ANNUAL REPORT 2015-16

CONTENTS

Celebrating 40 Years of Sustainable Development

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

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

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

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

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

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

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

BPCL . . . energizing a better world

CHAIRMAN'S LETTER

Dear Shareowners,

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

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

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

While the operational and financial results achieved are indeed heartening, our ability to incur substantial amounts of capital expenditure and execute high value complex projects in a timely and cost effective manner is a matter of great pride. The Integrated Refinery Expansion Project (IREP) at Kochi Refinery, which is by far the largest single project to be undertaken by the Company, is being commissioned on schedule. Work on the Propylene Derivatives Petrochemicals Project at Kochi Refinery has commenced. During the year, the capital expenditure of the BPCL group was ₹ 11,360 crores, which is 14% more than the previous year. All this gives immense confidence that the BPCL group will be able to deliver on the ambitious capital expenditure plans for the next five years, involving an outlay of around ₹ 1,00,000 crores.

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

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

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

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

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

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

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

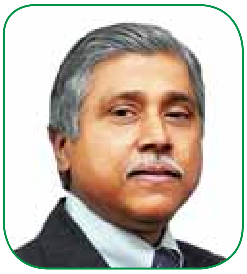
Warm regards,

S. VARADARAJAN
Chairman & Managing Director

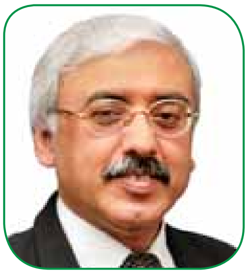
BOARD OF DIRECTORS

S. VARADARAJAN
Chairman & Managing Director

K. K. GUPTA
Director (Marketing)
(up to 29.2.2016)



B. K. DATTA
Director (Refineries)
(up to 31.7.2016)



S. P. GATHOO
Director (Human Resources)

P. BALASUBRAMANIAN
Director (Finance)

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

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

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

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

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

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

RAJESH K. MANGAL
Director
(w.e.f 1.12.2015)

DEEPAK BHOJWANI
Director
(w.e.f 1.12.2015)

GOPAL C. NANDA
Director
(w.e.f 1.12.2015)

J. R. VARMA
Director
(up to 9.8.2015)

B. CHAKRABARTI
Director
(up to 9.8.2015)

S. V. KULKARNI
Company Secretary

BANKERS

State Bank of India
State Bank of Travancore
Standard Chartered Bank
Royal Bank of Scotland
State Bank of Patiala
Central Bank of India
BNP Paribas
Calyon Bank
Union Bank of India
Corporation Bank
Bank of India
Deutsche Bank
ICICI Bank Ltd.
HDFC Bank Ltd.
IDBI Bank Ltd.

AUDITORS

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

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

REGISTERED OFFICE

BHARAT PETROLEUM CORPORATION LTD.
CIN: L23220MH1952GO1008931
Bharat Bhavan, P. B. No. 688, 4 & 6 Currimbhoy
Road, Ballard Estate, Mumbai 400 001
Phone: 2271 3000 / 4000 Fax: 2271 3874
Email: info@bharatpetroleum.in
Website: www.bharatpetroleum.in

SHARE TRANSFER AGENT

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

CULTURE

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

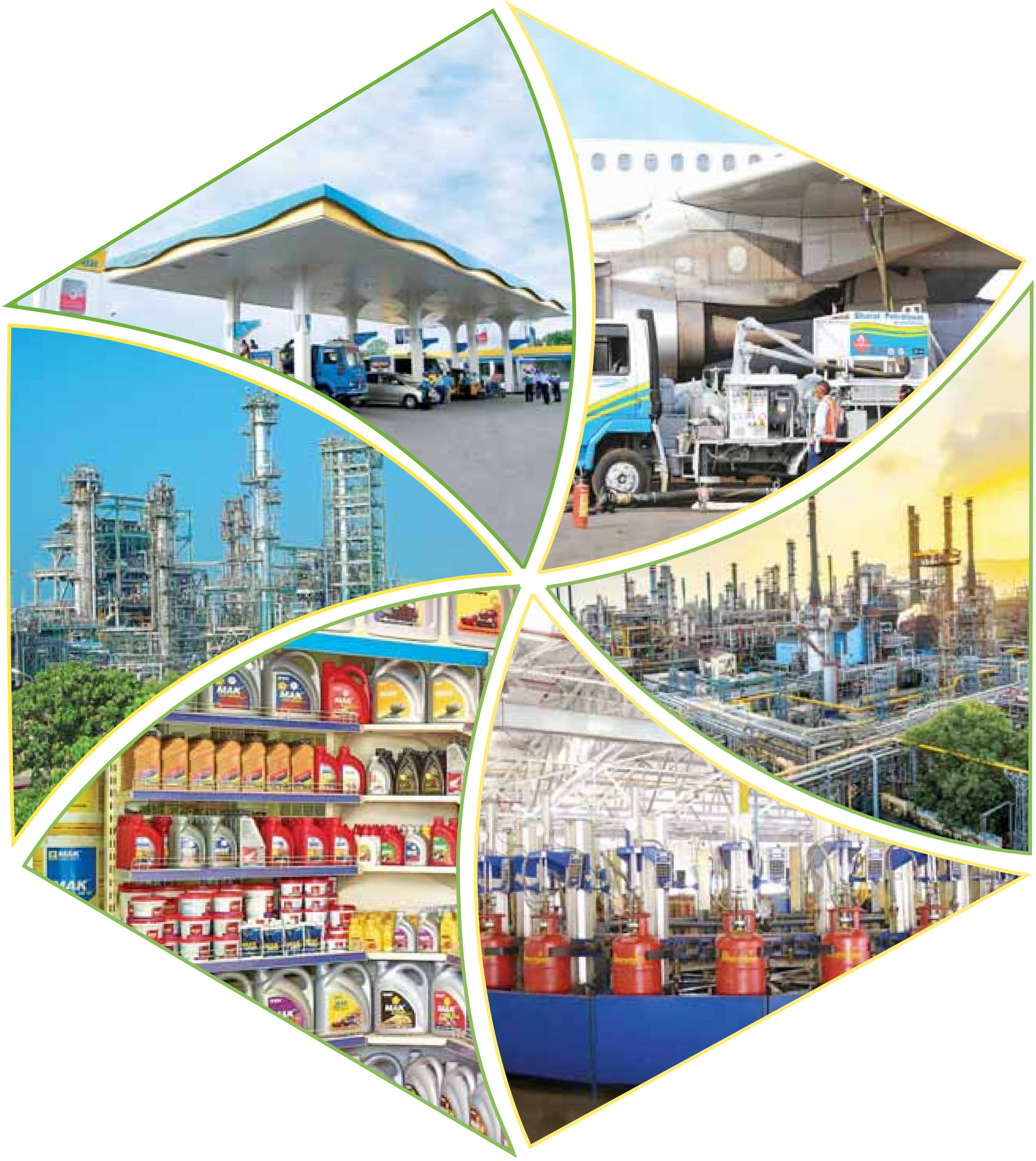
VISION

- We are the most admired global energy company leveraging talent and technology
- We are the first choice of customers, always
- We exploit profitable growth opportunities outside energy
- We are the role model for Health, Safety, Security & Environment
- We are a great organisation to work for
- We are a learning organisation
- We are a model corporate entity with social responsibility

MISSION

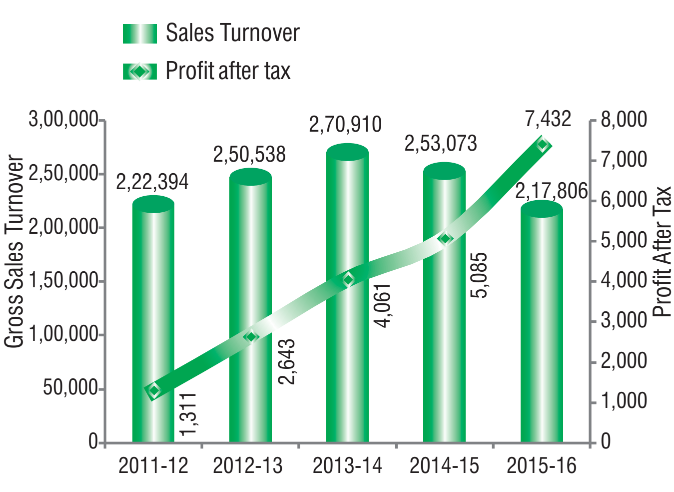
- Participate prominently in nation-building by meeting its growing energy needs, and to support this endeavour, pursue the creation of economic surplus by efficiently deploying all available resources and aiming towards global competitiveness in the energy sector
- Strengthen and expand areas of core competencies throughout the country, total quality management in all spheres of business and maintain the status of a leading national company
- Create awareness among people on the imperatives of energy conservation and efficient consumption of petroleum resources, by disseminating information through appropriate media
- Availing ourselves of new opportunities for expansion / diversification arising from the liberalization of the economy to achieve a global presence
- Promote ecology, environmental upgradation and national heritage

PERFORMANCE HIGHLIGHTS

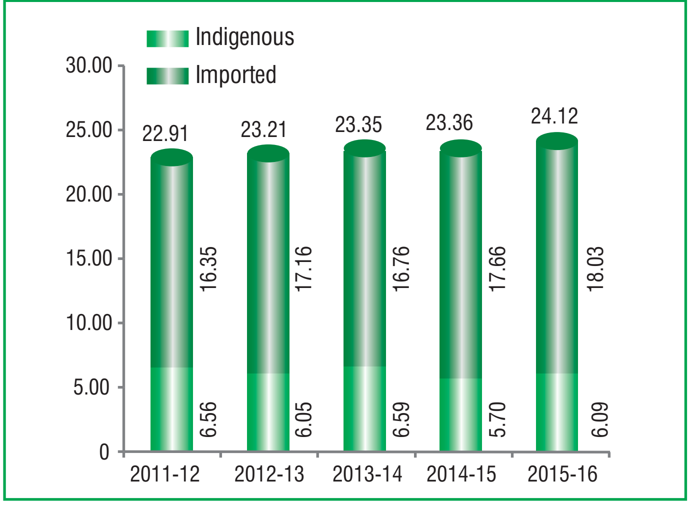


- Gross Revenue from Operations is ₹ 2,18,011.04 crores
- Crude throughput increases to 24.12 MMT
- Market Sales including exports is 38.42 MMT
- Net profit soars to ₹ 7,431.88 crores
- Core strengths are talent and technology

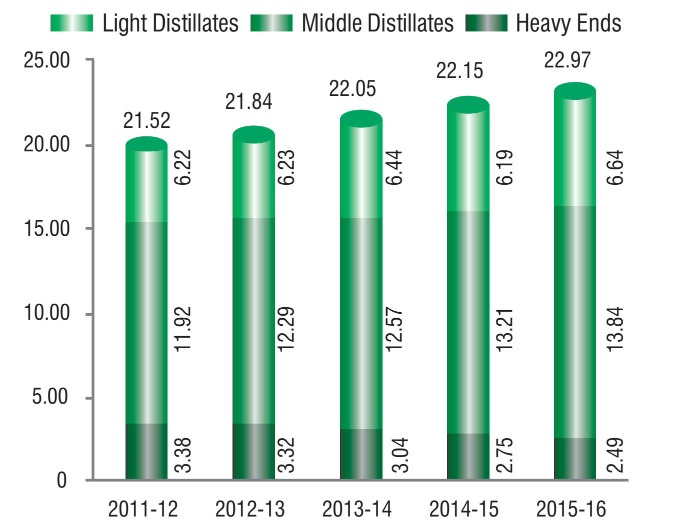
GROSS SALES TURNOVER / PROFIT AFTER TAX (₹ Crores)



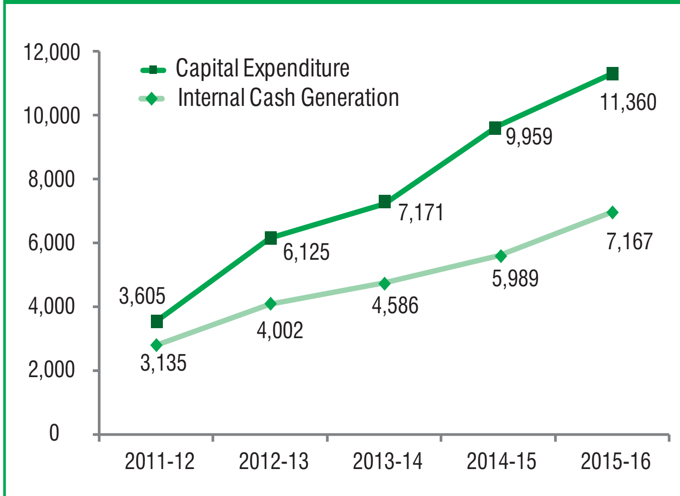
REFINERY THROUGHPUT (Million Metric Tonnes)



PRODUCTION (Million Metric Tonnes)

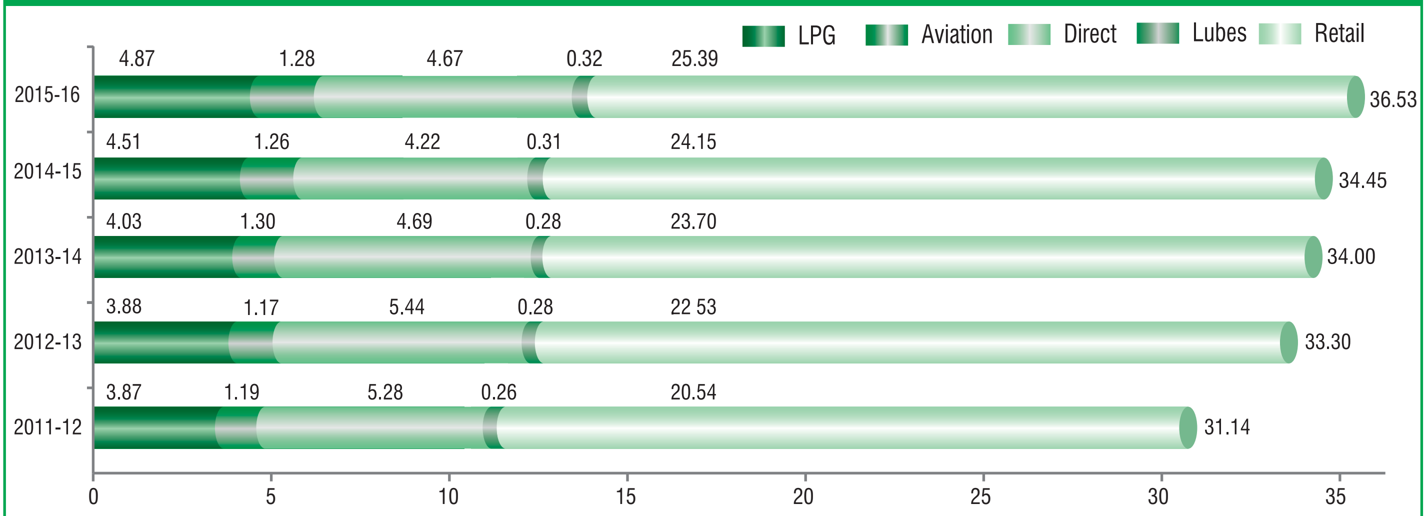


INTERNAL CASH GENERATION / CAPITAL EXPENDITURE* (₹ Crores)

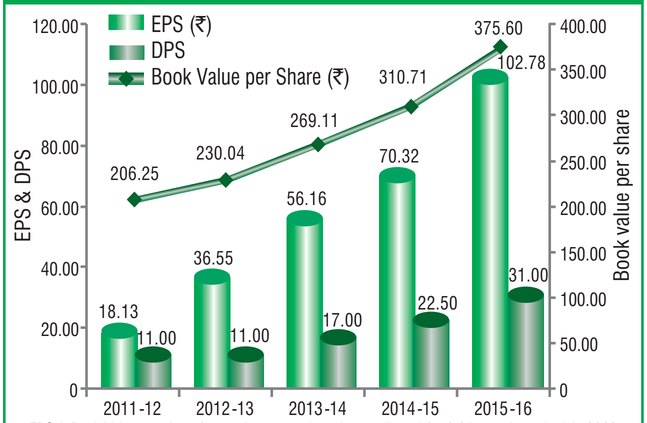


* Includes Capital Expenditure incurred through 100% Subsidiary and investments in Joint Ventures

MARKET SALES VOLUME (Million Metric Tonnes)

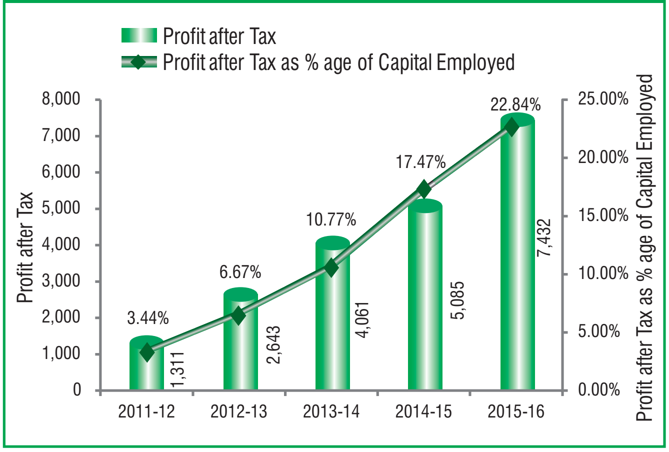


EARNINGS PER SHARE/DIVIDEND PER SHARE/ BOOK VALUE PER SHARE (₹)

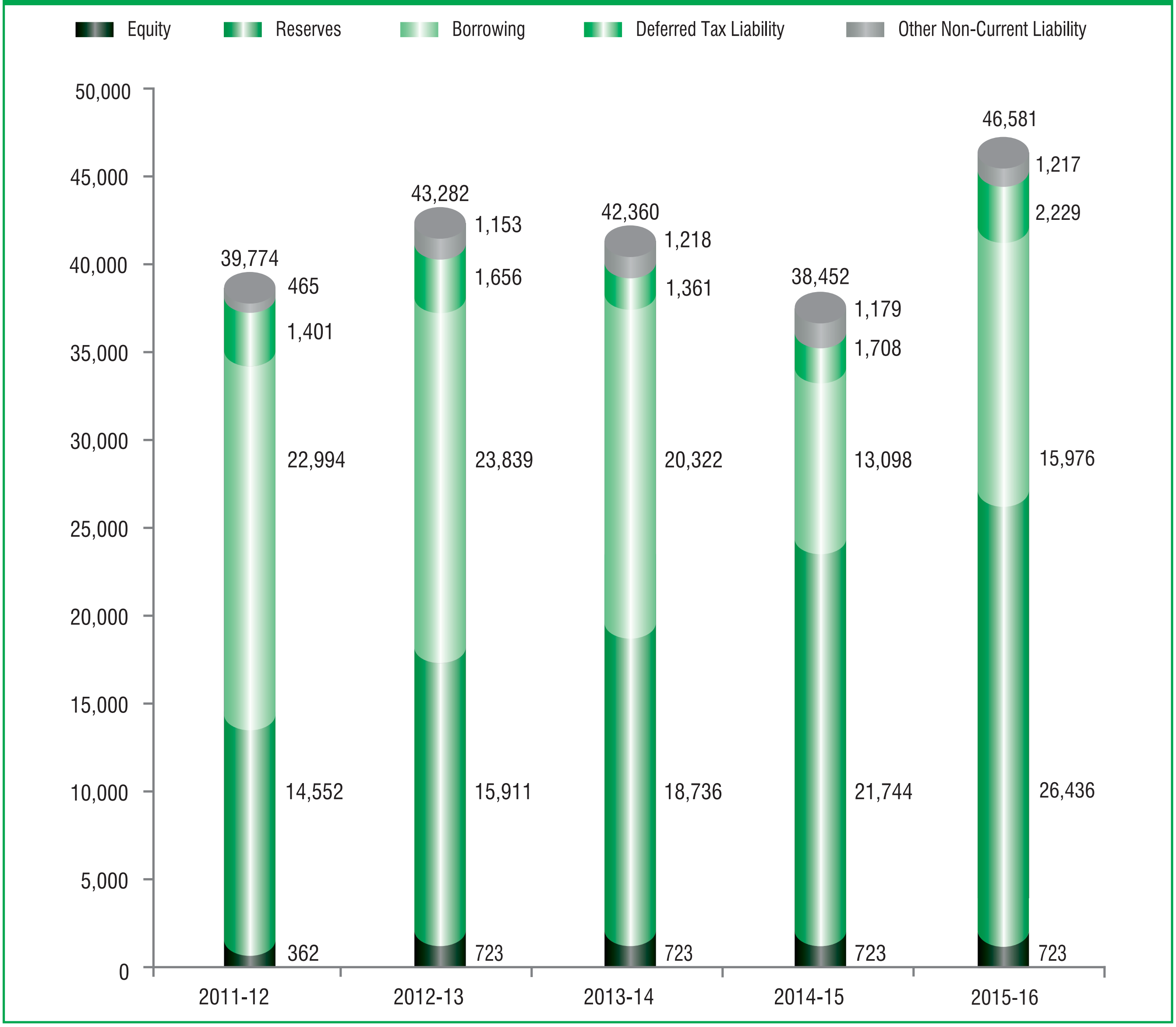


EPS & Book Value per share for previous years have been adjusted for 1:1 bonus issue in July 2012

PROFIT AFTER TAX (₹ CRORES) & PROFIT AFTER TAX AS % AGE OF CAPITAL EMPLOYED(IN %)



TOTAL FUNDS EMPLOYED (₹ Crores)



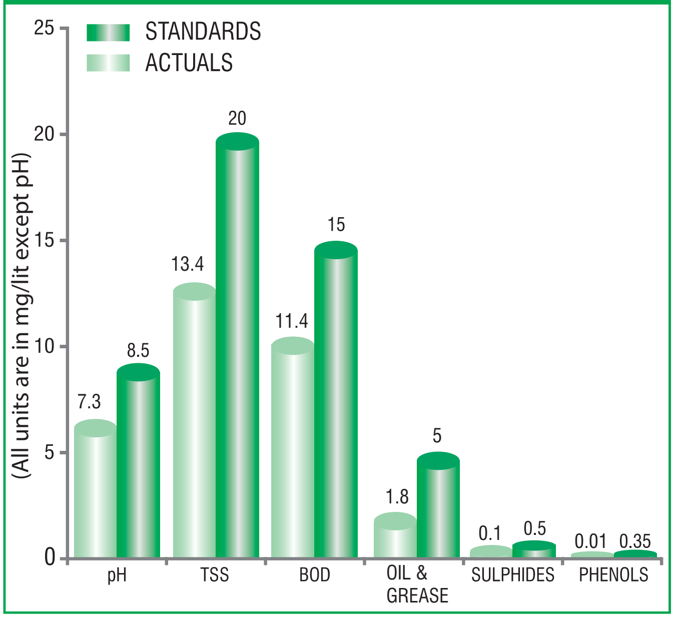
DISTRIBUTION OF EACH RUPEE EARNED

Financial Year 2014-15

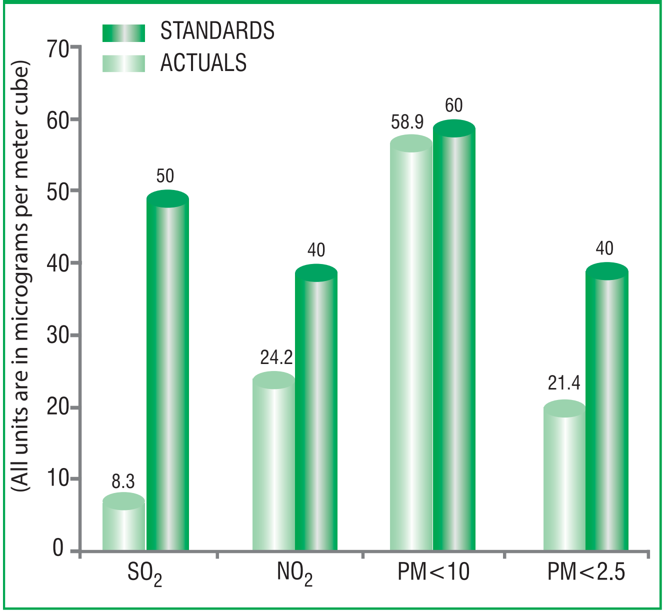
Financial Year 2015-16

2014-15	2015-16	
84.61%	73.92%	Raw Materials, Purchase of Product for resale and packages
6.55%	13.70%	Duties, Taxes etc.
1.96%	2.46%	Transportation
1.95%	2.67%	Stores and other Operating Expenses
0.82%	1.31%	Employees' remuneration and other benefits
0.23%	0.26%	Finance Cost
0.98%	0.84%	Depreciation & Amortisation
0.91%	1.46%	Income Tax
0.75%	1.20%	Dividend (including Corporate Dividend Tax)
1.24%	2.18%	Retained Profits (including Appropriation to Debenture Redemption Reserve)

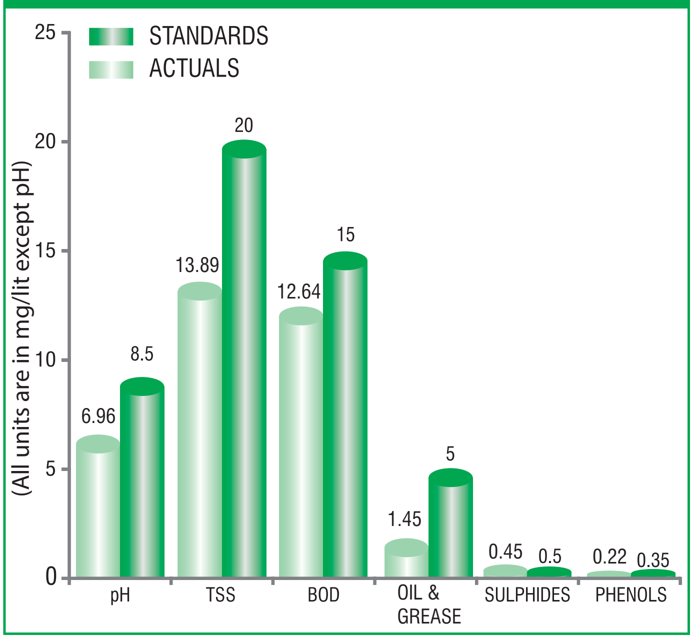
TREATED EFFLUENT WATER QUALITY VIS-A-VIS STATUTORY STANDARDS AT MUMBAI REFINERY



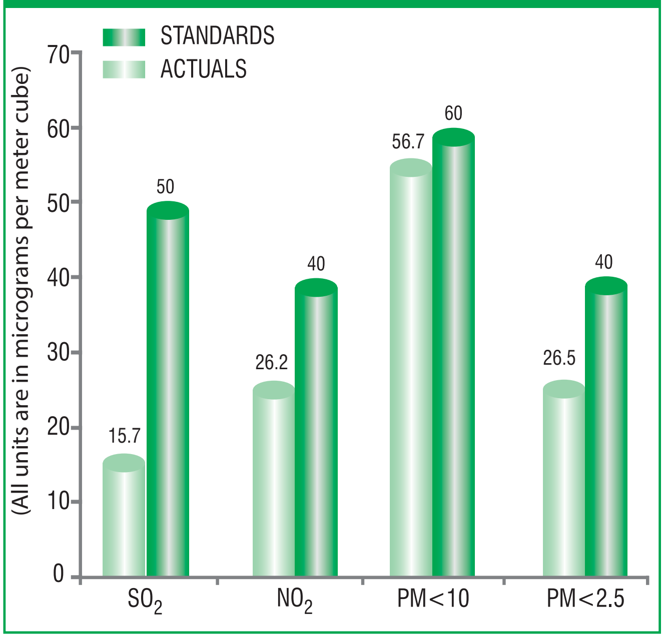
TYPICAL AMBIENT AIR QUALITY VIS-A-VIS STATUTORY STANDARDS AT MUMBAI REFINERY



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



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



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

Mr. A. K. Ambasht	Chief Vigilance Officer
Mr. Arun Kumar Singh	ED (LPG)
Ms. Dipti Sanzgiri	ED (International Trade)
Mr. E.A. Vimalnathan	ED (Marketing Corporate)
Mr. George Paul	ED (Retail)
Mr. I. Srinivas Rao	ED (Gas)
Mr. J. Dinaker	ED (Audit)
Mr. J.R. Akut	ED (IS) Group Refineries
Mr. K.B. Narayanan	ED (Information Systems)
Mr. K.P. Chandy	ED (Lubes)
Mr. K. Padmakar	ED (HRD)
Mr. K. Sivakumar	ED (Corporate Finance)
Mr. M.M. Chawla	ED (Engineering Services), Marketing
Mr. M.M. Somaya	ED (Aviation)
Ms. Monica Widhani	ED (Coordination)
Mr. P. Kumaraswamy	ED (Projects), Kochi Refinery
Mr. Prasad K. Panicker	ED I/C (Kochi Refinery)
Mr. Pramod Sharma	ED (New Business Initiatives)
Mr. R. P. Natekar	ED (I & C)
Mr. R. Rajamani	ED (Corporate Treasury)
Mr. S.K. Agrawal	ED (Corporate Affairs)
Mr. Sharad K. Sharma	ED (Supply Chain Optimization)
Mr. S. Vijayakumar	ED (Legal)
Mr. S.V. Kulkarni	Company Secretary
Mr. V. Anand	ED (Planning & Infrastructure)
Mr. A. Krishnaswamy	GM (Strategy)
Mr. Ashim K. Dutta	GM (Engineering Services), Marketing
Mr. A. K. Gidwani	GM (Network, Security & Projects) IS
Mr. Ashok K. Gupta	Chief Procurement Officer (Marketing)
Mr. A.K. Kaushik	GM (IT & BI), Retail HQ
Mr. B. Anil Kumar	GM (IS) Infrastructure, CO
Mr. B.S. Parmar	GM (Vigilance)
Mr. C.J. Iyer	GM I/C, Mumbai Refinery
Mr. C.K. Soman	GM (Operations) I/C, Kochi Refinery
Mr. D.N. Mathur	Regional LPG Manager, North
Mr. G. Ananthakrishnan	GM (Taxation), CO
Mr. Gautam Mukerji	GM (Operations & Logistics) Aviation
Mr. George Paul	GM (Project Tech – Petrochem) Kochi Refinery
Mr. H.S. Paranjape	GM (Finance), Mumbai Refinery
Mr. Indranil Mitra	GM Finance (International Trade)
Mr. J.S. Shah	GM (HR), Retail HQ
Mr. L.R. Jain	GM Pipelines (Ops.& Projects), Mumbai
Mr. M.B. Pimpale	GM (Projects), Mumbai Refinery
Ms. Madhu Sagar	GM (Internal Coaching)
Mr. M. Prasanna Kumar	GM (Planning & Project Coordination)
Mr. M.V. Prabhakaran	GM (HR) Kochi Refinery
Mr. M. Venugopal	GM Finance (Retail), HQ
Mr. N. Manohar Rao	GM (Operations) Retail HQ
Mr. P. K. Suresh	GM (Finance), Kochi Refinery
Mr. P. K. Thampi	GM (Technical), Kochi Refinery
Mr. P. Murali Madhavan	GM (OM & S), Kochi Refinery
Mr. P.S. Ramachandran	GM (Projects-Units), Kochi Refinery
Mr. P.S. Ravi	Head (Retail) West
Mr. P.V. Kumar	GM (Gas)
Mr. P.V. Ravitej	GM (Operations) Mumbai Refinery
Mr. Ravi Pratap Singh	GM (Engineering & Projects) HQ
Mr. R.K. Panda	GM Sales Coordination (Retail) HQ
Mr. R. Narayanan	GM (IS Applications)
Mr. R. R. Nair	GM (HRS)
Mr. R. Wadhawan	GM (E & C) Mumbai Refinery
Mr. S. Bhargava	GM (Corporate R&D Centre)
Mr. Sudip Mallick	GM Logistics (LPG), HQ
Mr. Suresh K. Nair	GM Sales (LPG) HQ
Ms. Sujata N. Chogle	GM (HR), Mumbai Refinery
Mr. S.N. Jalali	GM (Special Assignment)
Mr. S.R. Krishnan	GM (HSSE)
Mr. S.S. Desai	GM (E&AS) I/C, Mumbai Refinery
Mr. S. Somasekhar	GM (Advisory Engineering) Kochi Refinery
Mr. T. Peethambaran	Head (Retail) North
Mr. Vijay Duggal	GM (Gas) Delhi
Mr. V. Jacob	GM (Quality Control Cell)
Mr. Y.V. Apte	Chief Procurement Officer (Refineries)
Mr. N. Prabhakar	DGM (Brand & PR)
Ms. S. V. Kelkar	Chief Manager (Employee Satisfaction Enhancement)

NOTICE TO THE MEMBERS

Notice is hereby given that the 63rd Annual General Meeting of the Members of Bharat Petroleum Corporation Limited will be held in the Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K. C. College),124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020, on Wednesday, 21st September, 2016, at 10.30 a.m. to transact the following Ordinary and Special Business:

A. Ordinary Business

1) To receive, consider and adopt a) the Audited Financial Statement of the Company for the financial year ended 31st March, 2016 (b) the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2016; 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 confirm the payments of Interim Dividends on Equity Shares and to declare Final Dividend on Equity Shares for the Financial Year ended 31st March, 2016.

3) To appoint a Director in place of Shri Shrikant Prakash Gathoo, Director (DIN: 05102526), who retires by rotation and being eligible, offers himself for re-appointment.

4) To authorise the Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2016-17, in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

   "RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to decide and fix the remuneration of the Joint Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2016-17, as may be deemed fit by the Board."

B. Special Business

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

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

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Company be and is hereby accorded for the contracts/arrangements/transactions entered into and/or to be entered into with Bharat Oman Refineries Limited, a Joint Venture Company and a Related Party under Section 2(76) of the Companies Act, 2013 and Regulation 23(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for transfer or receipt of products, goods, materials, services or other resources and obligations for the Financial Year 2015-16 and subsequent Financial Years exceeding ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company relevant for the respective Financial Years on such terms and conditions as may be mutually agreed between the Company and Bharat Oman Refineries Limited;

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

7) **Appointment of Shri Rajesh Kumar Mangal as an Independent Director**

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Shri Rajesh Kumar Mangal (DIN: 03033081), who was appointed by the Board of Directors as an Additional Director on the Board with effect from 1st December, 2015 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of three years commencing from 1st December, 2015 up to 30th November, 2018 or until further orders from Ministry of Petroleum & Natural Gas, whichever is earlier."

8) **Appointment of Shri Deepak Bhojwani as an Independent Director**

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Shri Deepak Bhojwani (DIN: 07351577), who was appointed by the Board of Directors as an Additional Director on the Board with effect from 1st December, 2015 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of three years commencing from 1st December, 2015 up to 30th November, 2018 or until further orders from Ministry of Petroleum & Natural Gas, whichever is earlier."

9) **Appointment of Shri Gopal Chandra Nanda as an Independent Director**

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Shri Gopal Chandra Nanda (DIN: 06441034), who was appointed by the Board of Directors as an Additional Director on the Board with effect from 1st December, 2015 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of three years commencing from 1st December, 2015 up to 30th November, 2018 or until further orders from Ministry of Petroleum & Natural Gas, whichever is earlier."

10) **Appointment of Shri Anant Kumar Singh as Government Nominee Director**

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Shri Anant Kumar Singh (DIN: 07302904), who was appointed by the Board of Directors as an Additional Director on the Board with effect from 2nd January, 2016 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Government Nominee Director of the Company, liable to retire by rotation."

11) **Appointment of Shri Ramesh Srinivasan as Director (Marketing)**

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Shri Ramesh Srinivasan (DIN: 07164250), who was appointed by the Board of Directors as an Additional Director and Director (Marketing) with effect from 1st March, 2016 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director (Marketing) of the Company, liable to retire by rotation on terms and conditions as determined by the Government of India."

12) **Appointment of Shri Ramamoorthy Ramachandran as Director (Refineries)**

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Shri Ramamoorthy Ramachandran (DIN: 07049995), who was appointed by the Board of Directors as an Additional Director and Director (Refineries) with effect from 1st August, 2016 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director (Refineries) of the Company, liable to retire by rotation on terms and conditions as determined by the Government of India."

