Bharat Petroleum

energising lives

Annual Report 2012-13

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In Pursuit of Excellence

With our inspiring vision as our lodestar, and strategic leadership as our guiding force, we've set off on our journey of growth and development, attaining new peaks of performance.

Governance and value creation have been the bedrock of our progress, scripting our success story in a challenging environment.

With major projects on the anvil, we seek to consolidate our infrastructure and employ it as a launching pad for our ambitious plans for the future.

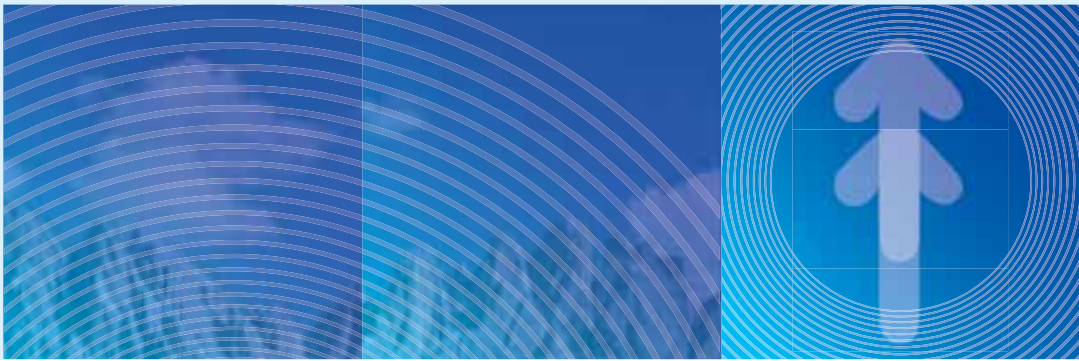
We transcend boundaries while exploring opportunities on a global canvas, integrating solutions to help maximize business gains.

On a growth trajectory, we leverage technology and our creative workforce to pioneer initiatives and surpass customers' expectations throughout.

Juxtaposed with economic progress, our corporate goals encompass social responsibility, health, safety, security and care for the environment.

We're committed to energising lives and making a difference to our customers, our stakeholders and society.

BPCL . . . scaling new heights



Chairman's Letter

Dear Shareowners,

It gives me great pleasure to be writing to you at the end of what has been a phenomenal year for BPCL in terms of performance. Both the refineries and the marketing businesses have delivered exceptional results, which have contributed to the company recording its highest level of net profit in a single financial year. Amongst the public sector oil companies, BPCL has achieved the highest average Gross Refining Margin during 2012-13. BPCL's growth in market sales is also the highest amongst the public sector oil marketing companies. It has been our endeavour to excel in all areas of operations and our employees across the country have worked diligently and with a high degree of cohesiveness.

I am happy to inform you that the new refinery at Bina set up by Bharat Oman Refineries Limited has stabilised and is now operating at its full capacity, thereby helping BPCL meet its growing product requirements. The upstream Exploration & Production initiative is progressing well and based on current trends, will generate substantial value to BPCL and concomitantly, its shareholders. The capital markets have recognised our inherent strengths and potential by placing a premium on the company's valuation when compared to its peers. The confidence was also very evident when BPCL's maiden bond offering in the international market received an overwhelming response, due to which the bonds could be priced at a very fine rate.

While there are many positives to draw from the superlative all-round performance, we recognise the major challenges that lie ahead of us. The overall economic environment remains tough. The volatility in the markets is a cause for concern. The current global environment, along with the sharp depreciation in the rupee and sluggish economic growth, will have an impact on the prospects for the oil and gas industry in the current year. Notwithstanding the difficult situation, I remain fully confident about the country's growth potential and the huge opportunities for BPCL to grow and create value for all its stakeholders.

BPCL is rapidly forging ahead with the implementation of its long term investment plans. Work on the Integrated Refinery Expansion Project at Kochi, which will involve an outlay of ₹ 14,225 crores, is progressing well and the project team is working towards meeting the aggressive timelines. The Government of Kerala has extended its full support in the implementation of what will be BPCL's single largest project. In addition to the grant of fiscal incentives, the State Government has facilitated the introduction of measures which will ensure uninterrupted work at the project site. Once completed, Kochi refinery will be in a position to meet BPCL's growing product requirements in the country. Also, the high degree of complexity of the refinery will enable it to make products meeting the latest specifications and generate better Gross Refining Margins. BPCL is also looking at diversifying into Petrochemicals at Kochi, since the feedstock will be available after the completion of the refinery expansion project. In Mumbai, although there is a space constraint, work is on to upgrade some of the major machinery and equipment, which will contribute in a big way towards enhancing the efficiency of the refinery, thereby improving the refining margins and making available products that will meet the stringent specifications.

BPCL's wholly owned subsidiary, Bharat PetroResources Limited is also making good progress in its plans to build upon the major oil and gas finds that have been reported in Mozambique and Brazil. The gas finds in Mozambique have come to be recognised as being amongst the biggest anywhere in the world. There have been some transactions in the recent past involving the 'farm in' into the blocks by other players. The prices at which the transactions have happened clearly indicate the immense long term potential and value of our stake. The consortium has started to work in right earnest to complete the development phase and commence gas production by the year 2018. The discoveries made in Brazil also hold great potential. I am sure that in the days to come, the upstream initiative will bring rich rewards to each one of our stakeholders. The challenge before us would be the large quantum of investments that will need to be made during the development phase. However, given the quality of blocks held by Bharat PetroResources Limited, the company should be in a position to raise debt without putting a strain on BPCL's Balance Sheet. This should help in terms of BPCL being able to focus on funding the big ticket investments planned in the refining and marketing segments.

Marketing of petroleum products remains the core strength of the company. This is reflected in the performance of the marketing businesses during 2012-13. All the six businesses have continued to deliver strong results. At the same time, there are major challenges in the marketing arena. The rupee depreciation and the volatile prices in the international market are matters of concern. The likely entry of private players in the retail segment will make the market very competitive. The introduction of changes in the method of computing under-recoveries on the sale of products like HSD, LPG (Domestic) and SKO (Domestic) could have a major impact on the bottom line. However, these are difficulties that will confront all the players. BPCL is therefore, concentrating on improving operational efficiencies, building infrastructure and evolving innovative solutions. Expanding the retail network and enhancing the customer experience through better offerings remain the main strategy. Improving logistics and reducing operating costs are also focus areas. The commissioning of the ATF pipelines from the two refineries to the airports at Mumbai

and Kochi is a step in that direction. The Domestic LPG business is undergoing a transformation and BPCL is keeping pace with the changes. The process of direct credit of subsidy to the bank account of the consumer has commenced at select districts and will be rolled out in line with the plan drawn by the Government of India.

Even as individual businesses are doing well, we recognise that it is essential to innovate and stay ahead of the competition if we have to sustain the pace of growth. With enhanced collaboration, we propose to generate growth opportunities for the businesses. Teams are engaged in cross-selling products serviced by individual businesses, so that the customer has easy access to the entire range of products. Efforts are on to strengthen the customer connect by achieving accentuated levels of customer service. The focus is on creating better visibility, structured customer interface and an upgraded complaints redressal system, as we believe these will positively impact our brand image. It will help BPCL strengthen its bond with the customer and go a long way in retaining his loyalty.

We also recognise the fact that long term success is largely dependent on the quality of human resources. BPCL has been truly blessed in terms of having a committed, skilled and hardworking team of employees across the country. Empowering people at all levels, giving them the required training and exposing them to new challenges remains our priority, as we prepare to face dynamic scenarios and grow in the market. It is our endeavour to ensure that there is a seamless transition from one generation of leaders to another, who can take the company to the next level of growth.

Even as we focus on meeting our business targets and goals, our commitment to society at large remains undiluted. Our efforts at propagating water conservation and promoting primary education continue. As a responsible corporate citizen, we have supported the rehabilitation efforts that have been undertaken in the disaster-hit areas of Uttarakhand. Our employees have also come forward to make contributions which can make a difference in the relief efforts.

As I said last year, India's growth potential holds great promise, which in turn presents significant opportunities for companies in the energy sector. BPCL is well poised to take advantage of these opportunities and grow at a fast pace. I will like to conclude by acknowledging your continuing support and encouragement for all our initiatives. It has been our cherished desire to ensure that the investment made by you in the company gives you the best returns. I am confident that we will be able to sustain the growth momentum and ensure maximisation of value for all our stakeholders.

Warm regards

R. K. SINGH
Chairman & Managing Director

Board of Directors

R. K. SINGH
Chairman & Managing Director

K. K. GUPTA
Director (Marketing)

B. K. DATTA
Director (Refineries)

S. VARADARAJAN
Director (Finance)

S. P. GATHOO
Director (Human Resources)

A. K. SHARMA
Secretary (I & C),
Government of Kerala
(up to 11.10.2012)

R. N. CHOUBEY
Director General,
DGH, MOP&NG
(up to 9.4.2013)

T. JOSE
MD, KSIDC
(w.e.f. 24.1.2013)

N. MITTAL
Joint Secretary (M),
MOP&NG
(w.e.f. 11.4.2013)

S. K. BARUA
Director
(up to 22.11.2012)

I. P. S. ANAND
Director
(up to 14.3.2013)

H. M. JAGTIANI
Director
(up to 5.3.2013)

J. R. VARMA
Director
(w.e.f. 10.8.2012)

N. VENKITESWARAN
Director
(up to 22.11.2012)

B. CHAKRABARTI
Director
(w.e.f. 10.8.2012)

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

M/s. T. R. Chadha & Co.
M/s. K.Varghese & Co.

Share Transfer Agent

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

Registered Office

Bharat Bhavan,
4&6 Currimbhoy Road,
Ballard Estate, Mumbai 400 001

Group Performance Highlights

- Gross Revenue for Operations soars to ₹ 2,53,286 crores
- Crude throughput increases to 28.55 MMT
- Market sales including exports surges to 36.89 MMT
- Building a stronger customer connect across businesses
- Gas find in Mozambique to the tune of 35-65 tcf of recoverable resources

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

Management Team

Mr. Manoj Pant	Chief Vigilance Officer
Mr. Anurag Deepak	ED (Pipelines)
Mr. Arjun Hira	ED (Marketing Corporate)
Ms. Dipti Sanzgiri	ED (HRD)
Mr. George Paul	ED (LPG)
Mr. G. S. Wankhede	ED (Operations) Retail
Mr. I. Srinivas Rao	ED (Gas)
Mr. J. Dinaker	ED (Corporate Treasury)
Mr. K. B. Narayanan	ED (IIS)
Mr. K. P. Chandy	ED (Lubes)
Mr. K. V. Shenoy	ED (Retail) South
Mr. Manmohan Singh	ED (Engineering Services), Marketing
Mr. M. M. Chawla	ED (Engineering & Projects)
Ms. Monica Widhani	ED (Coordination)
Mr. P. Balasubramanian	ED (Corporate Finance)
Mr. P. C. Srivastava	ED (HSSE)
Mr. P. Padmanabhan	ED (Refineries Coordination)
Mr. Pramod Sharma	ED (Aviation)
Mr. Prasad K. Panicker	ED (Kochi Refinery)
Mr. R. K. Mehra	ED (International Trade)
Mr. R. P. Natekar	ED (I & C)
Mr. S. B. Bhattacharya	ED (Corporate Affairs)
Mr. S. Ramesh	ED (Retail) I/C
Ms. Sumita Bose Roy	ED (Audit)
Mr. A. Krishnaswamy	GM (Strategy)
Mr. A. K. Gupta	GM (HSSE)
Mr. A. K. Kaushik	GM (IS - Infrastructure & Services)
Mr. B. C. Roy	GM (Audit)
Mr. Brij Pal Singh	GM I/C (Planning & Infrastructure)
Ms. Carmen D'Costa	GM (Brand & ARB) Retail HQ
Mr. C. J. Iyer	GM (Technical) Mumbai Refinery
Mr. C. K. Soman	GM (Operations) Kochi Refinery
Mr. G. Kalaiselvan	GM (Internal Coaching)
Mr. Gautam Mukerji	GM (Retail) North
Mr. E. A. Vimalnathan	GM (S & D) Retail HQ
Mr. H. S. Paranjape	GM (Finance), Mumbai Refinery
Mr. J. R. Akut	GM (IIS Technology)
Mr. K. Padmakar	GM (Corporate HRS)
Mr. K. Sivakumar	GM (Corporate Finance), CO
Mr. K. H. Subramanian	GM (Retail) West
Ms. Madhu Sagar	GM (Employee Satisfaction Enhancement)
Mr. M. D. Agrawal	GM (IS),Mumbai Refinery
Mr. M. M. Somaya	GM (Brand & PR)
Mr. M. N. Neelakanton	GM (Advisory Engineering), Kochi Refinery
Mr. M. P. Govindarajan	GM (HRS) I/C
Mr. M. Prasanna Kumar	GM (Planning & Project Coordination)
Mr. N. Manohar Rao	GM (Retail Operations) HQ
Mr. P. Anandasundaresan	GM (Quality Control Cell)
Mr. P. K. Bhatnagar	GM (Finance) Retail HQ
Mr. P. Kumaraswamy	GM I/C (Projects), Kochi Refinery
Mr. P. S. Ramachandran	GM (Projects-Units), Kochi Refinery
Mr. P. V. Kumar	GM (Supply Chain Optimization)
Mr. R. Rajamani	Executive Assistant to C&MD
Mr. R. R. Nair	GM (HR), Mumbai Refinery
Mr. S. Rath	Marketing Manager (Lubes), HQ
Mr. S. Banerjee	GM (Retail) East
Mr. S. K. Agrawal	GM (Legal)
Mr. S. K. Goel	GM (Operations), Mumbai Refinery
Mr. S. K. Kudaisya	GM (Gas)
Mr. Sharad K. Sharma	GM (Sales) Retail HQ
Mr. S. S. Sunderajan	GM I/C,Mumbai Refinery
Mr. Sudhir K. Malik	GM (Sales) I&C, Mumbai
Mr. Sudip Mallick	GM Logistics (LPG), HQ
Ms. Sujata N. Chogle	GM (HRS) West
Mr. Suresh P.K.	GM (Finance), Kochi Refinery
Mr. S. Vijayakumar	GM (HR), Kochi Refinery
Mr. S. V. Kulkarni	Company Secretary
Mr. Tapan Datta	GM (Vigilance), CO
Mr. Thomas Zachariah	GM (Engineering & Advisory Services) Mumbai Refinery
Mr. Tomy Mathews	GM (Petrochemicals) Kochi Refinery
Dr. U. V. Girish Kumar	GM (IT & BI), Retail HQ
Mr. V. Anand	GM (Sales Strategy), Retail HQ

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 60th Annual General Meeting of the Shareholders of Bharat Petroleum Corporation Limited will be held in the Rama Watumull Auditorium at Kishinchand Chellaram College (K.C. College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020, on Friday, 20th September, 2013, at 10.30 a.m. to transact the following Ordinary and Special Business:

A. Ordinary Business

1. To receive, consider and adopt the Audited Statement of Profit & Loss Account for the year ended 31st March, 2013, the Balance Sheet as at that date 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, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri K. K. Gupta, being eligible, offers himself for re-appointment.

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

B. Special Business

5. **Appointment of Director**

   To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

   "RESOLVED that pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956 Shri Tom Jose be and is hereby appointed as Director of the Company.

6. **Appointment of Director**

   To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

   "RESOLVED that pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956 Dr. Neeraj Mittal be and is hereby appointed as Director of the Company.

By Order of the Board of Directors

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

Registered Office:
Bharat Bhavan,
4 & 6 Currimbhoy Road,
Ballard Estate,
Mumbai – 400 001.

Date: 14th August, 2013

Notes :

1. Explanatory statement under Section 173 of the Companies Act, 1956, 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 OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED & AFFIXED WITH REVENUE STAMP AND BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.**

3. The Share Transfer Books of the Company will remain closed from Wednesday, 11th September 2013 to Friday, 20th September 2013 (both days inclusive) for the purpose of payment of dividend on equity shares for the year ended 31st March, 2013, 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 at the close of the last working day on or before Tuesday, 10th September, 2013.

   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 Share Transfer Agent viz., Data Software Research Co. Pvt. Ltd. on or before Tuesday, 10th September, 2013.

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

5. 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 established by the Central Government. Accordingly, the unclaimed dividends for the financial years from 1994-95 to 2004-05 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. Shareholders of BPCL who have not yet encashed their final dividend warrant(s) for the financial year 2005-06 or dividend warrants(s) for any subsequent financial years are requested to make their claims without any delay to the Share Transfer Agent of the Company or to the Registered Office of the Company. It may be noted that the unclaimed amount of dividend for the financial year ended 31.03.2006 becomes due for transfer to IEPF on 23.01.2014.

6. **Usage of electronic payment modes for making cash payments to the investors:**

   As per SEBI circular CIR/MRD/DP/10/2013 dated 21.03.2013, Members holding shares in electronic form/ demat mode are requested to provide the bank particulars to Depository Participants/Depositories which will be used by the Share Transfer Agent/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, the Share Transfer Agent/Company will use physical payment instructions for payment of dividend to these Members, printing the bank account details of the shareholders wherever applicable.

   Investors who hold physical shares may provide updated bank details to 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.

EXPLANATORY STATEMENT

Annexed to the Notice convening the 60th Annual General Meeting to be held on Friday, 20th September, 2013

Item No. 7: Appointment of Director

Shri Tom Jose was appointed as Additional Director of Bharat Petroleum Corporation Limited under the provisions of Article 77A of the Articles of Association of the Company, effective 24.01.2013 in accordance with the directions of the Government of India.

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

Except Shri Tom Jose, no other Director is interested in the Resolution.

Item No. 8: Appointment of Director

Dr. Neeraj Mittal was appointed as Additional Director of Bharat Petroleum Corporation Limited under the provisions of Article 77A of the Articles of Association of the Company, effective 11.04.2013 in accordance with the directions of the Government of India.

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

Except Dr. Neeraj Mittal, no other Director is interested in the Resolution.

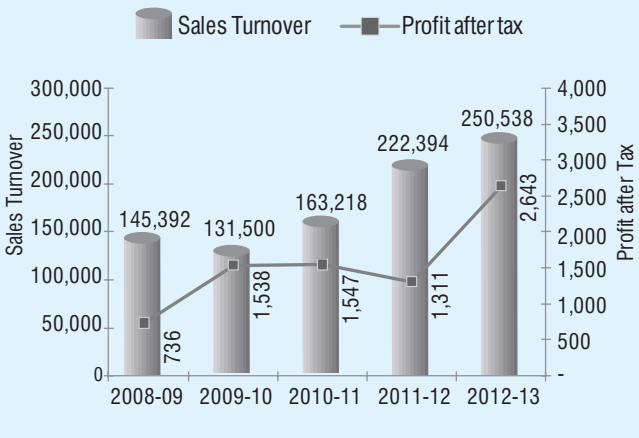
By order of the Board of Directors

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

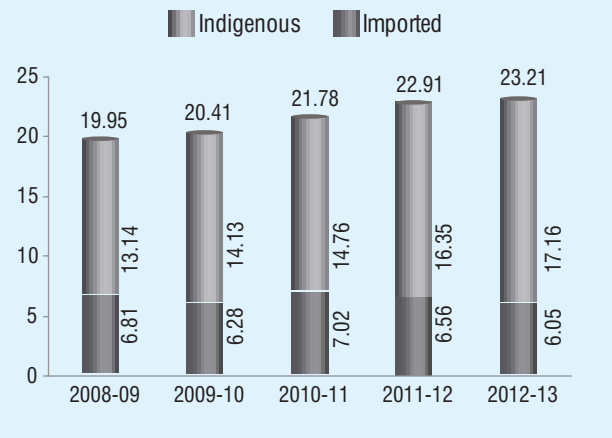
Registered Office:
Bharat Bhavan,
4 & 6 Currimbhoy Road,
Ballard Estate,
Mumbai 400 001

Date : 14th August, 2013

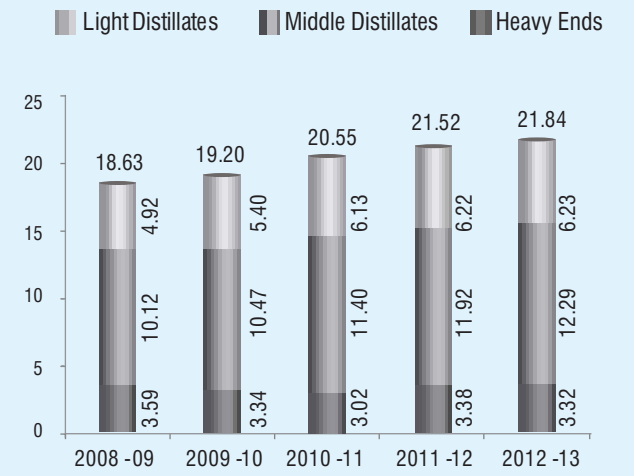
SALES TURNOVER / PROFIT AFTER TAX (₹ Crores)



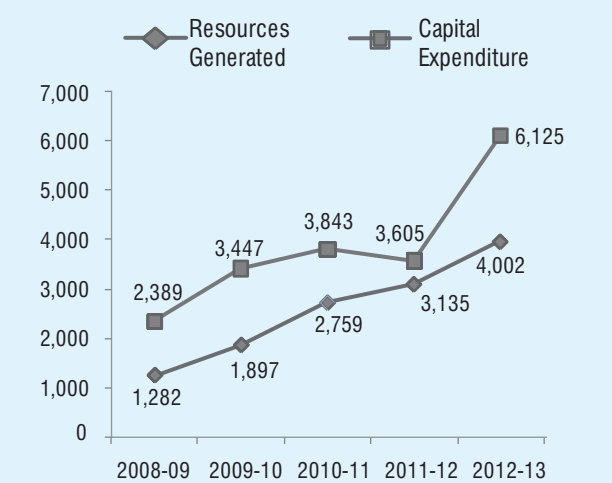
REFINERY THROUGHPUT (Million Metric Tonnes)



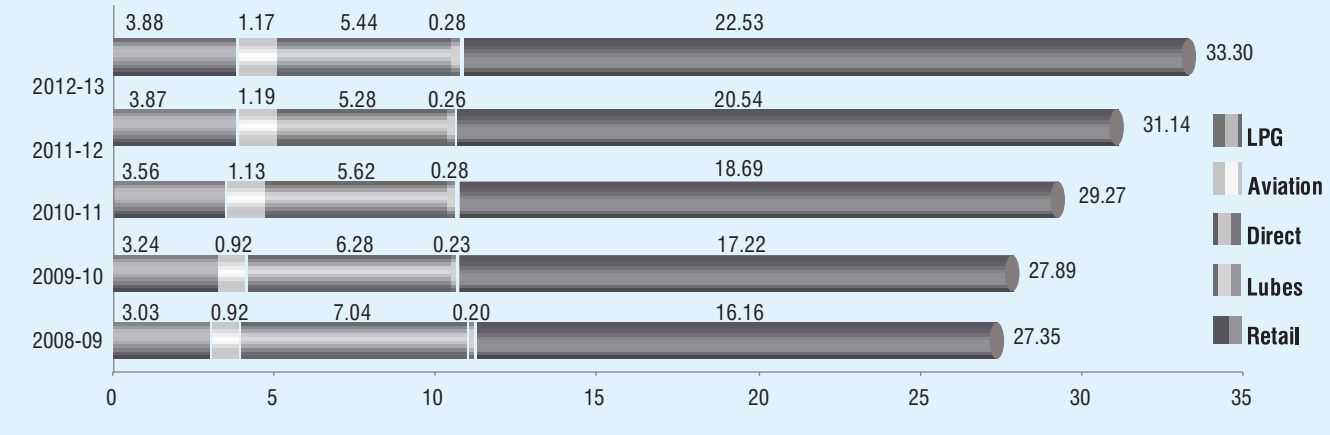
PRODUCTION (Million Metric Tonnes)



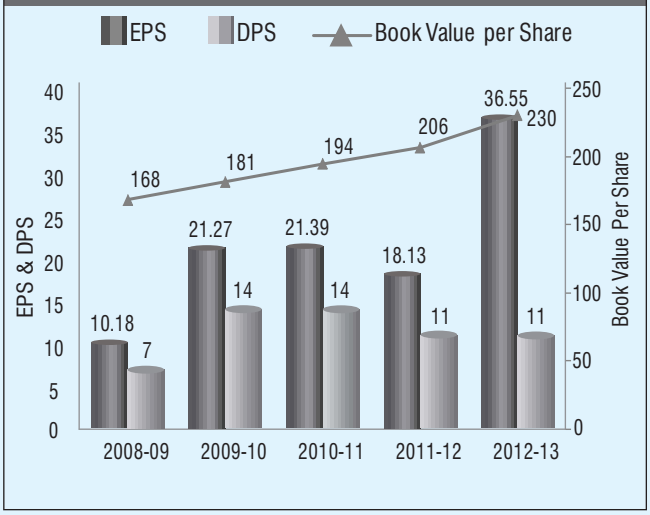
RESOURCES GENERATED / CAPITAL EXPENDITURE (₹ Crores)



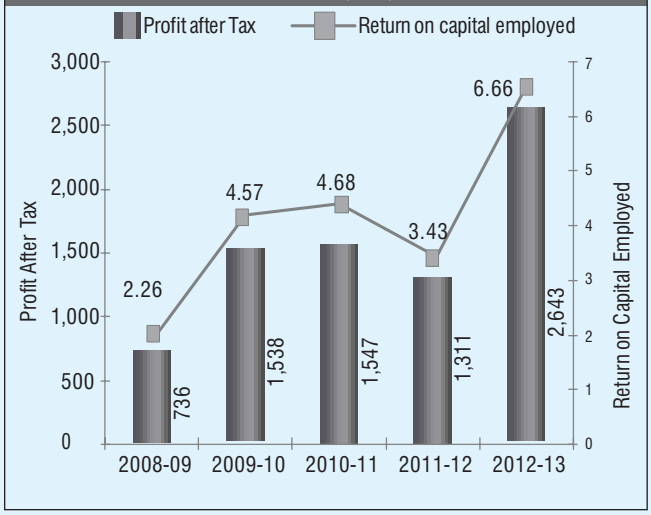
MARKET SALES VOLUME (Million Metric Tonnes)



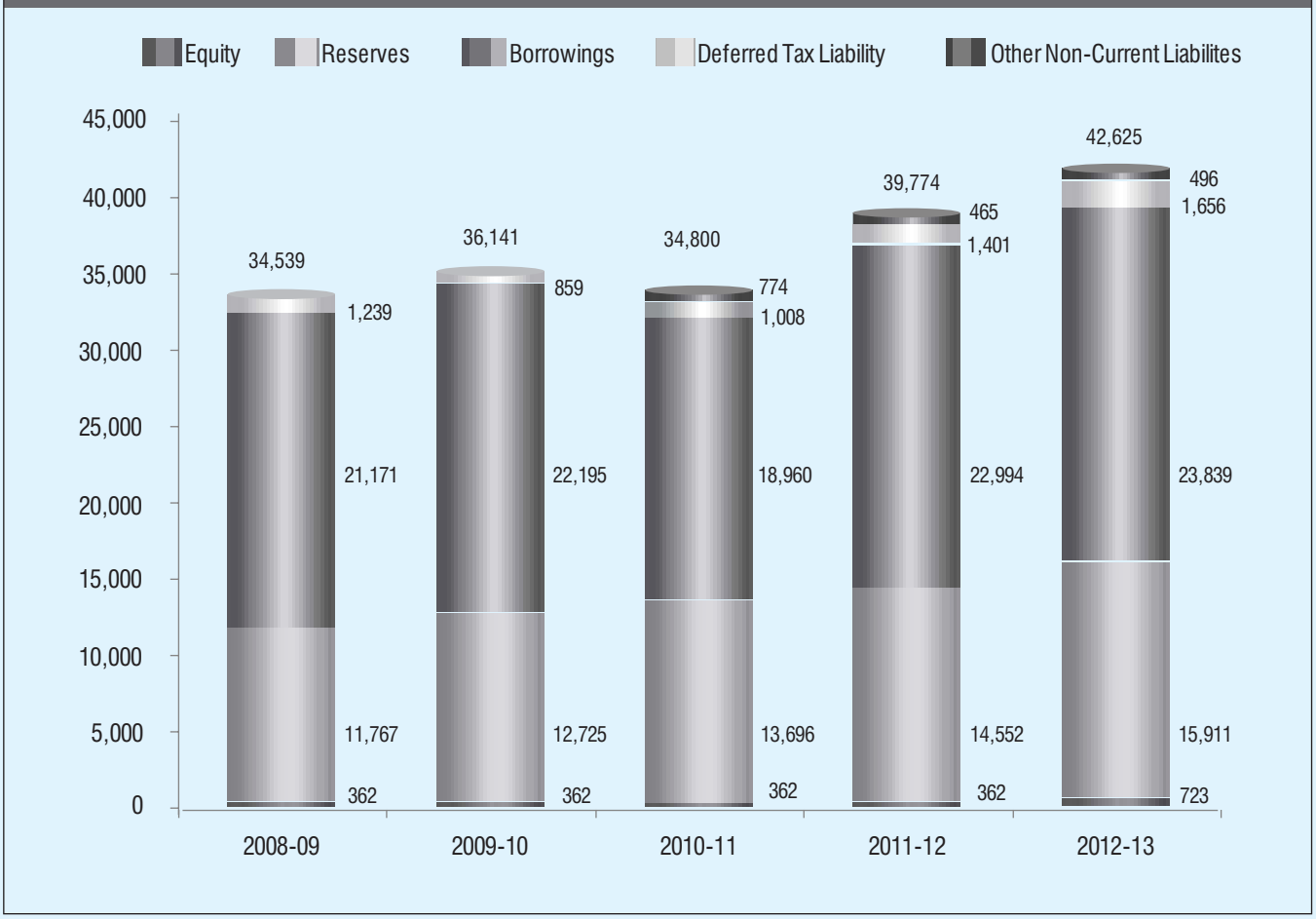
EARNINGS PER SHARE / DIVIDEND PER SHARE / BOOK VALUE PER SHARE (₹)



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

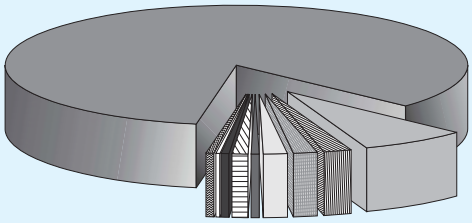


TOTAL FUNDS EMPLOYED (₹ Crores)

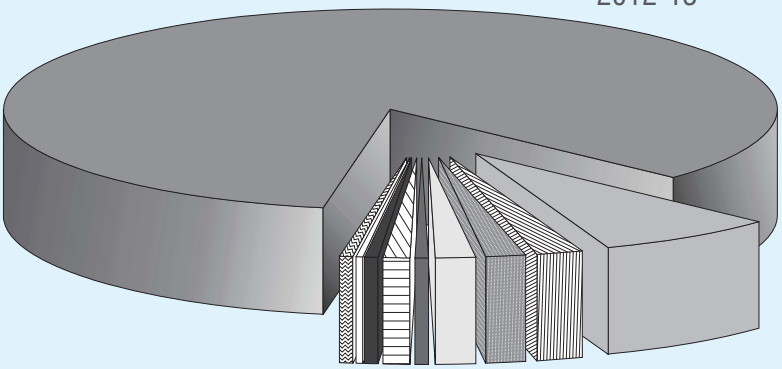


DISTRIBUTION OF EACH RUPEE EARNED

2011-12



2012-13



2011-12		2012-13	
88.00		87.98	Raw Materials, Purchase of Products for Resale and Packages
4.99		4.58	Duties, Taxes etc.
1.48		1.52	Transportation
2.04		1.74	Stores and other Operating Expenses
1.01		1.10	Employees' remuneration and other benefits
0.80		0.72	Finance cost
0.84		0.76	Depreciation
0.26		0.55	Income Tax
0.20		0.37	Dividend (including Corporate Dividend Tax)
0.38		0.68	Retained Profits

Directors' Report

The Directors take pleasure in presenting their Report on the performance of Bharat Petroleum Corporation Limited (BPCL) for the year ended 31st March, 2013.

PERFORMANCE OVERVIEW

Group Performance

The aggregate Refinery throughput at BPCL's Refineries at Mumbai and Kochi, along with that of its subsidiary company, Numaligarh Refinery Limited (NRL) and Joint Venture Company, Bharat Oman Refineries Limited (BORL) in 2012-13 was 28.55 Million Metric Tonnes (MMT) as compared to 26.72 MMT in 2011-12. The market sales of the BPCL Group grew from 31.48 MMT in 2011-12 to 33.67 MMT in 2012-13. The BPCL group also exported 3.22 MMT of petroleum products during the year as against 3.49 MMT in the previous year.

The financial year saw the group achieve a Gross Revenue from Operations of ₹ 2,53,285.57 crores, as compared to ₹ 2,23,314.64 crores recorded in 2011-12. The Profit after Tax stood at ₹ 1,936.15 crores in 2012-13, as against ₹ 851.28 crores in the previous year. After setting off the minority interest, the Group earnings per share increased from ₹ 10.80* in 2011-12 to ₹ 26.01 in the current year.

CONSOLIDATED GROUP RESULTS

	2012-13	2011-12
Physical Performance		
Crude Throughput (MMT)	**28.55**	26.72
Market Sales (MMT)	**33.67**	31.48
Financial Performance		**₹ Crores**
Gross Revenue from Operations	**2,53,285.57**	2,23,314.64
Less: Excise Duty Paid	**(11,104.59)**	(11,175.08)
Net Revenue from Operations	**2,42,180.98**	2,12,139.56
Gross Profit	**8,201.25**	6,269.32
Finance Cost	**2,518.29**	2,259.06
Depreciation & amortisation expense	**2,462.70**	2,410.83
Profit before tax	**3,220.26**	1,599.43
Provision for taxation – Current (Net of MAT Credit Entitlement)	**1,398.88**	409.35
Profit after Current Tax	**1,821.38**	1,190.08
Provision for taxation – Deferred (Asset)/Liability	**(72.65)**	331.63
Short /(Excess) provision for Taxation in earlier years provided for	**(42.12)**	7.17
Net Profit	**1,936.15**	851.28
Minority Interest	**55.32**	70.45
Net Income of the group attributable to BPCL	**1880.83**	780.83
Group Earnings per share attributable to BPCL (₹)	**26.01**	10.80*

*Adjusted for 1:1 Bonus issue by BPCL in July, 2012

COMPANY RESULTS

	2012-13	2011-12
Physical Performance		
Crude Throughput (MMT)	**23.21**	22.91
Market Sales(MMT)	**33.30**	31.14
		₹ Crores
Financial Performance		
Gross Revenue from Operations	**2,50,649.26**	2,22,500.47
Gross Profit	**7,787.03**	5,568.63
Finance Cost	**1,825.24**	1,799.59
Depreciation & amortisation expense	**1,926.10**	1,884.87
Profit before tax	**4,035.69**	1,884.17
Provision for Taxation – Current (Net of MAT Credit Entitlement)	**1,173.29**	178.07
Provision for Taxation – Deferred	**255.16**	393.01
Short/(Excess) provision for taxation in earlier years provided for	**(35.66)**	1.82
Net Profit	**2,642.90**	1,311.27
Balance brought forward	**500.00**	500.00
Amount available for disposal	**3,142.90**	1,811.27
The Directors propose to appropriate this amount as under:		
Towards Dividend:		
Final (proposed) Dividend	**795.39**	397.70
Corporate Dividend Tax	**127.47**	57.16
For transfer to General Reserve	**1,720.04**	856.41
Balance carried to Balance Sheet	**500.00**	500.00
Summarized Cash Flow Statement :		
Cash Flows:		
Inflow/(Outflow) from operations	**5,478.98**	925.84
Inflow/(Outflow) from investing activities	**(2,385.69)**	(890.54)
Inflow/(Outflow) from financing activities	**(714.35)**	(4,713.14)
Net increase/(decrease) in cash & cash equivalents	**2,378.94**	(4,677.84)

Company Performance

BPCL's Revenue from operations for 2012-13 amounted to ₹ 2,50,649.26 crores, reflecting an increase of 12.65 % over the previous year's revenues of ₹ 2,22,500.47 crores. The profit before tax for the year was ₹ 4,035.69 crores, as compared to ₹ 1,884.17 crores in 2011-12. After providing for tax, (including deferred tax) of ₹ 1,392.79 crores, as against ₹ 572.90 crores in 2011-12, the profit after tax for the year stood at ₹ 2,642.90 crores, as against ₹ 1,311.27 crores in the previous year. This is the highest level of profit after tax achieved by the Company in a single financial year.

During the year 2012-13, the Company has issued Bonus Shares in the ratio of 1:1. Accordingly, the paid-up equity capital stands increased to ₹ 723.08 crores from the pre-bonus level of ₹ 361.54 crores. BPCL's net worth as on 31st March, 2013 stands at ₹ 16,634.02 crores, as compared to ₹ 14,913.86 crores as at the end of the previous year.

The earnings per share in 2012-13 stood at ₹ 36.55 in 2012-13 as compared to ₹ 18.13 (adjusted for 1:1 bonus issue in July 2012) in 2011-12. Internal cash generation during the year was higher at ₹ 4,001.68 crores, as compared to ₹ 3,134.99 crores in 2011-12. BPCL's contribution to the exchequer by way of taxes and duties during 2012-13 amounted to ₹ 38,028.20 crores, as against ₹ 35,994.30 crores in 2011-12.

Dividend

The Board of Directors has recommended a dividend of 110% (₹ 11 per share) for the year on the paid-up share capital of ₹ 723.08 crores, which will absorb a sum of ₹ 922.86 crores out of the profit after tax, inclusive of ₹ 127.47 crores for Corporate Dividend Tax on distributed profits.

Borrowings

In October, 2012, BPCL issued its first USD 500 million, 10- year Senior Unsecured International Bonds with a coupon rate of 4.625%. The money raised would be used for funding the capital projects in the refineries. During the year, BPCL also issued Secured Non Convertible Debentures amounting to ₹ 700 crores carrying an interest of 8.65%. The tenor of the Debentures is 5 years with a put/call option at the end of 3 years.

Borrowings from banks decreased from ₹ 20,749.94 crores as at 31st March, 2012 to ₹ 18,774.07 crores at the close of the current financial year. The outstanding balance of Loans from Oil Industry Development Board stood at ₹ 593.50 crores as at 31st March, 2013, as compared to ₹ 743.75 crores at the end of the previous year. The Collateralized Borrowing and Lending Obligation (CBLO) through Clearing Corporation of India Limited amounted to ₹ 622 crores as at 31st March, 2013. Commercial Paper amounting to ₹ 430 crores remained outstanding as on 31st March 2013, as compared to Nil as on 31st March 2012.

The amount of deposits, matured but unclaimed, at the end of the year was ₹ 0.15 crores, which pertains to 38 depositors.

Capital Expenditure

The total Capital Expenditure during the year 2012-13 amounted to ₹ 3,544.40 crores, as compared to ₹ 2,761.81 crores during the previous year.

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 2013. The letter from C&AG is annexed as Annexure E.

REFINERIES

MUMBAI REFINERY

During the year 2012-13, Mumbai Refinery recorded a throughput of 13.10 MMT of feedstock (crude oil and other feedstock), as against 13.35 MMT achieved in 2011-12. This represents capacity utilization of 109% as compared to 111% in the previous year. The throughput was marginally lower as compared to the previous year due to the planned shutdown of two crude processing units during the year.

For the year under review, refinery achieved its highest ever production of Propylene (C3), Motor Spirit (Euro III MS), High Speed Diesel (HSD), Bitumen, Linear Alkyl Benzene Feedstock (LABFS) and Lube Base Oils.

The Gross Refining Margin (GRM) for the year stood at USD 4.67 per barrel, as compared to USD 1.73 per barrel realized in 2011-12. The overall gross margin for the refinery in 2012-13 amounted to ₹ 2499 crores, as compared to ₹ 831 crores in 2011-12. The higher GRM in Mumbai Refinery for the year 2012-13 can be attributed to higher distillate yield, favorable crude mix and better product cracks, coupled with reduction in octroi under-recovery on account of implementation of the State Surcharge (SSC) Recovery Scheme.

KOCHI REFINERY

Kochi Refinery achieved a throughput of 10.1 MMT in 2012-13, as compared to 9.56 MMT in 2011-12. This was the first year that the throughput at the refinery has crossed the 10 MMT mark. The capacity utilization of the refinery during the year was 106.3%, as against 100.6% in the previous year. During the year, Kochi Refinery recorded its highest ever production of Propylene, Euro III MS, Euro III HSD, Euro IV HSD and Aviation Turbine Fuel (ATF).

The GRM for the year was USD 5.36 per barrel amounting to ₹ 2211 crores, which is the highest ever achieved by Kochi Refinery in a single financial year. The refinery had earned a GRM of USD 3.09 per barrel in 2011-12 amounting to ₹ 1061 crores. The reasons for the higher GRM achieved in 2012-13, include better product cracks (realisation), improved reliability of major units and improved steam management leading to lower fuel and 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).

MERGER OF KRL WITH BPCL

As informed in the last year's Report, merger of the erstwhile Kochi Refineries Limited (KRL) with BPCL under Sections 391 to 394 of the Companies Act 1956 had been completed, following receipt of the Order dated 18th August, 2006 issued by the Ministry of Corporate Affairs, New Delhi. One of the Shareholders of the erstwhile KRL had filed a Writ Petition in the Delhi High Court challenging the merger, and the same is pending as on date.

MARKETING

During the year, 2012-13, BPCL's market sales volume touched a level of 33.30 MMT, as compared to 31.14 MMT achieved in the previous year. This represented a growth rate of 6.94% over the previous year. BPCL's market share amongst the public sector oil companies stood at 23.14% as at 31st March, 2013, as compared to 22.30% 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 at Kochi

The Board of Directors, at their meeting held on 30th March, 2012, approved the proposal for undertaking the Integrated Refinery Expansion Project (IREP) at Kochi.

The project will involve a capital outlay of ₹ 14,225 crores. The environment clearance for the project from the Ministry of Environment & Forests has been received on 22nd November, 2012. The project is expected to be mechanically completed within 42 months from this date. 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/ Euro V specifications. It also envisages refinery residue stream upgradation to value added products.

The process packages of all new units viz. Crude & Vacuum Unit, VGO Hydro Treater Unit, Petro FCC Unit, Diesel Hydro Treater Unit, Delayed Coker Unit, Sulphur Unit & Tail Gas Treater Unit have been received. Detailed engineering of these units is currently in progress. Revamp of the existing Semi Regenerative Reformer into an Isomerisation Unit is also being done as part of the IREP project.

Civil work at the site is currently underway. Major long lead items like CDU/VDU columns, DHDT reactors & VGO HDT reactor have been ordered. Major contracts like the Heater package of CDU/VDU, civil/structural jobs of CDU/VDU, DCU & Offsites have been awarded. Tendering and ordering of other equipment and contracts are in progress. The Industrial Entrepreneur Memorandum and Essentiality Certificate has been received from Ministry of Industry and Ministry of Petroleum & Natural Gas, which would enable import of capital goods for the project at concessional duty rates. As on 30th June, 2013, the project has achieved physical progress of 8.8% and the cumulative expenditure stood at ₹ 410 crores.

BPCL also plans to enter the Petrochemicals segment by using the feedstock to be produced at the refinery after commissioning of the IREP. BPCL is examining several options in this regard including implementing the petrochemicals initiative as a joint venture or by direct sourcing of technology from Licensors. This venture is estimated to involve an outlay of approximately ₹ 5000 crores.

Capacity Augmentation of Kota-Piyala Section of MMBPL Pipeline

The project envisages enhancement of capacity of the Kota-Piyala Section of the Mumbai-Manmad-Manglia-Piyala–Bijwasan pipeline from 2.54 MMTPA to 4.4 MMTPA, to evacuate products from Bina Refinery and also meet the growing demand for petroleum products in the Northern region.

The approved project cost is ₹ 152.89 crores. The project is mechanically complete and commissioning activities are currently in progress. As on 30th June, 2013, the cumulative expenditure on the project was ₹ 115.48 crores.

Kota Jobner Pipeline Project

The project envisages laying of a 210 km long and 14"(35.6 cms) 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. The estimated as-built project cost is ₹ 276.27 crores.

Petroleum and Natural Gas Regulatory Board (PNGRB) authorization for laying the pipeline and environmental clearance has been received. The project has achieved an overall physical progress of 19% with cumulative expenditure of ₹ 12.28 crores as on 30th June, 2013. The project is scheduled for completion in December 2014.

Continuous Catalytic Regeneration Reformer (CCR) Facilities and Hydrocracker Revamp at Mumbai Refinery

The project has been undertaken to increase the production of Euro IV grade MS and HSD at Mumbai Refinery. This involves revamping of the Hydrocracker Unit to increase its capacity from 1.75 MMTPA to 2.0 MMTPA and setting up a new Continuous Catalytic Regeneration Reformer Unit (CCR) of 1.2 MMTPA capacity with matching new Naphtha Hydro Treater Unit (NHT) and new Pressure Swing Adsorber (PSA) Units and other utilities/offsite facilities at an approved cost of ₹ 1827 crores.

Hydrocracker revamp has been completed. As regards the CCR facilities, all site development activities, erection of Hydrogen rich gas compressor, Recycle gas compressor and PSA Compressor and Catalyst loading PSA have been completed. Piping works for the compressors and work on cooling towers are in progress. As on 30th June, 2013, the project has achieved an overall progress of 92.47% with a cumulative expenditure of ₹ 1,439.21 crores.

Replacement of CDU /VDU at Mumbai Refinery

The project envisages installation of a state-of-the-art integrated Crude and Vacuum Distillation Unit of 6 MMTPA capacity to improve mechanical integrity and enhance safety and environment in place of existing old standalone Crude and Vacuum Units.

The approved cost of the project is ₹ 1,419 crores. Petroleum and Explosive Safety Organisation (PESO) clearance and environment clearance have been obtained. The basic design and engineering package has been completed. Orders have been placed for the Crude and Vacuum Column, LGO Stripper Column and CS Column. Structural fabrication of the new shop complex is completed. Dismantling of the old shop complex is in progress. The project has achieved an overall physical progress of 28.75% with cumulative expenditure of ₹ 96.64 crores as on 30th June, 2013. The project is scheduled for completion in December 2014.

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

The project envisages laying a 28 km pipeline (12 kms offshore and 16 kms onshore) and provision of 3 x 900 MT Mounded Storage Vessels (MSVs) at BPCL's Uran LPG Plant. 10" dia (25.4 cms) pipeline is being laid to transfer LPG from BPCL's Mumbai refinery and the Mumbai refinery of Hindustan Petroleum Corporation Limited (HPCL). The pipeline portion of the project costing ₹ 229.59 crores will be shared equally with HPCL. The MSVs are expected to cost around ₹ 47.24 crores and will be on BPCL's account.

The onshore pipeline laying and 10 km of offshore pipeline laying has been completed. The balance offshore pipeline laying will be taken up after the monsoon. The forest clearance and permission for cutting mangroves from the Bombay High Court has been received. The project has achieved an overall physical progress of 97% with cumulative expenditure of ₹ 228.47 crores as on 30th June, 2013. The project is expected to be completed by September 2013.

RESEARCH & DEVELOPMENT (R&D)

The Research and Development Centres of BPCL are consistently following the global trends of technology innovations for energizing lives. The R&D Centres are actively involved in supporting the businesses through constant advanced technical support and novel product/ process technology development in niche areas leading to new business development. The core research areas are broadly divided into four categories, namely Refinery processes upgradation/optimization, development of novel energy efficient technologies, product development and alternative fuels and energy. R&D capabilities at the Corporate R&D Centre at Greater Noida, Uttar Pradesh, Product & Application Development Centre at Sewree, Mumbai and the R&D Centre at Kochi Refinery are being leveraged towards business growth of the Company. BPCL's R&D programmes 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 Form B of Annexure A to the Directors' Report.

NON-CONVENTIONAL ENERGY INITIATIVES

BPCL has been undertaking initiatives which are aimed at promoting green fuels, with a view to protect the environment and prevent pollution and reduce dependency on imported fuels. BPCL has initiated various steps to develop renewable sources of energy. BPCL has been engaged in setting up a Bio-diesel value chain in the State of Uttar Pradesh through its Joint Venture Company, M/s. Bharat Renewable Energy Ltd. (BREL), which envisages cultivating Bio-fuel plants on wasteland to produce Bio-diesel from Bio-fuel plantations. Apart from Jatropha, Pongamia plants are also being tried in Uttar Pradesh. The total plantation already covered is 8,987 acres (3,637 hectares) of wasteland and further plantation work is in progress.

BPCL is currently evaluating a proposal for setting up of a Wind Farm with 10 MW capacity in Maharashtra to set off the electricity consumed in the state. BPCL is also evaluating proposals to set up a Solar Farm of 5 to 10 MW capacity, either on its own or through joint ventures at select locations.

INDUSTRIAL RELATIONS

The overall Industrial Relations climate remained peaceful and cordial throughout the year. Long Term Settlements on wages have been successfully signed in Mumbai Refinery and Kochi Refinery with their respective Unions in May 2013.

FULFILLMENT OF SOCIAL OBLIGATIONS

During the year, BPCL retained its strong focus on Corporate Social Responsibility (CSR). The thrust areas continued to be education and water conservation. In addition to taking forward the various initiatives in the thrust areas, BPCL has added several new projects and entered into new partnerships with reputed Non-Government Organisations (NGOs). Through the CSR initiatives, BPCL has brought about positive change in many parts of the country.

The Memorandum of Understanding signed by the Company with the Ministry of Petroleum & Natural Gas every year specifies targets in the area of CSR. For the year 2012-13, BPCL had taken a target of reaching out to 50,000 children for imparting quality education, 20 villages for rainwater harvesting and 500 youth/women for livelihood/income generation training. BPCL was successful in achieving all these targets.

In the area of education, BPCL initiated a unique Science Education Program in collaboration with the NGO, 'Agastya International Foundation' for children of Government schools near the Solur LPG Plant in Bangalore. Through the project, hands-on science education is being imparted to poor rural children and teachers. The program is holistically designed to spark creative thinking and problem-solving skills, improve learning and expand opportunities. Through this project, BPCL aims to reach out to 10,000 children.

The Digital Literacy and Life Skills project across 40 low income/municipal schools in Mumbai in partnership with Pratham entered its second year, reaching out to 25,000 children. The children, who were otherwise completely unaware of computers, have now been able to grasp and

operate computers with ease. There is an enhancement in their confidence and they are also enthused to attend school regularly.

In Nandurbar & Sagar, the pilot project of Read India reaching out to 50,000 children entered its third year. The Computer Assisted Learning Program through which computer education is imparted to children from Government/low income schools has also yielded good results. While the program was started with 11 schools near the LPG bottling plant in Uran (Raigad Dist, Maharashtra) and 10 schools near the LPG bottling plant in Lucknow, the year 2012-13 saw the same being scaled up to 75 schools in Uran and Lucknow. A third party assessment of this project highlighted an increased practical knowledge of computers in children. It also reflected an improvement in Maths and English as a result of activity based learning through computers.

A unique in-house pilot project was launched for the professional development of primary teachers from low income schools. The concept of designing and implementing this program is to empower primary teachers to bring about academic and non-academic growth in students through exposure to hands-on pedagogical concepts delivered through reputed NGOs like Pratham, Shikshangan, Navnirmiti, BNHS etc. The aim of this two year project is to create a pool of highly trained primary teachers, whose teaching methods and approaches would have an impact on the children's learning levels.

The skill-based intervention programs undertaken in collaboration with NGOs like SEWA in Lucknow and AROH in Loni have enabled a large number of women to earn their livelihood by developing skills in chikankari and zardosi work.

Under Project 'Boond', BPCL helped in converting 20 villages from 'water scarce to water positive'. Work under Project 'Boond' is currently on in Karnataka, Andhra Pradesh, Tamil Nadu and Uttar Pradesh.

PROMOTION OF SPORTS

BPCL sportspersons continued to excel in the national as well as international sports arena in various sports disciplines.

PV Sindhu created history by becoming the first Indian woman singles player to win the Bronze medal at the World Badminton Championships. She also won the Gold Medal in the Asian Junior Badminton Championships and the Silver Medal in the India Open Grand Prix. Atanu Das won the Mixed Team Bronze Medal in the World Cup Archery Stage III event. In Table Tennis, Poulomi Ghatak won the Gold Medal in the Iran Open, Silver Medal in the Swedish Open & Bronze Medal in the Egypt Open. Soumyajit Ghosh became the youngest player to win the Senior National Table Tennis Championships. He also clinched the Under-21 Men's title in the ITTF World Tour Brazil Open. He and Sanil Shetty represented India in the Asian and World Table Tennis championships in 2012. Hockey player Birendra Lakra represented India in the Champions trophy and Asian Champions Trophy tournaments. Chess Grand Masters Abhijeet Gupta, P. Harikrishna & Parimarjan Negi were members of the Indian team which won the Silver Medal in the Asian Team Chess Championship. They also represented India in the World Team Chess Championship. Abhijeet Gupta also won Gold Medals in the Philadelphia and Kavala Open Chess tournaments. Harikrishna won the Silver Medal in the Asian Blitz Chess Championship. Parimarjan won the Gold Medal in the Asian Individual Chess Championship. In Billiards, Devendra Joshi won the Bronze Medal in the Asian Billiards Championships. He also represented the country in the World Billiards Championship. Manan Chandra won the National Snooker Championship. In Bridge, Marianne Karmarkar was a member of the Ladies team that represented India in the World Bridge Games in 2012. The team also won the Silver Medal in the Asia & Middle East Championships in 2013. BPCL also bagged the Second Runners-up "President's Trophy" of Petroleum Sports Promotion Board (PSPB) during the year.

In the Physically Challenged Category, Joby Mathew won several Gold/ Silver Medals in the World Arm Wrestling Championship and a Gold Medal in the Paralympics National Badminton Championships.

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 Ministry of Petroleum & Natural Gas to ensure proper compliance of the Directives.

SC/ST and economically backward students are encouraged by awarding scholarships to students pursuing courses at Industrial Training Institutes 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 D.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

The Official Language Implementation Committees continued to function at the Corporate, Regional, Refinery 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.

The First Sub-Committee of the Parliamentary Committee on Official Language inspected select offices and appreciated the overall work done so far in regard to Official Language implementation. Senior officers from the Ministry of Petroleum & Natural Gas also inspected some of the offices and reviewed the Hindi Implementation. The Corporation's website is made available in Hindi also and is updated as and when updation takes place in English. Unlimited license for Hindi Software, ISM V6 Office by CDAC, Pune was procured and loaded in the computers of all BPCL offices across the country with Unicode features. A web page has been created for helping in the installation/training of Hindi ISM V6. Similarly, Indic language software is also being loaded on an all India basis. Important manuals were made bilingual and most publicity material was prepared in bilingual. Competitions and cultural programs were organized at various locations all over the country, on the occasion of Hindi Fortnight which was celebrated from 14th-28th September, 2012. In order to encourage the children of staff, cash awards were given on securing 60% and above in Hindi subject in the 10th and 12th Standard exams. BPCL's House Journal and Newsletter continue to be released in bilingual, whereas a major portion of our media advertisements were released in Hindi. World Hindi Day was celebrated on 10th January, 2013 at all the Regions/Refineries. The Hindi special issue of Petro Plus was awarded the Third Prize by the Mumbai Town Official Language Implementation Committee. Kochi Refinery won the "Best House Magazine Trophy" (First Prize) and the "Rajbhasha Rolling Trophy" (Second Prize) for the year 2011-12. These awards are instituted by the Kochi Town Official Language Implementation Committee (PSUs) for the best Hindi House Magazine published and best implementation of Official Language among the PSUs situated in Kochi.

CITIZENS' CHARTER AND GRIEVANCE REDRESSAL

In order to facilitate consumers in understanding the touch points and processes on marketing of petroleum products by BPCL, the Citizens' Charter is published on the corporate website and is updated dynamically with the changes in the guidelines and market scenario. It broadly covers all aspects of products being marketed by BPCL along with customer's rights like standard, quality, time frame for service delivery, grievance redressal mechanism etc. It also details the guidelines and procedure for selection of dealers and distributors, which ensures transparency and works as a knowledge management tool in educating and communicating with the customer.

A well established system for Grievance Redressal is in place at various consumer touch points. The State Coordinators in the various States and Union Territories and all Territory Managers of Retail and LPG businesses act as Nodal Officers for personal hearing in solving the grievances of customers. An internet based online Grievance Redressal Mechanism (Centralised Public Grievance Redressal and Monitoring System) of Government of India is helping in speedy redressal of grievances. A link to this site is available on the BPCL website. Also, the toll free numbers are available to the customer, so that they can call on these numbers from anywhere in the country for registering complaints/suggestions.

The Right to Information (RTI) Act 2005 has been implemented in BPCL since its inception. People across the organization are familiar with the Act. During the period ending 31st March, 2013, BPCL has provided information to 3984 requests. 88 cases were referred to the Chief Information Commissioner, New Delhi. Decentralization has ensured faster response to information seekers and the team of 84 Central Public Information Officer (CPIOs) and 11 Appellate Authorities have ensured that requisite information is given within the stipulated period.

VIGILANCE

The Vigilance function in BPCL continued its efforts to promote growth of business while maintaining the highest level of ethical standards in the organisation. The Vigilance entity continues to remain a key component of the overall Corporate Governance structure in BPCL. Towards this end, the Vigilance team continued to focus on proactive and preventive measures to promote good and transparent business practices across the Company.

Vigilance has worked closely with the Businesses and helped them identify vulnerable areas in existing procedures in major processes like bill payment, dealer/distributor selection, reconstitution of dealership/distributorship etc. The Information System infrastructure has been leveraged to put in place good practices like e-tendering, e-payments etc.

During the year, Corporate Vigilance enhanced a wide range of awareness initiatives like "Vendor Meets," which were conducted to get inputs from important stakeholders. Workshops and seminars were conducted, enabling the concerned officers to have a thorough understanding of guidelines and procedures. These workshops were conducted with teams in the Refineries, Retail, LPG, Engineering & Projects and Finance. This has also helped in bringing about improvements in the relevant processes. Vigilance Officers, during their visits to different company locations, provided guidance and clarifications to the officers on operational aspects of circulars and guidelines issued by the Central Vigilance Commission (CVC) and Ministry of Petroleum & Natural Gas (MOP&NG).

