(34.34)**	**7,903.73**	**1,197.06**	**299.43**	**(35.17)**	**1,531.66**	**6,372.07**	**6,223.29**
Grand Total - Current Year	**49,097.35**	**4,616.83**	**179.51**	**233.16**	**53,660.53**	**22,285.82**	**2,991.25**	**137.19**	**25,139.88**	**28,520.65**	**26,811.53**
Previous year	37,096.95	4,407.33	331.31	158.59	**41,677.00**	18,786.71	2,412.94	110.89	**21,088.76**	**20,588.24**	
Share of interest in Joint Ventures	6,683.33	585.54	159.54	8.06	**7,420.35**	1,030.61	162.85	(3.60)	**1,197.06**	**6,223.29**	
Grand Total - Previous Year	43,780.28	4,992.87	490.85	166.65	**49,097.35**	19,817.32	2,575.79	107.29	**22,285.82**	**26,811.53**	

Notes:

1. In accordance with the requirements prescribed under Schedule II of Act, the Group has assessed the estimated useful lives of its fixed assets and has adopted the useful lives as prescribed in Schedule II except in certain cases (Refer Note No. 1.8). This has resulted in net decrease in the depreciation expense for the year ended March 31, 2015 by ₹ **1053.27 Crores** (includes Share of Interest in Joint Ventures of ₹ 2.25 Crores wherein there has been increase in depreciation expense) as compared to depreciation under Schedule XIV of Companies Act, 1956 applicable till 31st March 2014.

   As per the transitional provisions of Schedule II of the Companies Act, 2013, and in line with the Notification dated August 29, 2014 issued by Ministry of Corporate Affairs (MCA), the Group has charged ₹ **1,045.83 Crores** (includes Share of Interest in Joint Ventures of ₹ 7.34 crores) to the Statement of Profit and Loss on account of the carrying amount of assets (after retaining the residual value) where the remaining useful life of the asset is Nil.

   As permitted by the Notification dated August 29, 2014 issued by Ministry of Corporate Affairs, the Corporation will comply with the requirements of paragraph 4(a) of Notes to Schedule II of the Companies Act, 2013 relating to componentization, from financial year 2015-16.

2. Other adjustments include capitalization of foreign exchange differences of ₹ **173.28 crores** (previous year ₹ 386.70 crores) which includes Share in Joint Venture ₹ **42.03 crores** (previous year ₹ 98.68 crores) and borrowing costs of ₹ **12.82 crores** (previous year ₹ 43.33 crores).

3. In respect of Land:
   a) Freehold land of the Corporation includes ₹ **33.54 Crores** (previous year ₹ 32.04 Crores) with more than 99 years lease period.
   b) Freehold land includes ₹ **387.56 Crores** (previous year ₹ 367.32 Crores) capitalized at various locations for which conveyance deeds are yet to be executed and/or mutation is pending.
   c) Leasehold land of the Group includes gross block ₹ **2.95 Crores** (previous year ₹ 1.31 crores) which though in possession, the lease deeds are yet to be registered.
   d) Freehold land of the Corporation includes land costing ₹ **2.20 crores** (previous year ₹ 2.20 crores) which is in the process of being surrendered to competent authority.

4. Buildings included Ownership flats of ₹ **49.36 crores** (previous year ₹ 47.43 crores) in proposed / existing co-operative societies and others.

5. Land, Plant & Machinery, Tanks & Pipelines, Railway Sidings and Buildings jointly owned by the Corporation in varying extent with other Oil Companies / Railways :- Gross Block ₹ **292.26 crores** (previous year ₹ 198.67 crores), Cumulative Depreciation ₹ **128.92 crores** (previous year ₹ 116.32 crores), Net Block ₹ **163.34 crores** (previous year ₹ 82.35 crores).

6. Gross Block of the Corporation includes ₹ **16.15 crores** (previous year ₹ 42.41 crores) towards assets which are not in active use during the period in respect of which additional depreciation of ₹ **6.08 crores** (previous year ₹ 17.82 crores) has been provided to recognise the expected loss on disposal.

13. INTANGIBLE ASSETS (CONSOLIDATED)

₹ in Crores

Particulars	Gross Block					Amortisation				Net Carrying Amount	
	As at 01/04/2014	Additions	Other adjustments	Reclassification / Deductions on account of disposals	As at 31/03/2015	Up to 31/03/2014	For the year	Reclassification / Deductions on account of disposals	Up to 31/03/2015	As at 31/03/2015	As at 31/03/2014
Right Of Way	36.47	21.55	-	6.86	**51.16**	2.53	0.92	0.50	**2.95**	**48.21**	33.94
Software	109.49	7.70	-	18.13	**99.06**	61.36	11.13	-	**72.49**	**26.57**	48.13
Development Rights	1.50	-	-	-	**1.50**	1.50	-	-	**1.50**	**-**	-
Process License	87.23	12.86	-	(0.04)	**100.13**	74.13	8.76	-	**82.89**	**17.24**	13.10
Total	**234.69**	**42.11**	**-**	**24.95**	**251.85**	**139.52**	**20.81**	**0.50**	**159.83**	**92.02**	**95.17**
Share of interest in Joint Ventures*	**725.13**	**5.62**	**(100.56)**	**81.84**	**548.35**	**51.88**	**14.00**	**(0.19)**	**66.07**	**482.28**	**673.25**
Grand Total	**959.82**	**47.73**	**(100.56)**	**106.79**	**800.20**	**191.40**	**34.81**	**0.31**	**225.90**	**574.30**	**768.42**
Previous year	196.90	31.79	20.12	14.12	**234.69**	122.98	18.43	1.89	**139.52**	**95.17**	
Share of interest in Joint Ventures	721.43	3.80	24.10	24.20	**725.13**	36.95	14.93	-	**51.88**	**673.25**	
Grand Total	918.33	35.59	44.22	38.32	**959.82**	159.93	33.36	1.89	**191.40**	**768.42**	

* Includes share of Goodwill on acquisition pertaining to Subsidiary Company's Joint Venture Companies ₹ **274.67 crores** (previous year ₹ 475.82 crores).

14. INTANGIBLE ASSETS UNDER DEVELOPMENT (CONSOLIDATED)

₹ in Crores

Particulars	Gross Block					Amortisation				Net Carrying Amount	
	As at 01/04/2014	Additions	Capitalisation as intangible asset	Deletions	As at 31/03/2015	Up to 31/03/2014	2014-15	Reclassification / Deductions on account of disposals	Up to 31/03/2015	As at 31/03/2015	As at 31/03/2014
Process Licenses	25.07	-	-	-	**25.07**	-	-	-	**-**	**25.07**	25.07
Total	**25.07**	**-**	**-**	**-**	**25.07**	**-**	**-**	**-**	**-**	**25.07**	**25.07**
Share of interest in Joint Ventures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total	**25.07**	**-**	**-**	**-**	**25.07**	**-**	**-**	**-**	**-**	**25.07**	**25.07**
Previous year	2.53	-	(2.53)	-	**-**	-	-	-	**-**	**-**	
Share of interest in Joint Ventures	-	-	-	-	**-**	-	-	-	**-**	**-**	
Grand Total	2.53	-	(2.53)	-	**-**	-	-	-	**-**	**-**	

15. CAPITAL WORK-IN-PROGRESS (AT COST) (CONSOLIDATED)

₹ in Crores

	31/03/2015	31/03/2014
Tangible Assets under erection / construction *	**9,936.36**	5,496.69
Capital stores including lying with contractors	**1,150.68**	596.66
Capital goods in transit	**167.39**	31.92
Allocation of construction period expenses		
Opening balance	**372.72**	133.09
Add: Expenditure during the year		
Establishment charges including Salaries & Wages	**102.32**	82.50
Interest	**188.69**	52.53
Loss on foreign currency transactions and translations	**65.10**	183.10
Others	**36.47**	32.69
	765.30	483.91
Less: Allocated to assets capitalised during the year / charged off	**(130.71)**	(111.19)
Closing balance	**634.59**	372.72
	11,889.02	6,497.99
Share of Interest in Joint Ventures	**3,873.24**	2,848.66
Total	**15,762.26**	9,346.65

* Net of provision for impairment loss of ₹ **87.24 Crores** (previous year ₹ 86.40 Crores) - Refer Note No. 37

* Includes assets held for sale of ₹ **1.22 Crores** (previous year ₹ 1.20 Crores) in case of Numaligarh Refinery Limited

16. NON-CURRENT INVESTMENTS (CONSOLIDATED)

(At cost unless otherwise stated)

₹ in Crores

		31/03/2015	31/03/2014
	Long Term		
(a)	**Trade**		
	Investment In Equity Instruments, Warrants & Debentures		
	Oil India Limited - Quoted	**561.76**	561.76
	Unquoted *	**1,108.66**	1,061.04
	Less: Provision for diminution in value of investments	**(20.94)**	(20.94)
		1,649.48	1,601.86
	Others		
	BPCL Trust for Investment in Shares (Refer Note No. 36)	**659.11**	659.10
(b)	**Non - Trade**		
	Investment In Debentures, Unquoted	**0.01**	0.01
	In Association Persons, Unquoted		
	Capital Contribution in Petroleum India International	**10.00**	10.00
	Share in accumulated surplus of Petroleum India International	**16.56**	15.37
		26.57	25.38
		2,335.16	2,286.34
	Share of Interest in Joint Ventures	**16.19**	20.06
	Total	**2,351.35**	2,306.40

* Includes investment in Shares of Kannur International Airport Limited ₹ **120 crores** (previous year ₹ 70 crores), in Cochin International Airport Limited ₹ **10.50 crores** (previous year ₹ 10.50 crores), in Share warrants of Bharat Oman Refineries Limited ₹ **792.84 crores** (previous year ₹ 792.84 crores), in Brahmaputra Cracker and Polymer Limited ₹ **126.90 crores** (previous year ₹ 113.29 crores), DNP Limited ₹ **43.49 crores** (previous year ₹ 43.49 crores), in Debentures of Sabarmati Gas Limited ₹ **10 crores** (previous year ₹ 10 crores).