13) **Approval of Remuneration of the Cost Auditors for the Financial Year 2016-17**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Cost Auditors viz. M/s. ABK & Associates, Cost Accountants, Mumbai and M/s Bandyopadhyaya Bhaumik & Co., Cost Accountants, Mumbai, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2017 be paid the remuneration as set out below:

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

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

By Order of the Board of Directors

Sd/-

(S. V. Kulkarni)

Company Secretary

Place : Mumbai

Date : 11th August, 2016

Registered Office:

Bharat Bhavan, P.B.No. 688, 4 & 6 Currimbhoy Road, Ballard Estate,

Mumbai 400 001 CIN: L23220MH1952GOI008931 Phone: 2271 3000 / 4000

Fax: 2271 3874 email: info@bharatpetroleum.in Website: www.bharatpetroleum.in

Notes :

1. Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 in respect of the items of Special Business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
3. A person shall act as proxy for only 50 Members and holding in the aggregate of not more than 10 percent of the total share capital of the Company carrying voting rights. A Member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
4. The Register of Members and Share Transfer Books of the Company remained closed from Wednesday, 8th June, 2016 to Friday, 10th June, 2016 (both days inclusive) for the purpose of payment of dividend on equity shares for the year ended 31st March, 2016, 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 made available by NSDL/ CDSL as of the close of business hours on Tuesday, 7th June, 2016.
   b) To all Members in respect of shares held in physical form after giving effect to transfer in respect of valid share transfer requests lodged with the Company/Registrar & Share Transfer Agent (RTA) viz., Data Software Research Co. Pvt. Ltd. as of the close of business hours on Tuesday, 7th June, 2016.
5. All the documents referred to in the Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
6. As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume of persons seeking appointment/re-appointment as Directors under Item No. 3, 7, 8, 9, 10, 11 and 12 of the Notice, are attached.

7. As per the provisions of Section 72 of the Companies Act 2013, facility for making nomination is available to individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Company's Secretarial Department at its Registered Office or its RTA or can download the form from the Company's website viz. www.bharatpetroleum.in. Members holding shares in electronic form have to approach their Depository Participants (DPs) for completing the nomination formalities.
8. In line with the measures of Green Initiative, Companies Act, 2013 provides for sending notice of the meeting and other Member correspondences through electronic mode. Members holding shares in physical mode are requested to register their e-mail id's with the Company/RTA. Members holding shares in dematerialised mode are requested to register their e-mail id's with their respective DPs. If there is any change in the e-mail id already registered with the Company/RTA, Members are requested to immediately notify such change to the Company/RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
9. **Usage of electronic payment modes for making cash payments to the investors**: As per SEBI Circular, Members holding shares in electronic form/dematerialised mode are requested to provide the bank particulars to Depository Participants/Depositories which will be used by the RTA/Company for payment of dividend. In cases where the bank details, MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, RTA/Company will use physical payment instructions for payment of dividend to these Members with printing the bank account details of the Members wherever applicable. Members who hold physical shares may provide updated bank details to Registrar and Share Transfer Agent (Data Software Research Co. Pvt. Ltd. #19, Pycrofts Garden Road, Off. Haddows Road, Nungambakkam, Chennai- 600 006 Ph: +91-44-2821 3738/2821 4487, Fax: 91-44-2821 4636, Email : bpcl@dsrc-cid.in) to maintain the information required.
10. The unclaimed dividends of BPCL and erstwhile Kochi Refineries Limited (KRL) for the financial years up to 1993-94 have been transferred by the Companies to the General Revenue Account of the Central Government, which can be claimed by the Members from the Office of the Registrar of Companies at Mumbai and Kochi, respectively.
11. a) Pursuant to Section 205A(5) and Section 205C of the Companies Act, 1956, any amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government. Accordingly, the unclaimed dividends for the financial years from 1994-95 to 2007-08 of BPCL and erstwhile KRL have been transferred to the said Fund, and no claim shall lie against the said Fund, or the Company, for the amount of dividend so transferred.

    (b) Members of BPCL who have not yet encashed their dividend warrant(s) for the financial year 2008-09 or any subsequent financial years are requested to make their claims without any delay to the Registrar & Share Transfer Agent/Company. It may be noted that the unclaimed amount of dividend for the Financial Year ended 31.3.2009 becomes due for transfer to IEPF on 14.10.2016.

Instructions for Voting through electronic means:

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide Members the facility to exercise their right to vote on the Resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through such e-voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than the venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). Instructions for remote e-voting are given herein below. Resolutions passed by Members through remote e-voting or ballot/polling paper are deemed to have been passed as if they have been passed at the Annual General Meeting.
2. The facility for voting either through electronic voting system or ballot/polling paper at the Annual General Meeting is available. Members attending the Annual General Meeting, who have not already cast their vote by remote e-voting, shall be able to exercise their right at the meeting.
3. Member(s) can opt for only one mode of voting i.e. either through remote e-voting or voting through ballot/polling paper at the Annual General Meeting. In case a Member has cast multiple votes, then voting done by remote e-voting will be treated as valid. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

4. The remote e-voting period commences on **Friday, 16th September, 2016 (9:00 a.m.) and ends on Tuesday, 20th September, 2016 (5:00 p.m.).** During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of **Wednesday, 14th September, 2016** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast his vote again.

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

(A) In case a Member receives an e-mail from NSDL (for Members whose email ids are registered with the Company/Depository Participant(s))**:**

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

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

iii) Click on Shareholder – Login.

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

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

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

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

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

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

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

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

xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bpclagm2016@csraginichokshi.com with a copy marked to evoting@nsdl.co.in

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

i) EVEN (E-voting Event Number), User ID & Initial Password/PIN are provided in the enclosed attendance slip.

ii) Please follow all steps from Sr. No. 5 A(ii) to Sr. No. A(xii) above, to cast your vote.

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

General Instructions:

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

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

iii) The voting right of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of **Wednesday, 14th September, 2016.** A person, whose name is recorded in the register of Members or in the register of Beneficial Owners maintained by the Depositories as on the cut-off date of **Wednesday, 14th September, 2016** only shall be entitled to avail of the facility of remote e-voting or voting through Ballot/polling paper at the Annual General Meeting.

iv) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of notice and holding shares as on the cut-off date i.e. **Wednesday, 14th September, 2016**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or bpcl@dsrc-cid.in

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

v) Mrs. Ragini Chokshi, Practising Company Secretary (C.P. NO. 1436), Partner of Ragini Chokshi & Co. has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the ballot/polling paper received from the Member(s) at the Annual General Meeting) in a fair and transparent manner.

vi) The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of remote e-voting or ballot/polling paper for all those Members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

vii) The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting through Ballot/polling paper, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make available not later than 48 hours of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.

viii) The results declared along with the Report of the Scrutinizer shall be placed on the Company's website www.bharatpetroleum.in and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman or person authorised by him in writing. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

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

Item No. 5: Approval of Private Placement of Non-Convertible Bonds/Debentures and/or Other Debt Securities

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

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

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

Item No. 6: Approval of Material Related Party Transactions

Bharat Oman Refineries Limited (BORL) is a Joint Venture Company between Bharat Petroleum Corporation Limited (BPCL) and Oman Oil Company (OOC). The present shareholding of the Company as on 31.03.2016 is 50% by BPCL and OOC each. BORL is related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

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

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

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

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

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

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

(e) Monetary value: The actual value of material transactions falling under the Listing Regulations for Financial Year 2015-16 entered into: ₹ 26,895.74 Crores. The estimated value of material transactions for Financial Year 2016-17 entered into/to be entered into: ₹ 30,930.10 Crores. Ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company for the respective Financial Years 2015-16 and 2014-15 are ₹ 21,925.31 Crores and ₹ 25,873.11 Crores. The annual material related party transactions value exceed/may exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company for the respective Financial Years based on the subsisting contracts/arrangements/transactions entered into or to be entered into;

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

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

The Directors or Key Managerial Personnel or their relatives, except as stated above in (b), do not have any concern or interest, financial or otherwise, in passing of the said Special Resolution.

Item No. 7, 8 and 9: Appointment of Shri Rajesh Kumar Mangal, Shri Deepak Bhojwani and Shri Gopal Chandra Nanda as Independent Directors

Shri Rajesh Kumar Mangal, Shri Deepak Bhojwani and Shri Gopal Chandra Nanda were appointed as Additional Directors and Independent Directors of the Company under the provisions of Article 77A of the Articles of Association of the Company, effective 01.12.2015 for a period of three years up to 30.11.2018 or until further orders from Ministry of Petroleum & Natural Gas, whichever is earlier.

Shri Rajesh Kumar Mangal, Shri Deepak Bhojwani and Shri Gopal Chandra Nanda, being Additional Directors, hold office up to the date of the ensuing Annual General Meeting. The Company has received notices in writing along with the deposit of requisite amounts under Section 160 of the Act proposing their candidature for the office of Independent Director/s to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Independent Directors have given declaration to the Board that they meet the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Rajesh Kumar Mangal, Shri Deepak Bhojwani and Shri Gopal Chandra Nanda, Independent Directors fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors and they are independent of the management and not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Companies Act, 2013.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of the above Directors as Independent Directors is now placed before the Members at the General Meeting for approval.

Copies of the letters of appointment as Independent Directors setting out the terms and conditions, are available for inspection by the Members at the Registered Office of the Company.

Shri Rajesh Kumar Mangal is a Chartered Accountant in practice by profession since year 1992. He is a Senior Partner of M/s. B. Jain & Associates, Chartered Accountants based at Jaipur and has experience in Audits, Taxation, Company Law Matters and Finance Consultancy.

Shri Deepak Bhojwani has a law degree from Mumbai University and joined the Indian Foreign Service (IFS) in 1978. During his career, he was accredited as Ambassador in seven Latin American countries. He became a Joint Secretary in the Government of India in October, 1997. After retirement in the year 2012, he has been advising Institutions in different fields.

Shri Gopal Chandra Nanda is a Post Graduate and a 1974 batch IPS officer in the Odisha cadre. He has served as Orissa DGP and superannuated in the year 2008.

Their brief resume containing their age, qualification, expertise etc. is annexed herewith. They have attended all the Board Meetings held post their appointment for the Financial Year 2015-16, i.e. 11.12.2015, 20.01.2016, 12.02.2016 and 10.03.2016.

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

Shri Rajesh Kumar Mangal, Shri Deepak Bhojwani and Shri Gopal Chandra Nanda are interested in the Resolution/s to the extent as it concerns their appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution/s.

Item No. 10: Appointment of Shri Anant Kumar Singh as Government Nominee Director

Shri Anant Kumar Singh was appointed as Additional Director on the Board upon nomination by the Government of India, under the provisions of Article 77A of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013, effective 02.01.2016.

Shri Anant Kumar Singh, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing along with the deposit of requisite amount under Section 160 of the Act proposing his candidature.

Shri Anant Kumar Singh is Additional Secretary & Financial Advisor with Ministry of Petroleum and Natural Gas. His brief resume containing age, qualification, expertise etc. is annexed herewith. He has attended all the Board Meetings held post his appointment for the Financial Year 2015-16, i.e. 20.01.2016, 12.02.2016 and 10.03.2016.

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

Shri Anant Kumar Singh is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

Item No. 11: Appointment of Shri Ramesh Srinivasan as Director (Marketing)

Shri Ramesh Srinivasan was appointed as Additional Director and Director (Marketing) of the Company under the provisions of Article 77A of the Articles of Association of the Company effective 01.03.2016 in accordance with the directions of the Government of India.

Shri Ramesh Srinivasan, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing along with the deposit of requisite amount under Section 160 of the Act proposing his candidature.

Shri Ramesh Srinivasan is B.Sc.(Honors) and M.B.A. He joined BPCL in the year 1980 & has the distinction of heading three major Business Units, viz., Retail, Lubes & LPG.

His brief resume containing age, qualification, expertise etc. is annexed herewith. He has attended the Board Meeting held on 10.03.2016 post his appointment for the Financial Year 2015-16.

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

He holds 400 Equity shares of face value ₹10 each of the Company.

Shri Ramesh Srinivasan is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

Item No. 12: Appointment of Shri Ramamoorthy Ramachandran as Director (Refineries)

Shri Ramamoorthy Ramachandran was appointed as Additional Director and Director (Refineries) of the Company under the provisions of Article 77A of the Articles of Association of the Company effective 01.08.2016 in accordance with the directions of the Government of India.

Shri Ramamoorthy Ramachandran, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing along with the deposit of requisite amount under Section 160 of the Act proposing his candidature.

Shri Ramamoorthy Ramachandran is a B. Tech in Chemical Engineering from the AC College of Technology, Madras University, Chennai. He joined BPCL in the year 1982 as a Graduate Engineer Trainee and has over 34 years of experience in the Petroleum Industry, with extensive experience in the Refining Sector.

His brief resume containing age, qualification, expertise etc. is annexed herewith.

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

He holds 816 Equity shares of face value ₹10 each of the Company.

Shri Ramamoorthy Ramachandran is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise in passing of the said Ordinary Resolution.

Item No. 13: Approval of the Remuneration of the Cost Auditors for the Financial Year 2016-17

With the completion of cost audit for the financial year 2015-16, both existing cost auditors (M/s. Rohit & Associates, Cost Accountants and M/s. Musib & Company, Cost Accountants) have completed 4 years of cost audit. Hence, appointment of new Cost Auditors for the Financial Year 2016-17 was considered by the Audit Committee and Board. The Board has approved the appointment and remuneration of M/s. ABK & Associates, Cost Accountants and M/s. Bandyopadhyaya Bhaumik & Co, Cost Accountants as the Cost Auditors on 26.05.2016 on the recommendation of the Audit Committee to conduct the audit of the Cost records for the Financial Year 2016-17. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2016-17 by way of an Ordinary Resolution is being sought from the Members as set out at Item No.13 of the Notice.

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

By Order of the Board of Directors

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

Place : Mumbai
Date : 11th August, 2016

Registered Office:
Bharat Bhavan, P.B.No. 688, 4 & 6 Currimbhoy Road, Ballard Estate,
Mumbai 400 001 CIN: L23220MH1952GOI008931 Phone: 2271 3000 / 4000
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BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 63rd ANNUAL GENERAL MEETING

Name	Shri Shrikant Prakash Gathoo	Shri Rajesh Kumar Mangal	Shri Deepak Bhojani	Shri Gopal Chandra Nanda	Shri Anant Kumar Singh	Shri Ramesh Srinivasan	Shri Ramamoorthy Ramachandran
Date of Birth	20.10.1957	28.09.1966	26.01.1952	28.09.1948	06.03.1959	13.09.1958	27.08.1960
Date of Appointment	03.11.2011	01.12.2015	01.12.2015	01.12.2015	02.01.2016	01.03.2016	01.08.2016
Qualifications	Post Graduate Master's Degree in Personnel Management, Fellow of LEAD.	FCA	IFS, LLB, B.Com	IPS, PG	IAS, LLB, M. Phil & Ph.D (physics)	B.Sc.(Honors), M.B.A.	B. Tech in Chemical Engineering
Experience in specific functional areas	He is with BPCL since the year 1986. Before joining BPCL, he was with BHEL and NTPC. Prior to his appointment to the Board, he was Executive Director (HRS), Head of Integrated Information Systems and Lubes Business. He was also a part of the Project Team which implemented SAP. Shri S P Gathoo was also Head of HRD in BPCL responsible for Human Resource Development Change Management and Organisation Development.	He is a Chartered Accountant in practice by profession since the year 1992. He is a Senior Partner of M/s. B. Jain & Associates, Chartered Accountants based at Jaipur. He has experience in Audit, Taxation, Company Law matters and Finance Consultancy.	He joined the Indian Foreign Service (IFS) in 1978. Since then, he has served in three Continents - Asia, Europe and South America - as well as the Ministry of External Affairs in New Delhi. During his career, he was accredited as Ambassador in seven Latin American countries. He became a Joint Secretary in the Government of India in October, 1997.	He is a 1974 batch IPS officer in Odisha cadre. He has served as Orissa DGP and superannuated in the year 2008. He had earlier served in the Vigilance Department.	He joined the Indian Administrative Service in 1984. Presently, he is serving as Additional Secretary & Financial Advisor in Ministry of Petroleum & Natural Gas.	He joined BPCL in the year 1980 & has the distinction of heading three major Business Units, viz, Retail, Lubes & LPG. He introduced concepts like Pure for Sure, branded fuels like "SPEED", and provided low cost Retail Automation. He was also instrumental in launch of In & Out convenience stores, loyalty program, involved in implementation of PAHAL, online booking for new LPG Connection (SAHAJ), conceptualizing & launching of "Project Nishchay etc.	He joined BPCL in the year 1982 as a Graduate Engineer Trainee & has 34 years of experience in the Refining Sector. He has worked in Refinery Operations, Tech Services, Production Planning, Projects, Process Technology, Project Financing etc. In the past he w as actively involved in the design of Numaligarh Refinery Ltd. and in the concept to commissioning of Mumbai Refinery Modernisation projects. Subsequently, he was involved in setting up of Bharat Oman Refineries Limited 6 MMTPA grass root refinery & its stabilisation & post operations. Prior to his appointment, he held the post of Managing Director of Bharat Oman Refineries Ltd.

Name	Shri Shrikant Prakash Gathoo	Shri Rajesh Kumar Mangal	Shri Deepak Bhojani	Shri Gopal Chandra Nanda	Shri Anant Kumar Singh	Shri Ramesh Srinivasan	Shri Ramamoorthy Ramachandran
Directorships held in other Companies	Chairman: Petronet India Ltd. Petronet CCK Ltd.	Director: Rishi Corporate Services Pvt Ltd. NMDC Ltd.	-	-	Government Nominee Director: Gail (India) Ltd. Indian Strategic Petroleum Reserves Ltd.	Chairman: Matrix Bharat Pte. Ltd. Director: Bharat Stars Services Pvt. Ltd. Bharat Stars Services (Delhi) Pvt. Ltd.	Bharat Oman Refineries Ltd.
Membership/ Chairmanships of Audit and Stakeholders Relationship Committees	Audit Committee Member: Petronet CCK Ltd.	Audit Committee Chairman: Bharat Petroleum Corp Ltd.	Audit Committee Member: Bharat Petroleum Corp Ltd.	Stakeholders Relationship Committee Chairman: Bharat Petroleum Corp Ltd. Audit Committee Member: Bharat Petroleum Corp Ltd.	-	-	-
No. of shares held in BPCL	2,400 Equity Shares	-	-	-	-	400 Equity Shares	816 Equity Shares

The Board of Directors is delighted to present its Report on the performance of Bharat Petroleum Corporation Limited (BPCL) for the year ended 31st March, 2016.

PERFORMANCE OVERVIEW

Group Performance

During 2015-16, the combined Refinery throughput of BPCL's Refineries at Mumbai and Kochi, along with its Subsidiary Company Numaligarh Refinery Limited (NRL) and considering 50% throughput of Joint Venture Company, Bharat Oman Refineries Limited, was 29.82 Million Metric Tonnes (MMT) as compared to 29.27 MMT during 2014-15. The BPCL Group ended the year with market sales of 36.83 MMT, as compared to 34.95 MMT in the previous year. During the year, the BPCL Group exported 1.90 MMT of petroleum products as against 2.22 MMT in 2014-15.

The Financial Year saw the Group achieve a Gross Revenue from Operations of ₹ 2,19,253.07 crores, as compared to ₹ 2,58,731.09 crores recorded in 2014-15. The Profit after Tax stood at ₹ 8,463.98 crores in 2015-16, as against ₹ 5,082.01 crores in the previous year. The Group recorded earnings per share of ₹ 110.38 in the current year against ₹ 66.47 in 2014-15, after setting off the minority interest.

CONSOLIDATED GROUP RESULTS

	2015-16	2014-15
Physical Performance		
Crude Throughput (MMT)	**29.82**	29.27
Market Sales (MMT)	**36.83**	34.95
Financial Performance		**₹ Crores**
Gross Revenue from Operations	**2,19,253.07**	2,58,731.09
Less: Excise Duty	**(30,601.71)**	(16,132.59)
Net Revenue from Operations	**1,88,651.36**	2,42,598.50
Profit before Depreciation, Finance Costs and Tax	**16,154.61**	11,897.62
Finance Costs	**1,132.07**	1,180.47
Depreciation & amortization expense	**2,428.63**	3,026.68
Profit before tax	**12,593.91**	7,690.47
Provision for taxation - Current (Net of MAT Credit Entitlement)	**3,495.20**	2,522.44
Profit after Current Tax	**9,098.71**	5,168.03
Provision for taxation - Deferred (Asset)/Liability	**626.13**	95.55
Short/(Excess) provision for Taxation in earlier years provided for	**8.60**	(9.53)
Net Profit	**8,463.98**	5,082.01
Share in profit of associates	**2.49**	-
Minority Interest	**484.96**	275.44
Net Income of the group attributable to BPCL	**7,981.51**	4,806.57
Group Earnings per share attributable to BPCL (₹)	**110.38**	66.47

COMPANY RESULTS

	2015-16	2014-15
Physical Performance		
Crude Throughput (MMT)	**24.12**	23.36
Market Sales (MMT)	**36.53**	34.45
		₹ Crores
Financial Performance		
Gross Revenue from Operations	**2,18,011.04**	2,53,254.86
Less: Excise Duty	**(28,707.71)**	(15,167.96)
Net Revenue from Operations	**1,89,303.33**	2,38,086.90
Profit before Depreciation, Finance Costs and Tax	**13,068.42**	10,514.63
Finance Costs	**562.94**	583.10
Depreciation & amortization expense	**1,854.30**	2,516.02
Profit before tax	**10,651.18**	7,415.51
Provision for Taxation - Current (Net of MAT Credit Entitlement)	**2,684.00**	2,010.00
Provision for Taxation - Deferred	**520.64**	347.36
Short/(Excess) provision for taxation in earlier years' provided for	**14.66**	(26.36)
Net Profit for the year	**7,431.88**	5,084.51
Balance brought forward	**500.00**	500.00
Amount available for disposal	**7,931.88**	5,584.51
The Directors propose to appropriate this amount as under:		
Towards Dividend:		
Final (proposed) Dividend	**1,084.63**	1,626.94
Towards Corporate Dividend Tax on final (proposed) dividend	**188.48**	294.27
Interim Dividend	**1,156.93**	-
Towards Corporate Dividend Tax on interim dividend	**202.51**	-
For transfer to Debenture Redemption Reserve	**243.75**	194.35
For transfer to General Reserve	**4,555.58**	2,968.95
Balance carried to Balance Sheet	**500.00**	500.00
Summarized Cash Flow Statement:		
Cash Flows:		
Inflow/(Outflow) from operations	**10,233.90**	18,183.34
Inflow/(Outflow) from investing activities	**(7,855.68)**	(7,909.12)
Inflow/(Outflow) from financing activities	**(2,012.35)**	(9,121.19)
Net increase/(decrease) in cash & cash equivalents	**365.87**	1,153.03

Company Performance

BPCL's Refineries at Mumbai and Kochi recorded a crude throughput of 24.12 MMT during 2015-16, as compared to 23.36 MMT achieved in 2014-15. The Company's market sales grew by 6% to 36.53 MMT in 2015-16 from 34.45 MMT in 2014-15.

During 2015-16, the Gross Revenue from Operations was ₹ 2,18,011.04 crores, lower by 13.92% over the previous year's revenues of ₹ 2,53,254.86 crores. The Profit before Tax for the year was ₹ 10,651.18 crores as compared to ₹ 7,415.51 crores in 2014-15. The year 2015-16 has been an unprecedented year for BPCL with a Profit after Tax of ₹ 7,431.88 crores, as against the previous year best of ₹ 5,084.51 crores. This is after providing for tax (including deferred tax) of ₹ 3,219.30 crores, as against ₹ 2,331.00 crores during the last year.

The earnings per share crossed the ₹ 100 mark at ₹ 102.78 in 2015-16, as against ₹ 70.32 in 2014-15. Internal cash generation increased by almost 20% to ₹ 7,167.13 crores during 2015-16, as against ₹ 5,989.18 crores in 2014-15. During 2015-16, the Company has contributed to the exchequer by way of taxes and duties to the extent of ₹ 67,719.17, crores as compared to ₹ 51,121.77 crores in the previous Financial Year.

As on 31st March, 2016, BPCL's Shareholders' funds stand at ₹ 27,158.69 crores, as against the previous year's figure of ₹ 22,467.48 crores.

Dividend

The Board of Directors recommended a final dividend of 150% (₹ 15.00 per share) for the year on the paid-up share capital of ₹ 723.08 crores. This will absorb a sum of ₹ 1,273.11 crores inclusive of ₹ 188.48 crores for

Corporate Dividend Tax on distributed profits out of the profit after tax. In addition, two interim dividends of 125% (₹ 12.50 per share) and 35% (₹ 3.50 per share) totaling to ₹ 1,359.44 crores inclusive of ₹ 202.51 crores for Corporate Dividend Tax on distributed profits were distributed during the year.

The Company, being a Central Public Sector Enterprise (CPSE), follows the Government guidelines for payment of dividend. Accordingly, the Company has been implementing minimum dividend pay-out of 30% of post-tax profits. As per revised Government guidelines effective from 27th May, 2016, the CPSEs are required to pay a minimum annual dividend of 30% of profit after tax or 5% of the net-worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions.

Transfer to Reserves

It is proposed to transfer ₹ 4,555.58 crores to the General Reserve out of the amount available for appropriation and a sum of ₹ 500.00 crores is to be retained as Surplus in the Statement of Profit and Loss.

Borrowings

The year saw a decrease in borrowings from banks from ₹ 6,925.26 crores as at 31st March, 2015 to ₹ 6,243.92 crores at the close of the current Financial Year. The Company had availed a loan from Oil Industry Development Board of which the balance outstanding as on 31st March 2016 is ₹ 1,725.24 crores against ₹ 1,049.50 crores at the end of the previous year. Debentures worth ₹ 700 crores issued in 2012-13 were redeemed during the year 2015-16. 4.625% US Dollar International Bonds issued during 2012-13 of USD 500 Million (equivalent to ₹ 3,316.65 crores), 3% Swiss Franc International Bonds issued during 2013-14 of CHF 200 Million (equivalent to ₹ 1,373.30 crores), and 4% US Dollar International bonds issued during 2015-16 of USD 500 Million (equivalent to ₹ 3,316.65 crores) continued to remain outstanding as on 31st March, 2016.

Deposits from Public

The Company has not accepted any deposit from the public during the year. The amount of deposits, matured but unclaimed, at the end of the year was ₹ 0.02 crores, which pertains to 7 depositors. The unclaimed amount is being transferred to the Investors Education and Protection Fund after the respective due dates.

Capital Expenditure

The total Capital Expenditure during the year 2015-16 amounted to ₹ 9,692.72 crores, as compared to ₹ 8,494.40 crores during the year 2014-15.

C& AG Audit

The Comptroller and Auditor General of India's (C&AG) comment upon or supplement to the Statutory Auditors' Report on the Accounts for the year ended 31st March, 2016 is annexed as Annexure E.

REFINERIES

MUMBAI REFINERY

Mumbai Refinery registered a throughput of 13.41 MMT of feedstock (crude oil and other feedstocks) during the year 2015-16 in comparison to 12.96 MMT achieved in 2014-15. This is the highest throughput ever achieved in Mumbai Refinery. Mumbai Refinery has also achieved 84.3% of distillate yield as against 81.8% in the previous year, which again is the highest ever achieved. The Refinery posted a capacity utilization of 111.7% during the year against 108.0% in the last year.

The Refinery recorded its highest ever production during the year 2015-16 in Motor Spirit (MS), High Speed Diesel (HSD), Propylene and Lube Oil Base Stock (LOBS). Mumbai Refinery has again demonstrated its ability to meet the increasing demand for MS and HSD conforming to Euro IV quality norms.

The Gross Refining Margin (GRM) of USD 6.37 per barrel for the year is higher than the USD 3.97 per barrel realized in 2014-15. The overall gross margin for the Refinery in 2015-16 totaled to ₹ 4,198 crores, as compared to ₹ 2,363 crores in 2014-15. The higher GRM in Mumbai Refinery for the year 2015-16 is primarily a result of higher distillate yield, better cracks, higher production of transportation fuels and reduction in octroi cost.

KOCHI REFINERY

Kochi Refinery reported a crude throughput of 10.71 MMT in 2015-16 against 10.40 MMT in 2014-15. During the year, the Refinery's capacity utilization was at 112.7%, as compared to the 109.5% registered in the previous year. Kochi Refinery recorded its best ever production of LPG, BS-III MS, BS-IV MS, ATF and BS-IV HSD in 2015-16. Further, Kochi Refinery commenced increased supply of BS IV grade auto fuels effective 15th February, 2016, thereby meeting the demand of Southern India as per the directive of the Government of India.

Kochi Refinery recorded a GRM of USD 6.87 per barrel totaling to ₹ 3,610 crores for the year 2015-16. This is against the previous year achievement of USD 3.17 per barrel and ₹ 1,514 crores. The increase in GRM during 2015-16 over the previous year is mainly due to better product cracks, higher distillate yield, efficient fuel and loss and better crude mix.

The GRM of BPCL's Kochi Refinery during Financial Year 2015-16 is the highest ever in total rupee crores terms and one of the best in PSU refineries in USD per barrel terms.

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

MARKETING

BPCL's market sales volumes increased by 6.00% to 36.53 MMT in the year 2015-16 from 34.45 MMT in the last year. The market share of BPCL amongst the Public Sector Oil Companies stood at 22.94% as at 31st March, 2016 as compared to 23.29% as at the end of the previous year.

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

PROJECTS

Integrated Refinery Expansion Project (IREP) at Kochi

The Company's Integrated Refinery Expansion Project (IREP) at Kochi Refinery will increase the Refinery capacity to 15.5 MMTPA from its present level of 9.5 MMTPA. The modernization of the Refinery facilities envisages production of auto fuels conforming to BS-IV/VI specifications and upgradation of the residue streams to distillates and Petcoke. The approved cost of the project is ₹ 16,504 crores.

The Crude Distillation Unit (CDU)/Vacuum Distillation Unit (VDU) and first Gas Turbine Generator (GTG) are mechanically completed and pre-commissioning activities are in progress. Raw water quarry & Raw water treatment plant have been commissioned. Other major units such as Diesel Hydro Treater (DHDT), two GTG, two utility Boilers, Vacuum Gas Oil Hydro Treater, Sulphur Recovery Unit, Delayed Coker Unit and Fluid Catalytic Cracking Unit are planned for completion sequentially as per commissioning requirements.

The project has achieved an overall physical progress of 96.42% with cumulative expenditure of ₹ 11,626 crores as on 30th June, 2016. The project is expected to be operational and stabilized during the third quarter of the current Financial Year.

Propylene Derivative Petrochemical Project (PDPP) at Kochi Refinery

The project envisages production of niche Petrochemicals utilizing Polymer Grade Propylene produced from the Petro Fluid Catalytic Cracking Unit (FCCU) being set up as a part of IREP. The PDPP project envisages production of Acrylic Acid, Oxo Alcohols and Acrylates, utilizing approximately 250,000 MT per annum of Polymer Grade Propylene.

The approved cost of the project is ₹ 4,588 crores with scheduled completion in May, 2018. The cumulative expenditure on the project is ₹ 324 crores as on 30th June, 2016.

Conversion of CRU to Isomerization (ISOM) Unit at Mumbai Refinery

The project envisages conversion of Catalytic Reformer Unit (CRU) to Isomerization Unit (ISOM) along with associated facilities. This would enable Mumbai Refinery to meet 100% Euro IV MS production.

The approved cost of the project is ₹ 725 crores with scheduled completion in December, 2016. The project has achieved an overall physical progress of 83.2% as on 30th June, 2016 with a cumulative expenditure of ₹ 276 crores. The project shall be completed by 31st December, 2016 well in time to meet the requirement of 100% BS IV auto fuels by April, 2017.

Installation of Diesel Hydrotreatment Unit (DHT) at Mumbai Refinery

The project envisages installation of 2.6 MMTPA capacity DHT to meet the Government mandate of producing 100% BS-IV HSD with effect from April, 2017. The project also involves setting up of associated facilities such as new Amine Regeneration Unit (ARU) and revamp of existing Sour Water Stripped Unit (SWS) to maximize capacity of Sulphur Recovery Unit trains C & D.

The approved cost of the project is ₹ 2,443 crores with scheduled completion in December, 2017. The project has achieved an overall physical progress of 51.2% and incurred cumulative expenditure of ₹ 228 crores as on 30th June, 2016. As per Auto Fuel Policy, the BS IV fuels should be made available by April, 2017. All efforts are being taken to complete the DHT part of project by then and other facilities included in the project shall be completed in December, 2017 as scheduled.

Ennore Coastal Terminal Project

The project envisages construction of Petroleum, Oils & Lubricants (POL) Terminal at Ennore with tankage of 117,035 Kl (gross) for storing MS and HSD, receipt through tanker from Ennore Tank Terminal Pvt. Ltd. (ETTPL) and product dispatch by road (16 bay gantry). The approved cost of the project is ₹ 393 crores with scheduled completion in April, 2018.

Palakkad LPG Terminal Project

The project envisages construction of 3 X 1450 MT Mounded Storage Vessels, 8 bays Tank Lorry Decantation Gantry, LPG Pump House (20M X 8M) and associated facilities. The approved cost of the project is ₹ 184 crores with scheduled completion in December, 2017.

LPG Import Facility at Haldia

The project envisages construction of 2 X 15000 MT refrigerated storage tanks for Propane & Butane, facilities for Ocean tanker unloading, Propane and Butane heating, Ethyl Mercaptan Dosing, and bulk despatches. This also entails laying of a twin pipeline (one for Propane and the other for Butane) from the jetty to the terminal.

The approved cost of the project is ₹ 694 crores with scheduled completion in October, 2018.

BS VI MS Block Project at Kochi Refinery

As per the directives of Ministry of Petroleum and Natural Gas and the Auto Fuel Policy guidelines, Kochi Refinery plans to implement a BS VI MS Block Project. Thereafter, the Refinery will be able to produce Petrol and Diesel complying with BS VI specifications. The estimated cost of the project is ₹ 3,313 Crores and it is expected to produce BS VI compliant auto fuels by April, 2020. The Project Management Contract has been awarded and application has been made for Environmental Clearance. Licensor selection is in progress.

Gasoline Hydro Treatment Project at Mumbai Refinery

Mumbai Refinery is implementing a Gasoline Hydro Treatment Project to produce 100% BS VI MS. The estimated cost of the project is ₹ 554 Crores and with completion of this project it is expected to produce 100% BS VI auto fuels by April, 2020 to meet the Auto Fuel Vision & Policy 2025 requirements. The Project Management Contract has been awarded and application has been made for Environmental Clearance. Licensor selection is in progress.

RESEARCH & DEVELOPMENT (R&D)

The current marketplace is moving towards a sustainable development framework without which our future would be at risk. To keep pace with current market trends and demands, the Research and Development Centres of BPCL are proactively engaged in the development of cleaner fuels/fuel additives and innovative products/ process technologies to reduce environmental footprints while improving the Company's profitability.

The Company's Corporate R&D Centre is at Greater Noida, Uttar Pradesh, Product & Application Development Centre is at Sewree, Mumbai and the in-plant R&D Centre is located at Kochi Refinery. The Research and Development Centres of BPCL are also providing advanced technical support for Refinery processes, lubricant formulations and improved product/process developments.

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

R & D areas and its benefits are summarized in Annexure A to the Directors' Report.

NON-CONVENTIONAL ENERGY INITIATIVES

BPCL is pursuing non-conventional energy initiatives with great zeal so as to contribute meaningfully towards mitigating the risks of climate change.

During the year, BPCL has commissioned 6.3 MW capacity Windmills at Hanumanthappa in Devangere District in Karnataka,4 MW capacity Solar Power Plant at Bina, MP and 1.05 MW capacity solar power plant at Corporate R&D Centre at Noida in line with its Renewable Energy policy. Under the wind energy project, BPCL has installed 3 Wind Turbine Generators (WTGs) with a capacity of 2.1 MW each. The machines are of the latest technology with a hub height of 120 meters which is the highest in India at present. The power generation potential is also higher at this hub height. The machines are performing extremely well.