Surprise inspections were conducted at select company locations, retail outlets, LPG distributorships etc. Inspections of major projects/works/procurement were also undertaken and observations with specific recommendations were advised to the concerned departments. Detailed studies were carried out on key systems in the organisation and findings were shared with the concerned roleholders with a view to initiate remedial action.

Corporate Vigilance also conducted detailed investigation into Complaints and Source Information. Complaints, including online complaints, were received and were investigated directly by the Vigilance function and through the Businesses/Entities. In matters referred by CVC and MOP&NG, necessary investigations were carried out and recommendations were given within the prescribed time frame. Vigilance Officers were deputed for Training Programs conducted by the Central Bureau of Investigation Training Academy and other Training Institutions.

The Vigilance Awareness Week was observed across the Company from 29th October to 3rd November, 2012 with the theme of "Transparency in Public Procurement." The third issue of the vigilance journal "Vigilance Plus" was released and received excellent feedback. Slogan/ Essay/Quiz competitions were conducted for employees and school children.

Corporate Vigilance continued its initiative on "Integrity Clubs" (ICs) to instill ethical values in school children and transform them into valuable change agents in civil society. The first "Integrity Club" which was started at Kochi Refinery School has now been extended to eight schools under Kendriya Vidyalaya Sangathan in Kerala. The activities of the Integrity Clubs at Kochi Refinery have been well received by all.

To increase transparency in interface with vendors, contractors, suppliers and service providers, tenders are being posted on the Central Public Procurement (CPP) portal in the Government of India website. The Integrity Pact has been implemented and is mandatory for all tenders having a contract value of more than ₹ 1 crore. Regular meetings are also held by the Independent External Monitors (IEMs) with the top level management.

SUBSIDIARY COMPANIES

Numaligarh Refinery Limited (NRL)

NRL was incorporated in 1993 with an authorized capital of ₹ 1000 crores. The Company had commissioned a 3 MMTPA refinery at Numaligarh in Assam. NRL was conferred the status of 'Category-I' Miniratna PSU in the year 2003. As on 31st March, 2013, BPCL holds 61.65% of the paid up equity in NRL.

During the year 2012-13, the Numaligarh refinery achieved a throughput of 2.48 MMT, as against 2.82 MMT in 2011-12. This represents a capacity utilization of 82.7%, as compared to 94% in the previous year. The lower throughput during the year is mainly due to lower crude receipt of 2.45 MMT, as compared to 2.82 MMT received in 2011-12. The refinery achieved a distillate yield of 91.11% and Specific Energy Consumption (SEC) of 59.7 MBN. NRL's distillate yield continues to be the highest amongst the public sector refineries in the country. NRL's GRM in 2012-13 stood at USD 10.52 per barrel, as compared to USD 12.45 per barrel in 2011-12. The overall gross margin for the refinery in 2012-13 amounted to ₹ 1,040.09 crores, as against ₹ 1,235.33 crores in 2011-12.

NRL registered a sales turnover of ₹ 8,752.88 crores for the financial year ending 31st March, 2013, as compared to ₹ 14,067.86 crores in the previous year. Sales turnover during 2012-13 was lower compared to that of the previous year, due to lower sales volume and lesser realization from product sales to BPCL. A portion of the discount on crude oil from upstream companies to BPCL, as a part of the subsidy sharing mechanism put in place by the Government of India, is routed through NRL. This is reflected in the lower prices of finished product sold by NRL to BPCL, which has contributed to the lower sales turnover during the year.

NRL's profit after tax for 2012-13 was ₹ 144.26 crores, as against ₹ 183.70 crores in the previous year. The reduction in profit was mainly due to lower crude throughput.

Earnings per share (EPS) for the year 2012-13 was ₹ 1.96, as compared to ₹ 2.50 in 2011-12. The Board of Directors of NRL has recommended a dividend of ₹ 1.00 per share of ₹ 10.00 each for 2012-13 in line with the previous year.

NRL's net worth as on 31st March 2013 increased to ₹ 2,757.45 crores from ₹ 2,699.25 crores in the previous year. NRL's book value per share as on 31st March 2013 rose to ₹ 37.48 from ₹ 36.69 as on 31st March, 2012.

Bharat PetroResources Limited (BPRL)

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. As on 31st March 2013, the authorized capital of BPRL is ₹ 3,000 crores and the subscribed and paid up share capital of BPRL is ₹ 2,370 crores. The exploration and production activities of BPRL and its subsidiary companies extend to 25 blocks worldwide, which are in various stages of exploration/ appraisal. Of this, 11 blocks are in India and 14 are abroad. Besides India, BPRL has Participating Interests (PI) in blocks in Australia, Brazil, East Timor, Indonesia, and Mozambique.

BPRL manages many of its overseas projects through subsidiary companies. In 2006, BPRL had formed a wholly owned subsidiary company, Bharat PetroResources JPDA Limited, 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 incorporated 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 has participating interests ranging from 20% to 40% in 10 blocks in offshore Brazil. BPRL Ventures Mozambique BV has participating interest of 10% in a block in Mozambique, and BPRL Ventures Indonesia BV holds participating interest of 12.5% in a block in Indonesia.

All the blocks of BPRL are under various stages of exploration/appraisal. BPRL has recorded income of ₹ 1.38 crores and a consolidated loss of ₹ 664.09 crores for the financial year ending 31st March, 2013. The loss was mainly due to interest charges, operators G&A expenditures and relinquishment of participating interest in few blocks in India, Australia & the United Kingdom in view of poor prospectivity assessed, based on drilling results.

Annual Accounts of the Subsidiary Companies

In view of the dispensation granted by the Ministry of Corporate Affairs vide General Circular No. 2/2011 dated 8th February, 2011, copies of the Balance Sheet, Profit and Loss Account, Directors' Report and the Auditors' Report of the Subsidiary Companies are not attached to the Balance Sheet of the Company. In compliance with the conditions of the dispensation, the Consolidated Financial Statements have been presented in the Annual Report and financial information of the Company's subsidiaries, as required, is disclosed in the Annual Report as Annexure F to the Directors' Report for information. The audited Annual Accounts of Subsidiary Companies and related detailed information are open for inspection to Members at BPCL's Registered Office. Further, BPCL would make available/furnish these documents, on request, to any of its Members and the said documents would also be posted on BPCL's website.

JOINT VENTURE COMPANIES

Bharat Oman Refineries Limited (BORL)

BORL, promoted by BPCL with equity participation from Oman Oil Company, S.A.O.C. (OOC) has commenced operations of its 6 MMTPA grass roots refinery at Bina. As on 31st March 2013, both BPCL and OOC have an equity stake of 50% each in BORL's paid up share capital of ₹ 1,777.23 crores. BPCL has subscribed to 78.61 crores warrants at a cost of ₹ 935.68 crores. Each warrant represents the right to subscribe to one equity share of face value of ₹ 10 each at a later date. In addition, during the year 2012-13, BPCL subscribed to 36.11 crores warrants at a cost of ₹ 650 crores with the warrants carrying right to subscribe, at a later date, for such number of equity shares of face value of ₹ 10 each or zero coupon compulsorily convertible security compulsorily convertible into equity shares, arrived at the prescribed conversion ratio. BPCL has also given an unsecured loan of ₹ 1,354.10 crores. Till the time the total equity of BORL is tied up, BPCL and OOC will each hold 50% shares in BORL. Also, the state of Madhya Pradesh has a stake in BORL and has subscribed 2.69 crores warrants representing the right to subscribe to 2.69 crores of equity shares of face value of ₹ 10 each at a later date. It is expected that BPCL and OOC will ultimately hold 49% and 26% respectively in the fully diluted equity of BORL.

Bina Refinery, after commencement of its integrated operations in June 2011, stabilised its operations during the year 2012-13 and all plants were tested individually for more than 100% capacity utilization. During the year 2012-13, which was the first full year of operations, the refinery recorded a crude intake of 5.7 MMT at an overall capacity utilization of 96%. The Refinery's GRM for the year 2012-13 stood at USD 9.1 per barrel with an overall gross margin of ₹ 2,046 crores.

BORL recorded a sales turnover of ₹ 28,142.67 crores in the financial year 2012-13. The net loss for the year stood at ₹ 247.86 crores, as compared to ₹ 1,115.94 crores in the previous year.

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 crore and paid up capital of ₹ 750 crores. PLL was promoted by four public sector companies viz. BPCL, Indian Oil Corporation (IOC), Oil and Natural Gas Corporation Limited (ONGC) and GAIL (India) Limited (GAIL). Each of the promoters holds 12.5% of the

equity capital of the company. 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, 2013, PLL had net worth of ₹ 4,449.69 crores with a book value of ₹ 59.33 per share.

PLL recorded a sales turnover of ₹ 31,467.44 crores in the financial year ended as on 31st March, 2013, as compared to ₹ 22,695.86 recorded in 2011-12. The net profit for the year stood at ₹ 1,149.28 crores, as compared to ₹ 1,057.54 crores in the previous year. The earnings per share for the year 2012-13 amounted to ₹ 15.32 as compared to ₹ 14.10 in 2011-12. PLL has declared dividend of ₹ 2.50 per share for the financial year 2012-13, the same as in 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. A listed company, IGL has commissioned over 282 CNG stations which supply the environment friendly fuel to more than 6,75,000 vehicles. IGL has more than 3,75,000 domestic PNG customers and over 922 commercial customers in Delhi. The Company is also extending its business to Greater Noida and Ghaziabad. Recently, IGL has acquired 50% of the equity held by financial institutions in Central UP Gas Limited (CUGL), a Joint Venture Company promoted by BPCL and GAIL.

IGL has registered a turnover of ₹ 3,724.06 crores and a profit after tax of ₹ 354.13 crores for the financial year ending as on 31st March, 2013, as compared to a turnover of ₹ 2,790.10 crores and a profit after tax of ₹ 306.43 crores in the previous year. IGL has declared a dividend of ₹ 5.50 per share, against a dividend of ₹ 5.00 per share in the previous year. IGL's net worth was ₹ 1,492.99 crores with a book value of ₹ 106.64 per share as at 31st March, 2013. The Petroleum and Natural Gas Regulatory Board (PNGRB) had determined the per unit network tariff and compression charge for IGL's CGD Network and made it applicable with retrospective effect from 01.04.2008. IGL had filed a writ petition against the order of PNGRB before the Hon'ble Delhi High Court. The Court had quashed the order holding that the PNGRB is not empowered to fix any component of network tariff or compression charge. PNGRB has filed a special leave petition before the Hon'ble Supreme Court of India against the order of the Hon'ble High Court of Delhi and the matter is still pending in the Hon'ble Supreme Court. The outcome of the appeal could have an impact on the financials of the Company.

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 authorised capital of ₹ 100 crores for implementing the City Gas distribution project for supply of CNG to the household and automobile sectors in 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 20 CNG stations. SGL has achieved a turnover of ₹ 881.55 crores and loss of ₹ 34.27 crores for the financial year ending 31st March, 2013, as against a turnover of ₹ 704.57 crores and profit after tax of ₹ 7.51 crores in the previous year. The Company has not proposed dividend on equity shares for the financial year ending 31st March, 2013, as against ₹ 1.50 per equity share declared in the previous year.

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 authorised and paid up share capital of the Company is ₹ 60 crores. The joint venture partners have each invested ₹ 15 crores in the joint venture, with each partner having an equity stake of 25% in the company. The balance equity share capital had been subscribed to by the financial institutions viz. IDFC Private Equity, Asian Development Bank (ADB) and a subsidiary of IL&FS Investment Managers. The financial institutions have sold their stake in the month of June 2013 to Indraprastha Gas Ltd., which now holds 50% of CUGL's equity. CUGL has set up 12 CNG stations and is carrying on PNG operations.

CUGL has achieved a turnover of ₹ 161.15 crores and profit of ₹ 20.98 crores for the financial year ending 31st March, 2013, as compared to a turnover of ₹ 124.71 crores and a profit of ₹ 21.12 crores in the previous year. The EPS for the year stood at ₹ 3.50 as against ₹ 3.52 in 2011-12. The Board of Directors has recommended the payment of final dividend at ₹ 0.35 per share in addition to the payment of interim dividend of ₹ 0.90 per share in June 2013 for the current year, as against ₹ 1.25 per share for the previous year.

Maharashtra Natural Gas Limited (MNGL)

MNGL was set up on 13th January 2006 as a Joint Venture Company with GAIL for implementing the project for

supply of CNG 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. The Maharashtra Government provisionally agreed to hold a 5% stake in the Company. The balance equity shares have been subscribed by IDFC Private Equity, ILFS and Axis Bank. The Company has set up 17 CNG stations in the financial year 2012-13.

MNGL has achieved a turnover of ₹ 199.31 crores for the financial year ending 31st March, 2013 and profit of ₹ 35.41 crores for the year, as against a turnover of ₹ 85.99 crores and profit of ₹ 10.74 crore in the previous year. The MNGL Board has proposed a dividend of ₹ 0.80 per equity share for the financial year ending 31st March 2013, as against ₹ 0.30 per equity 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 on 13th September, 2007 for providing into-plane fuelling services at the new Bengaluru International Airport. The Company was incorporated with an authorised share capital of ₹ 20 crores. The 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, which commenced its operations at the new international airport in Bengaluru from May, 2008 has also incorporated a wholly owned subsidiary for implementing into-plane fuelling services at the new T3 Terminal of Delhi International Airport. The Company is also planning to enter Calicut Airport and other nearby airports.

BSSPL has achieved a turnover of ₹ 11.69 crores for the financial year ending 31st March, 2013 and profit of ₹ 1.95 crores, as against a turnover of ₹ 10.38 crores and a profit of ₹ 1.50 crores in the previous year. The Board has recommended a dividend of ₹ 0.25 per equity share for the financial year ending 31st March, 2013, as against ₹ 0.20 per equity share declared in 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 Bio-fuels in the State of Uttar Pradesh, with an authorized capital of ₹ 30 crores. The Company has been promoted by BPCL with Nandan Cleantec Limited (erstwhile Nandan Biomatrix Limited), Hyderabad and the Shapoorji Pallonji group, through their affiliate SP Agri Management Services Private Limited. Each of the partners has an equal stake in the equity capital of the joint venture. The project envisages plantation of Jathropha in 1 million acres (4,04,686 hectares) of marginal land, which has the potential of generating employment/self employment for 1 million people and producing 1 million tonnes of Bio-diesel with an investment of ₹ 2,200 crores over the next 10-15 years.

The Government of Uttar Pradesh has approved the project under "Jeevan Jyoti," a scheme of the Government which has the benefit of release of funds under the Mahatma Gandhi National Rural Employment Guarantee (MGNREG) scheme.

BREL has recorded a turnover of ₹ 0.41 crores for the financial year ending 31st March, 2013 and incurred a loss of ₹ 2.13 crores, as against a miscellaneous income of ₹ 0.05 crores and a loss of ₹ 1.85 crores in the previous year.

The Shapoorji Pallonji group has recently indicated their intention to exit the joint venture and have offered their holdings to the existing promoters in the proportion of their current shareholding.

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, which is equivalent to ₹ 20 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 Company was previously known as Matrix Bharat Marine Services Pte Limited before it was changed to Matrix Bharat Pte Limited.

MBPL has achieved a turnover of USD 566.97 Million and incurred loss of USD 3.98 Million for the year ending 31.12.2012, as compared to a turnover of USD 928.71 Million and a profit of USD 0.33 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 for the development of 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 an income of ₹ 0.26 crores and a net loss of ₹ 0.09 crores for the financial year ending

31st March, 2013, as against an income of ₹ 0.23 crores and a net loss of ₹ 0.25 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 winding up process has been initiated and the process of divesting PIL's 26% equity in the three joint venture companies promoted by it is in progress. The Board of Directors of BPCL, in its meeting held in December 2006, accepted PIL's offer to buy 26% stake in the equity of Petronet CCK Limited where BPCL already holds 49% of the paid up share capital. This is awaiting receipt of approval of the Government of India.

Petronet CCK Limited (PCCKL)

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

The pumping volume during the year 2012-13 amounted to 2.60 MMT, as against 2.21 MMT in the previous year. PCCKL registered a turnover of ₹ 101.59 crores and loss of ₹ 18.83 crores for the financial year ending 31st March, 2013, as compared to a turnover of ₹ 69.50 crores and net profit of ₹ 20.34 crores in the previous year. BPCL has initiated steps subject to completion of all formalities to purchase the 26% share of PIL in PCCKL.

Delhi Aviation Fuel Facility Private Limited (DAFFPL)

A Joint Venture Company, Delhi Aviation Fuel Facility Private Limited was promoted by BPCL, IOC and Delhi International Airport Limited (DIAL) for implementing Aviation Fuel facility for the T3 terminal at Delhi International Airport. The paid up share capital of the Company is ₹ 164 crores. BPCL and IOC have subscribed to 37% of the share capital of the Joint Venture, while the balance has been taken by DIAL. BPCL's onsite assets at the Delhi Airport were transferred to the Joint Venture. DAFFPL has registered a turnover of ₹ 95.36 crores and net profit of ₹ 29.63 crores for the financial year ending 31st March, 2013, as against a turnover of ₹122.75 crores and net profit of ₹ 35.91 in the previous year. The Company has proposed a dividend of ₹ 1.20 per equity share for the financial year ending 31st March, 2013, as against ₹ 2.50 per equity share declared in the previous year.

Kannur International Airport Limited (KIAL)

The Government of Kerala has promoted KIAL as a public limited company to establish, operate, manage, undertake and maintain airports and allied infrastructure facilities at Kannur and/or other parts of India and to provide other services, either individually or in association with other undertakings or companies in India or abroad. To start with, KIAL would set up an Airport at Kannur in the state of Kerala at an estimated project cost of ₹ 1,414 crores, of which ₹ 784 crores will be financed through equity and the balance sum of ₹ 630 crores will be financed by way of borrowings.

BPCL has signed an MOU with KIAL for building a new Airport at Kannur. The Board has approved the proposal for BPCL to invest ₹ 170 crores for 21.68% equity stake in the Company. Of this, BPCL has made an initial equity contribution of ₹ 40 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 the Mehsana-Bhatinda (MBPL) and Bhatinda-Jammu-Srinagar (BJSPL) gas pipelines. GSPL India Transco Limited will be executing the project and BPCL will contribute 11% of the total equity of the Company. The balance will be contributed by GSPL (52%), IOC (26%) and HPCL (11%).

BPCL has made the initial equity contribution of ₹ 7.70 crores. This being the first year of operations, GSPL India Transco Limited earned a miscellaneous income of ₹ 1.23 crores and net profit of ₹ 0.83 crores for the financial year ending 31st March, 2013.

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 the Mallavaram-Bhopal-Bhilwara-Vijaipur(MBBVPL) gas pipeline. GSPL India Gasnet Limited will be executing the project and BPCL will contribute 11% of the Company's total equity capital. The balance will be contributed by GSPL (52%), IOC (26%) and HPCL (11%).

BPCL has made the initial equity contribution of ₹ 8.47 crores. This is the first year of operations of GSPL India Gasnet Limited and the Company earned a miscellaneous income of ₹ 0.95 crores and net profit of ₹ 0.65 crores for the financial year ending 31st March, 2013.

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

The details regarding energy conservation, technology absorption and foreign exchange used and earned as

required by Section 217(1)(e) of the Companies Act, 1956, are given in Annexure A.

MEMORANDUM OF UNDERSTANDING WITH MINISTRY OF PETROLEUM & NATURAL GAS

BPCL, for the 24th successive year, has entered into a Memorandum of Understanding (MOU) for the year 2013-14 with the Ministry of Petroleum & Natural Gas. BPCL has been achieving an "Excellent" performance rating since 1990-91.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A)

Information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is enclosed as Annexure C.

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 B. The Report indicates the extent of compliance of the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs.

The Company has engaged M/s. Dholakia & Associates, Company Secretaries for conducting the Secretarial Audit for the year 2012-13. The Secretarial Audit Report is enclosed as part of Annexure B.

Management Discussion and Analysis Report (MD&A) forms part of the Annual Report. The forward looking statements made in MD&A are based on certain assumptions and expectations of future events. The Directors cannot guarantee that these assumptions are accurate or these expectations will materialize.

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 delegated to 'CSR and Sustainability Committee', review of the 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. In line with the same and Clause 55 of the Listing Agreement, Business Responsibility Report is forming part of the Annual Report. This Report is in addition to BPCL's Sustainability Reporting in accordance with the Global Reporting Initiative (GRI).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors of BPCL confirm that:

1) In the preparation of the Annual Accounts, all the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
2) The Company has selected such Accounting Policies and applied them consistently and made judgements 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 on 31st March 2013 and of the Statement of Profit and Loss of the Company for the year ended on that date.
3) The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4) These Accounts have been prepared on a going concern basis.

DIRECTORS

Prof. J. R. Varma, Shri B. Chakrabarti and Shri R. N. Choubey were appointed as Additional Directors on 10.08.2012. The shareholders have appointed them as Directors of the Company at the Annual General Meeting held on 21.09.2012.

Shri Alkesh Kumar Sharma, Secretary (IP), Government of Kerala resigned from the Board with effect from 12.10.2012. The Directors have placed on record their appreciation of the valuable contributions made and guidance given by him for the development and progress of the Company's business.

Prof. S. K. Barua and Prof. N. Venkiteswaran resigned from the Board of Directors with effect from 23.11.2012. The Directors have placed on record their appreciation of the valuable contributions made and guidance given by them for the development and progress of the Company's business.

Shri Tom Jose, Managing Director, Kerala State Industrial Development Corporation was appointed as Additional Director on the Board with effect from 24.01.2013. As he has been appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a Member proposing his name for appointment as Director at the ensuing Annual General Meeting.

Shri H. M. Jagtiani and Shri I. P. S. Anand resigned from the Board with effect from 6.03.2013 and 15.03.2013 respectively. The Directors have placed on record their appreciation of the valuable contributions made and guidance given by them for the development and progress of the Company's business.

Shri R. N. Choubey, Director General, Directorate General of Hydrocarbons, Ministry of Petroleum & Natural Gas resigned from the Board with effect from 10.04.2013. The Directors have placed on record their appreciation of the valuable contributions made and guidance given by him for the development and progress of the Company's business.

Dr. Neeraj Mittal, Joint Secretary (Marketing), Ministry of Petroleum & Natural Gas was appointed as Additional Director with effect from 11.04.2013. As he has been appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a Member proposing his name for appointment as Director at the ensuing Annual General Meeting.

Shri K. K. Gupta and Shri B. K. Datta, Directors, will retire by rotation at the ensuing Annual General Meeting as per the provisions of Section 256 of the Companies Act, 1956, and being eligible, offer themselves for re-appointment as Directors at the said Meeting.

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

STATUTORY AUDITORS

M/s. T.R. Chadha & Co. Chartered Accountants, Mumbai and M/s. K. Varghese & Co. Chartered Accountants, Kochi, were appointed as Statutory Auditors for the year 2012-13, by the Comptroller & Auditor General of India (C&AG), under the provisions of Section 619 (2) of the Companies Act, 1956. They will hold office till the ensuing Annual General Meeting.

COST AUDITORS

During the year 2012-13, the Cost Audit Report has been filed with the Ministry of Corporate Affairs on 28.01.2013 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 28.02.2013. This Cost Audit Report pertains to the year 2011-12 and the Cost Auditors were M/s. N. I. Mehta & Co., Mumbai and M/s. Muralidhar Mohan & Associates, Mumbai.

For the year 2012-13, M/s. Rohit & Associates, Mumbai & M/s. Musib & Company, Mumbai have been appointed as the Cost Auditors. The due date for filing the Cost Audit Reports for 2012-13 is 30.09.2013, for which necessary action is being taken.

ACKNOWLEDGEMENTS

The excellent performance of the Company in 2012-13 would not have been possible without the sincere efforts and commitment shown by each one of BPCL's dedicated employees. The Directors would like to record their thanks to the employees for their outstanding performance on all fronts.

The Directors express their gratitude to the support and guidance received from various Ministries of the Government of India, particularly the Ministry of Petroleum & Natural Gas, and from various State Governments which have contributed immensely in BPCL being able to achieve its ambitious targets.

The Directors convey their appreciation for the continuing support and encouragement of each and every stakeholder of BPCL including customers, dealers, distributors, vendors, contractors and other business partners.

Every shareowner has been steadfast in their support for each and every initiative undertaken by the Company. The Directors would like to acknowledge this support and remain committed to working towards further enhancing shareholders' value.

For and on behalf of the Board of Directors

Sd/-

Mumbai **R.K. Singh**

Date: 14th August, 2013 Chairman & Managing Director

Management Discussion & Analysis

ECONOMIC DEVELOPMENTS

The economic environment continued to remain challenging in 2012-13. The pace of economic recovery remained slow. In the United States of America (USA), there are signs of improvement, although concerns remain on the sustainability of the pace of economic growth. Japan is also showing signs of coming out of a sustained spell of economic slowdown. Major economies in Europe have had to deal with recessionary pressures leading to high levels of unemployment, fiscal tightening and sluggish growth. The Euro zone crisis continues to simmer. Although some concerted action has averted an immediate collapse, the problems are far from being resolved. The tough measures imposed in several countries of Europe have had a major impact on key sectors like banking and on the economy as a whole. The pace of growth in China was also slow. The Indian economy had to face a very challenging year with a sharp slowdown in the growth of industrial output and exports. This has been reflected in the significant reduction in the growth rate of the economy when compared to some of the earlier years.

Even as the growth in the Gross Domestic Product (GDP) slowed, the Reserve Bank of India (RBI) has been concerned about the inflationary pressures on the Indian economy. This has led to the RBI taking a hawkish approach towards the interest rates. Although there have been demands that interest rates need to be reduced so as to stimulate growth in the economy, the central bank has been guarded in its approach. The wholesale price inflation, which had been declining since January 2013, has once again gone up in June 2013. Also, the retail inflation levels remain high. During the year 2012-13, the RBI reduced the policy rates by 100 basis points, the Statutory Liquidity Ratio by 100 basis points and the Cash Reserve Ratio by 75 basis points. In addition, the bank continued to inject liquidity through Open Market operations. Considering the fact that inflation levels remain a matter of concern, the Current Account Deficit (CAD) is high and the rupee is under pressure, the prospects of interest rates being reduced in the near term do not look bright. The recent sharp depreciation in the value of the Indian rupee with reference to the dollar has further worsened the situation. While a number of measures are being taken to tackle the situation, the difficult period is expected to continue for some time.

Considering the high domestic rates of interest, Indian companies had gone in for foreign currency borrowings in order to reduce the financing costs. However, the sharp depreciation in the Indian rupee will impose a big burden especially if the loan repayments have not been hedged. There was substantial inflow of investment by Foreign Institutional Investors during the year. However, the situation has changed in the last few months during which period many foreign investors have withdrawn from the Indian capital market. The depreciation of the rupee has also come in the way of the Indian economy benefiting from the fall in the international prices of crude oil. The Government of India is working towards reducing the current account deficit and arresting the fall in the value of the rupee. The Government has announced a number of policy decisions which are aimed at attracting foreign investment in many sectors of the economy.

The difficult environment has had an impact on the Indian economy. As per the provisional estimates released by the Government of India, the Gross Domestic Product (GDP) is estimated to have grown at a rate of 5% in 2012-13 as compared to 6.2% in the previous year. This represents a significant decline in the growth rate when compared to the last few years. The weakness in industrial activity, supply bottlenecks and the slowdown in the services sector have all contributed to the decline in the growth rate of the GDP. The challenge before policy makers is to get the economy back to the days of robust growth, while at the same time ensuring that inflationary forces are kept at bay.

Almost all the sectors of the economy have continued to see lower growth rate as compared to the previous year. The agriculture sector has seen the growth rate come down from 3.6% in 2011-12 to around 1.9% in 2012-13. The growth in the manufacturing sector is likely to be as low as 1% in 2012-13 as against 2.7% in 2011-12. The decline in the rate of growth of the services sector has also contributed in pulling down the overall growth rate of the economy. The days ahead are therefore, expected to be extremely challenging as companies will need to operate in an environment where cost of funds would be high and the exchange rates could be highly volatile. The moderation in the prices of commodities like oil could provide some relief. In the recent past, the Indian stock markets had moved up mainly on the strength of large capital inflows from foreign portfolio investors. However, the level of volatility remains high. The revival of the market for new capital issues will be crucial for companies which have plans for raising equity capital.

During the year 2012-13, the average crude oil prices were marginally lower than the prices during the previous financial year. The average price of the Indian basket of

crude oil was USD 108 per barrel as against USD 112 per barrel in 2011-12. Even as crude oil prices remained high for most part of the year, there were signs of prices easing particularly in the beginning of the current financial year 2013-14. The slow pace of economic recovery in many parts of the world has had an adverse impact on the demand for commodities like oil leading to a decline in the prices. Oil prices have also been impacted by developments like rising production of shale oil in America. The falling prices will also help the Government by ensuring that the under- recoveries on the sale of sensitive petroleum products is kept under control. This will be an important step in reining in the budgetary deficit. The lower prices of crude oil and petroleum products will also have a positive effect on the inflationary pressures on the economy, which in turn will create conditions favourable for interest rates to go down. However, the international prices have started creeping up once again and the rupee depreciation has aggravated matters. As such, while there is much to look forward to in 2013-14, the year will remain challenging for the economy as a whole.

TRENDS IN THE OIL & GAS SECTOR

Over the last few years, the average price of crude oil in the international markets has remained above USD 100 per barrel. The trend continued in 2012-13, although the average price was slightly lower as compared to the previous year. There were some fears of supply disruptions on account of geo-political factors like the domestic situation in several countries of the Arab world and sanctions against Iran by the USA and the European Union. However, availability of adequate supplies has ensured stability in oil prices. Demand for crude oil and petroleum products have been impacted by the slow pace of economic recovery in several countries. The average price of the benchmark Brent crude oil in 2012-13 was USD 110 per barrel, representing a marginal reduction over the earlier year when it stood at USD 115 per barrel. Demand for crude oil is declining in the countries belonging to the Organisation of Economic Cooperation and Development (OECD) even as it increases in China and India. Also, the increasing efficiency standards and rising use of non-fossil fuels have also had an impact on growth rate in the demand for crude oil.

The global demand for oil is estimated to have grown by around 1% in 2012 over 2011. The International Energy Agency (IEA), in its Oil Market report dated 12th June,2013 has reported that the global oil demand was of the order of 89.8 million barrels per day in 2012 as compared to 88.9 million barrels per day in 2011. The demand is projected to go up to 90.6 million barrels per day in 2013. The year 2012 saw demand for oil grow in the Asia Pacific region as in the earlier years. However, demand in America remained more or less stagnant while the growth rate declined in European countries. The same scenario is expected to play out in 2013 also with global demand likely to go up by 0.9% over 2012. The major portion of the expected growth in demand for oil will once again be accounted for by the growth in the Asia Pacific. The softening of the crude oil prices could lead to an increase in demand in countries like India and China. However, the global geo-political situation and the movement of the exchange rate of major currencies with reference to the dollar will have a major impact on global demand and international prices for oil. The demand in India will also depend upon the economy's growth momentum, as the pace of GDP growth has come down in the last couple of years.

A recent trend seen in the international markets has been the narrowing of the gap between the prices of the American crude West Texas Intermediate (WTI) and Brent Crude. Over the last three years, there was a significant differential between the prices of the two crudes, which are of almost similar quality. Improvements in the logistics infrastructure in the USA have contributed to the increase in the price of WTI crude oil. Currently, the prices of the WTI and Brent crudes are almost at par with each other. However, the rapid increase in the production volumes of crude oil in the USA could lead to a decline in the price of WTI crude, given that currently, export of crude oil from the USA is not permitted freely.

The year 2012-13 also saw the average Brent Dubai differential narrowing to USD 3.15 per barrel, as against USD 4.44 per barrel in 2011-12. While there were signs of the differential increasing in April 2013, there was a decline from May 2013. However, the differential has started going up once again from June 2013. The movement in the Brent - Dubai differential will have a bearing on the refining margins.

As in the case of crude oil, the average international prices of finished products in 2012-13 were marginally lower as compared to the previous year. The prices had come down at the beginning of the current financial year before starting to go up once again. The fall in the product prices had offered a ray of hope to the Government of India in its efforts to cap the subsidy burden on sensitive petroleum products.

The decision of the Government of India to allow the public sector oil marketing companies to effect small price increases of around 50 paisa per litre every month on High Speed Diesel (HSD), coupled with the fall in international prices, had led to the under-recovery on HSD coming down substantially. There were also expectations that based on available trends, the retail selling prices will be in line with the market in the next few months. This can bring down the subsidy burden substantially. However, with product prices increasing once again, coupled with the sharp

depreciation of the rupee, the level of under- recovery on HSD has gone up once again. Notwithstanding this, retail HSD prices are expected to become mark-to-market over the next 18 – 24 months. With India's energy consumption increasing every year, demand for petroleum products will remain strong and hence, the movement of international prices will be very critical for the country's economy.

INDIAN PETROLEUM SECTOR

Based on the provisional data released by the Petroleum Planning and Analysis Cell (PPAC) of the Ministry of Petroleum & Natural Gas, the consumption of petroleum products in the country in 2012-2013 stood at 155.42 Million Metric Tonnes (MMT), as compared to 148.13 MMT in 2011-12, representing a growth of 4.9%.

The sales volume of transportation fuels, namely Motor Spirit (MS) and HSD continued to grow, although at a slower pace when compared to the previous year. HSD sales grew by 6.8%, as compared to 7.8% growth achieved in 2011-12. Similarly, the sales volume of MS grew by 5%, a reduction of 0.6% as compared to the growth rate in the previous year. The Government of India had in 2011-12, empowered public sector oil marketing companies to revise the retail selling prices of MS in line with international prices. In the case of HSD, the public sector oil marketing companies have been given the freedom to hike the selling price every month by a small amount of around 50 paisa a litre with effect from 18th January, 2013 till such time as the under-recovery is eliminated and the selling prices are aligned with market prices. Also, the selling prices of HSD for bulk consumers have been fully deregulated. These changes, while leading to reduction in under- recoveries, could impact demand and also lead to greater competition from private players in the days ahead. The growth in the consumption of LPG in 2012-13 was muted at 1.6%, as compared to 7.1% in 2011-12. This decline in the rate of growth can be attributed to the changes announced by the Government on India, by which a cap was placed on the number of cylinders made available at subsidised rates to a domestic consumer in a year. Oil Companies have also been working towards identifying and eliminating multiple connections owned by the same consumer. This has helped in reducing the number of multiple connections, which in turn can help reduce the subsidy burden of the Government. As a next step, the process of crediting the subsidy amount directly to the bank account of the consumer has been started on a pilot basis. This has commenced in 20 districts across the country and would be taken up in other places in the days to come. This would help in keeping the subsidy burden under control while ensuring that the subsidy amount reaches the right consumer. The Aviation sector in India is passing through a difficult period. The woes of one of the major private players were reflected in the negative growth in the sales volume of Aviation Turbine Fuel (ATF) when compared to the sales volume in 2011-12. Sales of Naphtha have increased by around 9.5%, mainly on account of the lower availability of domestic gas. The sales volume of all other products used in the Industrial sector have stagnated or declined. The slowing down of the economy has had an impact on the demand for petroleum products. The Government of India is putting in all efforts to increase the pace of economic growth. This will in turn, lead to growth in energy demand. With Oil and Gas constituting the major chunk of the energy basket, domestic demand for petroleum products is expected to remain strong. Any softening of oil and product prices will also have a positive impact on domestic demand. However, there will remain concerns around the exchange rate of the rupee as any benefit from the fall in international prices should not get negated by an adverse movement in the exchange rate.

During the year under review, the average cost of the Indian basket of crude oil went down from USD 111.87 per barrel in 2011-12 to USD 108 per barrel. During the current financial year, the average cost has come down and on occasions, it has even gone below the USD 100 per barrel mark before going up once again. If the trend of lower prices is maintained, the Indian economy will stand to gain both in terms of lower subsidy burden and also reducing of the country's current account deficit.

India continues to be dependent on imports for meeting a major portion of the country's crude oil requirements. During the year 2012-13, the total quantity of crude oil imported stood at 184.80 MMT, which represents an increase as compared to 2011-12 when the imports stood at 171.73 MMT. Although the average cost of crude oil during the year has come down, the increased level of crude oil procurement has led to the total cost going up from USD 140 billion in 2011-12 to USD 144 billion in 2012-13. Given the size of the crude oil import bill, changes in the international price of crude oil and in the exchange rate will have a major impact on the economy as a whole and on the finances of the domestic oil companies. India's refining capacity continues to remain higher than the domestic requirements. Consequently, the quantum of crude oil processed by the Indian refiners is higher than the requirements of the local demand. The total crude oil processed in 2012-13 was of the order of 218.85 MMT, which was higher than the level of 203.76 MMT achieved in the previous year. During the year, the new Guru Gobind Singh Refinery at Bhatinda was commissioned, which has further enhanced the domestic refining capacity. Taking into account the current levels of consumption of

petroleum products, India will continue to have surplus refining capacity for some more time. As such, India will remain a major exporter of petroleum products. The quantum of petroleum products exported during 2012-13 stood at 63.40 MMT, as compared to 60.84 MMT in 2011-12. Although there has been a small increase in the export volume during the year, the realisation remained unchanged at USD 59 billion, as compared to the previous year. Notwithstanding the surplus refining capacity, India continues to import LPG and small quantities of other products, including MS and HSD. The volume of imports of finished products remained unchanged at 16 MMT in 2012-13, involving an outgo of USD 13 billion.

Considering the extent of the country's dependence on imports, the volatility of prices in the international market and movements in the exchange rates has a major impact on the country's economy. Since the selling prices of HSD, SKO and LPG cylinders for domestic consumers are controlled, the volatile movement in prices and exchange rate has an effect on the finances of the public sector oil companies and the Government of India in terms of the subsidy burden. As stated earlier, a number of steps have been taken by the Government of India to control the growing subsidy burden. Also, the system of Government providing cash for reimbursing the under-recoveries incurred by the public sector oil marketing companies has led to an improvement in the cash flow position of these companies.

The Government of India is also focussed on reviving the growth in different sectors of the economy. A number of policy initiatives aimed at attracting foreign investment in various sectors of the economy have been announced. There are hopes of a normal monsoon, which should also give a major boost to the economy. Stable international prices and the rupee exchange rate would have a positive effect on the economy in general and the Indian oil and gas sector in particular. However, there are numerous challenges before the oil companies. The Government of India has appointed an Expert Committee to examine the current system of computing under-recoveries on HSD, based on trade parity prices and on LPG and SKO on import parity prices. Introduction of any change in the mechanism could impact the quantum of compensation received by the oil companies. The coming days will therefore, provide significant growth opportunities while posing big challenges.

OPPORTUNITIES AND THREATS

The operations of the grass roots refinery at Bina in Madhya Pradesh set up by Bharat Oman Refineries Limited (BORL), a Joint Venture Company promoted by BPCL, which had commenced operations in 2011-12, have stabilised. Products from the refinery are available for meeting the growing demand in some of the key markets in the country. This has also helped in reducing BPCL's dependence on other oil companies and imports for ensuring availability of products. The refinery is looking at plans for undertaking low cost creeping expansion of the refining capacity to meet the growing demand.

At present, the Kochi refinery has an installed refining capacity of 9.5 MMTPA. During the year, the crude throughput of the refinery crossed the level of 10 MMT for the first time in its history. Keeping in mind the need to enhance the availability of petroleum products in the coming years, BPCL has initiated the Integrated Refinery Expansion Project at Kochi at an estimated cost of ₹ 14,225 crores. On completion of the project, the refining capacity of the Kochi Refinery will increase to 15.5 MMTPA. The environmental clearance for the project has been received and work on the project is currently underway. Aggressive timelines have been set for the completion of the expansion, which will ensure that BPCL will have secure access to petroleum products for meeting the growing demand in the country. This project is also being used as a means of BPCL entering the petrochemicals segment since, as a part of expansion of the refining capacity, BPCL would be setting up a Petrochemical Fluid Catalytic Cracker (PFCC) which would generate 500 Thousand Metric Tonnes Per Annum (TMTPA) of Propylene. The Propylene produced can be the feedstock for the petrochemical venture. BPCL has been talking to major players in the petrochemicals business for jointly setting up a petrochemicals complex in the vicinity of the refinery. The completion of the expansion project and the entry into the petrochemicals segment will be a major milestone in BPCL's efforts to enhance value for all its stakeholders.

During the year 2012-13, both the refineries have delivered excellent margins. The Gross Refining Margins (GRM) of the two refineries are amongst the highest in the public sector. Although the average spread between heavy and light crude oil in 2012-13 was lower as compared to 2011-12, the two refineries were able to deliver strong GRMs. There has been a strong focus on optimal inventory management of crude oil, given the volatile nature of price movements in the international markets. This has also contributed towards BPCL realising better margins than its peers. As per the latest trends, the spread between heavy and light crude oils could remain at the same levels as in 2012-13. However, the volatile nature of the price movements of crude oil and finished products would pose a major challenge to the refineries. The possible change in the method of computing the under-recoveries on the sale of sensitive petroleum products could also pose a challenge to the refineries, owing to its effect on the GRMs.

The sale of transportation fuels like MS and HSD has been increasing at a healthy rate. The growth in the sales volumes are expected to continue, given the rising levels of the middle class population in the country. BPCL is working towards maintaining its edge in the market place. Apart from commissioning over 1000 new retail outlets during the financial year, BPCL has been concentrating on upgrading the outlets, sustaining service levels and providing innovative solutions to the needs of the consumer. The distribution infrastructure is also being strengthened to cater to the growth in demand. With its strong brand image, BPCL is well placed to achieve sustained growth in the market place. However, the retail segment will continue to pose major challenges. The sluggish growth in several sectors of the economy, including the Automobile sector could lead to a slowdown in the pace of growth in the demand for auto fuels. Also, there is a possibility of greater competition from private players, since pricing of MS is already decontrolled and sale of HSD to industrial consumers is at market determined prices. Even in the case of sale of HSD through retail outlets, the small increase in price made every month would ultimately align the selling price with the market price. At the same time, the volatile conditions in the international market could lead to a spike in HSD prices and lead to higher levels of under-recoveries. The retail segment will thus, remain extremely demanding. Also, getting land for setting up new outlets and renewal of leases in respect of existing sites continue to be difficult. BPCL remains confident of holding its own in the market and continuing to be the preferred choice of the customer. This is amply reflected in the fact that BPCL was the market leader amongst public sector oil marketing companies in 2012-13, in terms of the growth rate in the sales of both, MS and HSD in the retail segment.

The LPG business has seen significant changes in the year 2012-13. The Government of India has introduced major changes in the domestic LPG segment in an attempt to control the burgeoning level of subsidy for domestic consumers. Capping the number of cylinders that each consumer is entitled to, tracking and eliminating multiple connections with the same consumer and direct transfer of subsidy are steps in that direction. These measures will ultimately help by controlling the extent of under-recoveries suffered by the oil marketing companies. It would also result in regulating the growth in the sales volume of domestic LPG. As such, the non-domestic sector, where pricing is decontrolled, assumes greater significance. BPCL is concentrating on enhancing its presence in this segment and is also continuing its efforts to optimise the logistics and operating costs.

In addition to being the most competitive segment of the market, the fortunes of the Industrial & Commercial business are closely linked to the growth of the economy. Also, the availability of gas and its price has a major impact on the business. The domestic gas production has been coming down and the price of imported gas remains a major hurdle for many consumers. In this scenario, there are opportunities for enhanced sale of products like Naphtha. Decontrol of the price of HSD, which is sold to the industrial segment, has adversely hit the sales volumes of the business. The overall environment is therefore, extremely challenging. BPCL is concentrating on enhancing its share of business of high margin products, optimising the cost of placement of product and having a major presence in the bunkering segment.

BPCL continues to develop and grow its Gas business. The commissioning of the new LNG terminal at Kochi will provide a boost to the business. There are however, local issues which may delay the completion of the pipeline infrastructure. BPCL continues to explore various opportunities for tying up its requirements for gas in the coming years. BPCL has signed a MOU with Oil & Natural Gas Corporation Limited (ONGC) and Mitsui of Japan to conduct a feasibility study for setting up a USD 500-750 million Liquefied Natural Gas (LNG) import terminal at Mangalore. Being a long gestation business, these initiatives will take time to generate revenue. BPCL's joint venture companies in the area of City Gas Distribution are continuing to strengthen the business in the cities where they are operating. The uncertainty on the matter of tariffs to be charged by Indraprastha Gas Limited, a joint venture promoted by BPCL, will continue till the final resolution by the Supreme Court.

The sluggish economic growth in the country could make it difficult for the Lubricants sector to grow at a reasonable pace. The Lubes business is characterised by a large number of players, due to which it is highly competitive. The volatile prices in the international market and the depreciation of the Indian currency would be major challenges for the business. BPCL is looking at opportunities for leveraging its own source of Group II+ Base Oil to tie up with leading Original Equipment Manufacturers in the Automobile industry. BPCL is also working towards strengthening its share of the retail segment of the Lubricants market by using its vast network of outlets selling transportation fuels of MS and HSD.

The Aviation business is dealing with major challenges. Demand for Aviation Fuel has reduced in 2012-13 on account of one of the leading private airlines having to shut operations owing to financial difficulties. Although the public sector oil marketing companies dominate the ATF market in the country, the introduction of the open access system in major airports and permission for airlines to import ATF

directly could alter the scenario. BPCL continues to work towards retaining its strong presence among foreign airlines operating in the country. At the same time, it is looking at enhancing its share of business from the private airlines in the domestic market and the defence segment. BPCL is also looking at opportunities for taking a stake in new airports planned in different parts of the country. The global economic environment will have a significant effect on the business. BPCL is also seeking to optimise the logistics costs with the commissioning of ATF pipelines to the Mumbai and Kochi airports from the two refineries.

BPCL is moving forward in its initiative in the upstream segment, which is being undertaken by the wholly owned subsidiary company, Bharat PetroResources Limited (BPRL). The company currently has participating interests in 25 blocks which are in advanced stages of exploration/ appraisal. The company's portfolio of assets is located in six countries in some of the most coveted basins. BPRL has partnered with some of the leading companies in the world in the area of exploration and production. A total of 17 discoveries have been announced till date in the blocks where BPRL has participating interests. There are plans of drilling another 25 wells in these blocks in 2013-14. The fields in Mozambique, where major discoveries have been announced, have attracted premium valuations, clearly indicating their immense potential. There are major challenges ahead, particularly the huge investments to be made in the development phase. However, these fields hold immense potential of generating great value for the Company and the shareholders in the coming days when demand for gas is expected to be quite robust. The foray into the upstream segment is therefore, expected to make a significant contribution in the valuation of BPCL as an entity.

RISKS, CONCERNS AND OUTLOOK

The public sector oil marketing companies are currently being compensated for the under-recoveries caused by the sale of HSD, LPG (Domestic) and SKO (Domestic) at controlled prices which are lower than costs. The Government of India has been looking at introducing changes in the method of computing the under-recoveries on these products. An expert committee has been appointed to study the issue. Any change carries the risk of adversely affecting the refining margins. This is a major risk for the refineries at Mumbai and Kochi.

Changes in the methodology of computing under-recoveries on sale of sensitive petroleum products could also impact the viability of the capital projects that are currently underway at the two refineries. This is a key risk, considering the quantum of investments that have been committed at Kochi and Mumbai Refineries.

There is also a risk of non-availability of product from product refiners, if there are changes in the methodology of computing the refinery transfer prices, as such refineries may opt to export their production instead of making the same available to the public sector oil marketing companies. In such a situation, costly imports may have to be resorted to, in order to avoid product availability issues.

The Indian rupee has sharply depreciated against the US dollar in recent months. The country's economic growth could be affected, which in turn can lead to reduction in the energy demand and in particular for oil and gas. The price of crude oil in the international market also remains volatile. Although oil prices had reduced in the international markets, the weakening rupee has eroded these gains. In this situation, any slowdown in key sectors of the economy can have a major impact on companies like BPCL.

Although there are risks and concerns in the operating environment, there have been a number of mitigating factors. The phased increase in the selling prices of HSD is well on course. The Government of India has been prompt in disbursing the cash towards its share of the compensation towards under-recoveries. This will have a favourable impact on the cash flows and thereby, on the interest cost. Implementation of major projects is progressing well. The upstream initiative continues to hold immense potential for BPCL in the coming years. The marketing businesses have held their own in the market place and are focussing their attention on getting ready for the inevitable increase in the level of competition from the private players. BPCL is therefore, fully geared up to meet the challenges in the market and is confident of growing at a fast pace.

PERFORMANCE

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

REFINERIES

The two refineries at Mumbai and Kochi delivered excellent results in 2012-13 on all fronts. The total throughput of the two refineries during the year stood at 23.21 MMT, as compared to 22.91 MMT achieved in 2011-12. The refineries thus, achieved a capacity utilisation of 107.95% in 2012-13.

Mumbai Refinery achieved a throughput of 13.10 MMT of feedstock (crude oil and other feedstock) as against 13.35 MMT achieved in 2011-12. This represents a capacity utilization of 109%, as compared to 111% in the previous year. The reduction in throughput as compared to the previous year can be attributed to the planned shutdown of two crude processing units for undertaking turnaround activities. Kochi Refinery achieved its highest

level of throughput in a single financial year. The throughput of 10.1 MMT in 2012-13 surpassed the previous best of 9.56 MMT which was recorded in 2011-12.

During the year, Mumbai Refinery achieved its highest ever production of Propylene (C3), MS (Euro III MS), HSD, Bitumen, Liner Alkyl Benzene Feed Stock (LABFS) and Lube Base Oils. By processing external reformate sourced from Kochi Refinery and through imports, Mumbai Refinery was able to meet the demand for Euro IV grade auto fuels. Production of 1184 TMT of Euro III MS, 4292 TMT of Euro III HSD, 229 TMT of Euro IV HSD and 423 TMT of ATF during the year were the highest ever production from Kochi Refinery.

The GRM at Mumbai Refinery during the year was USD 4.67 per barrel, which is significantly higher than the level of USD 1.73 per barrel realized in 2011-12. This translates into an overall gross margin for the refinery of ₹ 2,499 crores in 2012-13, as compared to ₹ 831 crores in the earlier year. During the year, Kochi Refinery recorded a GRM of USD 5.36 per barrel, as against the GRM of USD 3.09 per barrel in the previous year. The total gross margin of ₹ 2,211 crores in 2012-13 is the highest ever recorded by Kochi Refinery in a single financial year.

The higher GRM in Mumbai Refinery for the year 2012-13 can be attributed to higher distillate yield, favorable crude mix and better product cracks coupled with reduction in octroi under-recovery on account of implementation of State Surcharge (SSC) Recovery Scheme. Better product cracks (realisation), improved reliability of major units and improved steam management leading to lower fuel and loss have enabled Kochi Refinery to achieve higher GRM during the year.

During the year, Mumbai Refinery adopted several measures to improve the refining margins. Higher on-stream factor of process units, optimized crude mix to improve distillate yield, continued usage of Re-gasified LNG (RLNG) and recovery of Hydrogen from CRU off-gas, implementation of Advanced Process Control (APC) in the DHDS complex, maximization of Bitumen production, increased Propylene production, maximum absorption of Kerosene in the Diesel pool and optimization of blend streams to increase Euro III MS production were some of the improvement measures undertaken in Mumbai Refinery.

Mumbai Refinery had embarked upon the "Refinery Performance Improvement Program" (RPIP) in an effort to improve its bottom line. This initiative, which is guided by Centre for High Technology (CHT) under the auspices of Ministry of Petroleum and Natural Gas (MOP&NG), had commenced in 2010-11 with the assistance of M/s. Shell Global Solutions. Various schemes related to energy saving and margin improvement identified during this study have been implemented and these are showing encouraging results. First prize under the Jawaharlal Nehru Centenary Awards (instituted by MOP&NG) for Energy Performance of Indian Refineries for the year 2010-11 was awarded to Mumbai Refinery.

Mumbai Refinery had implemented a state-of-the-art "Business Process Monitoring and Intelligence" system (BPMAI) – a portal that facilitates monitoring of "Key Performance Indicators" (KPI) of Refinery performance in 2011-12. During the year, additional functionalities have been implemented and the system has now evolved into an online monitoring and decision making tool which has been widely used by all functions in the refinery. Mumbai Refinery won the "Nasscom IT User Awards 2012" under the "Energy - Oil & Gas Sector" Category for implementation of the BPMAI system. In Kochi, the emphasis on Quality Circles as a key improvement initiative continued. The refinery has 18 Quality Circles spanning functional areas like Manufacturing, Power & Utilities, Maintenance, Oil Movement & Storage, Finance and Human Resources. The Quality Circles have been exposed to industry best practices through training programs, industry visits and competitions. The internal training programs for employees also cover quality circles in detail with a view to promote this concept further.

The Refinery Quality Assurance System at Mumbai Refinery strived to achieve the highest quality standards through meeting the requirements/standards of reputed external certifying agencies and accreditation bodies like National Accreditation Board for Testing and Calibration (NABL), Directorate General of Civil Aviation (DGCA), International Organization for Standardization etc. The Refinery laboratory continued to perform well in the international laboratory proficiency testing scheme run by Shell Global with 97% rating. Kochi Refinery's Quality Control Laboratory continued its participation in the Shell Main Products Correlation Scheme of M/s. Shell Global Solutions, Netherlands and obtained a score of 100% seven times for satisfactory performance in the scheme during the financial year 2012-13.

High safety standards were maintained during the year at Mumbai Refinery leading to good all-round safety performance. Many new initiatives were undertaken for safety propagation, such as publishing safety booklets on various topics, conducting hands-on training on scaffolding and behaviour-based safety training for the front line officers, development of an animated cartoon film for training contractor workers, safety film for visitors, live demonstration of the fall arrestor system at

the Continuous Catalytic Reactor (CCR) project site and display of standardized safety posters in various plant areas. New Emergency Response & Disaster Management Plan of both the refineries was prepared as per guidelines given by Petroleum and Natural Gas Regulatory Board. As at the end of the financial year, Kochi Refinery achieved 30.40 million man-hours equivalent to 2,649 days of operations without any Lost Time Accident. Mumbai Refinery achieved 3.0 million man-hours without any Lost Time Accident as on 31st March , 2013. The refinery also introduced Inter Section Safety Awards during the year to encourage self-propelling actions among all Sections for an overall improvement on the safety performance of the Refinery. A monthly Safety Report from contractors for efficient tracking of safety promotional activities and incidents was introduced at Kochi. This was made mandatory for contractors who are employing more than 50 contract workers. A Behavioural Based Safety (BBS) training program was also imparted at the refineries. At the recent Oil Industry Safety Directorate (OISD) Awards 2011-12, Mumbai Refinery won the award in the category of Individual Contribution towards Safety by Shri H.G. Sayyad, Loco Driver, Trombay Despatch Unit, for his exceptional alacrity and action in preventing a major accident.

On the environmental conservation front, Mumbai Refinery continued the use of RLNG to replace liquid fuels, which has contributed to the reduction of CO_2 and SO_2 emissions from the refinery. Rainwater harvesting schemes helped in utilising around 28,500 Kls of water. Focus on water conservation helped Mumbai Refinery in using more than 4,60,000 Kls of treated water in various cooling towers, thereby reducing raw water consumption. Carbon footprint and carbon management are major focus areas for Governments and organizations around the world. As a first step towards Greenhouse Gas management, a Carbon footprint study was completed in September 2012 at Mumbai Refinery. Based on the study, an Assurance statement was issued as per GRI guidelines and ISAE 3000 by M/s. Ernst & Young. The continuous uploading of online ambient air quality data to the Central Pollution Control Board (CPCB) server was successfully commissioned in both the refineries. Fuel savings, as a result of the energy conservation measures implemented in Kochi Refinery during the year 2012-13, correspond to a total savings potential of about 14,455 tonnes of fuel oil equivalent. During the year 2012-13, Kochi Refinery received the State Pollution Control Award – 2011 (First Position) from Kerala State Pollution Control Board for making substantial and sustained efforts towards pollution control.

The two refineries continued to lay strong emphasis on training and skill upgradation of employees. Mumbai Refinery organized several strategy workshops, functional programs, people management skills and on the job training. A total of 8,090 man-days of training were organized, providing opportunity to all Sections of employees to upgrade their learning and skills during the year. Employees were also exposed to various programs organized by premier institutions in India. Mumbai Refinery's learning initiative, "Refinery Tech-Know League," which nurtures young talent, bagged a coveted award at the 4th Annual Chief Learning Officers Summit India, Mumbai. During the year, 2,325 employees at Kochi were given training. A series of competency enhancement workshops on compassionate communication, personal effectiveness, managing self, managing others, VLPs, mentoring etc. were conducted for the management staff. Outbound experiential learning programs were conducted for the Project Team and officers of the Operations group. In addition, 265 management and non-management staff were sent for training programs organized by external institutions in India to keep them abreast of global trends. As a capacity building exercise for the Project Team at Kochi, a new initiative, "Learn from the Leader" was undertaken during the year. Eminent leaders like Dr. E. Sreedharan, who have demonstrated their strength in leading successful teams in implementing mega projects, shared their rich and varied experience in the area of project execution with the officers of the team.

Social welfare and development remains at the core of BPCL's corporate social responsibility philosophy. BPCL aims at bringing about qualitative changes in the lives of the surrounding community through well planned and coordinated social welfare initiatives. The two refineries have been in the forefront of these initiatives. Mumbai Refinery commenced the 2nd phase of "Project UTKARSH," which has been scaled up from 10 schools to a total of 25 schools in and around the refinery. Under this welfare scheme, students were offered help to complete their SSC exams successfully and subsequently, to take up vocational courses and also admission in ITI, Karjat. Scholarships were awarded to deserving students from schools in Chembur near the refinery. Free medical camps were conducted at Mahul, Karjat & Washala. With a view to safeguard the environment, a Green Earth Campaign 2012 was initiated and 7,200 saplings were planted in and around Mumbai. Kochi Refinery installed a Biogas plant for producing Biogas from canteen waste. The Biogas so obtained is utilized in the canteen for cooking and the solid waste from the Biogas plant is used as manure. Kochi Refinery received the Excellence Award from Kerala Management Association in recognition of CSR activities undertaken in various spheres.