17. LONG TERM LOANS AND ADVANCES (CONSOLIDATED)

(Unsecured, considered good unless otherwise stated) ₹ in Crores

	31/03/2015	31/03/2014
Capital advances	**525.34**	399.62
Security deposits		
Considered good	**32.06**	28.02
Considered doubtful	**0.45**	-
Less : Provision for doubtful deposits	**(0.45)**	-
Loans and advances to related parties		
Bharat Oman Refineries Limited	**677.05**	677.05
Bharat Renewable Energy Limited	**0.75**	-
Less : Provision in respect of Bharat Renewable Energy Limited	**(0.75)**	-
Petronet LNG Limited	**131.25**	49.16
Advance for investments *	**6.75**	14.74
Loans and advances to employees (including accrued interest) (secured) (Refer Note No. 41)	**584.08**	588.01
Loans and advances to others		
Considered good	**30.40**	37.79
Considered doubtful	**1.03**	0.10
Provision for doubtful loans	**(1.03)**	(0.10)
Claims & Deposits :		
Considered good	**452.20**	439.88
Considered doubtful	**80.91**	47.68
Less : Provision for doubtful claims & deposits	**(80.91)**	(47.68)
Advance Income Tax (net of provision for taxation)	**57.93**	120.61
Others	**0.17**	-
	2,497.23	2,354.88
Share of Interest in Joint Ventures	**197.98**	166.01
Total	**2,695.21**	2,520.89

* Advance against equity shares (pending allotment) pertaining to Kochi Salem Pipeline Private Limited as at 31st March, 2015

18. OTHER NON-CURRENT ASSETS (CONSOLIDATED)

(Unsecured,considered good unless otherwise stated) ₹ in Crores

	31/03/2015	31/03/2014
Unamortized Borrowings Expenses	**70.57**	100.21
Gratuity Account Balance	**11.93**	64.96
Bank deposits with more than twelve months maturity*		
Considered Good	**0.96**	0.97
Considered Doubtful	**0.02**	-
Less: Provision for bank deposits with more than 12 months maturity	**(0.02)**	-
	83.46	166.14
Share of Interest in Joint Ventures	**1.01**	0.42
Total	**84.47**	166.56

* Includes deposit of ₹ **0.80 crores** (previous year ₹ 0.80 crores) that have been pledged / deposited with local authorities.

19. CURRENT INVESTMENTS (CONSOLIDATED)

(Current Investments are valued at lower of cost or fair market value) ₹ in Crores

		31/03/2015	31/03/2014
Investment in Government Securities (Face value of ₹ 100/- each)			
Non-Trade, Quoted			
1.	6.35% Oil Marketing Companies GOI Special Bonds 2024	**2,094.96**	2,094.96
2.	6.90% Oil Marketing Companies GOI Special Bonds 2026 #	**2,474.00**	2,474.00
3.	7.59% Oil Marketing Companies GOI Special Bonds 2015	**-**	2.31
4.	7.61% Oil Marketing Companies GOI Special Bonds 2015	**-**	0.81
5.	7.95% Oil Marketing Companies GOI Special Bonds 2025	**10.63**	10.63
6.	8.20% Oil Marketing Companies GOI Special Bonds 2024	**897.78**	897.78
		5,477.37	5,480.49
Less:	**Provision for diminution in value of investment**		
	In 6.35% Oil Marketing Companies GOI Special Bonds 2024	**(211.39)**	(405.09)
	In 6.90% Oil Marketing Companies GOI Special Bonds 2026 #	**(176.89)**	(405.74)
	In 7.59% Oil Marketing Companies GOI Special Bonds 2015	**-**	(0.02)
	In 7.61% Oil Marketing Companies GOI Special Bonds 2015	**-**	(0.01)
	In 7.95% Oil Marketing Companies GOI Special Bonds 2025	**-**	(0.91)
	In 8.20% Oil Marketing Companies GOI Special Bonds 2024	**-**	(59.93)
		(388.28)	(871.70)
	Investment in Mutual Funds (Quoted)	**236.80**	53.05
		5,325.89	4,661.84
Share of Interest in Joint Ventures		**34.57**	17.07
Total		**5,360.46**	4,678.91

Kept as Collateral Security with Clearing Corporation of India Limited for borrowing in CBLO of Face Value ₹ **2,450 crores** (previous year ₹ 2,450 crores)

Market value of quoted Government Securities ₹ **5,104.33 crores** (previous year ₹ 4608.79 crores)

20. INVENTORIES (CONSOLIDATED)

(Refer Note No. 1.10) ₹ in Crores

	31/03/2015	31/03/2014
Raw materials	**2,135.46**	2,431.05
Raw materials in transit	**1,585.10**	1,365.01
	3,720.56	3,796.06
Stock in process	**423.46**	976.50
Finished goods	**7,256.05**	9,923.70
Stock-in-trade	**3,617.52**	4,981.99
Stock-in-trade in transit	**559.81**	387.52
	4,177.33	5,369.51
Stores and spares	**421.15**	401.54
Provision for Stores and spares	**(90.13)**	(81.45)
Stores and spares in transit	**3.73**	1.64
	334.75	321.73
Packaging material	**10.42**	10.91
	15,922.57	20,398.41
Share of Interest in Joint Ventures	**1,477.45**	2,771.06
Total	**17,400.02**	23,169.47

21. TRADE RECEIVABLES (CONSOLIDATED)

(Unsecured unless otherwise stated)

₹ in Crores

	31/03/2015	31/03/2014
Outstanding for a period exceeding 6 months from due date of payment		
Considered good*	**125.75**	184.92
Considered doubtful	**491.31**	291.47
Less : Provision for doubtful debts	**(491.31)**	(291.47)
Other Debts		
Considered good*	**2,493.01**	3,823.87
Considered doubtful	**16.81**	95.30
Less : Provision for doubtful debts	**(16.81)**	(95.30)
	2,618.76	4,008.79
Share of Interest in Joint Ventures	**329.62**	534.90
Total	**2,948.38**	4,543.69

* Includes secured debt ₹ **621.40 crores** (previous year ₹ 764.97 crores)

22. CASH AND BANK BALANCES (CONSOLIDATED)

₹ in Crores

	31/03/2015	31/03/2014
Cash on hand	**26.87**	47.08
Cheques and drafts on hand	**25.88**	55.68
Balance with banks :		
On Current Account	**284.87**	281.39
Demand deposits with banks with original maturity of less than three months	**2,130.00**	965.00
Cash and Cash equivalents	**2,467.62**	1,349.15
Demand deposits with banks with original maturity of 3-12 months	**741.38**	581.09
Earmarked balances *	**3.56**	2.89
	3,212.56	1,933.13
Share of Interest in Joint Ventures	**233.70**	378.21
Total	**3,446.26**	2,311.34

* Includes unpaid dividend

23. SHORT-TERM LOANS AND ADVANCES (CONSOLIDATED)

(unsecured,considered good unless otherwise stated)

₹ in Crores

	31/03/2015	31/03/2014
Loans and advances to related parties		
Dues from Joint Venture Companies	**7.52**	4.48
Loans and advances to employees (including accrued interest) (secured)	**69.47**	69.76
Loans to Others	**13.47**	8.40
Loans to Others, Doubtful	**1.56**	1.20
Less : Provision for Loans to Other, Doubtful	**(1.56)**	(1.20)
Advances :		
Advances Recoverable in cash, or in kind or for value to be received	**182.98**	166.83
Advances considered doubtful	**11.78**	6.81
Less : Provision for doubtful advances	**(11.78)**	(6.81)
	182.98	166.83
Advance Income Tax (Net of provision for taxation)	**138.15**	142.77
Claims, Considered good	**140.86**	171.52
Claims, Doubtful	**2.04**	2.23
Less : Provision for Claims, Doubtful	**(2.04)**	(2.23)
Balances With Customs, Excise, Port Trust, etc.	**346.37**	218.96
Others	**4.29**	4.37
	903.11	787.09
Share of Interest in Joint Ventures	**124.32**	108.52
Total	**1,027.43**	895.61

24. OTHER CURRENT ASSETS (CONSOLIDATED)

₹ in Crores

	31/03/2015	31/03/2014
Interest accrued on investments and bank deposits		
Considered good	**85.15**	79.31
Considered doubtful	**0.02**	-
Less: Provision for interest accrued on investments and bank deposits	**(0.02)**	-
Interest accrued on Loans to Related Parties	**14.32**	14.32
Receivable from Government of India	**5,869.64**	10,615.09
Unamortised premium (foreign exchange forward contract)	**2.14**	1.78
Unamortized Borrowing Expenses	**52.01**	32.77
Other receivables	**0.80**	5.48
	6,024.06	10,748.75
Share of Interest in Joint Ventures	**72.08**	166.88
Total	**6,096.14**	10,915.63

25. REVENUE FROM OPERATIONS (CONSOLIDATED)

₹ in Crores

			2014-15	2013-14
i)	a)	Sales		
		Petroleum Products	**2,44,396.70**	2,49,496.66
		Crude Oil	**885.73**	937.36
			2,45,282.43	2,50,434.02
	b)	Subsidy on LPG (Domestic) & SKO (PDS)*	**612.79**	639.96
	c)	Subsidy from Government of India (Refer Note No. 34 (b))	**7,290.40**	18,374.28
			2,53,185.62	2,69,448.26
		Less: Excise Duty	**(16,132.59)**	(11,598.49)
			2,37,053.03	2,57,849.77
ii)	Other operating revenues		**179.74**	140.11
			2,37,232.77	2,57,989.88
	Share of interest in Joint Ventures		**5,365.73**	6,431.18
	Total		**2,42,598.50**	2,64,421.06

* As per the scheme of the Government of India

26. OTHER INCOME (CONSOLIDATED)

₹ in Crores

	2014-15	2013-14
Income from Current Investments		
Interest Income	**426.99**	382.03
Dividend Income	**30.61**	12.10
Income from Non Current Investments		
Dividend Income - Others	**16.03**	39.72
Interest Income	**1.20**	1.20
Income from Association of Persons	**1.19**	1.13
Income from Others (Refer Note No. 36)	**114.68**	74.20
Interest-Others (including on bank deposits)	**341.22**	322.94
Write back of liabilities no longer required	**13.95**	11.39
Reversal towards diminution in value of current investments	**483.42**	-
Prior period income (net) #	**43.86**	107.33
Gain on Foreign Currency Transactions and Translation (net)	**223.76**	-
Others #	**384.75**	393.65
	2,081.66	1,345.69
Share of interest in Joint Ventures	**38.39**	41.06
Total	**2,120.05**	1,386.75

Includes amortisation of capital grants ₹ **2.30 Crores** (previous year ₹ 0.87 crores)

27. COST OF RAW MATERIALS CONSUMED (CONSOLIDATED)

₹ in Crores

	2014-15	2013-14
Opening Stock	**3,796.05**	3,208.42
Add : Purchases (Refer Note No. 34 (a))	**1,02,027.78**	1,17,546.16
Less: Closing Stock	**(3,720.56)**	(3,796.06)
	1,02,103.27	1,16,958.52
Share of interest in Joint Ventures	**16,363.30**	17,083.46
Total	**1,18,466.57**	1,34,041.98

28. PURCHASE OF STOCK-IN-TRADE (CONSOLIDATED)

₹ in Crores

	2014-15	2013-14
Petroleum Products (Refer Note No. 34 (a))	**91,270.23**	1,05,272.75
Crude Oil	**1,100.11**	1,022.69
	92,370.34	106,295.44
Share of interest in Joint Ventures	**1,502.43**	790.30
Total	**93,872.77**	1,07,085.74

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (CONSOLIDATED)

₹ in Crores

	2014-15	2013-14
Value of opening stock of		
Finished goods	**9,935.24**	6,988.62
Stock-in-trade	**5,369.51**	6,271.94
Stock in process	**976.50**	811.00
	16,281.25	14,071.56
Less : Value of closing stock of		
Finished goods	**7,256.05**	9,935.24
Stock-in-trade	**4,177.33**	5,369.51
Stock in process	**423.46**	976.50
	11,856.84	16,281.25
Net (Increase) / Decrease in Inventory	**4,424.41**	(2,209.69)
Share of interest in Joint Ventures	**(72.96)**	231.95
Total	**4,351.45**	(1,977.74)