The 4 MW Solar Power plant is supplying High Tension power to Bina Despatch terminal and Bina Kota Pipeline Pumping Station.

Further, smaller KW scale Solar Plants with total capacity of 1,500 KW have been installed in 353 Retail Outlets. Currently, BPCL is assessing the feasibility of setting up rooftop Solar Plants at its various POL installations and LPG plants. Developing more grid connected wind power plants is also being explored.

INDUSTRIAL RELATIONS

Healthy Industrial Relations practices were observed throughout the year, which ensured higher productivity and a harmonious IR climate across the Organization. The efforts to promote employees' participation continued during the year, with focus on productivity enhancement and employee well-being. There were no cases of any industrial unrest.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

At BPCL, energizing lives through Corporate Social Responsibility (CSR) initiatives is a commitment we have pledged to fulfill as a Corporate Citizen. CSR being ingrained in our DNA, we constantly endeavor to maximize the positive impacts of our activities and ensure the benefits reach all our stakeholders. We have made significant progress over the years in our core thrust areas of Education, Water Conservation, Skill Development, Health & Hygiene and Community Development. Through our CSR initiatives, we have strived to improve the livelihood opportunities and achieve sustainable changes in the communities neighboring our businesses across the country as well as in rural and tribal areas. In our constant endeavour to build a sustainable partnership with society, we have scaled up existing projects, taken up newer initiatives and exited from those that have been taken over by the stakeholders involved.

Quality education is one of our core thrust areas under CSR. It is an important medium to address the issue of inequality in the country. Education contributes to an individual's well-being as well as the overall development of society. Hence, the projects supported by us under education are primarily focused on improving the learning levels of students, capacity building of teachers and creating facilities to minimize hurdles in the learning process. In our efforts to contribute to the above, we have reached out to over 6.5 lac children since 2010.

BPCL had started the project Computer Assisted Learning (CAL) in 2009-10, with 11 Zilla Parishad schools in Uran. Subsequently we have scaled up to over a 100 schools in Mumbai, Uran, Panvel (Maharashtra) and Lucknow (UP). Currently, we are present in 20 centres in Jaipur (Rajasthan), 31 centres in Mumbai and 26 centres in Solapur (Maharashtra) in addition to 42 centres in Uran and 15 centres in Lucknow, thus taking computer education to 37,326 students in 169 schools. We are steadily working towards empowering the School Management Committees as well as local Government bodies to take over the project ownership for achieving sustainability. In 2009-10, when we started in Uran there was no computer education in any Zilla Parishad school. BPCL took the challenge of reaching out to each and every Zilla Parishad school in the Uran block. By the year 2015-16, we covered all Zilla Parishad schools in the entire block of Uran. We have faced several challenges like accessing remote villages where enrolments were low, electricity was an issue, classrooms were not available and other such concerns. But we have come up with innovative solutions to address these problems in order to take computer education to every Government school in Uran.

The Science Education Project for students of Government schools near Solur, Bangalore (Karnataka) has been extended to Government schools in Mumbai. The project focuses on experiential learning models based on science concepts. It reaches the students through a mobile science lab. This project has made hands-on science education available among poor rural children and teachers. The project in Bangalore consists of a Science Centre hub, mobile science lab, lab-in-a-box activities and a "Young Instructor Leader (YIL)" program. This YIL program is focused on democratizing leadership development and unlocking human potential through the 'students-teach-students' model. So far, we have reached out to over 8,500 children in the last one year.

Our mega scale District-wide Project Akshar (Read India) for impacting learning levels of children through learning camps with NGO partner Pratham Education Foundation, was supported by BPCL in 19 blocks for primary students in District Nandurbar (Maharashtra), Sagar (Madhya Pradesh), Jaipur and Dausa (Rajasthan). We have ensured the improvement in learning level in Language and Mathematics through learning camps. At many locations, we have implemented the Read India plus model where focus has been on higher competencies like comprehension and application of knowledge. We have also reached out to upper primary students in 6 blocks of Nandurbar and Sagar. 1,160 schools, 7,970 students from Standard I-II, 20,865 students from Standard III-V, 15,844 students from Standard VI-VIII have been covered.

We continue supporting the education of tribal students in Sundergarh districts of Odisha. Around 2,550 primary students from tribal villages from 31 schools in 7 Gram Panchyats from Kuarmunda block of Sundargarh district were given access to quality education through remedial classes. Similarly, we worked with 14 Government rural schools in Coimbatore District. In this project, 372 academically low performing students from Standard VI-IX were given remedial classes to enhance their learning levels in Tamil, Mathematics and English.

We have also successfully completed the third batch of our in-house project "Saksham" for professional development of primary teachers and principals from low income schools. This project aimed at encouraging teachers to use new techniques for teaching, classroom management as well as developing new teaching materials according to the requirement of the class. By working with the teachers and school management, we are effecting a sustainable change in the existing education system. During the year, this project reached out to 122 teachers from primary and upper primary classes from 50 schools.

In order to encourage students from Government schools to read from an early age and try to inculcate the habit of reading, we continued to support 25 libraries in Mumbai and Delhi, reaching out to 7,040 students. Library books are classified as per the difficulty level so that students can choose a book as per their reading ability.

With an objective to empower underprivileged unemployed youth, women and persons with disabilities near our businesses and also equip them with skills, we have several NGO partners in different parts of the country. Placement linked vocational training of 1,000 youth was supported by BPCL in Warangal and Nalagonda districts from Telangana and Krishna district of Andhra Pradesh. Training was given in hospitality services, tailoring, retail supervisory, and computer fundamentals with computer accounting for the youth and women. Over 70% of these beneficiaries have been placed or are gainfully self-employed.

Along similar lines, in Kolkata, we supported the vocational skill training of 80 disabled and underprivileged youth from economically backward families in Desktop Publishing. We also supported the skill building of the workforce in caring for the elderly. This project addresses two critical needs, adequately improving the quality of life of the elderly and providing employment opportunities for the unemployed youth. In our innovative program named "Sanket", we have completed one year of vocational training for persons with autism. The training is given through computers and iPad for 30 adolescent autistic students.

During the year, our water project, 'Boond' has covered 36 villages from Tamil Nadu, Karnataka, Maharashtra and Rajasthan. Boond, which is a water conservation project through rainwater harvesting, now spans across the States of Tamil Nadu, Andhra Pradesh, Rajasthan, Maharashtra, Karnataka and Uttar Pradesh. Leveraging the strengths of the local population, we have formed Village Water Committees that have taken over the governance and maintenance of the various water structures we have built. The water needs of over 7,000 families have been met and over 10 crore litres of water storage capacity have been created through construction/renovation of tanks, ponds, sub-surface dams, wells, check dams and cordons. In addition to this, our project also supports sustainable employment through new and improved agricultural practices like crop rotation, mulching, newer crops, innovative methods of irrigation and horticulture, thereby increasing the availability and storage of surface water and ground water, increasing availability of drinking water for cattle, decreasing levels of migration, improving the quality of life of villagers and positively affecting the environment.

The Driveway Salesmen (DSMs) and LPG Delivery boys in our Marketing networks are critical players in our value chain. These people and their families are not protected against major expenses arising from unforeseen health issues. The Company had initiated a health insurance scheme in 2014-15 through which an additional 19,000 DSMs, LPG delivery boys and PCVO crew in 24 states have been covered to the extent of ₹ 1 lac for self and their families for one year. This decreases their financial burden especially in cases of recurring illness and major medical emergencies.

With an objective to improve and encourage institutional care and safe delivery of babies under supervised medical attention for tribals, we work in HD Kote Taluka, Mysore District of Karnataka by supporting 'Reproductive and Child Healthcare'. Over 60,000 villagers and specifically 9,183 tribals from 57 Tribal hamlets are benefitted from this project, where there has been a steady increase in institutional deliveries. We were successful in ensuring 89% institutional deliveries and 99% birth dose immunizations. Awareness of Government Health Schemes including lectures on community topics like nutrition and infant mortality are being promoted through regular meetings with community members.

In response to the Hon'ble Prime Minister's call to the Nation to give priority under CSR for construction of toilets as part of the 'Swachh Vidyalaya Campaign' under the 'Swachh Bharat Abhiyan', BPCL had undertaken construction/repairs of dysfunctional toilets totaling to 1,910 toilet blocks in Government schools in the states of West Bengal, Andhra Pradesh, Telangana, Bihar, Odisha, Madhya Pradesh and Chhattisgarh, spread across 26 districts.

BPCL deputed 40 officers in the field at respective locations to ensure quality of construction and timely completion of the project. This project was implemented overcoming several obstacles pertaining to logistics, power and manpower availability at many remote and inhospitable terrains within the scheduled deadlines through extensive monitoring and continuous follow-up with all stakeholders and agencies involved. We have also endeavoured to provide for water in the toilet blocks so as to ensure cleanliness and hygiene.

The Annual Report on CSR activities in the specified format is provided in Annexure B. The CSR Policy may be accessed on the Company's website at the link

https://bharatpetroleum.com/Social-Responsibility/Corporate-Social-Responsibility/Policy.aspx

PROMOTION OF SPORTS

Our sportspersons continued to excel in the national as well as international sports arena in the fields of Cricket, Hockey, Badminton, Chess, Table Tennis, Bridge, Kabaddi and Volleyball. BPCL sportspersons won several distinctions and applause. Our Hockey and Volleyball teams won most of the major All India tournaments.

Six of our Hockey players namely S. V. Sunil, Manpreet Singh, Md. Amir, Birendra Lakra, Devinder Walmiki and Harmanpreet Singh were part of the Indian team which won the Bronze Medal at the Hockey World League. Tushar Khandker, ex-Olympian is the Assistant Coach of the Indian Hockey team.

Our Kabaddi team excelled once again, winning a number of open tournaments. Most of our Kabaddi players, which include leading performers - Rishank Devadiga, Nilesh Shinde, Vishal Mane were part of the successful Pro-Kabaddi League 2016.

In Cricket, Manish Pandey and Dhawal Kulkarni have been selected in the Indian team. In individual sports, Saina Nehwal led the Indian team - Jwala Gutta, P.V. Sindhu and Ruthvika Shivani Gadde to win the Bronze medal at the Uber World Cup 2015-16. Our latest recruit, badminton player Ruthvika Shivani Gadde bagged the Gold Medal at the South Asian Games held during the month of

February, 2016 at Guwahati defeating P.V. Sindhu in the finals. Our leading Chess player, P. Harikrishna continued to be the second highest Indian in the World Chess rankings, behind the legendary chess player, Vishwanathan Anand. At one point of time during the year, Harikrishna even upstaged Anand to be the highest ranked Indian in the World.

In Archery, Atanu Das has been performing exceptionally well and was even ranked No 1 in the country. Individual sportspersons from BPCL who have already qualified for the Rio Olympics are Saina Nehwal, Jwala Gutta and P. V. Sindhu in Badminton and Soumyajit Ghosh in Table Tennis. Our young Scholarship players excelled in National and International events in the open and junior categories. BPCL also bagged the Second Runners-up "President's Trophy" of Petroleum Sports Promotion Board (PSPB) during the year 2015-16.

We continue to support sportspersons through various support mechanisms such as providing financial assistance for International events, assistance towards coaching, encouraging their performances through defined Cash Awards and supporting young and promising players by providing scholarships. It has been our endeavour to promote sports and sportspersons and be a facilitator for enabling them to excel at National and International levels.

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

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 are being followed meticulously in letter and spirit. We have put in place a robust monitoring mechanism for sustained and effective compliance uniformly across the Organisation. As per the Directives, the Company maintains Rosters which are regularly inspected by the Liaison Officer of the Corporation as well as the Liaison Officer of MoP&NG to ensure proper compliance.

The Company encourages SC/ST and economically backward students by awarding scholarships to pursue courses at the Industrial Training Institute and secondary school education up to graduation level.

The 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) are fully complied with.

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

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

The Official Language Implementation Committees perform the task of reviewing the progress made in Official Language Implementation on a quarterly basis. The Committees take decisions based on the annual programme issued by Ministry of Home Affairs, besides the provision of the Official Language Act and Rules. They functions at the Corporate, Regional, Refinery, Area Level and major location levels.

The First Sub-Committee of the Parliamentary Committee on Official Language inspected the offices situated at Meerut, Kolkata, Lucknow, Hyderabad, Guwahati and Jodhpur, whereas the Draft & Evidence Committee visited Kochi on 11.01.2016. The Committees appreciated the overall work done so far with regard to Official Language Implementation.

Officials from Department of Official Languages, Ministry of Petroleum & Natural Gas visited Roorkee LPG Plant, Hyderabad LPG Plant, Jaipur LPG Plant, Patna, Loni Dispatch Unit, Chennai, Udaipur LPG Plant, Chandigarh, Rajkot and Ahmedabad Territory and our Head Office at Mumbai.

Rajbhasha Vibhag of Ministry of Home Affairs inspected 11 locations on an all India basis. The efforts taken by BPCL for promotion of Hindi were appreciated by the committees. Hindi fortnight was celebrated at all major locations during the month of September 2015, various Hindi competitions wing organized. In line with the directives of MoP&NG, a certificate was given to such staff who had done excellent job in Hindi Implementation from all Regions/Refineries as Rajbhasha Gourav Puraskar. World Hindi Day was celebrated on 10th January 2016 across all Regions and Refineries.

At all BPCL Offices, Hindi Unicode supported Software Indic Language was loaded. Besides, for on-line training of Hindi ISM V6 software/Indic Language Software, a web page has also been developed.

BPCL bagged the 1st Rajbhasha Protsahan Cup prize from MoP&NG for best Hindi Implementation among PSUs. The Annual Program of Official Language implementation for the year 2015-16 was conducted with our C&MD issuing annual check points.

Our 72 offices have been notified under sub-rule 10(4) of Official Language Rules, 1976 during the year on an All India basis. The total number of offices notified till date is 114. All the Regional/Refinery Hindi Cells have supported the activities of the Town Official Language Implementation Committees. A tribute was paid to

Dr. APJ Abdul Kalam on 15th August, 2015 through a short Hindi film.

A total of 231 children of our employees were give Rajbhasha Awards for securing more than 60% in Hindi in the 10th/12th standard 24 Hindi workshop and 76 Hindi Indic software training programs were organized during the year. Hindi Co-ordinators Conferences were organized by all Regions/Refineries during the year.

Swachh Bharat Abhiyan Month was organized in Hindi. 'Gandhi Ek Andhi' was also enacted in-house.

CITIZEN'S CHARTER AND PUBLIC GRIEVANCES REDRESSAL

BPCL has constantly endeavoured to set new benchmarks in customer service standards, thereby meeting customer expectations. The Citizen's Charter published by BPCL, which is available on our Corporate Website in both Hindi and English versions, specifies the customer rights with respect to standards, quality and time-frame for service delivery, provides insights into the range of products and services offered to our customers and gives an overview of the marketing activities of the Corporation, highlighting the policy guidelines and processes on marketing of petroleum products. The Citizen's Charter extensively covers the Grievance Redressal Structure set-up in BPCL with details of Nodal Officers spread across States/UTs to help in speedy resolution of customer complaints. It is updated periodically to be in consonance with the customer expectations, business requirements and policy changes. The Citizen's Charter can be accessed at our website www.bharatpetroleum.in.

The Grievance Redressal framework in BPCL transcends across business units and complaints resolution is continuously monitored from the Corporate Office. The grievances received on the web-based Public Grievances Portal, "Centralized Public Grievance and Monitoring System" (CPGRAMS) of Government of India (under the Department of Administrative Reforms & Public Grievances for all Government offices and PSUs), are attended to and resolved/redressed by the Nodal Officers for Grievance Redressal in States/UTs. During the year, we received 4,323 grievances on this portal. Timely resolution of these cases was possible due to a robust redressal framework and monitoring system.

BPCL has its own centralized Customer Care System (CCS) - "SmartLine," a web-based platform that has made it possible for customers to connect directly to Bharat Petroleum and its network. The "SmartLine", where customers can log complaints, suggestions and feedback, either through BPCL website or by calling up a toll-free number, is designed to track all interactions with the customer and facilitates complaints redressal well within the stipulated time frame. The built-in escalation matrix in the system helps timely redressal of complaints.

The Right to Information, is an extremely important authority for any citizen of a democratic Nation. The RTI Act came into force effective 2005 and BPCL has effectively implemented the same from the beginning. In order to effectively respond to the RTI queries and appeals addressed to BPCL, we have 88 Central Public Information Officers (CPIO) and 11 Appellate Authorities (AA) spread across the country. BPCL has developed an in-house RTI package where all the applications are logged, monitored and replied within the stipulated time. Continuous training programmes and workshops for CPIOs/AAs, Officials across the Organisation are being carried out and they are sensitized/updated on all aspects of the Act. Regular circulars, newsletters, guidelines, case studies and Central Information Commission (CIC) Judgements are communicated from the Corporate Office to the field. We also ensure that CIC Decisions are fully complied with. In our corporate website, we have a separate section dedicated for RTI.

During the year 2015-16, we have received 3,896 RTI queries and responded to all in time. BPCL has organized 6 RTI Workshops/training programmes for the new/existing CPIOs and AAs to stress on the importance of RTI and equip them to handle RTI in true spirit.

MICRO & SMALL ENTERPRISES

BPCL has been fully abiding with the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order and 20% of our annual goods and service procurements are done through MSEs. The "Purchase Preference Clause" for MSEs has been incorporated in the "General Purchase Conditions" of all the tenders. As per the existing Purchase Preference Policy of the Government of India, the job is awarded to MSE vendors, provided they quote within a price band of L1+15 % and bring down the price to L1 price. In such a case, MSE vendors are allowed to supply a total of at least 20% of the tendered value and in case there is more than one such MSE, the supply is shared proportionately. Additionally, 20% of this 20% portion i.e. 4% of the total tender quantity is reserved for SC/ST entrepreneurs in the MSE category.

BPCL had put up a MSE procurement plan for 2015-16 on its website. It can be viewed at

https://bharatpetroleum.com/Bharat-Petroleum-For/Business-Associates/Vendors.aspx

BPCL actively participated in the National Vendor Development Programme cum Exhibition conducted by MSE Consortium at Thane, Maharashtra. BPCL also promoted the MSE procurement during Make In India week held in Mumbai. We have organized and attended around 15 programs across India to promote the Public Procurement Policy for MSEs.

All India Premier Vendor Workshop was held during November, 2015 in Mumbai which was attended by MSE vendors with special sessions on MSE policies/guidelines being conducted.

BPCL has achieved 23.06% procurement through MSEs for the year 2015-16 as against the target of 20%. The total procurement value for BPCL where MSEs could have participated is ₹ 5,434.08 crores and the actual value procured from MSEs is ₹ 1,253.30 crores.

VIGILANCE

Vigilance is an integral part of good governance in any organisation. Preventive Vigilance - a step ahead, is a proactive and continuously evolving process that utilises global historical wisdom to anticipate vulnerabilities and recommends systemic measures to ensure minimum possibilities of their occurrence under all possible circumstances.

This also involves outlining of factors like susceptibility, sensitivity and visibility of all involved processes and subject these to a system of continuous and consistent online appraisal, thereby throwing up regular alarms and cautions for any abnormal indications to alert system operators, while maintaining an indelible and easily traceable log of all activities and interventions for future studies.

Vigilance assists in identification of susceptible areas in existing procedures and processes by carrying out system studies, Chief Technical Examiner type inspections for high value projects, scrutiny of tender files and inspections of operating locations, retail outlets and LPG distributorships.

In order to have all the CVC circulars and guidelines readily available for all the stakeholders of the Company for their ready reference, a Compendium of CVC circulars and guidelines was compiled and distributed to all stakeholders within the Corporation.

Due to the consistent efforts of CVO, comprehensive guidelines for procurement and contracting procedures were compiled and drafted by the stakeholders after detailed deliberations. The team comprised officials from Mumbai and Kochi Refinery, Chief Procurement Officer - Marketing and Refinery and Finance Department under the leadership of Director (Refineries). These comprehensive guidelines cover the procedures to be followed by the Businesses and Entities for their requirement of procurement of goods, contracts and services. In a nutshell, a common comprehensive guideline has been institutionalized.

Vigilance Officers have conducted Vigilance Awareness sessions for our employees working at operating locations and regional offices during their visits, aimed at enhancing knowledge and awareness on the operational aspects of various guidelines and standard operating procedures in vogue.

In order to increase visibility and transparency in our interactions with vendors, contractors, suppliers and other service providers, it was ensured that all tenders are being published on the Central Public Procurement (CPP) portal of the Government of India website.

Corporate Vigilance also carried out thorough investigations into complaints and source information. Complaints, including those received online, were investigated, both directly by Team Vigilance and through Businesses/Entities within the stipulated time frame.

BPCL's internal website "Intralink", as well as Vigilance portal available on BPCL's corporate website, has the provision to lodge complaints as well as provide a platform for regular interaction with employees, customers and others concerned.

The Vigilance portal creates awareness on good governance, shares knowledge on ethical practices and proactive vigilance and acts as a powerful tool to connect all the employees. This website also provides useful links of Central Vigilance Commission, Department of Personnel & Training Government of India.

As a part of capacity building, Vigilance Officers have undergone a training programme conducted by Gujarat Forensic Sciences University at Gandhinagar near Ahmedabad. Team Vigilance studied subjects like "Role of Forensic Psychology in Investigation & Prevention of Corruption" and "Forensic Investigative Techniques". Gujarat Forensic Sciences University is the only university of forensic sciences in the world as on date for research and development of forensic sciences.

C&MD and GM (Vigilance) in the presence of Director (Human Resources), Director (Finance) and other senior BPCL officials and staff, administered pledge at BPCL Corporate Office in Mumbai on 26th October, 2015 at at the launch of the Vigilance Awareness Week 2015 from 26.10.2015 to 31.10.2015. Shri Keshav Kumar, IPS, Joint Director, Central Bureau of Investigation, Mumbai Zone was the Chief Guest, who dwelled upon the latest developments in forensic sciences.

Similarly, Vigilance Awareness Week was launched with administering of the pledge by the Chief Guest in the presence of senior BPCL Officials in all the four Regions and Mumbai and Kochi Refineries, Bharat PetroResources Limited and Petronet CCK Limited. During this period, various activities such as Awareness

Sessions, Essay Contests, Question Answer Sessions, Vigilance Quiz, Debate Competition, Painting Contest and Skit program (topic: Fighting Corruption) were conducted for employees and school children.

Integrity Clubs (IC) were launched in schools in Mumbai and Chennai for propagating ethical values in school children so that they, in turn carry these values to their families, friends and society. The members of the club are called Young Champions of Ethics (YCEs). Imparting ethical values shapes the child's attitude towards people and society and helps in mental growth in the child and supports his ambitions and values.

"Choti Choti Batein" is a value based teachings initiative to rekindle values amongst school children. They were conducted by Vigilance Officers and through this initiative, we have covered 10 schools in Mumbai and touched around 2,000 students from various strata of society.

It was a landmark achievement for BPCL Vigilance to implement Six Sigma. With active support from Total Quality Management Department, Mumbai Refinery, has started the journey of Lean Six Sigma. The Corporate team underwent the training and the process helped them to standardise the formats for scrutiny of tenders and Annual Property Returns. With this, BPCL Vigilance becomes the first department amongst Public Sector Undertakings to implement Lean Six Sigma.

A special Journal "Vigilance Plus "was released to all stakeholders to commemorate the activities carried out during Vigilance Awareness Week 2015 and other events conducted by Vigilance department. Staff members across the country contributed articles in this magazine by narrating their experiences.

Vigilance is an important instrument available to the management for improving the overall performance of the organization as it promotes transparent business transactions, professionalism, productivity, promptness and ethical practices. It also assists in systemic improvements, curbing possibilities for corruption. Therefore, Preventive Vigilance helps in improving efficiency and effectiveness of the personnel as well as the organization.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Group consists of 5 Indian Subsidiaries and 4 Foreign Subsidiaries as on 31st March, 2016. Further, the Company has 19 Associate Companies including Joint Venture Companies within the meaning of Section 2(6) of the Companies Act, 2013 ('the Act').

Details of Company that has become a Subsidiary during the Financial Year 2015-16	:	Petronet CCK Limited BPCL-KIAL Fuel Farm Private Limited
Details of Company that has become a Joint Venture/ Associate during the Financial Year 2015-16	:	Nil
Details of Company that has ceased to be a Joint Venture/Associate during the Financial Year 2015-16	:	Company Petition No 5 of 2014 was filed before the Hon'ble High Court of Allahabad (Lucknow Bench) for winding up Bharat Renewable Energy Limited. On 21.12.2015, the Hon'ble High Court ordered that the Company be wound up and instructed official Liquidator to proceed in accordance with the provisions of the Companies Act.

A separate statement containing the salient features of the financial statement of Subsidiaries/Associates/Joint Venture Companies in Form AOC-1 pursuant to provisions of Section 129(3) of the Act, is attached along with the financial statement.

The Company has placed its financial statements including consolidated financial statements and all other documents required to be attached thereto, on its website www.bharatpetroleum.in as per Section 136(1) of the Act. Further, the Company has also placed separate annual reports/audited accounts in respect of each of its subsidiaries in its above website. A copy of the said documents will be available for inspection and provided to any shareholder of the Company who asks for it.

The policy for determining material subsidiaries is posted on the Company's website at the link

https://bharatpetroleum.com/About-BPCL/Our-Policies.aspx

The performance of Subsidiaries/Associates/Joint Ventures and their contribution to overall performance of the Company and financial position are provided in Note No. 50 of the Consolidated Financial Statements forming part of this Annual Report.

SUBSIDIARY COMPANIES

Numaligarh Refinery Limited (NRL)

NRL was incorporated in the year 1993 with an authorised share capital of ₹ 1,000 crores. The paid up share capital of NRL as on 31st March, 2016 was ₹ 735.63 crores of which BPCL holds 61.65%. NRL is a Category-I Miniratna PSU and operates a 3 MMTPA Refinery at Numaligarh in Assam. Besides the Refinery, NRL has two marketing terminals, one at Numaligarh and the other at Siliguri for evacuation of products. NRL also has a 10 TMTPA LPG Bottling Plant at Numaligarh.

NRL's crude throughput during 2015-16 was 2.52 MMT against 2.78 MMT in the last year. Capacity utilization was restricted to 84.0% compared to 92.5% in the previous year. In 2015-16, NRL's distillate yield at 90.4% was the highest among PSU oil refineries in the country. This has been the fifth consecutive year of such an achievement recorded by NRL. During 2015-16, Specific Energy Consumption was at 50.4 MBN, among the best in the industry. Energy Intensity Index (EII) during the year was recorded at 96.6, marking an improvement over previous year's EII of 97.2.

During the year, NRL added two new products to its portfolio, viz., paraffin wax and nitrogen and exported HSD to Bangladesh and paraffin wax to Nepal.

The Financial Year ended 31st March, 2016 saw NRL's Revenue from Operations reaching ₹ 10,031.44 crores in comparison to ₹ 9,862.42 crores in the previous year, marking an increase of 1.7%. NRL's profit before tax for the year 2015-16 increased by 66% to reach ₹ 1,882.38 crores, as compared to ₹ 1,133.94 crores in the previous year. The Company's profit after tax for the year was ₹ 1,224.35 crores against ₹ 719.74 crores in 2014-15. The increase in profits is mainly attributable to high distillate yield, lower energy consumption and enhanced operational efficiency. Earnings per share increased to ₹ 16.64 from ₹ 9.76 in the previous year.

The Company paid an interim dividend @ ₹ 3.50 per fully paid equity share of ₹ 10/- each. The Board also recommended a final dividend of ₹ 3.50 per share for the Financial Year 2015-16. NRL paid dividend of ₹ 4.00 per share in the previous year.

As on 31st March 2016, NRL shareholders' funds was recorded at ₹ 3,963.87 crores as against ₹ 3,354.98 crores in the previous year and its book value per share increased to ₹ 53.88 from ₹ 45.67 in the previous year.

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, 2016, BPRL has an authorized share capital of ₹ 3,000 crore and paid up share capital of ₹ 2,920 crore which is entirely held by BPCL, the Holding Company. BPRL has incurred a consolidated loss of ₹ 248.31 crore for the Financial Year ending 31st March, 2016. The consolidated loss was due to relinquishment of participating interest (PI) in few blocks, as prospectively assessed based on drilling results in these blocks was very poor.

The operations of BPRL are carried out through Subsidiaries and Joint Ventures, both incorporated and unincorporated, in India and abroad. BPRL currently has PI in seventeen blocks spread across six countries. Out of these blocks, seven blocks are located in India, which were acquired under different rounds of New Exploration Licensing Policy (NELP) and ten blocks are located overseas. Most of the blocks are in advanced stages of exploration, appraisal and pre-development. The total area of these seventeen blocks is around 24,375 sq km, of which approximately 88% is offshore acreage.

BPRL has a wholly owned Subsidiary Company, BPRL International BV, in the Netherlands which, in turn, has three wholly owned Subsidiary Companies viz., BPRL Ventures BV, BPRL Ventures Mozambique BV, and BPRL Ventures Indonesia BV. BPRL Ventures BV has a 50% stake in IBV Brasil Petroleo Limitada, which currently holds PI ranging from 20% to 40% in six blocks in offshore Brazil. BPRL Ventures Mozambique BV has PI of 10% in a block in Mozambique, and BPRL Ventures Indonesia BV holds PI of 12.5% in a block in Indonesia. Further, BPRL has a wholly owned Subsidiary Company, Bharat PetroResources JPDA Limited in India which holds a PI of 20% in Block-JPDA 06-103, in Timor Leste. The PIs in blocks in Brazil, Mozambique, Indonesia and Timor Leste are held through these Subsidiaries. Further, the PI in respect of blocks in India and Australia are held by BPRL along with other consortium members.

BPRL and its consortia have a total of 22 discoveries in respect of blocks held in five countries i.e. Brazil, Mozambique, Indonesia, Australia and India.

Recently, as concrete steps towards fulfillment of its aspiration for revenue generation, BPRL has signed definitive agreements to acquire stakes in Companies in Russia which have oil & gas producing assets in their portfolio. Subsequently, in May, 2016, BPRL has formed another wholly owned Subsidiary Company i.e. BPRL International Singapore Pte Ltd in Singapore for enabling the acquisition of stakes in the Companies in Russia. Further, BPRL International Singapore Pte Ltd has formed two Joint Venture Companies as Special Purpose Vehicles (SPV) i.e. Taas India Pte Ltd and Vankor India Pte Ltd in May, 2016 along with Oil India Ltd and Indian Oil Corporation Ltd with BPRL International Singapore Pte Ltd holding 33% stake in each of the two SPVs to hold stakes in the Companies in Russia.

Petronet CCK Limited (PCCKL)

BPCL had a 73.96% stake in the equity capital of PCCKL, a Joint Venture Company promoted with Petronet India

Limited with a paid up share capital of ₹ 100 crores. PCCKL has become a subsidiary in May, 2015 and later in July, 2016 it has become a wholly owned Subsidiary Company of BPCL. The Company owns and operates the 292 km long multi-product Kochi-Karur pipeline from BPCL's installation of Irimpanam to Karur for transportation of MS, HSD and SKO. The pipeline commenced commercial operations from September, 2002.

During the year 2015-16, the pumping volume amounted to 2.72 MMT in comparison to the 2.46 MMT of the previous year. PCCKL recorded revenue from operations of ₹ 107.78 crores and net profit of ₹ 59.41 crores for the Financial Year ending 31st March, 2016 corresponding to ₹ 98.27 crores and ₹ 42.96 crores respectively in the previous year.

BPCL-KIAL Fuel Farm Private Limited (BKFFPL)

BPCL has signed a Joint Venture Agreement with KIAL (Kannur International Airport Ltd) for implementation of a Fuel Farm at the newly developed Kannur International Airport at Kannur on a 74:26 equity basis. The Company has been incorporated on 18th May, 2015 and the authorized capital of the Company is ₹ 18 Crores. As of now BPCL has made a contribution of ₹ 4.44 crores to BPCL-KIAL.

JOINT VENTURE COMPANIES

Bharat Oman Refineries Limited (BORL)

Bharat Oman Refineries Limited is a Joint Venture Company of BPCL with Oman Oil Company S.A.O.C. (OOC). BPCL and OOC have an equity stake of 50% each in BORL's paid up share capital of ₹ 1,777.23 crores as on 31st March, 2016. BPCL has also subscribed to Share Warrants of BORL of ₹ 1,585.68 crores. Further, the State of Madhya Pradesh has also subscribed to ₹ 26.90 crores of Share Warrants in BORL.

During the year 2015-16, Bina Refinery processed 6.40 MMT of crude oil, achieving a capacity utilization of 107%, as compared to 103% in the previous year. This is the highest capacity utilization achieved since commencement of operations in June, 2011.

During the year 2015-16, BORL has achieved sales of 6.13 TMT, as against 5.59 TMT in the previous year. The Company has reported Gross Revenue from Operations of ₹ 26,028 crores in the year 2015-16, as compared to ₹ 29,331 crores in the corresponding year. The decrease in revenue is on account of the fall in prices of petroleum products.

The GRM for the year 2015-16 stood at USD 11.7 per barrel with an overall gross margin of ₹ 3,526 crores. The previous year's GRM was of USD 6.1 per barrel with an overall gross margin of ₹ 1,681 crores. The net profit after tax was registered at ₹ 366 crores during the year 2015-16, as compared to a net loss of ₹ 790 crores in the previous year. This is the first time that BORL has recorded a profit.

The Company has launched a project for low cost de-bottlenecking of its existing facilities to enhance its current capacity to 7.8 MMTPA in the next 3 years and also to meet product quality specifications as stipulated in the Auto Fuel Vision and Policy 2025 guidelines. Basic engineering and design work for the process units has been completed and detailed engineering of open-art as well as licensed units has commenced.

Petronet LNG Limited (PLL)

PLL was formed in April, 1998 for importing LNG and setting up LNG terminals with facilities like jetty, storage, regasification etc. to supply Natural Gas to various industries in the country. The Company has an authorised capital of ₹ 1,200 crores and paid up capital of ₹ 750 crores. PLL was promoted by four public sector companies viz. BPCL, Indian Oil Corporation Limited (IOC), Oil and Natural Gas Limited (ONGC) and GAIL (India) Limited (GAIL). Each of the promoters holds 12.5% of the equity capital of PLL. PLL is a listed Company. BPCL's equity investment in PLL currently stands at ₹ 98.75 crores. As at 31st March, 2016, PLL had a consolidated net worth of ₹ 6,424.47 crore.

During the year 2015-16, PLL registered a consolidated Revenue from Operations of ₹ 27,222.95 crores as against ₹ 39,626.97 crores reported in 2014-15. The Company's net profit for the year is at ₹ 928.53 crores against ₹ 904.80 crores in the last year. It recorded an EPS of ₹ 12.39 during the year under review as against EPS of ₹ 12.06 in 2014-15. The PLL Board has recommended dividend of ₹ 2.50 per share for the Financial Year 2015-16 against ₹ 2.00 per share paid last year.

Indraprastha Gas Limited (IGL)

IGL, a Joint Venture Company with GAIL as the other co-promoter, was set up in December, 1998 with an authorised capital of ₹ 220 crores for implementing the project for supply of Compressed Natural Gas (CNG) to the household and automobile sectors in Delhi. The paid up share capital of the Company is ₹ 140 crores. BPCL invested ₹ 31.50 crores in IGL for 22.5% stake in its equity. IGL is a listed Company with the public holding 55% of the paid up share capital of the Company. IGL has commissioned over 340 CNG stations which supply environment friendly fuel to more than 8,00,000 vehicles. IGL has more than 6,36,618 domestic PNG customers in Delhi. The Company is also extending its business to the towns of Greater Noida and Ghaziabad. IGL has acquired 50% of the equity held by the financial institutions in Central UP Gas Limited and Maharashtra Natural Gas Limited, Joint Venture Companies promoted by BPCL and GAIL.