As a group, BPCL is well placed in terms of having access to its own refining capacity for serving the key markets of the country. However, as the energy demand increases, there will be a need to increase the product availability.

The project for increasing the refining capacity at Kochi is currently underway. Two major projects are under implementation at Mumbai Refinery which will ensure that BPCL has access to sufficient quantity of finished product meeting the latest quality specifications which will be needed to serve the market efficiently. However, there would be major challenges including possible policy changes, availability and cost of funds etc. BPCL remains confident of being able to face the challenges and grow in the market.

RETAIL

The Retail business in the oil industry continued to witness major changes during the year. The policy of permitting public sector oil marketing companies to make small increases every month in the price of HSD, coupled with the easing of prices at the beginning of the current financial year in the international market, brought down the quantum of under-recoveries on its sale. This was also helped by the fact that sale of HSD to the industrial and commercial segment is currently at market determined prices. Till the time the rupee depreciated sharply towards the end of June 2013, there were expectations that the under-recoveries on HSD could be eliminated fully over the next few months. Even after the fall in the value of the rupee, if the international prices do not increase significantly, the retail selling prices of HSD are likely to get aligned to the market prices over a time frame of 18 - 24 months. With MS pricing already decontrolled, the alignment of HSD prices to the market prices will give rise to increased competition from private players who are bound to re-enter the markets. During the year, the Retail business delivered excellent results on all fronts. The total sales volume of the business reached a level of 22.52 MMT, which represented a growth of 9.6% over the volume sold in the last year. Amongst the oil marketing companies, BPCL recorded the highest sales growth in the retail segment. BPCL's sales volume of MS in 2012-13 stood at 4.43 MMT, as against 4.14 MMT recorded in the previous year, representing a growth of 7%. In the case of HSD, the total sales volume stood at 16.61 MMT, as against 14.81 MMT in 2011-12, giving a growth rate of 12.2%. BPCL's growth in the sales of both, MS and HSD was the highest in the industry. This has resulted in BPCL increasing its market share in MS by 0.5% and in HSD by 0.8% during the year. The sale of branded MS and HSD however, declined in line with the trend witnessed in the last few years. In the alternate fuels segment, BPCL recorded a growth of 10.9% in the sale of Compressed Natural Gas (CNG) where the sales volumes for the year stood at 257.6 TMT. BPCL also recorded a sales volume of 50.2 TMT of Auto LPG.

With the consumer at the core of the business strategy, emphasis during the year was on an aggressive customer acquisition program. Many consumer-oriented promotions were launched across the country for retaining existing customers and acquiring new customers. With the objective of market expansion and penetration, BPCL commissioned 1257 new retail outlets during the year out of the 4223 outlets commissioned by the oil industry as a whole. Focus continued to be put on ensuring the best service standards at the forecourt. BPCL's throughput per outlet remained the best in the industry at 188 Kl per month. This is higher than the industry average by almost 20%. BPCL's highway retailing strategy encompassing OSTS - GHAR for truckers, Highway Star initiative coupled with SmartFleet program for fleet owners and highway truckers, continued to deliver high performance during the year 2012-13. Effective working capital management was another priority area with the Real Time Gross Settlement (RTGS) system accounting for almost 99.6% of the total collections of the business.

Gaining long term customer loyalty remains a strong strategic focus for the business. 'Petro Bonus' and 'SmartFleet' programs are part of the process of identifying and 'fortifying' the 'profitable customers' and rewarding them for their patronage. 'Petro Bonus' addresses the requirement of the individual vehicle owner segment, whereas 'SmartFleet' addresses varied B2B sectors like fleet owners, telecom customers and large companies. The programs have been running successfully for over a decade. Today, the programs clock around one lakh transactions every day at BPCL outlets spread across the country. The pioneering loyalty programs of the Company recorded an all time high turnover of over ₹ 18,000 crores during the year.

The Allied Retail Business (ARB) achieved a turnover of ₹ 405 crores during the year 2012-13 and the ARB income during the year was ₹ 21.94 crores. The network of 174 In & Out stores and 38 outlets with alternate Retail formats is by far the largest organized convenience retailing proposition in the country. Convenience Shopping (In & Out Stores and Alternate Retail Formats) turnover stood at ₹ 183 crores with a growth of 5.7% generating an income of ₹ 5.73 crores. During the year, 43 stores achieved the distinction of having sales in excess of ₹ 0.1 crore per month and 22 stores had sales in excess of ₹ 0.2 crore per month.

The "Pure for Sure" (PFS) initiative launched a few years ago was an effort to meet customer requirements in terms of correct quantity and correct quality. The commitment to deliver value to the customer remained in the forefront, with a strong focus on strengthening the service and operating standards of the network of "Pure for Sure" retail outlets. During the year, the PFS norms were tightened and a total of 4152 retail outlets have been re-certified under the revised PFS banner during the year. Almost 69% of the total volume sold in the BPCL network is through the

PFS certified outlets. BPCL has also launched the PFS Platinum program covering select Dealers, offering a fully computerized environment at the outlet. These outlets are monitored through CCTV and other processes from a specially dedicated centre in Mumbai. So far, BPCL has 200 outlets under this program. BPCL currently has 3520 outlets which have been automated. The Company has put in place a customised solution called BRASS (Bharat Petroleum Retail Outlet Automation System & Solution) to facilitate and monitor bulk receipt, stock management, forecourt sales and overall MIS, thus helping the dealer and the Company to manage the seamless chain of operations effectively. Of this, 3208 outlets have been made as NANO compliant, whereby these outlets comply with the norm No Automation No Operation. As a proof of service and to ensure transparency in transactions at the forecourt, BPCL has leveraged technology by intimating the customer through SMS on details like name, rate, date, time , quantity and amount of the product, including name of the outlet where the customer has fuelled his/her vehicle. BPCL is the only oil marketing company which has this functionality in the automation system, touching more than 2.5 lakh customers every month.

A specifically designed module has been developed to remotely monitor product inventory in the underground tanks at select non-automated outlets using a Tank Gauging System having density measurement functionality. This is the first of its kind and has been initiated at 10 outlets as part of seeding the concept. BPCL has also undertaken an exhaustive pilot study of Green Lighting technology viz. LED (Light Emitting Diode) and Induction which has the potential for reducing the energy cost significantly.

Cross country pipelines achieved the highest ever performance during the year, with total product movement of 12.17 MMT through the Mumbai-Manmad-Manglia-Bijwasan pipeline, Kochi-Coimbatore-Karur pipeline and Bina-Kota pipeline. All India rail movements crossed 10.98 MMT during 2012-13, which is 7.7% higher than the previous year. Excellence in operations has ensured that product losses were kept well within the norms.

The Retail business is BPCL's biggest and one where BPCL has traditionally been strong. BPCL is striving to maintain its leadership position in this segment. The ongoing issue of under-recoveries on the sale of MS (earlier) and now HSD, has meant that private players have stayed away from the market to a large extent. With deregulation of the pricing of MS and the gradual linking of selling price of HSD to the market price, competition is slated to increase significantly. BPCL is gearing itself to operate in the emerging environment and continue its robust performance in the Retail business. Investments are being made to augment the infrastructure and also develop a strong pool of Human Resources to take the business forward. With its strong focus on excellence in operations and customer service, BPCL remains confident of being able to retain its premier position in the Retail business in the days ahead.

INDUSTRIAL AND COMMERCIAL

The Industrial & Commercial segment faced three distinct challenges during the year. The slowing down in the overall economic growth and in particular, the sluggish pace of growth in industrial production, had an impact on the demand for industrial fuels. The volatility in the international crude oil and product prices and depreciation of the rupee, has resulted in consumers looking at alternatives to the use of oil. The policy change of the Government of charging market related prices to the Industrial & Commercial consumers of HSD has led to a sharp decline in volumes of the Industrial & Commercial business. Notwithstanding the challenging environment, BPCL remained the only public sector oil marketing company to record a positive growth in 2012-13 over the sales volume of the previous year. The sales volume increased marginally from 4.66 MMT in 2011-12 to 4.70 MMT in 2012-13, representing a growth of 0.9%. The growth was mainly due to the increase in the sales volume of Naphtha and Low Sulphur Heavy Stock (LSHS), which have registered an impressive growth of around 30% over the last year. The growth in the sales of these products can be attributed to the increased demand from the power sector. BPCL has played its role by ensuring continuous supplies to the power plants, particularly in Southern India. BPCL also emerged as leader in the industry in respect of Fuel Oil sales, where the market shrank by nearly 17% during the year. BPCL ensured that its volumes reduced by only about 5.8%. BPCL's foray in the packed Bitumen export markets of Bhutan and Nepal are also poised to deliver their promise in the years ahead.

The introduction of dual pricing of HSD in January 2013 has meant that all the products handled by the Industrial & Commercial SBU are subject to free market pricing. Industrial sales of HSD are now at market determined prices, while the retail trade continues to be subsidised. The immediate impact of this change has been a substantial reduction in the volume of HSD sold to industrial customers. If the international prices of HSD remain stable and considering that the prices of HSD sold to retail consumers are being gradually aligned to market prices, BPCL is confident that in the days to come, these volumes will pick up once again.

The Industrial & Commercial SBU is gearing up to market new products like Pet Coke and Polymer Grade Propylene, as well as the higher production of Sulphur, after the ongoing expansion of Kochi Refinery. BPCL remains committed to providing innovative, value-added and customer centric services to compete more effectively and retain its position in the dynamic market.

GAS

During the year 2012-13, BPCL handled 1228 TMT of RLNG, as compared to 1070 TMT handled during the previous year. This represents an increase of around 14.8% over the volume handled in the previous year. The Gas business unit supplied 316 TMT of gas to Mumbai Refinery for meeting their internal requirements. The balance quantity of 913 TMT of gas was supplied to various customers in the fertilizer, power and other sectors. During the year, BPCL commissioned four new customers for supply of LNG through tank trucks; more of such customers are being firmed up.

A new initiative undertaken during the year was the launch of a portal for enabling the customers for online nomination, and monitoring of contracted quantities on a daily, weekly and annual basis. This has made key information easily accessible and has been well received by the customers.

BPCL is actively pursuing its ambitious plans of expanding its presence in the Gas business. The joint venture companies that will execute the project for laying, building and operating three cross-country gas pipelines, which was awarded to the consortium where BPCL is a member, have been incorporated and preliminary work has commenced. BPCL has signed a MOU with ONGC and Mitsui of Japan to conduct a feasibility study for setting up a USD 500-750 million Liquefied Natural Gas (LNG) import terminal at Mangalore. The commissioning of the Kochi LNG terminal being set up by Petronet LNG Limited will enhance the volume of gas available to BPCL. The demand for gas is expected to keep increasing in the coming years. At the same time, gas from new sources like Mozambique is expected to become available in India. BPCL is therefore, confident of being able to become an important player in the domestic gas arena.

LUBRICANTS

The Lubricants business continues to be extremely competitive, with scores of Lubricant marketing companies competing for a rather stagnant volume. Though the public sector oil marketing companies have a major share of the market, especially in the industrial segment, sustaining market share in retail and Bazaar has posed a major challenge. Major players like Castrol, Shell, Total and domestic companies like Savita, Ipol etc. are making the market extremely competitive with product upgradation/innovation as well as customer centric offers. However, considering the present market share of BPCL's flagship MAK brand in the Indian Lubricants market, there are immense opportunities available for growth in the coming days.

The difficult economic scenario has resulted in the sales volume of lubricants of the public sector oil marketing companies showing only a marginal growth of around 1.3% over the previous year. In the public sector, BPCL has achieved the highest growth of around 6.9% over the previous year. The sale of value added finished products grew by a modest 3.2%. However, the sale of Base Oil grew by 17%, as compared to an industry average of less than 1%.

In the retail channel, primary focus continued to be on increasing forecourt sales by focusing on customer service at the retail outlet. Initiatives like Quick Oil Change (through MAK QUIK) and One Day Wonders continued to provide better visibility of the MAK brand at retail outlets. This also helped in improved value generation for both, BPCL and the channel partners. Efforts were also made to arrest the shift of demand from retail outlets to the Bazaar segment, to bring back the customers to retail outlets by providing more value added offers and attractive customer centric schemes.

In the Bazaar segment, innovative, attractive and fast changing offers from competitors made the business scenario extremely challenging. Sustaining the volume from existing Primary Lube Distributors and expanding the market in unexplored areas was the mantra to compete in this highly competitive market. During the year, a large number of channel partners in the Bazaar segment were commissioned, which will help in achieving robust growth in future in this segment. Efforts were made to make the product available at the maximum point of sales and today, MAK is available across the country at more than 60000 retail counters, apart from small mechanic shops, authorised service stations etc.

The Direct channel continues to grow at a higher pace and posted a healthy growth of 6% though an aggressive customer acquisition process. The critical success factor in this channel has been prompt customer service and customised offerings to meet the technological development in equipment. During the year, new products were launched for specific applications like MAK 4T NXT, MAK Trac Magic +, MAK DZL ZENITH and MAK Gold Plus CF4 20W 40 for automotive manufacturers.

On the exports front, aggressive retailer enrolment in the Nepal market has paid rich dividends and growth in this

market has reached a level of 35%. Direct exports have also commenced to Afghanistan and South Korea. In addition to marketing through BPCL Distributors, products have also been exported directly to a few customers in Sri Lanka.

Original Equipment Manufacturers (OEM) have a major role to play in the Indian lubes industry. With OEMs aiming to introduce new models with improved engine technology, BPCL as a lube marketer will need to keep pace with the latest technology. Also, apart from sales, service assumes great importance as a business model for auto manufacturers and their channel partners. The authorised service stations are trying to enrol their customers, since post warranty Lube sales plays an important role in their overall business profitability. BPCL continued its focus on the OEM business and entered into two major alliances. These would help in increasing BPCL's market share in this segment significantly. To strengthen the existing tie-ups, two new grades were introduced in the existing product portfolio of OEMs.

Research & Development forms the backbone for the Lubes Business, to achieve higher growth and better profitability through development of several new formulations and alternate formulations for the existing Lube and Grease products. Rigorous trials have been successfully completed of newly developed Gas Engine Oil in stationary gas engines for a leading multinational gas engine manufacturer. MAK is the only Indian Brand and 5th Global Brand to be approved by this global player, giving immense competitive advantage. Several new products including advanced Diesel Oil for new generation Diesel engine vehicles, Universal Tractor Transmission Oil, Agriculture Oil and customer specific Shock Absorber Oil were developed, in addition to alternate formulations for existing grades.

Brand MAK has emerged as one of the strong brands in the Indian lubes market and aggressive strategies have been planned to expand the distribution network and launch new innovative and environment friendly products, with a view to gain a competitive edge and achieve sustained growth in sales volumes.

LPG

Over the last few years, the LPG business has been characterised by continuing under-recoveries on the sale of domestic LPG cylinders, which had a major impact on the cash flow of the public sector oil marketing companies. During the year 2012-13, the Government announced some far-reaching measures which are aimed at reining in the quantum of under-recoveries on the sale of domestic LPG. A cap of six cylinders per year at the subsidized rate was introduced for each domestic consumer. The cap was subsequently increased to nine per year. Any additional cylinder over the cap was to be supplied at market determined rates. Simultaneously, oil marketing companies initiated steps to weed out multiple connections within the same household and stringent Know Your Customer (KYC) norms were put in place.

These measures, which were aimed at controlling the subsidy burden, led to a dip in the sale of domestic LPG, particularly in the second half of the year 2012-13. BPCL's total LPG sales for the year 2012-13 stood at 3884 TMT, with market share of 25.9%. BPCL also enrolled 30.6 lakh domestic customers, taking the customer base to 373.8 lakhs by the end of the year. In line with 'Vision 2015' of the Government of India, an exclusive Rural LPG Distributorship scheme known as the 'Rajiv Gandhi Gramin LPG Vitaran Yojana' (RGGLV) was launched in 2009-10. During the year 2012-13, 219 RGGLV Distributors were appointed, taking the total number to 532. As on 1st April, 2013, 7.9 lakh households in 17 States are using LPG for cooking under the above scheme. Besides, 80 regular Distributors were also commissioned during the year, taking the total number of LPG Distributors to 2949.

In the packed commercial segment, where LPG is sold at market determined prices, BPCL registered a growth of 7.5% in sales volume at 361 TMT during the year, enhancing market share from 31.4% to 31.7%.

During 2012-13, Bharat Metal Cutting Gas (BMCG), an industrial product with a niche market, attained sales volume of 8371 MT and registered a marginal growth of 3%. Besides, 200 MT of BMCG was sold overseas in Oman, Saudi Arabia, United Arab Emirates and Sri Lanka. Leveraging customer relationships and offering convenience to customers, BPCL continued its efforts under the initiative, 'Beyond LPG' which recorded a turnover in excess of ₹ 900 crores during the year.

A number of web-based initiatives on the 'e-bharatgas' site were introduced during the year, to bring about greater transparency and better accountability towards customers. A 'transparency portal' was launched on the site, wherein the number of refills supplied to customers in a given period and amount of subsidy availed can be viewed by the public. Customers can also view refill delivery pattern (Target Delivery Time) of a Distributor, can 'rate' their Distributor and also book refills and lodge complaints. Refill booking facility by SMS and IVRS has been extended to all major cities and towns in the country.

Further to the process of weeding out duplicate connections and establishing genuineness of customers through the 'Know Your Customer' exercise, a pilot project is underway to seed the 'Aadhar' numbers of customers into the LPG distribution package. This is essential to

implement the Government's ambitious plans for the Direct Transfer of subsidy to the consumer's bank account. This process has been implemented on a pilot basis in 20 districts during the current financial year. The system, when fully operational, will lead to 'direct benefit transfer' to the customer's bank account.

During the year 2012-13, BPCL has strengthened its LPG marketing infrastructure by commissioning a new LPG Bottling Plant of 30 TMTPA capacity at Bakania in Madhya Pradesh at an investment of ₹ 22 crores. Additional tankage was put up at two Plants with an investment of ₹ 30 crores. Upgradation of Bottling Plants was carried out by installing electronic carousels with an investment of ₹ 17.5 crores. In line with the demand, 3590 TMT filling was carried out in 49 Bottling Plants having installed capacity of 2975 TMT, registering capacity utilization of 120%. Plans have been drawn up for setting up new LPG Bottling Plants at Ranchi and Raipur. A new cross-country LPG pipeline has also been planned from Kochi to Coimbatore to evacuate increased production of LPG from Kochi Refinery.

BPCL had commissioned the LPG import facility at Uran near Mumbai in January 2012 at the Jawaharlal Nehru Port Trust, Uran. The facility, in its first year of operation, handled 300 TMT of imported LPG. During the year, a 'blender' has been added at an investment of ₹ 18 crores. This will facilitate the import of Propane and Butane separately for blending as per market requirements.

AVIATION

The Indian Aviation sector continued to operate in a tough environment, with one of the leading private players having to cease operations. Also, the Government owned carrier had to deal with cash flow constraints which was affecting operations. Some of the foreign airlines were also cutting down on their flights to the country. These issues had an impact on the sale of ATF during the year. In fact, the sales volume of ATF for public sector oil marketing companies in 2012-13 was lower than the volumes in the previous year by around 5.3%. Although BPCL also saw its ATF volumes decline, the fall was the lowest amongst the oil marketing companies. The Aviation business ended the year with a total sales volume of 1172 TMT, which was 1.5% lower than the volumes achieved in 2011-12. BPCL's market share amongst the oil marketing companies stood at 23% at the end of the year.

During the year, BPCL was able to enter into a long term contract with two new foreign airlines for meeting their fuel requirements. BPCL was also able to increase the contracted quantity with a leading domestic player. The year also saw the commencement of operations of the pipeline connecting Mumbai Refinery to the Fuel Farm at Mumbai Airport. The pipeline connecting Kochi Refinery to the Fuel Farm at Kochi Airport has also been commissioned recently. Besides operational convenience, these two projects have saving potential of approximately ₹ 8 crores annually and would help achieve supply chain efficiency.

During 2012-13, the business has entered into hospitality arrangements with other oil companies for sharing facilities with each other at specific airports. This will help BPCL to have a presence at more airports. BPCL has also signed a MOU with Kannur International Airport Limited for taking up an equity stake in the upcoming Greenfield airport in Kannur in Kerala. BPCL has signed an agreement with Bengal Aerotropolis Projects Limited for setting up the Fuel Farm at the Greenfield airport at Durgapur in West Bengal. Fuelling operations at the new airport have commenced recently.

The Aviation business remains a challenging one. However, the sector is expected to grow significantly in the coming years. The Government of India has been making major policy announcements with a view to promote investments in this sector. The construction of new airports is being put on the fast track. Foreign investments in domestic airlines are being allowed. These steps have already seen some key international players evincing interest in the country. With a new low cost airline about to commence operations, there will be opportunities for growth. BPCL is well placed to take advantage of the emerging situation and sustain its growth in the market.

PROJECT CUBE

Customer centricity has been the core of BPCL's strategy and in order to get closer to customers, 'Project CUBE' - Customer Understanding for Business Excellence - was launched. The key deliverables of Project CUBE are driving Volume, Value and Growth. Under this customer centric initiative, BPCL is focusing on increasing its understanding of the expressed as well as latent needs of the customers through extensive customer interaction. Apart from re-orienting the Company's approach, this initiative is also aimed at ensuring that BPCL is in a position to make available its entire product portfolio to the customer.

Considerable work has already been done as part of the Project. 'BPCL First' is an initiative which brings about significant alignment among the businesses to meet customer expectations in the best possible manner. This involved more than 2000 customer engagements in 14 cities across the country, which pointed out to the need for strengthening the basics in each business. Based on the outcome of this initiative, specific areas of work have been identified. This includes Enhanced Customer Service - to create a differentiation in the minds of customers and make BPCL the preferred brand; Complaint Redressal System (CRS) - to act promptly on all customer

complaints and feedback and Visibility - to build a strong brand image and convert these 14 cities to "BPCL cities". With a view to achieve Collaboration at the field level, cross business teams were formed at locations with a view to understand customer needs better. This has led to regular interactions amongst different businesses and facilitated the exchange of relevant information about each other's offerings and initiatives. By presenting a single face to the customer, the potential for cross-selling was leveraged by retaining the technical edge of each business in terms of the products it markets, while providing ease of access to customers. Efforts are on to make the Retail, Lubes and LPG businesses engage in a mutually beneficial way with the channel partners, to deliver the "last mile" promise of customer centricity. An integral part of this engagement is also, to develop a Knowledge Management System for all channel partners. A lot of impetus has also been given to analyzing data and trends for better understanding of customers. This, going forward, shall prove to be the stepping stone for BPCL to take a giant leap from employing descriptive analytics to predictive analytics for taking key business decisions.

HUMAN RESOURCES

'Development of People' being one of the seven core values of BPCL, several initiatives have been undertaken in this area over the past few years. Also, BPCL has been expanding its horizons and ambitious growth plans have been drawn up for the coming years. Having the right talent will be a critical factor for the success of these plans. There will also be a need to have a robust succession plan in place to ensure seamless transition from one generation of leaders to the next.

Building upon past learnings, experience and the current business needs, the new Talent Management Framework - 'ASCEND' was taken forward during the year. The program has unleashed positive energy in the Organization. Collective conversation on the Human Resources of the Company is building significant insights and opportunities for future HR processes. The exercise will help placing the right candidate in the right role and build a robust leadership pipeline across multiple levels. The Integrated Career Development Framework (ICDF) is ready to be rolled out, which will bring transparency and consistency in HR processes and also empower the individual to discuss his/her career aspirations. This framework mandates the geographical, cross-business and cross-functional experiences required at each level, to qualify for moving up the ladder. Further, to support the Succession Plan, a 'Learning Framework' has been designed and rolled out, which will meet the learning requirement of every individual at the appropriate time in their careers. The framework delineates a set of training programs as per competencies (leadership and functional) for every role. BPCL has engaged 'SuccessFactors,' an arm of SAP, to provide a robust technology platform for synchronizing the above frameworks and carrying out the HR processes seamlessly, leveraging 'Technology' and 'Talent' in the true sense.

BPCL's business has been witnessing a shift in business processes and operations. With continual infusion of technology, there is a shift from labour intensive operations to knowledge intensive operations, needing higher competency and capability levels among workmen. In consideration of these Organisational imperatives, under 'Project Praveenta,' BPCL has initiated a massive upskilling/re-skilling program for the workmen category, commensurate with expected role changes and job content influenced by Business process changes, technological upgradations and process improvements. The existing positions and jobs are being revamped and supported by requisite skill refurbishment measures.

Besides conventional training programs, BPCL continues to use several non-traditional methods of learning including storytelling, case study competitions etc. BPCL has also collaborated with world class e-learning solution providers like Harvard and 24x7 Learning etc. to optimize cost and time involved in training activities. BPCL also has a tie-up with a reputed business school for enrolling select officers to management development programs. 'Centres for Operational Excellence' have been institutionalized for the Retail & LPG SBUs with an intent to provide highly professionalised functional training programs in line with the ever-changing Business & related role requirements. A team from BPCL participated in the prestigious annual ISB-Ivey Global Case Competition 2013. The paper on the success of BPCL's upstream strategy was amongst the top 15 cases selected for publishing as ISB-Ivey Cases, through Ivey Publishing and Harvard Publishing.

In BPCL, innovation is embedded in its working culture. To nurture and encourage innovation on an ongoing basis there is a dedicated platform operating since more than a decade, called "IDEAS". During the year 2012-13 also, employees came up with progressive ideas and inputs, which influenced business positively and kept all processes and other projects in a 'continuous improvement' mode.

The Employee Satisfaction Enhancement (ESE) Cell continued its efforts, which are aimed at making BPCL 'A Great Place to Work'. One of the core objectives of the ESE Cell is to facilitate the process of redressing genuine employee grievances as quickly as possible and laying down a framework for prompt redressal of genuine grievances of all the employees, since these have the potential of lowering the morale and energy levels in the Organisation. The members of the ESE team undertake visits to the different offices and locations across the country, with a view to

have direct interactions with the people posted there and understand the problems that may exist. Once the grievance is brought to the fore, efforts are made to resolve the same at the earliest and if required, the involvement of the highest levels of the Organisation is sought.

The ESE Cell is also taking forward the Employee Assistance Program ESE - Roshni. Through the program, the employees and their family members can avail of counselling services provided by professional counsellors for which the costs are borne by the Company. The program is available to all the employees of the Company across grades. In addition, a number of articles relating to important topics like work-life balance, parenting etc. are made available to the employees. The ESE site on the Corporate Intralink is also used to circulate positive messages, inspiring stories and articles, which can help the employees in dealing with stressful situations in their day to day lives. Workshops are also conducted from time to time covering these aspects. These measures and initiatives undertaken by the ESE Cell have reinforced BPCL as a caring and employee friendly Organisation and immensely contributed in enhancement of overall satisfaction and well-being of the employees and making BPCL 'A Great Place to Work'.

INTEGRATED INFORMATION SYSTEMS

The year 2012-13 saw the Integrated Information Systems (IIS) function undertake the implementation of process improvements and new Information Technology initiatives which were aimed at bringing value to the Organisation.

After completion of the roll-out of the B2B integration for Oil Exchanges with the public sector oil marketing companies, the initiative was extended to private players like Essar Oil Limited, with whom there are oil exchange transactions. Electronic data exchanges reduce the huge manual reconciliation efforts and facilitate quicker settlement of payments.

The 'BPLPG Next' application has been rolled out at all the LPG Distributors, which helps the LPG business to manage all market facing activities in a more efficient way. The application will also enable the business to handle the changes that are being introduced in terms of capping the number of subsidized cylinders for domestic consumers, differential pricing of non-subsidized cylinders and for transfer of the subsidy amount directly to the bank account of the consumer. The latter has started on a pilot basis in 20 districts in June 2013.

As part of compliance to the new service tax laws introduced by the Government, the process of Service Tax under "Reverse Charge Mechanism" has been implemented, which will ensure correct service tax liability of the vendor/BPCL and facilitate availing of faster credit for BPCL.

In order to support the various talent management initiatives undertaken by the Human Resources function, a single page talent review format has been enabled for an effective talent review process. Work is currently on for implementation of 'SuccessFactors' for enabling Talent Management and Learning Initiatives. This will be the foundation for various talent management initiatives in the Company in future.

As part of the disaster preparedness for SAP systems, the Business Continuity Plan (BCP) was successfully tested on two occasions during the year. BPCL has also implemented a Security Incident & Event Management (SIEM) solution to proactively detect the threats from hacking, virus and malware attacks. The IT network infrastructure was also upgraded with the latest technology solutions for bandwidth management to provide a better response and rich experience to users. A new application was implemented for centralized procurement and distribution of desktops, laptops and printers to the staff across the organization, for effective control over budgeting, distribution and inventory of IT assets.

During the year, BPCL received awards from CIO magazine, CSI, EDGE and EMC for implementation of the Virtualization project. BPCL also received the SAP ACE Award 2012 for "Best run in Compliance" from SAP on the implementation of Governance, Risk and Compliance (GRC) processes.

HEALTH, SAFETY, SECURITY & ENVIRONMENT

BPCL continues to leverage workplace Health, Safety, Security & Environment (HSSE), including Sustainable Development (SD) as an ingredient of its business policies and strategic plans. Emphasis is given to make HSSE an integral part of each and every business activity and build a HSSE culture amongst internal and external stakeholders.

As part of the initiatives on Health & Hygiene, the location based trainers, trained under "Train the Trainer for Workplace Health & Hygiene' program, continue to impart training and share their expertise on a regular basis to sensitise all workmen at operating locations. Various Health Awareness programs were conducted at the Refineries and Marketing locations, which were aimed at enhancing work-life balance at the individual level.

During 2012-13, various HSSE Governance initiatives were undertaken to augment effectiveness of HSSE activities in BPCL. These included (i) Engagement of the field and Regional Role Holders through workshops, with the objective of augmenting the safety culture (ii) Top management involvement in assessment & review of the location HSSE climate (iii) Improvement in reporting/monitoring systems pertaining to HSSE through technological back-up (iv) Creating systems for

facilitating improvements in HSSE systems (v) Taking SD to a different level through field engagement and improving the measurement system (vi) Enhanced focus on fire protection & emergency preparedness at locations through practising DCMP & mock fire drills and (vii) Constant vigil at locations to safeguard security aspects. These initiatives have contributed towards the achievement of an "Excellent" rating with reference to the MOU Target for Accident Frequency Rate for 2012-13.

BPCL achieved an 'A+' level of reporting as per GRI-G3.1 (Global Reporting Initiatives) norms for SD for the year 2011-12. This is the 5th consecutive year that BPCL has achieved an 'A+' level of reporting as per GRI norms. All these reports were assured by an Independent Third Party Assurance Provider as per AA1000AS (2008) & ISAE 3000 international standards of assurance. BPCL has a SD policy in place and a Board level CSR and Sustainability Committee to review the performance in this area periodically. BPCL had undertaken six SD projects in accordance with DPE guidelines during the year 2012-13 and the same have been completed within the target. Outcome of a pilot project to map environmental parameters at Budge Budge installation provided encouraging results in environmental footprinting. BPCL's efforts on SD were acknowledged by the Parivartan Sustainability Disclosure Leadership Award for 2012.

INTERNATIONAL TRADE AND RISK MANAGEMENT

BPCL's dependence on imports for meeting the crude oil requirements of its refineries has been increasing. Ensuring timely supplies of crude oil to the refineries remained a challenging task in the year 2012-13. Supply of crude oil from domestic sources has been on the decline, owing to the reduction in ONGC's production volume. Supply of Mumbai High crude to Mumbai Refinery and Kochi Refinery came down from 6.05 MMT in the year 2011-12 to 5.79 MMT in the year 2012-13. Geo-political developments like the sanctions imposed on Iran, a major crude oil supplier, has made the task of imports more challenging.

BPCL's imports of crude oil rose from 16.27 MMT in the year 2011-12 to 17.00 MMT in the year 2012-13. Although efforts were made to increase the quantities imported under term contracts, the limited availability of low sulphur crude oil from West Africa meant that BPCL had to increase the quantity procured on spot basis. The ratio of "Term to Spot" was 72:28 in the year 2012-13, as compared to the ratio of 86:14 in the previous year 2011-12. With the enhancement of spot quantities, BPCL made renewed efforts to seek better terms and conditions with the suppliers, expanded the vendor base and added new grades of crude oil.

The international crude oil markets remained extremely challenging since the crude oil prices remained volatile. The year saw the prices of the benchmark Brent crude range from a low of USD 89 per barrel to a high of USD 125 per barrel. However, the average price of the imported crude oil in 2012-13 was lower when compared to the average price in the previous year. In value terms, the Free on Board (FOB) cost of imported crude oil amounted to USD 14.134 billion (₹ 76,950 crores) in 2012-13, as compared to USD 13.848 billion (₹ 67,287 crores) in the previous year. The average price paid by BPCL for the crude oil imported during the year 2012-13 stood at USD 110.27 per barrel, as compared to USD 112.40 per barrel in the previous year.

In the recent past, BPCL's dependence on import of petroleum products for meeting the market demand has been showing a downward trend. This has continued during the year, with BPCL's import of HSD coming down from 221 TMT in the year 2011-12 to 178 TMT in the current year 2012-13. Further, BPCL did not import MS in 2012-13, as against 317 TMT imported in the previous year. The total quantum of import of petroleum products declined from 1.26 MMT in the year 2011-12 to 0.87 MMT in 2012-13. This decline is also reflected in the import bill, which has come down from USD 1,251 million (₹ 5870 crores) in 2011-12 to USD 795 million (₹ 4293 crores) in 2012-13.

On the export front, there has been a declining trend. BPCL exported 3185 TMT (USD 2504 million) of refined petroleum products during the year 2012-13 as compared to 3486 TMT (USD 2946 million) during the previous year. Naphtha continued to remain as a principal component of export basket. However, the quantity came down from 1990 TMT in the previous year to 1788 TMT in 2012-13. The reduction in the export quantities and the lower prices in the international market have led to a lower realization from naphtha exports which declined from USD 1885 million in 2011-12 to USD 1637 million in 2012-13. Fuel oil export during the year 2012-13 was 1373 TMT against 1301 in 2011-12 with the sales realization of USD 860 million in 2012-13 against USD 879 million in the previous year. BPCL retained its position as a Premier Trading House - a recognition granted by Directorate General of Foreign Trade.

Optimisation of tanker freight cost continued to remain a focus area in the year 2012-13. Based on the freight economics, vessels of different sizes – Very Large Crude Carriers (VLCC), Suezmax and Aframax vessels, were used to bring crude oil from abroad to the refineries. Where possible, co-loading of cargo on VLCC vessels from discharge at two different ports was done, to avail the advantage of lower cost. A combination of time chartered vessels, voyage chartered vessels and vessels on Contract of Affreightment (COA) were employed for the import of crude oil. A major share of transportation

was contributed by spot chartered vessels. Out of the total crude oil imports of 17 MMT, nearly 81% i.e. 13.79 MMT was transported by spot chartered vessels. Time chartered vessels transported 1.58 MMT crude oil and the COA vessels transported the remaining quantity. The freight cost for the year amounted to USD 178.59 million (₹ 981 crores), as against USD 177.8 million (₹ 882 crores) in the previous year.

BPCL was successful in hedging the refinery margins to cover the operating cost of its refineries in an extremely volatile environment. Apart from hedging the refinery margins, BPCL undertook hedging of fuel oil bunker and freight cost of the tankers taken on spot charter and COA. Risk management activities have grown over the years, not only in terms of budgets to be protected, but also in terms of volumes, as BPCL expands its refining capacities. BPCL was conferred the prestigious award of "Derivatives House of the Year, Asia - Corporate."

BPCL continues to adopt sound risk management principles in its day to day operations. The Trading & Risk Management (TRM) Board articulates the risk appetite of the Organization and carries out overall risk oversight. The Risk Management Committee oversees the implementation of risk management policies. Regular reviews are undertaken of hedging positions and credit exposure of the counterparties.

RESEARCH & DEVELOPMENT

The Research and Development (R&D) Centres of BPCL are consistently following the global trends of technology innovations for energizing lives. The R&D Centres are actively involved in supporting the businesses through constant advanced technical support and novel product/ process technology development in niche areas leading to new business development. The core research areas are broadly divided into four categories, namely Refinery process upgradation/optimization, development of novel energy efficient technologies, product development and alternative fuels and energy. R&D capabilities at the Corporate R&D Centre at Greater Noida, Uttar Pradesh, Product & Application Development Centre at Sewree, Mumbai and the R&D Centre at Kochi Refinery are being leveraged towards business growth of the Company and achieving the long term objectives of the businesses by (i) Developing a new, cost effective product slate based on market pull, (ii) Deploying new technology for enhanced profitability, (iii) Development of platform products by building new products around current technological expertise (iv) Process intensification for GRM improvement and (v) Exploiting the renewable and alternate energy portfolio.

R&D programmes during the year continued to provide a competitive advantage to business operations through development and commercialization of cost effective and competitive products and processes such as (i) CO and NOx reduction catalyst additive (ii) Processing Vegetable Oil in the existing Refinery Hydrotreater (iii) VG 22 grade Refrigeration Compressor Oil (iv) Nano-adsorbent for in-situ CO_2 uptake during the steam Methane reforming process (v) New correlation model for prediction of pour point for heavy products like FO/LSHS (vi) Novel adsorbent recipe for ANG storage and (vii) New CO-based catalyst for FT synthesis process etc. The cost effective process for the production of bio-degradable synthetic Lube Base Oil developed earlier, is being scaled up for commercial exploitation. Substantial progress has been achieved on major research projects initiated earlier in the emerging areas of coal to clean liquid fuels, bio-fuels and hydrogen storage.

During the year, the R&D Centre at Sewree developed new products including Original Equipment Specific High Performance Passenger Car Engine Oil, Semi-Synthetic 4T Engine Oil, High Performance Hydraulic Oil, Super Tractor Oil Universal, environment friendly Cutting Oil & Defence Specific Hydraulic Oil. The alternate formulations developed have helped in improving operational flexibility, besides reducing input/operating costs. During the year, a number of critical approvals of our products were obtained from major Original Equipment Manufacturers/ customers/ end users/international approving bodies which helped in furthering the business.

The Corporate R&D Centre filed six foreign patent applications to protect the intellectual property that has resulted from innovative research. During 2012-13, four international patents and one in India have been granted. BPCL continued its research collaborations with a number of leading research institutes, which were entered into in previous years and made substantial progress. R&D in BPCL aims to bring together the various disciplines of science and engineering, taking the expertise from academia and industry through sustained collaboration and a joint development strategy to support business growth. One of the Scientists working in CRDC has bagged the coveted "Young Scientist" award by the Catalyst Society of India for his significant contribution in catalyst / additives developments.

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 Interests (PI) in 25 exploration/appraisal blocks. Of this, 11 blocks

are in India and 14 are located abroad. Besides India, BPRL has PI in blocks in Australia, East Timor, Indonesia, Mozambique and Brazil. BPRL's PI in these blocks range from 10% to 40%. All these blocks are in various stages of exploration/appraisal. The PI in the various blocks is held either directly by BPRL, or through its wholly owned subsidiary companies or joint ventures.

BPRL had 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.

During the year, while BPRL has continued with its discoveries, for the first time, it has moved ahead organically to areas beyond the boundaries of upstream, into midstream, i.e. setting up of a LNG liquefaction plant. In Mozambique, the contract for Front End Engineering & Design (FEED) was awarded for setting up of onshore LNG liquefaction trains. Also, value retention and portfolio rationalization were proactively adopted, and also, BPRL's portfolio was high-graded.

In Mozambique, BPRL, through its subsidiary companies, holds a 10% interest in the Area 1 offshore block where Anadarko is the Operator. In this block, the success in the Exploration program of the previous year was validated this year, by a series of additional exploration wells, their successful appraisals and flow tests, which established two large hydrocarbon reservoirs. The first reservoir, which has been named the Prosperidade complex, is estimated to have a recoverable resource of 17 to 30 plus trillion cubic feet (Tcf) of natural gas (in Area 1) and straddles the adjoining Area 4 where ENI is the operator. The second, named as the Golfinho Atum complex, is a distinct and separate reservoir contained entirely in the Area 1 Block, which is estimated to have a recoverable resource of 15 to 35 Tcf of natural gas. The consortium plans to set up an onland Natural Gas liquefaction plant (LNG plant) in northern Mozambique to monetize these large discoveries. The Operators of the Area 1 and Area 4 blocks have reached an agreement for coordinated development of the offshore and onshore facilities connected to the straddling reservoir. During the year, the land for this LNG plant was assigned to Anadarko, the Operator of the block. This plant will initially have two trains each, capable of producing 5 MMTPA of LNG with provisions of future expansion. The Operators of both the blocks are in discussion with the Government of Mozambique for an agreement/law which would guarantee a stable legal and regulatory framework for the project. The consortium targets a Final Investment Decision of the project in June 2014 with the first LNG cargo despatch from the plant in 2018. The consortium has also started drilling of wells in other prospective areas of the block.

In Brazil, in the Sergipe Alagoas basin, an appraisal plan for ascertaining the extent of the Barra Discovery was approved by the Brazilian Upstream Regular, ANP. During the year, drilling of the appraisal well Barra#1 was completed. The well indicated presence of water in the Maastrichtian reservoirs, indicating the limit of gas accumulation discovered by the "Barra" well towards the south-east. However, in the lower Campanian Section, the well proved the presence of oil reservoirs. Currently, the drilling of the second appraisal well, "Barra#2" is in progress. The "Farfan" exploratory well resulted in a discovery of oil with excellent reservoir properties. The "Cumbe" exploratory well resulted in gas/condensate oil & gas discoveries at four different levels and indicated presence of hydrocarbons in two zones. The Appraisal Plans for the Farfan discovery and Cumbe discovery have been submitted to ANP for approval. The "Papangu" exploratory well indicated presence of gas in the Campanian and Albian reservoirs. After completion of the post well studies, the Papangu appraisal plan has been submitted to ANP. In the Campos Basin, drilling of the first appraisal well, Wahoo#4 has been completed and the well had good oil shows in the Pre-salt upper sag reservoir. The second appraisal well, Wahoo#5 is under drilling.

In the Espirito Santos Basin, the Grana Padano well had a discovery of heavy oil. The Requeijiao well had non-commercial oil shows. Considering the discoveries/ hydrocarbon shows, the Operator has submitted two appraisal plans to ANP for approval. The Grana Padano Appraisal plan has since been approved.

In Indonesia, two more wells are proposed to be drilled to appraise the discovery in the Nunukan Block by December 2013. The consortium members have approved the location of 2 appraisal wells proposed to be drilled during the year 2013.

In Australia, BPRL has a PI of 27.803% in the onland Block EP-413 in the Perth basin which is being explored for Shale Gas. Drilling of an exploratory well and testing of cores etc. has been completed. Vertical fraccing of the well to evaluate Shale Gas and tight gas reserves was completed during the year. Hydrocarbon shows were observed in all the zones. Extended flow back is in progress for detailed evaluation. The Operator has applied for renewal of permit for another 5 years; initially, 2 years and thereafter, 3 years after evaluation.

As an initiative to rationalise its assets, BPRL along with the Operator and another JV partner, has decided to relinquish its PI in Block WA 388P and AC/P 32 permit in Australia, after the end of the existing exploration phase. The withdrawal from the permit has been approved by the regulator. Further, considering the significant exploration risk, BPRL has also withdrawn from Block TP- 15 on the expiry of the permit. In the North Sea Blocks of 48/1b & 2c in the United Kingdom, where BPRL's PI was 25%, the commitment for the blocks including drilling of a well (Cobra) was completed, but the flow rates were sub-commercial due to low permeability and tight reservoir conditions. Hence, in view of the project risks, the consortium has withdrawn from the License at the completion of the phase in December 2012. The balance liabilities for the plug and abandonment of the well will be fulfilled in due course.

During the year, discovery of oil & gas was announced in India, in an onland well, MD#3, in the Cauvery basin acquired under NELP IV round, wherein BPRL has PI of 40%. The block is currently under an appraisal program for MD#3 Discovery.

During the year, BPRL has acquired PI in one onland block in the Cambay basin, India as Lead Operator and also PI in one block in the Mumbai basin, both under NELP IX Bid round as a consortium partner. Further, BPRL continues to work as a Joint Operator with Hindustan Oil Exploration Corporation Ltd. in a block in Rajasthan, and in another block in the Cambay basin with GAIL India Ltd. and as a consortium partner in the Assam Arakon Block.

Presently, all the Indian blocks are in various stages of the exploration phase. During the financial year, 1 deepwater well has been drilled in the Krishna Godavari block and 4 onland wells have been drilled in the Rajasthan & Cauvery blocks. Presently, 1 onland well in the Cauvery block is under drilling. Moreover, at present 2D/3D seismic processing is in progress in the block in Rajasthan where BPRL is a Joint Operator.

Looking ahead, BPRL is focused on value enhancement through early monetization, moving up the Hydrocarbon value chain and skill based expansion through Operatorship. In the days ahead, there will be numerous challenges in terms of large investments which will need to be made. Also, new opportunities are regularly being studied with a keen eye on assets with long term value.

AWARDS AND RECOGNITION

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 2012. BPCL ranks 12th in Oil & Gas Refining and Marketing in the Asia / Pacific Rim, 18th in Oil & Gas Refining and Marketing globally and 54th in overall performance in the Asia / Pacific Rim.

In the list of the top 500 global companies released by Fortune magazine for 2013, BPCL was ranked at 229. BPCL was placed in third position amongst the eight Indian companies which have made it to the prestigious list.

For the seventh year in succession, the BPCL brand has featured among the top ten companies, ranking ninth, according to the valuation of India's Top 50 Most Valuable Brands performed by M/s. Brand Finance. This year, the Bharat Petroleum Brand has been valued at USD 2.46 billion.

BPCL has been conferred with the prestigious Oil Industry Safety Awards for Best Overall Safety Performance amongst LPG Marketing Organisations for the years 2009-10 and 2010-11.

BPCL has bagged the prestigious National Institute of Personnel Management (NIPM) Gold Award for Best HR Practices – 2012 in recognition of the various HR initiatives in the past year and the performance continuum that makes Bharat Petroleum a great place to work.

BPCL was awarded the Confederation of Indian Industry (CII) HR Excellence Award in the category "Strong Commitment to HR Excellence."

BPCL Corporate R&D team received the Special Commendation Award for "Innovator of the year- Team" from PetroFed.

BPCL won the Best Loyalty Program Award at the 3rd CMO ASIA Awards conducted for excellence in Branding Pan Asia held at Singapore.

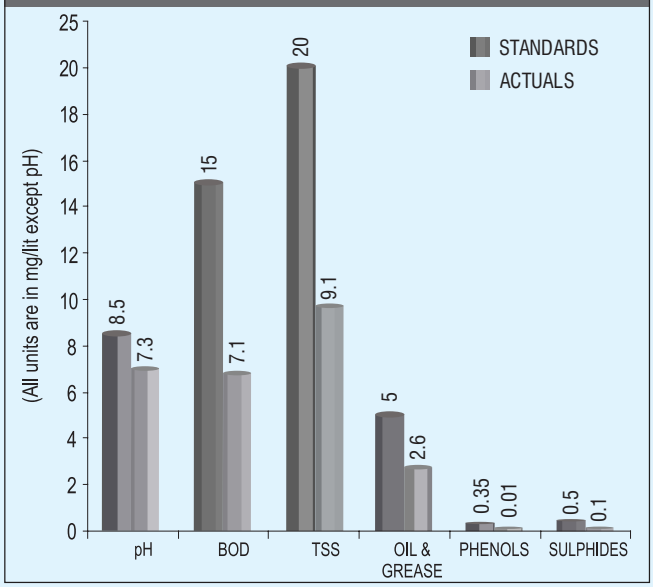
BPCL walked away with two prestigious Communication Awards at the Annual Association of Business Communicators of India (ABCI) Awards, lifting the Bronze Awards for the corporate film, "Energizing a billion lives" and Mumbai Refinery's in-house magazine, 'Atit Bharati.'

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

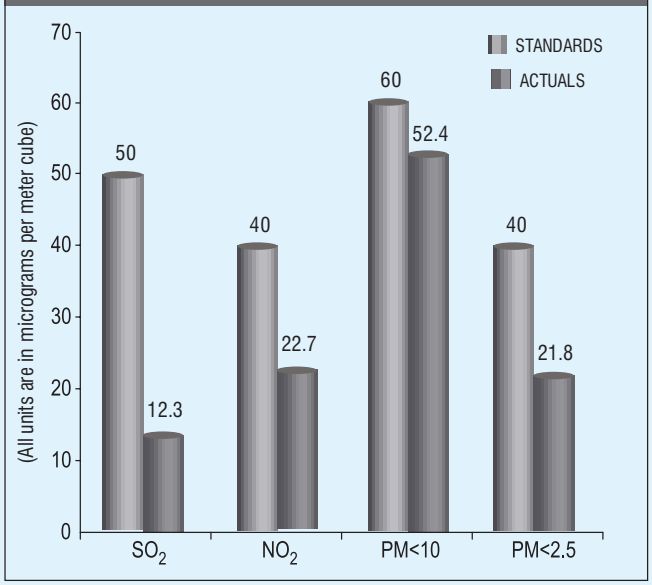
The Company's internal control system ensures efficiency, reliability of accounting and management information, compliance with all applicable laws and regulations, optimum utilisation and the protection of the Company's assets. The Company has a clearly defined organisational structure, manuals and operating procedures for its business units and service entities. State-of-the-art ERP solutions and Business Information Warehouse further enhance seamless exchange of information and control.

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. The Audit Committee of the Board regularly reviews significant findings of Audit Department covering operational, financial and other areas and provides guidance on internal controls.

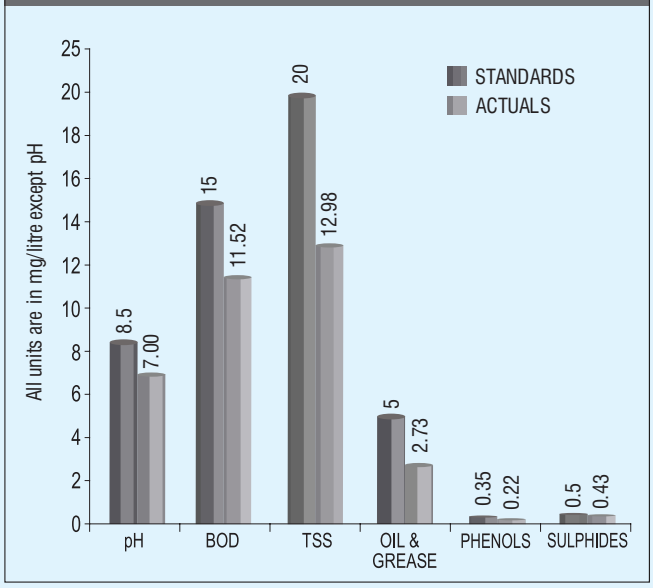
TREATED EFFLUENT WATER QUALITY VIS-A-VIS STATUTORY STANDARDS AT MUMBAI REFINERY



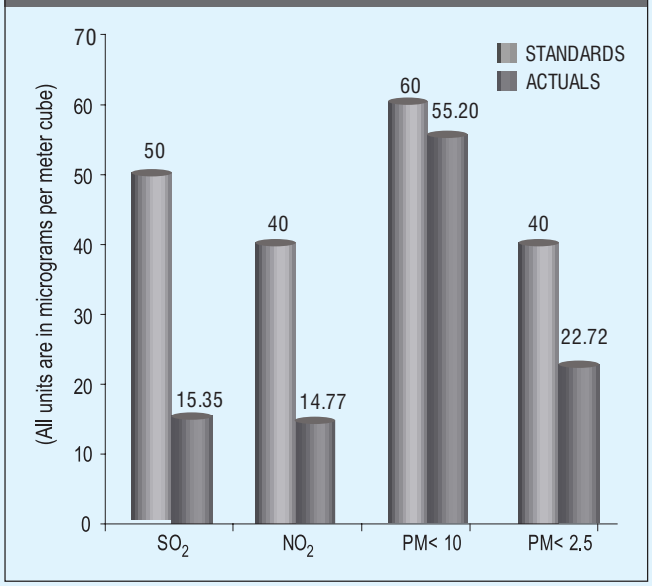
TYPICAL AMBIENT AIR QUALITY VIS-A-VIS STATUTORY STANDARDS AT MUMBAI REFINERY



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



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



ANNEXURE A

Efforts made by BPCL in regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo, which are required to be given under Section 217(1)(e) of the Companies Act,1956, are as under:

A. CONSERVATION OF ENERGY

(i) Energy conservation measures taken and additional investment/proposals for 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 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 compounded by the high cost of crude oil import, BPCL is not only highly energy conscious but also continuously strives hard to conserve energy and thus, contribute immensely in saving natural resources and protecting the environment. A key modification in Hydrogen unit steam network enabled improvement in pre-reformer temperature, reduction in reformer skin temperature and reduction in fuel consumption.

Besides excellence in Refining Process, BPCL is pursuing relentlessly in the areas of energy conservation and environment management. Mumbai Refinery achieved the lowest ever "Specific Energy Consumption" of 65.45 MBTU/BBL/NRGF during the year 2012-13, surpassing the previous best of 67.32 achieved during 2011-12.

As a part of Oil & Gas Conservation Fortnight 2013, M/s. Centre for High Technology (CHT) had organized a detailed "Steam Leak and Boiler Efficiency" survey in the Refineries along with 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 have been constantly on the look out for energy saving opportunities.

Mumbai Refinery

The following energy conservation and loss control measures were adopted by Mumbai Refinery during the year 2012-13 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 quality of 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 feed, to recover valuable hydrogen from the off gases.
- Modification in Hydrogen unit steam network enabled improvement in pre-reformer temperature, reduction in reformer skin temperature and reduction in fuel consumption. With this change, process heat was augmented by reducing steam superheat.
- Online chemical cleaning of furnaces to clean off fouling and deposits on the radiation tubes.
- Use of energy saving CFL lamps.
- Continuous monitoring & control of all parameters of Furnaces & Boilers.
- Continuous monitoring & control of flare.
- Regular steam insulation & leak surveys.
- A state-of-the-art "Energy Portal" for online monitoring of Refinery Process Performance and energy consumption was deployed as part of the ''Business Process Monitoring and Intelligence" system.
- Crude side "anti-fouling" injection in one of the Crude Distillation Units for improving crude pre-heat.

In addition, Mumbai Refinery is implementing / planning to implement various energy conservation and loss control projects as given below:

- Installation of Flare Gas Recovery System for recovering flare gas.
- Replacement of old Standalone Crude and Vacuum units with state-of-the-art, energy efficient integrated unit with higher distillate yield.
- Air-Fuel ratio controller in fired furnaces and CO Boiler for improving furnace efficiency.
- Implementation of various energy saving schemes / projects identified during the "Refinery Performance Improvement Program" (RPIP). This program is being guided by CHT under the auspices of Ministry of Petroleum and Natural Gas (MOP&NG).
- Condensate recovery in the Utility Complex.
- Implementation of various ideas generated during the "Joint Energy Audit" program initiated by CHT.
- Implementation of "Zero steam leaks" program in the process units.
- A detailed "Electrical Energy Audit" by a reputed consultant.
- A detailed survey of Fibre Reinforced Blades (FRP) in air fin coolers in the Refinery.

During the year, Mumbai Refinery was awarded the first prize for having the best "Specific Energy Consumption" for FY 2011-12 among Indian Refineries under the category of Composite Energy Index equal to or less than 5 by CHT (MOP&NG).

Kochi Refinery

The following energy conservation and loss control measures were adopted during the year 2012-13, resulting in significant fuel savings:

- Dynamic surge controller provided in main air blower (MAB) of Fluid Catalytic Cracking unit (FCCU) leading to steam reduction in MAB turbine.
- Improving pre-heat in Diesel Hydro Desulphurisation (DHDS) Unit, post bypassing of pre-heat exchanger bypass scheme for avoiding pressure fluctuation.
- Conversion of overhead fans in FCCU to FRP type.
- Improvement in condensate recovery.
- Implementation of Heat of Compression (HoC) dryer in instrument air system.
- Steam optimization in CDU-2 ejectors.
- Modification of pre-heat circuit by relocation of CE6 exchanger downstream of pre-fractionator, in case of crude with high bottoms.
- Laying new pipeline for Crude Distillation Unit -2 (CDU-2) Vacuum Residue (VR) for uninterrupted operation of Visbreaker Unit (VBU).
- 16 pump drives changed to variable frequency drives (VFD).
- Reducing UB11 boiler feed water pump speed, thereby saving steam.
- Minimization of energy losses by enhancing steam trap availability in CDU-2 offsite area.
- Reduction in steam consumption by isolating one steam line header and by close monitoring of steam generation and consumption.
- Steam traps survey and rectification leading to reduction in steam consumption.

Measures being implemented are as given below:

- Pinch analysis of CDU-2 pre-heat train.
- Anti foulant injection in CDU-2.
- VR recycle through vacuum heater in CDU-2 for pre-heat and velocity improvement.
- Alternative for replacing high pressure (HP) steam with medium pressure (MP) steam in Aromatics Recovery Unit (ARU).
- Action plan based on 'Solomon Associates' Benchmarking study report.
- VFD installation in new process units – VGO HDS, NHT/CCR.
- Installation of VFDs for 7 CDU-2 motors.
- Intake of Regassified Liquefied Natural Gas (RLNG).
- Advanced Process Control (APC) implementation in process units CCR & VGO HDS.
- Energy audit of air-conditioning systems in the Refinery and implementation of audit recommendations.