30. EMPLOYEE BENEFIT EXPENSES (CONSOLIDATED)

(Refer Note No. 47)

₹ in Crores

	2014-15	2013-14
Salaries and wages	**1,534.93**	2,285.67
Contribution to Provident and Other Funds	**251.96**	348.93
Staff Welfare expenses	**483.98**	288.19
Voluntary Retirement Scheme	**1.28**	126.82
	2,272.15	3,049.61
Share of interest in Joint Ventures	**77.70**	65.65
Total	**2,349.85**	3,115.26

31. FINANCE COSTS (CONSOLIDATED)

₹ in Crores

	2014-15	2013-14
Interest expense	**496.92**	551.20
Interest on shortfall in payment of advance tax	**58.10**	61.93
Other borrowing costs	**54.55**	51.33
Applicable loss on foreign currency transactions and translations (net)	**81.20**	807.94
	690.77	1,472.40
Share of interest in Joint Ventures	**489.70**	509.74
Total	**1,180.47**	1,982.14

32. OTHER EXPENSES (CONSOLIDATED)

₹ in Crores

	2014-15	2013-14
Transportation	**5,160.32**	4,610.55
Excise Duty on Inventory differential	**793.20**	172.08
Octroi, Other Levies and Irrecoverable Taxes	**979.96**	832.35
Repairs and maintenance		
Machinery	**660.20**	837.35
Building	**94.37**	44.21
Others	**219.11**	192.06
Sub-Total	**973.68**	1,073.62
Power and Fuel	**5,325.31**	5,566.17
Less: Consumption of fuel out of own production	**(3,385.10)**	(4,222.65)
Power and Fuel consumed (net)	**1,940.21**	1,343.52
Stores, spares and materials	**419.09**	537.57
Less: Charged to other revenue accounts	**(275.04)**	(446.65)
Stores, spares and materials (net)	**144.05**	90.92
Packages consumed	**150.36**	165.35
Office Administration, Selling and Other expenses		
Rates & Taxes	**72.27**	135.26
Rent (Refer Note No. 42)	**226.40**	247.57
Utilities	**222.97**	199.80
Terminalling and related charges	**175.26**	151.07
Travelling and conveyance	**172.97**	155.97
Insurance	**60.05**	58.08
Communication Expenses	**35.78**	24.64
Remuneration to auditors		
Audit fees	**0.70**	0.62
Fees for other services - Certification	**0.51**	0.47
Reimbursement of out of pocket expenses	**0.02**	-
Sub-Total	**1.23**	1.09
Write Offs		
Bad debts and claims	**0.83**	2.68
Other write offs	**0.75**	5.16
Project cost Charged off	**185.51**	380.05
Provision for doubtful debts & advances (net)	**162.19**	233.32
Provision for Impairment (Refer Note No. 37)	**0.84**	86.40
Loss on sale of Current Investments	**0.00**	29.45
Provision towards diminution in value of Current Investments	**0.00**	302.11
Provision towards diminution in value of Non Current Investments	**0.00**	3.36
Loss on sale of fixed assets (net)	**2.89**	12.98
Loss on foreign currency transactions and translations (net)	**0.00**	694.91
Liability upon termination	**21.91**	-
CSR Expenditure (Refer Note No. 45)	**83.80**	40.35
Others	**1,195.31**	1,015.23
Sub-Total - Office Administration, Selling and Other Expenses	**2,620.96**	3,779.48
	12,762.74	12,067.87
Share of interest in Joint Ventures	**1,017.55**	715.96
Total	**13,780.29**	12,783.83

33. In line with the General Circular No. 39/2014 dated 14th October 2014, issued by the Ministry of Corporate Affairs, the disclosures relevant to Consolidated Financial Statements only have been provided.

34. Consequent to non-revision in Retail Selling Prices corresponding to the international prices and applicable foreign exchange rates prevailing during the year, the Corporation has suffered gross under-recovery of ₹ **16,140.66 Crores** (previous year ₹ 34,462.56 Crores) on sale of sensitive petroleum products.

As advised by the Ministry of Petroleum & Natural Gas, the Corporation has accounted compensation towards sharing of under-recoveries on sale of sensitive petroleum products as follows:

a) ₹ **8,362.88 Crores** (previous year ₹ 15,576.78 Crores) discount on crude oil/products purchased from ONGC/ GAIL which has been adjusted against Purchase cost;

b) ₹ **7,290.40 Crores** (previous year ₹ 18,374.28 Crores) subsidy from Government of India has been accounted as Revenue from operations.

After adjusting the above compensation, the net under-recovery absorbed by the Corporation is ₹ **487.38 Crores** (previous year ₹ 511.50 Crores).

35. Pursuant to the Ministry of Corporate Affairs Notification G.S.R. 914 (E) dated 29th December 2011, the Corporation had exercised the option under Para 46 A of AS-11 [notified under the Companies (Accounting Standard) Rules, 2006) (as amended)] and has changed its accounting policy in the financial year 2011-12 and onwards for recognition of exchange differences arising on reporting of long term foreign currency monetary items. For the current financial year, the impact on account of this change (net of depreciation and amortisation) is increase in profit before tax of ₹ **349.10 Crores** including ₹ **42.04 Crores** pertaining to interest of Joint Ventures (previous year increase in profit before tax of ₹ 308.44 Crores including ₹ 98.68 Crores pertaining to interest of Joint Ventures).

36. As per the scheme of Amalgamation of the erstwhile Kochi Refineries Limited (KRL) with the Corporation approved by the Government of India, 3,37,28,737 equity shares of the Corporation were allotted (in lieu of the shares held by the Corporation in the erstwhile KRL) to a trust for the benefit of the Corporation in the financial year 2006-07. After the 1:1 Bonus issue in July 2012, presently the trust holds 6,74,57,474 equity shares of the Corporation. Accordingly the cost of the original investment of ₹ **659.10 Crores** and contribution to the corpus of the trust of ₹ **0.01 Crores** (previous year NIL) is included in Non Current Investments (Refer Note No.16). The income distributed by the trust during the year 2014-15 amounting to ₹ **114.68 Crores** (previous year ₹ 74.20 Crores) have been included in Note No.26. -'Other income'.

37. **Impairment of Assets:** It is assumed that suitable mechanism would be in place by the Government of India, in line with earlier/ current year(s), to provide compensation towards under-recoveries of margin, if any, and recoveries against Direct Benefit Transfer for LPG Scheme on account of sale of sensitive petroleum products in subsequent years. Hence, there is no indication of impairment of assets of the Corporation as at 31st March 2015. In case of one subsidiary company, provision for impairment of capital work in progress of ₹ **87.24 Crores** has been made during FY 2014-15 (previous year ₹ 86.40 Crores).

38. Bharat Petroleum Corporation Limited and Numaligarh Refinery Limited have numerous transactions with other oil companies. The outstanding balances (included under Trade Payables/ Trade Receivables, etc) from them including certain other outstanding credit and debit balances are subject to confirmation/reconciliation. Adjustments, if any, arising therefrom are not likely to be material on settlement and are accounted as and when ascertained.

39. To the extent, the Corporation and its Subsidiaries have received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under:

₹ in Crores

	31/03/2015	31/03/2014
Amount Due and Payable at the year end		
-Principal	**3.75**	59.79
-Interest on above Principal	**-**	-
Payment made during the year after the due date		
-Principal	**-**	-
-Interest	**-**	-
Interest due and payable for Principal already paid	**-**	-
Total Interest accrued and remained unpaid at year end	**-**	-

The interest payable to such vendors is not likely to be material.

40. Related Party Disclosures as per Accounting Standard 18

Key Managerial Personnel (Whole time directors):

Shri S. Varadarajan, (Chairman & Managing Director), BPCL w.e.f. 01.10.2013 and Director (Finance), BPCL up to 31.03.2014.

Shri P. Balasubramanian, Director (Finance), BPCL w.e.f. 01.04.2014

Shri K.K. Gupta, Director (Marketing), BPCL

Shri B.K. Datta, Director (Refineries), BPCL

Shri S.P. Gathoo, Director (Human Resources), BPCL

Shri R.K. Singh, (Chairman & Managing Director), BPCL upto 30.09.2013.

Shri P. Padmanabhan, (Managing Director), NRL

Shri Sona Ram Medhi, Director (Technical), NRL

Shri Saumendra Kumar Barua, Director (Finance), NRL

Shri D. Rajkumar (Managing Director), BPRL

Remuneration to Key Managerial Personnel: ₹ **4.75 Crores** (previous year ₹ 4.51 Crores).

As mentioned in Note no. 1.1 (C) (vi) and (vii), Kannur International Airport Limited and Bharat Renewable Energy Limited have not been considered in the preparation of Consolidated Financial Statements for reasons mentioned therein.

Further, Videocon Energy Brazil Limited is a Co Venturer of Bharat PetroResources Limited, 100% Subsidiary of the Corporation.

The transactions with these Companies are as below:

S.No.	Nature of Transactions		₹ in crores
		2014-15	2013-14
1.	Investment and Advance for Investments*	**50.75**	31.11
2.	Reimbursement of Expenditure #	**0.61**	-

*** Kannur International Airport Limited – ₹ 50.00 Crores** (previous year ₹ 30.00 Crores)

 # Videocon Energy Brazil Limited

41. Dues from directors of the Corporation is ₹ **0.32 Crores** (previous year ₹ 0.25 Crores) and Dues from Officers of the Corporation is ₹ **3.30 Crores** (previous year ₹ 3.74 Crores).

42. Disclosure for Operating Leases as per AS-19

The Group enters into cancellable / non-cancellable operating lease arrangements for office premises, staff quarters and others. The lease rentals paid / received for the same are charged to the Consolidated Statement of Profit and Loss.

A) As Lessee

a) The Corporation and its Subsidiaries enters into non-cancellable operating leases in respect of Godowns and Product Tanks. The details are as follows-

₹ in Crores

S.No.	Particulars	2014-15	2013-14
i)	Future Lease payment obligations under non-cancellable operating leases		
	a) Not later than one year	**9.08**	8.49
	b) Later than one year and not later than five years	**8.10**	16.12
	c) Later than five years	**-**	-
ii)	Lease Rentals recognized in the Statement of Profit and Loss	**8.63**	7.98

b) The Corporation enters into cancellable operating leases in respect of office premises, staff quarters and others which are cancellable by giving appropriate notices as per respective agreements. During the year ₹ **27.29 Crores** (previous year ₹ 24.03 Crores) has been charged to Consolidated Statement of Profit and Loss on account of lease rentals.