During the year 2015-16, IGL has posted Revenue from Operations of ₹ 4,064.21 crores and a profit after tax of ₹ 416.20 crore as against the figure of ₹ 4,059.64 crores and ₹ 437.73 crores respectively in the corresponding previous year. IGL has maintained a dividend of ₹ 6.00 per share for the year as was paid in the previous year. IGL's shareholders' funds were ₹ 2,413.23 crores as at 31st March, 2016.

Sabarmati Gas Limited (SGL)

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

As at 31.3.2016, BPCL has a stake of 49.94% in the equity capital of SGL. SGL has set up 38 CNG stations. Revenue from Operations of SGL for the Financial Year ending 31st March, 2016 was ₹ 720.08 crores and net profit was ₹ 0.97 crores, against the previous year's figure of ₹ 905.71 crores and ₹ 110.84 crores respectively. The proposed dividend on equity shares by the Company was at the rate of ₹ 1.00 per share for the Financial Year ending 31st March, 2016 against the dividend of ₹ 2.50 per share for the Financial Year ending 31st March, 2015.

To compete with alternate fuel and retain customers, the Company had introduced a Minimum Guarantee Offtake (MGO) contract at reduced Retail Selling Price (RSP) to Industrial customers from April, 2015 onwards. Major Industrial Volume is under the MGO contract and RSP of the same is reduced as compared to the previous year, thereby adversely impacting the Sales value and also profit.

Central UP Gas Limited (CUGL)

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

Revenue from Operations of CUGL was ₹ 200.61 crores and net profit was ₹ 32.61 crores for the Financial Year ending 31st March, 2016. In the previous year its Revenue from Operations was ₹ 186.81 crores and net profit was ₹ 27.52 crores. The EPS for the year was at ₹ 5.44 as against ₹ 4.59 in 2014-15. The Board of Directors has recommended payment of dividend at ₹ 1.40 per share for the current year, which is the same as that of the previous year.

Maharashtra Natural Gas Limited (MNGL)

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

During the year 2015-16, MNGL reported net revenue of ₹ 464.78 crores and profit of ₹ 75.20 crores as against the revenue of ₹ 458.52 crores and profit of ₹ 50.58 crore in the last year. The MNGL Board has recommended a dividend of ₹ 1.50 per equity share for the Financial Year ending 31st March, 2016 as against ₹ 1.02 per share declared in the last year.

Bharat Stars Services Private Limited (BSSPL)

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

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

BSSPL provides Into Plane (ITP) Services at three Open Access airports-Bengaluru, Mumbai and Delhi T3. BSSPL has taken over the complete Operatorship of 2 AFS's of BPCL - Jaipur and Durgapur. It also provides ITP services to BPCL at Calicut, Chennai and Delhi T-1 airports.

During the year 2015-16, BSSPL has posted a revenue of ₹ 29.53 crores and profit of ₹ 2.89 crores in comparison to a revenue of ₹ 17.15 crores and profit of ₹ 2.01 crores in the last year. The Board has recommended a dividend of ₹ 0.25 per equity share for the Financial Year ending 31st March, 2016, which was the same as the previous year.

Bharat Renewable Energy Limited (BREL)

BREL was incorporated on 17th June, 2008 for undertaking the production, procurement, cultivation and plantation of horticulture crops such as karanj, jathropha and pongamia, trading, research and development and management of all crops and plantation including Biofuels in the State of Uttar Pradesh, with an authorized capital of ₹ 30 crores. The Company has been promoted by BPCL with Nandan Cleantech Limited (erstwhile Nandan Biomatrix Limited), Hyderabad and the Shapoorji Pallonji group, through their affiliate, S.P. Agri Management Services Pvt. Ltd.

Due to non-viability, the operations of this Company have been closed down from September, 2014 and Company Petition No 5 of 2014 was filed before the Hon'ble High Court of Allahabad (Lucknow Bench) for winding up of BREL. By Order dated 21.12.2015, Mr. Justice Devendra Kumar Upadhyaya ordered that the Company be wound up and instructed the Official Liquidator to proceed in accordance with the provisions of the Companies Act.

Matrix Bharat Pte. Limited (MXB)

MXB is a Joint Venture Company incorporated in Singapore in the year 2008 for carrying on the bunkering business and supply of marine lubricants in the Singapore market as well as international bunkering. The Company has been promoted by BPCL and Matrix Marine Fuels L.P. USA, an affiliate of the Mabanaft group of Companies, Hamburg, Germany. BPCL has subscribed 20 lakh shares for an equivalent sum of ₹ 8.41 crores. The other partner has 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.

MXB has posted a revenue of USD 221.82 million and earned a profit of USD 1.47 million for the year ending 31.12.2015, as compared to a revenue of USD 636.38 million and a profit of USD 1.62 million in the previous year. Turnover has dropped by 65% in 2015 mainly due to the steep drop in fuel oil price in the international market coupled with lower volume during the year.

Petronet India Limited (PIL)

BPCL has 16% equity participation with an investment of ₹ 16 crores in PIL which was formed as a non-government financial holding Company to give impetus to the development of a pipeline network throughout the country. PIL has facilitated pipeline access on a common carrier principle through Joint Ventures for pipelines put up by them viz., Vadinar-Kandla, Kochi-Coimbatore-Karur and Mangalore - Hassan - Bangalore. PIL registered other income of ₹ 14.08 crores and a net profit of ₹ 13.72 crores for the Financial Year ending 31st March, 2016 as against other income of ₹ 1.54 crores and a net profit of ₹ 1.14 crores in the previous year.

The changes in pipeline policy have affected the future of the Company as interested Companies are permitted to undertake pipeline projects. PIL does not have any new projects in hand and is considered not viable. PIL has recently sold its 26% share in Petronet CCK Ltd to BPCL. Accordingly, the process of divesting PIL's 26% equity in the balance two Joint Venture Companies promoted by it is in progress. The Company would be wound up thereafter.

Delhi Aviation Fuel Facility Private Limited (DAFFPL)

DAFFPL has been promoted by BPCL, IOCL and Delhi International Airport Limited (DIAL) in the year 2009 for implementing Aviation Fuel facility for the new T3 terminal at Delhi International Airport. The paid up share capital of the Company is ₹ 164 crores. BPCL and IOCL each have subscribed to 37% of the share capital of the Company, while the balance is held by DIAL.

DAFFPL has posted a revenue of ₹ 110.85 crores and net profit of ₹ 37.55 crores for the Financial Year ending 31st March, 2016 in comparison to the revenue of ₹ 96.04 crores and net profit of ₹ 26.58 respectively in the last year. The Board has recommended a dividend of ₹ 1.80 per share for the Financial Year ending 31st March, 2016 as against ₹ 1.25 per equity share declared in the previous year.

Kannur International Airport Limited (KIAL)

Kannur International Airport Ltd (KIAL) was promoted by the Government of Kerala to establish and operate airports and allied infrastructure facilities at Kannur and other parts of India. KIAL would initially set up an Airport at Kannur in the State of Kerala at an estimated project cost of ₹ 1,892 crores, of which ₹ 1,000 crores will be financed through equity and the balance sum of ₹ 892 crores will be financed by borrowings. The paid up share capital of the Company as at 31.03.2016 is ₹ 864.76 crores.

BPCL has made a contribution of ₹ 170 crores out of the total contribution committed, amounting to ₹ 216.80 crores for 21.68% equity stake in the Company.

GSPL India Transco Limted

BPCL has signed a Joint Venture Agreement in 30th April, 2012 with Gujarat State Petronet Ltd., IOCL and HPCL for laying of 1,747 km for the Mallavaram-Bhopal-Bhilwara-Vijaipur (MBBVPL) gas pipeline. BPCL's equity contribution to this project will be 11% of the total equity capital. The other Joint Venture (JV) partners will contribute GSPL 52%, IOCL 26% and HPCL 11%. BPCL has made an initial contribution of ₹ 18.15 crores so far. The Company is in the process of acquiring the Right of Way.

The Company had reported a miscellaneous income of ₹ 1.30 crores and net profit of ₹ 0.87 crores during the Financial Year 2015-16. The previous year income was ₹ 2.17 crores and net profit was ₹ 1.47 crores.

GSPL India Gasnet Limited

BPCL has signed a Joint Venture Agreement on 30th April, 2012 with Gujarat State Petronet Ltd., IOCL and HPCL for laying of the gas Pipeline Mehsana-Bhatinda (MBPL) (Pipeline length 1654 km) and Bhatinda-Jammu-Srinagar (BJSPL) (Pipeline length 460 kms). BPCL's equity contribution to this project will be 11% of the total equity capital. The other JV partners will contribute GSPL 52%, IOCL 26% and HPCL 11%. BPCL has made an equity contribution of ₹ 23.32 crores so far.

During the Financial Year 2015-16, the Company had reported a miscellaneous income of ₹ 1.74 crores and net profit of ₹ 1.16 crores against the income of ₹ 1.89 crores and profit of ₹ 1.28 crores for the previous year.

Mumbai Aviation Fuel Farm Facility Private Limited (MAFFFPL)

BPCL with IOCL, HPCL and Mumbai International Airport Ltd. (MIAL) entered into a Joint Venture for implementing and managing fuel farm facilities at Mumbai Airport and formed Mumbai Airport Fuel Farm Facility Pvt. Ltd. (MAFFFPL) with equal participation of 25% each.

Presently, BPCL has invested an amount of ₹ 38.27 crores towards equity. The Company has started its operations from 1st February, 2015.

MAFFPL recorded a turnover of ₹ 112.12 crores and net profit of ₹ 17.94 crores for the year ending 31.03.2016 in comparison to ₹ 19.77 crores and net loss of ₹ 11.01 crores for the previous Financial Year ending 31st March, 2015.

Kochi Salem Pipeline Private Limited (KSPPL)

BPCL has signed a Joint Venture Agreement with IOCL for implementation of the Kochi-Coimbatore-Salem LPG pipelines project and formed a Joint Venture Company viz., KSPPL in January, 2015 on a 50:50 basis. BPCL's equity investment in the Company currently stands at ₹ 40 crores.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

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

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

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

MEMORANDUM OF UNDERSTANDING WITH MINISTRY OF PETROLEUM & NATURAL GAS

BPCL has been entering into a Memorandum of Understanding (MOU) with the Ministry of Petroleum & Natural Gas every year since 1990-91. BPCL has also been achieving an "Excellent" performance rating every year since then.

BPCL has won the "MOU Excellence Award' for the best MoU score in the Petroleum sector in 1998-99, 2000-01, 2002-03 and 2006-07. During 2013-14 and 2014-15 also, BPCL got the highest MoU score in the petroleum sector.

BOARD EVALUATON

As per Ministry of Corporate Affairs Notification dated 5th June, 2015 provisions of Section 134(3)(p) shall not apply in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology. Bharat Petroleum Corporation Ltd. being a Government Company, the performance evaluation of the Directors is carried out by the Administrative Ministry (MoP&NG), Government of India, as per applicable Government guidelines.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Similarly, Section 197 shall not apply to a Government Company. Consequently, disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other such details including the statement showing the names and other particulars of every employee of the Company, who if employed throughout/part of the Financial Year, was in receipt of remuneration in excess of the limits set out in the Rules, are not provided in terms of Section 197(12) read with Rule 5(1)/(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

LISTING AGREEMENT

During the year, SEBI notified SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 (Listing Regulations) effective December 1, 2015. In terms of the Listing Regulations, all listed entities were required to enter into a new listing agreement with the

Stock Exchanges. Accordingly, the Company has executed new listing agreements with BSE Limited and National Stock Exchange of India Limited.

CORPORATE GOVERNANCE

The Report on Corporate Governance, together with the Auditors' Certificate on compliance of Corporate Governance, is annexed as Annexure D as required under Listing Regulations and Department of Public Enterprises Guidelines of Corporate Governance for Central Public Sector Enterprises.

SOCIAL, ENVIRONMENTAL AND ECONOMIC RESPONSIBILITIES AND BUSINESS RESPONSIBILITY REPORT

We always strive to improve our disclosures regarding our social and environmental performance and the consequent impact on all our stakeholder groups. The Board of Directors of the Company has adopted and delegated the implementation of Business Responsibility Policy 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 to the Sustainability Committee. Our Sustainability Report is made in accordance with the Global Reporting Initiative (GRI).

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

TRANSACTIONS WITH RELATED PARTIES

The Company, during the Financial Year, entered into contracts or arrangements with related parties, which were in the ordinary course of business and on an arm's length basis. These transactions are not falling under the provisions of Section 188(1) of the Act.

Information on transactions with related parties are provided in Annexure F in Form AOC-2 in accordance with Section 134(3) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

In terms of Listing Regulations and Policy of the Company on materiality of related party transactions, transaction entered into with Bharat Oman Refineries Limited, a Joint Venture Company could be considered material. This transaction is being placed for approval of the shareholders.

The Policy on materiality of related party transactions and dealing with related party transactions are available on the Company's website at the link

https://bharatpetroleum.com/images/files/RPTPolicy_BPCL.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has provided Loans/Guarantees to its Subsidiaries/Joint Ventures and has made Investments in compliance with the provisions of the Companies Act, 2013. The details of such investments made and loans/guarantees provided as on 31st March, 2016, are given in the standalone financial statements under Notes 16, 48 & 49.

RISK MANAGEMENT

The Risk Management Committee of the Board has a defined roles and responsibilities, which includes reviewing and recommending of the risk management plan, and reviewing and recommending the risk management report for approval of the Board with the recommendation by the Audit Committee. The Company's internal financial controls and risk management systems are assessed by the Audit Committee. The Company has adopted a Risk Management Charter and Policy for self-regulatory processes and procedures for ensuring the conduct of the business in a risk conscious manner.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. In the preparation of the Annual Accounts for the year ended 31st March, 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit and loss of the Company for the year ended on that date;

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

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Smt. Sushma Taishete, Director (D&MC), Ministry of Petroleum & Natural Gas was appointed as Director effective from 19.05.2015 and she has ceased to be Director on Board from 02.01.2016.

Prof J.R.Varma and Shri B. Chakrabarti, Independent Director ceased to be Directors on the Board from 10.08.2015.

Shri Rajesh Kumar Mangal, Shri Deepak Bhojwani and Shri Gopal Chandra Nanda were appointed as Additional Directors with effect from 01.12.2015. As they have been appointed as Additional Directors, they will hold office till the ensuing Annual General Meeting. Notices under Section 160 of the Act have been received proposing their names for appointment as Directors at the ensuing Annual General Meeting.

Dr. Neeraj Mittal, Joint Secretary (Marketing), Directorate General of Hydrocarbons, Ministry of Petroleum & Natural Gas ceased to be a Director on the Board from 11.12.2015.

Shri Anant Kumar Singh, Director, Additional Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas was appointed as Additional Director from 02.01.2016. As he has been appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing Annual General Meeting.

Shri K. K. Gupta, Director (Marketing) superannuated at the close of office hours on 29.02.2016.

Shri S. Ramesh was appointed as Additional Director and as Director (Marketing) with effect from 01.03.2016. As he has been appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing Annual General Meeting.

Shri B.K Datta, Director (Refineries) superannuated on 31.07.2016.

Shri R. Ramachandran was appointed as Additional Director and as Director (Refineries) with effect from 01.08.2016. As he has been appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing Annual General Meeting.

Shri S. P. Gathoo, Director (Human Resources) will retire by rotation at the ensuing Annual General Meeting as per the provisions of Section 152 of the Act, and being eligible, has offered himself for re-appointment as Director at the said Meeting.

The Board has placed on record their appreciation of the Directors who have ceased to be Members of the Board for the valuable contributions made and guidance given for the development and progress of the Company's business.

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

DECLARATION OF INDEPENDENCE

Independent Directors of the Company have provided declarations confirming that they meet the criteria of independence as prescribed under the Act.

FAMILIARISATION PROGRAMMES

The Company has adopted a policy for the training requirements of Board Members. The details thereof with the programmes sponsored for familiarisation of Independent Directors with the Company are available on the Company's web link https://bharatpetroleum.com/images/files/FPID_new.pdf

AUDIT COMMITTEE

The details of the composition of the Audit Committee, terms of reference and meetings held are provided in the Corporate Governance Report which forms part of this Report.

VIGIL MECHANISM

The Company has implemented the Whistle Blower Policy to ensure greater transparency in all aspects of the Corporation's functioning. The objective of the policy is to build and strengthen a culture of transparency and trust in the Corporation and to provide employees with a framework/procedure for responsible and secure reporting of improper activities (whistle blowing) and to protect employees wishing to raise a concern about improper activity/serious irregularities within the Corporation.

The vigil mechanism provides for adequate safeguards against victimisation of persons who use such a mechanism. An employee desirous of making protected disclosures in respect of any of the improper activities may send a communication to the Competent Authority/ Chairperson of the Audit Committee in appropriate or exceptional cases. The Company's web link given below contains details of the establishment of such a mechanism https://bharatpetroleum.com/About-BPCL/Our-Policies.aspx

NUMBER OF MEETINGS OF THE BOARD

Twelve meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report that forms part of this Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

EXTRACT OF ANNUAL RETURN

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

STATUTORY AUDITORS

M/s. CNK & Associates LLP, Chartered Accountants, Mumbai and M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai, were appointed as Statutory Auditors for the year 2015-16 by the Comptroller & Auditor General of India (C&AG), under the provisions of Section 139(5) of the Companies Act, 2013. The said firms have been appointed as the Statutory Auditors also for the Financial Year 2016-17 by the C&AG.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

During the year 2015-16, the Cost Audit Report has been filed with the Ministry of Corporate Affairs on 05.10.2015. The due date for filing the Cost Audit Report was 08.10.2015. This Cost Audit Report pertains to the year 2014-15 and the Cost Auditors were M/s. Rohit & Associates, Mumbai and M/s. Musib & Company, Mumbai.

The same Cost Auditors have been appointed for the Financial Year 2015-16. The Cost Auditor, shall within a period of 180 days from the closure of the Financial Year, forward the Cost Audit Report and the Company is required to file the Cost Audit Report within 30 days of receipt of the same. M/s. Rohit & Associates, Cost Accountants, were nominated as the Company's Lead Cost Auditor.

SECRETARIAL AUDITOR

The Board has appointed M/s Ragini Chokshi & Company, Company Secretaries to conduct Secretarial Audit for the Financial Year 2015-16. The Secretarial Audit Report for the Financial Year ended 31st March, 2016 is annexed herewith in Annexure H to this Report.

The Secretarial Audit Report does contain an observation that "The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned therein except for non-compliance under 49(II)(A)(1)/(2) of the erstwhile equity Listing Agreement/Regulations 17(1)(a)/(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further in terms of Clause 2.2 and 3.1.4 of the Guidelines issued by DPE relating to the condition of having at least one Woman Director as on 31st March, 2016 and half of the Board of Directors shall comprise of Independent Directors and consequently the Committee constitution requirement not met with during the period when Independent Directors were not on the Board."

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

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

We have taken up the matter with the Ministry of Petroleum & Natural Gas and necessary actions are being initiated to fulfill the requirements and nominations for adequate number of Independent Directors. It may be noted that the Company was having a Woman Director from 19.05.2015 till 01.01.2016.

GENERAL

There were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. The Company has not issued equity shares with differential rights/sweat equity shares/Employee Stock Options.

During the year under review, there was one complaint of sexual harassment from an employee of a Contractor, which is currently under investigation by the Internal Complaints Committee.

ACKNOWLEDGEMENTS

The Directors thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. BPCL's consistent growth has been possible only due to their hard work, solidarity, cooperation and support.

We thank the Government of India, Government of Maharashtra, Government of Kerala and all State Governments, other Government agencies and Ministry of Petroleum & Natural Gas for their guidance and support, and look forward to their continued participation in BPCL's growth.

For and on behalf of the Board of Directors

Sd/-

Place : Mumbai **S. Varadarajan**

Date : 11th August, 2016 Chairman & Managing Director

ECONOMIC DEVELOPMENTS: MANAGING DISRUPTIONS FOR A BETTER ENVIRONMENT

The global economy has been through some tumultuous times in the previous year. A weak aggregate demand, falling commodity prices and increasing volatility in the financial markets have adversely affected the global economy. The intensity of China's slowdown and the Chinese policy response, the fall in crude oil and other commodity prices, the recent vote in favour of the United Kingdom exiting the European Union and the concerns around the pace of recovery of the American economy have been some of the key contributors. The response of Central Banks across the world has once again become the focus of attention, with more quantitative easing and implementation of negative policy rates.

According to the data published by the United Nations, the global economy grew by 2.4% in 2015. The growth rate is expected to improve to 2.9% in 2016 and 3.2% in 2017.

It has been seven years since the world experienced one of the worst financial crisis. Even after such a long period, the growth momentum is yet to return. While the economically advanced nations are facing challenges in terms of lack of growth, the developing economies are not able to realize their full growth potential. Although economic growth is expected to return gradually, significant risks and challenges remain.

Amongst the major economies, the United States of America has seen significant improvements which helped it withstand the headwinds from a strong dollar and weak oil prices. While the complete recovery of the economy is still some time away, the signs are looking good with consumption, business and residential investment poised to propel the economy.

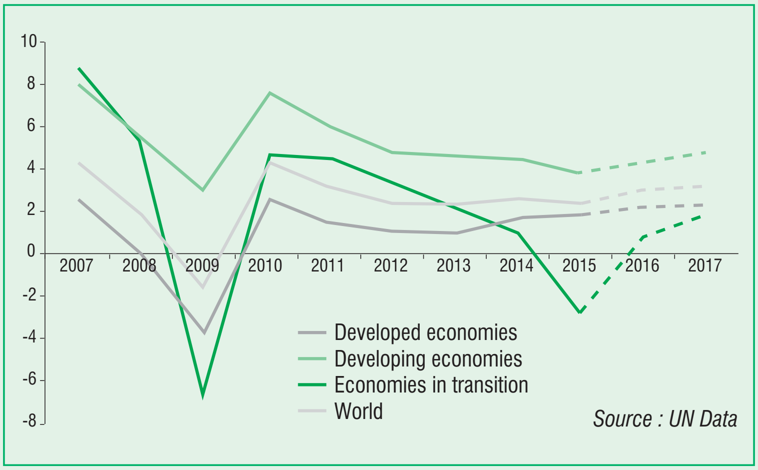
Although the Eurozone has witnessed moderate growth, primarily driven by consumers who have benefitted from lower oil prices, the uncertainty posed by the British exit from the European Union and its subsequent impact on the rest of Europe has raised economic concerns. Further, the continuing refugee crisis has also heightened the risks faced by the European Union.

The Chinese economy is at the brink of, what is being described by analysts, a "trilemma" - a condition describing the Chinese authorities' challenges of simultaneously achieving three critical goals of an independent monetary policy, a controlled exchange rate, and an easing of capital controls. The slow-down in Chinese growth continues to be a major concern faced by the Chinese Government together with a strong inclination to protect the Chinese currency from depreciating against the US Dollar.

Despite the sustained efforts of the Government and the Central Bank, the Japanese economy has not recovered as expected. The situation has been aggravated partly due to the adverse demographic shift, with a rapid decline in the working age population. The Japanese Government continues in its efforts to bring back the economy on the path of increased growth.

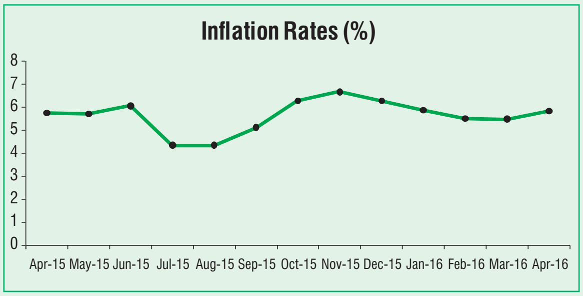
The sharp fall in oil prices has been extremely detrimental to Russia, as it aggravates the severe fiscal difficulties faced by the Russian Government, especially given that Russia risks depleting much of its financial reserves if the oil prices do not recover. While the Russian Government plans to restore reserves by printing rubles, this does pose the risk of fueling inflation and stimulating a further currency depreciation.

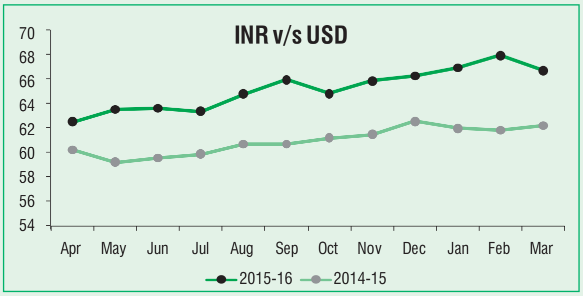
Brazil, too has been severely affected by the declining global demand for commodities. While the weakened currency has helped to revive manufactured exports, the currency depreciation will not be enough to improve Brazil's competitiveness in the global economy. Further, the high interest obligation of the Brazil Government is another area of concern that the central bank has to deal with. The outlook remains worrisome, especially given political paralysis and crises.



Source : UN Data

Amidst rising global uncertainty and economic slowdown, India presents itself as an oasis. Chiefly driven by enhanced consumer spending, India's growth story stands to benefit by the decline in crude oil prices, easing of credit conditions, a strong government, fiscally prudent budgetary plans, focus on improving infrastructure and robust economic fundamentals. The conscious decision of the Government to stimulate rural demand would provide the much needed thrust to the pace of economic growth. India will be the fastest growing major economy in 2016-17 growing at 7.5%,





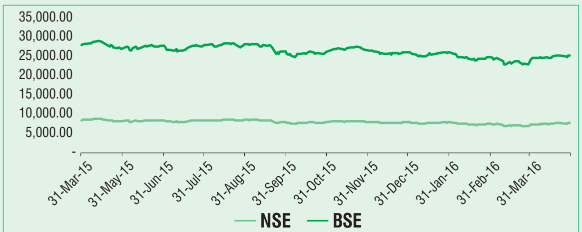
ahead of China, at a time when global growth is facing increasing downside risks, as per the World Economic Outlook released by the International Monetary Fund.

The Government has continued with its efforts to make the monetary policy decision making process more transparent. The Union Budget of 2016-17 proposed the amendment of the Reserve Bank of India Act to provide statutory basis for a monetary policy framework and a monetary policy committee. This is expected to bring in greater accountability in the entire process.

Inflation has been judiciously monitored and controlled by the Reserve Bank of India (RBI) during the last fiscal year. The RBI has consistently met its inflation targets since January 2015. During 2015-16, inflation in terms of the Consumer Price Index averaged around 5.75%. In 2016-17, it is expected that inflation will hover around 5.25% and settle at around 5% in the medium and long term.

However, growth and inflation will be affected by several factors including the implementation of One-Rank-One-Pension (OROP) for retired Defence employees and the implementation of the recommendations of the 7th Central Pay Commission. Further, any shortfall in the monsoon could hinder growth and increase inflation. Given India's dependence on crude oil imports, volatility in crude oil prices will also play a crucial role in determining the direction of inflation and growth numbers. Further, while the macroeconomic fundamentals of the Indian economy remain strong, volatility in the foreign exchange market on account of external developments can impact both growth and inflation trajectories. Although the Indian economy is primarily driven by domestic demand, weaker growth in the global economy would also have a negative impact on growth and inflation in the country.

During 2015-16, the INR averaged ₹ 65.46 against the US dollar, a 7% fall as compared to its average in the



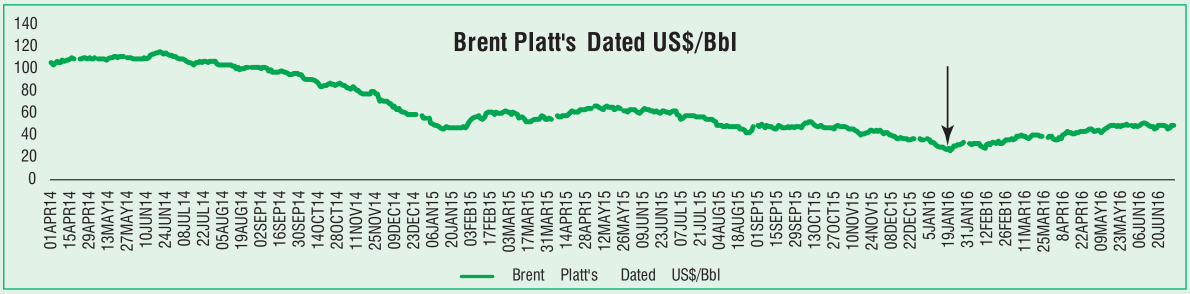
preceding Financial Year. The primary reasons attributable to the depreciating rupee seem to be global economic slowdown, strengthening of the US dollar due to collapsing crude prices, and slow but steady recovery of the growth in US. Recently, the decision of the British to exit the European Union, has also adversely affected the performance of the INR.

The capital markets were highly volatile during the year. The global economic slowdown, China currency devaluation, falling prices, the rate hike by the US Federal Reserve, have all adversely affected the markets. Reduced exports and cross-border investments, increasing global uncertainty resulting in reduced risk appetite of investors and capital withdrawal from emerging markets have further aggravated the situation. These factors, coupled with domestic dynamics of falling corporate earnings, reduced industrial production and slow pace of reforms has diminished investors' confidence. However, positive intervention by the Government and falling energy prices helped build resilience in the Indian economy. Both, the NSE Nifty 50 and the BSE Sensex ended the year 9% lower than the previous year.

While most emerging economies have succumbed to external vulnerabilities, the Indian economy continues to perform above expectations. India is expected to witness encouraging levels of growth, while the world economy dabbles with muted growth. However, regulatory impediments and uncertainties in the tax environment continue to be major concerns. While inflation has been skilfully managed, its impact on growth has to be balanced. Further, a good monsoon is absolutely imperative for the economy to remain on the growth path. Fuelling rural demand is another area, which though addressed in the Union Budget, still remains to be realized in real terms. Infrastructural bottlednecks and manufacturing deficits also need to be dealt with, to ensure strong foundations for comprehensive growth.

TRENDS IN THE OIL AND GAS SECTOR

From an era where coal dominated the world energy scenario, the Oil and Gas Sector has come a long way. Interestingly, the share of oil in the world energy basket



continues to be a little over 30% and has changed only marginally over the last six decades.

The past year has challenged the significant long term trends of the demand and supply situation prevalent in the global arena characterized by sluggish demand growth amid abundant supply.

The world has witnessed a gradual decline in global energy consumption driven primarily by the slowdown in China, even though that country remains the world's largest market for energy. The situation has been further compounded by the weakening global economy. During 2015, the global primary energy consumption grew by only 1%, significantly lower than the 10 year average of 1.9%. Emerging economies contributed 58.1% to the global energy consumption. China's consumption growth slowed to 1.5%, while India recorded a robust increase of 5.2%. While consumption by the European Union increased by 1.6%, it was offset by a decline in the US and Japan.

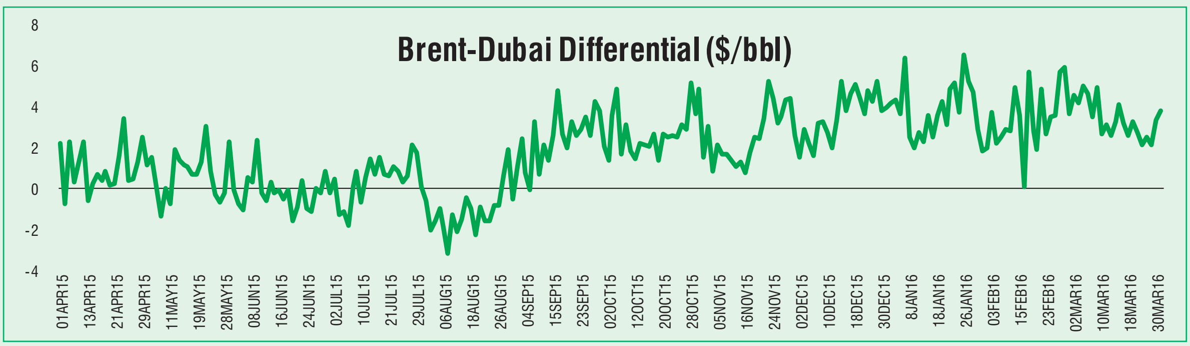
The supply side has been dominated by technological advances that have made notable contributions to the range and availability of different fuels. Enormous resources of shale oil and gas that have been discovered in the US and the rapid technological advancements supporting the growth in renewable energy are manifestations of the opportunities that are changing the energy landscape.

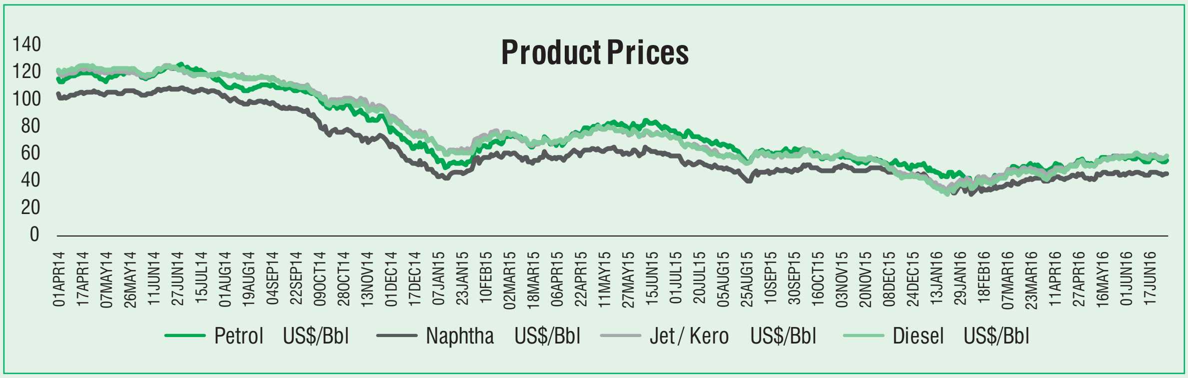
The crash in the price of crude oil is mainly due to the demand-supply imbalance, with crude oil supplies surpassing the demand. The oil producing nations pushed production hoping to maintain their market share. The supplies of crude oil were further enhanced with US lifting the sanctions on Iran thereby allowing more exports of oil. However, the demand for crude oil was not commensurate with the supplies. Major developing economies like China, Russia, and Brazil remain mired in a slump, putting a dampener on oil consumption. An unusually mild winter helped suppress demand for heating oil and a stronger dollar meant that some countries would have to pay more for crude imports, which further limited consumption.

The decline of crude prices that commenced in September 2014, continued during the entire Financial Year of 2015-16. The average of the benchmark Brent stood at around USD 47 per barrel during 2015-16, 44% lower than the average of USD 85 per barrel in the previous Financial Year.

While the crude prices did recover to USD 60 per barrel levels in April, 2015 and also crossed USD 65 per barrel in May, 2015, there has been a downward trend since then when the prices plummeted to USD 25.99 per barrel in January, 2016, and have only marginally crossed the USD 40 per barrel levels towards the end of the last quarter of 2015-16. The single largest fall (absolute terms) was recorded on 3rd August, 2015 when Brent fell by almost 6.5% (USD 3.39 per barrel).