Environment jobs completed during 2012-13:

- Commissioned the Sewage Treatment Plant having a capacity of 250 KL/day.
- Two additional ambient air quality monitoring stations (AAQMS) were installed inside the Refinery.
- Commencement and continuous uploading of online ambient air quality monitoring data to CPCB server from three AAQMS.
- Facilities installed for the intake of RLNG and thereby to reduce SO_2 and CO_2 emissions.
- A new electrostatic precipitator (ESP) was installed to reduce particulate matter emissions from FCC regenerator flue gases.
- Annual magazine "ENCON NEWS" for the benefit of ENCON Club Members and Institutions brought out by E&E Section.
- Ministry of Environment and Forests, Government of India has granted the environment clearance for the Integrated Refinery Expansion Project (IREP) on 22nd November, 2012.

Impact of the measures for reduction of consumption of energy & consequential impact on the cost of production of goods:

Fuel savings as a result of the energy conservation measures implemented in Kochi Refinery during the year 2012-13 correspond to a total savings potential of about 14,455 tonnes of fuel oil equivalent.

B. TECHNOLOGY ABSORPTION

The Refineries implemented the following projects to obtain the benefits of the latest technological developments and advances

Mumbai Refinery

Innovative schemes developed for operational improvements and economics viz Advanced Process Control (APC), Processing of High Aromatic Extract (HAE) from New Solvent Unit (NSU) along with middle reformate were implemented.

Kochi Refinery

Innovative schemes were developed for operational improvements and economics such as installation of anti-surge controller in Main Air Blower (MAB), conducting Steam trap audit and preventive maintenance, optimisation of ejector steam consumption, installation of heat of compression type instrument air dryer, modification of pre heat circuit for pre-heat improvement in CDU 1 etc, were implemented.

Details regarding the efforts made in technology absorption as per the prescribed Form B are annexed hereto

C. FOREIGN EXCHANGE EARNINGS / OUTGO

(i) Activities related to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

Crude Oil Imports

BPCL's imports of crude oil rose from 16.27 MMT in the year 2011-12 to 17.00 MMT in the year 2012-13. Although efforts were made to increase the quantities imported under term contracts, the limited availability of low sulphur crude oil from West Africa meant that BPCL had to increase the quantity procured on spot basis. The ratio of "Term to Spot" was 72:28 in the year 2012-13, as compared to the ratio of 86:14 in the previous year 2011-12. With the enhancement of spot quantities, BPCL made renewed efforts to seek better terms and conditions with the suppliers, expanded the vendor base and added new grades of crude oil.

The international crude oil markets remained extremely challenging since the crude oil prices remained volatile. The year saw the prices of the benchmark Brent crude range from a low of USD 89 per barrel to a high of USD 125 per barrel. However, the average price of the imported crude oil in 2012-13 was lower when compared to the average price in the previous year. In value terms, the Free on Board (FOB) cost of imported crude oil amounted to USD 14.134 billion (₹ 76,950 crores) in 2012-13, as compared to USD 13.848 billion (₹ 67,287 crores) in the previous year. The average price paid by BPCL for the crude oil imported during the year 2012-13 stood at USD 110.27 per barrel, as compared to USD 112.40 per barrel in the previous year.

Domestic Crude

BPCL's dependence on imports for meeting the crude oil requirements of its refineries has been increasing. Ensuring timely supplies of crude oil to the refineries remained a challenging task in the year 2012-13. Supply of crude oil from domestic sources has been on the decline, owing to the reduction in ONGC's production volume. Supply of Mumbai High crude to Mumbai Refinery and Kochi Refinery came down from 6.05 MMT in the year 2011-12 to 5.79 MMT in the year 2012-13. Geo-political developments like the sanctions imposed on Iran, a major crude oil supplier, has made the task of imports more challenging.

Product Import & Export

In the recent past, BPCL's dependence on import of petroleum products for meeting the market demand has been showing a downward trend. This has continued during the year, with BPCL's import of HSD coming down from 221 TMT in the year 2011-12 to 178 TMT in the current year 2012-13. Further, BPCL did not import MS in 2012-13, as against 317 TMT imported in the previous year. The total quantum of import of petroleum products declined from 1.26 MMT in the year 2011-12 to 0.87 MMT in 2012-13. This decline is also reflected in the import bill, which has come down from USD 1,251 million (₹ 5870 crores) in 2011-12 to USD 795 million (₹ 4293 crores) in 2012-13.

On the export front, there has been a declining trend. BPCL exported 3185 TMT (USD 2504 million) of refined petroleum products during the year 2012-13 as compared to 3486 TMT (USD 2946 million crores) during the previous year. Naphtha continued to remain as a principal component of export basket. However, the quantity came down from 1990 TMT in the previous year to 1788 TMT in 2012-13. The reduction in the export quantities and the lower prices in the international market have led to a lower realization from naphtha exports which declined from USD 1885 million in 2011-12 to USD 1637 million in 2012-13. Fuel oil export during the year 2012-13 was 1373 TMT against 1301 in 2011-12 with the sales realization of USD 860 million in 2012-13 against USD 879 million in the previous year. BPCL retained its position as a Premier Trading House - a recognition granted by Directorate General of Foreign Trade.

Chartering of Vessels

Optimisation of tanker freight cost continued to remain a focus area in the year 2012-13. Based on the freight economics, vessels of different sizes – Very Large Crude Carriers (VLCC), Suezmax and Afframax vessels, were used to bring crude oil from abroad to the refineries. Where possible, co-loading of cargo on VLCC vessels from discharge at two different ports was done, to avail the advantage of lower cost. A combination of time chartered vessels, voyage chartered vessels and vessels on Contract of Affreightment (COA) were employed for the import of crude oil. A major share of transportation was contributed by spot chartered vessels. Out of the total crude oil imports of 17 MMT, nearly 81% i.e. 13.79 MMT was transported by spot chartered vessels. Time chartered vessels transported 1.58 MMT crude oil and the COA vessels transported the remaining quantity. The freight cost for the year amounted to USD 178.59 million (₹ 981 crores), as against USD 177.8 million (₹ 882 crores) in the previous year.

Risk Management

BPCL was successful in hedging the refinery margins to cover the operating cost of its refineries in an extremely volatile environment. Apart from hedging the refinery margins, BPCL undertook hedging of fuel oil bunker and freight cost of the tankers taken on spot charter and COA. Risk management activities have grown over the years, not only in terms of budgets to be protected, but also in terms of volumes, as BPCL expands its refining capacities. BPCL was conferred the prestigious award of "Derivatives House of the Year, Asia – Corporate."

BPCL continues to adopt sound risk management principles in its day to day operations. The Trading & Risk Management (TRM) Board articulates the risk appetite of the Organization and carries out overall risk oversight. The Risk Management Committee oversees the implementation of risk management policies. Regular reviews are undertaken of hedging positions and credit exposure of the counterparties.

ii) The details of foreign exchange earnings & outgo are given below:

₹ Crores

	2012-13	2011-12
Earnings in Foreign Exchange - includes receipt of ₹ **1,712.33 crores** (previous year ₹ 2,210.72 crores) in Indian currency out of the repatriable funds of foreign airline customers and ₹ **98.88 crores** (previous year ₹ 48.81 crores) of INR exports to Nepal and Bhutan.	**18,455.61**	19,315.61
Foreign Exchange Outgo - on account of purchase of Raw Materials, Capital Goods, Chemicals, Catalysts, Spare Parts, International Trading Activities.	**81,893.37**	75,060.25

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

1. MUMBAI REFINERY

A. Power & Fuel Consumption	**2012-13**	2011-12
1 Electricity		
a) Purchased		
Units (Million KWH)	**36.13**	24.36
Total Amount (₹ Crores)	**28.56**	18.76
Rate/Unit (₹ /KWH)	**7.90**	7.70
b) Own Generation		
Through Steam Turbine/ Generator		
Units (Million KWH)	**555.12**	565.89
Units per Ton of Fuel	**3,491.36**	3,428.51
Cost/Unit (₹/KWH)	**8.03**	6.34
2 Coal	-	-
3 Furnace Oil/Liquid Fuel		
LSHS Qty – MT	**276,205.62**	259,502.45
Total amount (₹ Crores)	**1,077.47**	888.56
Avg. Rate (₹/Unit)	**39,009.72**	34,240.91
IBP-60 Qty - MT	-	56.00
Total amount (₹ Crores)	-	0.26
Avg. Rate (₹/Unit)	**-**	46,920.80
4 Others/Internal Generation		
Bombay High Associated Gas (BHAG)		
Qty - (MT)	-	-
Total amount (₹ Crores)	-	-
Avg. Rate (₹/Unit)	**14,453.78**	12,525.77
Regassified Liquid Natural Gas (RLNG)		
Qty - (MT)	**44975.00**	59,760.07
Total amount (₹ Crores)	**204.58**	202.27
Avg. Rate (₹/Unit)	**45,487.12**	33,846.49
Internal Fuel		
Refinery Gas Qty - (MT)	**93,849.59**	87,507.72
Total amount (₹ Crores)	**366.11**	299.63
Avg. Rate (₹/Unit)	**39,009.72**	34,240.91
PSA Off Gas Qty - (MT)	**128,859.56**	124,027.70
Total amount (₹ Crores)	**88.68**	74.92
Avg. Rate (₹/Unit)	**6,881.74**	6,040.47
FCC Units Coke Qty - MT	**80,506.77**	80,489.63
Total amount (₹ Crores)	**314.05**	275.60
Avg. Rate (₹/Unit)	**39,009.72**	34,240.91

Notes:

1. Total Power generation is inclusive of power generation in FCC TG.
2. Cost per unit of power generated in CPP has increased due to increase in fuel cost & depreciation.

B. Energy Consumption Per Unit of Production

	Unit Stds. if any*	**2012-13**	2011-12
Production of Petroleum products	MT	**12,458,098**	12,726,460
Electricity	KWH / MT	**47.46**	46.38
LSHS / IBP-60	Kg/MT	**22.17**	20.40
Gas (Excluding CPP)	Kg/MT	**21.49**	21.32
FCC Units Coke	Kg/MT	**6.46**	6.32

* No fixed consumption parameter can be attributed to a particular product as the product pattern of the Refinery is governed by supply/demand scenario of products and Govt. directives. It is also a function of quantity/ type of crude processed, planned shutdown of processing units for maintenance/inspection and severity of operations of processing units which varies widely.

2. KOCHI REFINERY

A. Power & Fuel Consumption	2012-13	2011-12
1. Electricity		
a) Purchased		
Units (Million KWH)	**60.24**	30.86
Total amount (₹ Crores)	**40.57**	16.16
Rate/Unit (₹/KWH)	**6.73**	5.24
b) Own Generation		
i) Through Gas Turbine generation in CPP (Million KWH)	**328.27**	356.89
Units (KWH) per kg of fuel oil/gas	**2.96**	2.95
Cost/Unit (₹/KWH)	**11.48**	10.10
ii) Through Steam Turbine Generation (Million KWH)	**60.79**	58.77
Cost/Unit (₹/KWH)	**8.55**	9.35
2. FCC coke for steam generation		
Quantity (MT)	**52,757.24**	62,518.00
Total Cost (₹ Crores)	**192.56**	230.87
Average rate (₹/MT)	**36,499.46**	36,928.27
3. LSHS		
Quantity (MT)	**358,646.11**	364,112.00
Total Cost (₹ Crores)	**1,309.04**	1,344.60
Average rate (₹/MT)	**36,499.46**	36,928.27
4. DHDS Naphtha		
Quantity (MT)	**24,082.85**	37,029.00
Total Cost (₹ Crores)	**111.73**	156.17
Average rate (₹/MT)	**46,394.18**	42,176.04
5. Others (Refinery Fuel Gas) :		
(Excluding fuel used for Power Generation)		
Quantity (MT)	**150,093.98**	155,411.00
Total Cost (₹ Crores)	**547.84**	573.91
Average rate (₹/MT)	**36,499.46**	36,928.27

Notes :

1. Fuel for CPP consisted of Intermediates.
2. The purchased power is net of export to KSEB.
3. Cost of FCC coke, LSHS, Intermediates, Refinery Fuel Gas etc. are at average cost.

B. Energy Consumption per unit of production

	Unit Stds. if any*	2012-13	2011-12
Production of Petroleum products	(MT)	**10,104,303**	9,557,090
Electricity	(KWH / MT)	**46.81**	49.65
FCC Coke	(KG / MT)	**5.62**	7.11
LSHS	(KG/ MT)	**38.22**	41.39
DHDS Naphtha and Refinery fuel gas	(KG / MT)	**18.56**	21.88

* No fixed consumption parameter can be attributed to a particular product as the product pattern of the Refinery is governed by supply/demand scenario of products and Govt. directives. It is also a function of quantity/ type of crude processed, planned shutdown of processing units for maintenance/inspection and severity of operations of processing units which varies widely.

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT (R&D)

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

1) Detailed Crude Evaluations and Crude/blend compatibility studies.
2) Development of fuel additives/blending schemes.
3) Development of Catalysts and Catalyst additives.
4) Development of new process technology for distillate improvements.
5) Modeling and Simulation of Refinery processes.
6) Corrosion and fouling studies.
7) Advanced Tech support to Refinery & Marketing Operations.
8) Co-processing of Vegetable Oil with gas oil in diesel hydrotreater.
9) Development of modified Bitumen products.
10) Development of process know how for improved poly-packing of bitumen.
11) Alternate fuels – bioethanol, biobutanol, biodiesel, green diesel and hydrogen.
    - Development of process for production of bioethanol & biobutanol from lignocellulosic biomass.
    - Development of process for synthetic biolubricants for niche applications.
    - Identification of best yield elite varieties of jatropha and agronomy practices.
    - End-to-end biodiesel process technology development.
    - Development of a hybrid process for production of hydrogen.
12) Development of Coal to Liquid (CTL) technology.
13) Development of nanomaterials for on-board gas storage and stationary applications.
14) OE specific High Performance Passenger Car Engine Oil.
15) Semi-synthetic 4T Engine Oil.
16) High Performance Hydraulic Oil.
17) STOU (Super Tractor Oil Universal) for farm tractors.
18) Environment friendly Cutting Oil.
19) Defence Specific Hydraulic Oil.
20) Alternate formulations for existing grades.

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

1) CTL project (CHT/EIL) of Fischer-Tropsch process technology has been completed as per targets and co-based catalyst formulation successfully developed for conversion of syngas to liquid fuel. The performance of catalyst was found to be at par with the industry.
2) A new 3-phase reactor system for hydroprocessing application has been conceptualized and validated through lab experiments.
3) Techno-economic feasibility of co-processing vegetable oil with gas-oil completed.
4) Developed CO and NOx reduction catalyst additive.
5) Adsorbent at 1 kg level for adsorptive separation of C3 stream for propylene recovery developed.
6) Phase I development of activity booster additive for FCC to process nitrogenous feed has been completed.
7) Detailed crude evaluations aided in enhancing value realization and enlarging the crude basket.
8) Crude blend compatibility studies helped in processing opportunity crudes.
9) Optimum catalysts and additives were selected / recommended for KR and MR FCC plants resulting in improved yields/ product quality.
10) A new catalyst formulation developed for hydro conversion of vegetable oil to diesel.
11) In-house development of Ultra Low Sulfur Diesel (ULSD) catalyst completed.
12) Developed VG 22 grade refrigeration compressor oil jointly with P&AD done and OEM approval obtained.
13) Nanomaterial, having NG uptake capacity of about 220 v/v at 35 bar, has been developed and scaled up to 5 Kg level. The developed material exceeds the DOE target of 180 v/v for on-board storage application of natural gas.
14) Developed nano-adsorbent for in-situ CO2 uptake during steam methane reforming process under CHT/ OIDB project, wherein over 90% H2 production could be achieved at lower temperatures vis-a-vis 72% under conventional process.
15) Biodiesel pilot plant successfully commissioned and 2 KL production made.

16) Indigenous de-waxing catalyst developed and scaled up to 1 kg level. As part of this, new material has been invented and patent titled "Microporous crystalline silico-alumino/(Metallo) alumina-phosphate molecular sieve and method of synthesis thereof" has been granted in US, Japan and India.
17) Successfully evaluated DRA for use in crude oil and product pipelines. This has helped in enhancing throughputs in pipeline transfer.
18) Methodology developed for MMBPL pipeline sludge evaluation for microbiological and chemical properties. Dosage optimized for CI at various locations of MMBPL.
19) Anti-foulant chemical dosages firmed up at MR (CDU-I) after lab trail at CRDC.
20) Minimization of corrosion issues in CDU-III at MR crude unit of overhead exchangers was successful by selection of suitable process chemicals and water wash programs.
21) In-house developed BMCG product is commercially produced and marketed, resulting in substantial benefit to the Corporation. During the year 2012-13, the domestic sale of BMCG has been 8,444 MT and 200 MT in the Overseas market deriving profit margins to the tune of ₹ 13 crores. As per notification number 37 of Central Excise, BPCL is now eligible for excise duty waiver for 3 years on the BMCG product. Also, the patent titled as "Hydrocarbon Fuel Compositions" in US and Japan has been granted on the commercialised product Bharat Metal Cutting Gas (BMCG). BPCL has taken steps to get excise duty exemptions.
22) De-aromatized kerosene (DAK) has been prepared in lab scale using the solvent extraction route and the final product meeting the specification < 0.5% aromatics and it was found equivalent to the commercial product.
23) Developed a lab scale process for production of bio-butanol from rice straw under the project sponsored by DBT. Further development is in progress.
24) Developed a new correlation model for prediction of pour point of heavy products like FO/LSHS and has been implemented at SCO and MR. This has helped in selection of cheaper crude oils and thus, enlarged the crude oil basket.
25) The MoU signed with EIL for taking up various collaborative projects, would further improve the commercialisation of R&D efforts.
26) Developed a knowledge base for processing vegetable oil in the existing Refinery hydrotreater.
27) Commercial facility for the production of Bharat Ethanol Corrosion Inhibitor (BECI) at BPCL Mathura installation in UP is being established by Retail after successful field trials of the additive by R&D.
28) Generated LP vectors for FCCU using KBC FCC offline simulation software. This has resulted in optimization of feedstocks and process conditions.
29) Technical back up for disposal of spent LOBS catalyst.
30) Developed synthetic Group-IV Lube base (PAO) stock for car engines and other applications.
31) Lab scale recipes developed for new bitumen grades of FRB and CRMB-Improved for commercial trials.
32) Technical evaluations of I&C commercial CRMB samples, as third party certification and resolving product quality issues at customer end were completed.
33) Technical support to MR on process variables study with respect to quality and value addition to bitumen with CLO.
34) OE Specific High Performance Passenger Car Engine Oil to meet the requirement of new engines of the OE, which would help us generate new business in this Segment.
35) The Semi-Synthetic Oil has put us in a position to offer 4T Engine Oil for the new generation High Capacity Motor Cycles and help to generate new business.
36) This Hydraulic Oil is expected to work under very high pressures and extreme ambient conditions & prove to be energy efficient thereby reducing operating cost. This will help in exploring new business segments & tie-ups with OEMs.
37) This Super Tractor Oil Universal will help in addressing the farmers' dilemma in selecting the right oil for the right application in their tractors, besides creating new business opportunities.
38) This Environment Friendly Biodegradable Soluble Cutting Oil will help in easy disposal of used cutting oil emulsion while at the same time improving overall performance. This will help in exploring new business opportunities.
39) Defence Specific Hydraulic Oil would provide an indigenous alternative to Defence.
40) Alternate formulation for existing grades would provide operational flexibility, besides reducing the input cost of respective grades.

3. Future R&D Plans

1) Technology development to process low-cost crude oils like heavy crudes and high acid crude oils for widening of crude window.
2) Development of new de-Salter designs.
3) Prevention of crude column overhead corrosion.
4) Crude pre-heat fouling studies.

5) Studies on novel fluid catalytic cracking process for converting low-value streams to light olefins.
6) Continuous optimization of addition rates in FCC Units.
7) Process development for production of propylene from propane.
8) Studies on novel 3-phase configuration for hydroprocessing reactions.
9) Demonstration of co-processing of vegetable oil along with gas oil streams.
10) Bio-ATF production from renewable sources.
11) Development of novel reactor configurations for catalytic resid upgradation.
12) Process development for Low Sulphur Bunker Oil.
13) CLO recycling in vacuum column for improved yields, bitumen quality and slops saving.
14) Use of feed properties and operating conditions to optimize petroleum coke quality.
15) Benchmarking CDU/VDU units with state-of-the-art designs for improving energy efficiency and yields.
16) Modelling and optimization of aromatics extraction process.
17) Simulation and optimization of amine absorption/regeneration units.
18) Continuous monitoring and optimization of Hydroprocessing units by employing in-house developed rigorous kinetic models (including deactivation kinetics, and mechanistic model with catalyst parameters).
19) Development of dynamic simulators for Refinery processes.
20) Minimization of fresh water consumption in Refineries (water pinch analysis).
21) Biofuels (Ethanol, Butanol) production from biomass.
22) Biomass to Liquid production through catalytic hydro-pyrolysis.
23) Process development for producing high cetane number green diesel through non-edible vegetable oil hydrotreating.
24) Bio-diesel from Micro algae.
25) HiGee vacuum de-aeration - A process intensification route.
26) Feasibility study of divided wall column for BTX system at Refinery.
27) Sorption enhanced Hydrogen production.
28) Technology for gasification of coal and petcoke.
29) Process development for Syngas to chemicals like DME and Methanol.
30) Development of Flash point improvers.
31) Development of processes for producing transformer oil, compressor oil, metal working fluid.
32) Development of process for producing Thermic fluids.
33) Process for DAK production.
34) Development and commercialization of catalysts for DHDS, FCC, LOBS.
35) Sweetening catalyst development.
36) New catalyst material for olefin removal from aromatics streams, propylene separation.
37) Novel material for NG storage.
38) Regeneration and alternate applications of spent catalysts and adsorbents.
39) Development of process for SWS-ammonia rich gases to fertilizer.
40) High Performance Diesel Engine Oil for Commercial Vehicles.
41) OE Specific Long Drain Transmission Oil for Commercial Vehicles.
42) OE Specific Long Drain Axle Oil for Commercial Vehicles.
43) Water based Synthetic MWF.
44) Eco-Friendly Rubber Spray Oil.
45) Defence Specific Engine Oil.
46) Alternate formulations for existing products.

4. Expenditure on R&D during 2012-13

(₹ Crores)

Particulars	Value
Capital Expenditure	12.92
Revenue / Recurring Expenditure	21.74
Total	34.66
Total R&D Expenditure as a % of Gross Revenue from Operations	Negligible

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

A. MUMBAI REFINERY

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

The following innovative schemes developed for operational improvements and economics were implemented:

a. Advanced Process Control (APC) commissioned in HGU and stripper Section of DHDS. Advanced Process Control for DHDS, Crude Distillation Units, FCC, CCU, RMP HCU uptime were more than 90% during the year.

b. High Aromatic Extract (HAE) from New Solvent Unit (NSU) was processed in Aromatic Recovery Unit (ARU) along with Middle Reformate (MR) which helped in high aromatics naphtha reduction and production of Aromatics from HAE.

c. VDU column internal (part) internal and feed inlet device were replaced during the major recent turnaround to improve middle distillate product yield.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.

Benefits derived as a result of the above efforts are cost reduction, product slate upgradation and increased crude processing. The following actions were initiated which helped in product improvement, cost reduction and better monitoring:

a. Six specific schemes were implemented across the Refinery which have resulted in a saving of approx 300 MT/day of raw water.

b. FCC Reactor severity increased to 505°C against design temp of 496°C after thorough evaluations. This resulted in reduction of CLO make by 2-3%. There is an improvement in CCG RON by 2-3 numbers.

c. New Moisture trap (Pneumatic No loss drain –PNLT) was installed for the first time in the Refinery which reduces air loss & noise level from Air Compressor drains.

d. Chlorine dioxide treatment was successfully introduced in the Refinery for the first time which has resulted in improved quality of sea water used in process units & fire water system.

e. HX-NET software is being used extensively for monitoring crude pre-heat of Crude Distillation Units and also for planning heat exchangers cleaning schedule well in advance.

3. In case of imported technology (imported during last five years reckoned from the beginning of the financial year), following information may be furnished:

a. Technology Imported:

Technology	Year of Import
• DHDS reactor catalyst change to new generation HDS catalyst TK576 BRIM supplied by M/s Haldor Topsoe, Denmark in December 2007.	2007
• Naphtha HDS catalyst was the replaced with the latest generation catalyst from M/s Haldor Topsoe.	2007
• DHDS unit was revamped from 1.4 to 2.0 MMTPA using Haldor Topsoe Technology and catalyst TK 576 BRIM was supplied by M/s Haldor Topsoe, Denmark.	2010

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.

B. KOCHI REFINERY

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

No new Technologies were adopted during the year 2012-13. However, the following innovative schemes developed for operational improvements and economics were implemented:

a. New anti surge controller was installed in Main Air Blower (MAB) in FCCU. The new controller was commissioned after the turnaround maintenance of FCCU in December 2012. Drive turbine steam savings of 2 TPH could be achieved due to this. Cost savings is about ₹ 457 lakhs per annum.

b. Steam trap audit was conducted and preventive maintenance of steam traps were done to ensure availability by 95%. After rectification measures, about 9.6 TPH steam savings is achieved in the CDU-2 offsite area. Sustenance phase is in progress till Sept., 2013. Cost savings is estimated to be about ₹ 2,322 lakhs per annum.

c. Reduction in steam consumption by about 7 TPH was achieved by shutting down redundant steam header from CDU-2 to FCCU and by optimizing ejector steam consumption. Also, condensate recovery was improved by about 1.2 TPH, by recovering condensate from Biturox unit charge heater. Cost savings is estimated to be ₹ 1,656 lakhs/ annum.

d. Heat of compression type instrument air dryer was installed in utilities. Due to utilisation of heat from hot air at compressor discharge (upstream of after cooler), electric power consumption for regeneration could be reduced to 21 KW from 72 KW consumed by the old dryer. Estimated cost savings is about ₹ 27 lakhs per annum.

e. Scheme was implemented for modification of pre heat circuit for pre-heat improvement in CDU-1 by re-location of CE6 exchanger downstream of pre fractionator. This is advantageous in case of processing crude with high bottoms. Cost savings is about ₹ 461 lakhs per annum.

f. In DHDS unit, Recycle gas was bypassed across the entire feed pre-heat exchangers to mitigate pressure fluctuations across the Reactors. The pre-heat train was modified by taking online certain exchangers which was not contributing for pressure fluctuations and thus, increasing the heat recovery. Cost savings due to the latter modification is about ₹ 442 lakhs per annum.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.

Benefits derived as a result of the above efforts are cost reduction and improved profitability.

3. In case of imported technology (imported during last five years reckoned from the beginning of the financial year), following information may be furnished:

a. Technology Imported:

Technology	Year of Import
• **BITUROX Unit**, technology supplied by M/s. Porner, Austraia, capable of producing four different grades (VG-10/VG-20/VG-30 and VG-40) of Bitumen was commissioned during June 2008. Along with the Biturox Unit an incinerator, a scrubber and a wet air oxidation system was installed to convert sulphides to sulphates. This is the world's first eco-friendly Biturox Unit.	2008
• **NSU II** – Naphtha Splitter Unit as part of CDU II by M/s UOP, USA.	2009
• **Desalter** – Desalter revamp by M/s Natco, UK.	2009
• **Gasoline Splitter Unit** licensed by M/s UOP, USA.	2010
• **NHT/CCR Unit** licensed by M/s UOP, USA.	2010
• **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.

ANNEXURE B

Report on Corporate Governance

1. Company's philosophy on Code of Governance

Bharat Petroleum Corporation Limited's 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 2013, the BPCL Board comprised 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 required under revised Clause 49 of the Listing Agreement, the Company has taken up the matter with the Government of India.

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.

No Director was a Member in more than 10 Committees or acted as Chairman of more than 5 Committees across all Companies in which he was a Director 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.

The required information as indicated in Annexure IA to Clause 49 of the Listing Agreement and Annex 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

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

25th May, 2012	10th Aug, 2012	21st Sept, 2012	9th Nov, 2012
24th Jan, 2013	13th Feb, 2013	22nd Mar, 2013	

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 /Shareholders' Meetings during the financial year 2012-13

Names of the Directors Whole-time Directors	Academic Qualifications	Attendance out of 7 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
		No. of Meetings Attended	% *			
Shri R. K. Singh Chairman & Managing Director	B.Tech. (Mech.)	7	100	Attended	Chairman: • Numaligarh Refinery Ltd • Bharat Oman Refineries Ltd • Matrix Bharat Pte Ltd • Bharat Renewable Energy Ltd Director: • Bharat PetroResources Ltd • Petronet LNG Ltd	Chairman, Audit Committee: • Bharat PetroResources Ltd
Shri K. K. Gupta Director (Marketing)	BSc. (Engg.), (Mech.)	7	100	Attended	Chairman: • Indraprastha Gas Ltd Director: • Numaligarh Refinery Ltd • Sabarmati Gas Ltd • Bharat Stars Services Pvt Ltd • Bharat Stars Services (Delhi) Pvt Ltd • Matrix Bharat Pte Ltd	Audit Committee Member: • Numaligarh Refinery Ltd
Shri B. K. Datta Director (Refineries)	B.E. (Chem.)	7	100	Attended	Director: • Bharat Oman Refineries Ltd • Numaligarh Refinery Ltd • Bharat PetroResources Ltd	Audit Committee Member: • Bharat PetroResources Ltd
Shri S. Varadarajan Director (Finance)	A.C.A., A.I.C.W.A	7	100	Attended	Chairman: • Petronet India Ltd • Petronet CCK Ltd Director: • Bharat Oman Refineries Ltd • Bharat PetroResources Ltd • Matrix Bharat Pte Ltd • Bharat Stars Services Pvt Ltd • Bharat Stars Services (Delhi) Pvt Ltd	Audit Committee Member: • Bharat Petroleum Corporation Ltd • Petronet CCK Ltd • Bharat PetroResources Ltd Investors' Grievance Committee Member: • Bharat Petroleum Corporation Ltd
Shri S. P. Gathoo Director(Human Resources)	M.P.M (P.G. Master's Degree in Personnel Management), Fellow of LEAD	7	100	Attended	Director: • Central U.P. Gas Ltd • Bharat Renewable Energy Ltd	Audit Committee Member: • Central U.P. Gas Ltd • Bharat Renewable Energy Ltd

Names of the Directors Non Executive Directors a) Part-time (Ex officio)	Academic Qualifications	Attendance out of 7 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
		No. of Meetings Attended	% *			
Shri A. K. Sharma Secretary, Industries & Commerce, Govt.of Kerala (up to 11.10.2012)	I.A.S.	1	33	Did not attend	Managing Director: • Kerala State Industrial Devl Corp Ltd • Kerala Minerals and Metals Pvt Ltd Director: • Nitta Gelatin India Ltd • Geojit BNP Paribas Financial Services Ltd • Bekal Resorts Devl. Corp. Ltd • Brahmos Aerospace Thiruvananthapuram Ltd • INKEL Ltd • Indian Rare Earths Ltd • KITCO Ltd • Geojit Credits Pvt Ltd • Kottayam Port & Container Terminal Serv. Pvt Ltd • Steel Complex Ltd • Kerala High Speed Rail Corporation Ltd • Kerala Gail Gas Ltd • PTL Enterprises Ltd • Apollo Tyres Ltd	Audit Committee Member: • Nitta Gelatin India Ltd • Geojit BNP Paribas Financial Services Ltd • Geojit Credits Pvt. Ltd
Shri R. N. Choubey Director General DGH, MoPNG (from 10.08.2012 to 9.04.2013)	I.A.S.	2	33	Did not attend	-	-
Shri Tom Jose Managing Director, Kerala State Industrial Devl. Corp. Ltd (w.e.f. 24.01.2013)	I.A.S.	2	67	N.A.	Managing Director: • Kerala State Industrial Devl Corp Ltd • Kerala Minerals and Metals Pvt Ltd Director: • Nitta Gelatin India Ltd • Kerala Gail Gas Ltd • INKEL Ltd • Kannur International Airport Ltd • Geojit BNP Paribas Financial Services Ltd • Kerala Industrial and Technical Consultancy Orgn. Ltd • Kerala High Speed Rail Corporation Ltd • Indian Rare Earths Ltd	-

Names of the Directors Non Executive Directors (b) Part-time (Independent)	Academic Qualifications	Attendance out of 7 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
		No. of Meetings Attended	% *			
Prof. N. Venkiteswaran (up to 22.11.2012)	B.A. (Economics) A.C.A.	4	100	Attended	Director: • Dalton Capital Advisors India Pvt Ltd • Asit C Mehta Investment Intermediates Ltd • Virgo Engineers Ltd	Audit Committee Chairman: • Bharat Petroleum Corporation Ltd Investors' Grievance Committee Chairman: • Bharat Petroleum Corporation Ltd
Prof. S. K. Barua (up to 22.11.2012)	M. Tech. Doctorate in Management	4	100	Attended	Director: • Coal India Ltd • STCI Finance Ltd • Torrent Power Ltd • IOT Infrastructure & Energy Services Ltd • Axis Bank • Prasar Bharati • Oil and Natural Gas Corporation Ltd	Audit Committee Member: • STCI Finance Ltd • Coal India Ltd • Torrent Power Ltd • Axis Bank • Oil and Natural Gas Corporation Ltd • IOT Infrastructure & Energy Services Ltd Investors' Grievance Committee Member: • Oil and Natural Gas Corporation Ltd
Shri I. P. S. Anand (up to 14.03.2013)	B.A. (Hons.) (Economics) M.A. (Economics)	6	100	Attended	-	Audit Committee Member: • Bharat Petroleum Corporation Ltd
Shri H. M. Jagtiani (up to 05.03.2013)	B.A., LLM	6	100	Attended	Director: • Legalpundits International Services Ltd	Audit Committee Member: • Bharat Petroleum Corporation Ltd
Prof. J. R. Varma (w.e.f. 10.08.2012)	A.I.C.W.A., Doctorate in Management from IIM, Ahmedabad	5	84	Attended	Director: • Infosys BPO Ltd • Gujarat International Finance Tec-city Company Ltd	Audit Committee Chairman: • Bharat Petroleum Corporation Ltd • Infosys BPO Ltd • Gujarat International Fin. Tec-city Co. Ltd
Shri B. Chakrabarti (w.e.f. 10.08.2012)	A.C.A.	5	84	Did not attend	Director: • General Insurance Corporation of India	Audit Committee Chairman: • General Insurance Corp. of India Audit Committee Member: • Bharat Petroleum Corporation Ltd

* Percentage computed by considering the meetings attended with the total meetings held during his tenure.

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 2013, the Audit Committee comprised two Part-time (Independent) Directors and one Whole-time Director. The quorum for the meetings of the Committee is two Members. Prof. J. R. Varma is the Chairman of the Committee, Shri B. Chakrabarti and Shri S. Varadarajan are the present Members of the Committee. During the financial year, Prof. N. Venkiteswaran, Chairman of the Committee and Prof. S. K. Barua, Member of the Committee ceased to be Members of the Audit Committee on cessation from the Board w.e.f. 23.11.2012 consequent to expiry of tenure. Subsequently, the Audit Committee was reconstituted on 27.11.2012 by inducting Prof. J. R. Varma and Shri B. Chakrabarti, Part-time (Independent) Directors of the Company as Members. Later, Shri H. M. Jagtiani and Shri I. P. S. Anand, two more Part-time (Independent) Directors, ceased to be Members of the Audit Committee on cessation from the Board w.e.f. 6.03.2013 and 15.03.2013 respectively consequent to expiry of tenure. Subsequently, Shri S. Varadarajan, Director (Finance) was inducted as Member w.e.f. 15.03.2013. 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 also attend and participate at the meetings on invitation.

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 292A of the Companies Act, 1956 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 financial statements 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 (2AA) of section 217 of the Companies Act, 1956.
   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, performance of the Statutory and Internal Auditors, adequacy of the internal control systems.
7. 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.

8. Discussing with the Internal Auditors any significant findings and follow up thereon.

9. 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.

10. 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.

11. Looking into the reasons for substantial defaults in the payment to the Depositors, Debentureholders, Shareholders (in case of non-payment of declared dividends) and Creditors.

12. Defining the significant related party transactions.

13. Carrying out any other function as mentioned in the DPE Guidelines and 'Terms of reference' of the Audit Committee.

Seven meetings of the Audit Committee were held during the financial year on the following dates:

30th Apr, 2012	24th May, 2012	10th Aug, 2012	9th Nov, 2012
4th Jan, 2013	13th Feb, 2013	22nd Mar, 2013	

Attendance at the Audit Committee Meetings

Names of the Members	No of meetings attended	%*
Prof. N. Venkiteswaran, Chairman (up to 22.11.2012)	4	100
Prof. J. R. Varma, Chairman (w.e.f. 27.11.2012)	3	100
Prof. S. K. Barua Member (up to 22.11.2012)	4	100
Shri H. M. Jagtiani, Member (up to 05.03.2013)	6	100
Shri I. P. S. Anand, Member (up to 14.03.2013)	6	100
Shri B. Chakrabarti, Member (w.e.f. 27.11.2012)	3	100
Shri S. Varadarajan, Member (w.e.f. 15.03.2013)	1	100

* Percentage computed by considering the meetings attended with the total meetings held during his tenure.

The Committee at its meetings held on 10th August, 2012, 9th November, 2012 and 13th February, 2013 reviewed the Quarterly / Half Yearly / Year to date Financial Statements as on 30th June 2012, 30th September 2012 and 31st December 2012 respectively. Further, Annual Financial Statements as on 31st March 2013 were reviewed by the Committee at its meeting held on 29th May 2013, 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 B.V (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 III of the Listing Agreement and DPE Guidelines on Corporate Guidelines. Financial statements of Subsidiary Companies including investments made, if any, are reviewed by the Audit Committee / Board. The performance of 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 29.03.2011 comprising of two Part-time (Independent) Directors, one Part-time (Ex-Officio) 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.

As on 31st March, 2013, the Projects Evaluation Committee comprised two Part-time (Independent) Directors, one Whole-time Director viz, Director (Finance) and one Part-time Government Director. Shri B. Chakrabarti is the Chairman of the Committee and Prof. J. R. Varma, Shri S. Varadarajan and Shri Tom Jose are the present

Members of the Committee. During the financial year, Prof. S. K. Barua, Chairman of the Committee ceased to be Member of the Committee on cessation from the Board w.e.f 23.11.2012 consequent to expiry of tenure. Shri A. K. Sharma, Government Director, ceased to be Member of the Committee on cessation from the Board w.e.f. 12.10.2012 and in his absence, Shri R. N. Choubey, Government Director attended a meeting. Shri H. M. Jagtiani, Part-time (Independent) Director, ceased to be a Member of the Committee on cessation from the Board w.e.f 6.03.2013 consequent to expiry of tenure. The Committee was re-constituted on 15.03.2013 by inducting Shri B. Chakrabarti and Prof. J. R. Varma, two Part-time (Independent) Directors of the Company. Shri Tom Jose, Government Director and Shri S. Varadarajan, Director (Finance) are other Members of the Projects Evaluation Commitee.

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

25th May, 2012	8th Nov, 2012	22nd March, 2013

Attendance at the Projects Evaluation Committee:

Names of the Members	No of meetings attended	%*
Prof. S. K. Barua, Chairman (up to 22.11.2012)	2	100
Shri B. Chakrabarti, Chairman (w.e.f. 15.03.2013)	1	100
Shri A. K. Sharma, Member (up to 11.10.2012)	-	-
Shri H. M. Jagtiani, Member (up to 5.3.2013)	2	100
Shri R. N. Choubey, Member	1	100
Prof. J. R. Varma, Member (w.e.f. 15.3.2013)	1	100
Shri Tom Jose, Member (w.e.f. 24.1.2013)	1	100
Shri S. Varadarajan, Member	3	100

* Percentage computed by considering the meetings attended with the total meetings held during his tenure.

C. Remuneration Committee

BPCL has a Remuneration Committee to formulate and review policies related to remuneration / perquisites/ incentives within the parameters of Guidelines issued by the Government of India. The Remuneration Committee comprised three Independent Directors and one Part-time (Official) Director as Members with Director (HR) and Director (Finance) being invitees. Independent Director is the Chairman of this Committee. During the financial year, Prof. S. K. Barua, Independent Director was the Chairman of the Committee and ceased to be Director from the Board / Committees w.e.f. 23.11.2012 on expiry of tenure. Prof. N. Venkiteswaran and Shri I. P. S. Anand, two Part-time (Independent) Directors ceased to be Directors from the Board / Committees w.e.f. 23.11.2012 and 15.03.2013 respectively. During the financial year 2012-13, one meeting was held on 8.11.2012 which was attended by all Members.

D. Investors' Grievance Committee

The Committee, comprising Shri B. Chakrabarti, Independent Director as Chairman and Shri S. Varadarajan, Director (Finance) as Member, monitors the Shareholders' / Investors' complaints and redressal of their grievances. The Committee, at its meeting held on 13.02.2013 reviewed the services rendered to the Shareholders / Investors including response to complaints / communications and expressed its satisfaction on the performance of the Investors Relation Department of the Company. During the financial year, Prof. N. Venkiteswaran, Chairman of the Committee ceased to be a Member of the Committee on cessation from the Board w.e.f. 23.11.2012 on expiry of tenure. Shri B. Chakrabarti, Part-time (Independent) Director of the Company was appointed as Member and Chairman of the Committee w.e.f. 24.01.2013.

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

During the year 16 complaints were received from investors through SEBI, BSE and NSE which were attended to and resolved on priority basis.

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 2013.

E. Sustainable Development Committee

The Board constituted a Sustainable Development Committee (SDC) on 10.02.2012 comprising one Part-time (Independent) Director as Chairman with Director (Marketing) and Director (Refineries) as Members for setting and evaluation of MOU targets; to approve and review Sustainable Development projects from time to time.

The Committee comprised Shri I. P. S. Anand, Chairman, Shri K. K. Gupta, Director (Marketing) and Shri B. K. Datta,

Director (Refineries) as Members. During the financial year, Shri I. P. S. Anand, Part-time (Independent) Director of the Company ceased to be a Member of the Committee on cessation from the Board w.e.f. 15.03.2013 on expiry of tenure. Three meetings of Sustainable Development Committee were held during the financial year on the following dates:

30th Apr, 2012	21st Sept, 2012	24th Jan, 2013

Attendance at the Sustainable Development Committee:

Names of the Members	No of meetings attended	%
Shri I. P. S. Anand, Chairman (up to 14.3.2013)	3	100
Shri K. K. Gupta, Member	3	100
Shri B. K. Datta, Member	3	100

F. Corporate Social Responsibility (CSR) Oversight Committee

The Board constituted a Corporate Social Responsibility (CSR) Oversight Committee on 21.09.2012 comprising one Part-time (Independent) Director, Director (Finance) and Director (HR) as Members for approval of CSR projects having value of more than ₹ 50 lakhs, periodic review of all CSR projects, guidance and suggestions on CSR activities to the CSR Roleholders, bringing greater transparency and experience in the execution of CSR activities of the Company etc. The Committee comprised Prof. N. Venkiteswaran, (ceased to be a Member of the Committee on cessation from the Board w.e.f. 23.11.2012), Shri S. Varadarajan, Director (Finance) and Shri S. P. Gathoo, Director (HR) as Members. During the financial year, Shri H. M. Jagtiani, Part-time (Independent) Director who was appointed as a Member on 14.12.2012 ceased to be Director from the Board w.e.f. 6.03.2013 on expiry of tenure. During the financial year 2012-13, one meeting was held on 20.12.2012 which was attended by all Members.

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 2012-13.

a. Details of remuneration paid / payable to the Whole-time Directors during the financial year 2012-13 are as follows:

Names of Directors	All elements of remuneration packages of the Directors. i.e. salary, benefits, bonus, pension etc.	Details of fixed component and performance linked incentives	Other Benefits
Shri R. K. Singh Chairman & Managing Director	₹ 50,01,670	Fixed Compensation ₹ 19,96,520 PRP ₹ 9,33,453	₹ 20,71,697
Shri K. K. Gupta Director (Marketing)	₹ 42,19,575	Fixed Compensation ₹ 18,71,976 PRP ₹ 8,47,609	₹ 14,99,990
Shri B. K. Datta Director (Refineries)	₹ 38,74,854	Fixed Compensation ₹ 18,54,999 PRP ₹ 5,40,387	₹ 14,79,468
Shri S. Varadarajan Director (Finance)	₹ 36,92,993	Fixed Compensation ₹ 17,97,678 PRP ₹ 4,96,288	₹ 13,99,027
Shri S. P. Gathoo Director (Human Resources)	₹ 51,01,805	Fixed Compensation ₹ 18,41,521 PRP ₹ 6,40,545	₹ 26,19,739

PRP : Performance Related Pay.

Service Contracts : Five years 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.

BPCL has not introduced any Stock Options Scheme. None of the Non-Executive Directors hold any share in BPCL.

During the year, the Part-time (Independent) Directors received sitting fees for attending the meetings of the Board/ Committees as follows:

Name of Director	Sitting fees (₹)
Prof. N. Venkiteswaran	260,000
Prof. S. K. Barua	260,000
Shri I. P. S. Anand	360,000
Shri H. M. Jagtiani	360,000
Prof. J. R. Varma	180,000
Shri B. Chakrabarti	260,000

5. Annual General Meetings during the last three years

The details of these meetings are given below.

	Date and Time of the Meeting	Venue
57th Annual General Meeting	24th September, 2010 at 10.30 a.m.	Rama Watumull Auditorium, Kishinchand Chellaram College (K.C. College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020.
58th Annual General Meeting	16th September, 2011 at 10.30 a.m.	Rama Watumull Auditorium, Kishinchand Chellaram College (K.C. College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020.
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.

During the year 2011-12, 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 7th December, 2011 containing Ordinary Resolution for Increase in the borrowing powers of the Company and creation/providing of security under Section 293(1)(d)/(a) of the Act, was circulated to the Shareholders 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 25th January, 2012. Out of total 2,798 postal ballots received for 32,01,02,012 number of equity shares, 167 ballots for 161,25,122 equity shares were invalid. Of the total 2,631 valid ballots for 30,39,76,890 equity shares representing 100% of valid votes received, 2,406 ballots representing 29,30,78,148 equity shares representing 96.41 % of valid votes received voted in favour of the resolution and 225 ballots for 1,08,98,742 shares representing 3.59% of valid votes received dissented to the resolution. The ordinary resolution was accordingly passed by the requisite majority.

During the year 2012-13, 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 Shareholders 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 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 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.

The procedures prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 have been followed for the Postal Ballots conducted for the resolutions mentioned above.

No special resolution requiring a postal ballot was proposed last year other than stated above. No special resolution requiring a postal ballot is being proposed for the ensuing AGM.

6. Brief Resumes of Directors seeking appointment / re-appointment

a. Shri K. K. Gupta

A mechanical engineer, Shri K. K. Gupta has had many training stints abroad including the Cambridge Advanced Management Program in UK, the Strategic Leadership program from Colorado, USA and program for senior executives in the Oil & Gas in Texas, USA.

He joined BPCL in 1979 and has had the distinction of heading three major Business Units, viz. Lubes, LPG and Retail. As In-charge of Logistics, Shri Gupta played an important role in planning and consolidating logistics infrastructure for the Company besides sourcing and placement of products and tying up product exchange agreements for the Company.

Shri Gupta played a major role in Bharat Gas being accorded Superbrand status. Besides overseeing supplies of LPG to the 27 million households through a robust BPCL network of Distributors, he nurtured the "Beyond LPG" initiative. He also promoted aggressively BMCG (Bharat Metal Cutting Gas), which was a pioneering effort and a suitable replacement for acetylene in cutting and brazing. The product has also found demand in the international market. He was instrumental in nurturing the MAK lubricant brand and making it the fastest growing brand in the category. The brand made its first forays into the international market, establishing its presence in Srilanka, Bangladesh and Nepal. As head of the Retail business, Shri Gupta spearheaded the program for the Retail Outlet automation and introduced the 'Automation for Sure' concept at all high selling outlets. The Vehicle Tracking System to monitor movement of all tankers transporting fuel was implemented with excellent results. Customer Service at Retail Outlets was considerably enhanced through a structural enrolment plan involving close interface between Dealers, their staff and Company officials. He is the Chairman of Indraprastha Gas Ltd., and is Director on Boards of Numaligarh Refinery Ltd., Sabarmati Gas Ltd., Bharat Stars Services Pvt. Ltd., Bharat Stars Services (Delhi) Pvt. Ltd., Matrix Bharat Pte. Ltd.

Shri K. K. Gupta was appointed Additional Director w.e.f. 31.03.2011, by the Board of Directors. The Shareholders have appointed him at the Annual General Meeting held on 16.09.2011. He is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

b. Shri B. K. Datta

Shri B. K. Datta, basically a Refiner with a background in Chemical Engineering, joined BPCL in August 1979 and has had the distinction of holding key positions in various functions. As Head of the Mumbai Refinery, he was responsible for the entire Refinery Operations, Technology and Projects, which included the commissioning of major Refinery Modernization expansion. He also spearheaded commissioning of the DHDS modification units, steering BPCL to being the first in the country to implement BS II fuel standards. 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. While heading Integrated Information Systems, he played a pivotal role in establishing the Integrated Data Centre with facilities for disaster recovery and designing the SAP upgrade to the Enterprise Version. In addition to a short stint in International Trade & Supplies, he has also worked as Section Head of MTBE/Butamer of MTBE, Malaysia, Petronas, including its commissioning. He also headed the Supply Chain Optimisation function since its inception, with a strategic intent to build dynamic competitiveness in the Business Chain with a thrust on 'Enterprise First'. He is a Director on Boards of Bharat Oman Refineries Ltd., Numaligarh Refinery Ltd., and Bharat PetroResources Ltd.

Shri B. K. Datta was appointed Additional Director w.e.f. 1.08.2011, by the Board of Directors. The Shareholders have appointed him at the Annual General Meeting held on 16.09.2011. He is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

c. Shri Tom Jose

Shri Tom Jose is a Senior IAS officer with MBA in Marketing. He also has a Diploma in Public Administration from Maxwell School at Syracuse University, USA. As a 28 year veteran of the Indian Administrative Service, he has administrative, managerial, and diplomatic experience in various posts at state, national and international levels. He has presented research papers on business ethics, entrepreneurship and economic development at national and international management conferences & his Articles have appeared in publications such as the Business Intelligence, the Indian Manager and the Journal of the Austrian Ludwig Wittgenstein Society. Shri Tom Jose is Managing Director of Kerala State Industrial Development Corporation Ltd., & Kerala Minerals and Metals Pvt Ltd. He also holds Directorship in Nitta Gelatin India Ltd., Geojit BNP Paribas Financial Services Ltd., etc. In the past, he has held positions of Principal Secretary, PWD and Transport with Government of Kerala, as Managing Director of Kochi Metro Rail Ltd etc.

Shri Tom Jose was appointed as Additional Director w.e.f. 24.01.2013 by the Board of Directors. Being an Additional Director, he holds office up to the date of the Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956, from a Member proposing his name as Director of the Company.

d. Dr. Neeraj Mittal

Dr. Neeraj Mittal, Joint Secretary (Marketing), Ministry of Petroleum & Natural Gas is a senior IAS officer belonging to the 1992 batch of Tamil Nadu cadre. He is a B.Tech (Electrical Engineering) from IIT, Kanpur with MBA in Business Management from Cranfield University U.K. as a Commonwealth Fellow and Ph.D in Management Information System from Fisher College of Business, Ohio State University, USA. In the past, he has held diversified positions in the Ministry of Communications & Information Technology, Ministry of Commerce, ELCOT, Transport, E-Governance etc.

Dr. Neeraj Mittal was appointed as Additional Director w.e.f. 11.04.2013 by the Board of Directors. Being an Additional Director, he holds office up to the date of the Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956, from a Member proposing his name as Director of the Company.

7. 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.

BPCL 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 Independent Directors, for which the Government of India is taking necessary action, as BPCL 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 0.34% and 0.74% of the total expenses respectively for the financial year 2012-13.

The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure ID 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 Shareholders of the Company.

c. The Statutory Financial Statements of the Company are unqualified.

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 pertaining to CEO / CFO Certification for the financial year 2012-13.

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.

8. Code of Conduct, Procedure and Disclosures for Prevention of Insider Trading and Code of Corporate Disclosure Practices

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a '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 has been appointed as the Compliance Officer for implementation of the said Codes.

9. Means of Communication of Financial performance

In order to give wider publicity and to reach the Shareholders 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 2012, 30th September 2012, 31st December 2012 were obtained from the Auditors of the Company and filed with the Stock Exchanges. The Financial Statements for the first quarter ended June 2012, half year ended September 2012, third quarter ended December 2012, were sent to all Shareholders 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 as per the provisions of the Listing Agreement and also available on Corporate Filing and Dissemination System www.corpfiling.co.in website.

10. Management Discussion & Analysis Report

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

11. Investors' Service Centre

BPCL's Investors' Service Centre (ISC), by Data Software Research Co. Pvt. Ltd., our 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 1, Ground Floor, 4 & 6 Currimbhoy Road,	Fax. No. 022 – 2271 3759/ 022-2271 3688
Ballard Estate, Mumbai 400 001	Email : z_dsrc@bharatpetroleum.in

This centre has been effectively catering to the needs of the Shareholders / Investors located in western region. ISC 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, Shareholders / Investors located in western region 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 Shareholders including investor complaints.

12. General Shareholders' Information

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

Annual General Meeting Date, Time and Venue : Friday, 20th September, 2013, at 10.30 a.m. at Rama 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 / 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 2012	10 Aug, 2012	11 Aug, 2012	Unaudited
Jul-Sep 2012	09 Nov, 2012	10 Nov, 2012	Unaudited
Oct-Dec 2012	13 Feb, 2013	15 Feb, 2013	Unaudited
Apr-Mar 2013	29 May, 2013	31 May, 2013	Audited

Dividend Payment Date Dividend : The Board has recommended dividend @ ₹ 11 per share of ₹ 10 each for consideration of the Shareholders at the ensuing Annual General Meeting. If approved by the Shareholders, the same will be paid on or before 01.10.2013.

Date of Book Closure	:	11.09.2013 to 20.09.2013, both days inclusive, for the purpose of determining the names of Shareholders / 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, Bandra Kurla Complex, Bandra (E), Mumbai 400051.	: BPCL

The Listing Fees have been paid for the year 2013-14 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
Contact details of 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 request for issue of share certificates. Transfers in physical form are registered after proper scrutiny and no valid transfer applications are kept pending beyond the stipulated period of fifteen days. Requests for dematerialisation of shares are processed and confirmations are given to the respective Depositories, i.e. NSDL and CDSL within 15 days.	

Distribution of Shareholding as on 31st March, 2013 :

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. Unit Trust of India	72,66,045	1.00
5. Life Insurance Corp of India	3,71,73,606	5.14
6. Other Financial Institutions/Banks/Mutual Funds	7,54,97,490	10.44
7. Foreign Institutional Investors	7,49,44,086	10.36
8. Private Corporate Bodies	3,84,56,214	5.32
9. Non Resident Indians/Overseas Corporate Bodies	5,39,347	0.08
10. Employees	20,70,787	0.29
11. Indian Public	1,62,56,857	2.25
TOTAL	**72,30,84,248**	**100.00**

Distribution of shareholding on number of shares held by Shareholders and shareholding pattern are given in Annexure III.

Dematerialisation of shares and liquidity : After merger of KRL with BPCL, out of the shares held by the Shareholders other than the Government of India, Government of Kerala, BPCL Trust for Investment in Shares; 99.68% are held in dematerialised form as on 31st March, 2013.

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 1, Ground Floor,
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

Annexure I

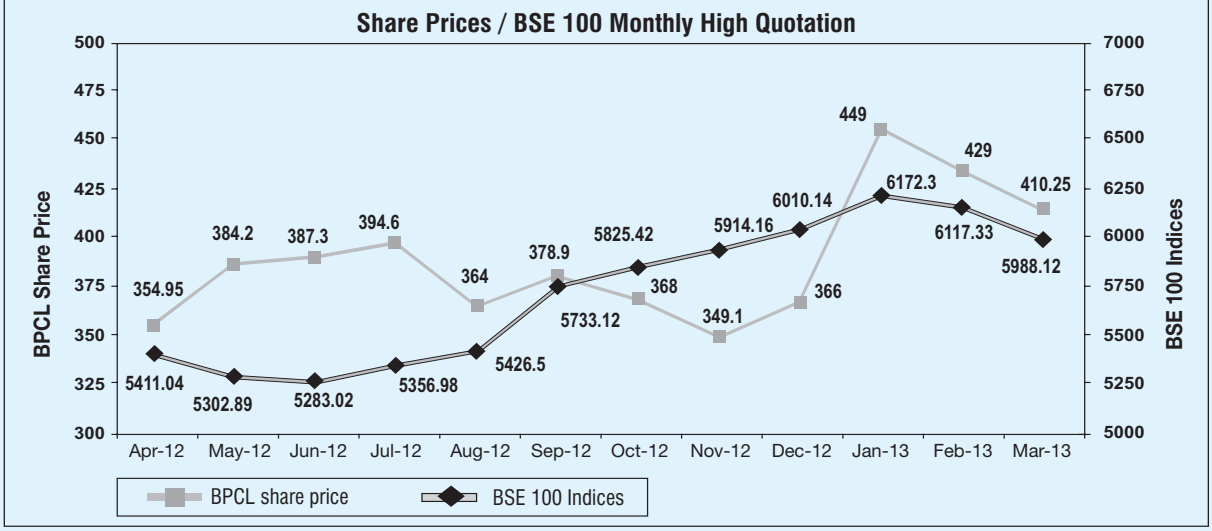
BPCL MARKET PRICE DATA						
Month(s) (April 2012-March 2013)	**BSE Ltd**			**National Stock Exchange of India Ltd**		
	High (₹ per share)	**Low (₹ per share)**	**Monthly Volume (No. of Shares)**	**High (₹ per share)**	**Low (₹ per share)**	**Monthly Volume (No. of Shares)**
April	709.90	653.30	666204	708.80	645.25	5982158
May	768.40	648.10	2347983	770.00	646.10	18002428
June	774.60	684.05	1150819	775.00	684.30	10083521
July*	**789.20**	*346.05	1035281	**789.35**	351.55	14801210
August	364.00	332.65	1567160	362.00	332.15	18472134
September	378.90	329.90	2667594	376.90	329.20	27500023
October	368.00	335.20	998851	368.80	335.40	16267152
November	349.10	**315.60**	958863	349.50	**315.00**	14436253
December	366.00	341.00	1486253	365.90	340.55	15828746
January	449.00	353.80	5117252	449.00	353.30	46850947
February	429.00	368.00	2078205	429.15	368.50	25177244
March	410.25	361.60	1525285	410.45	361.40	19836444

*post bonus (1:1) share price since.