B) As Lessor

i) The Corporation enters into cancellable / non-cancellable operating lease arrangements in respect of commercial spaces, storage and distribution facilities and others. The details are as follows-

₹ in Crores

Particulars	Buildings		Plant and Equipments		Tanks and Pipelines		Furniture and Fixtures		Office Equipments	
	2014-15	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14
Gross Carrying Amount	**158.28**	152.30	**567.10**	530.36	**23.45**	26.70	**12.47**	11.65	**5.37**	5.50
Accumulated depreciation	**53.98**	17.26	**134.46**	105.91	**22.21**	24.25	**7.57**	5.28	**4.48**	3.91
Depreciation recognized in the Statement of Profit and Loss	**36.63**	3.49	**26.11**	26.41	**-**	0.17	**2.19**	0.68	**0.67**	0.39

The above includes assets given on lease within the Group.

ii) Total contingent rent recognised as income in the Consolidated Statement of Profit and Loss in the FY 2014-15 is ₹ **18.32 Crores** (previous year ₹ 17.06 Crores).

iii) Future Lease rentals under non-cancellable operating leases ₹ in Crores

S.No	Particulars	2014-15	2013-14
i)	Future Lease rentals under non-cancellable operating leases		
	a) Not later than one year	**13.12**	13.29
	b) Later than one year and not later than five years	**52.00**	52.01
	c) Later than five years	**78.00**	91.00

43. Earnings per share

		2014-15	2013-14
Profit after Tax	₹ Crores	**4,806.57**	3,910.68
Weighted average number of shares outstanding during the year	Crore nos.	**72.31**	72.31
Basic earnings per share	₹	**66.47**	54.08
Diluted earnings per share	₹	**66.47**	54.08

44. In compliance of Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", the required information in respect of the Corporation and its Subsidiaries is as under:

₹ in Crores

Nature	Opening balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	50.60	5.64	0.20	0.06	55.98
Customs	65.12	-	-	-	65.12
Service Tax	0.03	0.07	0.03	-	0.07
Sales Tax	353.82	251.34	0.04	36.50	568.62
Property Tax	54.91	29.89	-	1.72	83.08
Entry Tax	144.53	106.36	-	-	250.89
Legal Cases	10.00	-	10.00	-	-
Total	**679.01**	**393.30**	**10.27**	**38.28**	**1,023.76**
Previous year	425.43	256.23	-	2.65	679.01

The above provisions are made based on estimates and the expected timing of outflows is not ascertainable at this stage.

Above includes provision of ₹ **26.26 Crores** (previous year ₹ 13.13 Crores) in respect of which deposits have been made.

45. Disclosure in respect of Expenditure on Corporate Social Responsibility Activities of the Corporation

₹ in Crores

a)	Amount required to be spent by the Corporation during the year.	**76.01**
b)	Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the Corporation) #	**33.95 ***
c)	Provision created for balance amount	**42.06**

The above expenditure includes contribution to funds, expenses through registered trusts / registered society or company established under Section 8 of the Act and direct expenses by the Corporation.

* including payables of ₹ 7.28 Crores as on 31.03.2015.

46. Disclosure as per requirements of Accounting Standard 15 - "Employee Benefits":

In case of the Corporation and its Subsidiaries, contribution to the Provident Fund is remitted to a separate trust/ Employees Provident Fund established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, in respect of the trust, based on the Government specified minimum rate of return, will be made good by the Corporation and charged to Statement of Profit and Loss.

Gratuity: The Corporation and its Subsidiaries have a defined benefit gratuity plan managed by a trust. The contribution based upon actuarial valuation is paid /payable to a trust which is invested as per investment pattern prescribed by the Government in plan assets. Gratuity is paid to a staff member who has put in a minimum qualifying period of 5 years of continuous service on superannuation, resignation, termination or to his nominee on death.

Leave Encashment: The Employees are entitled to accumulate Earned Leave and Sick Leave, which can be availed during the service period. Employees are also allowed to encash the accumulated earned leave during the service period. Further, the accumulated earned leave and sick leave can be encashed by the employees on superannuation, resignation, and termination or by nominee on death.

Other Defined Benefits: These are (a) Post Retirement Medical Scheme benefit (managed by a trust) to employees, spouse, dependent children and dependent parents; (b) Pension/ex-gratia scheme to the retired employees who are entitled to receive the monthly pension / ex-gratia for life; (c) Death in service / Permanent disablement given to employee, the spouse of the employee, provided the deceased's family/disabled employee deposits retirement dues such as PF, Gratuity, Leave encashment payable to them with the Corporation/Subsidiary; and (d) Resettlement allowance paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

Disclosures (for the Corporation and Subsidiaries) as per requirements of Accounting Standard 15 continued:

₹ in Crores

a) Reconciliation of balances of Defined Benefit Obligations	Gratuity - Funded		Post Retirement Medical - Funded		Leave Encashment - Non Funded		Burmah Shell Pension - Non Funded		Death / Permanent disablement - Non Funded		Re-settlement Allowance - Non Funded		Ex-gratia scheme - Non Funded	
	2014-15	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14	**2014-15**	2013-14
Defined Obligations at the beginning of the year	**616.58**	669.81	**568.05**	492.74	**813.96**	770.30	**88.46**	74.20	**8.75**	7.73	**6.87**	7.91	**272.81**	250.35
Interest Cost	**57.05**	53.58	**52.67**	41.28	**75.31**	59.84	**7.41**	5.41	**0.38**	0.37	**0.73**	0.71	**26.10**	21.02
Current Service Cost	**3.52**	4.37	**26.55**	21.42	**47.03**	38.97	**-**	-	**-**	-	**1.21**	1.20	**18.26**	13.18
Past service cost	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Benefits paid	**(92.00)**	(36.06)	**(25.44)**	(20.45)	**(314.61)**	(124.39)	**(17.01)**	(17.17)	**(9.33)**	(6.45)	**(0.44)**	(0.32)	**(19.03)**	(17.54)
Actuarial (Gains)/ Losses on obligations	**54.43**	(75.12)	**47.74**	33.06	**89.71**	69.24	**3.86**	26.02	**11.84**	7.10	**(0.90)**	(2.63)	**35.24**	5.80
Defined Obligations at the end of the year	**639.58**	616.58	**669.57**	568.05	**711.40**	813.96	**82.72**	88.46	**11.64**	8.75	**7.47**	6.87	**333.38**	272.81

b) Reconciliation of balances of Fair Value of Plan Assets in respect of Gratuity / Post Retirement Medical Fund				
Fair Value at the beginning of the year	**685.35**	580.00	**547.72**	475.22
Expected Return (a)	**59.78**	50.29	**47.23**	41.81
Actuarial gains/ (losses) (b)	**(1.14)**	(0.12)	**3.51**	13.46
Actual Return on Plan assets (a+b)	**58.64**	50.17	**50.74**	55.27
Contribution by employer	**-**	91.24	**46.69**	37.68
Contribution by employee	**-**	-	**1.18**	-
Benefits paid	**(92.00)**	(36.06)	**(25.44)**	(20.45)
Fair Value of Plan Assets at the end of the year	**651.99**	685.35	**620.89**	547.72

c) Amount recognised in Balance sheet (a-b)	**(12.41)**	(68.77)	**48.68**	20.33	**711.40**	813.96	**82.72**	88.46	**11.64**	8.75	**7.47**	6.87	**333.38**	272.81

d) Amount recognised in Statement of Profit and Loss														
Current Service Cost	**3.52**	4.37	**26.55**	21.42	**47.03**	38.97	**-**	-	**-**	-	**1.21**	1.20	**18.26**	13.18
Past Service cost	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Interest Cost	**57.05**	53.58	**52.67**	41.28	**75.31**	59.84	**7.41**	5.41	**0.38**	0.37	**0.73**	0.71	**26.10**	21.02
Expected Return on Plan Assets	**(59.78)**	(50.29)	**(47.23)**	(41.81)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Contribution by employee	**-**	-	**(1.18)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Actuarial (Gains)/ Losses	**55.57**	(75.00)	**44.23**	19.60	**89.71**	69.24	**3.86**	26.02	**11.84**	7.10	**(0.90)**	(2.63)	**35.24**	5.80
Expenses for the year	**56.36**	(67.34)	**75.04**	40.49	**212.05**	168.05	**11.27**	31.43	**12.22**	7.47	**1.04**	(0.72)	**79.60**	40.00

e) Major Actuarial Assumptions														
Discount Rate (%)	**7.99-7.90**	9.31-9.25	**7.99-7.95**	9.31-9.27	**7.99-7.90**	9.31-9.25	**7.99**	9.27	**8.04**	9.27	**7.99-7.90**	9.31-9.25	**7.95**	9.27
Salary Escalation/ Inflation (%)	**8.00**	8.00	**8.00-7.00**	8.00-7.00	**8.00**	8.00	**-**	-	**-**	-	**-**	-	**-**	-
Expected Return on Plan assets (%)	**7.99-7.90**	9.31-8.70	**7.99-7.95**	9.31-8.60	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-

f) Investment pattern for Fund as on	**31.03.2015**	31.03.2014	**31.03.2015**	31.03.2014
Category of Asset	**%**	%	**%**	%
Government of India Asset	**23.89**	24.29	**7.72**	10.00
Corporate Bonds	**25.92**	18.83	**52.83**	6.73
Insurer Managed funds	**42.70**	28.89	**3.03**	-
State Government	**5.16**	7.65	**33.07**	59.91
Others	**2.33**	20.34	**3.35**	23.36
Total	**100.00**	100.00	**100.00**	100.00

g) As per our best estimate, ₹ Nil is the expected contribution to be paid to the Gratuity fund in year 2014-15

h) Effect of Increase / Decrease of 1% is assumed for medical cost trend to the Post Retirement Medical Liability:

	31.03.2015	31.03.2014
Change in liability for 1% increase in Discount Rate	**(67.33)**	(66.93)
Change in service cost for 1% increase in Discount Rate	**(2.23)**	(1.78)
Change in liability for 1% decrease in Discount Rate	**81.53**	59.70
Change in service cost for 1% decrease in Discount Rate	**2.58**	2.06

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation

47. The Employee benefits expense for the Corporation for the FY 2014-15 include reversal of provisions no longer required ₹ **657.93 Crores**.

48. As indicated in Significant Accounting Policies, certain accounting policies of JVCs towards Depreciation, Inventory Valuation, Employee Benefits and classification of Income/ Expenses etc are not in line with that followed by the parent company. However, considering the nature of transactions and amounts involved the impact is not expected to be material had the accounting policies of the parent company been followed.

49. Capital Reserve on acquisition of subsidiaries includes ₹ **61.65 Crores** being the share of the group out of grant of ₹ **100 Crores** received by Numaligarh Refinery Limited from the Government of India during the project period.

50. Value of imports for the Corporation and its Subsidiaries calculated on C.I.F. basis

₹ in Crores

		2014-15	2013-14
(a)	Raw Materials (including Crude Oil)	**72,603.81**	85,636.60
(b)	Capital Goods	**448.28**	410.10
(c)	Components and Spare parts (including packages, chemicals and catalysts)	**88.48**	139.02

51. Additional information as appearing in the financial statements of certain Subsidiaries and Joint Venture Companies:

Numaligarh Refinery Limited (Subsidiary)

a) Pending finalization of the Crude Oil Sales Agreement, purchases of Crude Oil from Oil India Limited (OIL) and Oil and Natural Gas Corporation Limited (ONGC) have been accounted for as per the Benchmark price of crude oil in financial year 2014-15 same as in the previous year.