The Brent-Dubai differential was largely in favour of Brent for most part of the year, barring a few days in the first half of the Financial Year. The difference was the maximum on 26th January, 2016, when Brent stood at USD 30.99 per barrel as compared to the Dubai of that day of USD 24.50 per barrel, thus recording a differential of USD 6.49 per barrel. The Dubai benchmark scored over Brent only





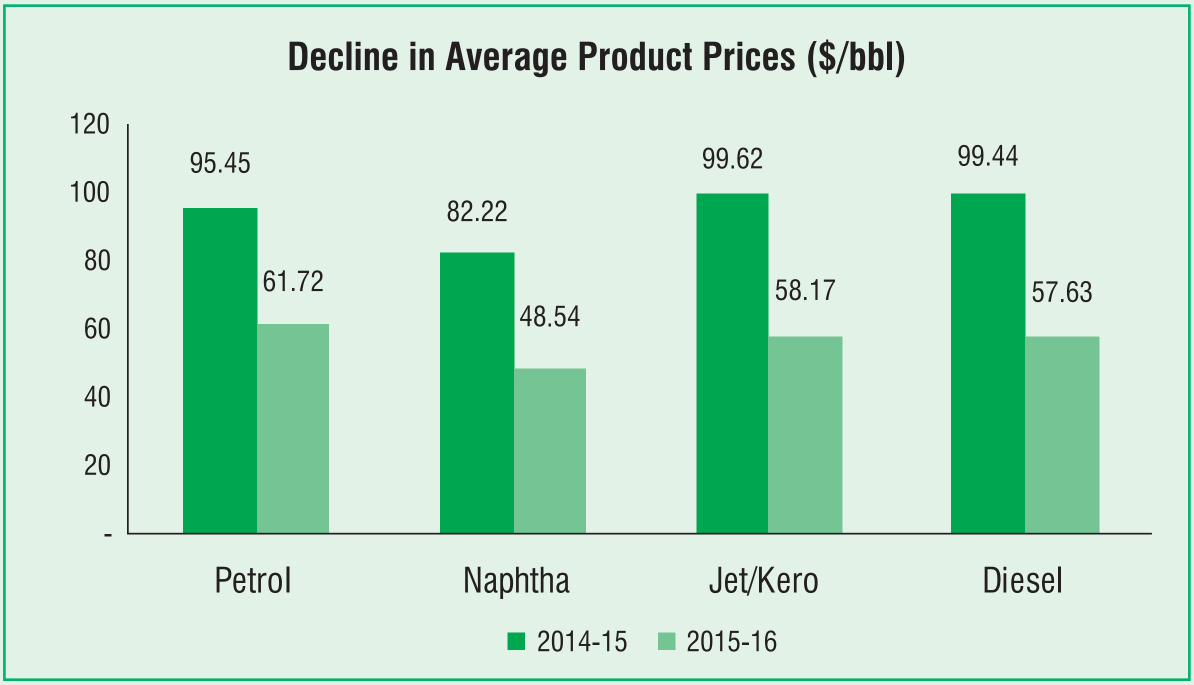
for a few days in the first half of the Financial Year, and the differential in favour of Dubai was the most on 11th August, 2015, when Dubai crude was at USD 50.67 per barrel while the Brent benchmark stood at USD 47.53 per barrel.

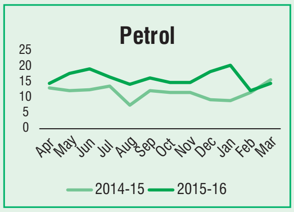
The Brent-Dubai differential averaged at USD 1.90 during 2015-16, remaining unchanged as compared to the previous year.

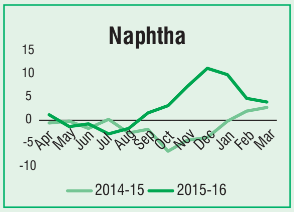
The product prices too have fallen sharply, following the trend of the crude price. However, the drop in product prices has been lower than that of the crude price. During 2015-16, the average price of Motor Spirit (MS) (Unleaded Singapore Platts) declined by 35% as compared to the average in the previous year, while that of Naphtha, Jet Fuel/Kerosene, and High Speed Diesel (HSD) declined by about 42%.

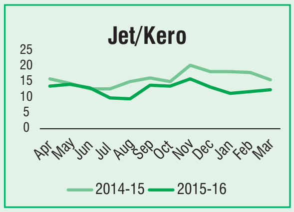
Product cracks have witnessed an unpredictable 2015-16. The average MS (petrol) cracks during 2015-16 were significantly higher by 38% at around USD 16 per barrel as compared to USD 11.7 per barrel during 2014-15. The average Naphtha cracks turned positive to average at USD 2.91 per barrel in 2015-16 as compared to the negative average of USD 1.55 per barrel in the previous year. Interestingly, the average jet/kero and HSD cracks declined by about 22% in 2015-16 vis-à-vis 2014-15 and averaged at USD 15.85 per barrel and USD 15.66 per barrel respectively in 2015-16.

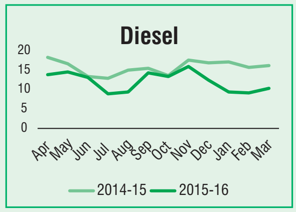
MS cracks have surpassed all expectations and crossed the USD 20 per barrel mark in January, 2016. However, it has been falling since then and has touched the USD 10 per barrel range in June, 2016. HSD cracks reached their peak during 2015-16 in November, 2015, when they touched USD 16.73 per barrel only to experience a downward trend thereafter, although HSD cracks seem to have recovered faster and now are in the USD 10 per barrel range.











The sharp decline in crude prices, though reflected in the product prices, have not reached the consumers across the globe, primarily due to the increased duties and taxes enforced by the Governments of various nations.

INDIAN PETROLEUM SECTOR

Efficient and reliable energy supplies play a crucial role in the development of an economy such as India. The indigenously available energy resources may not be sufficient in the long run to match the increasing demand of petroleum products in the country. The wave of growth being experienced by India, fueled by rapid industrialization and supported by the burgeoning population have created concerns for India's energy scenario, especially in the light of India having 0.3% of the oil reserves of the world and accounting for more than 17.5% of the world's population.

Given the increased dependency on petroleum products and the constrained domestic resources in the nation, import of crude oil has always dominated the Indian petroleum industry. In the Financial Year 2015-16, India imported an estimated 202.9 Million Metric Tonnes (MMT) of crude oil at USD 64 billion as against 189.4 MMT in 2014-15 at USD 112.7 billion, an increase of 7% in volume with a decline of 43% in value, due to the rapid fall in crude oil prices.

The Indian crude basket was at USD 46.17 per barrel during 2015-16, a sharp decline from the USD 84.16 per barrel in the previous year. However, the benefit of falling crude prices was offset to some extent by the depreciation in the Indian Rupee. The exchange rate applicable to the crude oil imports in 2015-16 was ₹ 65.46/USD as compared to ₹ 61.15/USD in 2014-15.

Indigenous crude oil production planned for 2015-16 stood at 37.05 MMT. Against this, the actual crude production estimated to be achieved is 36.9 MMT (37.46 MMT in 2014-15). The fall in production is attributable mainly to decline in onshore production from old and ageing fields and operational problems particularly in Gujarat, Rajasthan and North East, apart from prolonged bandhs and blockades in Assam.

There has been considerable increase in refining capacity in the country over the years, with the latest addition being the 15 MMTPA IOC Refinery at Paradip, dedicated to the nation by the Hon'ble Prime Minister in February, 2016. The total refining capacity in the country as on 1st April, 2016 is 230.1 MMT, with PSU companies having a share of 65% in the said capacity.

The total crude oil processed by the Indian refineries during 2015-16 was 232.9 MMT as against 223.3 MMT in 2014-15. While the increase in crude oil processing is only 4% as compared to the previous year, a substantial increase is anticipated in the next Financial Year, due to the recently commissioned Paradip Refinery.

During the year 2015-16, the consumption of petroleum products in India is estimated at 183.5 MMT, a growth of almost 11% as compared to consumption of 165.5 MMT during 2014-15. The total production of petroleum products is projected to be 231.3 MMT as against the production of 220.7 MMT in the previous Financial Year, thus registering an increase of 5%.

MS, HSD and LPG constituted 63% of the total consumption of petroleum products in 2015-16. MS consumption has increased by 14%, followed by LPG at 9% and HSD at 7% during 2015-16 as compared to the previous year.

The Government of India has taken several steps to ensure that the Oil and Gas Sector in India receives the requisite administrative support. Further, consumer interests have also been protected, especially in the rural areas, where penetration of LPG is being encouraged as the cleanest and safest cooking fuel.

In the year gone by, the Indian Oil & Gas Sector has accomplished several feats that make India proud.

PAHAL (Pratyaksh Hastantarit Labh) that was launched in November, 2014, to transfer the LPG subsidy directly to the bank account of the consumer, is the world's largest Direct Benefit Transfer Scheme that has been acknowledged by the Guinness Book of World Records as the largest cash transfer programme (households). More than 14.88 crore consumers are registered to avail subsidy under PAHAL.

After the successful implementation of Direct Benefit Transfer in LPG, it has been decided to implement Direct Benefit Transfer in PDS Kerosene in 33 districts in 9 states in the near future.

More than 104 lakh LPG consumers as in July, 2016 at Industry level, have become part of the 'Give It Up' campaign across the country. The number of connections released to Below Poverty Line families, in lieu of surrender of LPG connections is 58 lakh.

Under the Auto Fuel Vision & Policy-2025, the Oil Marketing Companies have been advised to be ready to leapfrog directly from BS-IV to BS-VI fuel standards by April 2020. This has been vigorously taken up by the Oil Companies and all efforts are being made to adhere to this timeline.

The rising oil security concerns for India has imposed the establishment of Strategic Crude Oil Storage. In this regard, the Government had identified three locations in the country where storage of 5.33 MMT will be set-up, viz. Visakhapatnam (1.33 MMT), Mangalore (1.5 MMT) and Padur (2.5 MMT). Indian Strategic Petroleum Reserves Ltd (ISPRL) is in the process of constructing these storages at a capital cost of ₹ 4,098.5 crores. The project at Visakhapatnam has already been commissioned with a part of the storage now filled with crude oil procured by IOCL and HPCL on behalf of the Government.

The Government of India has focused on the development of renewable and non-conventional energy sources under the 12th Plan. The ambitious target of 5 million tons of oil equivalent (MTOE) for Oil CPSEs has encouraged the Oil CPSEs to undertake various initiatives for Renewable Energy in the areas of Solar and Wind Energy projects and under Non-Conventional Energy projects on Coal Bed Methane, Basin Centered Gas, and Under Ground Coal Gasification.

As a regulatory reform, the Foreign Direct Investment (FDI) in the sector is being encouraged and FDI for petroleum refining by CPSEs has been permitted at 49% foreign equity under the automatic route as against the earlier approval through Foreign Investment Promotion Board.

Further, in order to enhance crude security for India, the Government has been encouraging acquisition of assets abroad. Indian Oil companies are present in 25 countries holding investments worth USD 21 billion.

During the Oil & Gas Conservation Fortnight, the Ministry of Petroleum & Natural Gas, in association with Petroleum Conservation Research Association (PCRA) has initiated a national awareness campaign with the objective of conserving precious petroleum products and promoting the use of clean fuels. Some of the programs launched included projects for development of energy efficient products/processes, formulation of Standards & Labeling Programs for equipment consuming petroleum products and development of Fuel Economy Norms for heavy duty vehicles.

In an effort to enhance the proliferation of natural gas, PNGRB has awarded 20 new Geographical Areas (GAs) to develop City Gas Distribution (CGD) networks. More than 30 lakh households have already been connected with Piped Natural Gas (PNG) supplies. Further, 15,000 km of additional gas pipeline is being built in order to complete the National Gas Grid.

Under the guidance and supervision of MoP&NG, the Oil Companies and their Joint Ventures have contributed significantly to nation building, specifically the Swachh Bharat Mission. Addressing the sanitary concerns in the country, especially for the female gender, the Oil CPSEs undertook several initiatives in this regard. In order to diminish the drop-out rate among girl students, Oil & Gas CPSEs constructed more than 20,000 school toilets under Swachh Vidayalaya Abhiyan. Various villages, water bodies and other areas around operating locations have been adopted by Oil & Gas CPSEs for maintaining cleanliness and hygiene.

Technology has been judiciously applied for a seamless integration of processes and customer interface. A new web-based application at www.mylpg.in for consumers has been made available in 13 languages. Online payment for LPG has been launched since January 2016. Further, as a means to facilitate release of LPG connections online and reduce the documentation involved, 'e-SV', the electronic subscription voucher with details of number of cylinders and pressure regulator loaned to the consumer against the security deposit, has also been introduced.

There have also been several reforms undertaken by the Government of India. The Pradhan Mantri Ujjwala Yojana (PMUY) Scheme was announced for providing free LPG connections by Oil Marketing Companies to the women belonging to BPL households. Under the scheme ₹ 8,000 crores has been earmarked for providing 5 crore LPG connections over a period of three years to BPL households. The connection will be issued in the name of a the woman of the household. The scheme has been launched on 1st May, 2016 by Hon'ble Prime Minister in Ballia District, Uttar Pradesh.

The Hydrocarbon Exploration Licensing Policy (HELP) has been institutionalized for Award of Hydrocarbon Acreages with New Contractual System and Fiscal Model with a view to simplify the business of exploration and production of hydrocarbons in India. It provides for a uniform licensing system to cover all hydrocarbons such as oil, gas and coal bed methane under a single licensing framework along with an open acreage policy.

Another significant reform has been in the marketing and pricing of new gas production from Deepwater, Ultra Deepwater and High Pressure High Temperature Areas. While a ceiling price would ensure some form of regulatory intervention, however, marketing and pricing autonomy would be provided for future discoveries as well as existing discoveries which are yet to commence commercial production as on 1st January, 2016.

The Government has also announced a mega Refinery in the West Coast of India. The Public Sector Oil Companies, IOCL, BPCL, HPCL and EIL are in the process of examining the feasibility of setting up a mega grassroot Refinery & Petrochemical complex - "West Coast Refinery" in the state of Maharashtra with an investment of ₹ 1.5 lakh crores. This will be India's largest Refinery with a capacity of 60 MMTPA.

In addition, to accelerate the development of the North Eastern parts of India, MoP&NG has taken proactive measures to ensure enhanced investments of ₹ 1.3 lakh crore by 2030 in the hydrocarbon sector. This has been captured in the Hydrocarbon Vision 2030 for North East India released by the Hon'ble Minister of State (Independent charge) for Petroleum and Natural Gas in Guwahati in February, 2016. These investments are likely to cover exploration and production, crude oil, product and natural gas pipelines and significant increase in marketing network to improve the access and availability of petroleum products in these areas.

The Indian Oil & Gas Sector has been through some volatile times in the recent years. However, it is now at a stage where the much needed Government interventions and reforms have begun to bear fruit. The laser sharp focus of the MoP&NG to develop the nation and change the socio-economic dynamics of India is positively evident. The future of the Oil & Gas Sector in India seems bright with enhanced opportunities for growth and timely co-operation from State/Central authorities.

OPPORTUNITIES AND THREATS

It is wisely said that the Stone Age did not end for lack of stone, and the Oil Age will end long before the world runs out of oil.

While oil will still continue to be the most sought after fuel for years to come, it is evident that the Oil & Gas sector world-over is in a transformative stage that will eventually redefine the energy business. It is this changing landscape of the Oil & Gas business that will provide the much needed opportunities with their fair share of threats. Outwitting these challenging times and emerging triumphant is what will determine the alacrity of the Oil & Gas business leaders. The cost and investment issues coupled with the preparedness to deal with external environmental pressures will be crucial decision points that will pave the way for future growth opportunities.

The surge on the supply side of the equation with an incommensurate growth in demand has resulted in a steep fall in crude prices. New lows in crude price were witnessed amid concerns over a weakening global economic growth. With the suppliers being motivated by market share protection and marginalizing the small players, especially in the United States, this imbalance in the supply and demand situation is predicted to only worsen. This will further be aggravated by the influx of Iranian crude with the uplifting of sanctions on Iran by the United States. Such conditions will only imply extreme volatility in crude prices with little respite from growing demand in emerging economies such as India.

The growing Indian economy commands a significant demand for energy. While hydrocarbons will be the primary source of energy for India, the Government has been aggressive in encouraging the use of alternate energy together with a boost to the supply of domestically produced oil and gas.

The Oil and Gas industry faces a wide range of challenges and opportunities across the upstream, midstream, and downstream sectors given the rising supply of crude and the weakening demand conditions leading to the fall in crude oil prices. Never before has it been as imperative for Companies to traverse through the dynamic regulatory environment, manage risks and optimize performance.

While risk and volatility seem to have become intrinsic features of this industry, the competition is also making its presence felt. There have been several cases of aggressive partnerships in the capital intensive energy sector. The recent years have witnessed a sizeable increase in the investments of Oil Companies, with a marked increase in Joint Ventures and acquisitions.

Appreciating the business risks and developing plans to capitalize on these thus becomes most essential. Equally important is to understand the business operations and define strategies and risk mitigation techniques. There is an inherent need to make better and more informed decisions in strategic capital management and successful transaction conclusion in this dynamic world.

The slumping crude oil prices have created general awareness on the pricing of petroleum products thus compelling the oil companies to pass on the benefit of declining prices to the consumer. This has necessitated a further constraint on costs. With a significant increase in drilling, service, production and operating costs due to the increasing complexities faced by the sector, cost management has assumed center stage for most companies. The most commonly practiced measures have been to optimize processes and establish stringent controls. Outsourcing of non-core operations, optimizing manpower infusion, shared services for recurring and uniform activities, and leveraging technology have also been a favourite with companies trying to contain costs.

While competition, falling prices and muted demand have taken their toll on the energy business, a larger impact has been felt due to the potent emerging trends observed in climatic change with a powerful and concerted effort to reduce carbon dioxide emissions and minimize the use of fossil fuels. Oil companies have little choice but to address the vital existential issues of how to efficiently manage business in the increasingly carbon-constrained environment.

Another interesting aftermath of the drastic fall in crude prices has been the need for absolute command over information and events as they are happening. This requirement of being abreast with global news has been unprecedented. Whether the information is on the regulatory framework in a set of countries or the entire range of emerging market growth, the global perspective has become imperative.

Back home in India, the future of the oil and gas sector seems more promising. With the second largest road network across the world at 4.7 million km that transports more than 60 per cent of all goods in the country and 85 per cent of India's total passenger traffic, road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country. The Government has embarked upon a massive program for enhancing the road infrastructure in the country with spends of millions of dollars already committed through Public-Private Partnership. The rise in per capita income is expected to have enhanced personal transportation and travel. There has also been a significant growth in transportation of goods due to the growing demand patterns. The Indian construction market is expected to be a key driver of growth. The combination of augmented road infrastructure, increased personal travel and increased transportation of goods implies increased consumption of transportation fuels.

Being one of the largest car markets in the world, the automobile sector continues to register a steady growth. While the used car market is growing, it remains a fraction of new car sales. Furthermore, the major proportion of the increase in vehicle sales is accounted for by two-wheelers. Collectively this implies that the Indian automobile industry contributes significantly to the growth of the oil and gas sector.

The Government has undertaken the onerous task of overhauling the exploration and production domain with equal emphasis on the marketing front. In an effort to ensure that the regulatory framework supports the oil and gas business, rather than being a hindrance to growth, the Government has taken significant measures such as relaxing the foreign investment norms, revisiting the gas pricing policies, formulating consumer oriented best practices, penetrating the rural markets and hinterlands for LPG marketing, exploiting technology for disbursing subsidies, to name a few.

In conclusion, while each sector will continue to face its own unique set of opportunities and obstacles, the Oil and Gas sector will need to recalibrate to the flattening demand in developed markets, shift focus to emerging markets, deal with the conundrum of an over-supplied industry, develop specific strategies for stressed margins, streamline operations, restructure and focus on geographies where break-even points are low enough to sustain profitability, and encourage M&A activities to fully exhaust the potential of this sector.

RISKS, CONCERNS AND OUTLOOK

India is slated to surpass Japan as the second largest oil consuming economy in Asia. This can be attributed to the increasing demand caused by the reduced crude oil prices. The downward trend in crude oil prices since June 2014 has significantly curtailed the import bill for crude leading to substantial fiscal improvements. This has had a cascading impact on potential long term effects for economic growth.

India is also emerging as the refining hub primarily due to lower capital costs as compared to other countries. The refining capacity of the country is a little more than 4% of the world capacity, with a Refinery throughput share of more than 5%. With plans of the mega Refinery to be set up in Maharashtra, India is poised to enhance its refining capacity by more than 40% over the next few years.

The swift weakening of crude prices as a result of the worsening oil glut, could pave the way for the inevitable option of cut in crude production. This would imply a sudden rise in prices and adversely impact economic growth.

The fall in crude prices has also afforded the dismantling of the subsidy regime and the re-emergence of private players in the market. As opportunities increase, these private players would spread their operations to cover a wider geographical area, thus impacting the margins earned by Oil PSUs.

As a result of the declining crude oil prices and the subsequent redundancy of subsidies, the Oil PSUs have witnessed a drastic reduction in their borrowings leading to healthier financial statements. Due to this, the ability to borrow additionally for new investments has increased substantially. This is a positive development for BPCL, especially since the BPCL Group has plans to invest more than ₹ 100,000 crores in the next five years.

While lower crude prices have indicated enhanced profitability for the downstream Oil Companies in India, it also poses the concern of viability of investments in the upstream sector. Revisiting the investment decisions and validating the earlier choices has been a critical evaluation. Though the current prices continue to support BPCL's investments in the upstream sector, any further extreme decline in prices may prove to be detrimental.

Import infrastructure continues to be a concern area for India and for BPCL. Making clean and safe cooking fuel accessible to the hinterlands of the country has been vigorously taken up by the Government. However, the domestic production of LPG is insufficient to meet the rising demand, making imports the only available option for proliferation of LPG. With more than 50% of LPG being imported in the country, the adequacy of import infrastructure poses serious concern. While there are several import infrastructural projects in progress, their gestation period being long, import of LPG will remain a challenge and will have to be meticulously planned. Further, India being long on refining, any surplus production requires to be exported. Timely evacuation of refineries to ensure smooth operations becomes an arduous task, especially given the infrastructure condition.

The declining crude prices have had a positive impact on the price under-recoveries. The Government has fully compensated the Oil PSUs in a timely manner throughout the year. Further, with substantial investments planned in refining and marketing infrastructure proposals, the transportation under-recoveries are expected to be curtailed. During 2015-16, the Indian Oil Industry incurred an under-recovery of ₹ 27,570 crores, 64% lower than the ₹ 76,285 crores incurred in the previous year. Of this, 95% was borne by the Government and 5% by the upstream Companies, with the Oil PSUs having to bear only ₹ 18 crores. If the trend in crude prices continues, it will bode well for the Government exchequer.

Risks and challenges notwithstanding, BPCL has equipped itself with the wherewithal to ensure that it creates value at each stage and for each stakeholder, be it for the shareholders, the customers, the vendors, the business network, the employees and the society at large. It has outperformed itself and emerged as a truly comprehensive player in almost all facets of business.

PERFORMANCE

REFINERIES

BPCL's Refineries at Mumbai and Kochi had a crude throughput of 24.12 MMT during the year 2015-16, against the level of 23.36 MMT recorded in 2014-15. In 2015-16, the Refineries logged a capacity utilisation of 112.2% which was at 108.6% in the last year.

Mumbai Refinery has registered a crude throughput of 13.41 MMT of feedstock (crude oil and other feedstocks) as against the 12.96 MMT level in 2014-15. This is the highest throughput ever achieved in Mumbai Refinery, representing a capacity utilization of 111.7%, as compared to 108% in the previous year. Mumbai Refinery has also achieved 84.3% of distillate yield as against 81.8% in the previous year, which again is the highest ever achieved.

Koch Refinery has posted a crude throughput of 10.71 MMT in 2015-16, as compared to 10.40 MMT in 2014-15. This is the highest ever throughput and is the fourth year in succession that the throughput of the Refinery has crossed the 10 MMT mark. The capacity utilization of the Refinery during the year was 112.7% as against 109.5% in the previous year.

Mumbai Refinery produced its highest ever level of Motor Spirit (MS) at 2,140 TMT representing a 12.0% increase over the previous year, and 6,202 TMT of High Speed Diesel (HSD), an increase of 7.8% over the previous year. In addition, Mumbai Refinery has also reported its highest production of Propylene and Lube Oil Base Stock (LOBS) during the year 2015-16. Mumbai Refinery has once again exhibited its ability to meet the demand for MS and HSD conforming to Euro IV quality norms.

Kochi Refinery reported its best ever production of LPG (558.5 TMT), BS-III MS (1647.1 TMT), BS-IV MS (419.8 TMT), ATF (480.3 TMT) and BS-IV HSD (844.7 TMT) during the year 2015-16. Kochi Refinery has also commenced increased supply of BS IV grade auto fuels effective 15th February, 2016, thereby meeting the demand of Southern India as per the directive of the Government of India.

The Gross Refining Margin (GRM) at Mumbai Refinery was an impressive USD 6.37 per barrel as compared to USD 3.97 per barrel realized in 2014-15. In value terms, the GRM recorded was ₹ 4,198 crores against ₹ 2,363 crores realized in the previous year. The higher levels of GRM in Mumbai Refinery are primarily due to higher distillate yield, higher production of transportation fuels and reduction in Octroi Cost. Kochi Refinery earned the highest ever GRM of ₹ 3,610 crores for the Financial Year 2015-16 as against the previous year achievement of ₹ 1,514 crores. The GRM per barrel amounted to

USD 6.87 per barrel compared to the previous year's GRM of USD 3.17 per barrel. The increase in GRM during 2015-16 over the previous year is mainly due to better product cracks, higher distillate yield, efficient fuel and loss and improved crude mix.

During the year 2015-16, Mumbai Refinery adopted several measures and initiatives such as higher on-stream factor of process units, optimization of crude mix to improve distillate yield, continued usage of Re-gasified LNG, running of Hydrocracker Unit and Continuous Catalytic Regeneration Reformer Unit at higher intake levels to improve light and middle distillates, and implementation of Advanced Process Control in process units. The significant achievements during 2015-16 have been the highest ever production of transportation fuel at 71.1% of throughput against 68.09% in the previous year, highest ever distillate yield of 84.3% as against 81.8% in 2014-15, and maximum absorption of naphtha in MS and HSD leading to reduction in naphtha production.

Commissioning of energy efficient and heat integrated CDU4, implementation of Blend Property Control for increasing First Time Right batches, higher capacity utilization of secondary units, and revamp of Reformer Feed Unit are some of the prime reasons for this stellar performance of Mumbai Refinery.

The innovative approach of Kochi Refinery has resulted in the highest ever production of transportation fuels at 76.2% of throughput and a distillate yield of 85.7 %. During the year, the Refinery employed a new technology for in situ regeneration of sulfolane solvent used in the Aromatic Recovery Unit (ARU) as solvent for extraction of aromatics from feed naphtha via ion exchange technology which has reduced the total acid number and total suspended solids to a negligible extent. The Refinery has converted the CO boiler to the waste heat recovery steam generator so as to increase the heat recovery from FCCU flue gas. Further, in order to produce a higher quantity of Euro IV diesel, the Refinery has utilized Kerosene hydrodesulphurisation unit for desulphurising Heavy Naphtha streams and routed to the same Euro IV Diesel pool.

During the year 2015-16, Mumbai Refinery has set a high safety standard for itself and initiated many innovative approaches leading to an excellent safety performance. Mumbai Refinery completed 20 million man-hours without Lost Time Accident (LTA) till 31st March, 2016 for the first time in the history of Mumbai Refinery since its inception. Several new initiatives were undertaken to spread and inculcate the essence of safety awareness among all, such as publishing safety booklets on various topics, conducting hands-on training on scaffolding, behavior based safety training for BPCL front line officers, development of Safety Anthem film for motivating Company and contractor employees, live demonstration of fall arrestor system at CDU-4 project sites, installation of standardized safety signs and display of slogan posters in RMP, FCCU and DHDS plant areas and ISOM and DHT project areas.

Mumbai Refinery received an excellent rating for achieving all MOU targets related to safety. The frequency rate of LTA was “Zero”. A total of 2,716 HSSE man-days training was imparted to BPCL employees during the year 2015-16. Mumbai Refinery has complied with all the recommendations of Internal and External Safety Audit thereby meeting the MOU target. There was no reportable fire incident during the year and with an eye on contractor safety, Mumbai Refinery imparted (23,660 man-days) safety training to contractor employees at the project site. The Refinery received Chairman’s Award for HSSE Excellence for 2014-15.

Kochi Refinery has reported 43.6 million man-hours without Lost Time Accidents till 31st March, 2016 which is equivalent to 3,745 days. 2,156 employees were given Fire & Safety Training and 49,680 contract employees were given HSE Training. It has achieved 99.2% Compliance of Audit Recommendations. Two Emergency Response & Disaster Management Plan (ERDMP) drills were conducted at the Refinery and one ERDMP each at the Shore Tank Farm and Cross Country Pipelines at the Chitrapuzha river crossing. External safety audit of the Single Point Mooring was conducted during 2013-14 Jan 2016 by Oil Industry Safety Directorate. During the year 2015, the Refinery has received the Award for Outstanding Safety Performance under the Very Large Industries category and Award for Excellence in Safety Management from National Safety Council.

Mumbai Refinery Quality Assurance laboratory is equipped with state-of-the-art facilities and strives to meet the requirements/standards of reputed external certifying agencies and accreditation bodies like National Accreditation Board for Testing and Calibration, ISO/IEC 17025, Directorate General of Civil Aviation, Directorate General of Aeronautical Quality Assurance and Centre for Military Airworthiness Certification. Mumbai Refinery has a robust Integrated Management System for Quality (ISO 9001:2008), Environment (ISO 14001:2004) and Occupational Health & Safety (OHSAS 18001:2007).

Energy conservation is one of the key focus areas of Mumbai Refinery. Refinery has implemented a number of best practices, studies and improvement projects to achieve improvement in energy efficiency. The Fuel & Loss percentage (on crude throughput), which is a measure of energy consumption, stood at 6.36% for the year 2015-16 as against 6.58% during 2014-15.

Mumbai Refinery also participated in global "benchmark studies" to compare its performance with world leaders for improving energy performance. Mumbai Refinery has a well-established Energy Management System (EnMS) and has been accredited with ISO 50001:2011 certification by M/s. DNV.

As part of energy conservation, Mumbai Refinery has always been exploring opportunities and has been executing schemes for strengthening insulation of process and steam headers, LED lighting, power saving, improving combustion efficiency and optimization of process units.

With regard to environmental conservation, enhanced usage of RLNG replacing liquid fuels, has contributed to the reduction of CO2 and SO2 emissions from the Refinery. Rainwater harvesting schemes helped the Refinery to harvest 27,736 KLs of water. In addition, a number of significant environmental initiatives was also undertaken as part of the Environmental Management System (EMS). "Water conservation" drive assumed high priority and Mumbai Refinery has used more than 3,08,729 KLs of treated water in various cooling towers, thereby, reducing fresh raw water consumption.

Highlights of various environment conservation activities undertaken during the year 2015-16 include starting of ETP revamp project work and signing an MOU with Rashtriya Chemicals & Fertilizers Ltd (RCF) for setting up of a Sewage Treatment Plant (STP) which will have state-of-the-art technology with a designed capacity to treat 22.75 Million litres per day (MLD) of Municipal Sewage to produce about 15 MLD of treated water. The treated water shall be shared by the parties. Construction activities for STP facilities are in progress by RCF.

Analyzers in Ambient Monitoring Stations (AMS-1/AMS-2) were replaced as a part of Corporate Responsibility for Environment Protection (CREP) project. AMS1/2/3 analyzers data is being sent to Central Pollution Control Board server on real time basis.

New, state-of-the-art, in-situ analyzers are being fitted to various Refinery Furnace stacks to measure emission parameters and emission data is being transferred to Central Pollution Control Board (CPCB) for few stacks as per their directive.

Mumbai Refinery organized technical forums to upgrade the skill level of individuals apart from initiating several functional, development and personal effectiveness programs in its Learning Centre. Technical workshops, Synergy forums to share and disseminate ideas, awareness programs and workshops on simulation techniques were also conducted to impart and enrich the technical skills of staff. A total of 8,888 man-days of training was organized catering to all sections of employees to upgrade their learning and skills during the year. Employees were also exposed to various programs and seminars organized by premier institutions in India and abroad to enhance their personal, managerial and functional expertise.

Mumbai Refinery Learning Centre has aggressively pursued "Suggestion Scheme" to encourage employees to generate ideas for innovation and improvement. Through this scheme, the Learning Centre received a record number of 2,310 suggestions during 2015-16 as compared to 839 in the previous year.

Mumbai Refinery Learning Centre has successfully completed the challenging task of training two batches of M/s. Orpic trainees (Oman Oil Company employees) during the year. A state-of-the-art Operating Training Simulator is installed for conducting typical refining processes i.e. Crude distillation, Cat cracker, Hydrocracker, Continuous Catalytic Regeneration-Reformer, covering plant start up, shutdown procedures and major emergency handling scenarios.

Kochi Refinery has adopted many energy conservation and loss control measures during the year 2015-16, resulting in significant fuel savings. Kochi Refinery is one of the first companies in Kerala to connect online stack emission data to Central Pollution Control Board (CPCB)/ Kerala State Pollution Control Board (KSPCB). Continuous online SO2, CO and NOx analyzers are provided for heaters and boilers for monitoring the Sulphur Dioxide, Carbon Monoxide and Nitrogen Oxide emissions from heaters and boilers and the data is provided online to the CPCB/KSPCB servers.

A new online pH, Oil & Grease and flow-meter is installed at the effluent outlet area of Kochi Refinery for continuous and effective monitoring of the quality of effluent water. KR harvested around 68,814 KL of rainwater during the year. The Refinery had planted "10,000 trees for Mother Nature" in the year 2015 and further tree planting is continuing. Kochi Refinery engaged an external NGO agency 'M/s. Plan@Earth' for recycling the waste paper generated. Shredded paper, A4 sized paper, carton boxes and magazines are collected and entrusted for recycling. Value is realized in terms of fresh recycled paper of the desired GSM value. 60 kgs of recycled paper is equivalent to one tree. Kochi Refinery recycled 69.65 tons of paper during the year, equivalent to around 1,161 trees. The NGO issued a Green Certificate to Kochi Refinery for this achievement.

Kochi Refinery joined hands with Tripunithura Municipality to rejuvenate an old abandoned lake near Irimpanam Junction. Around 1.65 Acres of land near the lake was also developed to launch the Thannerchal Tourism Project. Facilities developed under the project include a Public Park and Boating Club. It received Kerala State Pollution Control Board Excellence Award among Very Large Industries for substantial and sustained efforts in Pollution Control and for initiatives in environment protection in 2015. This is the ninth time in a row that Kochi Refinery is getting recognized by the KSPCB for its pollution control efforts. The Refinery sponsored Encon Clubs are instituted in seventy educational institutions spread all over Kerala. Different programmes aimed at environment protection were organized in schools and colleges of these Encon Clubs to increase the awareness of the student community in the upkeep of our environment. A "Waste to Energy" project for the city of Kochi is under implementation and Kochi Refinery offered a viability gap funding to the tune of ₹ 25 Crores for the successful implementation of the same. Through this project, it is proposed to produce electrical energy from municipal solid waste by utilizing the services of an external agency. Refinery had conducted a detailed energy audit of Ernakulum General Hospital and identified areas for improvement as a community energy conservation activity.

During the year, Kochi Refinery organized and conducted events which include an intercollegiate energy quiz competition to build awareness about energy conservation and environment protection activities, free pollution checkup of vehicles, both for the employees and the public, issuing PUC certificates, free nitrogen change over program for two wheeler and four wheeler tyres as part of Oil & Gas Conservation Fortnight 2016,and e-waste collection as part of World Environment Day 2015 program from employees for safe disposal.

During 2015-16, 1,831 employees were imparted training. Kochi Refinery achieved 11,200 man-days of training in 2015-16. A series of mandatory behavioural programmes were conducted to enhance the competency of the management staff such as Communications Skills, Managing Self (Kalpavriksh), Managing Others (Synchrony), Foundation for Organisational Learning and High Impact Communication. Visionary Leadership and Planning (VLP) workshops were conducted for Management Committee Members, and for Finance Department. Out Bound Training was organized to bring about a transformation in 'individual behavioural patterns and team processes' so as to enable the team to explore, integrate and synergise their strengths by processes which align with the principles and theories of Organisational Behaviour and Management.

684 management and 1,120 non-management staff were nominated for in-house programmes which include functional, behavioural and regular programmes. 237 management and 99 non-management staff were sent for external training programmes organized by professional bodies/other institutions in India.

As a capacity building exercise for our Project Team and to bring in cohesiveness, Learning and Development department conducted Visionary Leadership and Planning workshops for the Project Team and IREP Business partners including M/s. Engineers India Limited. Officers from the Project Team were sent in four batches for Delayed Coker Unit Training to BORL. A five-day training on Certification in Project Management (CIPM) was also organized for two batches of officers (42 officers) in the Project group.