MARKET CAPITALISATION / SHARES TRADED DURING 1ST APRIL 2012 TO 31ST MARCH 2013		
	BSE	**NSE**
No of Shares traded	2,15,99,750	23,32,38,260
No. of Shares	72,30,84,248	72,30,84,248
Highest Share Price (₹)	(12.07.2012) 789.20	(12.07.2012) 789.35
Lowest Share Price (₹)	(26.11.2012) 315.60	(26.11.2012) 315.00
Closing Share price as on 31st March, 2013 (₹)	378.15	377.70
Market Capitalisation as on 31st March, 2013 (₹ Crores)	27,343.43	27,310.89

Annexure II

BPCL MARKET PRICE MOVEMENT IN COMPARISON TO BSE 100 INDICES



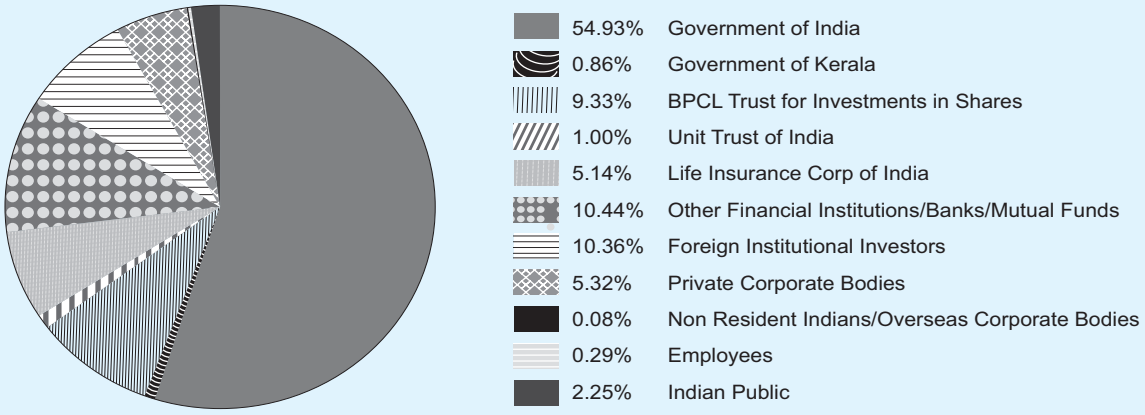
Note: pre bonus share price (1:1) adjusted.

Annexure III

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2013

NO. OF EQUITY SHARES HELD	NO. OF SHAREHOLDERS	NO. OF SHARES	% OF TOTAL
UPTO 5000	85,456	1,63,06,568	2.25
5001 TO 10000	223	16,10,310	0.22
10001 TO 50000	274	63,37,884	0.88
50001 TO 100000	92	65,25,895	0.90
100001 TO 500000	147	3,35,33,154	4.64
500001 TO 1000000	47	3,23,88,888	4.48
1000001 TO 2000000	20	2,82,26,506	3.90
2000001 TO 3000000	11	2,69,49,578	3.73
3000001 AND ABOVE	16	57,12,05,465	79.00
TOTAL	**86,286**	**72,30,84,248**	**100.00**

SHAREHOLDING PATTERN OF BPCL AS ON 31st MARCH 2013 (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, 2013.

Sd/-
R. K. Singh
Chairman & Managing Director
Bharat Petroleum Corporation Limited

Place: Mumbai
Date: 14th August, 2013

VOLUNTARY GUIDELINES 2009 OF MINISTRY OF CORPORATE AFFAIRS

BPCL being a Central Public Sector Enterprise (CPSE), some of the good practices enunciated in the Guidelines are in place while others are under consideration for implementation to help in achieving highest standards of Corporate Governance.

Board of Directors

Being a CPSE, Government of India appoints / nominates the Chairman and Managing Director, Functional Directors and other Part-Time Directors as per its guidelines on the composition of Board of CPSEs. BPCL issues a formal letter informing induction into the Board along with the Annual Report, Insider Code, Code of Conduct, Disclosure Forms etc. Independent Directors do interact with the Management as and when required. BPCL being a CPSE, remuneration is decided by the Govt. of India and it has a clearly laid down remuneration policy and performance related packages. Part-time Non-Official Directors are paid only sitting fees as per the provisions of the Companies Act, 1956.

Responsibilities of the Board

Suitable familiarization process, methods for skills enrichment and quality decision making are in place for Directors. The Company has laid down an Enterprise Risk Management Policy and Procedures. Systems are in place to ensure compliance with laws.

Audit Committee of Board

The constitution, enabling powers and role and responsibilities of the Audit Committee are as enumerated and being followed.

Auditors / Secretarial Audit / Whistle Blower

Being a CPSE, Auditors are appointed by the Comptroller and Auditor General of India and they are rotated periodically by C&AG. The Audit Committee discusses with the Statutory Auditors about the Scope of Audit. Clarity exists for proper and accountable audit. BPCL has a well established independent Internal Audit Department headed by a Senior Management Personnel. BPCL has appointed M/s Dholakia & Associates, Company Secretaries, Mumbai for conducting a Secretarial Audit for the year 2012-13 which has been completed by them. BPCL has already framed a Whistle Blower Policy. We have not received any disclosures from employees under the policy during the year.

Green Initiative in the Corporate Governance

The Ministry of Corporate Affairs (MCA), Government of India, has taken a "Green Initiative in the Corporate Governance" through its Circular No. 17/2011 dated 21.04.2011 read with Circular No. 18/2011 dated 29.04.2011 by allowing paperless compliances through electronic mode for service of documents.

In line with the Government initiative as above, BPCL would send the notices / documents including Annual Reports in electronic form to the email address provided by the Shareholders and made available to us by the Depositories. However, on receipt of requests for physical copies, the same would be provided. For shares held in electronic form, Shareholders can register their email address with their Depository Participant (DP). For shares held in physical form, Shareholders are requested to register their email address at investors.bpcl@dsrc.co.in.

Full text of the documents will also be made available at our website www.bharatpetroleum.in, besides issuing advertisements in prominent newspapers stating the availability of documents on the website. As before, physical copies of the notices / documents including Annual Reports will be available for inspection during office hours at the Registered Office of the Company.

Shareholders who provided their email address and still desire to receive physical copies of the above documents, may kindly write to us at investors.bpcl@dsrc.co.in referring Folio No. or DP ID/Client ID to enable the Company to send the same by post, for which you are entitled.

AUDITORS' 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 for the year ended 31st March 2013, as stipulated in Clause 49 of the 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 a review of the 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 mandatory requirements of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except for non-compliance of Clause 49(I)(A)(ii) relating to the number of Independent Directors on the Board of Directors of the Company.

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
T. R. Chadha and Co
Chartered Accountants
FR NO. 006711N

Sd/-
Vikas Kumar
Partner
Membership no. 75363
Date: 20th June, 2013

For and on behalf of
K. Varghese & Co
Chartered Accountants
FR NO. 004525S

Sd/-
Sam Varghese
Partner
Membership no. 216979

AUDITORS' 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 for the year ended 31st March 2013, 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 a review of the 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 requirements of Corporate Governance as stipulated in the Guidelines except for non-compliance of Clause 3.1.4 relating to the number of Independent Directors on the Board of Directors of the Company.

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
T. R. Chadha and Co
Chartered Accountants
FR NO. 006711N

Sd/-
Vikas Kumar
Partner
Membership no. 75363
Date: 20th June, 2013

For and on behalf of
K. Varghese & Co
Chartered Accountants
FR NO. 004525S

Sd/-
Sam Varghese
Partner
Membership no. 216979

SECRETARIAL AUDIT REPORT

To,

Bharat Petroleum Corporation Limited,

Mumbai

We have examined the registers, records and documents of M/s. Bharat Petroleum Corporation Limited ("The Company") for the financial year ended on 31st March, 2013 according to the provisions/clauses of:

A. The Companies Act,1956 and the Rules made under the Act;

B. The Depositories Act, 1996 and the Regulations and Bye-laws framed under the Act;

C. The Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011;

D. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

E. The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited;

F. Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises.

I. Based on the verification of records / documents produced to us, the information furnished to us by the Company and the test check carried out by us, we are of the opinion that the Company has complied with the provisions of the Companies Act, 1956 ("the Act") and Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:

1. Maintenance of various Statutory Registers and documents and making necessary entries therein;
2. Filing of the requisite forms and returns with the Registrar of Companies, Mumbai, Maharashtra and Central Government within the time prescribed under the Act and rules made there under;
3. Service of documents by the Company on its Members, Auditors, Debentureholders and Debenture Trustees;
4. Closure of Register of Members and Share Transfer Books of the Company as on 17thJuly, 2012;
5. Convening and holding of the meetings of Directors and Committees of the Directors including passing of the resolutions by Circulation;
6. Convening and holding of the 59th Annual General Meeting on 21st September, 2012;
7. Approval of Shareholders obtained through Postal Ballot Process pursuant to Section 192A of the Companies Act, 1956, ("Act") read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 ("Postal Ballot Rules");
8. Minutes of the proceedings of General Meeting and Board Meetings and its Board Committees were properly recorded in loose leaf form, which are being bound in a book form at regular intervals;
9. Appointment and remuneration of Auditors and Cost Auditors;
10. Transfers and transmission of shares issue/delivery of duplicate certificates and dematerialisation/ re-materialisation of shares;
11. Composition and terms of reference of Audit Committee;
12. Declaration and payment of dividend;
13. Transfer of amounts due under the Act to the Investor Education & Protection Fund (IEPF);
14. Payment of interest on debentures and redemption of debentures;
15. Uploading of the details of unclaimed/unpaid dividend with the Ministry of Corporate Affairs (MCA)/ Investor Education & Protection Fund (IEPF);
16. Investment of Company's funds including inter corporate loans and loans to others;
17. Giving guarantees in connection with loans taken by Subsidiaries and Associate Companies;
18. Borrowings and registration, modification and satisfaction of charges wherever applicable;
19. Deposit of both the Employees' and Employers' contribution relating to Provident Fund with the Trusts created for the purpose;

20. Form of Balance Sheet as prescribed under Part I of Schedule VI to the Act and Requirements as to the Statement of Profit and Loss Account as per Part II of the said Schedule issued by Ministry of Corporate Affairs (MCA);

21. Contracts, Common Seal, Registered Office and publication of name of the Company; and

22. Generally, all other applicable provisions of the Act and the Rules made thereunder that Act.

II. We further state that:

1. The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and Directorships in other Companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board;

2. The Directors have complied with the disclosure requirements in respect of their eligibility of appointments, their being independent and compliance with the Code of Conduct for Directors and Senior Management Personnel;

3. The Company has obtained all necessary approvals under the various provisions of the Act; and

4. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreements and Rules, Regulation and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.

III. We further report that:

1. The Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialisation/re-materialisation of securities and reconciliation of records of dematerialisation securities with all securities issued by the Company;

2. The Company has complied with all the requirements under the Listing Agreement executed with the BSE Limited and National Stock Exchange of India Limited and Guidelines on Corporate Governance for Central Public Sector Enterprises except in respect of composition of Board of Directors with regard to 50% Independent Directors as required under clause 49(I)(A) of the Listing Agreement;

3. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulation;

4. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 including provisions with regards to disclosures and maintenance of records required under the Regulation.

For DHOLAKIA & ASSOCIATES
(Company Secretaries)

Sd/-
(CS B. V. Dholakia)
Partner
C.P. No. 507

Place : Mumbai
Date : 24th July, 2013

BUSINESS RESPONSIBILITY REPORT 2012-13

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 the Company's Annual Report for the top 100 listed entities based on market capitalization at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) as on 31st March, 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 BRR 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	www.bharatpetroleum.in
5. E-mail id	ssc@bharatpetroleum.in
6. Financial year reported	1st April, 2012 to 31st March, 2013
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)	• 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)	BPCL does not directly operate at any International locations (only Subsidiary Companies have overseas operations).
ii. Number of National Location	2 Refineries; 82 Retail (Installations / Depots / TOPs) ; 47 LPG Bottling Plants; 4 Lube Blending Plants; 34 Aviation / Fuelling Stations; 1 Registered Office; 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)	₹ 2,50,537.60 crores
3. Total Profit After Taxes (INR)	₹ 2,642.90 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.68 % (₹ 17.88 crores)
5. List of activities in which expenditure in 4 above has been incurred	Our CSR related activities are mainly in the areas of • Education • Water Conservation • Community Development • Health

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has 3 Indian Subsidiaries and 4 Foreign Subsidiaries.
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 our Suppliers are required to comply with our purchasing terms and conditions, which among other things, requires 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).	More than 60%
Contractors	Contractors (including personnel working at our plants and those involved in transportation of our products etc) are provided appropriate safety training.	More than 60%
Distributors	The majority of our distributors participate in CSR activities initiated by the Company.	More than 60%
Customers	Our SBUs undertake capacity building activities for safe use of our products by our Customers. We also conduct regular surveys and engage with our Customers through various forums in order to continuously improve our service delivery systems.	More than 60%
Dealers	Our dealers participate in our CSR activities including providing training to transport crews and others.	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 Board of Directors have delegated to the 'CSR & Sustainability Committee' review of the BR Policies. The details of the CSR & Sustainability Committee Members are as under:

DIN Number	Name	Designation
00017513	Shri B. Chakrabarti, Chairman of the Committee	Independent Director
03476812	Shri K. K. Gupta, Member	Director (Marketing)
03586382	Shri B. K. Datta, Member	Director (Refineries)
00052928	Shri S. Varadarajan, Member	Director (Finance)
05102526	Shri S. P. Gathoo, Member	Director (Human Resources)

b. Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	N. A.
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 are:

P1	Businesses 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? Is 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 on page 86**								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
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.

2. Principle-wise (as per NVGs) BR Policy/policies

**2.6 Indicate the link for the policy to be viewed online

NVG Principle	Web-link
Principle 1: Ethics, transparency& accountability	http://www.bharatpetroleum.in/General/CR_COC.aspx 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
Principle 5: Promotion of Human Rights	Company's Internal web (Intralink)
Principle 6: Environmental protection	http://www.bharatpetroleum.in/EnergisingEnvironment/HSE_policy.aspx
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 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

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]

The CSR & Sustainability Committee will review BRR on a half-yearly basis and the same would be put up to the Board for information on an annual basis.

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. BPCL Sustainability Reports for the past years are available at:

http://www.bharatpetroleum.in/EnergisingSociety/CSR_Sustainability_Report.aspx

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with 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 policy relating to ethics, bribery and corruption covers the Company and also extends to our suppliers and contractors through the Integrity Pact.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

There were no stakeholder complaints received during the past financial year. While BPCL has a structured and centralized process to capture complaints raised by internal stakeholders, the Company is in the process of reviewing the mechanisms in place for external stakeholders, and will develop a centralized system to record, manage and report the same.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

BPCL has a strong focus on developing products that reduce resource consumption wherever possible and also replacing it with more environment friendly material. We have an advanced R&D Centre which helps us in bringing about any process improvements. Some of our products with enhanced environmental performance include:

- Euro III & IV Motor Spirit
- Euro III & IV HSD
- Horticulture Mineral Oil (HMO)

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?

In line with the Autofuel Policy of Govt. of India, BPCL has taken up a rolling plan to upgrade Autofuels from Bharat Stage II to III & IV. As the stage increase the fuels are expected to give better performance during their use in the vehicles, leading to lesser fuel consumption & reduced pollution. In this program, particular emphasis is put on reduction of Sulphur which is a pollutant & also has harmful effects on the system during its storage, transportation & use.

MAK All Season HMO – A single formulated product has been created addressing both conventional and organic farming requirements. This has led to reduced inventory in production, packing and distribution. Shelf life has also doubled, leading to reduced requirements for frequent testing / corrections.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Reduction of Sulphur leads to reduced Sulphur-dioxide & trioxide emission during burning of Autofuels in the vehicles leading to a cleaner atmosphere.

MAK All Season HMO – Farmers, both conventional and those demanding organic inputs are being offered a single product which meets the stringent requirements for an organic product set by IMO. This makes it much safer than conventional products for plants, soil, environment, farmers' health and even for human consumption. Further, the longer shelf life helps farmers to stock it for longer periods and also lowers the rejection rate.

3. Does the Company have procedures in place for Sustainable Sourcing (including transportation)?

i. If yes, what percentage of your inputs was Sourced Sustainably? Also, provide details thereof, in about 50 words or so

Yes; The standard tender document, adopted for major purchases, incorporates a clause on "Compliance of Regulations" that stipulates all materials covered in the order have been produced & delivered in strict compliance with all applicable laws, labour agreement, technical codes, statutory requirements etc. as applicable.

BPCL organises a certification course for the transport drivers on a periodic basis in order to improve fuel efficiency of the vehicle, reduce pilferage and impart knowledge on health & safety.

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; the Company has taken specific steps for procurement of goods and services from small/local vendors. The tenders in our Central Procurement Office have the following Purchase preference clause for Micro & Small enterprises:

"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'. It states the following:

- PSUs to work from 2012-13 towards achieving an overall procurement of minimum of 20%, of total annual purchases of products produced and services rendered by Micro and Small Enterprises in a period of three years.
- Out of 20% target of annual procurement from Micro and Small Enterprises, a sub-target of 20% (i.e., 4% out of 20%) shall be earmarked for procurement from Micro and Small Enterprises owned by SC/ST entrepreneurs.
- Price quotation in tenders: In tenders, participating Micro and Small Enterprises quoting a price within a price band of L1+15% shall also be allowed to

supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise and such Micro and Small Enterprise shall be allowed to supply up to 20% of the total tendered value.

- Reservation of specific items for procurement: To enable wider dispersal of enterprises in the country, particularly in rural areas, the Central Government Ministries/Departments/Public Sector Undertakings shall continue to procure 358 items from Micro and Small Enterprises, which have been reserved for exclusive purchase from them.

  BPCL being a PSU has been making all endeavours to comply with the above stated policy of the Government of India.

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%)**

   Given the nature of our operations, there is quite limited scope for using recycled material as process inputs. Our units are on the constant look-out for opportunities to recycle waste generated due to our operations. Following are waste material that may be recycled by units:

   - Batteries (hazardous waste - through buy-back arrangements with the suppliers)
   - Used filters (hazardous)
   - Oil rags/ cotton (hazardous)
   - Paper (non-hazardous)
   - Sludge (hazardous from Refineries)

   Given the quantum of waste generated and the limited waste material where recycling is possible, we estimate the percentage of waste recycled would be less than 5%. All the units that have significant waste water generation (refinery, LPG bottling units etc) have installed Effluent Treatment Plants (ETP); most of the water treated in the ETP is used by units for gardening, toilet flushing or other non-potable applications. The extent of recycled water use would be more than 10%. Additional details on waste generation, recycling and disposal are present in our Sustainable Development Report.

Principle 3: Businesses should promote the wellbeing of all employees.

1. **Please indicate the total number of Employees.**

   Permanent Employees: 13,213

2. **Please indicate the total number of Employees hired on temporary/contractual/casual basis.**

   Temporary / Contractual / Casual Employees:

   The Company employs contract labour (sourced through tendering process) for several activities. Many such activities are based on number of hours of work. Hence the units keep record of the number of man-hours of contract labour employed and there is significant variation in the number of contract Employees employed over the reporting period across units.

   Number of man-hours of contract labour Employed over the reporting period across all locations:

   Males : 68,21,226

   Females : 1,95,781

3. **Please indicate the number of permanent women employees.**

   1,175

4. **Please indicate the number of permanent employees with disabilities**

   219

5. **Do you have an Employee Association that is recognised by Management?**

   There are 22 Registered Unions including Refineries.

6. **What percentage of your permanent employees are Members of this Recognised Employee Association?**

   92.56% 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 on the end of the financial year.**

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as at end of the financial year
1.	Child labour/ forced labour/ involuntary labour	-	N. A.
2.	Sexual harassment	-	N. A.
3.	Discriminatory employment	-	N. A.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   - Permanent Employees

     On an average 31.84 man-hours of training per Employee was provided in the reporting period. This is inclusive of safety related trainings undertaken at plants, technical and behavioural training offered by BPCL Learning Centre (BPLC) centrally.

- Permanent Women Employees

  On an average 20.93 man-hours of training per Women Employee was provided in the reporting period. This is inclusive of safety related training undertaken at plants, technical and behavioural training offered by BPLC centrally.
- Casual/ Temporary/ Contractual Employees

  Across our units, relevant safety trainings is provided for our Contract Employees. Cumulatively number of man-hours of safety training in reporting period: 7,49,337.
- Employees with Disabilities

  Not tracked separately.

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. **Has the Company mapped its Internal and External Stakeholders? Yes/No**

   Yes, BPCL has mapped its Internal and External Stakeholders. Our key External Stakeholders are Shareholders, Lenders, Government, Regulatory Authorities, Industry Associations, Customers, Suppliers, Community, Distributors, Contractors, Media and Academic Institutions. Employees are our Internal Stakeholders.
2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes, BPCL identifies the Community surrounding our various installations as the disadvantaged, vulnerable and marginalized 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**

   BPCL carried out several CSR initiatives in the reporting period and also continued with the existing projects to extend its reach. The focus areas of CSR activities were education, livelihood and water conservation. BPCL had set a MOU target of reaching out to 50,000 children for imparting quality education, 20 villages for Rainwater Harvesting and 500 youth/women for livelihood/ income generation training. We achieved 100% completion of the MOU targets.

Principle 5: Businesses should respect and promote 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 policy relating to Human Rights covers the Company and also extends to our Suppliers and Contractors.
2. **How many Stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No Stakeholder complaints were received in the past financial year.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

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 taken various initiatives with focus on global environmental issues. The link is provided below:

   http://www.bharatpetroleum.co.in/EnergisingEnvironment/EnergisingEnvironment.aspx
3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes, BPCL identifies and assesses potential environmental risks that are material to us through our Health, Safety & Environment Policy. Please refer to our GRI based Sustainability Report for more details.
4. **Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?**

   Yes, BPCL has installed a 5 MW windmill project at Kappatguda, Karnataka, which is registered with UNFCCC & has received carbon credits for the same.
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.**

   Our organization has undertaken several initiatives on clean technology, energy efficiency and renewable energy. The details can be found in our GRI based Sustainability Report. The link is as follows:

   http://www.bharatpetroleum.co.in/EnergisingEnvironment/Ren_Overview.aspx

   http://www.bharatpetroleum.co.in/EnergisingEnvironment/MumbaiRefinery.aspx

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Details of the emissions/waste generated from our facilities are available in our Sustainable Development Report for this year. The report provides details on compliance with the CPCB / SPCB limits for these parameters.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year**

   BPCL has received two show-cause notices from Rajasthan Pollution Control Board at Kota operations. There are no other CPCB/SPCB show cause / legal notices pending as at the end of the financial year.

Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

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 (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   BPCL is an active Member of the above bodies and uses these as platforms to address issues that might have an impact on our stakeholders. Instead of lobbying on any specific issues, we participate in the broader policy development process. We are also part of few oil industry specific bodies and contribute in formulating sector specific guidelines like OISD, NSC etc.

Principle 8: Businesses should support inclusive growth and equitable development.

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof**

   BPCL continues to work with dedication towards the enhancement of society and inclusive growth. We carried out several CSR initiatives in the reporting period and continued with our existing projects to take it to the next level. The focus areas of our CSR activities were education, livelihood and water conservation. We had set a MOU target of reaching out to 50,000 children for imparting quality education, 20 villages for Rain Water Harvesting and 500 youth/women for livelihood/ income generation training. We achieved 100% completion of the MOU targets. Some of the initiatives that we undertook last year are highlighted below:

   - We initiated a unique Science Education Programme in collaboration with NGO 'Agastya International Foundation' for children of Government schools near Solur, Bangalore (Karnataka). Through the project we imparted hands-on science education among poor rural children and teachers. Through this project we are reaching out to 10,000 children.
   - We entered into the second year with Project Digital Literacy and Life Skills project across 40 low income/ BMC schools in Mumbai in partnership with Pratham reaching out to 25,000 children.
   - In Nandurbar & Sagar, we entered into the third year of our pilot project of Read India reaching out to 50,000 children.
   - We also initiated a unique in-house pilot project for professional development of primary teachers from low income schools.
   - We carried out skill based intervention programmes for women in collaboration with NGO SEWA in Lucknow, impacting about 700 women.
   - We trained 300 youth in Ranchi (Jharkhand) through partnership with Dr. Reddy's Foundation.
   - Under Project 'Boond', we converted 20 villages from 'water scarce to water positive'.
   - We supported the para health workers training in Bastar, Chattisgarh. This project benefited 5,000 tribals in remote villages with poor access to health facilities.
   - Bharat Renewable Energy Limited (BREL) is a joint

venture Company for undertaking the production, procurement, cultivation and plantation of horticulture crops such as karanj, jatropha and pongamia in the State of Uttar Pradesh. The project also takes care of trading, R&D and management of all crops and plantation including Bio-fuels. The project envisages plantation of Jatropha in 1 million acres (4,04,686 hectares) of marginal land which has the potential of generating employment / self employment for 1 million people and producing 1 million tonnes of Bio-diesel with an investment of ₹ 2,200 crores over the next 10-15 years. We have so far created 10.82 lacs of man-days of work and have utilized 2,143.91 lacs of NREGS fund.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   Our CSR related projects are implemented through an internal team. We also collaborate with various NGOs and foundations to gain from their expertise in several community projects.

3. **Have you done any impact assessment of your initiative?**

   Yes, we do perform impact assessment of our 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?**

   Our total direct contribution towards community development projects was ₹ 17.88 crores in the reporting period. The CSR activities that we carried out last year were mainly in the areas of: Education, Water Conservation, Community Development and Health.

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.**

   Yes, community participation is a must for all CSR activities. They are a part of the decision making process. BPCL follows a participatory approach in executing projects and engaging with the community. There is also contribution through shram and money, which ensures that there is ownership in the project even after we exit. BPCL also build its capacity, so that they are better equipped to deal with various issues and challenges.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   A. Percentage of consumer cases pending in various courts: 91%

   B. Percentage of customer complaints pending as at the end of financial year: 0.03% (34 Nos.)

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 our product labels provide information required as per National and International specifications on the product. We also display 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**

Particulars	No. of cases filed in the last five years	No. of cases pending as on end of financial year 2012-13
Unfair trade practices	1	1
Irresponsible advertising	-	N. A.
Anti-competitive behaviour	3	3

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Yes, we have been carrying out a consumer survey annually through an external agency. The objective of this survey is to derive the Brand Equity Index of our business units. We assess the response of our customers in the following areas:

   - Visibility
   - Existing customer service levels
   - Complaints redressal mechanism

ANNEXURE C

Particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 for the year ended 31st March, 2013

Employed for part of the financial year and in receipt of remuneration of more than ₹ 5 lakhs per month

Sr. No.	Name	Qualification	Age	Designation / Nature of Duties	Date of Commencement of employment	Experience (No. of Years)	Total Remuneration ₹	Particulars of Last Employment
1	Abanave Tukaram Dnyanoba	B.A	60	Superintendent	16.07.1984	35	1496101.81	
2	Abdul Khader P M	ITI	60	Dy. Mgr.(Manufacturing)	25.04.1977	41	1500433.72	Kajah Agencies
3	Abdul M Tamboli	NCTVT Cert, SSLC	60	Uti. Opr.	17.12.1984	27	1158759.05	
4	Adhikari Jagannath	B.A	55	Sr. Asst.	24.08.1982	30	1807229.97	
5	Agalawe Dhondu Mahadev	10th Std	60	Technician	05.01.1981	34	1477367.41	B.C. Bohariwala
6	Alagarsamy C	8th Std	60	Security Guard	17.10.1988	42	1208738.90	Indian Army
7	Amiya Kumar Bhattacharyya	B.Sc (Engg)	60	Sr. Mgr. Engg. Construction (E&P)	01.09.1982	34	4986976.59	
8	Arjan Kripal Singh	B.Com	44	Dy. Mgr. Ops. (Retail)	01.02.1991	20	1678837.04	
9	Ayare Dhondu A	10th Std	60	E/P Operator(P)	27.01.1978	39	1196756.51	
10	Baban Bapu Shelke	NCTVT Cert, SSLC	60	C/H Craftsman	06.10.1977	35	1376973.66	
11	Baikunth Nath Gupta	B.A, M.A	57	Asst.	25.01.1985	33	2333761.96	
12	Balachandran A C	Dip (Others), B.Com	60	Mgr. Operation (LPG)	10.05.1982	38	2488871.87	
13	Balakrishnan T	ITI, NCTVT Cert, Dip in Engg	60	Engineer (Utilities)	15.03.1984	35	2756348.09	Cominco Binani
14	Bane Shankar Sitaram	9th Std	60	Tallyman(P)	12.11.1979	43	953500.07	
15	Bansal A K	B.Com, L.L.B	60	ED (SCO)	01.12.1983	42	4747856.97	
16	Basu Arabinda Kumar	B.Sc	60	Lab analyst	01.09.1982	30	1615007.30	
17	Behere S M	B.Com	60	Sales Asst. Lubricants	03.05.1978	40	1021911.99	High Court
18	Bhagwati Prasad	10th Std	60	Tallyman(P)	29.07.1981	31	1141123.88	
19	Bhargava P S	B.E	60	ED I/C, MR	10.03.1978	39	4402715.69	General Engg. Works
20	Bhasi P A	12th Std	60	Operator (Utilities)	27.03.1984	36	1201501.62	Cominco Binani
21	Bhurkul Vishwas Tukaram	10th Std	60	Operator (P) (Field)	16.08.1978	41	1793303.53	
22	Biswas Ajoy Kumar	8th Std	60	Attendant (EDP/Services)	17.01.1983	29	926371.01	
23	Biswas anath Nath	12th Std	60	Operator (P) (Field)	06.03.1984	28	1306926.94	
24	Biswas Nikhil	9th Std	60	Security Guard (P)	13.01.1989	23	1091506.24	
25	Brahma S K	NCTVT Cert, SSLC	60	C/H Craftsman	08.12.1981	30	1277031.81	
26	Buxani L D	B.A, Dip (Others)	60	Mgr. (Admin Services), (W)	01.02.1978	38	1910862.52	Kaycee Industries
27	Carpenter S H H	ITI, NCTVT Cert	60	Dy. Mgr. (E&C)	06.07.1983	39	2269874.86	
28	Chandrasekaran R	ITI	60	Technician I (Retail)	01.03.1984	42	1732424.66	Indian Army
29	Chandrasekharan M P	B.Com, P.G Dip	60	Ch. Mgr.(Information Systems)	14.03.1974	38	2269383.75	
30	Chattopadhyay Bires	B.Com	60	Asst.	29.06.1993	19	1367153.59	
31	Chauhan J K	ITI	60	Technician (Inst)	15.05.1979	33	1458213.92	
32	Cherian V G	B.Sc	60	Sr. Mgr. Quality Control	09.10.1978	34	2818757.23	
33	Das Mohan Lal	12th Std	60	Technician (P)(Elec.)	18.01.1983	30	2433880.10	
34	David C	B.Sc, M.Sc	60	Regional Facilitator	02.07.1980	39	2473483.76	
35	Deshmukh Suresh Ganpat	7th Std	60	Security Guard (P)	15.12.1987	42	921370.32	Indian Army
36	Devadas Gandhi B	B.A, M.A	60	Mgr. Railway Claims, (S)	10.01.1983	39	2196682.26	PWD Deptt.
37	Devda Gordhan Singh	10th Std	60	H.V.D (P)	01.07.1981	31	744803.59	
38	Dhara Shyamal Kanti	11th Std	60	Tallyman(P)	07.02.1983	30	2207542.91	
39	Dharam Pal Singh	B.A	60	Asst.	04.10.1979	42	929006.96	
40	Dhavde Vilas Laxman	10th Std	60	Attendant I(EDP/Services)	12.11.1979	39	782954.98	
41	Dhir Singh Bhati	7th Std	60	Operator (Field)	08.07.1992	20	843986.53	
42	Dilip Kumar L	M.A., Dip in Mgt.	60	Sr. Mgr. (Terr. Army)	01.09.1982	32	4875146.01	Food Corporation of India
43	Divakar K S	B.Sc	60	Sr. Mgr. (HRS)- Corp.	25.06.1980	40	2546222.21	
44	Domnic T Lopes	NCTVT Cert, SSLC	60	C/H Craftsman	06.10.1977	35	3054766.98	
45	Donadkar R J	B.Tech	60	Ch. Process Mgr. (Train-3)	01.10.1992	36	2021810.79	
46	D'souza Yvette	B.A	60	Secretary to Dir (Mktg)	20.12.1979	33	2605755.63	
47	Dubey D R	M.Sc, Ph.D	60	Sr. Mgr. Dealer Selection Board	01.05.1981	35	2478046.55	
48	E Panneer Selvam	8th Std	60	Operator (Field)	02.05.1986	26	1014485.10	
49	Elizabeth Jain	B.A., Dip in Mgt.	60	Team Leader HR (Aviation)	03.03.1975	39	4204203.54	CIBA-Giegy Ltd.
50	Francis N V	B.Sc, M.Sc	60	Sr. Mgr. Maint.,Insp. & HSSE (Retail)	02.06.1980	34	3132934.16	Sterlite Cables
51	Gaikwad M S	SSLC	60	GO (Field)	04.01.1983	29	1279568.83	
52	George A G K	10th Std	60	Asst.	17.11.1986	45	1680251.96	Unichem Laboratory
53	Gharat S P	B.Sc	60	Mgr. (Estates)	10.11.1976	35	2324583.62	
54	Ghosh Pallav	B.A, M.B.A	60	ED (Retail), (E)	30.11.1983	37	2943928.18	I O C
55	Giri Jagdisprasad S	7th Std	60	Tallyman	01.11.1982	41	1005296.13	J R Enterprises
56	Gopal R	M.Sc	60	Sr. Mgr. Lubes Channel (Retail)	15.05.1981	40	2654343.26	Bakelite Hylam
57	Gopi K R	ITI	60	Engg. (OM & S)	01.11.1978	33	852171.96	
58	Gouda S R	8th Std	54	GO (Office)	16.09.1982	29	922591.50	
59	Gowda N S	7th Std	60	LV Driver	01.04.1993	20	1447312.96	
60	Gupta R M	B.Sc(Engg), M.B.A,	60	ED (Mktg. Co-Ordn.)	12.10.1982	38	5094051.28	Macneil & Magor
61	Harjit Singh	B.A	60	Asst.	01.09.1978	33	1274323.78	
62	Jacob C V	ITI	60	Dy. Mgr. (Maintenance)	20.04.1977	38	2714330.97	
63	Jacob V K	M.A, M.B.A, Ph.D	60	Sr. Mgr. (IT)	03.12.1981	42	2735023.81	Indian Air Force
64	Jadeja R S	M.A	60	DGM on Deputation, PSPB	01.04.1986	38	3228661.54	
65	Jagadesswara Rao Dasari	B.Tech., Dip in Engg.	32	Sr. Engg. (Manufacturing)	01.07.2005	07	2066787.59	
66	Jain S C	B.Sc., P.G Dip.	60	Dy. Mgr. - Operations	10.01.1983	33	3398216.42	Saraswat Co-op. Bank Ltd.
67	Janardanan K	B.A, L.L.B, Dip (Others)	60	Dy. Mgr. (Disposal & Import Liaison)	14.01.1982	38	2148659.93	Ministry of Laboratory
68	JayaKumar K	B.A, M.A	60	AM (INDL)	28.05.1980	32	2455911.85	
69	Jayaraman K	B.E, M.Tech	60	Ch. Mgr. Dealer Relationship & PFS	01.02.1979	36	2841414.61	
70	John Minu Mathew	B.Sc (Engg)	60	ED (Kochi Refinery)	20.12.1982	30	4695636.93	
71	John Peter	9th Std	60	Operator (P)(Field)	07.03.1990	42	1456230.61	
72	Johny K L	10th Std	60	Asst. Mgr. - Operations (Retail)	21.12.1978	34	2901292.88	
73	Johny K T	ITI, Dip in Engg	60	Operator	16.07.1992	42	1236169.02	Indian Air Force

Sr. No.	Name	Qualification	Age	Designation / Nature of Duties	Date of Commencement of employment	Experience (No. of Years)	Total Remuneration ₹	Particulars of Last Employment
74	Joseph K P	ITI	60	Operator-A(S&OM)	28.04.1977	35	1029373.31	
75	Joshi P D	NCTVT Cert, SSLC	60	C/H Craftsman	03.11.1981	30	1068870.34	
76	Joshi U N	B.E	60	ED (Plng. & Infrastructure)	20.05.1982	39	5697090.85	Mukund Iron & Steel
77	Kadu R A	B.Com	60	Asst.	06.10.1980	37	2256179.42	
78	Kakurla R M	B.E, Dip (Others)	60	Project Leader	30.12.1981	36	2086720.44	Bajaj Auto Ltd.
79	Kale D K	8th Std	60	GO (Field)	02.10.1978	34	1002364.50	
80	Kalyanasundaram A	SSLC	60	Security Guard (P)	11.07.1988	42	1085006.40	Indian Army
81	Kanigiri Bharathi	B.A	48	Steno.Asst.	15.12.1986	25	1380629.91	
82	Karan Singh Jamwal	7th Std	60	Security Guard	21.12.1990	42	1267310.31	Indian Army
83	Khan Abdul Kudus Abdulgan	7th Std	60	H.V.D (P)	08.06.1981	47	1174434.18	M.M.Automobiles
84	Koley Dibakar	B.Com	60	Technician (P)(Inst)	01.01.1982	43	1156564.87	Burn Standard Co.
85	Koli M D	SSLC	60	Pro.Tech.	03.11.1977	34	1741327.88	
86	Krishnamurti S	B.Sc	60	ED (Corp. Affairs)	15.12.1982	40	6359541.19	IBP
87	Kulkarni A A	B.A	60	Dy. Mgr. (TDU)	18.08.1980	36	3995407.32	Ugar Sagar Work
88	Kulkarni S M	B.Com	60	Sr. Business Dev. Mgr. (Bitumen) I&C	08.01.1979	38	4560422.67	IOC
89	Kumar Dinesh	M.Tech	60	DGM (Engg.) HQ	01.06.1981	33	2762676.06	Gwalior Rayon
90	Kumar Naresh	B.A	60	Mgr. Mktg. Serv., (Retail)	29.12.1980	43	3836542.93	Indian Navy
91	Kungare Daulatrao Y	B.E	42	Mgr. (Constn.GRP.)	20.09.1993	19	3481298.06	
92	Kunhappan A	12th Std	60	Sr. Engg. (Manufacturing)	01.02.1979	33	1361259.88	
93	Kushi Ramarya	8th Std	60	Attendant (P)(Services)	16.09.1986	41	905321.68	East India Hotel
94	Lakshmi Siva Kumar	B.Tech	30	Sr. Engg. (Manufacturing)	03.03.2008	05	1765653.29	
95	Limbachiya Ramanlal Motil	B.A, L.L.B	60	Superintendent	17.09.1980	39	1534570.77	W.S. Kane & Co.
96	Logabiraman J	B.Tech	40	Mgr. (CCR Project)	11.08.1997	15	2552203.19	
97	Mahadeo R Mahadik	SSLC	60	Fire Opr. C/H	26.04.1979	33	1096267.64	
98	Mahalingam A	B.Com	60	Dy. Mgr. - Ops. (Retail)	05.11.1982	29	1427944.48	
99	Mahendar Reddy J	M.A	60	Territory Co-Ord.	20.12.1988	43	3019718.59	
100	Makwana D S	B.A	60	Asst.	09.01.1978	42	1373318.08	
101	Malarvizhi Ramalingam	B.E., Dip (Others)	44	Dy. Mgr. (Admin. Facilities)	23.12.1996	19	2712028.18	Crompton Greaves
102	Manjhi Mangal	7th Std	60	Operator (P)(Field)	06.08.1984	27	737035.92	
103	Man Singh Negi	10th Std	60	L.V.D(P)	16.12.1981	46	1767556.22	
104	Mane D K	B.E., P.G. Dip.	60	Head HSSE Entity	24.02.1978	38	3071934.49	Hind Organic Chemicals
105	Manirajan U	M.A	60	Dy. Mgr. Ops (LPG)	15.09.1982	32	3599082.84	
106	Masurekar V V	NCTVT Cert, B.Sc	60	Mgr. Instr. E&C	17.12.1975	37	3246857.06	
107	Mathur Davinder Kumar	M.Com	60	Dy. Dir. (Subsidy & Accounts)	16.11.1992	26	2234164.45	
108	Mathur J K	B.Sc, M.Sc	60	Sr. Mgr. Mktg Services (Retail)	29.05.1980	39	1621295.93	All India Radio
109	Mathur S P	B.Sc, B.E	60	ED (Engg. & Projects) I/C	21.08.1978	37	5634345.81	Flow More Pvt. Ltd.
110	Mehta Sunil K	B.Sc, M.Sc	60	Mgr. Mktg. Services-(N) LPG	06.05.1980	37	2631417.98	
111	Mohan Lal	7th Std	50	Operator (Field)	05.10.1987	28	1265964.12	
112	Mohanty Bijaya Kumar	B.Sc (Engg)	47	Asst. Mgr. - Engg. (Constrution)	01.08.1988	24	757798.73	
113	Moni Sankar Banerjee	B.Sc	60	Sr Distribution Mgr. (Retail)	01.09.1982	40	3784425.03	Eastern Chemofarb
114	Mourya Lakshman Prasad	B.A., P.G. Dip.	58	Dy. Mgr. - Ops. (Retail)	14.04.1981	37	800136.69	
115	Mudye S N	NCTVT Cert	60	Dy. Mgr. Maint. (E&I)	04.01.1977	39	2184754.21	Mazagaon Docks
116	Mumbarkar Ashok G	10th Std	60	E/P Operator(P)	30.01.1978	34	710058.42	
117	Munda Biswanath	9th Std	60	Operator (P)(Field)	24.05.1982	30	1120903.72	
118	Muraleedharan T G	ITI	60	Sr. Engg. (OM & S)	25.04.1977	35	1587966.83	
119	Murali Mohan K	B.Tech., P.G. Dip.	60	Ch. Mgr. (ESE), (S)	02.06.1980	32	3002548.62	
120	Naikwadi Dinkar Keshav	B.Com	55	Asst.	01.10.1986	34	2058012.44	Wadco Packaging
121	Namboodiri K P S	B.Sc., Dip in Mgt.	60	DGM Co-Ordn. (Industry),RHQ	19.05.1980	38	4204669.54	Indian P&T Dept.
122	NandaGopal Maity	B.E., Dip in Mgt.	60	Sr. Mgr. Supplies (Retail)	30.06.1980	35	3821440.83	
123	Narayana Panicker P	10th Std	60	Operator	03.02.1992	42	1672101.23	Indian Army
124	Narayanan K	B.Sc, M.Sc	60	Sr. Mgr. Ind Cordn. (LPG OPS)	01.09.1982	36	5460909.63	
125	Newaskar Shekhar C	B.A, L.L.B	60	Asst.	24.09.1979	40	1199553.82	Overseas Communication
126	Nikhilesh Ranjan Maitra	B.Com	60	Mgr. Operation (Retail)	23.08.1982	30	3715532.27	
127	Oke S Y	L.L.B, FCS, FICWA	60	DGM (Corp. Affairs)	18.09.1997	37	2554669.80	
128	Panchal P D	B.Com	60	Asst.	08.07.1980	38	2216906.71	
129	Parmar M S	B.Sc, M.Sc	56	Ch. Mgr NHAI Coordination	19.05.1981	31	3743100.87	
130	Patil S S	NCTVT Cert, SSLC	60	C/H Craftsman	28.01.1981	32	1805974.04	
131	Patole Gangaram S	SSLC	60	E/P Operator(P)	17.01.1978	34	1147352.20	
132	Peter K V	B.A.	60	Dy. Mgr.(Staff)	19.02.1987	28	1566360.47	
133	Pillay William A	B.A, ITI, P.G. Dip.	60	Technician(P) (Retail)	16.02.1981	38	2046918.23	Bajaj Auto Ltd.
134	Prabhakaran T S	B.Sc (Engg)	60	GM On Deputation to Bina	01.10.1976	36	4455318.35	
135	Pushpendra	M.Sc., P.G. Dip.	54	Sr. Mgr. (IIS Services) (N)	01.11.1983	31	3963240.37	
136	Radhakrishnan M	B.Sc	60	Sr. Mgr. Business Dev.	04.09.1978	38	2842029.95	Calico Mills
137	Raghupathy K G	10th Std	60	Dy. Mgr.(P & CS)	01.09.1970	44	1514346.81	All India Cement
138	RajaGopalan T R	B.Sc	60	Sr. Mgr. Distribution (Retail)	02.06.1980	40	2562861.72	Indian Cancer Society
139	Rajasekharan Nair T	ITI	60	F.C V	20.11.1989	40	2061310.75	KSRTC
140	Rajendra Choudhary	B.E	33	Asst. Mgr. Ops. (Retail)	29.05.2006	06	1461446.61	
141	Raju D N	B.E	60	Sr. Installation Mgr.	28.05.1980	34	4850955.21	
142	Raju M	NCTVT Cert	60	Technician(P) (Retail)	01.02.1980	32	1678485.24	
143	Ram Adhar Mahto	9th Std	58	Attendant (EDP/Services)	26.03.1979	34	2016382.67	
144	Ram Dass	10th Std	60	Operator (P)(Field)	12.09.1984	30	1038119.83	Navyug Construction
145	Ram Parshad	7th Std	60	Operator (P)(Field)	16.06.1980	32	1244149.41	
146	Ramachandranan Nair K P	B.A	60	Dy. Mgr. Ops. (Retail)	17.11.1986	42	1637871.73	Indian Air Force
147	Ramanan E N	ITI	60	Dy. Mgr. (Maintenance)	17.08.1977	34	1255141.07	
148	RangaRaju M Kommu	SSLC	60	Uti. Opr.	06.01.1988	24	1647532.46	
149	Rathor Tej Singh	B.A	60	H.V.D (P)	20.10.1980	40	1093229.00	Shantilal and Co.
150	Ravi Dutt Sharma	10th Std	60	H.V.D (P)	01.10.1980	37	1630206.95	
151	Reddy D M	B.A, MLS	60	ED (I&C)	14.07.1986	34	3565915.42	Standard Batteries
152	Robin Pakrashi	B.Sc	60	Ch. Mgr. Coordination (Retail)	02.06.1986	37	2106781.67	Modi Industries
153	Rodrigues Helen	B.Sc	60	Secretary	06.10.1980	37	2357010.46	Tata Memorial Hospital
154	Roy Soumesh	M.A., Dip in Mgt.	60	DGM HR (LPG) - HQ	17.07.1986	38	2866768.96	HFC Ltd.
155	Sadanand R V	P.G Dip, M.A., Dip (Others)	60	Mgr. (T&D)	02.05.1983	40	2204514.33	
156	Sadanandan K K	B.Sc	60	Lab analyst	21.05.1979	36	1901314.10	Hindustan Aeronautics

Sr. No.	Name	Qualification	Age	Designation / Nature of Duties	Date of Commencement of employment	Experience (No. of Years)	Total Remuneration ₹	Particulars of Last Employment
157	Sahadev Biswas	9th Std	60	Attendant (EDP/Services)	02.03.1984	28	878422.02	
158	Sailen Kumar Borah	B.Sc	60	Mgr. Ops. (Retail)	27.08.1984	28	2850159.11	
159	Samajpati Sailendranath	12th Std	60	Tel. Operator	18.09.1989	23	1761702.89	
160	Sampson J	9th Std	60	Operator (P) (Field)	01.12.1980	31	1262416.90	
161	Sanas Atmram S	10th Std	60	H.F.C(P)	01.04.1980	38	1275113.70	HPCL
162	Sarkar Sadhan Kumar	8th Std	60	Security Guard (P)	14.03.1988	23	1413866.77	
163	Sarkar Tushar Kanti	B.A	60	H.F.C(P)	02.09.1987	25	2377650.19	
164	Sasidharan C A	B.Com	60	Mgr.(OM&S)	01.02.1977	35	2049044.07	
165	Saxena Anoop Shanker	M.Sc	60	Mgr. Mktg. Serv., (Retail)	01.09.1982	35	2171134.62	Pfizer Ltd.
166	Shaik Yakoob	10th Std, NCTVT Cert	60	Technician(P) (Retail)	01.05.1981	36	1996220.65	
167	Shakti Bhushan D	B.Tech	29	Asst. Mgr. (Aviation)	23.06.2008	05	1781280.28	
168	Sharma A O	Dip in Engg	60	Dy. Mgr. (Special Duties)	26.10.1981	41	1150018.59	Modern Bakeries
169	Sharma Kishanlal R	ITI	60	H.V.D (P)	04.12.1980	45	1558733.29	Baroda New Corp.
170	Sheikh Mohd.	B.Tech	33	Dy. Mgr. Process HCU/LOBS	05.08.2002	10	1536472.54	
171	Shetty J C	SSLC	60	Asst.	01.04.1993	20	1457800.63	
172	Shingrut A R	B.Sc, MLW, BGL	60	DGM HR (Compensation& Benefits)	04.11.1986	35	4916045.60	
173	Shirsat Narayan Kashiram	11th Std	60	H.F.C(P)	22.10.1984	31	1030407.30	
174	Shree Mohan Sharma	NCTVT Cert	60	Technician(P) (Retail)	02.11.1982	38	1381333.02	JST Engineering
175	Shukla Chandra Prakash R	10th Std	60	H.V.D (P)	01.09.1979	43	1407885.57	Atur India Pvt. Ltd.
176	Shyam Singh	8th Std	60	H.V.D	10.02.1987	35	806809.59	
177	Singh Kuldeep	B.Sc., Dip in Mgt.	60	Dy. Mgr.	05.04.1978	35	3721193.62	
178	SivaKumar K	B.E	60	DGM (Mktn. Corp.)	22.02.1978	38	4536799.11	Binny Ltd.
179	Soban Singh Sinwal	10th Std	53	L.V.D(P)	18.05.1983	35	1534602.49	British Motor
180	Soman V	Dip in Engg	60	Sr. Engg. (Manufacturing)	01.08.1983	32	1235952.31	
181	Somasekhara Warrier M G	B.A, M.A., Dip in Mgt.	60	Asst.	01.10.1980	36	2112115.61	Klassik Garment
182	Sreedevi B	B.Sc, M.A, P.G Dip, M.B.A	60	Sr. Mgr. (Benefit Administration)	06.07.1978	37	3462240.92	
183	Sri Chand	7th Std	60	Operator (P)(Field)	01.02.1979	33	1111129.91	
184	Srichand Prasad	10th Std	60	Asst.	01.07.1991	35	940598.15	Oil Co-Ordination
185	Srikanta Siva Sastri	B.Com	60	Asst.	16.08.1978	33	855603.81	
186	Srinivasan G	M.Com, P.G Dip, AICWA,	60	CFM (Retail), (S)	19.06.1981	39	1797100.42	Rhodes Parks & Co.
187	Subhash Chander Dua	B.A, M.A., P.G. Dip.	60	Manager	06.08.1982	37	4267233.72	
188	Subhash S Bagade	B.Com	60	Sr. Asst.	18.11.1977	35	2257309.22	
189	Subramanlan A N	9th Std	60	H.V.D (P)	14.05.1979	33	1632120.52	
190	Sudame A G	B.Com	60	Dy. Mgr. Finance (Retail), (W)	01.03.1978	40	2518408.74	
191	Sudhanshu Haldar	B.Tech	28	Asst. Mgr. P/L Projects, E&P	23.06.2008	04	945290.24	
192	Sutar Sambhaji Kundalik	B.A	60	Superintendent	01.04.1981	34	1442914.85	
193	Swastik Das	B.A., Dip in Engg.	40	Asst. Mgr. Operations (LPG)	01.11.1999	17	1026844.40	
194	Tandon G G	B.E	60	DGM (Utilities)	22.08.1988	37	2586633.44	Hindustan Fertilizer
195	Tendolkar N G	B.Com, P.G Dip, L.L.B	60	Mgr. (HR), Retail HQ	21.11.1977	42	3909470.36	Regional PF
196	Thapliyal Ranbir Singh	B.A, M.A	60	Dy. Mgr. Ops. (Retail)	23.02.1982	36	2541771.80	Archaeological Survey
197	Thimme Gowda A	10th Std	60	Attendant (P)(Services)	03.05.1982	30	1563516.14	
198	Thomas Chacko	B.Sc(Engg), M.B.A,	60	GM (E & AS) KR	11.04.1983	29	4592850.03	
199	Thomas Kutty M	B.A., Dip (Others)	60	Sr.Personal Asst.	24.11.1980	41	1279079.19	Jyoti Electricals
200	Thorat Ramdas Bhau	10th Std	60	Operator (P)(Field)	01.01.1980	32	758479.54	
201	Usha Ramachandran	B.Sc., Dip (Others)	60	Superintendent	05.04.1978	34	1789694.84	
202	Vijay Kumar Singh	B.Sc (Engg)	42	Dy. Mgr. Ops. (Retail)	23.12.1996	15	1295116.11	
203	Vinayakan C A	9th Std	60	Operator (Field)	01.07.1986	30	1380028.91	Udaya Industries
204	Worlikar Haresh Francis	9th Std	60	Operator (P)(Field)	28.02.1984	36	1595407.63	
205	Xavier P P	B.Com., M.B.A, P.G Dip.	60	Dy. Mgr. (Staff)	19.06.1987	37	2247414.96	TELK
206	Xess Eric John	B.A	60	Mgr. OSTS	23.05.1983	29	1522643.88	
207	Yadav R D	9th Std	60	Fire Opr.	01.10.1981	31	2369731.38	

Employed throughout the financial year and in receipt of remuneration of more than ₹ 60 Lakhs per annum

Sr. No	Name	Qualification	Age	Designation/ Nature of Duties	Date of Commencement of employment	Experience (No. of Years)	Total Remuneration ₹	Particulars of Last Employment
-	-	-	-	-	-	-	-	-

Notes:

1. The Remuneration includes, apart from regular salary, Company's contribution to Provident & Pension Funds, medical expenses.
2. There is no employee who is in receipt of remuneration in excess of that drawn by Chairman & Managing Director / Whole Time Director / Manager and holds not less than 2% of the equity shares of the Company.
3. The above employees are not related to any Director.

ANNEXURE D

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCHEDULED CASTES (SC), SCHEDULED TRIBES (ST) AND OTHER BACKWARD CLASSES (OBC) AS ON 1st JANUARY 2013 AND NUMBER OF APPOINTMENTS MADE DURING THE CALENDAR YEAR 2012

Name: BHARAT PETROLEUM CORPORATION LTD.

	Representation of SCs/STs/OBCs				Number of appointments made during the calendar year 2012										
Groups	(As on 01.01.2013)				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	5190	810	282	581	258	34	12	41	136	18	8	5*	--	--	--
Group-B	3182	467	167	253	--	--	--	--	135	21	5	1**	--	--	--
Group-C	2838	436	183	320	40	10	4	9	183	19	4	--	--	--	--
Group- D (Excluding Safai Karamcharis)	2044	413	136	221	8	1	--	5	--	--	--	--	--	--	--
Group-D (Safai Karamcharis)	21	18	1	2	--	--	--	--	--	--	--	--	--	--	--
Total	13275	2144	769	1377	306	45	16	55	454	58	17	6	--	--	--

* 5 Sportspersons promoted from Non-Management to Management in Group 'A'

** 1 Sportsperson recruited in Group 'B'

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, 2013 AND NUMBER OF APPOINTMENTS MADE IN THE SERVICE IN VARIOUS GRADES DURING THE CALENDAR YEAR 2012

NAME: BHARAT PETROLEUM CORPORATION LTD.

JG	Pay Scales (in rupees)	Representation of SCs/STs/OBCs (as on 01.01.2013)				Number of Appointments made during the calendar year 2012										
						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	1068	133	46	202	252	34	12	40	136	18	8	5*	-	-	-
B	29100-54500	1216	200	84	208	1	-	-	-	-	-	-	-	-	-	-
C	32900-58000	1079	184	66	112	5	-	-	1	-	-	-	-	-	-	-
D	36600-62000	855	182	60	54	-	-	-	-	-	-	-	-	-	-	-
E	43200-66000	494	76	19	4	-	-	-	-	-	-	-	-	-	-	-
F	51300-73000	295	28	6	1	-	-	-	-	-	-	-	-	-	-	-
G	51300-73000	106	4	-	-	-	-	-	-	-	-	-	-	-	-	-
H	51300-73000	49	1	-	-	-	-	-	-	-	-	-	-	-	-	-
I	62000-80000	23	2	1	-	-	-	-	-	-	-	-	-	-	-	-
J	75000-100000	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
K	80000-125000	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	5190	810	282	581	258	34	12	41	136	18	8	5	0	0	0

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

ANNUAL STATEMENT SHOWING REPRESENTATION OF THE PERSONS WITH DISABILITIES IN SERVICE AS ON 1st JANUARY 2013 AND DIRECT RECRUITMENT / PROMOTION DURING THE CALENDAR YEAR 2012

NAME: BHARAT PETROLEUM CORPORATION LTD.