To augment crude availability of North-East refineries, imported crude is brought in to IOCL Bongaigaon Refinery and the transportation cost and other incidentals thereof is being shared by all four north east (NE) refineries as per mutual agreement. The company’s share of the transportation cost and other incidentals thereof has been included in crude cost as well as for valuation of the closing inventory.

b) An amount of ₹ **87.11 Crores** (previous year ₹ 84.05 Crores) has been charged to the Statement of Profit and Loss towards under recovery of Central Sales Tax (CST) on petroleum products.

c) As on 31st March 2015, the Company has a stock of approximately 800 kgs of spent catalyst (scrap), which contains approximately 2.63 kgs of platinum.

Bharat PetroResources Limited (Subsidiary)

d) BPRL requires significant amounts of funds to carry on its operations. The recovery of funds invested is subject to the success of exploration activities leading to monetization. BPCL has been extending financial support to BPRL to meet its obligation under production sharing contracts and for other activities, as required, and is committed to provide the necessary level of financial support, to enable BPRL to continue as a going concern.

e) BPRL has entered into Standby Letter of Credit (SBLC) facility agreement with a number of Indian banks to the extent of USD 1750 Mn (₹ 10,953.39 Crores). As per the SBLC facility agreement banks will issue SBLC’s, on behalf of BPRL International BV, a wholly owned subsidiary, for loans taken by BPRL International BV in favour of the foreign currency lenders, to the extent of their respective commitments. As of the date of Balance Sheet, SBLC’s to the tune of USD 959.62 Mn (₹ 6,006.34 Crores) has been issued.

f) In respect of blocks held in India, as per the Production Sharing Contracts signed by BPRL with the Government of India (GOI), BPRL is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) is payable for extension of time to complete MWP. Further, in case BPRL does not complete MWP or surrender the block without completing the MWP, the estimated cost of completing the balance work programme is required to be paid to the GOI.

Bharat Oman Refineries Limited (Joint Venture Company)

g) The Company by virtue of MOU entered into with the Government of Madhya Pradesh is entitled to fiscal assistance as given below:

i. Entry Tax exemption on Project material and Crude Oil procured.

ii. Reimbursement of Work Contract Tax paid for the purpose of construction (Adjusted against cost of asset).

iii. Interest free VAT loan up to ₹ 250 Crores per annum for fifteen years. Principal repayable from 16th year onwards.

iv. Central Sales Tax exemption on sale of finished goods for a period of fifteen years from the date of commercial production.

h) The Company has obtained interim stay in the matter of demand raised by the M.P. Government for Cess under Building and Other Construction Workers Welfare Cess Act 1996, amounting to ₹ **122.30 Crores** (previous year: ₹ 122.30 Crores)including interest of ₹ **22.30 Crores** (previous year: ₹ 22.30 Crores). The matter is pending for adjudication in the High Court of Madhya Pradesh.

In the opinion of the Company, the primary responsibility of Building and Other Construction Workers' Welfare Cess (BOCW) is on the contractors. The company, therefore, on conservative basis has accounted for liability of ₹ **65.11 Crores** (previous year: ₹ 65.11 Crores) towards Cess after adjustment of the amount already recovered from the contractors and deposited with Secretary BOCW Welfare Board, Bhopal, Madhya Pradesh. The Interest of ₹ 22.30 Crores demanded has been included under contingent liability.

i) BPCL holds 98.33% of the share warrants of BORL amounting to ₹ 1,585.68 Crores, out of which the amount of ₹ 792.84 Crores is appearing as investments of the group after eliminating 50% of the total amount of the share warrants upon consolidation.

j) Deferred Tax Asset on unabsorbed depreciation and unabsorbed business losses available as per the Income Tax Act, 1961 has been recognized, since the Company is virtually certain that sufficient future taxable income will be available to adjust such losses considering the following:

i. The company has entered into a binding agreement with BPCL for off take of products at prices determined with reference to international product prices.

ii. Since the products will be sold at prices with reference to international prices, the Gross Refinery Margin is also linked to margins prevailing in the international markets. The company expects its GRM to be more than the GRM prevailing in international markets because of location advantage and superior refinery configuration.

iii. The refinery will operate at the designed capacity.

iv. Unabsorbed depreciation which forms major portion of the Deferred Tax Asset, can be carried forward and set off against profits for unlimited number of years under the Income Tax Act, 1961.

k) The company has incurred a net loss of ₹ **790.17 Crores** (previous year: ₹ 296.51 Crores) during the year ended 31st March 2015 and the accumulated losses are ₹ **2,617.38 Crores** (previous year: ₹ 1,827.21 Crores) as on that date. Considering various factors as enumerated below, the financial statements have been drawn up on going concern basis and no adjustments are required to the carrying value of the assets and liabilities:-

i. The losses in the current year are mainly on account of adventitious losses due to steep fall in the prices of crude oil and finished products in the international market.

ii. There is no impairment in the value of assets used to generate Cash Flows.

iii. Expected infusion of additional Equity Funds in the near future.

iv. The Company is able to pay creditors, loan instalments and interest in respect of such loans on due dates.

v. The Bankers continue to extend support to the Company. The Company has also entered into a refinancing agreement in respect of major portions of loans with a two year moratorium period for principal repayment.

vi. The refinery is operating at the designed capacity.

l) Balances in Creditors' accounts and advances are subject to confirmation and reconciliation. Adjustments would be made in the related cost of asset upon obtaining confirmation and reconciliation.

m) Impairment of Assets

Determination as to whether and how much an asset is impaired, involves management's estimates of highly uncertain matters such as international prices of crude oil and products. The value in use is taken as the recoverable amount and in measuring the value in use, cash flow projection based on the forecasts and discount rate worked out on the basis of weighted average cost of capital employed have been considered. Based on cash flow projection worked out as above (which indicates that the recoverable amount is more than the carrying amount of assets) and based on the assessment of the management, there is no indication of impairment of the fixed assets as on the balance sheet date.

Petronet LNG Limited (Joint Venture Company)

n) Income Tax cases are pending at various appellate authorities / levels regarding addition of income at the time of Income Tax assessment. The Company has deposited ₹ **94.27 Crores** against the demand raised by the tax authorities. Pending the final outcome of the case, demand raised by the tax authorities have been provided for in the books of account in the year of receipt of the demand.

o) Customs duty on import of Project materials / equipments has been assessed provisionally (current and previous years) and additional liability, if any, on this account will be provided on final assessment.

p) The Company is eligible for deduction under section 80IA of the Income Tax Act, 1961, with respect to power generation and port undertakings at Dahej. Till previous year, provision of Income tax has been made in the books without considering deduction under section 80IA, as the deduction was disallowed by the Income Tax Department at the time of assessment. During the year, the Company has been allowed deduction under section 80IA for AY 2012-13 and therefore, tax benefits amounting to ₹**123.14 Crores** has been accounted for in the books w.r.t. AY 2012-13 to AY 2014-15. Further, the Company has claimed income tax deduction benefit of ₹ **20.48 Crores** under section 32AC at the time of filing of Income Tax return for AY 2014-15 and the same has been accounted for in the books during the current year.

q) The company has long term LNG purchase commitments against which back to back sale agreements have been made.

Indraprastha Gas Limited (Joint Venture Company)

r) Petroleum and Natural Gas Regulatory Board (PNGRB) vide its order no. TO/03/2012 dated 9th April, 2012 has determined the per unit network tariff and compression charge for the CGD Network of IGL for Delhi, based on submission of data by the company in May 2009 and certain assumptions taken by PNGRB in this regard. The tariffs determined by PNGRB are much lower than the rates submitted by the company.

Further, PNGRB has made the determined tariffs applicable with retrospective effect from 01.04.2008. In its order PNGRB has stated that the modalities and time frame for refund of differential Network Tariff and Compression Charge shall be decided subsequently.

IGL has filled a writ petition on 10.04.2012 against the order of PNGRB dated 09.04.2012 before the Hon'ble Delhi High Court. The Hon'ble High Court of Delhi has passed the judgment in this case on 01.06.2012 and has quashed the PNGRB order dated 09.04.2012. PNGRB has filed special leave petition before the Hon'ble Supreme Court of India against the order dated 01.06.2012 of Hon'ble Delhi High Court. Matter is still pending in the Hon'ble Supreme Court of India.

Sabarmati Gas Limited (Joint Venture Company)

s) There has been a change in the accounting policy in the respect of the recognition of revenue towards initial connection charges (refer note 1.11 (ix)) . Consequent upon such change in policy the profit for the current financial year is lower by ₹ **1.03 Crores** and the Non current liabilities are higher by the like amount.

Petronet India Limited (Joint Venture Company)

t) The Promoters/Shareholders at their meeting on March 12, 2004 as noted in the Board of Directors meeting on March 20, 2004 had unanimously opined that continuation of the company is not viable. This situation has risen, due to the new guidelines issued by Ministry of Petroleum & Natural Gas vide notification dated 20.11.2002 permitting the oil companies to lay pipelines by themselves from their respective refineries as captive pipelines. In addition, they could lay pipelines from port locations or from Refineries having length more than 300 km by inviting Expression of Interest from others. Since the company was formed under Government of India approval, its closure also required government approval.

Accordingly, Petronet India Limited (PIL) approached the Government for its approval for the closure of the company in 2004-05. As a result of constant follow up with the government for the last 8-9 years, Ministry of Petroleum & Natural Gas, New Delhi conveyed government approval vide letter No. R-30011/1/2006-O R-I dated 20-09-2013 for closure of the company and directed to ensure that PIL disposes of its equity holdings in its Joint Venture Companies (JVCs) in a transparent manner in terms of the share holders' agreements (SHAs) entered by the company with the respective JVCs.

Through tender process, the company with the concurrence of the respective Co-promoters appointed M/s. Price Waterhouse & Co. (PwC), Mumbai, as Independent Valuer for determination of fair market prices of its holdings in its JVCs namely Petronet CCK Limited (PCCKL), Petronet MHB Limited (PMHBL) and Petronet VK Limited (PVKL).

PwC submitted valuation reports dated 14-11-2014 determining fair market prices of PIL's equity holdings in its JVCs. On 09-03-2015, Board adopted the valuation reports and approved PIL's divestment of its entire holdings in the JVCs by offering to respective Co-promoters namely Bharat Petroleum Corporation Limited (for PCCKL), Hindustan Petroleum Corporation Limited (for PMHBL) and Indian Oil Corporation Limited (for PVKL) at the determined prices in terms of the respective SHAs. Accordingly, offer letters for sale of the equity holdings have been sent to the respective Co-promoters. On receipt of acceptance/response from the Co-promoters, company will proceed further appropriately in this regard.

After disposal of equity holdings as above in terms of respective SHAs, appropriate steps will be taken by the company to initiate closure proceedings in terms of the provisions of Company Law as applicable during FY 2015-16.