During the year, Kochi Refinery had also conducted live firefighting training for Marketing SBU staff.

As part of Industry Academia Interaction, 458 Engineering/Management students were given the opportunity of project work/industrial training. During the year, 6 industrial visits by Government of India officials/ Navy officers was also arranged.

Social welfare and development programs organized by Mumbai Refinery included assistance in education, vocational guidance courses and medical services at Mahul, Karjat and Washala villages near Mumbai. Social welfare and development have been at the core focus of BPCL's Corporate Social Responsibility (CSR) philosophy and during the year 2015-16, BPCL has contributed immensely towards providing quality education and scholarships to poor students and conducting enhancement programs to improve the capability and skill level of talented poor children.

Mumbai Refinery pursued "Project UTKARSH" in 25 schools covering about 703 students in and around Chembur. Additionally, one more class was started for Mahul village students which covered 30 students this year. 79% students of UTKARSH, Chembur schools passed 10th Std. and 100% students of UTKARSH, Mahul passed 10th Std. Mumbai Refinery provided assistance for 66 students to pursue vocational courses in Tulsi technical/ Gurukul vocational training institute.

Apart from the above, Mumbai Refinery accomplished several ambitious social welfare programs such as encouraging and guiding 46 women from Mahul village to take admission in Anil Asrani Vocational Institute for courses like Beautician and Tailoring with financial assistance to facilitate self-employment, providing Scholarships to 375 deserving students from Chembur Schools, providing financial assistance for repair and renovation of Shree Narayan Acharya School, providing basic computer training to 294 people of all age groups of Mahul village through “Community Information & Training Centre”, providing Group Mediclaim Policy to 99 fishermen families from Mahul Village and arranging Motor Driving Training sessions for 13 youngsters from Mahul village. Further, under Project ‘Aarogya’ 4 health camps were organized at Mahul and Washala.

Kochi Refinery initiatives included setting up of an Anganwadi at Kokkappilly in Thiruvaniyoor Grama Panchayat, extension of dispensary for urban poor at Kozhikode, setting up of homoeopathic hospital at Thiruvaniyoor Grama Panchayat, financial assistance for Ekal Vidyalaya Project at Munnar and Wayanad, Home Based Rehabilitation Programme for specially abled children, Livelihood Enhancement Project for rural farmers at Cheepumkkal, Kottayam, Capability Exploration & Enabling Programme for children at Ambalamugal and Puthuvypeen, Jyothi Educational Project for students at Muvattupuzha and Kothamangalam Education Districts, Vidyadeepthi Educational Project for students in Kunnathunadu, Ambulances to Kerala Police for accident victims in Kozhikode, Kochi and Thiruvananthapuram, and Velicham Educational Project for Entrance Coaching for students.

Mumbai Refinery has been recognized by various reputed agencies for its zeal and perseverance for adopting innovative strategies to achieve operational excellence and concern for environment protection. The accolades and awards that were conferred on Mumbai Refinery during the year 2015-16 include FICCI award for Quality System Excellence, Green Manufacturing Excellence Award 2015 by M/s Frost & Sullivan and India Manufacturing Excellence Award 2015 - Gold Category by Frost & Sullivan.

A Special Award was given for the Best Energy Performing Unit in Kochi Refinery at the concluding ceremony of Oil & Gas Conservation Fortnight, 2016. Department of Power, Government of Kerala presented the Kerala State Energy Conservation Award 2015 - Commendation Certificate in the category of Large Scale Energy Consumers during 2014-15 to Kochi Refinery through the Energy Management Centre, Kerala.

RETAIL

The year 2015-16 offered a plethora of changing market dynamics with increased participation from private competitors in the market place and increased demand from customers, both in terms of reach and depth in offerings. The Industry being poised at this point, marking its metamorphosis into a free market, now calls for greater service levels to set the foundation for a completely deregulated market.

The Retail Business continued to maintain a strong foot hold amidst these changes. The total market sales registered by the Business Unit stood at 25.38 MMT with an overall growth of 5.1% in the year 2015-16. The Retail SBU registered a sales volume of MS at 5.99 MMT in 2015-16, which is 12.37% higher over the previous year 5.34 MMT. In 2015-16, HSD sales volume of 17.9 MMT increased by 3.42%, in comparison to 17.4 MMT over the previous year. Retail posted a market share of 27.5% in MS and 28.1% in HSD and registered a sales volume of 320.17 TMT on Compressed Natural Gas (CNG) with a growth of 9.01%. Sales volume of 35.94 TMT has been recorded in the Auto LPG segment.

The Auto Fuel Bharat Stage IV Norms have been implemented in additional five states in 2015-16, i.e. Odisha, Kerala, Karnataka, Telangana and Goa. Moreover, in the light of growing focus towards premium products that are relatively high on purchase involvement, BPCL has re-launched Speed, our premium branded fuel. The sale of Speed surged to 53 TKL in March 2016 with a total of 303 TKL in 2015-16. BPCL also extended the experience of Speed to Bhutan.

While the existing retail outlet network continues to witness steady growth in sales, the Retail SBU complemented this with addition of new retail outlets to the network, making inroads into interior rural markets. In 2015-16, 630 new retail outlets (NROs) were commissioned, 169 of which were in key priority rural markets to supplement indian rural growth. The total RO network after the annual addition stood at 13,439 at the end of Financial Year 2015-16, which includes 6,601 retail outlets that offer PFS service standards. PFS or 'Pure for Sure' is the business commitment to the customers on right quantity and right quality in fueling. PFS certifications are accorded to dealerships by an independent agency after audits on quantity and quality service aspects. The upper crème of PFS dealerships in terms of service standards are awarded the PFS Platinum certification. These outlets not only ensure quantity and quality but surpass prevailing standards in terms of high-tech facilities too. As of 31st March, 2016, BPCL has 1,011 PFS Platinum Dealers across India that are enabled technologically for delivering promise of purity and enhanced service standards and are centrally monitored through CCTV.

To further build and strengthen customer confidence, Mono Dispensing Units (DUs) have been converted into more advanced, Multi Product Dispensers (MPDs) across the Retail Network. MPDs display real time retail selling prices and provide - No Print No Delivery (NPND) i.e the delivery of fuel does not happen without the bill being issued to the end customer, assuring customers of the right quantity. 21 NPND Cities have been established across India, with 1,005 retail outlets declared as NPND. The automation system also enables payment integration with fueling. 56 cities have been designated as fully automated cities in 2015-16.

BPCL has 8,376 Automated Retail Outlets with remote monitoring mechanism and tracking of product stocks and reflecting of price change in real time, thus ensuring efficient utilization of assets. In order to further ensure hassle-free transactions, 1,293 retail outlets have been made NANO compliant - No Automation No Operation-indicating complete automation in handling retail outlet operations.

Retail Business has 229 Company Owned and Company Controlled (COCO) outlets operating in the Urban Highway segment. The customer experiences enhanced ‘Pure for Sure Platinum’ service standards ranging from assurance on quality and quantity to assured bills, cashless and secured transactions on fueling at these outlets. Besides, clean toilet facilities are also provided. The business’ strong hold over the highway market is represented through COCO outlets on highways namely One Stop Trucker Shops (OSTSs). These are located on major highways and provide the truckers community the “unique experience” of fulfilling their needs and truly supporting them in planning their journey. These outlets offer driver rest rooms, secured parking, SmartFleet services and similar such services for a comfortable journey.

Loyalty programs of PetroBonus and SmartFleet have bolstered customer relations in an increasingly demanding and competitive environment. These programs have added value to small and large fleet operators, meeting the need of cashless secured transactions, continuous update on the transactions, supplemented with loyalty points which may be redeemed for attractive rewards. The Company offers multiple communication options like mobile, email, website and a call-centre besides providing the personal touch by a strong SmartFleet workforce. Sales through loyalty as a percentage of total fuel (Loyalty Fuel Ratio) increased to 17.84% from 15.49% last year.

The offerings in the Loyalty Program were enhanced and new precedents were set as the program bagged the “Card and Product Program of the Year” award at Australian Interactive Media Industry Association (AIMIA).

The BPCL First initiative has been rolled out across 102 cities to leverage the synergy amongst different Businesses of BPCL. As a part of this initiative, enterprise level offerings are communicated to the customer and events are organized to build customer bonds. Unified 24x7 Customer Care Service ‘SmartLine’ has helped in closer customer interaction, customer feedback on the offerings and enhanced customer satisfaction levels.

With a view to increase consumer touch-points, a smartphone application (app) - SmartDrive was launched enabling the consumer to connect digitally. The app serves as a one-stop-solution to all needs of a consumer who is on-the-go, whether it is fueling stops or driving tips or even car registration documents that the consumer may need to access. SmartDrive is BPCL’s endeavour towards placing every fueling and traveling related need just a click away from our consumers.

The Allied Retail Business (ARB) offerings facilitating the customer needs on the move recorded a turnover of ₹ 456.31 crores with a growth of 1.4% during the year 2015-16 and generated an income of ₹ 24.14 crores, an increase of 2.3% as compared to the previous year. ARB offerings are provided through a network of convenience stores, branded as ‘In&Out’ that operate at 157 retail outlets and a network of over 120 Quick Service Restaurants in alliance with leading Indian and International food chains.

In our endeavour towards sustainable growth and to promote non-conventional energy usage, Green lighting that was introduced in 2014-15 at 205 retail outlets, was enhanced to 1040 outlets in 2015-16. With Green lighting, the lighting load of a retail outlet is reduced by 35-40%. On similar lines, Solar panels that were introduced in 2014-15 at 280 retail outlets, were installed at 353 retail outlets in 2015-16.

A strong connect between the organization and customers, and consequently, the face of our business are the Driveway Salesmen and Saleswomen at the retail outlet forecourts. The Retail SBU has launched many unique initiatives to engage the Driveway Salesmen and Saleswomen. Many soft initiatives were taken up at a local level to extend a warm embrace into the organization. To complement such soft initiatives, we have also launched schemes such as the ‘Bharat Arogya Yojana’, an insurance scheme for the employees of Retail Channel Partners - dealers as well as transporters and their families. This scheme, launched in collaboration with New India Assurance, is applicable across the country and provides a health cover of ₹ 1 lakh for the individual and the family (spouse and two dependent children) and a personal accident cover of up to ₹ 2 lakh. The scheme provides cashless cards which can be used at 6,000 hospitals across the country. Forty percent of the crew was enrolled under the scheme, totaling 9,266 persons.

Another such initiative for Channel Partners is ‘Project Lakshmi’. The Company recognizes that financial instability has far deeper consequences in the lives of our Channel Partners. With that in mind, Project Lakshmi was launched to bring low performing Dealers in high potential and rural areas under the Electronic Dealer Financing Scheme (e-DFS) through SBI to enhance their financial stability.

‘Project Sampark’ an initiative focused on aggregation of customer database at the Retail Outlet level was launched. The genesis of Project Sampark stems from the conviction that understanding our customers’ better and gaining insights into their behaviour and preferences will enable us to design engaging products and services for them, apart from being able to communicate schemes and offerings more effectively. The SBU has successfully implemented Project Sampark achieving data collection of 7.5 million customers.

These efforts have helped in effective retail outlet management through customer identification and acquisition, Customer Relationship Management, building customer trust, Channel Partner Engagement, better asset utilization, inventory management and good governance.

During the year, Retail Operations and Logistics supported the Sales teams by ensuring uninterrupted supplies to the retail outlets, handling more than 25 MMT products at primary and secondary sources. The Terminal Automation System which was introduced in 2014-15 at 16 locations was rolled out at 20 locations during 2015-16 and these locations were declared NANO compliant, thus ensuring seamless operation, enhancing efficiency and boosting cost benefits in the long run.

Infrastructure creation remained a key focus area. The terminal at Jobner has been commissioned in 2015-16. The successful commissioning of the Common User Terminal at Raipur now enables the industry to reap benefits through enhanced capacity utilization and improved production-side economies of scale. Augmentation of Tankage capacities was completed in many locations to ensure product availability in line with market demand. The M. B. Lal Committee recommendations on HSSE improvements were complied with to enhance the safety aspects of depots and installations. In order to enhance safety and security of the product in-transit, a dual biometric access control system was introduced at select locations.

As the business continues to focus on growth, new officers are being inducted in the system. Capacity building amongst the young officers is one of the key focus areas. Centre of Excellence, Retail carried out extensive functional training by conducting programs on operational aspects. Centre of Marketing Excellence was instituted in 2015-16 to build competence in the Sales Team.

Various facets of the Safety Management System are continually reviewed, updated and strengthened for enhancement of efficiencies. Our commitment to ‘Safety First, Safety Must’ is resounded throughout the value chain of the business.

INDUSTRIAL AND COMMERCIAL

The Industrial & Commercial (I&C) SBU, crossed the 4 million tonne mark during its journey in 2015-16. The SBU recorded sales of 4,033.21 TMT and registered an unparalled growth of 13.58% to become the Industry growth leader.

Focusing on HSD as the flagship product for the year, the SBU made history by achieving a growth of 38.58%, the highest growth ever in a single year. The efforts to leverage superior technology and personalized service to enhance profitable volumes paved the way for changing the shape of the Indian HSD market and acquiring the coveted 500 TMTPA mega HSD business of Karnataka State Road Transport Corporation (KSRTC). The mega business involved commissioning of 200 plus depots for KSRTC, which was carried out in record time by a project team formed in the business unit through meticulous planning, execution, logistics and customer relationship.

The SBU also added another 70 consumer pumps during the year in mining, industrial and defence sectors, commissioned railway consumer depots at Varanasi and Lalkuan and supplied winter grade diesel for the first time to the Indian Army.

During the year, the I&C SBU also undertook marketing of Petcoke and Sulphur ex-Bharat Oman Refineries Ltd thereby creating a business opportunity of 600 TMTPA for BPCL. The Business also focused on renewing its relationship with some of the major customers such as Reliance Industries Limited, SI India Pvt. Ltd., Central Reserve Police Force, Border Roads Organization, Border Security Force, Indo Tibetan Border Police, Saint Gobain and many others who prefer to partner with BPCL for its unmatched quality and service.

BPCL continued its growth in the Bitumen product segment and registered a 5.92% growth in 2015-16, thus providing robustness to Indian roads. In order to improve customer service, marketing of imported bitumen was initiated at Haldia to cater to the demand of East and North East regions. In the black oil segment, thrust was given to value generation while retaining existing market share resulting in higher margin contribution to the Corporation.

BPCL has always been driven by the philosophy of providing tailor made products to its Industrial & Commercial customers. Keeping this in mind, significant efforts have been made to further improve the specifications of Hexane. The improved product is expected to suit the requirements of the Pharma Industry, and is likely to be launched in the latter half of 2016-17. In addition, the Industrial and Commercial consumers can also look forward to the availability of Biodiesel in the near future keeping in view the environmental aspects and the need for conservation of fossil fuels (Diesel).

Deregulation in HSD has brought new challenges in the form of competition from the private sector and BPCL is gearing up to face this through its innovative marketing approach and customized offerings. Post completion of the Integrated Refinery Expansion Project in Kochi, BPCL will have additional production capacity in Polymer Grade Propylene, HSD, Sulphur and will also introduce an absolutely new product range in Petrochemicals. The challenge for BPCL would be to market these in the most profitable manner. BPCL is in the process of building suitable competencies for these business segments.

Having consolidated both volumes and margins over the last couple of years, the I&C business is now poised for a quantum leap amidst new challenges in the future.

GAS

The Gas SBU has dealt with approximately 1,088 TMT of Gas during the year. The Gas business unit supplied approximately 268 TMT of Gas to Mumbai Refinery and 102 TMT of Gas to Kochi Refinery for meeting their internal requirements. The balance quantity of approximately 718 TMT of Gas was supplied to various customers in the Fertilizer, Power, Steel, CGD and other sectors. BPCL has also been catering to consumers who are located away from the pipelines by making Gas available to them through supply of LNG by Tank Trucks. During the year, BPCL has supplied 12 TMT of Gas through this mode to around 7 customers.

The Gas Business volumes were affected due to high long term prices compared to low oil and spot LNG prices during the year. BPCL along with other off-takers viz. GAIL and IOCL concluded long drawn discussions on price review and signed historic agreements on long term LNG supply from RasGas, Qatar/Petronet LNG Limited to enable the long term LNG prices to be aligned to the market. BPCL also secured authorization from PNGRB for development of a City Gas Distribution Network in the geographical area of Haridwar District jointly with GAIL Gas. BPCL participated in Bid Round 6 of PNGRB and submitted bids for North Goa jointly with GAIL Gas and for Rohtak, Yamuna Nagar, Sharanpur, Roopnagar on its own. BPCL has since been declared the winner in all these bids and will soon develop these areas to provide clean fuel to customers. BPCL has thus increased its presence to 10 CGD markets in the country.

LUBRICANTS

The Lubes industry in India continues to be extremely competitive with several new players including MNCs entering and competing in the market. The marketing of Lubricants by BPCL was mainly through channels of Retail Outlets, High street shops, Bazaar network, Authorized Service Stations, B2B - Industries and Major institutional customers. The Lubes business has registered a healthy growth of 3.82% during 2015-16 over the previous year with 17.8% growth in Industrial, 16% in Bazaar, 0.4% in Retail and 18.64% in export. Overall the value added sales have grown by 13.9%. The overall growth of the 3 Oil Marketing Companies has been 10.8% for the year 2015-16.

The Bazaar channel has become highly competitive and has also grown during 2015-16 with Brand MAK growing at 16% and the Industry growing at 13.8%. Retail channel growth in 2015-16 was 0.4% which was better than the Industry de-growth of 1.3%.

The Lubes Business has always been the torchbearer of BPCL's overseas aspirations. The business has taken bold and aggressive strides when it comes to international expansion and conducting business beyond borders. Our journey in International markets began with humble beginnings in South Asian markets of Nepal, Sri Lanka and Bangladesh a decade ago. Having consolidated our presence in these markets, the Lubes Business has targeted high potential and growing markets of the Middle East, Africa and South East Asia and during 2015-16, expanded into markets like Bahrain, Kuwait, Qatar, Tanzania and Myanmar.

The network is duly supported by a tailor made product portfolio of Synthetic Engine Oils, revamped packaging and aggressive branding and advertising in local languages like Arabic and French. Overseas Business has been growing at a healthy CAGR of 15.8%, in the last 5 years, in an Industry with global average growth rate of 1-1.5%. During 2015-16, we have achieved an all-time high volume of 5.25 TMT in the international market.

MAK Lubes sales through the retail channel has registered a growth of 0.4% through the widely spread network of 13,439 retail outlets. Regular “Below the line” activities were conducted by BPCL officials to create customer awareness and stimulate secondary sales. In order to boost sales in the rural segment, a large number of enterprising retail dealers in rural areas have been encouraged to explore and market Lubricants in their catchment area outside the forecourt. MAK remained focused in providing excellent customer service at ROs through various service initiatives. These included: MAK QUIK, MAK Dispensers, Product specific campaigns, One Day Wonders and Mega One Day Wonders.

The above was carried out throughout the year to leverage forecourt sales as well as improve visibility of Brand MAK at retail outlets. In co-ordination with the Retail SBU, innovative combo offers were made to customers. Focus ROs were identified in each sales area and various activities and campaigns were conducted to tap the potential. Hoardings, pole mounts and standees were effectively positioned to promote the MAK Brand from retail outlets.

The Bazaar channel remained extremely competitive. The attractive schemes for the customers have helped in garnering higher volume in oil change packs. New packs of certain high potential grades were introduced to tap the existing potential. The Automotive, Industrial and Rural distributor network was consolidated and strengthened in 2015-16. Several engagement programs were conducted to enroll mechanics and position them as brand ambassadors for MAK in the market. To strengthen relations with the secondary customers, several loyalty programs were introduced throughout the year. Superior quality of product with prompt service are important factors for growth in this sector. BPCL has successfully managed both. During the year, MAK has expanded its customer base across segments with specific focus on key growth sectors, especially the Power sector in India. We have received approvals from several turbine manufacturers including Siemens. Several new grades were introduced in this segment, thereby further strengthening our relationship with customers. Despite several competitions on the Original Equipment supply front, with our superior product quality and excellent supply support, we have successfully retained our business share. Our penetration in the Non-Lubes segment continued and we have not only retained our high profile customers but inducted a few more major customers in this segment.

In appreciation of our superior quality of products, excellent supply and service commitments, MAK has been awarded by several esteemed direct customers during the year.

BPCL has consolidated its market presence in SAARC countries like Nepal, Sri Lanka and Bangladesh and increased its market share substantially. Apart from consolidating existing business, MAK has entered into a few of the Middle East and African countries like Kingdom of Saudi Arabia, Bahrain, Qatar, Oman, Kuwait, Sudan and Egypt for marketing of Lubricants by appointing exclusive MAK distributors for these markets. New packs as well as new products were introduced for these markets to tap the potential. In addition to exclusive distribution arrangements in the above countries, MAK has also cemented its presence in some African countries like Congo, Uganda, Angola, Tanzania, Burundi and Rwanda through the merchant export route. Training of distributors' staff and branding activities were the most important initiatives undertaken in all export markets.

Several "Above the line" and "Below the line" activities were conducted throughout the year to promote Brand MAK. Major initiatives include audio-visual advertisements on television and radio, advertisements in magazines, especially automotive magazines, branding in ROs/wall painting/Retailer Boards, hoardings, bus shelter campaigns, participation in exhibitions/college fests, Rural melas and Rural activation programs.

During the year, 20 cities have been MAK branded with extensive branding and 'Below the line' activities. The MAK cities have leveraged growth in the Bazaar channel and have created brand pull in these locations, leading to increase in volume in these cities.

In addition, transformational retailer branding as well as Garage branding and converting them to MAK outlets has increased the visibility of MAK in the market. Several secondary customers are now approaching MAK for similar branding.

The Indian Lubricants market is expected to grow at a CAGR of 3% as per KLINE report - a leading consulting firm specialising in market research in the energy sector. The gradual shift from mineral based to semi-synthetic/ synthetic lubricants continued but the demand for mineral based Lubricants also continued to grow. The high end vehicle manufacturers in the Indian market preferred Synthetic Lubricants and promoted their tie up with global Lubricant MNCs even in the Indian market.

OMCs are likely to continue their aggressive marketing policy to retain their market share. Projections for the automotive as well as the industrial sector remains strong. Recognising the potential available BPCL has taken a very aggressive growth target in the reseller market. Expansion of distributors in the rural segment shall remain the area of focus. Increased sales through the Retail channel will pose a challenge and hence several initiatives will have to be undertaken throughout the year to promote secondary sales in the Retail channel. With this focus it is expected that BPCL will grow its market share substantially in the coming years.

LPG

The LPG SBU registered sales of 4,874 TMT, recording overall growth of 8%. Reaching out to customers by making clean cooking fuel available to the households in every part of the country continued to remain a strategic thrust of the LPG SBU. During 2015-16, the LPG SBU enrolled 50.9 lakhs new customers, surpassing its previous year enrolment of 48.9 lakhs, taking the domestic customer base to 506 lakhs by the end of the year. 95% of applicants, who registered for new connections were released LPG connections in a maximum waitlist period of 7 days. 28.6 lakhs customers were supplied with a double connection. To support the extended customer base, BPCL issued a Letter of Intent to 129 Regular and 46 Gramin LPG Vitraks and commissioned 253 Regular Distributors and 203 Gramin LPG Vitraks, taking the total number of Distributors to 4,494.

During the year, the LPG SBU successfully accomplished the PAHAL project of Government of India, thereby enrolling 153.02 million customers as cash transfer compliant. By end March, 2016, ₹ 30,818 crores were transferred directly to customers' account (₹ 502 crores as permanent advance and ₹ 25,316 crores as subsidy transfer).

BPCL has taken several online customer-centric initiatives under the guidance of MoP&NG for providing efficient and citizen friendly services. BPCL launched the facility of releasing new LPG connections with online payment and issuance of Electronic Subscription Vouchers (e-SV). The facility, under the Digital India initiative, was launched in Delhi on 1st May 2015 and then was extended across pan India in a phased manner from 30.08.2015. This initiative eliminated multiple visits to the distributor's showroom by the prospective consumers for completing the formalities. It also reduced the time taken for release of the connection as the tracking option for the application was available online with SMS/Email alerts to the customer at each stage. BPCL also introduced a SmartLine number 1800224344 to attend to all complaints of LPG customers. In January, 2016, Hon'ble Minister, MoP&NG launched the facility of 24x7 Emergency Helpline 1906 (toll free) to attend to leakage complaints of LPG consumers. BPCL converted 9,626 villages as Smoke free villages by releasing LPG Connections under CSR Schemes.

Hon'ble Prime Minister formally launched the 'GiveItUp' movement on 27th March, 2015 in Delhi when he appealed to our countrymen, to give up their LPG subsidy depending upon their financial capability. The GiveitUp target of one crore thus was achieved on 21st April, 2016. Bharatgas was awarded Asia's Most Admired Brand 2014-15 in May, 2015 by World Consulting and Research Corporation.

LPG Plants in BPCL maintained their record of best practices in HSSE along with improvement in productivity and cost leadership, benchmarking with the Best in the Industry. For the 6th consecutive year, BPCL was awarded the 'Best LPG Marketing Organization' by Oil Industry Safety Directorate. As part of the safety initiative, BPCL got VTS installed in all 3,600 Bulk LPG Tankers, which has resulted in no night driving apart from monitoring the on road performance of transporters and their crew.

Realizing the scarcity of skilled drivers in the country, and as part of a 'Special Safety Drive', BPCL trained 710 Bulk LPG Tanker drivers, thus contributing to the nation in creating a pool of skilled drivers. This will be followed by another 2,000 drivers in 2016-17. Many drivers were enrolled under Bharat Arogya Yojana, a welfare scheme specially launched by BPCL.

During the year 2015-16, BPCL had installed capacity of 3,363 TMTPA (achievable capacity 4,943 TMTPA). In line with the demand, 4,596 TMT filling was carried out in 50 bottling plants. Plans have been drawn for setting up new LPG Bottling plants at Bokaro, Raipur, Bolangir and Vizag. Additionally, BPCL is progressing with upgradation of a micro LPG Plant at Baitalpur to a regular OISD-144 Compliant plant. A new cross country LPG pipeline has also been planned from Kochi to Palakkad to evacuate increased production of LPG from Kochi Refinery, while making bulk LPG transportation cost effective, safe and environment friendly.

BPCL has also planned a 1.0 MMTPA Terminal at Haldia to take care of LPG import for Eastern Region, where demand is increasing exponentially. In order to ensure timely product evaluation in an efficient and cost effective manner, loading facilities at Bhitoni and Coimbatore are being augmented on top priority.

Under the Pradhan Mantri Ujjwala Yojana (PMUY) Scheme for providing free LPG connections to women from BPL households, in the current year the OMCs shall release 1.5 crore new connections. The next two years, i.e. 2017-2019, shall see another 3.5 crores under the scheme, taking the total BPL connections to be issued to 5 crores. The initiative is time bound, sensitive involving lives and livelihood of people, and has to be implemented in 'mission mode'.

The identification of eligible BPL families will be made on the basis of Socio-Economic Caste Census 2011 (SECC) data. The scheme proposed to provide ₹ 1600 per household to cover the security deposit for a 14.2 kg cylinder and the regulator.

AVIATION

The Aviation Business had another outstanding year with the focus on acquisition of new businesses, expansion of network, optimisation of manpower and upgrading of technology. World class standards in Quality Control, Safety and Services have been the bedrock of the business strategy that has yielded rich dividends.

During the Financial Year 2015-16, major airlines like Emirates, Qatar, British Airways, Etihad Airways and Spicejet were retained in the portfolio through upgraded service standards and astute commercial offerings. The SBU expanded its customer portfolio in both domestic and international segments through acquisition of Ethiopian, Kenya Airways, Air Canada, UPS, Air Vistara and Air Asia. BPCL's association with the flagship national airline Air India was reinforced by successful doubling of market share to 16%.

The sales volume of 1,282.57 TMT that was achieved corresponded to a market share of approximately 22.78% in the civil segment. In the domestic segment, there was growth of approximately 6%.

In the defence segment, BPCL's growth was approximately 7%. The Company was successful in gaining the prestigious award for operating and management of ATF supply at Panagarh Air Force Station. The Aviation Fuelling Station at Thanjavur, which was awarded earlier, has also been commissioned. After the commissioning of Panagarh, the IAF bases with BPCL would increase to six.

BPCL has also expanded its network and commissioned three new Aviation Fuelling Stations (AFS) i.e. Chandigarh, Trichy & Lucknow. Commercial operations have commenced at these 3 new airports. With a view to enhance customer service, the extension of the Hydrant Line at Cochin International Airport and Gwalior Air Force base were undertaken and completed. Additional tankage at the existing AFS at Calicut and Chennai were completed and commissioned to consolidate our logistic capabilities. ATF tankage at Borkhedi was also commissioned during this period. Mechanical job of the pipe-line hook-up at Devangonthi has also been completed to improve operational efficiency. In order to optimize and ensure cost efficiency, rake movement from Numaligarh Refinery Ltd to New Jalpaiguri and Haldia to Budge Budge have been initiated.

BPCL and Cochin International Airport Ltd have signed a MOU for extending the arrangement for operating the Hydrant Fuel Farm for a period of 30 years. Construction of the new airport at Kannur in Kerala is at an advanced stage and the test flight was flagged off recently. This greenfield Kannur International Airport Ltd., where BPCL has a 21.68% equity participation, is likely to be commissioned in 2016-17. Construction of the Aviation Fuel Farm is also progressing.

In order to ensure optimal cost efficient operations at smaller airports, BPCL has used containerized units at new locations, which have now been indigenized and is being built by Indian vendors. During 2015-16, BPCL took over the operations and management of Aviation Fuel Facilities at both the domestic and international airport at Mumbai. The Operations and Maintenance contract has been awarded to BPCL for a period of 5 years.

The Aviation SBU has taken several initiatives such as 'Manthan' and 'Milan' for developing harmonious communication at upcountry AFSs. Synergy programs have been started for outsourced locations by BPCL coaches.

The Aviation Business took the lead on an industry basis along with PSU and Private Oil Companies and spearheaded the revision of "Civil Airworthiness Requirements" with approval from Director General of Civil Aviation (DGCA). As a learning organization, BPCL laid emphasis on training and conducted an "Intensive Operations Refresher Course" for team members as well as external candidates from the Indian Air Force. It also conducted a customized quality training program for Refinery personnel of Reliance Industries Limited.

The SBU accords the highest priority to safety and worked in tandem with HSSE objectives for safe operations. Nil LTA has been recorded in 2015-16. Live Fire Training was conducted for a large number of personnel at designated training centers in Vadodara and Bina.

BPCL's flagship location at Cochin was awarded the 1st prize in safety by the Kerala Government. Gwalior AFS was given the "Sarvashreshtha Award" by National Safety Council.

During the Financial Year 2015-16, the Aviation Business achieved creditable financial results. The foundation has been laid for harnessing the growth that is imminent in the Aviation Sector in India.

NEW BUSINESS INITIATIVES

New Business Initiatives (NBI) has been formed to analyze the consumer preferences, emerging competitive landscape and expanding digital footprint in India and accordingly to develop a long term business strategy to create sustainable competitive advantage through enhanced customer offerings. With customer centricity at its core, New Business Initiatives is working in four domains which are BPCL First, Customer Care System, Analytics and Project Nishchay.

The foundation of BPCL First was laid on 16th August, 2012, with a vision of creating a differentiation in the minds of customers and making BPCL the most preferred brand. The objective has been to concentrate the efforts at all BPCL First locations on fostering cross-business collaboration and building a sustained culture of customer centricity. The four pillars of BPCL First are: Enhanced Customer Service, Improved Visibility across all touch points, Effective Complaint Redressal System and Customer Interactions. With the successful roll-out of the BPCL First initiative across the country, BPCL has moved a step closer to realising this objective.

BPCL's Customer Care System (CCS), is a platform that has made it possible for customers to connect directly to the Company and its vast marketing network. BPCL SmartLine (Toll free number - 1800224344) was expanded to All India in 2015-16, making it possible for a customer located in any corner of the country to get in touch with BPCL, share his/her query or concern and seek a response in the quickest possible time.

To deliver the promise on ground in a prompt and sustained manner, Effective Complaint Handling - an exhaustive workshop on Customer Engagement was rolled out in 2013-14 for all Territory Managers, Location In-charges, Territory Co-ordinators, Sales Officers, Planning Officers, SmartFleet and COCO Officers. 30 such workshops have been conducted covering over 650 Officers across the country. Visionary Leadership Programs have been conducted extensively for multiple teams across businesses to set a common goal of customer centricity and work towards achieving it in a structured manner.

BPCL has put in place an Analytics Team to set up Analytics practice in BPCL. The analytics journey in BPCL has progressed with identification of specific areas in each business for working in this field and establishing processes for generation of insights.

With the deregulation of fuel prices, a totally fresh perspective of customer facing strategies has become imperative and BPCL is seizing the opportunity to have a unique integrated non-fuel strategy to enhance our customer experience beyond fuel. Project Nishchay has been launched to develop the vision and business strategy for multiple non-fuel businesses with the objective of achieving breakthrough growth through enhanced customer offerings. It is a strategic move with impact across the organization involving a comprehensive transformation program.

BPCL plans to offer a bouquet of physical and digital non-fuel offerings to our various customer segments through the four Business themes. The Rural Marketplace is a one stop marketplace, enabling rural citizens to access a wide variety of services touching all the aspects of their lives - personal, social and commercial. BPCL envisages transforming our rural retail outlets into bustling marketplaces with multiple services at a single point. Commercial offerings will be delivered through digital kiosks such as assisted e-commerce for lifestyle product categories e.g. apparel, electronics, home and kitchen accessories; financial services like money transfer, money withdrawal will be provided. Allied services like mobile recharges, bill payment, ticket booking will be made available. Community services like vocational education and Agri advisory will be introduced. In addition, offerings like two wheeler servicing will also be present in the same physical infrastructure. Digital kiosk driven offerings will also be extended outside BPCL retail outlets in the nearby areas. There will also be Agri-warehousing services, which will be a standalone B2B business.

Integrated Fleet Management (IFM) is an end-to-end service for fleet owners as well as vehicle drivers across the business value chain. Today, fuel amounts to 45-50% of a fleet owner's expenses and the rest of the expenses are fragmented across multiple service providers. IFM envisions leveraging its relationship with fleet owners for providing one touch point for most of their requirements and pain points. Integrated Fleet Management will offer end-to-end services for commercial vehicle owners and drivers, viz., Business Development platform for freight exchange, vehicle maintenance services, driver management, operation management services (like cash withdrawal, telematics), finance and insurance and driver services (like food, health, emergency, financial inclusion).

Personal Travel Offering is a comprehensive set of services to meet the travel needs of customers during travel as well as between the travel. It is targeted at car owners who are enthusiastic about road trips as well as those seeking quality services within the city. With this offering, BPCL envisages to become the one stop solution for helping customers plan their weekend getaway/find a new location to travel to, decide which route they should take based on the latest information available (road conditions, distances), view and review various facilities (clean toilets, restaurants, service centers) along the highways that have been curated and checked. These services include hotels, points of interest, pharmacies, fueling stations, PUC, car wash, car maintenance, car insurance and digital wallet, book self-drive cars, drivers and Road Side Assistance. There are several players in the market that provide one or more of these services but BPCL, across its physical and digital play, intends to become an end-to-end partner for personal car travel.

Urban Household Solutions (UHS) is a one-stop, omni-channel shop for regular household needs for urban customers, across goods and services. It aims at fulfilling regular food and grocery needs (at a monthly/weekly frequency) for households, targeting the rapidly changing trends in customer purchases and use of technology. BPCL aims at utilizing its existing connect with its vast customer base and extensive dealer and distributor network to provide this offering. It will be a one-stop shop for the customers with a wide assortment and deep variety of products available. Pricing of these products will be competitive in the market. UHS is envisaged as an omni-channel offering with seamless physical and digital presence to fulfill the regular needs of households. Over time, BPCL will also introduce private label products, especially for unbranded items to provide guaranteed quality and low prices for customers.