Group	Number of Employees (as on 01.01.2013)				Direct Recruitment - 2012							Promotion - 2012						
					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"	5190	4	7	46	3	3	2	252*	-	1	2	-	-	-	136	-	-	3
"B"	3182	8	5	67	-	-	-	-	-	-	-	-	-	-	135	-	-	-
"C"	2838	15	8	27	-	-	1	40	1	-	-	-	-	-	183	-	1	1
"D/DS"	2065	6	5	21	-	-	-	8	1	-	-	-	-	-	-	-	-	-
TOTAL	13275	33	25	161	3	3	3	300	2	1	2	-	-	-	454	-	1	4

* against identified posts

(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 cereberal 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 E

ADDENDUM

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2013	The preparation of financial statements of **Bharat Petroleum Corporation Limited** for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29 May 2013. I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the financial statements of **Bharat Petroleum Corporation Limited** for the year ended 31 March 2013. 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 under Section 619 (4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller and Auditor General of India

Sd/-
Parama Sen
Principal Director of Commercial Audit &
ex-officio Member, Audit Board-II, Mumbai

Place : Mumbai
Date : 12th July, 2013

PERFORMANCE PROFILE

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
1. Refinery Thruput (TMT)										
Imported	**17155**	16353	14769	14126	13143	13904	13465	11584	5093	4543
Indigenous	**6050**	6559	7015	6281	6802	7042	6317	5653	4045	4214
TOTAL	**23205**	22912	21784	20407	19945	20946	19782	17237	9138	8757
2. Production Quantity (000 KL)	**26871**	26526	26346	24449	22820	23960	22154	19795	10314	10210
Light Distillates %	**31.08**	31.54	34.51	32.80	30.46	30.73	28.20	31.97	31.35	33.27
Middle Distillates %	**56.36**	55.34	53.48	52.88	53.67	54.13	53.55	50.43	49.89	49.13
Heavy Ends %	**12.55**	13.12	12.01	14.32	15.87	15.14	18.25	17.60	18.76	17.60
3. Fuel and Loss as % of Crude Processed	**5.9**	6.1	5.7	5.9	6.6	6.6	6.6	6.7	5.9	5.7
4. Market Sales (MMT)	**33.30**	31.14	29.27	27.89	27.35	25.79	23.45	21.63	21.03	20.37
5. Lubricants Production (MT)	**258586**	217851	220387	209301	151788	161957	116337	100461	106287	101245
6. Market Participation %	**23.1**	22.4	22.5	22.5	22.8	22.7	22.6	22.4	21.9	22.1
7. Marketing Network										
Installations	**12**	12	12	12	12	12	12	12	12	12
Depots	**115**	115	114	129	120	126	121	121	123	129
Aviation Service Stations	**36**	36	31	30	23	22	21	20	19	19
Total Tankages (Million KL)	**3.44**	3.43	3.39	3.40	3.33	3.32	3.27	3.01	3.05	3.08
Retail Outlets	**11637**	10310	9289	8692	8402	8251	7537	7332	6426	5530
LPG Bottling Plants	**50**	49	49	49	49	48	48	45	44	42
LPG Distributors	**2949**	2658	2452	2187	2117	2137	2129	2123	2061	1922
LPG Customers (No. Million)	**37.4**	34.5	31.1	28.3	26.6	25.3	23.5	22.2	21.3	19.4
8. Manpower (Nos.)	**13213**	13343	13837	13900	14016	14006	13970	13876	12029	12434
9. Sales and Earnings (Figures in ₹ Crores)										
i) Sales and Other Income	**229796**	203866	154886	127884	130118	113936	102428	82935	63343	52983
ii) Gross Profit before Depreciation, Interest & Tax	**7787**	5569	5167	4619	4246	4368	4204	1423	2092	3302
iii) Depreciation	**1926**	1885	1655	1242	1076	1098	904	768	596	561
iv) Interest	**1825**	1800	1117	1011	2166	673	533	247	140	105
v) Profit before Tax	**4036**	1884	2395	2366	1004	2597	2768	407	1356	2636
vi) Tax	**1393**	573	848	828	268	1017	962	116	391	941
vii) Profit after Tax	**2643**	1311	1547	1538	736	1581	1806	292	966	1695

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
10. What the Company Owned (₹ Crores)										
i) Gross Fixed Assets (including Capital Work-in-Progress)	**36095**	32846	30307	27930	24560	22268	20310	18545	14017	12566
ii) Net Fixed Assets (including Capital Work-in-Progress)	**19110**	17732	16972	16187	14003	12735	11833	11086	8349	7454
iii) Net Current Assets	**14027**	13612	9715	19954	20536	15445	10652	7783	2890	1908
iv) Non-Current Assets	**9487**	8430	8113							
Total Assets Net (ii + iii+ iv)	**42625**	39774	34800	36141	34539	28180	22485	18869	11239	9362
11. What the Company Owed (₹ Crores)										
i) Share Capital	**723**	362	362	362	362	362	362	362	300	300
ii) Reserves and Surplus	**15911**	14552	13696	12725	11766	11315	9912	8778	6088	5550
iii) Net Worth (i +ii)	**16634**	14914	14058	13087	12128	11677	10273	9139	6388	5850
iv) Borrowings	**23839**	22994	18960	22195	21172	15022	10829	8374	3882	2690
v) Deferred Tax Liability (net)	**1656**	1401	1008	859	1239	1481	1383	1356	969	822
vi) Non-Current Liabilites	**496**	465	774							
Total Funds Employed (iii + iv + v +vi)	**42625**	39774	34800	36141	34539	28180	22485	18869	11239	9362
12. Internal Generation (₹ Crores)	**4002**	3135	2759	1897	1282	2636	2218	1061	1282	1740
13. Value Added (₹ Crores)	**17638**	14837	12926	10085	10447	8024	7955	4781	4877	5774
14. Earnings in Foreign Exchange (₹ Crores)	**18456**	19316	12380	9504	6567	7440	5585	4287	1945	1320
15. Ratios										
i) Gross Profit before Depreciation, Interest & Tax as % age of Sales and Other Income	**3.1**	2.5	3.1	3.5	2.9	3.5	3.9	1.7	3.3	6.1
ii) Profit after Tax as % age of average Net Worth	**16.8**	9.1	11.4	12.2	6.2	14.4	18.6	3.2	15.8	32.0
iii) Gross Profit before Depreciation, Interest & Tax as % age of Capital Employed	**19.6**	14.6	15.6	13.7	13.1	15.9	19.4	8.0	21.2	41.5
iv) Profit before Tax as % age of Capital Employed	**10.2**	4.9	7.2	7.0	3.1	9.5	12.8	2.3	13.7	33.1
v) Profit after Tax as % age of Capital Employed (ROCE)	**6.7**	3.4	4.7	4.6	2.3	5.8	8.3	1.6	9.8	21.3
vi) Debt Equity Ratio	**1.43**	1.54	1.35	1.70	1.75	1.29	1.05	0.92	0.61	0.46
16. Earnings per Share (₹) *	**36.55**	18.13	21.39	21.27	10.18	21.86	24.97	4.03	16.10	28.24
17. Book Value per Share (₹) *	**230.04**	206.25	194.41	180.99	167.74	161.50	142.08	126.41	106.47	97.50
18. Dividend										
- i) Percentage	**110**	110	140	140	70	40	160	25	125	175
- ii) Amount (₹ Crores)	**795**	398	506	506	253	145	578	90	375	525

Note : The figures for the years 2005-06 and onwards are merged figures including erstwhile KRL.
The figures for the years 2012-13, 2011-12 and 2010-11 are prepared as per the requirements of the Revised Schedule VI
* EPS and Book Value per share for previous years has been adjusted for 1:1 bonus issue in July 2012

SOURCES AND APPLICATION OF FUNDS

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
SOURCES OF FUNDS										
OWN										
Profit after Tax	**2,643**	1,311	1,547	1,538	736	1,581	1,806	292	966	1,695
Capital Grants received / (Reversed) (Net of amortisation)	**-**	-	2	-	-	-	(1)	3	-	-
Adjustment on account of Transitional Provisions	**-**	-	-	-	-	(36)	-	-	-	-
Depreciation	**1,926**	1,885	1,655	1,247	1,084	1,099	1,056	771	596	562
Investment	**-**	461	2,124	4,577	-	-	-	-	300	129
Shareholders' Investment	**-**	-	-	-	-	-	-	-	-	-
Deferred Tax Provision	**255**	393	148	(380)	(242)	111	27	102	147	76
BORROWINGS										
Loans (net)	**845**	4,022	-	1,024	6,149	4,193	2,456	3,715	1,192	-
LPG Deposits	**653**	613	570	411	237	232	154	150	170	238
Decrease in Working Capital	**-**	-	235	-	2,432	-	1,382	-	-	138
Adjustment on account of Deletion/Re-classification, etc.	**236**	63	50	16	38	38	4	7	17	3
	6,558	8,748	6,331	8,433	10,434	7,218	6,884	5,040	3,388	2,841
APPLICATION OF FUNDS										
Capital Expenditure	**3,544**	2,762	2,532	3,447	2,389	2,039	1,808	2,009	1,509	1,653
Dividend	**795**	398	506	506	253	145	579	90	375	525
Tax on distributed profits	**127**	57	71	73	32	9	92	13	52	67
Repayment of Loans (net)	**-**	-	3,222	-	-	-	-	-	-	596
Investment	**1,192**	-	-	-	7,760	2,023	4,405	2,788	-	-
Increase in Working Capital	**900**	5,531	-	4,407	-	3,002	-	140	1,452	-
	6,558	8,748	6,331	8,433	10,434	7,218	6,884	5,040	3,388	2,841

Note: The figures for the years 2005-06 and onwards are merged figures including erstwhile KRL.

SALES VOLUME (₹000 MT)

	2012-13		2011-12		2010-11		2009-10		2008-09	
	Sales	**Market Share (%)**	Sales	Market Share (%)	Sales	Market Share (%)	Sales	Market Share (%)	Sales	Market Share (%)
Light Distillates :										
Naphtha	**594**	**11.5**	459	11.1	704	19.1	897	28.9	1,129	20.6
LPG (Bulk & Packed)	**3,884**	**25.9**	3,870	26.3	3,555	26.0	3,236	25.9	3,033	26.2
Motor Spirit	**4,443**	**28.7**	4,152	28.2	3,914	28.1	3,575	28.4	3,229	28.9
Special Boiling Point Spirit/Hexane	**36**	**46.9**	38	44.3	45	41.9	39	34.9	34	29.5
Benzene	**48**	**26.6**	43	30.8	72	55.5	60	84.3	73	88.3
Toluene	**21**	**100.0**	29	100.0	21	100.0	24	97.9	27	97.4
Polypropylene Feedstock	**100**		95		73		71		62	
Regasified - LNG	**912**		736		607		710		866	
Others	**307**		286		261		234		204	
Sub Total	**10,345**		9,708		9,252		8,846		8,657	
Middle Distillates :										
Aviation Turbine Fuel	**1,172**	**23.0**	1,189	22.1	1,129	22.8	925	20.3	917	21.0
Superior Kerosene Oil	**1,304**	**16.8**	1,437	16.9	1,582	17.2	1,646	17.2	1,599	16.8
High Speed Diesel	**18,039**	**26.1**	16,320	25.2	14,552	24.8	13,298	24.2	12,630	24.6
Light Diesel Oil	**72**	**17.8**	64	15.3	66	14.4	59	12.8	78	14.2
Mineral Turpentine Oil	**101**	**69.2**	122	70.8	132	67.5	107	56.5	84	53.2
Sub Total	**20,688**		19,132		17,461		16,035		15,308	
Others :										
Furnace Oil	**747**	**14.7**	855	14.0	1,314	17.1	1,635	20.5	1,836	23.6
Low Sulphur Heavy Stock	**323**	**23.7**	249	14.2	254	12.8	447	18.0	591	18.6
Bitumen	**817**	**18.7**	846	19.6	651	16.0	627	14.4	680	15.0
Lubricants	**283**	**23.3**	265	22.0	275	22.7	231	18.7	203	20.1
Others	**94**	**15.8**	87	15.2	67	15.2	64	14.9	76	16.6
Sub Total	**2,264**		2,302		2,561		3,004		3,386	
Grand Total	**33,297**	**23.14**	31,142	22.33	29,274	22.49	27,885	22.50	27,351	22.78

Note 1: Market Share is based on Sales Volumes of Public Sector Oil Companies.

PRODUCTION (₹000 MT)

	2012-13	2011-12	2010-11	2009-10	2008-09
Light Distillates :					
Naphtha	**2262**	2354	2567	2262	1821
LPG	**924**	977	982	873	818
Motor Spirit	**2666**	2516	2365	2069	2081
Special Boiling Point Spirit/Hexane	**35**	38	46	39	33
Benzene	**50**	47	75	57	80
Toluene	**21**	29	20	23	28
Polypropylene Feedstock/ Propylene	**100**	94	74	72	62
Ind. Reformate	**171**	164			
Others	**0**	2	1	1	1
Sub Total	**6,229**	6221	6130	5396	4924
Middle Distillates:					
Aviation Turbine Fuel	**1165**	1193	1170	1062	981
Superior Kerosene Oil	**787**	961	1215	1235	996
High Speed Diesel	**9953**	9391	8614	7816	7805
Light Diesel Oil	**70**	53	60	58	84
Mineral Turpentine Oil	**100**	123	131	110	84
Lube Oil Base Stock	**215**	206	205	185	155
Sub Total	**12290**	11927	11395	10466	10104
Heavy Ends :					
Furnace Oil	**2083**	2175	2051	2263	2254
Low Sulphur Heavy Stock	**322**	261	256	431	593
Sulphur	**92**	87	70	65	78
Bitumen	**827**	851	645	578	661
Others	**-**	-	-	-	15
Sub Total	**3324**	3374	3022	3337	3600
Grand Total	**21843**	21522	20547	19199	18629

Lubricants Production (MT)

2012-13	2011-12	2010-11	2009-10	2008-09
258586	217851	220387	209301	151788

Quantity of LPG Filled in Cylinders (MT)

2012-13	2011-12	2010-11	2009-10	2008-09
3577335	3515549	3236274	2946073	2760136

HOW VALUE IS GENERATED

₹ Crores

	2012-13	2011-12
Value of Production (Refinery)	**1,13,414**	99,896
Less : Direct Materials Consumed	**(1,09,831)**	(98,973)
Added Value	**3,583**	923
Marketing Operations	**12,375**	12,212
Value added by Manufacturing & Trading Operations	**15,958**	13,135
Add : Other Income and prior period items	**1,680**	1,702
Total Value Generated	**17,638**	14,837

HOW VALUE IS DISTRIBUTED

₹ Crores

		2012-13		2011-12
1. OPERATIONS				
Operating & Service Costs		**7,083**		7,007
2. EMPLOYEES' BENEFITS				
Salaries, Wages & Bonus	**2,143**		1,682	
Other Benefits	**626**	**2,769**	579	2,261
3. PROVIDERS OF CAPITAL				
Interest on Borrowings	**1,825**		1,800	
Dividend	**795**	**2,620**	398	2,198
4. INCOME TAX		**1,265**		339
5. RE-INVESTMENT IN BUSINESS				
Depreciation	**1,926**		1,885	
Deferred Tax	**255**		291	
Retained Profit	**1,720**	**3,901**	856	3,032
Total Value Distributed		**17,638**		14,837

AUDITORS' REPORT TO THE MEMBERS OF BHARAT PETROLEUM CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Bharat Petroleum Corporation Limited** ("the Corporation"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

2. As required by section 227(3) of the Companies Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e) Disclosure in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not required as per Notification No. GSR 829(E) dated October 21, 2003 issued by the Department of Company Affairs.

f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For and on behalf of
T R CHADHA & Co.
Chartered Accountants
FR No: 006711N

Sd/-
Vikas Kumar
Partner
Membership No: 75363

For and on behalf of
K. VARGHESE & Co.
Chartered Accountants
FR No: 004525S

Sd/-
Sam Varghese
Partner
Membership No: 216979

Place: Mumbai
Dated: 29th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph (1) of our report of even date on the accounts of **BHARAT PETROLEUM CORPORATION LIMITED** for the year ended 31st March 2013)

1. Fixed Assets

a) The Company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets. In respect of continuous process plants, the records are maintained on consolidated basis and not for individual components of the same.

b) The fixed assets of the Company, other than LPG cylinders and pressure regulators with customers, are generally physically verified by the Management in a phased manner of two/three years cycle which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The Company has identified certain discrepancies on such verifications which are under reconciliation and consequent adjustment, which in view of management would not be material.

c) The disposals of fixed assets during the year are not of a significant value and do not affect the going concern assumption.

2. Inventories

a) The management during the year under audit carried out the physical verification of inventories (except those lying with third parties and in transit) at regular intervals. In respect of inventories lying with third parties, these have generally been confirmed by them and the inventory in transit has been verified with subsequent receipts.

b) Taking into consideration the nature of business, we are of the opinion that the procedures of physical verification and frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.

3. Secured or Unsecured Loans Granted or Taken

The company has not granted or taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (b) to (d), (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.

4 Internal Control

In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of a special nature and suitable alternative sources do not exist, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventories 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 the internal control system.

5. Transactions under Section 301

According to the information and explanation given to us and as verified by us, there were no transactions exceeding the value of Rs. five lakhs in case of any party that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.

6. Public Deposits

According to the information and explanation given to us, the Company has not accepted any deposits from the public.

7. Internal Audit System

The Company has an internal audit system which is carried out by the in-house department and also by outsourced firms for certain areas. In our view, the same is generally commensurate with the size and the nature of its business.

8. Cost Records

We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made a detailed examination of these records.

9. Statutory Dues

a) The company has been generally regular in depositing its undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues as applicable with the appropriate authorities during the year.

According to the information and explanation given to us, no material undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues were in arrears as at 31.3.2013 for a period of more than six months from the date they became payable.

b) The details of disputed dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty, cess, etc. which have not been deposited, are given in **Annexure I.**

10. The company does not have any accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not defaulted in repayment of dues to Financial Institutions / Banks.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 13 of Para 4 of the Companies (Auditor's Report) Order are not applicable to the Company.

14. According to the information and explanations given to us and as verified by us, the Company is not dealing or trading in shares, securities, debentures and other investments.

15. The Company has given guarantees for loans taken by others from banks or financial institutions, aggregating to ₹ 1,881.44 Crores where the terms and conditions, in our opinion, are not prima facie prejudicial to the interest of the Company.

16. On the basis of review of utilization of funds pertaining to term loans on overall basis and the related information made available to us, the term loans obtained during the year, prima facie, have been applied for the purpose for which the loans were raised.

17. According to the information and explanation given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that funds raised on short-term basis have not been used for long-term investment.

18. According to the information and explanations given to us and verified by us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of Companies Act, 1956.

19. The Company has created necessary securities / charge as per the debenture trust deed in respect of debentures issued and outstanding at the year end.

20. The Company has not raised any money by way of public issues during the year.

21. As represented to us by the management and based on our examination in the course of our audit, except for the instances at (a), (b) and (c) below, no other material fraud on or by the Company has been noticed or reported during the year.

a) The Company has identified a fraud in respect of Petro card operations committed by two service engineers of an outsourced service provider amounting to Rs.21.75 Lacs. The said amount has since been recovered from the party.

b) The Company has identified an incident of irregularity in Public deposit payments by an employee (since deceased). The matter is under investigation. The amount of irregularity is around Rs.64 Lacs.

c) The Company has identified a fraud made by an advocate relating to misappropriation of disbursement of compensation amounting to Rs. 5 Lacs to beneficiaries in LPG accident cases, The amount has since been recovered.

For and on behalf of
T R CHADHA & Co.
Chartered Accountants
FR No: 006711N

Sd/-
Vikas Kumar
Partner
Membership No: 75363

For and on behalf of
K. VARGHESE & Co.
Chartered Accountants
FR No:004525S

Sd/-
Sam Varghese
Partner
Membership No: 216979

Place: Mumbai
Dated: 29th May, 2013

CONSOLIDATED SUMMARY

Annexure 1

(Amount in ₹ Crores)

Nature of Statute / Nature of Dues	Period Block	Forum where Dispute is pending					Grand Total
		Supreme Court	High Court	Appellate Tribunal*	Appellate Authority**	Adjudicating Authority***	
Central Excise Act, 1944 (Excise Duty Including Penalty & Interest, wherever applicable)	1980 to 1985			0.07			0.07
	1985 to 1990				0.07		0.07
	1990 to 1995			5.69	0.62		6.31
	1995 to 2000	3.17		90.85	0.16	35.93	130.11
	2000 to 2005	551.48	2.23	141.98	1.99	1,057.02	1,754.70
	2005 to 2010	70.96	23.44	264.60	61.43	2,710.03	3,130.46
	2010 to 2013			284.35	2.31	63.51	350.17
Excise Duty Total		**625.61**	**25.67**	**787.54**	**66.58**	**3,866.49**	**5,371.89**
Customs Act,1962	1995 to 2000			64.06	95.51	3.25	162.82
	2000 to 2005			10.59	14.90	6.75	32.24
	2005 to 2010					12.25	12.25
	2010 to 2013					0.31	0.31
Customs Act,1962 Total		**-**	**-**	**74.65**	**110.41**	**22.56**	**207.62**
Sales Tax/ VAT Legislations (Sales Tax Including Penalty & Interest, wherever applicable)	1980 to 1985		22.13				22.13
	1985 to 1990	1.51	0.19	0.01	34.05	1.13	36.89
	1990 to 1995	12.95		1.84	11.66	62.01	88.46
	1995 to 2000	5.54	8.59	199.40	38.20	203.94	455.67
	2000 to 2005	0.34	5.07	1,725.65	1,495.93	560.40	3,787.39
	2005 to 2010	49.88	25.80	1.72	97.57	470.92	645.89
	2010 to 2013				6.63		6.63
Sales Tax Total		**70.22**	**61.78**	**1,928.62**	**1,684.04**	**1,298.40**	**5,043.06**
Income Tax Act, 1961 (Income Tax including Penalty & Interest, wherever applicable)	1995 to 2000				1.35		1.35
	2005 to 2010				8.13		8.13
	2010 to 2013				0.05		0.05
Income Tax Total		**-**	**-**	**-**	**9.53**	**-**	**9.53**
Finance Act, 1994 (Service Tax)	2000 to 2005				0.10	1.76	1.86
	2005 to 2010			1.90	1.08	33.76	36.74
	2010 to 2013					6.79	6.79
Service Tax Total		**-**	**-**	**1.90**	**1.18**	**42.31**	**45.39**
Grand Total		**695.83**	**87.45**	**2,792.71**	**1,871.74**	**5,229.76**	**10,677.49**

* 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

BALANCE SHEET AS AT 31st MARCH, 2013

	Note no.	As at 31/03/2013	₹ Crores As at 31/03/2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**723.08**	361.54
Reserves and Surplus	3	**15,910.94**	14,552.32
		16,634.02	14,913.86
Non-current liabilities			
Long-term borrowings	4	**5,508.37**	2,159.09
Deferred tax liabilities (Net)	5	**1,655.72**	1,400.56
Other long-term liabilities	6	**60.82**	55.96
Long-term provisions	7	**435.06**	409.96
		7,659.97	4,025.57
Current liabilities			
Short-term borrowings	8	**18,058.42**	19,087.35
Trade payables	9	**8,783.11**	12,866.40
Other current liabilities	10	**13,533.62**	13,366.10
Short-term provisions	11	**2,318.25**	1,347.70
		42,693.40	46,667.55
TOTAL		**66,987.39**	65,606.98
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	**16,624.03**	16,536.24
Intangible assets	13	**66.38**	76.14
Intangible assets under development	14	**2.53**	2.53
Capital work-in-progress	15	**2,417.21**	1,116.53
Non-current investments	16	**6,942.10**	4,970.29
Long-term loans and advances	17	**2,528.40**	3,458.97
Other non-current assets	18	**16.93**	0.95
		28,597.58	26,161.65
Current assets			
Current investments	19	**5,160.90**	5,947.13
Inventories	20	**16,690.37**	15,948.06
Trade receivables	21	**4,025.13**	6,378.34
Cash and cash equivalents	22	**2,328.86**	978.85
Short-term loans and advances	23	**1,244.98**	792.58
Other current assets	24	**8,939.57**	9,400.37
		38,389.81	39,445.33
TOTAL		**66,987.39**	65,606.98
Significant Accounting Policies	1		
Other Notes to Accounts	33 to 53		

For and on behalf of the Board of Directors

Sd/-
R.K. SINGH
Chairman and Managing Director

Sd/-
S. VARADARAJAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Place: Mumbai
Dated: 29th May, 2013

As per our attached report of even date
For and on behalf of

T.R CHADHA & CO.
Chartered Accountants
FR No: 006711N

Sd/-
VIKAS KUMAR
Partner
Membership No.75363

K.VARGHESE & CO.
Chartered Accountants
FR No: 004525S

Sd/-
SAM VARGHESE
Partner
Membership No. 216979

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

₹ Crores

	Note No.	2012-13	2011-12
Revenue from Operations	25	**240,115.75**	211,972.97
Other Income	26	**1,680.23**	1,701.78
Total Revenue		**241,795.98**	213,674.75
Less : Expenses			
Cost of raw materials consumed	27	**97,489.49**	85,562.97
Purchases of stock-in-trade	28	**125,819.60**	112,159.15
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	**(1,471.79)**	(601.60)
Employee benefits expense	30	**2,768.87**	2,261.07
Finance costs	31	**1,825.24**	1,799.59
Depreciation and amortisation expense	12,13	**1,926.10**	1,884.87
Other expenses	32	**9,402.78**	8,724.53
Total expenses		**237,760.29**	211,790.58
Profit before tax		**4,035.69**	1,884.17
Less: Tax Expense			
Current tax		**1,173.29**	280.00
Less : MAT Credit entitlement		**-**	(101.93)
Deferred Tax		**255.16**	393.01
Short/(Excess) provision in earlier years provided for		**(35.66)**	1.82
Total Tax Expense		**1,392.79**	572.90
Profit/ (Loss) after tax for the year		**2,642.90**	1,311.27
Basic and Diluted Earnings per share (Face value ₹ 10) (Refer Note No. 46)		**36.55**	18.13
Significant Accounting Policies	1		
Other Notes to Accounts	33 to 53		

For and on behalf of the Board of Directors

Sd/-
R.K. SINGH
Chairman and Managing Director

Sd/-
S. VARADARAJAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

As per our attached report of even date
For and on behalf of

T.R CHADHA & CO.
Chartered Accountants
FR No: 006711N

Sd/-
VIKAS KUMAR
Partner
Membership No.75363

K.VARGHESE & CO.
Chartered Accountants
FR No: 004525S

Sd/-
SAM VARGHESE
Partner
Membership No. 216979

Place: Mumbai
Dated: 29th May, 2013

CASH FLOW STATEMENT

₹ Crores

For the year ended 31st March	2013	2012
A Cash Flow from Operating Activities		
Net Profit Before Tax	**4,035.69**	1,884.17
Adjustments for :		
Depreciation	**1,926.10**	1,884.87
Interest	**1,782.84**	1,799.59
Foreign Exchange Fluctuations (Refer explanatory note 3)	**151.82**	1,090.47
(Profit) / Loss on Sale of fixed assets	**23.85**	(77.19)
(Profit) / Loss on Sale of investments	**155.42**	141.30
Income from Investments	**(839.64)**	(719.57)
Dividend Received	**(147.44)**	(135.59)
Other Non-Cash items (Refer explanatory note 4)	**(118.82)**	(78.13)
Operating Profit before Working Capital Changes	**6,969.82**	5,789.92
(Invested in)/Generated from :		
Trade Receivables	**2,307.39**	(3,732.45)
Other Receivables	**(153.99)**	(4,703.25)
Inventory	**(742.31)**	(572.98)
Current Liabilities & Payables	**(2,255.42)**	4,576.67
Cash generated from Operations	**6,125.49**	1,357.90
Direct Taxes paid	**(646.51)**	(432.06)
Net Cash Flow from Operating Activities	**5,478.98**	925.84

CASH FLOW STATEMENT (CONTD.)

₹ Crores

	For the year ended 31st March	2013	2012
B	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	**(3,386.95)**	(2,560.32)
	Sale of fixed assets	**3.53**	101.96
	Capital Grant Received	**0.30**	-
	Investment, Loans and Advances to Joint Venture Companies		
	Bharat Oman Refineries Limited	**(650.00)**	-
	Bharat Renewable Energy Limited	**(0.50)**	(0.75)
	Petroleum India International	**(1.21)**	-
	Petronet CCK Limited (Loan)	**35.92**	18.23
	GSPC India Gasnet Limited	**(8.48)**	-
	GSPC India Transco Limited	**(7.70)**	-
	Kannur International Airport Limited	**(40.00)**	-
	Investment, Loans and Advances to Subsidiaries		
	Bharat PetroResources Limited	**(1,270.00)**	(120.00)
	Bharat PetroResources Limited (Loan)	**906.85**	(151.75)
	Sale of Investments	**1,080.98**	957.42
	Income from Investment	**804.13**	729.08
	Dividend Received	**147.44**	135.59
	Net Cash Flow from Investing Activities	**(2,385.69)**	(890.54)
C	**Cash Flow from Financing Activities**		
	Long term Borrowings	**3,478.33**	600.00
	Repayment of loans	**(1,675.01)**	(2,645.95)
	Interest paid	**(1,855.10)**	(1,823.97)
	Dividend Paid	**(397.73)**	(506.54)
	Corporate Dividend Tax	**(57.16)**	(71.08)
	Realised gains of exchange differences on foreign currency loans	**(207.68)**	(265.60)
	Net Cash Flow from Financing Activities	**(714.35)**	(4,713.14)
D	**Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)**	**2,378.94**	(4,677.84)

₹ Crores

Cash and Cash equivalents as at 31st March	2012	2011
Cash in Hand	**75.00**	133.85
Cash at Bank	**903.85**	245.18
Cash Credit from scheduled banks	**(210.11)**	(2,021.55)
Unsecured loans from scheduled banks / ICDs / CPs	**(18,877.24)**	(11,788.14)
	(18,108.50)	(13,430.66)

Cash and Cash equivalents as at 31st March	2013	2012
Cash in Hand	**122.51**	75.00
Cash at Bank	**2,206.35**	903.85
Cash Credit from scheduled banks	**(660.47)**	(210.11)
Collateralized Borrowing and Lending Obligation	**(622.00)**	-
Unsecured loans from scheduled banks / ICDs / CPs	**(16,775.95)**	(18,877.24)
	(15,729.56)	(18,108.50)
Net change in Cash and Cash equivalents	**2,378.94**	(4,677.84)

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, foreign exchange adjustments, diminution in value of investment, amortisation of Capital grant, Bad debts and materials written off and miscellaneous adjustments not affecting cash flow.
5. "Cash at Bank" includes a balance of ₹ **2.38 Crores** (previous year ₹ 2.41 Crores) towards unclaimed dividend.
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/-
R.K. SINGH
Chairman and Managing Director

Sd/-
S. VARADARAJAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Place: Mumbai
Dated: 29th May, 2013

As per our attached report of even date
For and on behalf of

T.R CHADHA & CO.
Chartered Accountants
FR No: 006711N

Sd/-
VIKAS KUMAR
Partner
Membership No.75363

K.VARGHESE & CO.
Chartered Accountants
FR No: 004525S

Sd/-
SAM VARGHESE
Partner
Membership No. 216979

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 a vast network of Installations, Depots, Retail Outlets, Aviation Service Stations and LPG distributors.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1 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 notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. 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 amortisation of Right of Way referred to in para 1.3.(ii) (b) and depreciation on Paver blocks and Canopy referred to in para 1.6 (d).

1.2 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.

1.3 FIXED ASSETS

i) 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) Expenditure on assets, other than plant and machinery, LPG cylinders and pressure regulators, not exceeding ₹ 1,000 per item are charged to revenue.

d) Machinery spares that are specific to a fixed asset are capitalised along with the fixed asset. Replacement of such spares is charged to revenue.

e) Land acquired on lease where period of lease exceeds 99 years is treated as freehold land.

f) **Expenditure during construction period:** Direct expenses including borrowing cost incurred during construction period on capital projects are capitalised. Indirect expenses of the project group are also capitalised and (which are allocated to projects costing ₹ 5 crores and above). 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.

ii) INTANGIBLE ASSETS

a) Intangible assets are carried at cost less accumulated amortisation.

b) Cost of right of way is amortised over the period of 99 years as it is perpetual and absolute in nature.

c) Expenditure incurred for creating/acquiring other intangible assets of ₹ 0.50 crores 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.

d) In other cases, the expenditure is charged to revenue in the year the expenditure is incurred.

1.4 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 the net selling price of the asset or present value, the difference is recognised as an impairment loss.

1.5 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised 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.

1.6 DEPRECIATION

i. Depreciation on fixed assets is provided under the straight line method, at rates prescribed under Schedule XIV to the Companies Act, 1956, 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) Fixed assets costing not more than ₹ 5,000 each, LPG cylinders and pressure regulators are depreciated @ 100 percent in the year of acquisition.

   c) Computer equipments and peripherals, and mobile phones are depreciated over a period of four years. Furniture provided at the residence of management staff is depreciated over a period of seven years.

   d) Paver Blocks and Canopy capitalised under Buildings are depreciated based on the estimated useful life of 30 years.

ii. Depreciation is charged on addition / deletion on pro-rata monthly basis including the month of addition / deletion.

1.7 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.

1.8 INVENTORY

i. Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis 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 realisable 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.

1.9 REVENUE RECOGNITION

i. 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.

ii. 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.

iii. 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.

iv. Income from sale of scrap is accounted for on realisation.

v. Dividend income is recognised when the Corporation's right to receive the dividend is established.

vi. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

1.10 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 crore in each case pertaining to prior year(s) is charged to the current year.

iii. Prepaid expenses upto ₹ 0.05 crore in each case, are charged to revenue as and when incurred.

iv. Deposits placed with Government agencies/ local authorities which are perennial in nature are charged to revenue in the year of payment.

1.11 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 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 actuaries using the Projected Unit Credit Method, as at the balance sheet date.

iii. Payments made under Voluntary Retirement Scheme are charged to Statement of Profit and Loss as and when incurred.

1.12 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 in bond is provided for at the assessable value applicable at each of the locations at maximum rates based on end use.

1.13 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 under foreign exchange fluctuation or interest, as the case may be.

iv. 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.

v. 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.

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.

1.14 GOVERNMENT GRANTS

i. When the grant relates to an expense item or depreciable fixed assets, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. The grant relating to future years are treated as Deferred Income and reflected as Capital Reserve in Balance Sheet.

ii. Government grants of the nature of promoters' contribution or relating to non-depreciable assets are credited to capital reserve and treated as a part of shareholders' funds.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

i. A provision is recognised when an enterprise 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 recognised 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 crore in each case.

1.16 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 recognised 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 recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

iv. The carrying amount of deferred tax assets and unrecognised deferred tax assets are reviewed at each balance sheet date.

1.17 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.

2. SHARE CAPITAL

			₹ Crores
		31/03/2013	31/03/2012
i	**Authorised**		
	2,50,00,00,000 equity shares (previous year 45,00,00,000 equity shares)	**2,500.00**	450.00
ii	**Issued, subscribed and paid-up**		
	72,30,84,248 (previous year 36,15,42,124) equity shares fully paid-up	**723.08**	361.54
	Total	**723.08**	361.54

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.

During the period ended 31st March 2013, the amount of dividend per share is ₹ **11** (previous year ₹ 11). The total dividend appropriation for the year ended 31st March 2013 amounted to ₹ **922.86** crores (previous year ₹ 454.86 crores) including Corporate Dividend Tax of ₹ **127.47** crores (previous year ₹ 57.16 crores)

iv During the period, the Corporation has 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.

v Reconciliation of No. of Equity Shares

		31/03/2013	31/03/2012
A.	Opening Balance	**36,15,42,124**	36,15,42,124
B.	Shares Issued		
	- Bonus Shares	**36,15,42,124**	-
C.	Shares Bought Back	**-**	-
D.	Closing Balance	**72,30,84,248**	36,15,42,124

vi Shareholders holding more than 5% shares

	31/03/2013		31/03/2012	
Name of shareholder	**% Holding**	**No. of shares**	% Holding	No. of shares
Government of India	**54.93**	**39,72,00,120**	54.93	19,86,00,060
BPCL Trust for Investment in shares	**9.33**	**6,74,57,474**	9.33	3,37,28,737
Life Insurance Corporation of India	**5.14**	**3,71,73,606**	6.80	2,45,86,734

3. RESERVES AND SURPLUS

₹ Crores

	31/03/2013	31/03/2012
Capital Reserve		
As per last Balance Sheet	**16.15**	16.32
Add: Grant received during the year	**0.30**	-
Less : Amortisation of Capital Grant	**(0.18)**	(0.17)
	16.27	16.15
Debenture Redemption Reserve		
As per Last Balance Sheet	**1,000.00**	1,000.00
Less : Transfer to General Reserve	**(873.70)**	-
	126.30	1,000.00
General Reserve		
As per last Balance Sheet	**13,036.17**	12,179.76
Add : Transfer from Debenture Redemption Reserve	**873.70**	-
Add : Transfer from Statement of Profit & Loss	**1,720.04**	856.41
Less : Utilised towards issue of Bonus Shares	**(361.54)**	-
	15,268.37	13,036.17
Balance as per Statement of Profit & Loss		
As per last Balance Sheet	**500.00**	500.00
Add : Profit for the year	**2,642.90**	1,311.27
Less : Proposed Dividend	**(795.39)**	(397.70)
Less : Corporate Dividend Tax	**(127.47)**	(57.16)
Less : Transfer to General Reserve	**(1,720.04)**	(856.41)
	500.00	500.00
Total	**15,910.94**	14,552.32

4. LONG-TERM BORROWINGS

₹ Crores

	31/03/2013		31/03/2012	
	Current #	**Non-Current**	Current #	Non-Current
Debentures				
Secured				
8.65% Secured Non-Convertible Debentures*	**-**	**700.00**	-	-
7.73% Secured Non-Convertible Debenture 2012**	**-**	**-**	1,000.00	-
Other Loans				
Unsecured				
Loan from Oil Industry Development Board	**272.25**	**321.25**	247.25	496.50
External Commercial Borrowings	**-**	**1,767.65**	-	1,662.59
4.625% International Bonds	**-**	**2,719.47**	-	-
Inter-corporate deposit	**-**	**-**	500.00	-
	272.25	**5,508.37**	1,747.25	2,159.09

Classified under other current liabilities (Refer Note No.10)

4. LONG-TERM BORROWINGS (CONTD.)

Terms of Repayment Schedule of Long-term borrowings as on 31/03/2013:

	₹ Crores	Date of Maturity
Non-Current		
8.65% Secured Non-Convertible Debentures 2017	**700.00**	8-Oct-2017
Loan from Oil Industry Development Board - 2017	**172.00**	30-Mar-2017
Loan from Oil Industry Development Board - 2015	**38.50**	20-Apr-2015
Loan from Oil Industry Development Board - 2014	**110.75**	15-Sep-2014
4.625% International Bonds	**2,719.47**	25-Oct-2022
External Commercial Borrowings	**543.89**	3-Feb-2017
	1,087.79	20-Feb-2016
	135.97	25-Nov-2014
Current		
Loan from Oil Industry Development Board - 2017	**25.00**	31-Mar-2014
Loan from Oil Industry Development Board - 2013	**19.25**	20-Apr-2013
Loan from Oil Industry Development Board - 2014	**110.75**	Apr-Sep 2013
Loan from Oil Industry Development Board - 2015	**117.25**	Sep 2013

* 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 in English form by way of a Registered Debenture Trust Deed over the fixed assets of the Company, mainly Plant and Machinery at Mumbai Refinery.

** The Corporation had allotted redeemable non-convertible 7.73% Debentures of face value of ₹ 1,000 crores on 12th October 2009. These are secured by first legal mortgage in English form by way of a Registered Debenture Trust Deed over the fixed assets of the Company, mainly Plant and Machinery at Mumbai Refinery. The same have been repaid in October 2012.

5. DEFERRED TAX LIABILITIES (NET)

The deferred tax expense of ₹ **255.16 Crores** (previous year ₹ 393.01 Crores) is recognised during the year. The breakup of components of deferred tax assets / liabilities are as under :

		₹ Crores
	31/03/2013	31/03/2012
Deferred tax liability:		
On account of depreciation	**2,489.29**	2,305.09
Deferred tax asset:		
Disallowance u/s 43B of the Income tax Act, 1961 including employee benefits.	**550.42**	483.03
Provisions for mark to market for investments & loans, doubtful debts, claims etc.	**256.79**	390.22
Voluntary Retirement Scheme & Long term Capital loss	**26.36**	31.28
Total deferred tax asset	**833.57**	904.53
Net deferred tax liability	**1,655.72**	1,400.56

6. OTHER LONG-TERM LIABILITIES

		₹ Crores
	31/03/2013	31/03/2012
Security/Earnest Money Deposits	**15.56**	15.84
Others	**45.26**	40.12
Total	**60.82**	55.96

7. LONG-TERM PROVISIONS

		₹ Crores
	31/03/2013	31/03/2012
Provision for employee benefits	**435.06**	409.96
Total	**435.06**	409.96

8. SHORT-TERM BORROWINGS

		₹ Crores
	31/03/2013	31/03/2012
Loans repayable on demand		
From banks		
Secured		
Working Capital loans / Cash Credit *	**660.47**	210.11
Collateralized Borrowing and Lending Obligation **	**622.00**	-
Unsecured		
Rupee Loans	**70.00**	200.00
Foreign Currency Loans	**16,275.95**	18,677.24
Commercial Papers	**430.00**	-
Total	**18,058.42**	19,087.35

* 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 and a bank guarantee of ₹ 500 crores issued in favour of Clearing Corporation of India Limited.

9. TRADE PAYABLES

		₹ Crores
	31/03/2013	31/03/2012
Dues to subsidiaries	**610.81**	731.06
Dues to others	**8,172.30**	12,135.34
Total	**8,783.11**	12,866.40

10. OTHER CURRENT LIABILITIES

₹ Crores

	31/03/2013	31/03/2012
Current maturities of long-term borrowings (Refer Note No. 4)	**272.25**	1,747.25
Interest accrued but not due on borrowings	**129.69**	189.21
Deposits from Customers	**26.53**	24.74
Deposits for Containers	**5,590.79**	4,938.09
Advances from Customers	**486.52**	517.02
Unclaimed Dividend *	**2.38**	2.41
Unclaimed Deposits *	**0.15**	0.19
Unclaimed Interest on Deposits *	**0.07**	0.08
Sales tax, Excise, Customs etc.	**2,016.51**	1,844.47
Contractual obligations	**3,221.73**	2,544.73
Dues to micro and small enterprises **	**0.96**	1.13
Others #	**1,786.04**	1,556.78
Total	**13,533.62**	13,366.10

* No amount is due at the end of the Period for credit to Investors Education and Protection Fund.

** 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:

₹ Crores

	31/03/2013	31/03/2012
Amount Due and Payable at the year end		
-Principal	**0.96**	1.13
-Interest on above Principal	**-**	-
Payment made during the year after the due date		
-Principal	**-**	-
-Interest	**-**	-
Interest due and payable for Principals already paid	**-**	-
Total Interest accrued and remained unpaid at year end	**-**	-

Includes ₹ 21,000 Share Application Money Suspense Account

11. SHORT TERM PROVISIONS

₹ Crores

	31/03/2013	31/03/2012
Provision for Taxation (Net of tax paid)	**590.55**	201.62
Proposed dividend	**795.39**	397.70
Corporate Dividend Tax on Proposed Dividend	**127.47**	57.16
Provision for employee benefits	**804.84**	691.22
Total	**2,318.25**	1,347.70

12. TANGIBLE ASSETS

₹ Crores

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET CARRYING AMOUNT	
	AS AT 01-04-2012	ADDITIONS	OTHER ADJUST-MENTS	RECLASSIFI-CATIONS/ DEDUCTIONS ON ACCOUNT OF RETIREMENT/ DISPOSAL	**AS AT 31-03-2013**	UPTO 31-03-2012	2012-13	RECLASSIFI-CATIONS/ DEDUCTIONS ON ACCOUNT OF RETIREMENT/ DISPOSAL	**UPTO 31-03-2013**	**AS AT 31-03-2013**	AS AT 31-03-2012
(1)	**(2)**	**(3)**	(4)	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**
1. LAND											
(a) Freehold	458.87	7.58	-	(2.93)	**469.38**	-	-	-	**-**	**469.38**	458.87
(b) Leasehold	180.63	15.18	-	(0.06)	**195.87**	26.85	4.22	-	**31.07**	**164.80**	153.78
2. BUILDINGS	5,288.00	504.91	36.27	89.81	**5,739.37**	778.12	239.54*	10.01	**1,007.65**	**4,731.72**	4,509.88
3. PLANT and EQUIPMENT	9,126.17	227.40	-	124.07	**9,229.50**	4,006.51	434.77	88.49	**4,352.79**	**4,876.71**	5,119.66
4. FURNITURE and FIXTURES	237.09	27.89	-	5.16	**259.82**	101.53	15.42	4.59	**112.36**	**147.46**	135.56
5. VEHICLES	169.92	16.67	-	10.54	**176.05**	114.41	12.36	9.14	**117.63**	**58.42**	55.51
6. OFFICE EQUIPMENT	475.19	24.02	-	44.04	**455.17**	329.51	46.43	33.35	**342.59**	**112.58**	145.68
7. RAILWAY SIDINGS	297.96	6.44	-	-	**304.40**	144.00	13.17	-	**157.17**	**147.23**	153.96
8. TANKS and PIPELINES	5,996.88	161.87	-	8.29	**6,150.46**	2,774.37	370.50	1.22	**3,143.65**	**3,006.81**	3,222.51
9. DISPENSING PUMPS	1,941.78	296.47	24.37	8.79	**2,253.83**	556.69	118.98	7.05	**668.62**	**1,585.21**	1,385.09
10. LPG CYLINDERS & ALLIED EQUIPMENT	5,405.25	612.47	36.23	10.83	**6,043.12**	5,405.25	648.70	10.83	**6,043.12**	**-**	-
11. OTHERS #	1,986.70	227.91	8.15	(5.78)	**2,228.54**	790.96	116.00	2.13	**904.83**	**1,323.71**	1,195.74
TOTAL	**31,564.44**	**2,128.81**	**105.02**	**292.76**	**33,505.51**	**15,028.20**	**2,020.09**	**166.81**	**16,881.48**	**16,624.03**	**16,536.24**
Previous Year	29,204.36	2,375.17	160.24	175.33	**31,564.44**	13,268.04	1,868.45	108.29	**15,028.20**	**16,536.24**	

OTHERS mainly include electrical and mechanical equipments, firefighting equipments and servers.

* Paver blocks and Canopy, capitalised under Buildings, have been depreciated based on the revised estimated useful life of 30 years. This has resulted in additional depreciation of ₹ 139.62 Crores. The above were depreciated @1.63 % till previous year.

Additional information in respect of note no. 12:

a) Other adjustments include capitalisation of foreign exchange differences of ₹ **105.02 crores** (previous year ₹ 149.73 crores) and borrowing costs of **Nil** (previous year ₹ 10.51 crores).

b) Land:

i. Freehold land includes ₹ **32.07 crores** (previous year ₹ 32.07 crores) with more than 99 years lease period.

ii. Freehold land includes ₹ **60.34 crores** (previous year ₹ 145.06 crores) capitalised 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 ₹ **0.91 crores** (previous year ₹ 0.91 crores).
- Other leasehold land - Gross Block ₹ **0.51 crores** (previous year ₹ 0.51 crores), Net Block ₹ **0.41 crores** (previous year ₹ 0.41 crores).

c) Buildings include Ownership flats of ₹ **47.88 crores** (previous year ₹ 48.16 crores) in proposed / existing co-operative societies and others.

d) Land, Plant & Machinery, Tanks & Pipelines, Railway Sidings and Buildings jointly owned in varying extent with other Oil Companies / Railways : Gross Block ₹ **196.02 crores** (previous year ₹ 187.83 crores), Cumulative Depreciation ₹ **107.59 crores** (previous year ₹ 90.66 crores), Net Block ₹ **88.43 crores** (previous year ₹ 97.17 crores).

e) Gross Block includes ₹ **105.54 crores** (previous year ₹ 16.66 crores) towards assets which are identified as held for disposal during the period in respect of which additional depreciation of ₹ **42.27 crores** (previous year ₹ 5.29 crores) has been provided to recognize the expected loss on disposal.

13. INTANGIBLE ASSETS

₹ Crores

	PARTICULARS	USEFUL LIFE	GROSS AMOUNT				AMORTISATION				NET CARRYING AMOUNT	
		(NO. OF MONTHS)	AS AT 01-04-2012	ADDI-TIONS	RECLASSI-FICATIONS/ DELETIONS	**AS AT 31-03-2013**	UPTO 31-03-2012	2012-13	RECLASSI-FICATIONS/ DELETIONS	**UPTO 31-03-2013**	**AS AT 31-03-2013**	AS AT 31-03-2012
	(1)	(2)	(3)	(4)	(5)	**(6)**	(7)	(8)	(9)	**(10)**	**(11)**	(12)
1	RIGHT OF WAY	1,188	35.93	0.25	-	**36.18**	-	2.16 *	-	**2.16**	**34.02**	35.93
2	SOFTWARE	24 - 60	47.81	6.76	(0.21)	**54.78**	33.62	6.49	(0.01)	**40.12**	**14.66**	14.19
3	DEVELOPMENT RIGHTS	60	1.50	-	-	**1.50**	1.50	-	-	**1.50**	**-**	-
4	PROCESS LICENSE	60	77.11	0.21	0.51	**76.81**	51.09	8.09	0.07	**59.11**	**17.70**	26.02
	TOTAL		**162.35**	**7.22**	**0.30**	**169.27**	**86.21**	**16.74**	**0.06**	**102.89**	**66.38**	**76.14**
	PREVIOUS YEAR		129.87	27.98	(4.50)	**162.35**	66.86	19.15	(0.20)	**86.21**	**76.14**	

* The Company has assessed the useful life of Right of Way at 99 years, based on the perpetual and absolute nature of the right, which was considered as perennial till previous year. The amortisation impact from the date of capitalisation till March 2013 is ₹ **2.16 crores**.

Additional information in respect of note nos. 12 and 13:

a. Deduction from Gross Block includes write back of excess capitalisation of ₹ **107.02 crores** (previous year ₹ 39.76 crores) and Deletions during the period ₹ **186.04 crores** (previous year ₹ 131.07 crores).

b. Depreciation and amortisation for the period includes charged to Statement of Profit & Loss ₹ **1,936.11 crores** (previous year ₹ 1,886.53 crores) and to Prior Period expenses ₹ **100.72 crores** (previous year ₹ 1.08 crores).

c. Deductions from depreciation includes depreciation on excess capitalisation ₹ **7.88 crores** (previous year ₹ 1.41 crores); on withdrawal of depreciation on deletion during the period ₹ **156.53 crores** (previous year ₹ 106.06 crores); on reclassification of assets ₹ **2.11 crores** (previous year ₹ 0.24 crores) and credited to Prior Period ₹ **0.34 crores** (previous year ₹ 0.38 crores)

14. INTANGIBLE ASSETS UNDER DEVELOPMENT *

₹ Crores

	PARTICULARS	USEFUL LIFE	GROSS AMOUNT				AMORTISATION				NET CARRYING AMOUNT	
		(NO. OF MONTHS)	AS AT 01-04-2012	ADDITIONS	CAPITALI-SATIONS/ DELETIONS	**AS AT 31-03-2013**	UPTO 31-03-2012	2012-13	DELETIONS/ RECLASSI-FICATION	**UPTO 31-03-2013**	**AS AT 31-03-2013**	AS AT 31-03-2012
	(1)	(2)	(3)	(4)	(5)	**(6)**	(7)	(8)	(9)	**(10)**	**(11)**	(12)
1.	SOFTWARE		2.53	-	-	**2.53**	-	-	-	**-**	**2.53**	2.53
	TOTAL		**2.53**	**-**	**-**	**2.53**	**-**	**-**	**-**	**-**	**2.53**	**2.53**
	PREVIOUS YEAR		2.53	-	-	**2.53**	**-**	**-**	**-**	**-**	**2.53**	

* To be amortised from the time the Intangible Asset starts providing economic benefits

There are no internally generated Intangible Assets

15. CAPITAL WORK-IN-PROGRESS

₹ Crores

	31/03/2013	31/03/2012
Capital work-in-progress (at cost)		
Capital Work-in-progress	**1,731.18**	757.01
Capital stores including lying with contractors	**535.02**	309.67
Capital goods in transit	**30.10**	1.68
Allocation of Construction period expenses		

	31/03/2013	31/03/2012
Opening balance	**48.17**	42.86
Add: Expenditure during the year		
Establishment charges	**41.92**	33.55
Interest	**12.73**	13.60
Foreign Exchange Fluctuations	**38.14**	-
Others	**2.91**	2.46
	143.87	92.47
Less: Allocated to assets capitalised during the year/ charged off	**(22.96)**	(44.30)
Closing balance pending allocation	**120.91**	48.17
Total	**2,417.21**	1,116.53

16. NON-CURRENT INVESTMENTS

	31/03/2013 Nos.	31/03/2012 Nos.	Book Value 31/03/2013 ₹ Crores	Book Value 31/03/2012 ₹ Crores
LONG TERM				
(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	**2,37,00,02,670**	1,10,00,02,610	**2,370.00**	1,100.00
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	**1,50,00,000**	1,50,00,000	**15.00**	15.00
Bharat Stars Services Private Limited	**1,00,00,000**	1,00,00,000	**10.00**	10.00
Bharat Renewable Energy Limited	**22,50,000**	22,50,000	**2.25**	2.25
Petronet CI Limited	**15,84,000**	15,84,000	**1.58**	1.58
GSPL India Gasnet Limited	**63,56,743**	-	**6.36**	-
GSPL India Transco Limited	**42,41,359**	-	**4.24**	-
Equity Shares of ₹ 100 each (partly paid up)				
Joint Ventures				
Kannur International Airport Limited (₹ 23.53 paid up)	**1,70,00,000**	-	**40.00**	-
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				
Cochin International Airport Limited	**1,05,00,000**	1,05,00,000	**10.50**	10.50
BPCL Trust for investment in shares (Refer Note No. 35)			**659.10**	659.10
			4,637.74	3,317.14
INVESTMENT IN SHARE WARRANTS				
UNQUOTED				
Share Warrants of ₹ 10 each (fully paid up)				
Joint Ventures				
Bharat Oman Refineries Limited	**48,68,86,664**	48,68,86,664	**486.89**	486.89
Share Warrants of ₹ 15 each (fully paid up)				
Joint Ventures				
Bharat Oman Refineries Limited	**29,91,94,364**	29,91,94,364	**448.79**	448.79
Share Warrants of ₹ 18 each (fully paid up)				
Joint Ventures				
Bharat Oman Refineries Limited	**36,11,11,111**	-	**650.00**	-
			1,585.68	935.68
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
			6,935.43	4,964.83

16.NON-CURRENT INVESTMENTS (CONTD.)

	31/03/2013 Nos.	31/03/2012 Nos.	Book Value 31/03/2013 ₹ Crores	Book Value 31/03/2012 ₹ Crores
Less : Provision for diminution in value of investment				
Petronet India Limited			**(16.00)**	(16.00)
Petronet CI Limited			**(1.58)**	(1.58)
			(17.58)	(17.58)
			6,917.85	4,947.25
(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			**14.24**	13.03
			24.24	23.03
Member Companies ###				
Bharat Petroleum Corporation Limited				
Bongaigaon Refinery & Petrochemicals 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				
### The total capital is ₹ **55.00 crores** of which share of Bharat Petroleum Corporation Limited and Indian Oil Corporation Limited is ₹ **10.00 crores** each and other members have equal share of ₹ 5 crores each.				
Total			**6,942.10**	**4,970.29**

Aggregate value of Unquoted Securities ₹ **6,250.09 crores** (previous year ₹ 4,278.28 crores)

Aggregate value of Quoted Securities ₹ **692.01 crores** (previous year ₹ 692.01 crores)

Market value of Quoted Securities ₹ **2820.86 crores** (previous year ₹ 3,452.32 crores)

17. LONG TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

		₹ Crores
	31/03/2013	31/03/2012
Capital advances	**93.74**	91.09
Security deposits	**26.07**	24.79
Loans and advances to subsidiaries		
Bharat PetroResources Limited *	**-**	906.85
Loans and advances to related parties		
Bharat Oman Refineries Limited	**1,354.10**	1,354.10
GSPL India Gasnet Limited **	**2.12**	-
GSPL India Transco Limited **	**3.46**	-
Petronet CCK Limited	**-**	35.92
Bharat Renewable Energy Limited **	**0.50**	-
Loans and advances to employees (secured) - (Refer Note No.42)	**537.30**	525.07
Loans to others	**37.11**	41.46
Less : Provision for doubtful loans	**(0.10)**	(0.10)
Claims :		
Considered good	**292.01**	297.21
Considered doubtful	**38.17**	34.46
Less : Provision for doubtful claims	**(38.17)**	(34.46)
Advance Income Tax	**54.37**	54.63
Deposit others	**127.72**	127.95
Total	**2,528.40**	3,458.97

* Includes **Nil** (previous year ₹ 120 crores) advance against equity shares (pending allotment).