PIL's investment of ₹ 3,74,40,000/-(37,44,000 equity shares of ₹ 10/-each /26% equity holdings) in Petronet CI Limited (which was considered as a subsidiary of PIL under section 4 (1) (a) of The Companies Act, 1956) has been fully provided for diminution in value as the subsidiary has been under Voluntary Liquidation since 14-12-2006.

52. The following Oil and Gas blocks are held by Bharat PetroResources Limited / its subsidiaries and joint ventures as on 31.03.2015:

Name	**Company**	**Country**	**Participating Interest of the Group**	
			31.03.2015	**31.03.2014**
NELP – IV				
CY/ONN/2002/2	BPRL	India	40.00%	40.00%
NELP – VI				
CY/ONN/2004/1(a)	BPRL	India	20.00%	20.00%
CY/ONN/2004/2	BPRL	India	20.00%	20.00%
NELP – VII				
RJ/ONN/2005/1	BPRL	India	33.33%	33.33%
NELP – IX				
CB/ONN/2010/11	BPRL	India	25.00%	25.00%
AA/ONN/2010/3	BPRL	India	20.00%	20.00%
CB/ONN/2010/8	BPRL	India	25.00%	25.00%
MB/OSN/2010/2	BPRL	India	20.00%	20.00%
Blocks outside India				
JPDA 06-103 (c)	BPR JPDA	Australia / Timor	20.00%	20.00%
EP-413	BPRL	Australia	27.80%	27.80%
Sergipe and Alagoas				
SEAL-M-349	IBV Brazil Petroleo Pvt Ltda.	Brazil	40.00%	40.00%
SEAL-M-426	IBV Brazil Petroleo Pvt Ltda.	Brazil	40.00%	40.00%
SEAL-M-497	IBV Brazil Petroleo Pvt Ltda.	Brazil	40.00%	40.00%
SEAL-M-569 (d)	IBV Brazil Petroleo Pvt Ltda.	Brazil	-	40.00%
Espirito Santo				
ES-24-661 (e)	IBV Brazil Petroleo Pvt Ltda.	Brazil	-	30.00%
Campos				
C-M-30-101	IBV Brazil Petroleo Pvt Ltda.	Brazil	25.00%	25.00%
Portiguar				
POT-16-663	IBV Brazil Petroleo Pvt Ltda.	Brazil	20.00%	20.00%
POT-16-760	IBV Brazil Petroleo Pvt Ltda.	Brazil	20.00%	20.00%
Mozambique Rovuma Basin	BPRL Ventures Mozambique B.V.	Mozambique	10.00%	10.00%
Nunukan PSC, Tarakan Basin	BPRL Ventures Indonesia B.V.	Indonesia	12.50%	12.50%

(a) On completion of Minimum Work Programme Commitments and based on analysis of seismic and well drilling results indicating poor prospectively, as assessed by the Management, the Company has withdrawn in respect of Blocks: CY/ONN/2004/1. Consequently an amount of ₹ **31.60 Crores** has been written off to the Statement of Profit and Loss.

(b) In the previous year 2013-14, on completion of Minimum Work Programme Commitments and based on analysis of seismic and well drilling results indicating poor prospectively, as assessed by the Management, the Company has withdrawn in respect of Blocks: KG/DWN/2004/2, KG/ DWN/2004/5 and RJ/ONN/2004/1. Consequently an amount of ₹ **50.59 Crores** has been written off to the Statement of Profit and Loss.

(c) The Group has a participating interest of 20% in JPDA 06-103 block. The continuation of activities in the block has been adversely affected due to a dispute between the Government of Timor Leste and the Government of Australia with respect to the Certain Maritime Arrangements in the Timor Sea Treaty (CMATS) for which the Timor Leste Government has initiated arbitration proceedings against the Government of Australia to have the CMATS declared void ab initio.

The consortium partners have requested ANP to terminate the PSC with all parties remaining in good standing. The decision of authority is awaited. In the month of May 2015, the operator of the block received from ANP the notice of intention to terminate PSC imposing the contractor's liability upon termination.

In light of the uncertainties, the management has provided ₹ **87.24 Crores** being the cumulative expenditure accounted under capital work in progress in the financial statements for the year.

(d) During the current year, upon completion of Minimum Work Programme Commitments and based on analysis of G&G data indicating limited prospectivity, as assessed by the Management, the group has relinquished the area under the Papangu appraisal plan in SEAL-M-569 block, retaining an area of 20 sq. km (out of a total of 774 sq. km) in SEAL-M-569 as part of the Verde joint appraisal plan. Accordingly the group has written off 97.4% of the capitalized costs pertaining to block SEAL-M-569 amounting to ₹ **170.69 Crores.**

(e) During the current year, upon completion of Minimum Work Programme Commitments and based on analysis of G&G data indicating limited prospectivity, as assessed by the Management, the group along with other consortium partners has withdrawn participating interest in respect of Block ES-M-661. Consequently an amount of ₹ **83.81 Crores** has been written off in the books of the accounts.

(f) In the previous year 2013-14, on completion of Minimum Work Programme Commitments and based on analysis of G&G data indicating limited prospectivity, as assessed by the Management, BPRL has withdrawn the participating in respect of Blocks ES-M-588 and ES-M-663 in BM-ES-24 concession, Brazil. Consequently an amount of ₹ **329.46 Crores** has been written off in the books of accounts. IBV Brazil, Joint Venture of holding company does not follow the same accounting policy as BPRL. The amount of ₹ **329.46 Crores** written off has been determined, using best judgment, on the basis of billing statement received by BPRL and adjustments if any, in respect of these blocks. In the opinion of the management there is no significant difference arising on account of using judgment. The auditor has relied upon the computation prepared by the management.

(g) The Group has 10% participating interest in exploration and production concession contract signed by Anadarko Mozambique Area 1 Limitada with Empresa Nacional de Hidrocarbonetos E.P. and the Government of Mozambique.

As per the obligations contained in Exploration & Production Concession Contract (EPCC) entered with Mozambique Government, BPRL Ventures Mozambique B.V. is taking over its proportionate share of the EMPRESA NACIONAL DE HIDROCARBONETOS, E.P.(ENH) carry of 1.765%. The carry shall be limited to all costs incurred by the Concessionaire in discharging its obligations under this EPC, up to and including the date upon which the first development plan has been approved. From the date of commencement of Commercial Production, ENH shall reimburse in full the Carry in cash or in kind. All Carry amount owed by ENH up to approval of the first development plan shall be subject to payment of interest compounded quarterly calculated at the 3 months LIBOR plus one percentage point. However if there is no commercial success no such reimbursement will be applicable.

53. Segment Reporting

In compliance with Accounting Standard - 17, "Segment Reporting" issued by the Institute of Chartered Accountants of India, the segment information is as under:

I. The group is engaged in the following business segments:

a) Downstream petroleum i.e. Refining and Marketing of Petroleum Products

b) Exploration and Production of Hydrocarbons (E&P)

Segments have been identified taking into account the nature of activities and its risks and returns.

II. There are no geographical segments.

III. Segment-wise details are as follows:

	Year Ended 31st March 2015			Year Ended 31st March 2014		
	Downstream petroleum	E&P	Total	Downstream petroleum	E&P	Total
Revenue						
External Revenue	**2,43,752.71**	**1.59**	**2,43,754.30**	2,64,885.88	53.44	2,64,939.32
Inter Segment Revenue						
Total Revenue	**2,43,752.71**	**1.59**	**2,43,754.30**	2,64,885.88	53.44	2,64,939.32
Results						
Segment Results	**7,535.47**	**(340.45)**	**7,195.02**	8,420.50	(466.49)	7,954.01
Unallocated Corporate Expenses						
Operating Profit	**7,535.47**	**(340.45)**	**7,195.02**	8,420.50	(466.49)	7,954.01
Add :						
Interest / Dividend Income			**964.25**			868.49
Less :						
a) Finance Cost			**1,180.47**			1,982.14
b) Loss on sale of current investments			**-**			29.45
c) Provision / (Reversal) of current Investment			**(483.42)**			305.47
d) MTM (Gains) / Losses on derivative contracts			**(228.25)**			339.76
e) Income Tax (including deferred Tax)			**2,608.46**			2,112.70
Profit after tax			**5,082.01**			4,052.98
Other Information						
Segment Assets	**68,860.35**	**8,168.25**	**77,028.60**	73,629.27	6,124.11	79,753.38
Unallocated Corporate Assets			**9,928.30**			9,125.79
Total Assets			**86,956.90**			88,879.17
Segment Liabilities	**29,972.85**	**355.38**	**30,328.23**	29,143.35	237.97	29,381.32
Unallocated Corporate Liabilities			**32,780.35**			38,911.27
Total Liabilities			**63,108.58**			68,292.59
Capital Expenditure	**9,249.89**	**1,784.38**	**11,034.27**	6,563.98	1,805.25	8,369.23
Depreciation/Amortisation	**3,025.76**	**0.92**	**3,026.68**	2,609.54	1.38	2,610.92
Non-Cash Expenses other than depreciation	**162.19**	**0.84**	**163.03**	233.32	86.40	319.72

54. Disclosures as required under Schedule III to the Companies Act 2013 with respect to consolidated financial statements

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	₹ in Crores	As % of consolidated profit or loss	₹ in Crores
	Parent				
1	Bharat Petroleum Corporation Limited	86.80%	19,567.63	106.50%	5,121.28
	Subsidiaries				
	Indian				
1	Bharat PetroResources Limited (Incl. Subsidiaries and Joint Ventures)	5.50%	1,245.10	(8.10%)	(389.48)
2	Numaligarh Refinery Limited	8.00%	1,801.39	9.30%	446.04
	Minority Interests	(5.70%)	(1,286.37)	(5.70%)	(275.44)
	Joint Ventures				
	Indian				
1	Bharat Oman Refineries Limited	(0.90%)	(191.69)	(8.30%)	(397.94)
2	Bharat Renewable Energy Limited *	-	-	-	-
3	Bharat Stars Services Private Limited	0.10%	11.62	0.00%	1.01
4	Central U.P. Gas Limited	0.20%	45.09	0.20%	10.11
5	Delhi Aviation Fuel Facility Private Limited	0.30%	64.93	0.20%	9.91
6	GSPL India Gasnet Limited	0.10%	18.26	0.00%	0.14
7	GSPL India Transco Limited	0.10%	13.80	0.00%	0.16
8	Indraprastha Gas Limited	1.90%	430.53	2.10%	98.71
9	Kannur International Airport Limited *	-	-	-	-
10	Maharashtra Natural Gas Limited	0.30%	62.03	0.40%	17.67
11	Petronet CCK Limited	0.30%	66.30	0.50%	23.00
12	Petronet India Limited	0.00%	8.40	0.00%	0.18
13	Petronet LNG Limited	2.70%	619.30	2.30%	111.11
14	Sabarmati Gas Limited	0.30%	63.75	0.60%	27.91
15	Petronet CI Limited *	-	-	-	-
16	Mumbai Aviation Fuel Farm Facility Private Limited	0.00%	1.20	(0.10%)	(2.77)
	Foreign				
1	Matrix Bharat Pte Ltd	0.00%	7.23	0.10%	4.97
	Total	**100.00%**	**22,548.50**	**100.00%**	**4,806.57**

* Joint Ventures have not been considered for consolidation

55. (a) The Corporation and its Subsidiaries has on the Balance Sheet date, outstanding forward contracts amounting to **USD 198.62 Million**, of which **USD 14.62 Million** i.e. an equivalent of ₹ **91.51 Crores** (previous year USD 191.13 Million i.e. an equivalent of ₹ 1,148.70 Crores) is to hedge the foreign currency exposure towards loans and **USD 184 Million** i.e. an equivalent of ₹ **1,152.96 Crores** (previous year Nil) to hedge foreign currency exposure for payment of crude oil.