During this project, we have identified and analyzed disruptive trends to develop new markets by addressing customer's undiagnosed, unstated and unmet needs and create new touch points for them.

HUMAN RESOURCES

Leveraging talent and technology is an intrinsic part of our vision statements. HR is playing a significant role in facilitating the organization achieve its ambitious growth aspirations as laid down in the corporate strategy document for the next five years. To translate BPCL's vision into reality, significant investment has been made to create a robust leadership pipeline and build organizational capability aligned to business goals. Accordingly, 228 employees have undergone the flagship 3-Tier Leadership Programs viz. eXcaliber, eXceed and eXcelerator and 45 employees have been sponsored for Executive MBA. Besides, 21 Senior Leadership role-holders have been sent for Executive Development Programs to leading global business schools like Harvard, INSEAD, Wharton and Tuck. These intense programs have witnessed a participation of managers at all levels and have become nurturing grounds for top leadership. Moreover the functional learning framework, specific to each SBU and a few entities, was launched during 2015-16 with the aim to develop essential functional skills required by them to effectively perform their role in Sales, Operations, HSSE, HR, Finance, and other functions. To cater to these functional needs, Centres of Excellence have been institutionalized in the Retail and LPG businesses with a vision to equip individuals to take on emerging challenges in business and to sustain BPCL's leadership in the marketplace.

The talent portfolios and outcomes derived from the 360 degree feedback process (covering 2,800 staff) were used to have Career Dialogues and draw focused Individual Development Plans by management staff and their line managers. To help the line managers hone their skills of giving feedback and gain confidence to conduct such dialogues, a series of workshops was conducted covering around 500 managers. Additionally, a dedicated team of full time coaches has been working in areas of building coaching competency of line managers, creating self-directed, collaborative and high performing teams and creating a happy and healthy workforce by helping harness emotions. They have steered 117 programs in such areas covering 2,422 employees during the year 2015-16.

Results of the Employee Engagement Survey show that BPCL is positioned in the uppermost quartile of engagement. To win the 'hearts and minds' of diverse employee groups, BPCL has sustained several innovative interventions like 'Daksh Manch' that recognizes exceptional contribution of workmen at the grass root level, 'IDEAS' that empowers employees to make a meaningful contribution to the Company's growth through their innovative ideas and 'YouNGAGE' to meet the aspirations and expectations of millennials; thereby ensuring high level of engagement and performance across cadres.

The focus on people and their development will continue as it is the organization's belief that it is the human resource which leads a Company through this challenging and volatile environment and ensures sustained value creation.

The total manpower strength as at 31.03.2016 was 12,623. During the Financial Year 2015-16, 429 Management staff were recruited and 188 Management Staff resigned from the service.

EMPLOYEE SATISFACTION ENHANCEMENT

With the core value of 'Connecting with employees' for 'Employee wellness' and 'Proactive grievance handling', Employee Satisfaction Enhancement Department organized 90 varied interventions across regions, locations and refineries. All grievances were redressed well in time. ESE conducted more than 63 meetings and visited about 39 locations to proactively interact with employees and increase awareness. Various meetings with SBU Heads, Regional Councils, Business Councils, key role holders from business such as Territory Managers, Territory Coordinators and Location in-charges were held. Manager referral sessions and sessions for retiring employees were also held. Regular feedback and reporting was done to Management.

The first ever International Yoga Day was celebrated by ESE in all Regional Offices, Mumbai Refinery, Kochi Refinery and at some locations with quality programs on Yoga and Pranayam with practical demonstrations. More than 650 employees participated in the Yoga programs. Unique ailment-focused and practical sessions on Yoga were organized throughout the year at Mumbai Refinery, Sewree Installation and Lubes Plant Wadibunder. With focus on awareness about a healthy lifestyle, ESE organized many programs on Naturopathy, Ayurveda, Lifestyle modifications for better cardiac health and cancer awareness. ESE partnered with Watch Your Health to launch a unique initiative of 'Know Your Health score' for our employees. Employees were given a link and a detailed survey about their lifestyle and health was conducted online. Around 2,000 employees benefited from this activity and understood their health score.

With the upcoming festive season in mind, 'ESE Fest' was celebrated in the first week of October with varied programs for employees like emotional well-being talks, yoga sessions, cardiac health and lifestyle change talks, skits by BPCL employees on ESE activities, book exhibitions, rendezvous with famous theatre personality Mr. Saurabh Shukla and many more. ESE took a step further in employee connect with a theme-based quarterly e-magazine 'ESE Connect'. The 'ESE Fest' which also included 2 contests was hugely appreciated by employees.

Interdependence of emotional wellbeing and physical well-being was highlighted through various programs on stress-management like 'Building resilience to stress', 'Bollywood & stress management', 'Heartfulness meditation', 'Mind Gym' and 'Art of thinking'. Programs to create positivity and improve engagement like Swa-samvad, Manovikas, A happy self, You can win, Joy of work were held across locations. Peer counselor groups were formed at Mumbai Refinery, Kochi Refinery & Numaligarh Refinery as a first aid emotional support for early help to employees and training sessions were organized for them. For employee engagement, various programs on financial planning, tax planning, art of photography and healthy cooking were held. All activities conducted by ESE were appreciated by employees and received the enthusiastic response and participation.

Contests and quizzes not only challenge our brain but also act as an interesting way to enhance our knowledge. ESE conducted contests on hypertension, diabetes and heart health to create awareness among employees about these ailments. A contest on Employee Assistance Program (EAP) 'Roshni' was also organized to make more and more employees aware about the EAP. The 'Biggest loser wins' contest was organized at Corporate Office where guidance from experts was provided to employees for diet and exercise for 10 weeks for healthy weight loss. It motivated participants and others as well to start making positive lifestyle changes.

An Industry Forum on Employee Wellness was organized to get an insight into various Wellness initiatives across the industry. Companies (private and public) from various sectors like Johnson and Johnson, Glaxo Smithkline, Lloyds Register Asia, Larsen & Toubro, Castrol India Ltd., Aditya Birla Group, The Shipping Corporation of India Ltd., HPCL, The Taj Group, Mangalore Refineries, IDBI Bank and the host, BPCL participated in the forum. Presentations covered topics such as Employee Wellness-how and when they started, the scope and frequency of the programs, the type of wellness programs conducted, the response, benefits, issues faced, proactive steps to improve the total well-being of the employees and the role of EAP (Employee Assistance Program) in promoting Wellness Programs. This initiative, the first of its kind at an industry level, was well appreciated by all participating organizations. A social media group has also been created for continued sharing of best practices.

INTEGRATED INFORMATION SYSTEMS

Leveraging technology for better business process management has always been the prime focus area for the IS team. Several IT enabled initiatives were taken up during the year which added immense value to the businesses.

The IS team supported implementation of the Vendor Invoice Management process for the newly setup Business Process Excellence Center (BPEC). BPEC has been conceived as a Shared Services Centre where transactional processes that are common across businesses, are standardized and consolidated on to a process platform, in order to gain process efficiency. BPEC is envisaged as a digital, paperless office, where presently vendor invoices (currently non hydrocarbon) are being received, digitized and processed.

Many "Market & PAHAL" related requirements in LPG were completed and delivered with notable improvements in processes coupled with enhanced controls/validations wherever applicable. A process for auto indenting of products for Company Owned Company Operated Retail Outlets through interfacing with the Retail Automation system was implemented. This enabled a system driven indenting process bringing transparency and efficiency in the process.

Hospitality/safekeeping of products in collaboration with other OMCs is a critical process for product availability across the country. The process was streamlined and standardised in SAP for better accounting of transactions performed with OMCs. An application was implemented for Transport Tender Data, thereby capturing the data pertaining to all transport tenders and vehicles in the application, thus enabling better management of transport tenders and vehicles used for transportation of products.

LPG Demand Planning by Distributors has been enabled. Distributors are now able to submit their demand planning at the Stock Keeping Unit level based on the demand plan finalized by the respective Sales Officers resulting in better planning. Implementation of New Pension Scheme (NPS) and tax computation for Kochi Refinery Trust were completed during the year. A system solution was enabled for reconciliation of NPS, faster clearing of backlog and purchase of annuity for ex-staff at Kochi Refinery.

HR related initiatives were taken up for implementation during the year. Online transactions through the workmen portal, e.g. Leave, Medical and Tax exemption were enabled. An online appraisal for workmen was also enabled through the SAP Portal. Many Talent Management initiatives like Individual Development Plan (IDP) based on 360 degree feedback have been enabled during the year.

In our endeavour to offer services through Mobile, a new Mobile platform was launched during the year with many features which include online submission and approval of leave requests, approval of travel requests and emergency contacts. Business related features like removal of credit block for the sales role holders was also enabled. This is being further enhanced and more value added features will be rolled out in the near future.

SAP Business Warehouse, our strategic analytics tool was migrated to the latest in-memory technology - SAP BW on HANA platform. Business Objects, a new reporting tool was also implemented for better user experience.

SAP GRC (Governance, Risk and Compliance) solution is being extensively used to mitigate risks associated with segregation of duties and principles in system access governance.

On the infrastructure front, BPCL has implemented Private Cloud and initiated many projects for improving network connectivity with enhanced security posture for all IT applications using state-of-the-art hardware and software. Deployment of Private Cloud has helped in reduced power and cooling consumption within the Data Centre thus reducing our carbon footprint.

HEALTH, SAFETY, SECURITY & ENVIRONMENT

At BPCL, Health, Safety, Security and Environment (HSSE) along with Sustainable Development is a fundamental component of business planning and strategies. All the SBUs and Entities adhere to the principle of ‘Safety First, Safety Must’.

Across locations, all the critical processes, systems and their implementation were reviewed to bring clarity in responsibility and accountability. Initiatives were taken to strengthen monitoring and governance practices. For all the incidents, thorough comprehensive analysis along with incident reporting was done. Reporting flowcharts were developed and communicated across locations, to ensure precision in reporting all minor and major incidents.

Asset integrity and safety are given utmost importance at BPCL. Assessments are carried out to secure the integrity of all BPCL locations, pipelines and railway siding facilities. After the assessments, necessary action plans were drawn to ensure that all our assets render safe operations.

At workshops conducted in all four regions, inter/intra organizational best practices were discussed and commitments were also adopted for systematic improvements in safety and security aspects. All locations were covered under internal audits and action plans were developed and implemented.

Mock drills were conducted at all locations and recommendations for improvement were documented and implemented. To ensure that there was no recurrence of any minor or major incident, detailed root cause analysis was done and reported. The learnings from the analysis were shared with locations for safer operations and adoption of best practices. The security apparatus was also analysed at all locations and refineries with an appropriate check on the deployment of competent personnel and systems.

The online sustainability development tool has been of great advantage for capturing data from all locations. The Sustainable Development plans were also executed successfully this year. Environmental Footprint study has been initiated at four locations to understand their impacts. The total catchment area under rain water harvesting has increased to 530,475 sq. m. Total energy efficient lighting of capacity 3,260.63 kw have been installed across BPCL. Also, the installation of renewable energy has resulted in saving of 11,051 MWH of conventional energy and mitigated emissions of 8,951 MT carbon dioxide equivalent (CO2e).

BPCL has also adopted the leading global framework for developing its sustainability report, Global Reporting Initiative (GRI) G4. BPCL was one of the first Oil and Gas companies to publish its report in accordance with the latest framework. BPCL has been publishing its Sustainable Development Report for the last 8 consecutive years. All these reports were assured by an independent third party Assurance Provider as per AA 1000 AS (2008) and ISAE 3000 international standards of assurance.

BPCL has been a front runner in establishing itself as a leader in sustainable development activities. Sustained efforts of BPCL towards making its Sustainability Development performance visible in the public domain with more and more transparency has been very well recognized by the prestigious institute, Indian Chambers of Commerce (ICC) by felicitating BPCL with the "Corporate Governance and Sustainability Vision Award-2016".

INTERNATIONAL TRADE AND RISK MANAGEMENT

International Trade and Risk Management (ITRM) set-up ensures timely supplies of the right crude oil to BPCL Refineries. Priority is given for procurement of domestic crude oil for operating refineries. Post MoP&NG review of indigenous crude oil allocation to the Oil Industry, BPCL was allotted 5.38 MMT of Mumbai High crude during the year 2015-16 compared to 5.29 MMT in the year 2014-15. To meet the higher crude oil processing requirement of 23.30 MMT during 2015-16, compared to 22.75 MMT during 2014-15, ITRM imported 18.47 MMT of crude oil during 2015-16, compared to 18.15 MMT during the previous year 2014-15.

In order to meet the increasing demand of light and middle distillates, our Refineries had greater requirement of light low sulphur crude oil. The Company imports the majority of high sulphur crude oil from Middle East Gulf region on term basis, whereas low sulphur crude oil grades were imported on term as well as spot basis from the Far East, West Africa and Mediterranean Region. Thus, the ratio of Term to Spot procurement accordingly changed from 81:19 in the year 2014-15 to 72:28 in the year 2015-16.

Crude oil global benchmark prices fell from around USD 65 per barrel in May, 2015 to around USD 25 per barrel in January, 2016 and thereafter rose to above USD 40 per barrel by end of 2015-16. Brent-Dubai differential is an important determinant to decide operation of the Refinery on low sulphur crude oil or high sulphur crude oil within the configuration constraints. The differential widened during the second half of 2015-16. The Brent-Dubai differential was USD 1.90 per barrel for the year 2015-16 which remained largely unchanged as compared to the previous year.

ITRM continued its efforts for seeking better terms and conditions with crude oil suppliers, expanded the vendor base, added new grades of crude oil and opened up new avenues for procurement. During the year 2015-16, the Company imported 18.47 MMT crude oil at the FOB cost of USD 6.51 billion (₹ 42,597 crores) as against FOB cost of 18.15 MMT crude imported amounting to USD 11.66 billion (₹ 71,137 crores) in the previous year. The average price paid by BPCL for the crude oil imported during the year 2015-16 was USD 46.89 per barrel as compared to USD 85.44 per barrel in the previous year. These are marginally higher than the average cost of Indian basket of crude oil at USD 46.25 per barrel in the year 2015-16 and USD 84.16 per barrel in the year 2014-15, as 55.3% of crude oil imported by BPCL was low sulphur crude oil, whereas the share of low sulphur crude oil was only 27.7% in the Indian basket of crude oil, in the year 2015-16. The total foreign exchange outgo on account of imports of crude oil (including high sea sales and excluding high sea purchases) during the year 2015-16 was USD 6.60 billion (₹43,239 crores) as against USD 11.79 billion (₹71,916 crores) in the previous year 2014-15.

To optimize shipping costs, ITRM used a mix of shipping options like Contract of Affreightment (COA), Time Charter and Voyage Charter tankers of different sizes to transport crude oil from the Far East, Middle East and West African countries. BPCL has a COA with Shipping Corporation of India valid till September, 2016 with an option of further extension for one year. During the year, BPCL hired one Suezmax tanker under Time Charter for transportation of crude oil ex Arab Gulf. Out of the total 18.47 MMT crude oil imported by BPCL in the year 2015-16, COA vessels transported 2.64 MMT, Time Chartered vessel transported 0.46 MMT and the remaining 15.37 MMT was transported by Voyage Chartered vessels. The freight cost for import of crude during the year 2015-16 amounted to USD 229.10 million (₹ 1,500 crores) compared to USD 203.62 million (₹ 1,245 crores) in the year 2014-15, as the international freight market had firmed up during the year 2015-16.

During the year 2015-16, IT operations handled 158 tankers involving single-port discharge as well as 5 tankers involving two-port discharge. Mumbai Refinery received its crude oil from 101 tankers and Kochi Refinery received its crude oil from 67 tankers. All the tanker operations during the year were handled with the highest standards of safety and timeliness for uninterrupted supply of crude oil. In order to minimize demurrages, the Company plans and closely monitors the loading and discharge operations and timely berthing of vessels.

Import of LPG increased marginally to 2.105 MMT during the year 2015-16 compared to 2.04 MMT during the year 2014-15. However, the purchase value declined to

USD 848 million (₹ 5531 crores) in 2015-16 compared to USD 1,372 million (₹ 8,379 crores) in 2014-15, due to decrease in global prices of LPG by around 40 % in 2015-16 compared to 2014-15.

The total foreign exchange outgo on account of imports of LPG (including high sea sales and excluding high sea purchases) during the year 2015-16 was USD 737 million (₹ 4,811 crores) as against USD 1,195 million (₹ 7,309 crores) in the previous year 2014-15.

On the export side, export of refined petroleum products reduced to 1,888 TMT during the year 2015-16, as against 2,203 TMT in the year 2014-15, by maximizing distillate production. Naphtha exports declined slightly to 1,027 TMT in the year 2015-16 compared to 1,040 TMT in the year 2014-15 and its realization decreased to USD 430 million in the year 2015-16 compared to USD 731 million in the year 2014-15. Fuel oil exports declined to 726 TMT in the year 2015-16 compared to 967 TMT in the year 2014-15 and its realization decreased to USD 152 million in 2015-16 compared to USD 454 million in 2014-15. Export of Benzene, however, increased slightly to 49 TMT in 2015-16 compared to 45 TMT in 2014-15. However, the realization was USD 30 million in 2015-16 compared to USD 42 million in 2014-15, due to depressed global Benzene prices.

The Derivatives Desk was successful in protecting the operating cost of BPCL Refineries by covering Refinery margins through the instruments of hedging in the international market. In the wake of rising volatility in the dynamic global oil market, BPCL remained steadfast in its hedging activities while complying with regulatory requirements. Freight costs of Voyage Chartered vessels and bunker costs of Time Chartered Vessel were effectively hedged during the year.

All the risk management activities are reviewed by Risk Management Committee and Risk Strategy Committee from time to time. Regular reviews of hedging positions and credit exposure of the counter parties are undertaken.

RESEARCH & DEVELOPMENT

To keep pace with current market trends and demands, the Research and Development Centres of BPCL are proactively engaged in the development of cleaner fuels/fuel additives and innovative products/process technologies to reduce environmental footprints while improving the Company's profitability. Bharat Petroleum has R&D facilities at three locations: Corporate R&D Centre - Greater Noida, Uttar Pradesh; Product & Application Development Centre - Sewree, Mumbai and the R&D Centre at Kochi Refinery. The Research and Development Centres of BPCL also provide advanced technical support for Refinery processes, lubricant formulations and improved product/process developments.

Bharat Petroleum received the "Innovator of the year- Team (for the year 2013-14)" Award from Petroleum Federation of India-for the development and commercialization of indigenous cost effective Gasoline Sulphur reduction catalyst for Fluid Catalytic Cracking units in Refineries. The other major award received by BPCL was CSIR Technology Award-2015 for LPG Merox Thoxcat ES Catalyst technology. These awards showcase the success story and contribution made by R&D centers of Bharat Petroleum in developing cost effective and innovative products. BPCL R&D has undertaken and successfully completed all MOU projects as per DPE guidelines.

BPCL R&D Center has taken up a major green initiative for promoting renewable energy by installing state-of-the-art 1.05 MW ground mounted grid interactive solar power plant to partially meet the in-house energy needs. This has been a significant milestone for BPCL's commitment towards the planet and people through sustainable development.

In the past few years, BPCL R&D Centres have received significant global attention through collaboration with reputed foreign universities and institutes from Australia, United Kingdom and Norway. The BPCL R&D centers have acquired significant knowledge in the areas of synthetic fuels, synthetic lubricants and super adsorbent polymers. The Centres have produced more than 80 patents in last ten years and aspire to contribute significantly to the "Make in India" initiative to become a world class technology solution provider in the near future.

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

Corporate R&D Centre has taken a new initiative in promoting and supporting clean energy research. Significant progress has been made by Corporate R&D Centre on major national and international collaborative projects, initiated earlier in the emerging areas of natural gas conversion to methanol and di methyl ether, CO2 utilization and conversion of coal to liquid fuels and super adsorbent polymers. Similarly, a small plant for conversion of organic waste and biomass to fertilizer has been set up. To increase yields a novel Genotype Jatropha plantation project has been taken up along with 'The Energy and Resources Institute (TERI)'.

During the year, BPCL R&D filed 6 new indian patents and were also granted 6 international patents. BPCL continued its research collaborations with a number of leading research institutes and made substantial progress. Some of these include Engineers India Ltd., Indian Institute of Petroleum, Indian Institute of Technologies, Institute of Chemical Technology, Delhi University, Birla Institute of Technology and Science, Goa, while international partnerships are with Process Systems Enterprise Limited, UK, Norwegian University of Science and Technology, Norway, CSIRO-Clayton, Royal Melbourne Institute of Technology and University of Melbourne to develop cutting edge technologies through fundamental research and innovation.

EXPLORATION AND PRODUCTION OF CRUDE OIL AND GAS

The operations of BPRL are carried out through Subsidiaries and Joint Ventures, both incorporated and unincorporated, in India and abroad. BPRL currently has participating interest (PI) in seventeen blocks spread across six countries. Out of these blocks, seven blocks are located in India, which were acquired under different rounds of New Exploration Licensing Policy (NELP) and ten blocks are located overseas. Most of the blocks are in advanced stages of exploration, appraisal and pre-development. The total area of these seventeen blocks is around 24,375 sq. km. of which approximately 88% is offshore acreage.

BPRL has a wholly owned Subsidiary Company, BPRL International BV, in the Netherlands, which in turn has three wholly owned Subsidiary Companies viz. BPRL Ventures BV, BPRL Ventures Mozambique BV, and BPRL Ventures Indonesia BV. BPRL Ventures BV has 50% stake in IBV Brasil Petroleo Limitada, which currently holds PI ranging from 20% to 40% in six blocks in offshore Brazil. BPRL Ventures Mozambique BV has PI of 10% in a block in Mozambique, and BPRL Ventures Indonesia BV holds PI of 12.5% in a block in Indonesia. Further, BPRL has a wholly owned Subsidiary Company, Bharat PetroResources JPDA Limited in India which holds a PI of 20% in Block-JPDA 06-103, in Timor Leste. The PIs in blocks in Brazil, Mozambique, Indonesia and Timor Leste are held through these subsidiaries. Further, the PI in respect of blocks in India and Australia are held by BPRL along with other consortium members.

In Mozambique, BPRL, through its overseas Subsidiary Company, holds 10% PI in the Mozambique Area 1 block. The other consortium members in the block are Anadarko 26.5%(Operator), Beas Rovuma Energy Mozambique Limited (10 %), ONGC Videsh Limited (10%), PTTEP AI (8.5%) and Mitsui E&P Mozambique Area 1, Limited (20%). The balance 15% is with Empressa Nacional de Hidrocarbonetos E.P (ENH), the National Oil Company of Mozambique.

Mozambique LNG is emerging as a global LNG leader with approximately 75 Tcf of recoverable natural gas resources discovered to date, in the Offshore Area 1 of Mozambique. The consortium has made significant advancements in world scale LNG development. The consortium is planning an initial development of approximately 12 MMTPA (2x6 MMPTA onshore liquefaction trains) and a site plan that will facilitate future expansions to more than 50 MMPTA.

For early monetization of the project, the consortium is working concurrently on three processes. The first of them is negotiations with the Government on a legal and contractual framework that would provide stability to the project throughout its life. Concurrently, the consortium is making steady progress to secure long term Sale Purchase Agreements for 8 MMTPA of LNG with premium Asian buyers. Also, the consortium is progressing project financing debt of approximately 2/3rd of the total capital required. To date, the consortium has made considerable progress on all these fronts.

An agreement has been secured with the Government of Mozambique for the land where the onshore LNG park will be located. The Front End Engineering Design (FEED) is complete. For the offshore gathering system, the selection process has been narrowed down to contractors and a final selection is expected in the near future. Reserves have been independently certified and approval for the Environmental Impact Assessment has been obtained. The consortium is also well advanced in preparing for resettlement and has taken actions to prepare for operation, through local recruitment and training, site preparation work and improvements to the local infrastructure. The consortium plans an FID when the elements are in place to bring value to the project, viz., the agreements with the Government that make up the legal and contractual framework, sales and purchase agreements with the customers, and the project financing. Taken together these elements, which are all linked, will provide certainty for the project. From a construction perspective, the consortium is positioning the project to deliver the first cargoes from an onshore LNG development early next decade. This schedule, however, remains dependent on the delivery of the remaining legal and contractual framework, offtake agreements and project financing debt. BPRL, through its wholly owned subsidiary in the Netherlands, i.e. BPRL Ventures Mozambique BV has positioned its Country Manager in Mozambique. Recently, the Branch office of the said Subsidiary Company has started operating in Maputo.

In Brazil, in the Sergipe Alagoas basin, a new oil province was established in the ultra deep waters with the Barra discovery in the year 2010. The promising potential of blocks in Sergipe Alagoas Basin was established through 5 additional discoveries namely Barra#1, Farfan & Cumbe, Farfan ADR, Farfan#3 ANP (Agência Nacional do Petróleo), the Brazilian Regulator, has approved 4 appraisal plans in BM-SEAL-11.

During the year, drilling of Cumbe#2 appraisal well under Cumbe appraisal plan, seismic reprocessing/interpretation on the new 3D broadband seismic data, pre-development engineering studies and other geological and geophysical studies were carried out. The Cumbe#2 well indicated gas show of 6.3m in Maastrictian level and water bearing Campanian reservoirs.

Pre-development engineering studies towards studying/exploring the various options for development of the Barra and Farfan discoveries were progressed. The operator has obtained approval from ANP, the Brazilian upstream regulator, for extension of appraisal activities upto December, 2020 and for equalization of deadlines of various appraisal plans.

In the Potiguar Basin, Geological and Geophysical (G&G) studies are ongoing in respect of Ararauna exploration well and the consortium has approached ANP, the Brazilian regulator for deferring the drilling by commitment of new 3D seismic in this concession. The farm-in of British Petroleum (BP) with 30% PI has been approved by ANP during the year.

In the Campos Basin, integration of well data to seismic data, velocity modeling and other G&G studies are ongoing in respect of two appraisal wells having good oil shows. Pre-FEED engineering studies have been completed. Extension of the Wahoo appraisal plan was approved by ANP upto the year 2022, with a decision date for contingent long term test in the year 2018.

In Indonesia, a Subsidiary of BPRL, i.e. BPRL Ventures Indonesia BV, has PI of 12.5% in Nunukan Block PSC. Other Joint Venture (JV) partners are PT Pertamina Hulu Energi with 64.5% PI as Operator; and Videocon Indonesia with 23% PI. There has been discovery of oil and natural gas in Badik 1 well and HC discovery confirmed in all appraisal wells. The Plan of Development (POD) for Nunukan PSC in Indonesia has been approved by both, the Regulator SKK Migas and the Ministry of Energy and Mineral Resources, Govt. of Indonesia. The Consortium plans to start FEED, Gas Marketing negotiations and other activities to arrive at Final Investment Decision in the block.

In Timor Leste, BPRL held the Block JPDA 06-103 through its wholly owned Subsidiary Company i.e. Bharat PetroResources JPDA Limited (BPR JPDA). BPR JPDA currently holds 20% PI each, in this block. The other consortium members are Videocon JPDA 06-103 Limited & GSPC JPDA Limited, both holding 20% PI, Pan Pacific Petroleum (JPDA 06-103) Pty Limited holding 15% PI, Oilex Limited (as Operator) holding 10% PI and Japan Energy E&P JPDA Pty Limited holding 15% PI in the said block.

In view of the uncertainty arising out of arbitration proceedings by the Timor Leste Government against the Government of Australia with regard to the 'Certain Maritime Arrangements in Timor Sea', (CMATS) Treaty, the JV had submitted its request to ANP for termination of PSC without claim or penalty. After granting few temporary suspension of PSC, ANP delivered its notice to terminate the PSC and imposed Contractor's Liability upon Termination. The termination was accepted by the JV while liabilities upon termination are under negotiation for amicable settlement.

In Australia, BPRL has a PI of 27.803% in Block EP - 413 (onland) in consortium with Norwest Energy NL, the (Operator with PI of 27.945% and ARC Energy, 100% Subsidiary of Australia Worldwide Exploration, with PI of 44.252 %. This block is being explored for Shale gas/tight gas. As a part of the Renewal Phase work commitment, acquisition of 3D seismic data has been carried out over 105 sq kms of the block area. The JV has been granted a six month extension to the Second Permit year, so that it can evaluate the seismic data completely before committing to well drilling in the third year. The second permit year was extended until February, 2016 and thus, the renewal phase is extended by six months and will now end in February, 2019. The JV had sought variation of the Work Program of the third Permit Year by changing it to commercial studies, instead of well drilling and the same has been granted. Drilling has accordingly been shifted to the fourth Permit year.

In India, BPRL has PI of 40% in onland Block CY-ONN-2002/2 in Cauvery basin wherein ONGC is Operator with PI of 60%. In the in the block, post discovery of oil & gas in MD#3 well, the consortium has completed drilling of two appraisal wells MD-5 and MD-6. The first appraisal well, MD-5 flowed Gas from both basement and Kamalapuram formation and the second appraisal well MD-6 flowed oil/gas from Kamalapuram formation. The Field Development Plan (FDP) of the block has been approved by MoP&NG and accordingly grant of Petroleum Mining Lease (PML) for 140 sq.km. of block area is in final stages of approval with the Tamil Nadu State Government. The commercial production from the block area shall commence on granting of the PML by the State Government. During the year 2016-17, major developmental activities towards production of oil and gas including drilling of development wells are planned to be taken up.

BPRL has PI of 20% in an onland block, CY-ONN-2004/2 wherein ONGC is the Operator with PI of 80%. The consortium has completed drilling of two appraisal wells for the discovery well PN-8. Post approval of Declaration of Commerciality (DOC), the Field Development Plan (FDP) of the block for PN-8 discovery has been submitted which is being reviewed by DGH. The drilling of one exploratory well in exploration phase II is nearing completion. During the Financial Year 2016-17, development activities related to PN-8 discovery is likely to be taken up on approval of FDP.

BPRL has PI of 33.33% in RJ/ONN/2005/1 onland block in Rajasthan as Joint Operator with Hindustan Oil Exploration Company Ltd with PI of 33.33%. IMC is the other partner with PI of 33.33%. All MWP activities related to acquisition, processing and interpretation of 2D/3D seismic data have been completed in this block.

The consortium has requested for reduction of well programme due to delay in obtaining clearance from environmental authorities. The matter is under discussion with the Government of India and DGH.

BPRL is a Lead Operator with 25% PI in the Block CB-ONN-2010/8 in Cambay basin, Gujarat. The other consortium members of the blocks are GAIL (India) Ltd as Joint Operator with PI of 25%, Engineers India Ltd with PI of 20%, BF Infrastructure Ltd with PI of 20% and Monnet Ispat & Energy Ltd with PI of 10%. In line with the Minimum Work Program (MWP), the seismic data acquisition, processing and interpretation is already completed in the block. After review of the interpreted data, the consortium had decided to drill four exploratory wells initially. The site preparation and drilling activities in respect of the first two exploratory wells have been completed. Based on the results of the two wells, the consortium has plans to drill another two exploratory wells during the Financial Year 2016-17.

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

In the Cambay basin block, drilling activities for MWP wells are in progress. In the Assam - Arakan block, the processing of acquired data is in the final stages and subsequently interpretation of data shall be taken up to identify the drillable prospects in the block. In Mumbai basin, the interpreted data is being critically reviewed to decide on the presence of drillable prospects with commercial viability in the Block area.

Recently, BPRL along with Oil India Limited (OIL) and Indian Oil Corporation Limited (IOCL), acting jointly as the Indian Consortium, signed a definitive agreement in March, 2016 to acquire participatory shares representing 29.9% of the charter capital of LLC “TYNGD”, a Company organized under the law of Russian Federation, from LLC RN Razvedka I Dobycha, a wholly-owned Subsidiary of Rosneft Oil Company, the National Oil Company of Russia. Further, an MoU was signed in March, 2016 between Rosneft and the consortium of BPRL, OIL and IOCL for joint evaluation of certain other assets of Rosneft in Russia.

In addition to the above, a Heads of Agreement (HoA) was signed in March, 2016 for evaluation of 23.9% participatory shares in the CJSC Vankorneft by the consortium of OIL, IOCL and BPRL with Rosneft Oil Company. CJSC Vankorneft, a Company organized under the laws of the Russian Federation, is the owner of the Vankor Field and North Vankor license. Further, a definitive agreement was signed in June, 2016 for acquisition of 23.9% shares of the charter capital of JSC Vankorneft.

BPRL has formed a wholly owned Subsidiary Company i.e. BPRL International Singapore Pte Ltd in Singapore for enabling the acquisition of stakes in the Companies in Russia. Further, BPRL International Singapore Pte Ltd has formed two Joint Venture Companies as Special Purpose vehicles(SPV) i.e. Taas India Pte Ltd and Vankor India Pte. Ltd in May, 2016 alongwith Oil India Ltd and Indian Oil Corporation Ltd with BPRL International Singapore Pte. Ltd holding 33.0 % stake in each of the two SPVs to hold stakes in the Companies in Russia.

These acquisitions are subject to relevant Board, Government and regulatory approvals and are expected to close by September, 2016.

BPRL currently has a substantial portfolio of discovered assets, most of which are progressing to the development stage. In order to have a balanced portfolio and revenue generation, BPRL is in the final stages of acquiring stakes in producing assets in Russia. All these efforts would shortly result in a steady stream of revenue generation adequate to support a balanced portfolio of assets, thereby turning BPRL into a self-sustaining/revenue generating Company.

From Exploration to Appraisal to Pre-development and now with a stake in producing assets, BPRL is moving up the Hydrocarbon value chain. In addition, BPRL is enhancing its skill base through Operatorship in an onland Block in Cauvery Basin, India.

There is an increase in the demand for crude oil and petroleum products in India. In view of discoveries and PI in various blocks, BPRL will have significant opportunities for growth in India and abroad. Further, BPRL has signed definitive agreements to acquire stakes in Companies in Russia, which is a big leap towards fulfillment of its aspiration for revenue generation.

The decline of international oil prices continued in the current year. Besides, increasing competition, change in Government policies, crude price volatility, macro economic conditions, exchange rate fluctuations, delay in obtaining regulatory approvals from Government are some of the other factors that BPRL may encounter. Political changes in Brazil and depressed oil prices could have an impact in the development of deepwater discoveries of Brazil. There will be impact on business due to changing health of the big operators in some of the consortium.

BPRL operates in varied environments geologically, politically and geographically leading to uncertainties such as non-commerciality of discoveries, change in fiscal regime, additional taxes, technology risk, long tenure for execution of projects, HSE and increase in Government share or restrictions on exports of oil & gas. BPRL is a non-operator in most of the blocks and the respective Operator of the block manages the risk relating to technology and HSE. Further, the variations between the estimates of crude oil and natural gas reserves and actual recoveries can be significant. BPRL could have an additional financial burden in view of the weak financial condition of some of BPRL's partners in the blocks. There would be a huge funding requirements for BPRL's major projects in Brazil and Mozambique which are moving ahead toward the appraisal/development stage. BPRL would be investing in the Russian Oil Companies at the equity level. The prevailing sanctions on Russia by United States/European Union may pose difficulties in funding of the projects.

AWARDS AND RECOGNITION

The Company has taken many initiatives for brand development considering its importance in each business unit.

In the prestigious Fortune Global 500 list for 2016, BPCL stands with a rank of 358. There are only seven Indian Companies on the list. BPCL's rank is 650 in the Forbes Global 2000 list for 2016, a significant leap from the 757 rank of 2015.

In the Platts Top 250 Global Energy Company Rankings for 2015, BPCL has been ranked among the top 20 Oil and Gas Refining and Marketing Companies for its outstanding global, financial and industry performance. On an overall global performance, Bharat Petroleum has been ranked 59th. BPCL ranks 2nd in Oil & Gas Refining and Marketing in the Asia/Pacific Rim, 6th in Oil & Gas Refining and Marketing globally and 16th in overall performance in the Asia/Pacific Rim.

BPCL won the OISD (Oil Industry Safety Directorate) award under 'LPG Marketing Organizations' for the year 2013-14 for the 6th consecutive year in a row. Retail Operations won the OISD Award for Best Overall Safety Performance for the year 2013-14 in the POL Marketing Organisation's Category.