** Advance against equity shares (pending allotment).

18. OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

		₹ Crores
	31/03/2013	31/03/2012
Discount on issue of Bonds	**15.97**	-
Bank deposits with more than twelve months maturity *	**0.96**	0.95
Total	**16.93**	0.95

* 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)

₹ Crores

		No. in Thousands		Book Value	
		31/03/2013	31/03/2012	**31/03/2013**	31/03/2012
	INVESTMENT IN GOVERNMENT SECURITIES (Face Value ₹ 100 each) NON TRADE - QUOTED				
1	6.35% Oil Marketing Companies GOI Special Bonds 2024	**2,34,496**	2,99,996	**2,344.96**	2,999.96
2	6.90% Oil Marketing Companies GOI Special Bonds 2026 #	**2,47,400**	2,83,900	**2,474.00**	2,839.00
3	7.00% Oil Marketing Companies GOI Special Bonds 2012	**-**	339	**-**	3.39
4	7.59% Oil Marketing Companies GOI Special Bonds 2015	**231**	231	**2.31**	2.31
5	7.61% Oil Marketing Companies GOI Special Bonds 2015	**81**	81	**0.81**	0.81
6	7.95% Oil Marketing Companies GOI Special Bonds 2025	**1,063**	1,063	**10.63**	10.63
7	8.00% Oil Marketing Companies GOI Special Bonds 2026	**-**	11,300	**-**	113.00
8	8.20% Oil Marketing Companies GOI Special Bonds 2024	**89,778**	99,778	**897.78**	997.79
				5,730.49	6,966.89
	Less : Provision for diminution in value of investment				
	in 6.35% Oil Marketing Companies GOI Special Bonds 2024			**(321.99)**	(549.72)
	in 6.90% Oil Marketing Companies GOI Special Bonds 2026			**(247.40)**	(420.62)
	in 7.00% Oil Marketing Companies GOI Special Bonds 2012			**-**	(0.02)
	in 7.59% Oil Marketing Companies GOI Special Bonds 2015			**(0.01)**	(0.05)
	in 7.61% Oil Marketing Companies GOI Special Bonds 2015			**-**	(0.02)
	in 7.95% Oil Marketing Companies GOI Special Bonds 2025			**(0.19)**	(0.66)
	in 8.00% Oil Marketing Companies GOI Special Bonds 2026			**-**	(6.84)
	in 8.20% Oil Marketing Companies GOI Special Bonds 2024			**-**	(41.83)
				(569.59)	(1,019.76)
	Total			**5,160.90**	**5,947.13**

Kept as Collateral Security with Clearing Corporation of India Limited for borrowing in CBLO (Face Value ₹ 2,450 crores)

Market value of Quoted Securities ₹ **5,160.90 crores** (previous year ₹ 5,947.13 crores)

20. INVENTORIES

(Refer Note No. 1.8 for valuation policy)

		₹ Crores
	31/03/2013	31/03/2012
Raw materials	**3,075.03**	3,974.14
[Including in transit ₹ **657.88 crores** (previous year ₹ 70.29 crores)]		
Stock in process	**729.44**	896.22
Finished goods	**6,234.73**	6,315.12
Stock-in-trade	**6,271.94**	4,552.98
[Including in transit ₹ **320.60 crores** (previous year ₹ 273.27 crores)]		
Stores and spares	**369.86**	200.60
[Including in transit ₹ **1.22 crores** (previous year ₹ 0.10 crores)]		
Packaging material	**9.37**	9.00
Total	**16,690.37**	15,948.06

21 TRADE RECEIVABLES

(Unsecured unless otherwise stated)

		₹ Crores
	31/03/2013	31/03/2012
Outstanding for a period exceeding 6 months from due date of payment		
Considered good *	**488.48**	600.69
Considered doubtful	**165.21**	142.93
Less : Provision for doubtful debts	**(165.21)**	(142.93)
Other debts (considered good)	**3,536.65**	5,777.65
Total #	**4,025.13**	6,378.34

* Includes ₹ **16.01 crores** (previous year ₹ 14.14 crores) which are secured.

\# Includes an amount of ₹ **787.71 crores** out of which, overdue amount ₹ **400.60 crores** (previous year ₹ 645.78 crores out of which, overdue amount ₹ 427.59 crores) from a loss making Public Sector Undertaking (PSU). The PSU has assured to settle the dues and as such the management is confident of recovery.

22. CASH AND CASH EQUIVALENTS

		₹ Crores
	31/03/2013	31/03/2012
Cash on hand	**1.13**	1.09
Cheques & drafts on hand	**121.38**	73.91
Balances with Banks:		
On Current Account	**425.35**	101.44
Demand deposits with Banks with original maturity of less than three months *	**1,778.62**	800.00
Unpaid dividend	**2.38**	2.41
Total	**2,328.86**	978.85

* The Corporation raised USD **500 million** (₹ 2,719.47 crores as on 31-03-2013) through an International Bond issue in FY 2012-13, for funding specific capex requirements of the Corporation. Out of the total proceeds, an amount of ₹ 1,778.62 crores remains unutilised as on 31st March, 2013.

23. SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

₹ Crores

	31/03/2013	31/03/2012
Loans and advances to related parties		
Petronet CCK Limited	**52.06**	48.20
Interest accrued on loans	**28.89**	29.46
Dues from subsidiaries	**3.56**	5.14
Dues from JVCs	**10.44**	12.85
Loans and advances to employees (secured) - (Refer Note No. 42)	**63.09**	58.66
Loans to Others	**8.60**	7.27
Advances:		
Advances Recoverable in cash, or in kind or for value to be received	**615.60**	205.54
Advances considered doubtful	**5.64**	4.33
Less : Provision for doubtful advances	**(5.64)**	(4.33)
	782.24	367.12
Advance Income Tax (Net of provision for taxation)	**34.16**	34.16
MAT Credit Entitlement	**-**	101.93
Claims (net)	**236.53**	115.65
Balances With Customs, Excise, Port Trust etc.	**168.43**	169.07
Others	**23.62**	4.65
Total	**1,244.98**	792.58

24. OTHER CURRENT ASSETS

₹ Crores

	31/03/2013	31/03/2012
Interest accrued on investments & bank deposits	**126.88**	90.16
Subsidy receivable from Government of India	**8,670.01**	9,153.23
Deferred premium (foreign exchange forward contract)	**140.82**	156.98
Discount on issue of Bonds	**1.86**	-
Total	**8,939.57**	9,400.37

25. REVENUE FROM OPERATIONS

₹ Crores

		2012-13	2011-12
(i)	a) Sales		
	Petroleum Products	**2,21,915.58**	1,91,833.80
	Crude Oil	**6,088.50**	10,224.03
		2,28,004.08	2,02,057.83
	b) Subsidy on LPG(Domestic) & SKO (PDS)*	**636.88**	664.50
	c) Subsidy from Government of India (Refer Note No. 33)	**21,896.65**	19,671.39
		2,50,537.61	2,22,393.72
	Less : Excise duty	**(10,533.51)**	(10,527.50)
		2,40,004.10	2,11,866.22
(ii)	Other operating revenues	**111.65**	106.75
Total		**2,40,115.75**	2,11,972.97

* As per the existing scheme of the Government of India

26. OTHER INCOME

₹ Crores

	2012-13	2011-12
Interest on Oil Marketing Companies GOI Special Bonds	**440.51**	520.85
Interest on bank deposits and others	**397.92**	198.06
Income from Petroleum India International	**1.21**	0.75
Dividend Income		
from subsidiaries	**45.35**	68.03
from others	**102.09**	67.56
Write back of liabilities no longer required (net)	**11.32**	14.88
Profit on sale of fixed assets (net)	**-**	77.19
Reversal of provision for doubtful debts & advances	**19.00**	69.00
Less: Amount Written Off	**(8.50)**	-
	10.50	69.00
Profit / (Loss) on sale of Current Investments	**(155.42)**	-
Reversal towards diminution in value of investments	**450.16**	-
Prior period income (net)	**-**	94.16
Others # (Refer Note No. 35)	**376.59**	591.30
Total	**1,680.23**	1,701.78

\# Includes amortisation of capital grants ₹ **0.18 crores** (previous year ₹ 0.17 crores)

27. COST OF RAW MATERIALS CONSUMED

₹ Crores

	2012-13	2011-12
Opening Stock	**3,974.14**	4,009.33
Add : Purchases (Refer Note No. 33)	**96,590.38**	85,527.78
Less: Closing Stock	**(3,075.03)**	(3,974.14)
Total	**97,489.49**	85,562.97

		Imported		Indigenous		Total
		₹ CRORES	%	₹ CRORES	%	₹ CRORES
Crude Oil	**2012-13**	**79,612.85**	**82.98**	**16,324.85**	**17.02**	**95,937.70**
	2011-12	68,738.94	81.82	15,274.64	18.18	84,013.58
Others	**2012-13**	**176.05**	**11.34**	**1,375.74**	**88.66**	**1,551.79**
	2011-12	339.81	21.93	1,209.58	78.07	1,549.39
Total	**2012-13**	**79,788.90**	**81.84**	**17,700.59**	**18.16**	**97,489.49**
	2011-12	69,078.75	80.73	16,484.22	19.27	85,562.97

28. PURCHASES OF STOCK-IN-TRADE

₹ Crores

	2012-13	2011-12
Petroleum Products (Refer Note No. 33)	**1,19,873.11**	1,01,941.49
Crude Oil	**5,946.49**	10,217.66
Total	**1,25,819.60**	1,12,159.15

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ Crores

	2012-13	2011-12
Value of opening stock of		
Finished goods	**6,315.12**	5,567.28
Stock-in-trade	**4,552.98**	4,564.19
Stock in process	**896.22**	1,031.25
	11,764.32	11,162.72
Less : Value of closing stock of		
Finished goods	**6,234.73**	6,315.12
Stock-in-trade	**6,271.94**	4,552.98
Stock in process	**729.44**	896.22
	13,236.11	11,764.32
Net (Increase)/Decrease in Inventory	**(1,471.79)**	(601.60)

30. EMPLOYEE BENEFITS EXPENSE

₹ Crores

	2012-13	2011-12
Salaries and wages *	**2,142.70**	1,682.24
Contribution to provident fund	**109.42**	99.69
Contribution to gratuity fund	**10.17**	24.77
Contribution to other funds	**210.99**	149.43
Staff Welfare expenses	**295.59**	210.62
Voluntary Retirement Scheme	**-**	94.32
Total	**2,768.87**	2,261.07

* Includes estimated provision towards pending pay revision of non - management employees which is under negotiation. The same is pending w.e.f January 2007 for workmen at Mumbai Refinery; w.e.f. August 2008 for workmen at Kochi Refinery and w.e.f. June 2008 for workmen at Marketing division.

31. FINANCE COSTS

₹ Crores

	2012-13	2011-12
Interest expense	**838.43**	968.00
Interest on shortfall in payment of advance tax	**42.40**	6.24
Other borrowing costs	**39.54**	81.28
Applicable net loss on foreign currency transactions and translations	**904.87**	744.07
Total	**1,825.24**	1,799.59

32. OTHER EXPENSES

	2012-13	2011-12
		₹ Crores
Transportation	**3,823.69**	3,320.38
Excise Duty on Inventory differential	**(36.58)**	(239.35)
Rates, Taxes & other levies	**1,054.55**	904.31
Repairs and maintenance :		
Machinery	**623.82**	490.17
Building	**41.20**	40.28
Others	**125.24**	106.38
Total	**790.26**	636.83
Power and Fuel	**5,396.57**	4,845.83
Less: Consumption of fuel out of own production	**(4,491.65)**	(4,129.75)
Power and Fuel consumed (net)	**904.92**	716.08
Stores, spares and materials	**353.89**	261.84
Less: Charged to other revenue accounts	**(287.25)**	(203.41)
Stores, spares and materials (net)	**66.64**	58.43
Rent	**190.92**	191.77
Utilities	**172.49**	150.97
Packages consumed	**158.57**	156.26
Charges paid to other oil companies	**139.25**	157.16
Travelling and conveyance	**121.52**	115.96
Insurance	**45.75**	41.59
Communication Expenses	**25.97**	24.62
Remuneration to auditors		
Audit fees	**0.25**	0.20
Fees for other services - certification	**0.36**	0.18
Reimbursement of out of pocket expenses	**0.01**	0.01
Total	**0.62**	0.39
Write Off		
Bad debts and claims	**0.11**	59.97
Less: Provision made earlier	**-**	(58.56)
	0.11	1.41
Other write offs (net)	**76.68**	11.63
Provision for doubtful debts & advances	**46.31**	3.63
Loss on sale of current Investments	**-**	141.30
Provision/(Reversal) towards diminution in value of investments	**-**	22.05
Loss on sale of fixed assets (net)	**23.85**	-
Foreign Exchange fluctuations (net)	**769.09**	1,420.43
Prior Period Expenses(net)	**128.86**	-
Others	**899.31**	888.68
Total	**9,402.78**	8,724.53
Details of Stores/ Spare parts and Components		
Imported - Amount	**140.15**	64.90
	39.60%	24.79%
Indigenous - Amount	**213.74**	196.94
	60.40%	75.21%
Total	**353.89**	261.84
Less: Charged to other revenue accounts	**(287.25)**	(203.41)
Total	**66.64**	58.43

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 ₹ **38,990.43 crores** (previous year ₹ 32,638.27 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) ₹ **16,844.49 crores** (previous year ₹ 12,957.20 crores) discount on crude oil/products purchased from ONGC/GAIL/NRL which has been adjusted against Purchase cost;

b) ₹ **21,896.65 crores** (previous year ₹ 19,671.39 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 ₹ **249.29 crores** (previous year ₹ 9.68 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) and has changed its accounting policy in 2011-12 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) is increase in profit before tax of ₹ **100.31 crores** (previous year ₹ 110.58 crores).

35. As per the scheme of amalgamation of the erstwhile Kochi Refineries Limited (KRL) with the Corporation which was 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 is included in Note No.16- Non Current Investments. The income distributed by the trust during the year 2012-13 amounting to ₹ **37.10 crores** (previous year ₹ 47.22 crores) have been included in 'Other income' in Note No. 26.

One shareholder of erstwhile KRL has challenged the amalgamation before Delhi High Court, which is pending adjudication.

36. Short/(Excess) provision for earlier years accounted in current year includes MAT Credit Entitlement of ₹ 36.37 crores pertaining to assessment year 2012-13.

37. **Impairment of Assets:** It is assumed that a suitable mechanism would be in place, in line with earlier/ current year(s), to provide compensation towards under recoveries of margin, if any, on account of sale of sensitive petroleum products in subsequent years. Hence, there is no indication of impairment of assets of the Corporation. Accordingly, impairment is not considered as at 31st March 2013.

38. **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.

39. The Corporation has numerous transactions with other oil companies. The outstanding balances 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.

40. **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 employee's 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 the Staff member who has put in a minimum qualifying period of five 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.

Disclosures 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		Re-settlement Allowance - Non Funded		Ex-gratia scheme - Non Funded	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Defined Obligations at the beginning of the year	603.50	600.75	429.10	370.94	624.78	553.66	64.33	66.39	6.18	7.38	4.56	4.71	247.93	245.41
Interest Cost	51.30	49.57	38.00	32.00	53.01	44.87	4.83	4.96	0.27	0.38	0.47	0.45	21.03	20.01
Current Service Cost	4.35	10.10	25.70	23.86	44.90	33.92	-	-	-	-	0.95	0.80	8.03	5.35
Past service cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits paid	(31.52)	(55.33)	(17.94)	(12.38)	(91.96)	(87.38)	(15.00)	(12.60)	(5.90)	(5.43)	(0.02)	(0.02)	(17.07)	(16.40)
Actuarial (Gains)/ Losses on obligations	19.72	(1.59)	1.88	14.68	109.71	79.71	20.04	5.58	7.18	3.85	(0.21)	(1.38)	(9.57)	(6.44)
Defined Obligations at the end of the year	647.35	603.50	476.74	429.10	740.44	624.78	74.20	64.33	7.73	6.18	5.75	4.56	250.35	247.93

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	510.55	457.00	393.21	
Expected Return	40.84	40.39	39.14	
Actuarial gains/ (losses)	24.36	(7.08)	(10.04)	3.08
Actual Return on Plan assets	65.20	33.31	29.10	3.08
Contribution by employer	11.97	75.57	70.85	402.51
Benefits paid	(31.52)	(55.33)	(17.94)	(12.38)
Fair Value of Plan Assets at the end of the year	556.20	510.55	475.22	393.21

c) Amount recognised in Balance sheet (a-b)	91.15	92.95	1.52	35.89	740.44	624.78	74.20	64.33	7.73	6.18	5.75	4.56	250.35	247.93
d) Amount recognised in Statement of Profit and Loss														
Current Service Cost	4.35	10.10	25.70	23.86	44.90	33.92	-	-	-	-	0.95	0.80	8.03	5.35
Past Service cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Cost	51.30	49.57	38.00	32.00	53.01	44.87	4.83	4.96	0.27	0.38	0.47	0.45	21.03	20.01
Expected Return on Plan Assets	(40.84)	(40.39)	(39.14)	-	-	-	-	-	-	-	-	-	-	-
Actuarial (Gains)/ Losses	(4.64)	5.49	11.92	11.60	109.71	79.71	20.04	5.58	7.18	3.85	(0.21)	(1.38)	(9.57)	(6.44)
Expenses for the period	10.17	24.77	36.48	67.46	207.62	158.50	24.87	10.54	7.45	4.23	1.21	(0.13)	19.49	18.92
e) Major Actuarial Assumptions														
Discount Rate (%)	8.00	8.50	8.25	8.50	8.00	8.50	8.25	8.50	8.25	8.50	8.00	8.50	8.25	8.50
Salary Escalation/ Inflation (%)	7.00	7.00	7.00	7.00	7.00	7.00	-	-	-	-	-	-	-	-
Expected Return on Plan assets (%)	8.70	8.00	8.60	8.60	-	-	-	-	-	-	-	-	-	-

f) Investment pattern for Fund as on	31.3.2013	31.3.2012	31.03.2013	31.03.2012
Category of Asset	%	%	%	%
Government of India Asset	30.23	25.36	4.68	-
Corporate Bonds	24.03	24.07	48.83	-
Insurer Managed funds	11.64	12.20	-	-
State Government	10.56	3.92	17.91	-
Others	23.54	34.45	28.58	100.00
Total	100.00	100.00	100.00	100.00

g) As per our best estimate, ₹ 92.08 crores is the expected contribution to be paid to the Gratuity fund in year 2013-14

h) Effect of Increase / Decrease of 1% is assumed for medical cost trend to the Post Retirement Medical Liability:

	31.3.2013	31.3.2012
Change in liability for 1% increase in Discount Rate	(41.71)	(37.55)
Change in service cost for 1% increase in Discount Rate	(2.09)	(1.94)
Change in liability for 1% decrease in Discount Rate	45.96	41.37
Change in service cost for 1% decrease in Discount Rate	2.53	2.35

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

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
Bharat Renewable Energy Limited
Matrix Bharat Pte. Ltd.
Delhi Aviation Fuel Facility Private Limited
Kannur International Airport Limited
GSPC India Gasnet Limited
GSPC India Transco Limited
IBV (Brazil) Petroleo Pvt Ltda.

The nature wise transactions with the above related parties are as follows:

₹ Crores

S.No.	Nature of Transactions	2012-13	2011-12
1.	Purchase of Goods	**32,121.22**	11,708.66
2.	Sale of Goods	**9,386.16**	12,697.58
3.	Sale of Fixed Assets	**-**	95.87
4.	Rendering of Services	**48.36**	16.02
5.	Receiving of Services	**112.20**	81.05
6.	Interest Income	**192.13**	162.40
7.	Dividend Received	**57.85**	36.50
8.	Investments and Advance for Investments	**706.68**	0.75
9.	Loans and Advances	**30.36**	29.97
10.	Management Contracts (Employees on Deputation)	**22.76**	22.17
11.	Lease Rental & Other Charges received	**30.06**	47.53
12.	Lease Rental & Other Charges paid	**0.20**	-
13.	Receivables as at period end	**1,701.83**	4,739.76
14.	Payables as at period end	**2,195.42**	920.43

Disclosure with Respect of Material Related Party Transactions during the Year:

1. Purchase of goods includes mainly Bharat Oman Refineries Limited ₹ **26,625.92 crores** (previous year ₹ 8,331.42 crores) and Petronet LNG Limited ₹ **5,095.69 crores** (previous year ₹ 3,105.31 crores).
2. Sale of goods includes mainly Bharat Oman Refineries Limited ₹ **6,090.64 crores** (previous year ₹ 9,932.89 crores) and Matrix Bharat Pte. Ltd. ₹ **2,187.47 crores** (previous year ₹ 2,160.13 crores).
3. Sale of Fixed Assets includes mainly Delhi Aviation Fuel Facility Private Limited **NIL** (previous year ₹ 95.05 crores).
4. Rendering of Services includes mainly Bharat Oman Refineries Limited ₹ **46.67 crores** (previous year ₹16.02 crores).
5. Receiving of Services includes Petronet CCK Limited ₹ **101.59 crores** (previous year ₹ 69.50 crores) and Bharat Stars Services Private Limited ₹ **10.61 crores** (previous year ₹ 11.55 crores)
6. Interest Income includes mainly Bharat Oman Refineries Limited ₹ **186.93 crores** (previous year ₹ 155.77 crores).
7. Dividend received includes mainly Petronet LNG Limited ₹ **23.44 crores** (previous year ₹ 18.75 crores), Indraprastha Gas Limited ₹ **15.75 crores** (previous year ₹ 15.75 crores), Delhi Aviation Fuel Facility Private Limited ₹ **15.17 crores** (previous year NIL).
8. Investment and Advances for Investments includes mainly Bharat Oman Refineries Limited ₹ **650.00 crores** (previous year NIL), Kannur International Airport Limited ₹ **40.00 crores** (previous year NIL), GSPL India Gasnet Limited ₹ **8.48 crores** (previous year NIL),GSPL India Transco Limited ₹ **7.70 crores** (previous year NIL).
9. Loans and Advances includes mainly Petronet CCK Limited ₹ **30.36 crores** (previous year ₹ 29.97 crores)
10. Management Contracts (Employees on Deputation) includes mainly Bharat Oman Refineries Limited ₹ **18.39 crores** (previous year ₹15.79 crores).
11. Lease Rental & Other Charges received includes mainly Bharat Oman Refineries Limited ₹ **29.26 crores** (previous year ₹ 45.58 crores) and Bharat Star Services Private Limited ₹ **0.31 crores** (previous year ₹ 1.69 crores).
12. Lease Rental & Other Charges paid includes mainly Delhi Aviation Fuel Facility Private Limited ₹ **0.15 crores** (previous year NIL).
13. Receivables as at period end includes mainly Bharat Oman Refineries Limited ₹ **1,557.58 crores** (previous year ₹ 4,569.73 crores), which is mainly on account of Subordinated loan of ₹ **1354.10 crores** (previous year ₹ 1354.10 crores) and Sabarmati Gas Limited ₹ **35.36 crores** (previous year ₹ 34.99 crores).
14. Payables as at period end includes mainly Bharat Oman Refineries Limited ₹ **1,950.30 crores** (previous year ₹ 734.73 crores) and Petronet LNG Limited ₹ **214.75 crores** (previous year ₹ 158.91 crores).

Key Management Personnel (Whole time Directors): Shri R.K. Singh (Chairman & Managing Director)
Shri K.K. Gupta, Director (Marketing)
Shri B.K. Datta, Director (Refineries)
Shri S. Varadarajan, Director (Finance)
Shri S.P. Gathoo, Director (Human Resources)

Remuneration to Key Managerial Personnel:

		₹ Crores
	2012-13	2011-12
Salary and Allowances	**0.84**	0.71
Contribution to Provident Fund and Other Funds	**0.20**	0.72
Other Benefits	**1.15**	1.35
Total	**2.19**	**2.78**

42. Dues from Directors is ₹ **0.34 crores** (previous year ₹ 0.43 crores) and Dues from Officers is ₹ **3.93 crores** (previous year ₹ 3.49 crores).

43. In compliance with AS – 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	
		31.03.2013	31.03.2012
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 Private Limited	India	**37.00**	37.00
Kannur International Airport Limited	India	**21.68**	-
GSPC India Gasnet Limited	India	**11.00**	-
GSPC India Transco Limited	India	**11.00**	-

Company under liquidation

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.

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:

₹ Crores

		31.03.2013	31.03.2012
(i)	**Assets**		
	- Non Current Assets	**7,317.31**	6,956.70
	- Current Assets	**4,244.92**	4,658.00
(ii)	**Liabilities**		
	- Non Current Liabilities	**4,803.25**	4,710.90
	- Current Liabilities	**4,427.45**	4,920.35
	- Deferred Tax	**85.53**	73.37
(iii)	**Revenue**	**19,539.42**	9,728.27
(iv)	**Expenses**	**19,446.09**	10,050.28
(v)	**Contingent Liabilities**	**183.90**	137.23
(vi)	**Capital Commitments**	**337.74**	314.50

44. In compliance of Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

₹ Crores

Nature	Opening balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	45.85	3.86	-	2.64	47.07
Customs	51.75	6.61	6.12	0.26	51.98
Sales Tax	155.98	27.24	-	1.37	181.85
Total	**253.58**	**37.71**	**6.12**	**4.27**	**280.90**
Previous year	156.81	144.67	12.10	35.80	253.58

The above provisions are made based on estimates and the expected timing of outflows is not ascertainable at this stage.

45. Disclosure as required by Clause 32 of Listing Agreement

₹ Crores

	Balance as on		Maximum amount outstanding during the period	
	31.03.2013	31.03.2012	**2012-13**	2011-12
(a) Loans and advances in the nature of Loans :				
(i) To Subsidiary Company- Bharat PetroResources Limited	**-**	786.85	**861.85**	794.35
(ii) To Associates	**-**	-	**-**	-
(iii) Where there is :				
a) No repayment schedule or repayment beyond 7 years- Petronet CCK Limited	**52.06**	84.12	**84.12**	85.81
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	**2,004.10**	1,354.10
(b) Investment by the loanee in the shares of BPCL and its subsidiary companies	**-**	-	**-**	-

46. Earnings per share

		2012-13	2011-12
Profit / (Loss) after Tax	₹ Crores	**2,642.90**	1,311.27
Weighted average number of shares outstanding during the year	Crore nos.	**72.31**	72.31*
Basic earnings per share	₹	**36.55**	18.13 *
Diluted earnings per share	₹	**36.55**	18.13 *

* Adjusted for 1:1 bonus issue in July, 2012

47. Capital Commitments and Contingent Liabilities :

	31/03/2013	₹ Crores 31/03/2012
(a) Capital Commitments :		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	**2,333.00**	816.15
ii) Uncalled liability on shares and other investments partly paid	**130.00**	-
(b) Contingent Liabilities :		
In respect of Income Tax matters	**112.87**	122.63
Other Matters :		
i) Claims against the Corporation not acknowledged as debts :		
Excise and Customs matters	**823.14**	645.34
Sales Tax matters	**2,863.14**	2,802.22
Land Acquisition cases for higher compensation	**156.02**	91.56
Others	**339.96**	296.21
These include ₹ **725.54 crores** (previous year ₹ 1,234.00 crores) against which the Corporation has a recourse for recovery and ₹ **28.35 crores** (previous year ₹ 28.31 crores) on capital account.		
ii) Claims on account of wages, bonus/ex-gratia payments in respect of pending court cases.	**15.36**	13.44
iii) Guarantees given on behalf of Subsidiaries/JVs	**4,694.44**	4,618.30

48. (a) The Corporation has on the Balance Sheet date, outstanding forward contracts amounting to USD 1,718.46 Million i.e. an equivalent of ₹ **9,346.58 crores** (previous year USD 1,857.51 Million i.e. an equivalent of ₹ 9,502.38 crores) to hedge the foreign currency exposure towards loans; this includes **Nil** (previous year Nil) in respect of long term loans. The Corporation is now hedging the currency risks on account of foreign exposure for the payment of crude oil. However, there are no outstanding forward contracts for hedging the currency risks on account of foreign exposure for the payment of crude oil for the period ending 31st March 2013.

Following are the unhedged foreign currency on account of exposures :

	31/03/2013		31/03/2012	
Exposure Type	**USD Million**	**₹ Crores**	USD Million	₹ Crores
Imports	**589.96**	**3,208.73**	1,975.58	10,106.38
Buyers Credit Loan (Short Term)	**1,274.03**	**6,929.35**	1,793.49	9,174.87
ECB (Long Term)	**825.00**	**4,487.12**	325.00	1,662.59
Export Debtors	**232.55**	**1,264.84**	344.91	1,764.44

(b) 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	1.45 million barrels

For the year ended 31st March, 2013, the Corporation has not incurred any losses on Mark-to-Market basis for outstanding derivatives in accordance with the principle of prudence and other applicable guidelines. Accordingly, **Nil** (previous year ₹ 1.17crores) has been provided for losses on the outstanding derivatives.

49. Value of imports calculated on C.I.F. basis:

		2012-13	₹ Crores 2011-12
(a)	Raw Materials (including crude oil)	**76,391.33**	68,784.29
(b)	Capital goods	**266.72**	148.29
(c)	Components and spare parts (including packages, chemicals and catalysts)	**152.35**	53.95

50. Expenditure in foreign currency :

		2012-13	₹ Crores 2011-12
(a)	Purchase of products	**4,315.67**	5,481.13
(b)	Know-how	**0.17**	0.12
(c)	Professional Consultancy Fees	**85.05**	2.22
(d)	Freight	**175.90**	179.34
(e)	Interest	**484.42**	317.73
(f)	Other matters	**21.76**	93.18

51. Earnings in foreign exchange :

	2012-13	₹ Crores 2011-12
Exports on FOB basis #	**18,455.61**	19,315.61

Includes receipt of ₹ **1,712.33 crores** (previous year ₹ 2,210.72 crores) in Indian currency out of the repatriable funds of foreign airline customers and ₹ **98.88 crores** (previous year ₹ 48.81 crores) of INR exports to Nepal and Bhutan.

52. Research and Development

		2012-13	₹ Crores 2011-12
(a)	Revenue expenditure	**21.74**	32.09
(b)	Capital expenditure	**12.92**	13.02

53. Figures of the previous year have been regrouped wherever necessary, to confirm to current period presentation.

Signature to Notes '1' to '53'

For and on behalf of the Board of Directors

Sd/-
R.K. SINGH
Chairman and Managing Director

Sd/-
S. VARADARAJAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

As per our attached report of even date
For and on behalf of

T.R CHADHA & CO.
Chartered Accountants
FR No: 006711N

Sd/-
VIKAS KUMAR
Partner
Membership No.75363

K.VARGHESE & CO.
Chartered Accountants
FR No: 004525S

Sd/-
SAM VARGHESE
Partner
Membership No. 216979

Place: Mumbai
Dated: 29th May 2013

CONSOLIDATED FINANCIAL STATEMENT OF BHARAT PETROLEUM CORPORATION LTD.
AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors of
Bharat Petroleum Corporation Limited

We have audited the accompanying consolidated financial statements of **Bharat Petroleum Corporation Limited** ("the Company"), its subsidiaries and its interest in joint venture companies (collectively referred as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

1. We report that consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21 on "Consolidated Financial Statements" and Accounting Standard (AS) 27 on "Financial Reporting of Interests in Joint Ventures", notified by the National Accounting Standards Board. However, we would like to draw attention that the Company has not used uniform accounting policies nor has disclosed together with the proportions of items to which the different accounting policies have been applied.

2. Attention is drawn to Note no.42 (g) wherein the auditors of Bharat Oman Refineries Limited (one of the joint venture companies) have drawn attention towards recognition of deferred tax assets of Rs. 697.89 Crores, considering the binding agreement entered into by the Company with one of the promoters (BPCL) for off-take of the products manufactured by the refinery at the prices determined with reference to the International prices and other factors as stated, the Company is virtually certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

3. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the separate financial statements / consolidated financial statements of the subsidiaries and joint venture companies as noted below, the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2013;

ii) in case of the Consolidated Statement of Profit & Loss, of the consolidated profit of the Group for the year ended on that date; and

iii) in case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

Other Matters:

We have relied on the audited financial statements / consolidated financial statements of two subsidiaries and seven joint venture companies, whose financial statements / consolidated financial statements reflect total assets (net) of Rs. 18,174.26 Crores as at March 31, 2013 / December 31, 2012, total revenues (net) of Rs. 23,579.23 Crores and net cash flows amounting to Rs. 2,551.51 Crores for the year ended on that date. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of six joint venture companies whose financial statements / consolidated financial statements reflect total assets (net) of Rs. 813.38 crores as at March 31, 2013, total revenues (net) of Rs. 1,059.58 Crores and net cash inflows amounting to Rs. 2.03 Crores for the year ended on that date. These unaudited financial statements as approved by the respective management of these companies have been furnished to us and our report in so far as it relates to the amounts included in respect of the joint venture companies as mentioned above is based solely on such approved unaudited financial statements.

For and on behalf of
T R CHADHA & Co.
Chartered Accountants
FR No: 006711N

Sd/-
Vikas Kumar
Partner
Membership No: 75363

For and on behalf of
K. VARGHESE & Co.
Chartered Accountants
FR No:004525S

Sd/-
Sam Varghese
Partner
Membership No: 216979

Place : Mumbai
Dated: 29th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

₹ Crores

	Note no.	As at 31/03/2013	As at 31/03/2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**723.08**	361.54
Reserves and Surplus	3	**16,052.46**	15,518.37
		16,775.54	15,879.91
Minority Interest		**1,076.58**	1,035.14
Non-current liabilities			
Long-term borrowings	4	**12,702.18**	6,189.06
Deferred tax liabilities (Net)	5	**1,605.86**	1,677.80
Other long-term liabilities	6	**78.13**	109.83
Long-term provisions	7	**608.91**	578.20
		14,995.08	8,554.89
Current liabilities			
Short-term borrowings	8	**20,158.20**	22,192.52
Trade payables	9	**8,930.11**	13,292.48
Other current liabilities	10	**15,071.23**	15,368.02
Short-term provisions	11	**2,558.91**	1,490.63
		46,718.45	52,343.65
TOTAL		**79,565.65**	77,813.59
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	**23,962.96**	24,232.61
Intangible assets	13	**300.77**	322.12
Goodwill (on consolidation)		**457.63**	433.43
Intangible assets under development	14	**2.53**	2.53
Capital work-in-progress	15	**7,460.72**	4,531.70
Non-current investments	16	**2,251.77**	1,857.51
Long-term loans and advances	17	**2,041.47**	2,008.43
Other non-current assets	18	**16.93**	6.55
		36,494.78	33,394.88
Current assets			
Current investments	19	**5,218.04**	6,033.11
Inventories	20	**19,956.69**	21,097.09
Trade receivables	21	**4,355.06**	5,201.04
Cash and cash equivalents	22	**2,849.83**	1,326.33
Short-term loans and advances	23	**1,568.17**	943.92
Other current assets	24	**9,123.08**	9,817.22
		43,070.87	44,418.71
TOTAL		**79,565.65**	77,813.59
Significant Accounting Policies	1		
Other Notes to Accounts	32 to 46		

For and on behalf of the Board of Directors

Sd/-
R.K. SINGH
Chairman and Managing Director

Sd/-
S. VARADARAJAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Place: Mumbai
Dated: 29th May, 2013

As per our attached report of even date
For and on behalf of

T.R CHADHA & CO.
Chartered Accountants
FR No: 006711N

Sd/-
VIKAS KUMAR
Partner
Membership No.75363

K.VARGHESE & CO.
Chartered Accountants
FR No: 004525S

Sd/-
SAM VARGHESE
Partner
Membership No. 216979

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

₹ Crores

	Note No.	2012-13	2011-12
Revenue from Operations	25	**2,42,180.98**	2,12,139.56
Other Income	26	**1,528.99**	1,456.67
Total Revenue		**2,43,709.97**	2,13,596.23
Less : Expenses			
Cost of materials consumed	27	**1,20,221.02**	1,04,318.38
Purchases of stock-in-trade		**1,02,311.46**	91,878.63
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	**(1,112.58)**	(1,269.66)
Employee benefits expense	29	**2,950.45**	2,428.06
Finance costs	30	**2,518.29**	2,259.06
Depreciation and Amortisation expenses	12, 13	**2,462.70**	2,410.83
Other expenses	31	**11,138.37**	9,971.50
Total expenses		**2,40,489.71**	2,11,996.80
Profit before tax		**3,220.26**	1,599.43
Tax Expense:			
Current tax		**1,398.88**	511.28
Less: MAT Credit entitlement		**-**	(101.93)
Net Current Tax		**1,398.88**	409.35
Deferred Tax		**(72.65)**	331.63
Short/ (Excess) provision of current tax relating to earlier years		**(42.12)**	7.17
Total Tax		**1,284.11**	748.15
Profit after tax		**1,936.15**	851.28
Minority Interest		**55.32**	70.45
Net Income of the Group		**1,880.83**	780.83
Basic and Diluted Earnings per Share		**26.01**	10.80
Significant Accounting Policies	1		
Other Notes to Accounts	32 to 46		

For and on behalf of the Board of Directors

Sd/-
R.K. SINGH
Chairman and Managing Director

Sd/-
S. VARADARAJAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Place: Mumbai
Dated: 29th May, 2013

As per our attached report of even date
For and on behalf of

T.R CHADHA & CO.
Chartered Accountants
FR No: 006711N

Sd/-
VIKAS KUMAR
Partner
Membership No.75363

K.VARGHESE & CO.
Chartered Accountants
FR No: 004525S

Sd/-
SAM VARGHESE
Partner
Membership No. 216979

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March	2013	2012
		₹ Crores
A Cash Flow from Operating Activities		
Net Profit Before tax	**3,220.26**	1,599.43
Adjustments for :		
Depreciation	**2,462.70**	2,410.83
Interest	**2,473.72**	2,227.96
Foreign Exchange Fluctuations (Refer Explanatory Note No. 3)	**157.90**	1,105.92
(Profit) / Loss on Sale of fixed assets	**36.61**	(69.90)
(Profit) / Loss on Sale of investments	**155.43**	140.94
Income from Investments	**(775.70)**	(738.97)
Dividend Received	**(49.24)**	(41.93)
Other Non-Cash items (Refer Explanatory Note No. 4)	**278.61**	(1.43)
Operating Profit before Working Capital Changes	**7,960.29**	6,632.85
(Invested in) / Generated from :		
Trade Receivables	**2,417.42**	(3,826.60)
Other receivables	**790.69**	(2,049.74)
Inventory	**1,095.97**	(2,859.26)
Current Liabilities & Payables	**(5,431.36)**	4,697.56
Cash generated from Operations	**6,833.01**	2,594.81
Direct Taxes paid	**(915.60)**	(688.12)
Cash flow before Prior Period Items	**5,917.41**	1,906.69
Non Cash Items	**6.27**	0.00
Net Cash from Operating Activities	**5,923.68**	1,906.69
B Cash Flow from Investing Activities		
Purchase of fixed assets	**(5,524.60)**	(4,217.50)
Sale of fixed assets	**63.61**	143.78
Capital Grant Received	**0.30**	0.00
(Investment)/Sale of Investment in associate companies	**(31.20)**	(61.21)
Purchase of Investment	**(34.99)**	(14.86)
Sale of Investments	**1,145.29**	1,089.26
Income from Investment	**731.01**	737.10
Dividend Received	**49.27**	47.58
Net Cash Flow on Investing Activities	**(3,601.31)**	(2,275.85)
C Cash Flow on Financing Activities		
Equity Investment	**(665.84)**	0.00
Long term Borrowings	**7,850.74**	1,450.56
Repayment of loans	**(3,646.52)**	(2,935.75)
Interest paid	**(2,553.80)**	(2,194.00)
Interim Dividend Paid	**0.00**	(6.43)
Dividend Paid	**(430.92)**	(551.92)
Corporate Dividend Tax	**(71.86)**	(91.83)
Exchange difference on forward contracts	**(251.74)**	(49.34)
Net Cash Flow on Financing Activities	**230.06**	(4,378.71)
D Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	**2,552.43**	(4,747.87)

		₹ Crores
Cash and Cash equivalents as at 31st March	**2012**	2011
Cash in Hand / in transit	**78.53**	134.54
Cash at Bank	**1,247.80**	662.00
Cash Credit from scheduled banks	**(210.11)**	(2,021.55)
Unsecured loans from scheduled banks / ICDs / CPs	**(18,877.24)**	(11,788.14)
	(17,761.02)	(13,013.15)
Cash and Cash equivalents as at 31st March	**2013**	2012
Cash in Hand / in transit	**127.20**	78.53
Cash at Bank	**2,722.63**	1,247.80
Cash Credit from scheduled banks	**(660.47)**	(210.11)
Unsecured loans from scheduled banks / ICDs / CPs	**(16,775.95)**	(18,877.24)
CBLOs	**(622.00)**	-
	(15,208.59)	(17,761.02)
Net change in Cash and Cash equivalents	**2,552.43**	(4,747.87)

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, foreign exchange adjustments, diminution in value of investment, transfer to Capital reserve, Bad debts and materials written off and miscellaneous adjustments not affecting cash flow.

5 "Cash at Bank" includes a balance of ₹ **2.38 Crores** (previous year ₹ 2.41 Crores) towards unclaimed dividend.

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/-
R.K. SINGH
Chairman and Managing Director

Sd/-
S. VARADARAJAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

Place: Mumbai
Dated: 29th May, 2013

As per our attached report of even date
For and on behalf of

T.R CHADHA & Co.
Chartered Accountants
FR No: 006711N
Sd/-
VIKAS KUMAR
Partner
Membership No.75363

K.VARGHESE & Co.
Chartered Accountants
FR No: 004525S
Sd/-
SAM VARGHESE
Partner
Membership No. 216979

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013 (CONSOLIDATED)

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), its subsidiary companies and interest in joint ventures.

(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 2013, except for Matrix Bharat Pte. Ltd. whose accounts are drawn for the period ended 31st December 2012. There are no significant transactions or other events that have occurred between 31st December 2012 to 31st March 2013. The financial statements of Matrix Bharat Pte. Ltd. have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

(b) Principles of Consolidation: The Consolidated Financial Statements have been prepared 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. is of 2012 / as at 31st December 2012.

(iii) The share of equity in the subsidiary Company 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" and if the cost of investment in the subsidiary Company 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.

(c) The subsidiary companies and the JVCs which are included in consolidation and the percentage of ownership interest therein of the Corporation as on 31st March 2013 are as under :

	Percentage of ownership interest as on		Country of Incorporation
	31/03/2013	31/03/2012	
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
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	**49.00**	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	**25.00**	25.00	India
Maharashtra Natural Gas Limited	**22.50**	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	**33.33**	33.33	India
Matrix Bharat Pte Ltd.	**50.00**	50.00	Singapore

	Percentage of ownership interest as on		Country of Incorporation
	31/03/2013	31/03/2012	
Delhi Aviation Fuel Facility Private Limited	**37.00**	37.00	India
IBV (Brasil) Petroleo Ltda. (Note iii)	**50.00**	50.00	Brazil
Petronet CI Limited (Note iv)	**11.00**	11.00	India
Petronet India Limited (Note iv)	**16.00**	16.00	India
GSPC India Gasnet Limited	**11.00**	-	India
GSPC India Transco Limited	**11.00**	-	India
Kannur International Airport Limited (Note v)	**21.68**	-	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 (Brasil) Petroleo Ltda., incorporated in Brazil.

(iv) Proportionate consolidation in respect of Investment in Petronet India Limited and Petronet CI Limited have not been considered in the preparation of Consolidated Financial Statements as the Management has decided to exit from these Joint Ventures and has provided for full diminution in the value of Investment.

(v) Kannur International Airport Limited is a newly formed Joint Venture Company which has not yet started operations. Hence, the same has not been considered for consolidation.

(vi) The accounts of Joint Venture Companies Central UP Gas Limited, Sabarmati Gas Limited, Maharashtra Natural Gas Limited, Bharat Stars Services Private Limited, and Bharat Renewable Energy Limited are yet to be audited and hence the unaudited accounts have been considered for the purpose of preparation of Consolidated Financial Statements. The auditors of Indraprastha Gas Limited have completed the Limited Review of the Financial Statements for the year 2012-13 and the same have been considered for preparation of Consolidated Financial Statements.

(vii) BPCL's ownership in Maharashtra Natural Gas Limited has been considered at 22.50% as per the Joint Venture Agreement. The actual percentage of Share Capital as on 31st March 2013 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.)

1.2 BASIS FOR PREPARATION:

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. 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 amortisation of Right of Way referred to in para 1.4.(b) (ii) and depreciation on Paver blocks and Canopy referred to in para 1.7 (a) (iv).

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 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) Expenditure on assets, other than plant and machinery, LPG cylinders and pressure regulators, not exceeding ₹ 1,000 per item are charged to revenue.

(iv) Machinery spares that are specific to a fixed asset are capitalised along with the fixed asset. Replacement of such spares is charged to revenue.

(v) Land acquired on lease where period of lease exceeds 99 years is treated as freehold land.

(vi) Expenditure during construction period: Direct expenses including borrowing cost incurred during construction period on capital projects are capitalised. Indirect expenses of the project group are also capitalised and are

allocated to projects costing ₹ 5 crores and above. Crop compensation expenses incurred in the process of laying pipelines are capitalised as part of pipeline cost. Expenditure incurred during construction period of projects on assets like electricity transmission lines, roads, culverts etc. the ownership of which is not with the Company 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 amortisation.

(ii) Cost of right of way is amortised over the period of 99 years as it is perpetual and absolute in nature.

(iii) Expenditure incurred for creating/acquiring other intangible assets of ₹ 0.50 crores and above and ₹ 0.02 crores 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 5 years, whichever is lower, from the time the intangible asset starts providing the economic benefit.

(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. Product Marketing Rights are amortised over 15 years by Sabarmati Gas Limited and other intangible assets over 3 to 5 years.

(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 capitalised as "Intangible Asset'. Intangible assets are amortised over their estimated economic useful lives as estimated by the management, but not exceeding the period given hereunder:

- Computer software – 5 years
- Single Point Mooring System and Sub-sea Pipeline – 25 years
- Others – 5 years

(vi) GSPL India Transco Limited – Software is amortised at 40% of WDV method.

(vii) In case of GSPL India Transco Limited, Bharat Oman Refineries Limited the cost of right of way is treated as perennial in nature and is not amortised.

(viii) In other cases, the expenditure is charged to revenue in the year the expenditure is incurred.

1.5 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 the net selling price of the asset or present value, the difference is recognised as an impairment loss.

1.6 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised 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.

1.7 DEPRECIATION

(a) Depreciation on fixed assets is provided under the straight line method, at rates prescribed under Schedule XIV to the Companies Act, 1956, except in following cases:

(i) Premium paid for acquiring leasehold land for lease period not exceeding 99 years, is amortised over the period of lease.

(ii) Fixed assets costing not more than ₹ 5,000 each, LPG cylinders and pressure regulators are depreciated @ 100 percent in the year of acquisition.

(iii) Computer equipments and peripherals, and mobile phones are depreciated over a period of 4 years. Furniture provided at the residence of management staff is depreciated over a period of 7 years.

(iv) Paver Blocks and Canopy capitalised under Buildings are depreciated based on the estimated useful life of 30 years.

(b) Indraprastha Gas Limited - Depreciation in case of the following assets has been provided using the straight line method over the useful life of the assets:

(i) Mother compressors, Online compressors and Booster compressors – 10 years

(ii) Bunkhouses – 5 years

(iii) Signages - 10 years

(c) Bharat Stars Services Private Limited - Depreciation is provided at full year basis on additions up to 30th September and at 50% on assets after 30th September.

(d) Maharashtra Natural Gas Limited: Depreciation in case of the following assets has been provided using the straight line method over the useful life of the assets:

(i) Mother compressors, Online compressors and Booster compressors – 7 years

(ii) Computer and Mobile Phones - 4 years

(iii) Intangible assets – 3 years

(iv) Signages – 10 years

(e) Sabarmati Gas Limited: Vehicles- 4 years, Pipeline @ 3.17%

(f) Bharat Renewable Energy Limited - Depreciation has been provided under written down value method and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

(g) Petronet CCK Limited – Furniture and Fixtures provided at the residence of employees is depreciated @ 15%.

(h) IBV Brasil Petroleo Pvt Ltda - Depreciation is calculated on straight line method, in accordance with the rates as described below:

(i)	Furniture and Fixtures	10%
(ii)	Vehicles	20%
(iii)	IT Equipments	20%
(iv)	Machinery & Communication equipment	35%
(v)	Installations	10%

(i) Depreciation is charged on addition / deletion on pro-rata monthly basis including the month of addition / deletion.

1.8 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.

1.9 INVENTORY

i. Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis 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.

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. Stores are valued at weighted average cost except in case of Maharashtra Natural Gas Limited and Petronet CCK Limited where the valuation is on FIFO basis.

vii. The cost of raw materials in case of Petronet LNG Ltd. is determined on FIFO basis.

1.10 REVENUE RECOGNITION

i. 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.

ii. 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.

iii. 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.

iv. Income from sale of scrap is accounted for on realisation.

v. Dividend income is recognised when the Company's right to receive the dividend is established.

vi. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

1.11 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 crore in each case pertaining to prior years is charged to the current year by the parent Company Bharat Petroleum Corporation Limited and Numaligarh Refinery Limited. No such policy exists in other group companies.

iii. Prepaid expenses upto ₹ 0.05 crore in each case, are charged to revenue as and when incurred by the parent Company Bharat Petroleum Corporation Limited and Numaligarh Refinery Limited and upto ₹ 10,000 by Bharat PetroResources Limited and Petronet CCK Limited. No such policy exists in other group companies.

1.12 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 Company 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 actuaries using the Projected Unit Credit Method, as at the balance sheet date.

iii. Payments made under Voluntary Retirement Scheme are charged to Statement of Profit and Loss as and when incurred.

1.13 DUTIES ON BONDED STOCKS

i. Customs duty on Raw materials/Finished goods lying in bonded warehouses are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

ii. Excise duty on finished stocks lying in bond is provided for, at the assessable value applicable at each of the locations at maximum rates based on end use.

1.14 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 & Loss either under foreign exchange fluctuation or interest as the case may be.

iv. 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.

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 & 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 & 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.

1.15 GOVERNMENT GRANTS

i. When the grant relates to an expense item or depreciable fixed assets, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. The grant relating to future years are treated as Deferred Income and reflected as Capital Reserve in Balance Sheet.

ii. Government grants of the nature of promoters' contribution or relating to non depreciable assets are credited to capital reserve and treated as a part of shareholders' funds.

1.16 PROVISIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

i. A provision is recognised when an enterprise 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 recognised 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 crore in each case. No such policy exists in other group companies.

iv. Contingent liabilities are considered only on conversion of show cause notices issued by various Government authorities into demand.

1.17 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 recognised 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 recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

iv. The carrying amount of deferred tax assets and unrecognised deferred tax assets are reviewed at each balance sheet date.

1.18 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.

1.19 OIL AND GAS EXPLORATION ACTIVITIES

i. BPRL follows the "Full Cost" method of accounting for its oil and natural gas exploration and production activities. Accordingly, all acquisition, exploration and development costs are treated as capital work-in-progress and are accumulated in a 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.

ii. The net quantities of the Group's interests in proved reserves and proved developed reserves of oil and gas at the beginning and additions, deductions, production and closing balance for the year and disclosure of quantities on the geographical basis are not mentioned as the Group is in exploratory phase.

iii. Surrender of field / disposal of participation interest: If BPRL were to surrender a field, the accumulated acquisition, exploration and development 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 in the cost centre ceases to produce and the entire cost centre is abandoned. Also, in the event BPRL 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 is credited or, as the case may be, is charged to the profit and loss account in the year in which BPRL's participating interest is assigned or farmed out.

iv. 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 BPRL.

v. Site restoration costs: Liabilities for site restoration costs (net of salvage values) are recognised when the Group 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 recognised 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 recognised 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)

₹ Crores

		31/03/2013	31/03/2012
i	**Authorised**		
	2,50,00,00,000 equity shares	**2,500.00**	**450.00**
	(previous year 45,00,00,000 equity shares)		
ii	**Issued, subscribed and paid-up**		
	72,30,84,248 (previous year 36,15,42,124) equity shares fully paid-up	**723.08**	361.54
	Total	**723.08**	**361.54**

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 During the period, the Corporation has issued bonus shares in the ratio of 1:1. The total number of bonus shares issued is 36,15,42,124 equity shares having face value of ₹ 10 each.

v **Reconciliation of No. of Equity Shares**

		31/03/2013	31/03/2012
A.	Opening Balance	36,15,42,124	36,15,42,124
B.	Shares Issued		
	- Bonus Shares	36,15,42,124	-
C.	Shares Bought Back	-	-
D.	**Closing Balance**	**72,30,84,248**	36,15,42,124

vi **Shareholders holding more than 5% shares**

	31/03/2013		31/03/2012	
Name of shareholder	**% Holding**	**No. of shares**	% Holding	No. of shares
Government of India	**54.93**	**39,72,00,120**	54.93	19,86,00,060
BPCL Trust for Investment in shares	**9.33**	**6,74,57,474**	9.33	3,37,28,737
Life Insurance Corporation of India	**5.14**	**3,71,73,606**	6.80	2,45,86,734

3. RESERVES AND SURPLUS (CONSOLIDATED)

₹ Crores

	31/03/2013	31/03/2012
Capital Reserve		
As per last Balance Sheet	**54.50**	54.67
Add/(Less): Grant received / (reversed) during the year	**0.30**	-
Less : Amortisation of Capital Grant	**(0.18)**	(0.17)
	54.62	54.50
Capital Reserve on acquisition of subsidiaries	**66.45**	66.45
	66.45	66.45
Debenture Redemption Reserve		
As per last Balance Sheet	**1,000.00**	1,000.00
Less: Transfer from / (to) General Reserve	**(873.70)**	-
	126.30	1,000.00
Foreign Currency Translation Reserve	**(20.88)**	2.38
General Reserve		
As per last Balance Sheet	**14,899.80**	13,945.19

3. RESERVES AND SURPLUS (CONSOLIDATED) - (CONTD.)

Add : Transfer from / (to) Debenture Redemption Reserve	**873.70**	-
Add : Transfer from Statement of Profit & Loss	**1,778.24**	954.62
Less : Utilised towards issue of Bonus Shares	**(361.54)**	-
	17,190.20	14,899.81
Surplus as per Statement of Profit & Loss *	**(576.25)**	207.37
Sub-total	**16,840.44**	16,230.51
Less: Minority Interest	**794.49**	753.05
	16,045.95	15,477.46
Share of interest in Joint Ventures		
General Reserve	**114.76**	72.38
Surplus as per Statement of Profit & Loss *	**(334.96)**	(258.13)
Securities Premium Reserve	**224.39**	224.38
Foreign Currency Translation Reserve	**2.32**	2.28
	6.51	40.91
Total	**16,052.46**	15,518.37
*** Surplus as per Statement of Profit & Loss**		
As per last Balance Sheet	**(50.76)**	571.49
Add : Profit for the year	**1,936.15**	851.28
Less : Proposed Dividend	**(823.60)**	(425.91)
Less : Corporate Dividend Tax	**(153.69)**	(73.06)
Less : Transfer to General Reserve	**(1,819.31)**	(974.56)
Total	**(911.21)**	(50.76)

4. LONG-TERM BORROWINGS (CONSOLIDATED)

₹ Crores

	31/03/2013		31/03/2012	
	Current #	**Non-Current**	Current #	Non-Current
Debentures				
Secured				
8.65% Secured Non-Convertible Debentures*	**-**	**700.00**	-	**-**
7.73% Secured Non-Convertible Debentures 2012 **	**-**	**-**	1,000.00	**-**
Other Loans	-	**3,045.80**	-	-
Unsecured				
Loan from Oil Industry Development Board	**296.48**	**361.73**	271.48	561.21
External Commercial Borrowings (ECB)	**-**	**1,767.65**	-	1,662.59
4.625% International Bonds	**-**	**2,719.47**	-	-
Inter-corporate deposit	**-**	**-**	500.00	**-**
	296.48	**8,594.65**	1,771.48	2,223.80
Share of interest in Joint Ventures	-	**4,107.53**	-	3,965.26
Total	**296.48**	**12,702.18**	1,771.48	6,189.06

Classified under other current liabilities (Refer Note No. 10)

4. LONG-TERM BORROWINGS (CONSOLIDATED) - (CONTD.)

Terms of Repayment Schedule of Long Term Borrowings as on 31/03/2013:

	₹ Crores	Date of Maturity
Non-Current		
8.65% Secured Non-Convertible Debentures 2017	700.00	08-Oct-2017
Loan from Oil Industry Development Board - 2017	172.00	30-Mar-2017
Loan from Oil Industry Development Board - 2015	38.50	20-Apr-2015
Loan from Oil Industry Development Board - 2014	110.75	15-Sep-2014
4.625% International Bonds	2,719.47	25-Oct-2022
External Commercial Borrowings	543.89	3-Feb-2017
	1,087.79	20-Feb-2016
	135.97	25-Nov-2014

	₹ Crores	Date of Maturity
Current		
Loan from Oil Industry Development Board - 2017	25.00	31-Mar-2014
Loan from Oil Industry Development Board - 2013	19.25	20-Apr-2013
Loan from Oil Industry Development Board - 2014	110.75	Apr-Sep 2013
Loan from Oil Industry Development Board - 2015	117.25	Sep 2013

* The Corporation had allotted redeemable non-convertible 8.65% Debentures of face value of ₹ 700 crores on 8th October 2012. These are secured by first legal mortgage in English form by way of a Registered Debenture Trust Deed over the fixed assets of the Company, mainly Plant and Machinery at Mumbai Refinery.

** The Corporation had allotted redeemable non-convertible 7.73% Debentures of face value of ₹ 1,000 crores on 12th October 2009. These are secured by first legal mortgage in English form by way of a Registered Debenture Trust Deed over the fixed assets of the Company, mainly Plant and Machinery at Mumbai Refinery. The same have been repaid in October 2012.

5. DEFERRED TAX LIABILITIES (NET) (CONSOLIDATED)

₹ Crores

	31/03/2013	31/03/2012
Deferred Tax Liability –		
On account of depreciation	**2,794.88**	2,602.76
Deferred tax Asset:		
Disallowance u/s 43B of the Income Tax Act, 1961 including employee benefits.	**642.46**	557.85
Provisions for mark-to-market for investments & loans, doubtful debts, claims, etc.	**256.79**	409.20
Voluntary Retirement Scheme & Long term Capital loss	**26.36**	31.28
Total Deferred Tax Asset	**925.61**	998.33
Net Deferred Tax Liability	**1,869.27**	1,604.43
Share of interest in Joint Ventures	**(263.41)**	73.37
Total	**1,605.86**	1,677.80

6. OTHER LONG-TERM LIABILITIES (CONSOLIDATED)

₹ Crores

	31/03/2013	31/03/2012
Security/Earnest Money Deposits	**19.37**	15.84
Others	**45.26**	47.54
	64.63	63.38
Share of interest in Joint Ventures	**13.50**	46.45
Total	**78.13**	109.83

7. LONG-TERM PROVISIONS (CONSOLIDATED)

₹ Crores

	31/03/2013	31/03/2012
Contingencies for probable obligations	**144.53**	144.53
Provision for employee benefits	**459.21**	429.13
	603.74	573.66
Share of interest in Joint Ventures	**5.17**	4.54
Total	**608.91**	578.20

8. SHORT-TERM BORROWINGS (CONSOLIDATED)

₹ Crores

	31/03/2013	31/03/2012
Loans repayable on demand		
Secured		
Working capital loans / Cash Credit *	**797.47**	428.69
Collateralized Borrowing and Lending Obligation **	**622.00**	-
Term Loans	-	1,353.68
Unsecured		
Rupee Loans	**70.00**	200.10
Foreign Currency Loans	**16,491.44**	18,677.24
Commercial Paper	**430.00**	-
	18,410.91	20,659.71
Share of interest in Joint Ventures	**1,747.29**	1,532.81
Total	**20,158.20**	22,192.52

* 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 and a bank guarantee of ₹ 500 crores issued in favour of Clearing Corporation of India Limited.