Following are the unhedged foreign currency on account of exposures in respect of Corporation and its Subsidiaries:

	31/03/2015		31/03/2014	
Exposure Type	**USD Million**	**₹ in Crores**	**USD Million**	**₹ in Crores**
Imports	**838.71**	**5,249.57**	973.37	5,849.91
Buyers Credit Loan (Short Term)	**11.75**	**73.51**	738.16	4,436.34
ECB (Long Term) *	**1,806.63**	**11,307.83**	1,853.29	11,138.23
Export Debtors	**132.09**	**826.78**	227.20	1,365.45
Other Payables #	**48.67**	**304.64**	48.09	288.99

* This includes 3 % CHF Bonds 2019 for **CHF 200 Million** which were swapped into **USD 228.29 Million**

This includes payables in AUD/ Reias and GBP converted into equivalent USD.

(b) The Corporation has on the Balance Sheet date, outstanding forward contracts amounting to **Nil** (previous year USD 1,229 Million equivalent ₹ 7,386.27 Crores) to hedge the foreign currency exposure arising out of RBI Swap window transactions. All the RBI swap transactions outstanding as on 31.03.14 have matured during 2014-15 and the gain of ₹ **521.14 Crores** (out of which ₹ 324.35 Crores is on account of reversal of mark to market losses accounted in previous years) have been recognised in the Consolidated Statement of Profit and Loss.

(c) The Corporation had raised Swiss Franc (CHF) 200 Million of 3% CHF Bonds 2019 in March 2014, the proceeds of which were swapped into USD 228.29 Million on the same day. The mark to market losses of ₹ **96.09 Crores** (previous year ₹ 15.41 Crores) in respect of this CHF-USD Swap transaction have been recognized as expense during 2014-15 based on the concept of prudence and in line with the ICAI announcement of 29th March 2008 on Accounting for Derivatives.

(d) The Corporation has on the Balance Sheet date the following outstanding derivatives for hedging purposes:

Instrument	Description	Quantity
OTC Swap	Spread between Petroleum Products and Crude Oil	3.20 million barrels

Mark-to-market losses amounting to ₹ **0.01 Crores** have been accounted as on 31st March 2015 (previous year Nil) in respect of these derivative contracts.

56. Capital Commitments and Contingent Liabilities :

₹ in Crores

	31/03/2015	31/03/2014
(a) Capital Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**8,050.19**	11,150.15
Other Commitments	**66.72**	24.61
Share of interest in Joint Ventures	**259.25**	548.23
Total	**8,376.16**	11,722.99

56. Capital Commitments and Contingent Liabilities : (Contd.)

₹ in Crores

		31/03/2015	31/03/2014
(b)	**Contingent Liabilities :**		
	In respect of Income Tax matters	**80.68**	84.13
	Other Matters :		
	i) Claims against the Corporation not acknowledged as debts :		
	Excise, Service and Customs matters	**1,364.46**	1,412.27
	Sales Tax matters	**6,556.18**	3,253.32
	Land Acquisition cases for higher compensation	**121.05**	139.87
	Others	**663.58**	715.37
	These include ₹ **4,178.48 Crores** (previous year ₹ 1,065.60 Crores) against which BPCL has a recourse for recovery and ₹ **49.93 Crores** (previous year ₹ 224.63 Crores) which are on capital account.		
	ii) Claims on account of wages, bonus/ex-gratia payments in respect of pending court cases.	**15.95**	13.28
	iii) Guarantees given on behalf of Subsidiaries/JV's	**2,139.94**	2,075.09
	Share of interest in Joint Ventures	**997.97**	259.55

57. Figures of the previous year have been regrouped whereever necessary, to confirm to current period presentation.

Signature to Notes '1' to '57'

For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director

Sd/-
P. BALASUBRAMANIAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

As per our attached report of even date
For and on behalf of

CNK & ASSOCIATES LLP
Chartered Accountants
FR No: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
FR No: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place : Mumbai
Dated : 28th May, 2015

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

Part "A": Subsidiaries

Sr. No.	Particulars	₹ in Crores	
1	Name of the Subsidiary	Numaligarh Refinery Limited	Bharat PetroResources Limited *
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
3	Reporting Currency and Exchange rates as on the last date of the relevant Financial Year in case of foreign subsidiaries	NA	NA
4	Share Capital	735.63	2,620.00
5	Reserves & Surplus	2,619.35	(1,490.38)
6	Total Assets	6,903.32	8,443.15
7	Total Liabilities	3,548.34	7,313.53
8	Investments	407.19	-
9	Turnover (net of excise duty)	9,858.78	-
10	Profit before Taxation (A)	1,134.25	(386.77)
11	Provision for taxation (B)	415.94	(0.09)
12	Profit after Taxation (A) - (B)	718.31	(386.68)
13	Proposed Dividend	294.25	-
14	% of Shareholding	61.65%	100.00%

* figures based on Consolidated Financial Statements of the Company.

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ in Crores

Sr. No.	Name of Joint Ventures	Refer Note	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
				No.	Amount of Investment in Joint Ventures	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	Indraprastha Gas Limited	4	31-Mar-2015	3,15,00,080	31.50	22.50%	By virtue of Shareholding / Joint venture agreement		494.34	98.00	
2	Petronet CCK Limited	2	31-Mar-2015	4,90,00,000	49.00	53.16%			76.13	22.84	
3	Petronet LNG Limited		31-Mar-2015	9,37,50,000	98.75	12.50%			711.08	110.32	
4	Bharat Oman Refineries Limited		31-Mar-2015	8,86,13,336	888.61	50.00%			(220.10)	(395.09)	
5	Central UP Gas Limited	3 & 4	31-Mar-2015	1,50,00,000	15.00	36.25%			51.77	10.04	
6	Maharashtra Natural Gas Limited	1 & 4	31-Mar-2015	2,24,99,600	22.50	33.75%			71.22	17.55	
7	Sabarmati Gas Limited	4	31-Mar-2015	50,00,000	19.96	25.00%			73.20	27.71	
8	Bharat Star Services Private Limited	5	31-Mar-2015	1,00,00,000	10.00	50.00%			13.34	1.01	
9	Matrix Bharat Pte Ltd.		31-Dec-2014	20,00,000	8.41	50.00%			8.30	4.94	
10	Delhi Aviation Fuel Facility Private Limited		31-Mar-2015	6,06,80,000	60.68	37.00%			74.55	9.83	
11	Bharat Renewable Energy Limited	6		33,60,000	3.36	33.33%		Note 6			Note 6
12	Petronet CI Limited	6		15,84,000	1.58	11.00%		Note 6			Note 6
13	Petronet India Limited		31-Mar-2015	1,60,00,000	16.00	16.00%			9.65	0.18	
14	GSPL India Gasnet Limited		31-Mar-2015	2,05,72,128	20.57	11.00%			20.96	0.14	
15	GSPL India Transco Limited		31-Mar-2015	1,54,00,000	15.40	11.00%			15.84	0.16	
16	Kannur International Airport Limited	7		1,70,00,000	120.00	21.68%		Note 7			Note 7
17	Mumbai Aviation Fuel Farm Facility Private Limited		31-Mar-2015	45,02,500	4.50	25.00%			1.38	(2.75)	

Note 1 : Maharashtra Natural Gas Limited's proportionate share includes 11.25% indirectly held through Indraprastha Gas Limited. BPCL's direct ownership is 22.50% which is as per the Joint Venture Agreement.

Note 2 : Petronet CCK Limited's proportionate share includes 4.16% indirectly held by BPCL through Petronet India Limited.

Note 3 : Central UP Gas Limited's proportionate share includes 11.25% indirectly held by BPCL through Indraprastha Gas Limited.

Note 4 : The financial statements of these Joint Venture companies are yet to be audited and hence the provisional financial statements provided by the respective management have been considered for the purpose of preparation of Consolidated Financial Statements.

Note 5 : Figures based on Consolidated Financial Statements of the Company.

Note 6 : Proportionate consolidation in respect of Investment have not been considered in the preparation of Consolidated Financial Statements as the parent company has decided to exit from these Joint Ventures and provision for full diminution in the value of investment has been done in the standalone financial statements of the parent company.

Note 7 : Kannur International Airport Limited is a Joint Venture Company which has not yet started operations. Hence, the same has not been considered for consolidation since no financial statements have been prepared and the same are not expected to be material. Current year percentage of ownership interest is after considering proposed increase in equity participation.

For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director

Sd/-
P. BALASUBRAMANIAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Place : Mumbai
Dated : 28th May, 2015

As per our attached report of even date
For and on behalf of

CNK & ASSOCIATES LLP
Chartered Accountants
FR No: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
FR No: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

BHARAT PETROLEUM CORPORATION LIMITED
CIN: L23220MH1952GOI008931
Regd Office: Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, P.B.No.688, Mumbai 400 001
Website: www.bharatpetroleum.in E-mail: info@bharatpetroleum.in Tel: 2271 3000 / 4000 Fax 2271 3874

ATTENDANCE SLIP

(Please fill and hand it over at the entrance of the Meeting hall)

DP ID*	CLIENT ID*	FOLIO NO.	NO. OF SHARE(S)

*Applicable for investors holding shares in electronic form

Name of the Member : ____________________

Name of the Proxy / Representative of Body Corporate : ____________________

I/We hereby record my/our presence at the 62nd ANNUAL GENERAL MEETING of the Company on Wednesday, 9th September, 2015, at 10:30 a.m, in Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C College), Dinshaw Wacha Road, Churchgate, Mumbai-400 020.

Signature of the Member/Proxy

Name :

BHARAT PETROLEUM CORPORATION LIMITED
CIN: L23220MH1952GOI008931
Regd Office: Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, P.B.No.688, Mumbai 400 001
Website: www.bharatpetroleum.in E-mail: info@bharatpetroleum.in Tel: 2271 3000 / 4000 Fax 2271 3874

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./Client ID*	
DP ID*	

*Applicable for investors holding shares in electronic form

I/We, being the Member(s) of…………………….......... shares of the above named Company, hereby appoint

1)……………………....of …………………….... having email id ……………………………... or failing him
2)……………………....of …………………….... having email id ……………………………... or failing him
3)……………………....of …………………….... having email id ……………………………...