9. TRADE PAYABLES (CONSOLIDATED)

₹ Crores

	31/03/2013	31/03/2012
Dues to micro and small enterprises	**0.22**	1.54
Dues to subsidiaries	**-**	-
Dues to others	**7,678.21**	13,086.87
	7,678.43	13,088.41
Share of interest in Joint Ventures	**1,251.68**	204.07
Total	**8,930.11**	13,292.48

10. OTHER CURRENT LIABILITIES (CONSOLIDATED)

₹ Crores

	31/03/2013	31/03/2012
Current maturities of long-term borrowings (Refer Note No. 4)	**296.48**	1,771.48
Interest accrued but not due on borrowings	**130.82**	191.86
Deposits from Customers	**28.54**	29.18
Deposits for Containers	**5,590.79**	4,938.09
Advances from Customers	**487.62**	517.02
Unclaimed Dividend *	**2.38**	2.41
Unclaimed Deposits *	**0.15**	0.19
Unclaimed Interest on Deposits *	**0.07**	0.08
Sales tax, Excise, Customs, etc.	**2,129.04**	1,844.47
Contractual obligations	**3,221.73**	2,544.73
Dues to micro and small enterprises	**0.96**	-
Others #	**1,884.75**	1,885.78
	13,773.33	13,725.29
Share of interest in Joint Ventures	**1,297.90**	1,642.73
Total	**15,071.23**	15,368.02

* No amount is due at the end of the year for credit to Investors Education and Protection Fund.

Includes ₹ 21,000 Share Application Money Suspense Account

11. SHORT TERM PROVISIONS (CONSOLIDATED)

₹ Crores

	31/03/2013	31/03/2012
Provision for Taxation (Net of Tax paid)	**636.24**	262.31
Provision for Liquidated Damages	**1.44**	-
Proposed dividend	**823.60**	425.91
Corporate Dividend Tax on proposed dividend	**139.97**	69.09
Provision for employee benefits	**838.40**	727.47
	2,439.65	1,484.78
Share of interest in Joint Ventures	**119.26**	5.85
Total	**2,558.91**	1,490.63

12 TANGIBLE ASSETS (CONSOLIDATED)

₹ Crores

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET CARRYING AMOUNT	
	AS AT 01-04-2012	ADDITIONS	OTHER AD-JUST-MENTS	RECLASSIFICATIONS/ DEDUCTIONS ON ACCOUNT OF RE-TIREMENT/DISPOSAL	**AS AT 31-03-2013**	UPTO 31-03-2012	THIS YEAR	RECLASSIFICATIONS/ DEDUCTIONS ON ACCOUNT OF RE-TIREMENT/DISPOSAL	UPTO 31-03-2013	**AS AT 31-03-2013**	AS AT 31-03-2012
(1)	(2)	(3)	(4)	(5)	**(6)**	(7)	(8)	(9)	(10)	**(11)**	(12)
1. LAND											
(a) Freehold	487.69	8.14	-	(2.93)	**498.76**	-	-	-	**-**	**498.76**	487.69
(b) Leasehold	181.35	15.18	-	0.50	**196.03**	26.99	4.27	0.10	**31.16**	**164.87**	154.36
2. BUILDINGS	5,717.10	517.24	36.27	143.48	**6,127.13**	849.64	249.96	18.43 *	**1,081.17**	**5,045.96**	4,867.46
3. PLANT and MACHINERY	11,857.41	261.93	-	139.25	**11,980.09**	5,400.55	585.11	90.74	**5,894.92**	**6,085.17**	6,456.86
4. FURNITURE and FITTINGS	245.85	28.95	(0.01)	5.23	**269.56**	106.41	15.95	4.66	**117.70**	**151.86**	139.44
5. VEHICLES	191.94	16.98	(0.02)	10.59	**198.31**	131.32	13.10	9.14	**135.28**	**63.03**	60.62
6. OFFICE EQUIPMENT	522.39	29.35	(0.02)	57.04	**494.68**	358.66	50.80	44.81	**364.65**	**130.03**	163.73
7. RAILWAY SIDINGS	346.04	6.44	-	-	**352.48**	163.03	15.45	-	**178.48**	**174.00**	183.01
8. TANKS and PIPELINES	6,227.22	165.25	-	8.31	**6,384.16**	2,961.10	379.93	1.22	**3,339.81**	**3,044.35**	3,266.12
9. DISPENSING PUMPS	1,957.39	296.47	24.37	23.99	**2,254.24**	560.11	119.30	10.62	**668.79**	**1,585.45**	1,397.28
10. LPG CYLINDERS & ALLIED EQUIPMENT	5,405.25	612.47	36.23	10.83	**6,043.12**	5,405.25	648.70	10.83	**6,043.12**	**-**	-
11. OTHERS #	2,055.87	230.10	8.16	(4.26)	**2,298.39**	813.44	121.48	3.29	**931.63**	**1,366.76**	1,242.43
TOTAL	**35,195.50**	**2,188.50**	**104.98**	**392.03**	**37,096.95**	**16,776.50**	**2,204.05**	**193.84**	**18,786.71**	**18,310.24**	**18,419.00**
Share of interest in Joint Ventures	**6,472.13**	**151.82**	**60.73**	**1.35**	**6,683.33**	**658.52**	**362.71**	**(9.38)**	**1,030.61**	**5,652.72**	**5,813.61**
Grand Total	**41,667.63**	**2,340.32**	**165.71**	**393.38**	**43,780.28**	**17,435.02**	**2,566.76**	**184.46**	**19,817.32**	**23,962.96**	**24,232.61**
Previous Year	32,816.88	2,459.13	160.25	240.76	**35,195.50**	14,838.78	2,057.77	120.05	**16,776.50**	**18,419.00**	
Share of interest in Joint Ventures	1,324.73	5,045.58	111.27	9.45	**6,472.13**	326.46	336.51	4.45	**658.52**	**5,813.61**	
Grand Total	34,141.61	7,504.71	271.52	250.21	**41,667.63**	15,165.24	2,394.28	124.50	**17,435.02**	**24,232.61**	

OTHERS mainly include electrical and mechanical equipments, firefighting equipments and servers.

* Paver blocks and Canopy, capitalised under Buildings, have been depreciated based on the revised estimated useful life of 30 years. This has resulted in additional depreciation of ₹ **139.62 crores** .

Additional information in respect of Note No. 12

1. Other adjustments include capitalisation of foreign exchange differences of ₹ **147.67 crores** (previous year ₹ 261.01 crores) which includes Share in Joint Venture ₹ **42.65 crores** (previous year ₹ 111.28 crores) and borrowing costs of ₹ **Nil crores** (previous year ₹ 10.51 crores).
2. Land:-
   a) Freehold land of the group includes ₹ **71.34 crores** (previous year ₹ 158.70 crores) for which conveyance deed / registration / execution of title deeds / mutation are pending.
   b) Leasehold land of the group includes gross block ₹ **2.62 crores** (previous year ₹ 1.42 crores) which though in possession, the lease deeds are yet to be registered.
   c) Freehold land of BPCL includes land costing ₹ **2.20 crores** (previous year ₹ 2.20 crores) which is in the process of being surrendered to competent authority.
3. Buildings include Ownership flats of ₹ **47.88 crores** (previous year ₹ 48.16 crores) in proposed / existing co-operative societies and others.
4. Land, Plant & Machinery, Tanks & Pipelines, Railway Sidings and Buildings jointly owned by BPCL in varying extent with other Oil Companies / Railways :- Gross Block ₹ **196.02 crores** (previous year ₹ 187.83 crores), Cumulative Depreciation ₹ **107.59 crores** (previous year ₹ 90.66 crores), Net Block ₹ **88.43 crores** (previous year ₹ 97.17 crores).
5. Gross Block of the group includes ₹ **105.54 crores** (previous year ₹ 16.66 crores) towards assets which are identified as held for disposal during the year in respect of which additional depreciation of ₹ **42.27 crores** (previous year ₹ 5.29 crores) has been provided to recognise the expected loss on disposal.
6. Paver blocks and Canopy, capitalised under Buildings, have been depreciated based on the revised estimated useful life of 30 years. This has resulted in additional depreciation of ₹ **139.62 crores**
7. Share of Interest in Joint Ventures include ₹ **1.49 crores** (previous year ₹ 1.49 crores) towards land obtained under perpetual lease for which the lease agreement is not yet executed.

13.INTANGIBLE ASSETS (CONSOLIDATED)

₹ Crores

PARTICULARS	USEFUL LIFE	GROSS BLOCK				AMORTISATION				NET CARRYING AMOUNT	
	(NO. OF MONTHS)	AS AT 01-04-2012	ADDI-TIONS	RECLASSI-FICATIONS/ DELETIONS	AS AT 31-03-2013	UPTO 31-03-2012	THIS YEAR	RECLASSI-FICATIONS/ DELETIONS	UPTO 31-03-2013	AS AT 31-03-2013	AS AT 31-03-2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1 RIGHT OF WAY	**1,188**	35.93	0.26	-	**36.19**	-	2.16 *	-	**2.16**	**34.03**	35.93
2 SOFTWARE	**24 - 60**	64.18	6.76	(0.21)	**71.15**	43.92	8.61	(0.01)	**52.54**	**18.61**	20.26
3 DEVELOPMENT RIGHTS	**60**	1.50	-	-	**1.50**	1.50	-	-	**1.50**	**-**	-
4 PROCESS LICENSE	**60**	88.32	0.25	0.51	**88.06**	56.47	10.38	0.07	**66.78**	**21.28**	31.85
TOTAL		**189.93**	**7.27**	**0.30**	**196.90**	**101.89**	**21.15**	**0.06**	**122.98**	**73.92**	**88.04**
Share of interest in Joint Ventures		**258.63**	**5.17**	**-**	**263.80**	**24.55**	**12.40**	**-**	**36.95**	**226.85**	**234.08**
GRAND TOTAL		**448.56**	**12.44**	**0.30**	**460.70**	**126.44**	**33.55**	**0.06**	**159.93**	**300.77**	**322.12**
PREVIOUS YEAR		153.92	31.51	(4.50)	**189.93**	78.86	22.83	(0.20)	**101.89**	**88.05**	
Share of interest in Joint Ventures		235.63	52.10	29.11	**258.62**	14.46	10.09	-	**24.55**	**234.07**	
Grand Total		389.55	83.61	24.61	**448.55**	93.32	32.92	(0.20)	**126.44**	**322.12**	

* The Company has assessed the useful life of Right of Way at 99 years, based on the perpetual and absolute nature of the right, which was considered as perennial till previous year.
The Amortisation impact from the date of capitalisation till March 2013 is ₹ **2.16 crores.**

14 INTANGIBLE ASSETS UNDER DEVELOPMENT (CONSOLIDATED) *

₹ Crores

PARTICULARS	USEFUL LIFE	GROSS BLOCK				AMORTISATION				NET CARRYING AMOUNT	
	(NO. OF MONTHS)	AS AT 01-04-2012	ADDITIONS	CAPITALI-SATIONS/ DELETIONS	AS AT 31-03-2013	UPTO 31-03-2012	THIS YEAR	DELETIONS/ RECLASSI-FICATION	UPTO 31-03-2013	AS AT 31-03-2013	AS AT 31-03-2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1. SOFTWARE		2.53	-	-	**2.53**	-	-	-	-	**2.53**	2.53
TOTAL		**2.53**	**-**	**-**	**2.53**	**-**	**-**	**-**	**-**	**2.53**	**2.53**
PREVIOUS YEAR		2.53	-	-	**2.53**	**-**	**-**	**-**	**-**	**2.53**	

* To be amortised from the time the Intangible Asset starts providing economic benefits.

There are no internally generated Intangible Assets

15. CAPITAL WORK-IN-PROGRESS (CONSOLIDATED)

	31/03/2013	₹ Crores 31/03/2012
Capital work-in-progress (at cost)		
Work-in-progress	**3,809.85**	2,269.96
Capital stores including lying with contractors	**535.02**	325.91
Capital goods in transit	**30.10**	2.92
Construction period expenses		
Opening balance	**54.63**	45.56
Add: Expenditure during the year		
Establishment charges	**47.08**	36.31
Interest	**12.73**	13.60
Foreign Exchange Fluctuations	**38.14**	-
Others	**3.47**	3.46
	156.05	98.93
Less: Allocated to assets capitalised during the year/ charged off	**(22.96)**	(44.30)
Closing balance	**133.09**	54.63
	4,508.06	2,653.42
Share of interest in Joint Ventures	**2,952.66**	1,878.28
Total	**7,460.72**	4,531.70

16. NON-CURRENT INVESTMENTS (CONSOLIDATED)

	31/03/2013	₹ Crores 31/03/2012
LONG TERM		
(a) TRADE		
INVESTMENT IN EQUITY INSTRUMENTS, WARRANTS & DEBENTURES		
QUOTED	**561.76**	561.76
UNQUOTED	**1,006.76**	613.71
Less : Provision for diminution in value of investment	**(17.58)**	(17.58)
	1,550.94	1,157.89
OTHERS		
UNQUOTED (BPCL Trust for Investment in shares) (Refer Note No. 34)	**659.10**	659.10
(b) NON-TRADE		
INVESTMENT IN DEBENTURES		
UNQUOTED	**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	**14.24**	13.03
	24.24	23.03
Share of interest in Joint Ventures	**17.48**	17.48
Total	**2,251.77**	1,857.51

Aggregate value of Unquoted Securities ₹ **6,250.09 crores** (₹ 4,278.28 crores)
Aggregate value of Quoted Securities ₹ **692.01 crores** (₹ 692.01 crores)
Market value of Quoted Securities ₹ **2,820.86 crores** (₹ 3,452.32 crores)

17. LONG TERM LOANS AND ADVANCES (CONSOLIDATED)

(Unsecured, considered good unless otherwise stated)

		₹ Crores
	31/03/2013	31/03/2012
Capital advances	**113.19**	94.34
Security deposits	**30.85**	30.02
Loans and advances to related parties		
Bharat Oman Refineries Limited	**677.05**	677.19
GSPL India Gasnet Limited *	**1.89**	-
GSPL India Transco Limited *	**3.08**	-
Petronet CCK Limited	**-**	18.32
Bharat Renewable Energy Limited *	**0.50**	-
Advance for investments	**21.10**	17.95
Loans and advances to employees (secured)	**573.41**	560.29
Loans to others	**37.11**	42.62
Less : Provision for doubtful loans	**(0.10)**	(0.10)
Claims :		
Considered good	**292.01**	297.21
Considered doubtful	**38.17**	34.46
Less : Provision for doubtful claims	**(38.17)**	(34.46)
Advance Income Tax	**54.37**	54.63
Deposit Others	**127.72**	127.95
	1,932.18	1,920.42
Share of interest in Joint Ventures	**109.29**	88.01
Total	**2,041.47**	2,008.43

* Advance against equity shares (pending allotment)

18. OTHER NON-CURRENT ASSETS (CONSOLIDATED)

(Unsecured, considered good unless otherwise stated)

		₹ Crores
	31/03/2013	31/03/2012
Foreign Currency Monetary Item Translation Difference	**-**	0.42
Discount on issue of Bonds	**15.97**	-
Bank deposits with more than twelve months maturity **	**0.96**	5.85
	16.93	6.27
Share of interest in Joint Ventures	**0.00**	0.28
Total	**16.93**	6.55

** 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)

			₹ Crores
		31/03/2013	31/03/2012
INVESTMENT IN GOVERNMENT SECURITIES (Face Value Rs 100/- each)			
NON TRADE - QUOTED			
1	6.35% Oil Marketing Companies GOI Special Bonds 2024	**2,344.96**	2,999.96
2	6.90% Oil Marketing Companies GOI Special Bonds 2026 #	**2,474.00**	2,839.00
3	7.00% Oil Marketing Companies GOI Special Bonds 2012	**-**	67.70
4	7.59% Oil Marketing Companies GOI Special Bonds 2015	**2.31**	2.31
5	7.61% Oil Marketing Companies GOI Special Bonds 2015	**0.81**	0.81
6	7.95% Oil Marketing Companies GOI Special Bonds 2025	**10.63**	10.63
7	8.00% Oil Marketing Companies GOI Special Bonds 2026	**-**	113.00
8	8.20% Oil Marketing Companies GOI Special Bonds 2024	**897.78**	997.79
		5,730.49	7,031.20
	Less : Provision for diminution in value of investment		
	in 6.35% Oil Marketing Companies GOI Special Bonds 2024	**(321.99)**	(549.72)
	in 6.90% Oil Marketing Companies GOI Special Bonds 2026	**(247.40)**	(420.62)
	in 7.00% Oil Marketing Companies GOI Special Bonds 2012	**-**	(0.49)
	in 7.59% Oil Marketing Companies GOI Special Bonds 2015	**(0.01)**	(0.05)
	in 7.61% Oil Marketing Companies GOI Special Bonds 2015	**-**	(0.02)
	in 7.95% Oil Marketing Companies GOI Special Bonds 2025	**(0.19)**	(0.66)
	in 8.00% Oil Marketing Companies GOI Special Bonds 2026	**-**	(6.84)
	in 8.20% Oil Marketing Companies GOI Special Bonds 2024	**-**	(41.83)
		(569.59)	(1,020.23)
	Investments in Mutual Funds (Non-Trade, Quoted)	**25.06**	-
		5,185.96	6,010.97
	Share of interest in Joint Ventures	**32.08**	22.14
	Total	**5,218.04**	6,033.11

Kept as Collateral Security with Clearing Corporation of India Limited for borrowing in CBLO (face Value ₹ 2,450 crores) Market value of Quoted Securities ₹ **5,160.90 crores** (₹ 5,947.13 crores)

20. INVENTORIES (CONSOLIDATED)

(Refer Note No. 1.9 for valuation policy)

		₹ Crores
	31/03/2013	31/03/2012
Raw materials	**3,208.42**	4,334.40
[including in transit ₹ **657.88 crores** (previous year ₹ 70.29 crores)]		
Stock in process	**811.00**	982.64
Finished goods	**6,988.95**	7,801.79
Stock-in-trade	**6,271.94**	4,552.98
[including in transit ₹ **320.60 crores** (previous year ₹ 273.27 crores)]		
Stores and spares	**431.23**	282.21
[including in transit ₹ **1.22 crores** (previous year ₹ 0.10 crores)]		
Packages	**9.37**	9.00
	17,720.91	**17,963.02**
Share of interest in Joint Ventures	**2,235.78**	3,134.07
Total	**19,956.69**	21,097.09

21. TRADE RECEIVABLES (CONSOLIDATED)

(Unsecured unless otherwise stated)

		31/03/2013	₹ Crores 31/03/2012
Outstanding for a period exceeding 6 months from due date of payment			
Considered good *		**504.11**	670.05
Considered doubtful		**167.47**	144.02
Less: Provision for doubtful debts		**(167.47)**	(144.02)
Other debts (considered good)		**3,499.77**	4,159.19
		4,003.88	4,829.24
Share of interest in Joint Ventures		**351.18**	371.80
Total	**#**	**4,355.06**	5,201.04

* Includes ₹ **16.01 crores** (previous year ₹ 14.14 crores) which are secured.

Includes an amount of ₹ **787.71 crores** out of which, overdue amount ₹ **400.60 crores** (previous year ₹ 645.78 crores out of which, overdue amount ₹ 427.59 crores) from a loss making Public Sector Undertaking (PSU). The PSU has assured to settle the dues and as such the management is confident of recovery.

22. CASH & CASH EQUIVALENTS (CONSOLIDATED)

	31/03/2013	₹ Crores 31/03/2012
Cash on hand	**1.14**	1.10
Cheques and Drafts on hand	**121.38**	73.91
Balances with Banks:		
On Current accounts	**521.85**	169.99
Demand Deposits with Banks with original maturity of less than three months *	**1,853.62**	800.19
Unpaid Dividend	**2.38**	2.41
	2,500.37	1,047.60
Share of interest in Joint Ventures	**349.46**	278.73
Total	**2,849.83**	1,326.33

* The Corporation raised **$ 500 million** (₹ 2,719.47 crores as on 31-03-2013) through an International Bond issue in FY 2012-13, for funding the specific capex requirements of the Corporation. Out of the total proceeds, an amount of ₹ 1,778.62 crores remains unutilised as on 31st March 2013.

23. SHORT TERM LOANS AND ADVANCES (CONSOLIDATED)

(Unsecured, considered good unless otherwise stated)

	31/03/2013	₹ Crores 31/03/2012
Loans and advances to related parties		
Petronet CCK Limited	**26.55**	24.58
Interest accrued on loans	**14.45**	29.22
Dues from JVCs	**6.43**	9.05
Loans and advances to employees (secured)	**66.85**	61.92
Loans to Others	**131.74**	23.60
Advances:		
Advances Recoverable in cash, or in kind or for value to be received	**619.49**	209.12
Advances considered doubtful	**5.64**	4.78
Less : Provision for doubtful advances	**(5.64)**	(4.78)
	865.51	357.49
Advance Income Tax (Net of provision for taxation)	**96.99**	56.94
MAT Credit Entitlement	**-**	101.93
Claims (Net)	**275.92**	118.12
Balances With Customs, Excise, Port Trust, etc.	**206.31**	187.85
Others	**24.60**	6.96
	1,469.33	829.29
Share of interest in Joint Ventures	**98.84**	114.63
Total	**1,568.17**	943.92

24. OTHER CURRENT ASSETS (CONSOLIDATED)

₹ Crores

	31/03/2013	31/03/2012
Interest accrued on investments	**126.88**	90.43
Interest accrued on bank deposits	**0.74**	0.02
Subsidy receivable from Government of India	**8,670.01**	9,153.23
Deferred premium (foreign exchange forward contract)	**141.36**	156.98
Discount on issue of bonds	**1.86**	-
Other Receivables	**3.13**	38.04
	8,943.98	9,438.70
Share of interest in Joint Ventures	**179.10**	378.52
Total	**9,123.08**	9,817.22

25. REVENUE FROM OPERATIONS (CONSOLIDATED)

₹ Crores

		2012-13	2011-12
(i) a)	Sale of products	**2,25,201.46**	1,97,814.99
b)	Subsidy on LPG(Domestic) & SKO (PDS) *	**636.88**	664.50
c)	Subsidy from Government Of India (Refer Note No. 32)	**21,896.65**	19,671.39
		2,47,734.99	2,18,150.88
	Less : Excise Duty	**(11,104.59)**	(11,175.08)
		2,36,630.40	2,06,975.80
(ii)	Other operating revenues	**137.59**	175.75
		2,36,767.99	2,07,151.55
Share of interest in Joint Ventures		**5,412.99**	4,988.01
Total		**2,42,180.98**	2,12,139.56

* As per the existing scheme of the Government of India

26. OTHER INCOME (CONSOLIDATED)

₹ Crores

	2012-13	2011-12
Interest on Oil Marketing Companies GOI Special Bonds	**440.51**	520.85
Interest on bank deposits and others	**318.74**	137.55
Income from Petroleum India International	**1.21**	0.75
Dividend Income	**45.98**	36.21
Write back of liabilities no longer required	**54.26**	15.01
Profit on sale of fixed assets (net)	**-**	42.67
Reversal of provision for doubtful debts & advances (net of write off)	**19.00**	69.00
Less: Amount Written Off	**(8.50)**	-
	10.50	69.00
Profit / (Loss) on sale of current Investments	**(155.42)**	-
Reversal towards diminution in value of investments	**450.16**	-
Prior Period Income (net)	**-**	65.73
Others # (Refer Note No. 34)	**335.03**	544.25
	1,500.97	1,432.02
Share of interest in Joint Ventures	**28.02**	24.65
Total	**1,528.99**	1,456.67

Includes amortisation of capital grants ₹ **0.18 crores** (previous year ₹ 0.17 crores)

27. COST OF MATERIALS CONSUMED (CONSOLIDATED)

₹ Crores

	2012-13	2011-12
Opening Stock	**4,334.40**	4,261.57
Add : Purchases	**1,02,840.22**	98,015.45
Less: Closing Stock	**(3,208.42)**	(4,334.40)
	1,03,966.20	97,942.62
Share of interest in Joint ventures	**16,254.82**	6,375.76
Total	**1,20,221.02**	1,04,318.38

28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (CONSOLIDATED)

₹ Crores

	2012-13	2011-12
Value of opening stock of		
Finished goods	**7,801.79**	6,699.87
Stock-in-trade	**4,552.98**	4,564.19
Stock in process	**982.64**	1,163.33
	13,337.41	12,427.39
Less :		
Value of closing stock of		
Finished goods	**6,988.62**	7,801.79
Stock-in-trade	**6,271.94**	4,552.98
Stock in process	**811.00**	982.64
	14,071.56	13,337.41
	(734.15)	(910.02)
Share of interest in Joint Ventures	**(378.43)**	(359.64)
Total	**(1,112.58)**	**(1,269.66)**

29 EMPLOYEE BENEFITS EXPENSE (CONSOLIDATED)

₹ Crores

	2012-13	2011-12
Salaries and wages *	**2,227.87**	1,749.61
Contribution to provident fund	**125.53**	114.60
Contribution to gratuity fund	**12.31**	32.51
Contribution to other funds	**210.99**	149.43
Welfare expenses	**317.82**	258.74
Voluntary Retirement Scheme	**-**	94.32
	2,894.52	2,399.21
Share of interest in Joint Ventures	**55.93**	28.85
Total	**2,950.45**	2,428.06

* Includes estimated provision towards pending pay revision of non-management employees which is under negotiation.

30. FINANCE COSTS (CONSOLIDATED)

	2012-13	2011-12
		₹ Crores
Interest expense	**948.18**	1,023.15
Interest on shortfall in payment of advance tax	**42.40**	6.24
Other borrowing costs	**146.47**	84.62
Applicable net gain / loss on foreign currency transactions and translations	**905.09**	744.07
	2,042.14	1,858.08
Share of interest in Joint Ventures	**476.15**	400.98
Total	**2,518.29**	2,259.06

31. OTHER EXPENSES (CONSOLIDATED)

	2012-13	2011-12
		₹ Crores
Transportation	**3,886.69**	3,451.16
Excise Duty on Inventory differential	**(34.33)**	(244.31)
Taxes & other levies	**1,140.21**	1,109.48
Repairs and maintenance :		
Machinery	**647.86**	524.17
Building	**41.52**	40.61
Others	**173.85**	149.93
	863.23	714.71
Power and Fuel	**5,525.44**	3,831.63
Less: Consumption of fuel out of own production	**(4,497.33)**	(2,985.70)
Power and Fuel consumed (net)	**1,028.11**	845.93
Stores, spares and materials consumed (net)	**88.32**	70.66
Rent	**194.59**	196.28
Utilities	**177.25**	154.50
Packages consumed	**158.57**	156.26
Charges paid to other oil companies	**139.25**	157.16
Travelling and conveyance	**137.98**	130.28
Insurance	**51.55**	46.78
Communication Expenses	**26.54**	25.28
Remuneration to auditors		
Audit fees	**0.59**	0.49
Fees for other services-certification	**0.39**	0.19
Reimbursement of out of pocket expenses	**0.01**	0.01
	0.98	0.69
Bad debts and claims (net of provisions)	**0.11**	1.70
Write off Others	**428.95**	41.63
Provision for doubtful debts and advances	**58.72**	3.63
Loss on sale of current Investments	**-**	141.30
Provision/(Reversal) towards diminution in value of investments	**-**	45.54
Loss on sale of fixed assets (net)	**36.88**	7.20
Foreign Exchange fluctuations (net)	**769.11**	1,421.22
Prior Period expenses (net)	**128.86**	-
Others	**1,039.03**	1,044.44
	10,320.61	9,521.52
Share of interest in Joint Ventures	**817.76**	449.98
Total	**11,138.37**	9,971.50

32. 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 ₹ **38,990.43 crores** (previous year ₹ 32,638.27 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) ₹ **16,844.49 crores** (previous year ₹ 12,957.20 crores) discount on crude oil/products purchased from ONGC/ GAIL/NRL which has been adjusted against Purchase cost;

b) ₹ **21,896.65 crores** (previous year ₹ 19,671.39 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 ₹ **249.29 crores** (previous year ₹ 9.68 crores).

33. 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) and has changed its accounting policy in 2011-12 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) is increase in profit before tax of ₹ **269.25 crores** including ₹ **34.46 crores** pertaining to interest in Joint Ventures (previous year increase in profit before tax of ₹ 408.01 crores including ₹ 108.13 crores pertaining to interest in Joint Ventures).

34. 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 is included in Note No.16 - Non Current Investments. The income distributed by the trust during the year 2012-13 amounting to ₹ **37.10 crores** (previous year ₹ 47.22 crores) have been included in 'Other income' in Note No.26.

One shareholder of erstwhile KRL has challenged the amalgamation before Delhi High Court, which is pending adjudication.

35. Short/(Excess) provision for earlier years accounted in current year includes MAT Credit Entitlement of ₹ **36.37 crores** pertaining to assessment year 2012-13.

36. **Impairment of Assets:** It is assumed that suitable mechanism would be in place, in line with earlier/ current year(s), to provide compensation towards under-recoveries of margin, if any, on account of sale of sensitive petroleum products in subsequent years. Hence, there is no indication of impairment of assets of the Corporation. Accordingly, impairment is not considered as at 31st March 2013.

37. Bharat Petroleum Corporation Limited and Numaligarh Refinery Limited have numerous transactions with other oil companies. The outstanding balances 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 as and when ascertained and are accounted as when ascertained.

38. **Related Party Disclosures as per Accounting Standard 18**

Key Management Personnel (Whole time directors):

Shri R.K. Singh (Chairman & Managing Director)

Shri K.K. Gupta, Director (Marketing)

Shri B.K. Datta, Director (Refineries)

Shri S. Varadarajan, Director (Finance)

Shri S.P. Gathoo, Director (Human Resources)

Remuneration to Key Managerial Personnel: ₹ **2.19 crores** (previous year ₹ 2.78 crores)

39. **Earnings per share**

		2012-13	2011-12
Profit / (Loss) after Tax	₹ Crores	**1,880.83**	780.83
Weighted average number of shares outstanding during the year	Crore nos.	**72.31**	72.31*
Basic earnings per share	₹	**26.01**	10.80*
Diluted earnings per share	₹	**26.01**	10.80*

* Adjusted for 1:1 bonus issue in July, 2012

40. As indicated in Significant Accounting Policies, certain accounting policies of JVCs towards Depreciation, Inventory Valuation, Employee Benefits and Classification of Income/ Expenses are not in line with that followed by BPCL. However, considering the nature of transactions and amounts involved the impact is not expected to be material had the accounting policies of BPCL been followed.

41. 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.

42. In respect of certain Subsidiaries and JVCs, the following notes to accounts are disclosed:

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 2012-13 as in the previous year.

Bharat PetroResources Limited (Subsidiary)

b) In respect of blocks held in India, as per the Production Sharing Contracts signed by the Company with the Government of India (GOI), the Company 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 the Company does not complete MWP or surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the Government of India.

Bharat Oman Refineries Limited (Joint Venture Company)

c) The Ministry of Corporate Affairs vide its notification no. 45/4/2012-CL-111 dated 11.01.2012 has approved the proposal of the Company to provide depreciation at the rate of 3.17% p.a. on Crude Oil Pipelines between Vadinar and Bina based on useful life of 30 years with effect from 30.06.2011. Accordingly the Company has changed the rate of depreciation from 10.34% to 3.17% for the said pipelines w.e.f. 30.06.2011.

The change in the rate of depreciation has resulted in lesser charge of depreciation for the year to the extent of ₹ 85.07 crores and reversal of depreciation of the previous year to the extent of ₹ 70.90 crores.

d) The Company has obtained interim stay in the matter of Cess under Building and Other Construction Workers Welfare Cess Act 1996, demanded by the Deputy Labour Commissioner amounting to ₹ 122.30 crores including interest of ₹ 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 Cess is on the contractors. The Company, therefore, on a conservative basis has accounted for liability of ₹ 110.87 crores towards Cess payable to contractors in the event of claims from contractors. The said Cess amount being expenditure incurred in relation to the construction work has been capitalised.

The Interest amount demanded as above has been disclosed under contingent liability.

e) BPCL holds 98.33% of the share warrants of BORL amounting to ₹ 1585.68 crores, out of which the amount of ₹ 779.39 crores is appearing as investments of the group after eliminating 50% of the total amount of the share warrants upon consolidations.

f) Deferred tax asset on unabsorbed depreciation and unabsorbed business losses available as per the Income Tax Act has been recognised, since the Company is virtually certain that sufficient future taxable income will be available to adjust such losses considering the following:

a. The Company has entered into a binding agreement with BPCL (one of the promoters) for off take of the products at prices determined with reference to international product prices;

b. 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 market because of location advantage and superior refinery configuration;

c. The refinery will operate at the designed capacity considering that the refinery operations have been stabilized.

d. 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 Indian Income Tax Act.

Petronet LNG Limited (Joint Venture Company).

g) 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.

h) The Company has an unquoted trade investment in equity instruments of ₹ 90 crores in Adani Petronet (Dahej) Port Pvt. Ltd – a Joint Venture, which is under lock-in for a period of 5 years from the date of commercial operation (i.e. 01.09.2010) of the investee Company as per the Dahej LNG Port Terminal Concession Agreement dated 20th December 2005 with Gujarat Maritime Board.

Indraprastha Gas Limited (Joint Venture Company)

i) Petroleum and Natural Gas Regulatory (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 been advised that validity of such order and refund lacks legal authority. 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 holding that the PNGRB is not empowered to fix any component of network tariff or compression charge.

PNGRB has filed special leave petition before the Hon'ble Supreme Court of India against the order dated 01.06.2012 of Hon'ble High Court of Delhi. Matter is still pending in the Hon'ble Supreme Court of India.

j) The Company has installed various CNG Stations on land leased from various Government authorities under leases for periods ranging from one to five years. However, assets constructed/installed on such land are depreciated generally at the rates specified in Schedule XIV of Companies Act,1956, as the management does not foresee non-renewal of the above lease arrangements by the Authorities.

Petronet CCK Limited (Joint Venture Company)

k) Prior period Depreciation: The Company was charging depreciation on Pipelines (underground) under SLM method without considering extra shift depreciation since Note 6(6) of Schedule XIV "hydraulic works, pipelines and sluices" warrant single shift rate only. Similarly in the case of selected items used by mineral oil concerns single shift rate is prescribed. However the items prescribed for single shift depreciation in the case of Mineral Oil Concerns in Schedule XIV do not include Pipelines (underground). Based on the above and expert/ legal opinion, it is considered more appropriate and prudent to charge extra shift depreciation on pipelines (underground) since inception. Accordingly, extra shift depreciation has been charged on pipelines with retrospective effect amounting to ₹ 63.17 crores.

The Company has also revisited the rates applied on certain other assets resulting in withdrawal of depreciation amounting to ₹ 1.77 crores.

Net effect of the above changes amounting to ₹ 61.40 crores has been included in prior period depreciation.

Bharat Renewable Energy Limited (Joint Venture Company)

l) BREL has incurred cash losses during the year and net worth is eroded more than fifty percent. However accounts have been prepared on the basis of going concern in view of continuity of operations and business plan for the foreseeable future. As a matter of prudence, the Deferred Tax Assets have not been recognised.

Matrix Bharat Pte. Ltd. (Joint Venture Company)

m) The Company incurred a net loss of ₹ 21.30 crores (2011 profit: ₹ 1.52 crores) during the financial year ended 31st December 2012 and as at that date, the Company's current and total liabilities exceeded its current and total assets by ₹ 0.25 crores.

However, during the quarter Jan-March 2013, the Company has earned a net profit of ₹ 0.56 crores consequent to which the Company's current and total assets exceeds the current and total liabilities by ₹ 0.31 crores.

43. The following Oil and Gas blocks are held by Bharat PetroResources Limited / its subsidiaries and joint ventures as on 31.03.2013:

Name	Company	Country	Participating Interest of the Group	
			31.03.2013	31.03.2012
NELP – IV				
KG/DWN/2002/1	BPRL	India	**- (c)**	10.00%
MN/DWN/2002/1	BPRL	India	**- (c)**	10.00%
CY/ONN/2002/2	BPRL	India	**40.00%**	40.00%
NELP – VI				
KG/DWN/2004/2	BPRL	India	**10.00%**	10.00%
KG/DWN/2004/5	BPRL	India	**10.00%**	10.00%
CY/ONN/2004/1	BPRL	India	**20.00%**	20.00%
CY/ONN/2004/2	BPRL	India	**20.00%**	20.00%
RJ/ONN/2004/1	BPRL	India	**11.11%**	11.11%
NELP – VII				
RJ/ONN/2005/1	BPRL	India	**33.33% (a)**	25.00%
NELP – IX				
CB/ONN/2010/11	BPRL	India	**25%**	25%
AA/ONN/2010/3	BPRL	India	**20%**	20%
CB/ONN/2010/8	BPRL	India	**25%**	-
MB/OSN/2010/2	BPRL	India	**20%**	-

Name	Company	Country	Participating Interest of the Group	
Blocks outside India				
WA/388/P	BPRL	Australia	**-(c)**	8.40%
ACP/32	BPRL	Australia	**-(c)**	20.00%
48/1b & 2c – North Sea	BPRL	U.K.	**- (b)**	25.00%
JPDA 06-103	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	IBV Brazil Petroleo Pvt Ltda.	Brazil	**40.00%**	40.00%
Espirito Santo				
ES-24-588	IBV Brazil Petroleo Pvt Ltda.	Brazil	**30.00%**	30.00%
ES-24-661	IBV Brazil Petroleo Pvt Ltda.	Brazil	**30.00%**	30.00%
ES-24-663	IBV Brazil Petroleo Pvt Ltda.	Brazil	**30.00%**	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% (d)**	10.00%
Nunukan PSC, Tarakan Basin	BPRL Ventures Indonesia B.V.	Indonesia	**12.50%**	12.50%

(a) Based on Operating Committee resolution dated 24th March, 2010 the participating interest of a defaulting party was to be shared by the remaining parties in equal share, in accordance with the provisions of Production Sharing Contract and Joint Operating Agreement. In this regard approval from Directorate General of Hydrocarbon and Ministry of Petroleum & Natural Gas was received on 15th January 2013 confirming the participating interest in the Block as 33.33%.

(b) The Holding Company had a participating interest of 25% in blocks 48/1b & 2c (off shore UK). On completion of the phase as per the terms of the joint operation agreement, in view of the project risks, the consortium members have on December 1, 2012 withdrawn from the exploration license. Accordingly ₹ **49.73 crores** (previous year Nil) being amount incurred on these blocks have been written-off to the Statement of Profit and Loss. In addition to the above, a provision of ₹ 15.50 crores (previous year Nil) has been accounted towards estimated abandonment costs being the prospective costs for restoration of the area in terms of the joint operation agreement.

(c) On completion of Minimum Work Programme Commitments, and based on analysis of seismic and well drilling results indicating poor prospectivity, as assessed by the Management, the Company has withdrawn from the permit in respect of Blocks: ACP/32, WA/388/P, KG/ DWN/2002/1 and MN/DWN/2002/1. Consequently an amount of ₹ **286.26 crores** has been written off to the Statement of Profit and Loss net of provision ₹ 30.00 crores. In addition to the above, a provision of ₹ 0.78 Crores (previous year Nil) has been accounted towards estimated abandonment costs being the prospective costs for restoration of the area in terms of the joint operation agreement.

(d) 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.

44. **Interest in Joint Ventures**

A. The Group's Interest in Joint Ventures, accounted for using proportionate consolidation are :

₹ Crores

	As at 31/03/2013	As at 31/03/2012
I ASSETS		
Non -Current Assets		
Fixed Assets		
Tangible Assets	**5,878.90**	6,039.79
Intangible Assets	**226.85**	234.07
Capital work-in-progress	**750.37**	602.69
Non-Current Investments	**17.49**	17.49
Deferred Tax (Assets)	**348.95**	-
Long Term Loans & Advances	**94.75**	62.38
Other non-current assets	**0.00**	0.28
	7,317.31	6,956.70
Current Assets		
Current investments	**32.08**	22.14
Inventories	**2,235.78**	3,134.07
Trade receivables	**1,361.11**	768.13
Cash and cash equivalents	**345.01**	273.12
Short-term loans and advances	**98.85**	114.63
Other current assets	**172.11**	371.20
	4,244.96	4,683.29
II EQUITY AND LIABILITIES		
Shareholders Funds	**1,198.88**	1,185.58
Reserves & Surplus	**240.22**	243.31
Money received against share warrants	**806.29**	481.29
	2,245.39	1,910.18
Share Application Money pending allotment	**0.61**	-
Non-Current Liabilities		
Long term borrowings	**4,784.58**	4,659.91
Deferred tax liabilities (Net)	**85.53**	73.37
Other long-term liabilities	**13.50**	46.45
Long-term provisions	**5.17**	4.54
	4,888.78	4,784.27
Current Liabilities		
Short-term borrowings	**1,772.80**	1,556.43
Trade payables	**1,368.85**	1,825.89
Other current liabilities	**1,132.82**	1,532.93
Short-term provisions	**153.02**	30.29
	4,427.48	4,945.54
III INCOME	**2012-2013**	2011-2012
Revenue from Operations	**19,511.57**	9,645.32
Other Income	**28.14**	23.78
Total Revenue	**19,539.71**	9,669.10

IV	**EXPENSES**		
	Cost of Raw materials consumed	**16,254.82**	6,375.77
	Purchase of Stock-in-trade	**2,038.81**	2,507.71
	Changes in inventories of finished goods, work-in-progres and stock-in-trade	**(378.43)**	(359.64)
	Employee benefits expense	**56.95**	38.66
	Finance costs	**572.59**	482.09
	Depreciation and Amortisation expenses	**355.06**	350.37
	Other expenses	**773.99**	486.04
	Total expenses	**19,673.79**	9,881.00
	Profit before Tax	**(134.08)**	(211.90)
	Tax expense		
	Current Tax	**110.51**	98.26
	Deferred Tax (Net)	**(337.50)**	12.20
	Short provision for Taxation in earlier years provided for	**(0.29)**	0.02
		(227.27)	110.48
	Profit after Tax	**93.19**	(322.38)
V	**OTHER MATTERS**		
	Contingent Liabilities	**183.90**	137.23
	Capital Commitments	**337.74**	314.50
VI	**In addition to the above, BPRL's Share of interest in joint ventures accounted for using proportionate consolidation are:**		
	Current Assets	**27.56**	13.04
	Non-current assets	**2,843.22**	1,301.21
	Current Liabilities	**59.33**	113.89
	Income	**0.57**	0.14
	Expenses	**95.62**	296.78

B. 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:

(₹ Crores)

	Year ended 31st March 2013			Year ended 31st March 2012		
	Downstream Petroleum	**E&P**	**Total**	**Downstream Petroleum**	**E&P**	**Total**
Revenue						
External Revenue	**2,42,901.96**	**1.57**	**2,42,903.53**	2,12,899.76	1.20	2,12,900.96
Inter Segment Revenue	**-**	**-**	**-**	-	-	-
Total Revenue	**2,42,901.96**	**1.57**	**2,42,903.53**	2,12,899.76	1.20	2,12,900.96
Result						
Segment Results	**5,143.96**	**(506.59)**	**4,637.37**	3,535.42	(185.36)	3,350.06
Unallocated Corporate Expenses	**-**	**-**	**-**	-	-	-
Operating profit	**5,143.96**	**(506.59)**	**4,637.37**	3,535.42	(185.36)	3,350.06
Add:						
Interest / Dividend Income			**806.44**			695.27
Profit on sale of Long term Investments			**-**			-
Less:						
a) Finance Cost			**2,518.29**			2,259.06
b) Loss on sale of current Investments			**155.42**			141.30
c) Provision / (Reversal) towards diminution in value of investments			**(450.16)**			45.54
d) Income Tax (including deferred Tax)			**1,284.11**			748.15
Profit after Tax			**1,936.15**			851.28
Other Information						
Segment Assets	**67,255.41**	**4,689.07**	**71,944.48**	67,671.53	2,139.87	69,811.40
Unallocated Corporate Assets			**7,621.17**			8,002.19
Total Assets			**79,565.65**			77,813.59
Segment Liabilities	**23,536.67**	**246.33**	**23,783.00**	26,825.71	173.14	26,998.85
Unallocated Corporate Liabilities			**37,930.53**			33,899.68
Total Liabilities			**61,713.53**			60,898.54
Capital Expenditure	**3,712.61**	**1,347.92**	**5,060.53**	2,826.10	941.50	3,767.61
Depreciation / Amortisation	**2,461.29**	**1.42**	**2,462.70**	2,409.22	1.61	2,410.83
Non-cash expenses other than depreciation	-	-	-	-	-	-

45. **Capital Commitments and Contingent Liabilities :**

			₹ Crores
		31/03/2013	31/03/2012
(a)	**Capital Commitments :**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**4,333.72**	1,516.87
	Other Commitments	**0.07**	32.24
	Share of interest in Joint Ventures	**337.74**	314.50
	Total	**4,671.53**	1,863.61
(b)	**Contingent Liabilities :**		
	In respect of Income Tax matters	**112.98**	122.74
	Other Matters :		
	i) Claims against the Corporation not acknowledged as debts :		
	Excise and customs matters	**1,048.46**	879.38
	Sales tax matters	**2,872.62**	2,802.22
	Land Acquisition cases for higher compensation	**156.02**	93.72
	Others	**629.22**	496.11
	These include ₹ **725.54 crores** (previous year ₹ 1234.00 crores) against which BPCL has a recourse for recovery and ₹ **174.42 crores** (previous year ₹ 160.83 crores) on capital account.		
	ii) Claims on account of wages, bonus/ex-gratia payments in respect of pending court cases	**15.36**	13.44
	iii) Guarantees given on behalf of Subsidiaries/JV's	**939.64**	383.67
(c)	**Share of interest in Joint Ventures**	**183.90**	137.23

46. Figures of the previous year have been regrouped, wherever necessary, to confirm to current period presentation.

Signature to Notes '1' to '46'

For and on behalf of the Board of Directors

Sd/-
R.K. SINGH
Chairman and Managing Director

Sd/-
S. VARADARAJAN
Director (Finance)

Sd/-
S.V. KULKARNI
Company Secretary

As per our attached report of even date
For and on behalf of

T.R CHADHA & CO.
Chartered Accountants
FR No: 006711N

Sd/-
VIKAS KUMAR
Partner
Membership No.75363

K.VARGHESE & CO.
Chartered Accountants
FR No: 004525S

Sd/-
SAM VARGHESE
Partner
Membership No. 216979

Place: Mumbai
Dated: 29th May, 2013

ANNEXURE F

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

₹ Crores

Sr. No.	Name of the Subsidiary Company	Extent of holding	Reporting Currency	Capital	Reserves	Share Application money pending allotment	Total Assets	Total Liabilities	Investment (except in case of Subsidiary Company)	Turnover	Profit/ (Loss) before tax	Provision for tax	Profit / (Loss) after tax	Proposed Dividend	Country of Incorporation
1	Numaligarh Refinery Limited	61.65%	INR	735.63	2,021.82	-	4,438.52	1,681.07	174.35	8,757.01	262.86	118.60	144.26	73.56	India
2	Bharat PetroResources Limited	100%	INR	2,370.00	(547.60) *	-	1,904.96	82.55	-	-	(382.65)	-	(382.65)	-	India
3	Bharat PetroResources JPDA Limited	100%	INR	25.00	(9.40) *	-	85.86	70.26	-	-	(1.81)	-	(1.81)	-	India
4	BPRL International B.V.	100%	USD	1,662.12	(1,085.17)*	-	3,638.36	3,061.41	-	-	(636.52)	-	(636.52)	-	Netherlands
5	BPRL Ventures Indonesia B.V.	100%	USD	104.57	(15.72) *	-	88.98	0.14	-	-	(2.66)	-	(2.66)	-	Netherlands
6	BPRL Ventures B.V.	100%	USD	1,565.37	(693.94) *	-	2,133.69	1,262.27	-	-	(457.15)	-	(457.15)	-	Netherlands
7	BPRL Ventures Mozambique B.V.	100%	USD	1,529.60	(185.48) *	-	1,386.63	42.51	-	-	(41.12)	-	(41.12)	-	Netherlands

* Represents negative Reserves.

Notes:

(i) Numaligarh Refinery Limited and Bharat PetroResources Limited are direct subsidiaries of Bharat Petroleum Corporation Limited.

(ii) Bharat PetroResources JPDA Limited, and BPRL International B.V. are subsidiaries of Bharat PetroResources Limited.

(iii) BPRL Ventures Indonesia B.V., BPRL Ventures B.V. and BPRL Ventures Mozambique B.V. are wholly owned subsidiaries of BPRL International BV

(iv) Indian Rupees (INR) equivalent of the figures of subsidiary companies whose Reporting Currency is US Dollar (USD) is based on exchange rates as on 31st March 2013. (USD 1 = INR 54.39).

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 (1)(e) OF THE COMPANIES ACT, 1956

Name of the Subsidiary Companies	Financial Year ending of the Subsidiary Companies	No. of shares held by BPCL as on 31.3.2013	Extent of holding by Holding Company	The net aggregate amount of the Subsidiary Company's Profit/ (Loss) so far as it concerns the members of the Holding Company and not dealt with in the accounts of the Holding Company (Except to the extent dealt within Column 7 & 8)		The net aggregate amount of the Subsidiary Company's Profit/ (Loss) so far as it concerns the members of the Holding Company and dealt with in the accounts of the Holding Company	
1	2	3	4	5	6	7	8
				For the Financial Year ended on 31.3.2013 (₹ Crores)	For the Previous Financial Years since it became a Subsidiary Company (₹ Crores)	For the Financial Year ended on 31.3.2013 (₹ Crores)	For the Previous Financial Years since it became a Subsidiary Company (₹ Crores)
1. Numaligarh Refinery Limited (NRL) (w.e.f. 31.3.2001)	31.03.2013	45,35,45,998 shares of ₹ 10/- each fully paid up	61.65%	88.94	1,294.59	45.35	676.84
2. Bharat PetroResources Limited (BPRL) (w.e.f. 17.10.2006)	31.03.2013	2,37,00,02,610 shares of ₹ 10/- each fully paid up (Refer Note 1)	100%	(382.64)	(164.95)	-	-
3. Bharat PetroResources JPDA Limited (w.e.f. 28.10.2006) (100% Subsidiary of BPRL)	31.03.2013	2,49,99,940 shares of ₹ 10/- each fully paid up (Refer Note 1)	100%	(1.80)	(7.60)	-	-
4. BPRL International B.V. (Refer Note No. 2 & 3) (w.e.f. 26.3.2008) (100% Subsidiary of BPRL)	31.03.2013	23,54,17,394 shares of € 1 each	100%	(614.13)	(548.78)	-	-
5. BPRL Ventures B.V. (Refer Note No. 2) (w.e.f. 26.3.2008) (100% Subsidiary of BPRL International B.V.)	31.03.2013	22,45,66,311 shares of € 1 each	100%	(441.08)	(310.62)	-	-
6. BPRL Ventures Mozambique B.V. (Refer Note No. 2) (w.e.f. 23.7.2008) (100% Subsidiary of BPRL International B.V.)	31.03.2013	21,94,35,757 shares of € 1 each	100%	(39.68)	(206.60)	-	-
7. BPRL Ventures Indonesia B.V. (Refer Note No. 2) (w.e.f. 21.8.2009) (100% Subsidiary of BPRL International B.V.)	31.03.2013	1,50,01,441 shares of € 1 each	100%	(2.57)	(11.25)	-	-

Note :

1. In addition to the shares held by holding Company, Six individuals, who are nominees of BPCL, each hold ten shares of ₹ 10 each of the Company.
2. In respect of BPRL International B.V., BPRL Ventures B.V., BPRL Ventures Mozambique B.V. and BPRL Ventures Indonesia B.V., the figures are converted from USD to Indian Currency taking average exchange rates for profits of financial year ended 2012-13 and closing exchange rates for all other figures.
3. Loss of BPRL International B.V. is consolidated loss i.e. including losses of BPRL Ventures B.V., BPRL Ventures Mozambique B.V. and BPRL Ventures Indonesia B.V.

For and on behalf of the Board of Directors

Sd/-
R. K. Singh
Chairman & Managing Director

Sd/-
S. Varadarajan
Director(Finance)

Sd/-
S. V. Kulkarni
Company Secretary

Place : Mumbai
Date : 29th May, 2013

NOTES

BHARAT PETROLEUM CORPORATION LIMITED

Regd. Office : Bharat Bhavan, 4&6 Currimbhoy Road, Ballard Estate, Mumbai – 400 001.

FORM OF PROXY

FOLIO /CLIENT ID NO _____

DP ID NO. _____

I/We,_____

of _____

_____ in the district of_____

being a Member/Members of the above named Company hereby appoint_____

_____ of_____ in the district of _____

_____or failing him _____of

_____ in the district of _____

_____ as my / our proxy to vote for me /us on my/

our behalf at the 60th Annual General Meeting of the Company to be held on Friday, 20th September, 2013 and at any adjournment thereof.

Signed this …….. day of …….. 2013

Affix 15 Paise Revenue Stamp

(Member)

Note : Proxy must be deposited at the Registered Office of the Corporation not less than 48 hours before the time for holding the meeting.

BHARAT PETROLEUM CORPORATION LIMITED

Regd. Office : Bharat Bhavan 4&6 Currimbhoy Road, Ballard Estate, Mumbai – 400 001.

ADMISSION CARD / ATTENDANCE SLIP

ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY, 20th SEPTEMBER, 2013, AT 10.30 A.M., IN RAMA WATUMULL AUDITORIUM AT KISHINCHAND CHELLARAM COLLEGE (K.C. COLLEGE), 124, DINSHAW WACHA ROAD, CHURCHGATE, MUMBAI-400 020

Name of the Member/s : _____

Folio / Client ID No. :_____

No. of Shares held :_____

Name of the Proxy / Representative of Body Corporate :_____

I / We hereby record my /our presence at the **60th ANNUAL GENERAL MEETING** of the Company on Friday, 20th September, 2013, at 10.30 a.m. in Rama Watumull Auditorium at Kishinchand Chellaram College (K.C. College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020.

_____

Signature of the Member/Proxy

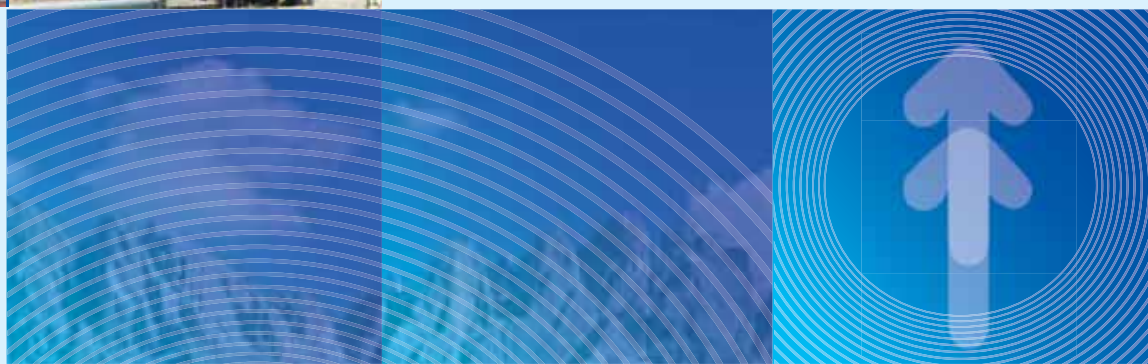
Name :

(Member/Representative of Body Corporate/Proxy attending the Meeting must bring the above Admission Card/Attendance Slip to the Meeting and handover at the entrance, after duly signing. In case the Member is a Body Corporate, certified copy of a Resolution of the Board or a governing body regarding appointment of a Representative to attend the Meeting be enclosed or sent in advance).

Bharat Petroleum

energising lives

Energising our future



Bharat Petroleum

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Bharat Petroleum

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 2013
3.	Type of Audit Observation	Nil
4.	Frequency of observation	Nil

For, M/s Bharat Petroleum Corporation Ltd.,

R.K. SINGH

Chairman and Managing Director

S. VARADARAJAN

Director (Finance)

Auditors,

T.R CHADHA & CO.

Chartered Accountants

FR No. 006711N

VIKAS KUMAR

Partner

Membership No. 75363

K.VARGHESE & CO.

Chartered Accountants

FR No. 004525S

SAM VARGHESE

Partner

Membership No.216979

M/s Bharat Petroleum Corporation Ltd.

J. R. Varma
Chairmain of the Audit Committee

M/s T. R. Chadha and Co
Chartered Accountants
1 Smruti, M V Panloskar Marg
Hanuman Cross Road No. 2,
Vile Parle (E)
Mumbai 400 057

M/s K.Varghese & CO
Chartered Accountants
Sageti Business Centre
Choolackal Buildings,
North Market Road
Ernakulam, 682014

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Member of
Bharat Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Bharat Petroleum Corporation Limited for the year ended 31st March 2013, as stipulated in Clause 49 of the 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 a review of the 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 mandatory requirements of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except for non-compliance of Clause 49 (I) (A) (ii) relating to the number of Independent Directors on the Board of Directors of the Company.

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
M/s T. R. Chadha and Co
Chartered Accountants
FR NO. 006711N
Vikas Kumar
Vikas Kumar
Partner
Membership no. 75363

Date: 20.6.13
Place: Mumbai

T.R. CHADHA & CO. MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of
M/s K.Varghese & CO
Chartered Accountants
FR NO. 004525S
Sam Varghese
Sam Varghese
Partner
Membership no. 216979

Date: 29.5.13
Place: Mumbai