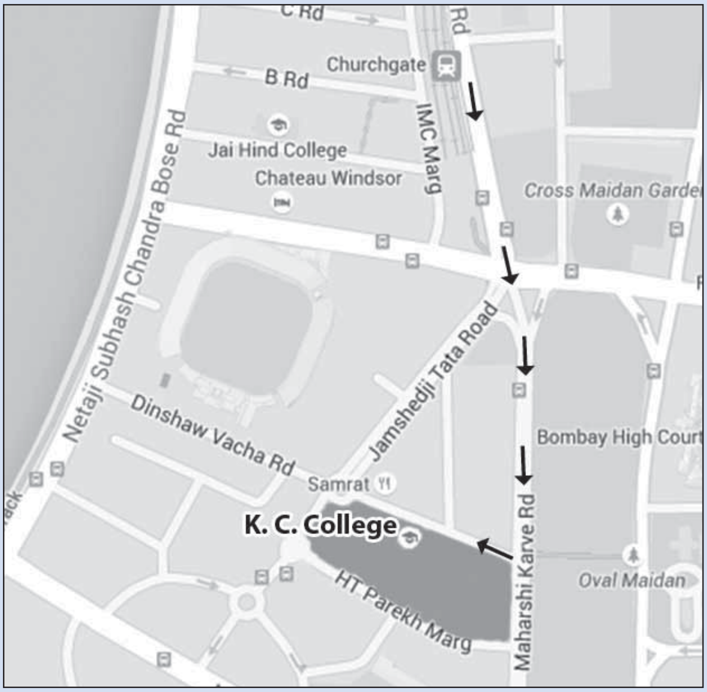
and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 62nd Annual General Meeting of the Company, to be held on Wednesday, 9th day of September, 2015 at 10.30 a.m. in Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C. College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020, and at any adjournment thereof in respect of such resolutions as are indicated below:

contd.

ROUTE MAP TO ANNUAL GENERAL MEETING VENUE

Location: Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020

Landmark: Oval Maidan



Sl No.	RESOLUTIONS
1	To receive, consider and adopt a) the Audited Financial Statement of the Company for the financial year ended 31st March, 2015 (b) the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2015; and the Reports of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon.
2	Declaration of Dividend.
3	Re-appointment of Shri K. K. Gupta, Director who retires by rotation.
4	Re-appointment of Shri B. K. Datta, Director who retires by rotation.
5	Fixing the remuneration of the Statutory Auditors.
6	Approval of Private Placement of Non-Convertible Bonds/Debentures and/ or Other Debt Securities.
7	Approval of Material Related Party Transactions.
8	Appointment of Smt Sushma Taishete as Director.
9	Approval of Remuneration of the Cost Auditors for the Financial Year 2015-16.

Signed this …………….......day of ………………………2015.

Affix ₹ 1 Revenue Stamp

Signature of Member

Signature of first proxy holder　　Signature of second proxy holder　　Signature of third proxy holder

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a Member of the Company. In case the Member appointing proxy is a Body Corporate, the proxy form should be signed under its seal or be signed by an Officer or an Attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.

Touching Lives

Swachh Bharat Abhiyan

Computer Assisted Learning in Lucknow

Project Boond in Mokhada check dam

Saksham - Teacher and School Leader Training project

Employee Volunteering - Shramdaan in Project Boond

Livelihood Enhancement in Karnataka

Bharat Petroleum

energising lives

FORM A

Covering Letter of the annual audit report to be filed with the stock exchanges

1.	Name of the company :	M/s Bharat Petroleum Corporation Limited
2.	Annual financial statements for the year ended	31st March 2015- Consolidated Financial Statements
3.	Type of Audit Observation	**Matter of Emphasis: Paragraph in the Auditor's Report of Consolidated Financial Statements (CFS):** (1) The auditors of a Subsidiary Company have stated in their report about the incorporation of details of its share in assets, liabilities, income and expense in the operations of jointly controlled entities based on the audited/ unaudited statements received from the respective Operators. They have observed that: (a) In case of one block, no audited statements have been received by the Company. Total assets, liabilities, income and expenses in respect of these blocks, amount to Rs. 61.18 crores, Rs. 0.57 crores, Rs. 0.01 crores and Rs. Nil, respectively; (b) The audited statements referred above are prepared, as stated there in, to meet requirements of production sharing contacts and are special purpose statement; (c) None of the statements, audited as well as unaudited, are drawn up in the format prescribed under Schedule III to the Act; (d) Some of the Operators use accounting policies other than those adopted by the Company for like transactions. The Company has made appropriate adjustments while incorporating relevant data; and (e) No break-up of assets and liabilities is available in

BHARAT PETROLEUM CORPN. LTD. MUMBAI

CNK & ASSOCIATES LLP Chartered Accountants MUMBAI

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

		respect of one block where the Company has invested Rs. 9.25 crores. The said Subsidiary Company's proportionate share in jointly controlled assets, liabilities for which the Company is jointly responsible, Company's proportionate share of income and expenses for the year, the elements making up the Cash Flow Statement and related disclosures contained in the enclosed financial statements and their observations thereon are based on such audit reports and statements from the operators to the extent available with the said Subsidiary Company. (2)The auditors of a Subsidiary Company has drawn attention to the observation made by the auditors of its Subsidiary Company regarding the financial statements indicating that the Company has accumulated losses and negative net worth. The Company has incurred a net loss of Rs. 22.95 crores during the current year (Previous Year Loss Rs. 86.38 crores). These conditions, along with other matters indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. (3)We draw attention to note no. 51(j) to the CFS regarding recognition of Deferred Tax Assets of Rs. 635.22 crores (previous year Rs. 398.39 crores) on unabsorbed losses and unabsorbed depreciation by a Joint Venture (JV); (4) We draw attention to note no. 51(k) to the CFS in respect of accumulated losses in the Financial Statements of a JV. In view of the matters stated therein, the financial statements of this JV have been drawn up on going concern basis; (5)We draw attention to note no. 51(t) to the CFS wherein the promoters/ shareholders of a JV Company in their meeting of the 12th March, 2004 as noted in the JV

BHARAT PETROLEUM CORPN. LTD. MUMBAI

CNK & ASSOCIATES LLP Chartered Accountants MUMBAI

HARIBHAKTI & CO. LLP

		Company's Board of Directors meeting on the 20th March, 2004 have unanimously opined that the continuation of this JV is not viable and to explore realization of investment. Our Opinion is not modified in respect of these matters.
4.	Frequency of observation	First time in respect of all items other than point no. (3), where similar nature of observation was there in FY 2013-14.
5.	To be Signed by:	
	• Chairman and Managing Director	**(S. Varadarajan)**
	• Director (Finance)	**(P. Balasubramanian)**
	• Auditors of the Company	For, CNK & Associates LLP Chartered Accountants ICAI FRN 101961W **Himanshu Kishnadwala** Partner Membership No. 37391 Haribhakti & Co. LLP Chartered Accountants ICAI FRN 103523W **Chetan Desai** Partner Membership No. 17000
	• Chairman of the Audit Committee	**(J. R. Varma)**

FORM B

Covering Letter of the annual audit report to be filed with the stock exchanges

1.	Name of the company :	M/s Bharat Petroleum Corporation Limited
2.	Annual financial statements for the year ended	31st March 2015- Consolidated Financial Statements
3.	Type of Audit qualification	Unqualified
4.	Frequency of qualification	Not Applicable
5.	Draw attention to relevant notes in the annual financial statement and management response to the qualification in the director's report.	Not Applicable
6.	Additional comments from the board/audit committee chair	Not Applicable
7.	To be Signed by:	
	Chairman and Managing Director	**(S. Varadarajan)** BHARAT PETROLEUM CORPN. LTD. MUMBAI
	Director (Finance)	**(P. Balasubramanian)**
	Auditors of the Company	For, CNK & Associates LLP Chartered Accountants ICAI FRN 101961W **Himanshu Kishnadwala** Partner Membership No. 37391 CNK & ASSOCIATES LLP Chartered Accountants MUMBAI Haribhakti & Co. LLP Chartered Accountants ICAI FRN 103523W **Chetan Desai** Partner Membership No. 17000 HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI
	Chairman of the Audit Committee	**(J. R. Varma)**

FORM A

Covering Letter of the annual audit report to be filed with the stock exchanges

1.	Name of the company :	M/s Bharat Petroleum Corporation Limited
2.	Annual financial statements for the year ended	31st March 2015- Standalone Financial Statements
3.	Type of Audit Observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be Signed by:	
	Chairman and Managing Director	**(S. Varadarajan)**
	Director (Finance)	**(P. Balasubramanian)**
	Auditors of the Company	For, CNK & Associates LLP Chartered Accountants ICAI FRN 101961W **Himanshu Kishnadwala** Partner Membership No. 37391 Haribhakti & Co. LLP Chartered Accountants ICAI FRN 103523W **Chetan Desai** Partner Membership No. 17000
	Chairman of the Audit Committee	**(J. R. Varma)**

FORM B

Covering Letter of the annual audit report to be filed with the stock exchanges

1.	Name of the company :	M/s Bharat Petroleum Corporation Limited
2.	Annual financial statements for the year ended	31st March 2015- Standalone Financial Statements
3.	Type of Audit qualification	Unqualified
4.	Frequency of qualification	Not Applicable
5.	Draw attention to relevant notes in the annual financial statement and management response to the qualification in the director's report.	Not Applicable
6.	Additional comments from the board/audit committee chair:	Not Applicable
7.	To be Signed by:	
	Chairman and Managing Director	**(S. Varadarajan)**
	Director (Finance)	**(P. Balasubramanian)**
	Auditors of the Company	For, CNK & Associates LLP Chartered Accountants ICAI FRN 101961W **Himanshu Kishnadwala** Partner Membership No. 37391 Haribhakti & Co. LLP Chartered Accountants ICAI FRN 103523W **Chetan Desai** Partner Membership No. 17000
	Chairman of the Audit Committee	**(J. R. Varma)**

CNK & Associates LLP

Chartered Accountants

3rd floor, Mistry Bhavan,

Dinshaw Vachha Road, Churchgate,

Mumbai - 400 020

Haribhakti & Co. LLP

Chartered Accountants

705, Leela Business Park,

Andheri Kurla Road, Andheri (East)

Mumbai - 400 059

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Bharat Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Bharat Petroleum Corporation Limited ("the Company"), for the year ended on 31st March, 2015, as stipulated in clause 49 of the Equity Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Equity Listing Agreement except that the Company did not have the minimum number of non-executive directors, independent directors and at least one woman director in terms of the Clause 49(II)(A)(1)/(2).However, the Company has complied with provision of Clause 49 (II)(A)(1) by appointing a woman non executive director on May 19, 2015.

HARIBHAKTI & CO. LLP ★ CHARTERED ACCOUNTANTS MUMBAI

CNK & ASSOCIATES LLP Chartered Accountants MUMBAI

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
For CNK & Associates LLP
Chartered Accountants
ICAI FRN 101961W

Himanshu Kishnadwala
Partner
Membership No.: 37391

For and on behalf of
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W

Chetan Desai
Partner
Membership No.: 17000

Place: Mumbai
Date: 17th July, 2015