Our C&MD, Shri. S. Varadarajan received the SCOPE Excellence Award – Individual Leadership Category I (Maharatna/Navratna PSEs) for the year 2013-14 from His Excellency, Shri Pranab Mukherjee, Hon'ble President of India. He also received the National HRD Network (NHRDN) People CEO Award 2015-16 under the category of Public Sector for exemplary contribution in the realms of People leadership, Governance leadership and Performance leadership. He has also been adjudged as the Best CEO in the Oil and Gas Sector by Business Today.

BPCL received the Dun & Bradstreet (D&B) India's Top PSU Award for the Best Navratna (Non-financial) sector.

BPCL has bagged the HR Excellence Award in the India Today PSU Awards 2015 in the Navratna category. These awards recognize PSUs, who are contributing the most towards nation-building and playing a significant role in India's economic development and industrialization.

Council of Scientific and Industrial Research (CSIR) has awarded the prestigious "Most Significant CSIR-Technology Award For Five Year Plan Period" to BPCL's Corporate R&D Centre and CSIR-IIP, who have jointly developed and commercialized indigenously sweetening catalyst for LPG.

BPCL bagged the prestigious National Institute of Personnel Management National Award for Best HR

Practices - 2015. BPCL was adjudged winners of the Gold Award in Category A (the highest category for large organizations) at the National Conference.

BPCL has been recognized as a 'Leader in Engaging Millenials' for its initiative 'YouNGAGE', at the prestigious HR Excellence Awards organized by BWI Business World.

BPCL was bestowed with the honour of the 'Best L & D Team of the Year' in the grand Chief Learning Officers (CLO) summit organized by Tata Institute of Social Sciences in collaboration with LeapVault.

BPCL was conferred the Employers' Federation of India National Award for Excellence in Employee Relations-2015 for Significant Achievement in Employee Relations.

Based on a study conducted of the ET - 500 Companies by Future scape and IIM - Udaipur, BPCL has been ranked 8th in the 'Best Companies for CSR' list. The study ranked companies on the basis of governance, disclosures, stakeholders and sustainability.

BPCL has added another feather in its cap as it bagged the 'Significant Achievement in HR Excellence' Award conferred by CII - Confederation of Indian Industry. This places BPCL in the list of top 10 participating organizations in the country on their platform.

BPCL was conferred with the CII Supply Chain and Logistics Excellence Special Award for Innovation under the User Industry category. BPCL was adjudged as the topmost Logistics Company in terms of magnitude of movement of various products, effective coordination amongst various departments such as Railways and Shipping.

Bharat Petroleum bagged the Silver Award for 'Journeys', the magazine for dealers and distributors, in the category of External Publications and the Bronze Award for the Corporate Calendar at the 55th Annual Awards of the Association of Business Communicators of India (ABCI).

Ruby Anniversary of BPCL Foundation Day

BPCL Foundation Day viz. 24th January is celebrated with verve and vigour and unbridled enthusiasm every year. This year marked a major milestone in the history of the Corporation on 24th January, 2016 – our Ruby Anniversary - commemorating 40 years of dedicated service to the nation.

Celebrations were on in full swing for the entire week, from 18th to 24th January, 2016, involving all our stakeholders. 'Energising Lives' being its core purpose, Bharat Petroleum touches the life of every Indian in diverse ways; this translates to 'energising over a billion lives' and that's only in India. BPCL has interests in many places around the globe, so the circle of influence extended much further.

The unique logo design - 40 Years of Fuelling Dreams- and our tagline, 'Every Dream Fulfilled' encapsulated our pivotal role in India's life. BPCL recorded an inspiring anthem, "Hum Nayi Umang Hai," capturing the uniqueness of Bharat Petroleum and its energizing spirit, which has governed all our actions. Based on the BPCL Anthem, a catchy Corporate Ringtone and Caller Tune, heralding BPCL's signature tune was downloaded and activated on all the personal handsets of the Bharat Petroleum Parivar.

BPCL also creatively designed an elegant Corporate Brochure, entitled 'Where Action Meets Aspirations,' encapsulating the myriad activities of our Corporation in an informative and refreshingly unique style. This was presented to our premium business contacts, boosting BPCL's brand image. A film was made, entitled 'Fuelling Dreams', depicting BPCL's journey in sync with the nation on the path of new dreams, new aspirations and new inspiration.

BPCL hosted a grand Corporate Event for our premium contacts and major stakeholders at Tata Theatre, NCPA Mumbai on 24th January, 2016.

For the 'Make In India' Exhibition organized by Ministry of Commerce and Industry at BKC, Mumbai in February, 2016, BPCL was the convenor of 'Make in India' activities in the downstream subgroup of the Oil and Gas sector. In our pavilion, we showcased the world class facilities and expansion plans of our Refineries, our cutting edge technologies, R&D and innovations, as well as our marketing initiatives in automation and customer connect activities.

As a good corporate citizen, BPCL has sponsored many events like the prestigious Ramnath Goenka Excellence in Journalism Awards, CII "SHE" Excellence Awards and IR Conclave, Swadeshi Mela, Outreach International Radio Fair-2016, and Quo Vadis 2016 by Indian Institute of Foreign Trade (IIFT).

BUSINESS PROCESS EXCELLENCE CENTRE (BPEC)

BPCL has set up a world class Business Process Excellence Centre (BPEC), where transactional processes that are common across businesses, are standardized and consolidated on to a process platform, in order to gain efficiency and effectiveness. This Centre provides business services to the entire organisation, enabling individuals at locations to concentrate on core activities, and improving governance and control for BPCL as a whole. BPEC objectives encompass less complexity, more strategy, eliminating exceptions and enforcing compliance to unlock the immense value trapped inside accounts payable.

BPEC has brought about a revolutionary change in the hitherto labour intensive vendor invoice processing management, providing benefits of efficient, accurate and timely invoice processing, evolving into a critical tool to achieve far reaching goals of the organization.

In the true spirit of the digital age, BPEC is envisaged as a digital, paperless office where all vendor invoices would be received, digitized and processed, while the hard copies would be stored securely, against a possible regulatory requirement to provide the originals. The systems and processes were designed accordingly, with a great deal of coordination on inputs and testing with Purchasing Officers across the organization. BPEC currently serves as the nerve centre of BPCL's financial transactions, where about 1,500 invoices are processed daily.

Implementing a key goal of invoice processing through the Centre, a team of tax experts at BPEC validates the taxation aspects of payments.

The various teams working in tandem at BPEC include the invoice processing team, responsible for verifying and posting vendor invoices; the Service Desk, entrusted with answering vendor and buyer queries and for sorting out problems with invoices; the Audit and Recovery team, whose role is to check the quality of processed invoices; the Reporting team, to report and analyze payables data and the Finance team, to perform other transactions on the vendor account, including accounting and releasing bank guarantees.

BPEC was formally inaugurated by Shri S. Varadarajan, Chairman and Managing Director, on 1st July, 2015. In his address, Shri Varadarajan shared the vision for BPEC and painted a canvas of opportunities to be explored, utilizing the tremendous potential inherent in the budding Centre.

BPEC has established numerous channels for vendor connect like email, SMS, a dedicated help desk, mobile application and a web page through a vendor portal.

The scope of BPEC is tremendous. Apart from addressing internal corporate governance issues and strengthening internal controls, BPEC will also embark into analytics. For GST, this will be a good platform in implementation. BPEC is embarking to other areas like Accounts Receivable, Transportation Payments, Site Rent Payments and the entire Record to Report cycle.

The future of BPEC is visualized as a steady transition from transactional excellence to finance transformation to achieving breakthrough performances in providing business services across the BPCL landscape.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a robust internal control systems (including Internal Financial Controls over Financial Reporting) that facilitates efficiency, reliability and completeness of accounting records and timely preparation of reliable financial and management information. The internal control system ensures compliance with all applicable laws and regulations, facilitates in optimum utilization of resources and protect the Company's assets and investor's interests.

The Company has a clearly defined organizational structure, decision rights, manuals and operating procedures for its business units and service entities to ensure orderly and efficient conduct of its business. The state-of-the-art ERP solutions (SAP) and Business Information Warehouse in the Company has inbuilt controls including the authorization controls. This further enhances controls and seamless exchange of information with access controls. The SAP systems will provide an audit trail of the transactions. The Company has a whistle blower policy and anti-fraud policy to address fraud risk.

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

ANNEXURE A

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

A. CONSERVATION OF ENERGY

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

Energy conservation efforts received continuous focus and are one of the key focus areas of BPCL Refineries, both in terms of improvement in operations/maintenance as well as development of new projects. Continuous monitoring of energy consumption and hydrocarbon loss is undertaken using sophisticated instruments, periodical audit, global benchmarking and data acquisition system. An effective and comprehensive energy monitoring system is in place, both on real time and periodical basis, in BPCL Refineries. A rich Management Information system is firmly established for monitoring energy performance of process units, and the refinery as a whole.

BPCL Refineries have been committed to conserve energy and improve efficiency at all levels, through sustained efforts. BPCL Refineries have participated in benchmarking study organized by M/s Center for High Technology (CHT) for the purpose of identification of opportunities for improvement and to implement ideas and schemes to close the gaps. The relentless approach of Mumbai Refinery towards energy conservation on a sustained basis has resulted in significant saving of energy and natural resources and has protected the environment. Besides excellence in the refining process, BPCL Refineries are keenly focusing on the areas of energy conservation and environment management.

As a part of Oil & Gas Conservation Fortnight 2016, CHT had organized a detailed “Furnace Efficiency & Insulation Effectiveness Survey” in the Refineries along with industry experts.

During the OGCF 2016 campaign, several initiatives such as technical sessions and workshops, awareness programs and drawing competition for school children were conducted to spread awareness among employees and the general public. Environment Protection initiatives are the main focal point and are given highest priority and thrust at BPCL Refineries.

MUMBAI REFINERY

The following energy conservation and loss control measures were adopted by Mumbai Refinery during the year 2015-16 which have resulted in significant fuel savings:

- Commissioning of heat integrated, energy efficient, state of the art CDU/VDU units in the month of December, 2015.
- Maximization of crude throughput in the modern highly energy efficient Integrated Crude & Vacuum Unit.
- Anti-fouling chemical injection in all Crude & Vacuum Units.
- “Chemical decontamination” technique has been adopted for the Refinery turnarounds. This resulted in reduction of turnaround duration and also improved heat exchanger cleaning.
- Excellent Hydrogen Management was achieved by processing of the hydrogen rich Continuous Catalytic Reformer Unit (CCR) off gas in DHDS, Hydro-cracker - PSA and Hydrogen Unit to recover valuable hydrogen from the off gases.
- Online chemical cleaning of furnaces to clean off fouling and deposits on the radiation tubes leading to better heat absorption in the radiation section. In the Reformer Feed Unit, high tube wall temperature of one of the furnace passes was kept under control with this technique leading to sustained unit throughput.
- Use of energy saving CFL lamps.
- Continuous monitoring & control of all parameters of Furnaces & Boilers.
- Continuous recovery of flare gas with the help of Flare Gas Recovery System (FGRS) and strict monitoring of process conditions to control loss.

- Survey of PSV/PCV to identify passing valves and rectification. This resulted in reduction in the quantity of flaring.
- Survey of Compressed air leaks and rectification was carried out.
- Superior insulation (Perlite) was provided on steam headers to reduce surface heat loss, which resulted in saving of energy.
- A robust "Energy Portal" for on-line monitoring of refinery process performance and energy consumption, including monitoring of "significant energy uses" was deployed as part of "Business Process Monitoring and Intelligence" system.
- Advance Process Control (APC) schemes were introduced in Lube Oil Base Stock (LOBS) and Hydro Cracker Unit (HCU) plants to optimize convection steam super heat balance in furnaces.

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

- Installation of step-less control scheme for Dehydro Diesel Hydro Desulphurization (DHDS) MUG compressor.
- Installation of Condensate recovery in the Bitumen Blowing Unit (BBU).
- Implementation of "Zero steam leaks" program in the process units.
- Replacement of air fin cooler blades in the Amine Regeneration Unit (ARU) Complex units with energy efficient Epoxy Fiber Reinforced Blades (FRP).
- Provision of Plate Type heat exchangers for the Sour Water Stripper (SWS) and Amine Treating Unit (ATU) is being conceptualized to reduce steam consumption in re-boilers
- Use of Injection of fuel oil additive to improve combustion in furnaces.
- Replacement of conventional lighting with LED.
- Improvement of insulation effectiveness by opting for superior and rigid insulation.
- Pinch Analysis study to improve pre-heat of crude in CDU3 (Revamp).
- Replacement of conventional steam ejector in VDU3 by LRVP arrangement.

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

Mumbai Refinery achieved "Specific Energy Consumption" of 74.84 (provisional, as new methodology of computation is being introduced by CHT) MBTU/BBL/NRGF during the year 2015-16 as against 77.30 achieved during 2014-15. This improvement is mainly attributable to commissioning of energy efficient CDU4, higher capacity utilization of secondary process units and various energy conservation efforts undertaken.

KOCHI REFINERY

The following energy conservation and loss control measures were adopted during the year 2015-16, resulting in significant fuel savings:

- Reduction of minimum governing speed of DDC2 Compressor resulting in reduction in high pressure steam consumption by 1.5 MT/HR during lower loads
- ARU solvent TAN control utilizing ion exchange technology for removal of acid species from Sulfolane in the system resulting in steam saving of 3.5 MT/HR.
- Converting Carbon Monoxide Boiler (CMB) into a waste heat recovery boiler resulting in better recovery of heat and increase in efficiency resulting in fuel saving of 0.1 MT/HR and power saving of 100 KW.
- Stopping of one cooling water pump in Utility Cooling Tower 5 (UCT5) Steam Turbine Generator (STG) as STG is not running, resulting in power saving of 220 KW.
- Impeller trimming of 7 pumps and stoppage of 1 pump in FCCU resulting in power saving of 193 KW.
- Change-over to LED: 404 conventional light fittings of total power 12,483 W were replaced with 509 numbers of Energy efficient light fittings of power 5,223 W, thus reducing the power requirement by 7.26 KW and the electricity saved from this is 21,990 KWHR.

- Through various energy conservation measures and close monitoring reduced Plant Fuel & Loss from 6.35% in 2014-15 to 6.02% in 2015-16, resulting in a total fuel reduction of 15,800 MT even with slightly higher crude throughput compared to the previous year.
- Conducted Detailed Energy Audit through reputed Energy Auditing Firm, M/s The Energy and Resources Institute (TERI). The Energy Audit program reviewed energy use and consumption and identified energy conservation technologies and retrofit for energy conservation equipment. The Energy Audit recommends Energy Saving proposals which will amount to a total of 6,000 MT of fuel/yr. BPCL-KR is the first public sector refinery in India to conduct such an audit.
- Kerala State Energy Conservation Award 2015 Commendation Certificate in the category of Large Scale Energy Consumers in the State of Kerala during year 2014-15 was presented to BPCL KR by the Department of Power, Government of Kerala through the Energy Management Centre-Kerala.

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

Mumbai Refinery

3.9 MWH of power was generated in 2015-16 from the 40 KWp solar power plant which is connected to the grid.

Kochi Refinery

To increase natural day light usage in our warehouse area, four numbers of day lighting systems were implemented. The implementation of the same helped us to save about 2,920 KWHR in a year. Works are in progress for fixing another 56 numbers of day lighting system in our workshop and central warehouse area to make it a totally sun lit area. This will result in annual power saving of 25 MWHR.

(iii) The capital investment on energy conservation equipments

Mumbai Refinery

Sr. No.	Details of energy conservation equipments and division	Capital investments ₹ Crores	Energy savings (type; unit; total amount; rate/unit)
1	Commissioning of CDU4 (heat integrated unit) & shut down of CDU1 & 2 (old units)	1,419	Fuel Gas, 110 MT/D ₹72.7 Crores/Year ₹19,446/MT
2	Superior insulation in FR70 & FR12 (steam header)	0.55	Fuel Gas, 1.36 MT/D ₹0.9 Crores/Year ₹19,446/MT
3	Provision of LED Light	0.57	Power, 78.3 KW/HR ₹0.23 Crores/Year ₹8.09/KWH
4	APC Implementation in Gasoline splitter & MTBE	0.8	Fuel Gas, 0.73 MT/D ₹0.49 Crores/Year ₹19,446/MT
5	Provision of C3 - C4 exchanger in CCU unit	0.5	LP Steam 28.8 MT/D, Power saving 270 KW/D ₹2.97 Crores ₹2,960/MT

Kochi Refinery

Sr. No.	Details of energy conservation equipments and division	Capital investments ₹ Crores	Energy savings (type; unit; total amount; rate/unit)
1	Reduction of minimum governing speed of DDC2 Compressor resulting in reduction in HP steam consumption by 1.5 MT/HR during lower loads.	Nil	Fuel, 94.32 MT/year, ₹17.89 lakhs/year, ₹18,968/MT
2	ARU solvent TAN control utilizing ion exchange technology for removal of acid species from Sulfolane in the system resulting in steam saving of 3.5 MT/HR.	0.49	Fuel, 2,115.33 MT/year ₹401.23 lakhs/year, ₹18,968/MT
3	Converting CO Boiler into a waste heat recovery boiler resulting in better recovery of heat and increase in efficiency resulting in fuel saving of 0.1 MT/HR and power saving of 100 KW.	17.0	Fuel, 828 MT/year, ₹157 lakhs/year, ₹18,968/MT and Power, 828 MWHR, ₹52.74 lakhs/year, ₹6.37/KWHR
4	Stopping of one cooling water pump in UCT5 (STG) as STG is not running resulting in power saving of 220 KW.	Nil	Power, 1821.6 MWHR, ₹116.04 lakhs/year, ₹6.37/KWHR
5	Impeller trimming of 7 pumps and stoppage of 1 pump in FCCU resulting in power saving of 193 KW.	Nil	Power, 1,598.04 MWH, ₹101.8 lakhs/year, ₹6.37/KWH
6	Change-over to LED: 404 conventional light fittings of total power 12,483W were replaced with 509 energy efficient light fittings of power 5,223 KW thus reducing the power requirement by 7.26 KW.	6.10	Power, 21.99 MWH, ₹1.4 lakhs/year, ₹6.37/KWHR
7	Natural daylight usage in Warehouse area: four numbers of day lighting systems were implemented resulting in saving of 2,920 KWHR in a year.	Nil	Power, 2.92 MWHR, ₹0.19 lakhs/year, ₹6.37/KWHR

B. TECHNOLOGY ABSORPTION

Mumbai Refinery

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

a) Advance Process Control (APC) was used for improving Furnace efficiency in FCC Unit thereby reducing the excess steam generation in the CO Boiler, resulting in saving in energy.

b) Similar implementation was done in FCC Amine Regeneration Unit (ARU) for reducing acid gas flaring in Amine Treating & Regeneration Unit. Both are initiatives based on earlier implemented APC projects and first to be done in oil refinery PSUs.

c) Refinery completed implementation of Online Blend Property Controller for E3 MS, E4 MS, E3 HSD and E4 HSD in Mumbai Refinery

d) Saving of 0.66 MT/D of fuel net which gives cost benefit of ₹84 Lakhs/annum:

- Improvement of Furnace efficiency by 2% (from 80.56 to 82.60%).
- Reduction in standard deviations of all parameters by 60%.

e) Savings due to lower generation of MP steam upto 15 MT/D amounting to ₹1.8 Crores per annum:

- Energy saving along with minimization of acid gas flaring thus adding value to environment conservation.

f) Blending being controlled on continuous basis, results in following benefits:

- Maximize First Time right batches.
- Ease of Blend Control (Manual to Online automated Blend stream control).

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

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

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

(b) Has the technology been fully absorbed?

Yes.

(c) If not fully absorbed, areas where absorption has not taken place, reasons thereof and future plans of action.

Not applicable.

Kochi Refinery

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

a) Employed a new technology for onsite regeneration of sulfolane solvent, used in Aromatic Recovery Unit (ARU) as solvent for extraction of aromatics from feed naphtha, using ion exchange technology. Total cost invested for installing this technology was around ₹55 Lakhs and saved around ₹18 Crores per annum by substituting steam regeneration.

b) CO boiler was converted to waste heat recovery steam generator so as to increase the heat recovery from FCCU flue gas. As a part of the scheme, burners were removed and operating pressure was reduced from high pressure to medium pressure. This reduction in operating pressure ensured better heat absorption in the evaporator section of the boiler. An additional feed water stream from the downstream of the economiser was routed to COB deaerator to increase the performance of the economiser. The combined modification brought down the stack temperature by 30^0C and improved the heat profile across the boiler tubes, thus increasing the efficiency. The project resulted in annual savings of around ₹410 lakhs.

c) Increasing VG30 Bitumen production through temperature reduction of feed-when Vacuum Residue is taken to Biturox unit, the feed is lined up through BE1 exchanger. Vacuum column quench stream is also lined up through BE1. This results in Biturox unit charge limitations due to high bed temp of biturox reactor. To reduce the bitumen feed temp, it was advised to route the Vacuum column quench directly from EE9 without passing it through BE1. This allows more temperature reduction for the bitumen feed in BE1, thus lowering the feed and bed temp and Biturox charge was increased to 45 TPH. Annual savings of ₹15 Lakhs per year resulted due to implementation of the scheme.

d) CDU 1 Heavy Naphtha desulphurization in KHDS - In order to produce higher quantity of Euro IV diesel, the KHDS unit was utilized to desulphurise Heavy Naphtha from CDU-1. The treated Heavy Naphtha helped in better control of flash and recovery of Euro IV Diesel. The stream could be absorbed in either Euro III/IV Diesel providing flexibility in operation. Resultant annual savings were ₹600 lakhs.

e) Reduction of minimum governing speed of DHDS Compressor - DDC2: Minimum governing speed of DDC2 has been reduced from 7,640 RPM to 6,640 RPM. This led to reduced consumption of HP steam with an expected saving of ₹70 lakhs per annum.

f) VGO HDS Stripper Fractionator Section APC - In the VGO HDS unit, a DMC Controller is implemented in the Stripper Fractionator section. The main objective of the DMC controller is to maximize Diesel, maximize Heavy Naphtha and minimize steam and fuel consumption.

g) CCR Separation Section APC - In CCR unit, a DMC Controller is implemented in the Product Separation Section. The main objective of this DMC Controller is the reduction of steam in the Stabilizer and Splitter, optimizing Benzene content in reformate and minimizing the venting of Stabilizer off gas to fuel gas.

i) Online cleaning of fired heaters: Kochi Refinery carried out online cleaning of fired heaters in CDU II, DHDS and NHT to improve the performance of the heaters, Polarchem L2K, in the form of an aqueous solution, is injected into the flue path of the heater/furnace. The injection is done at a point where the flue temperature is greater than 500°C. Online cleaning of heaters using Polarchem L2K was found to be effective for heaters having tube accessibility. There was an arch temperature reduction of 8.3% in CH21, 7% in DDH1 and 3.3% in NHH1.

j) Processing of FCCU Heavy Naphtha stream in DHDS: FCCU Heavy Naphtha, a highly unsaturated stream, was processed for the first time in DHDS at the rate of 12 TPH. Resultant annual savings by upgradation of the Heavy Naphtha stream was around ₹4 Crores.

- Density reduced from 0.8825 gm/cc to 0.845 gm/cc.
- Sulphur reduced from 1,200 ppm to 35 ppm.
- Cetane improvement achieved from 26 to 53.

The annual savings resulted were around ₹400 lakhs.

The innovative approach of Kochi Refinery has resulted in highest highest ever production of transportation fuels (76.1%) and distillate yield of 85.6%, apart from the highest ever capacity utilization of 112.7%. With stringent energy conservation methods, fuel and loss could be limited to 6.02%, which is an appreciable number considering the configuration of the refinery.

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

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

Technology Imported	Year of Import
i. Delayed Coker Unit licensed by M/s Lummus, USA	2012
ii. VGO HDT Unit licensed by M/s Shell Global, USA	2013
iii. DHDT Unit licensed by M/s Haldor Topsoe, Denmark	2012
iv. FCC Unit licensed by M/s Stone & Webster, USA	2012
v. TGT Unit licensed by M/s CB&I, USA	2013
vi. NHT ISOM Unit licensed by M/s UOP, USA	2013
vii. Hydrogen Generation Unit licensed by M/s Technip KTI, Netherlands, build own and operate by M/s Air Products, USA	2013 (*)
viii. Nitrogen/Oxygen Generation Unit licensed by M/s Air Products, USA	2013 (*)
ix. Acrylic Acid Unit licensed by M/s Air Liquide E&C, Germany	2016
x. Oxo Alcohol Unit licensed by M/s JM Davy Process Technology, UK	2016
xi. Acrylates Unit licensed by M/s Mitsubishi Chemical Corporation, Japan	2016

(*) Units being erected on Build Own and Operate (BOO) basis by M/s Air Products, USA

(b) Has the technology been fully absorbed?

Technologies (i) to (viii) are for IREP units which are under commissioning stage. Technologies (ix) to (xi) are for PDPP units which are under construction stage.

(c) If not fully absorbed, areas where absorption has not taken place, reasons thereof and future plans of action.

Not applicable.

(iii) The expenditure incurred on Research and Development during 2015-16:

(₹in Crores)

Expenditures	**2015-16**
Capital Expenditure	19.21
Revenue/Recurring Expenditure	40.49
Total	**59.70**

RESEARCH & DEVELOPMENT (R&D)

1. **Specific areas in which R&D has been carried out by the Company**
    1. Development of Bharat Aromatic Free Solvent (BAFS).
    2. Process for production of white oils.
    3. Development of process for production of dearomatized solvent with higher flash.
    4. Development of indigenous desalter technology.
    5. Development of CFD model for CCU reactor to address fluid flow related issues.
    6. Development of novel Cross-Flow Hydroprocessing Reactor configuration.
    7. Development of advanced real time dynamic models and soft sensors development for monitoring and online optimization.
    8. Development of Divided Wall Column (DWC) technology.
    9. Development of new viscosity correlation models.
    10. Development of cost effective Drag Reducing Agent (DRA) formulations.
    11. Development of process for olefins maximization through FCCU.
    12. Development of Bharat Echochem 1501 (Ethanol corrosion inhibitor for MS blends).
    13. Development of catalyst for slurry phase residue hydro processing.
    14. Coke and fouling mitigation strategies while processing waxy/non waxy/asphaltenic/non asphlatenic crude oils.
    15. Development of cost effective Gasoline Sulphur reduction additive for FCC.
    16. Development of Diesel lubricity improver additive.
    17. Sorption Enhanced Steam Methane Reforming (SESMR) process for hydrogen production.
    18. Development of indigenous cost effective dewaxing catalyst for LOBS production.
    19. Development of technology for natural gas conversion to methanol/Dimethyl ether and catalyst for direct conversion of syngas to DME.
    20. Gasification & Pyrolysis of coal/biomass.
    21. Development of synthetic/biodegradable lubricants for (i) transformer oil, ii) high VI VG 32 grade refrigeration lubricant, (iii) cutting oil and (iv) Concentrated solar power generation applications.
    22. Benzene valorization through niche chemical production.
    23. Development of superabsorbent polymers.
    24. Development of novel material for Adsorbed Natural Gas (ANG) platform for on-board storage application.
    25. Development of catalysts and additives for refining processes.
    26. Development of catalyst and process for hydro conversion of vegetable oil to diesel and jet fuels.
    27. Development of catalyst for Hydro desulfurization of Light gas oil feed.
    28. Development of additives and dosing chemicals for refinery applications.
    29. Development of polymer packed, colored and fuel resistant bitumen.
    30. Valorization of Petroleum sludge.
    31. Biodiesel process development and its evaluation for performance & emissions in engines.
    32. Resolving corrosion and fouling problems in refineries and pipelines.
    33. Advanced technical support to refineries and marketing.
    34. Development of catalyst and technologies for syngas conversion to value added chemicals.
    35. Synthetic 2T oil.
    36. 4T oil for high power bikes.
    37. Total Driveline Oil.
    38. Gear oil for use in 2 Stroke 2 wheeler.
    39. High performance Aluminum machining oil.
    40. Defence specific oil.
    41. Alternate formulations for existing products.
2. **Benefits derived as a result of the above R&D**
    1. A state of the art 1.05 MWP ground mounted grid interactive Solar Power plant has been set up at CRDC to meet the entire in-house energy needs of CRDC. This is in line with BPCL's commitment towards a better tomorrow through investing in renewable energy. The solar plant is estimated to give savings of ₹80 lakhs per annum.
    2. An indigenous process technology for production of Bharat Aromatic Free Solvent (BAFS) was developed by corporate R&D. Based on this know-how a commercial plant is being set up. This would be a new product slate in BPCL and a 'Make in India' initiative for import substitution.

3. An innovative methodology for prediction of crude oil refining characteristics was developed. A software tool (BPMARRK™) has been developed for commercial use based on this approach.
4. A new viscosity correlation models for estimation of viscosity of vacuum residue and heavy oil product blends directly from crude oil properties has been developed. The developed model enables the refiner to select optimum and opportunity crude oils.
5. In-house developed product viz. Bharat Ecochem 1501 (Ethanol corrosion inhibitor for MS blends) was successfully commercialised and its commercial production plant (Capacity-5 KL/day) at Mathura installation has been inaugurated on 19th January, 2016. The introduction of such product is expected to offer benefit to the tune of ₹1.5 Crores/per year.
6. Process parameters have been optimized for production of white oils for pharmaceutical and food applications. This has offered a platform to valorize MAK base oils.
7. A polybag bitumen plant, with a target to produce 220 MT/annum product, is being set up at Panvel. This cost effective product would help to tap upcoming demand by Border Roads Organization (BRO).
8. BPCL-CRDC and Sewree-R&D successfully developed biodegradable Metal Cutting Oil formulation using bio-diesel as a feedstock. This development would provide opportunity to valorize Bio-diesel while mitigating environmental issues.
9. Biodiesel, as per BIS specifications, has been successfully prepared using used cooking oil as a feedstock. This initiative is in line with BPCL's commitment towards sustainable development through cleaner fuel production from waste.
10. Suitable Coloured, Fuel resistant bitumen products have been developed in consultation with I&C and successful trials have been carried out. It is targeted to commercialise such niche products during 2016-17.
11. A production process for High flash (80^0C) dearomatised solvent using suitable feed stream has been developed. This low volume high value product (import substitute) would fetch significant benefit for the Corporation.
12. An integrated process for production of Bio-ethanol/Butanol from biomass is being developed. In this context, the requisite enzyme loading on pre-conditioned biomass has been optimized. Commercialisation of the process would give BPCL a strong foothold in biofuels.
13. In collaboration with BITS, Goa, BPCL R&D has taken the initiative to develop a model for coke and fouling mitigation while processing waxy/non waxy/asphaltenic/non asphlatenic crude oils. In this project, it is targeted to develop a model based on fouling behaviour of streams such as crude oil, Reduced Crude Oil, Vacuum Residue and Vacuum Gas Oil. The developed model is envisaged to assist additive selection/process optimization.
14. Development of indigenous desalter technology has been initiated in collaboration with EIL under a CHT sponsored project. As a part of the project, requisite steps have been taken to put up a demonstration unit at KR. The successful development of desalter will provide a deep insight on the desalting process of crude oil, which in turn will help in mitigation of corrosion problems in CDU/VDU overhead sections and downstream units.
15. Development of novel Cross-Flow Hydroprocessing Reactor configuration is being pursued wherein multi-scale facilities have been set up to evaluate hydrodynamic parameters vis-à-vis conventional trickle bed reactor under identical conditions. The developed technology will be superior in terms of conversion, energy efficiency and economics.
16. The catalyst recipes suitable for single and two step conversion of syngas to DME have been developed as a part of mini-DME project. Furthermore, a novel catalyst synthesis methodology is developed for highly selective single step conversion of syngas to DME. As a part of this project, a novel multi-tubular methanol reactor system for synthesis of methanol from syngas has been designed. It is planned to undertake scale up activity jointly with participating institutions of India/Australia for further development.
17. Advanced real time dynamic model and soft sensors development for monitoring and online optimization of CDU3 unit at MR has been initiated in collaboration with PSE, UK and GYANDATA through Indo-UK collaborative research program. Expected benefits of this project are to the tune of $0.1/bbl.
18. A cost effective Indigenous dewaxing catalyst employed for LOBS production has been successfully developed and its performance is found to be in line vis-à-vis commercial catalyst. The cost of developed formula is 1/10th of the cost of commercial catalyst.
19. A suitable catalyst formula for benzene conversion to cyclohexylbenzene (CHB) has been successfully developed having selectivity of over 70% at 60% benzene conversion. The technology for benzene

conversion to valuable fine chemical i.e. CHB is closely guarded technology and is not licensed in the open market. Commercialisation of this technology would fetch significant benefit to the Corporation.

20. Cost effective products such as diesel lubricity additive, Bharat Petroleum Neutralizing Amine (BPNA), and water detecting capsule for ATF have been developed and field trials for the same have been taken. Initiation has been taken to commercialise these products.
21. Synthetic 2T oil would reduce environmental pollution, provide better engine cleanliness and help to generate new business.
22. 4T oil for high power bikes would cater to lubrication requirement of high power bikes manufactured by various OEMs, would increase engine life and help to generate new business.
23. Total Driveline Oil would be a common oil suitable for axle as well as gear box application of commercial vehicles which would help in reducing instances of breakdown due to use of wrong oil. This would help in generating new business.
24. Gear oil for use in 2 Stroke 2 wheeler is a tailor-made oil for use in 2 stroke mopeds with centrifugal wet-type clutch and single speed gear box would offer overall better performance and help us in generating new business.
25. High performance Aluminium machining oil would offer excellent cutting performance, improve tool life, reduce cost for user and would generate new business.
26. Defence Specific engine oil would expand the product portfolio of Defence grades and would give Defence another viable option for their new generation vehicles/equipment.
27. Alternate formulation for existing grades would provide operational flexibility, besides reducing the input cost of respective grades.
28. Detailed crude evaluations were carried out for in-house requirement. This facilitates in making appropriate crude oil selection and scheduling.
29. Technical support provided to one of the BPCL refineries in determining sulphur species analysis in LPG streams for trouble shooting high sulphur issue in MTBE so as to meet BS VI specifications of MS.
30. An analytical method for detailed salt content in crude oil has been developed and validated.
31. As a part of support to Vadinar Bina Pipeline (VBPL) and Mumbai Manmad Bijwasan pipeline (MMBPL) operation, evaluation of commercial Drag Reducing Additive (DRA) samples has been carried out and adequate dosages have been recommended. Furthermore, technical support on monitoring internal pipeline corrosion has been provided.
32. Advanced technical support provided in quantifying precious metals in spent catalyst samples to Central Procurement Organization (CPO)-Refinery during disposal activity. This support helped the corporation for better value realization from spent catalyst.
33. Quick test method for determination of Ethanol in Ethanol Blended MS (EBMS) has been developed and demonstrated successfully at Bijwasan (5% ethanol blended MS), Mathura and Piyala installations (10% ethanol blended MS).
34. New catalyst and additives evaluated for MR & KR FCC units and optimal catalyst/additives recommended. Likewise, in-use mild hydrocracking catalyst evaluation was performed for KR mild hydrocracker unit to evaluate its performance and recommendations were made.
35. Technical support provided on tender evaluation for procurement of corrosion inhibitor, anti-foulant and neutralizing amines and optimum dosage were recommended for CDU/VDU units of MR, KR and BORL.
36. Advanced technical support through process simulation and modelling support provided for Hydrogen Generation Unit, Crude Distillation Unit-3 and Catalytic Cracking Unit operation at MR. The technical support helped to improve efficiency of the unit operations.
37. The performance and emission characteristics of 3-wheeler fuelled by DME-LPG blend has been carried out. DME 20% wt/wt with 80% wt/wt LPG blend found optimum for smooth operation of engine, fuel economy and low emissions.
38. Technical support provided for the upcoming Waste-to-Energy plant at Cochin for selection of suitable gasification based technology for conversion of 300 MTPD municipal waste.

3. Future R&D Plans

1. Development of cost effective product and process for diesel additives.
2. Development of additive for delayed coker unit.
3. Development of catalyst for slurry residue hydro processing.

4. Production of high-quality white oil for cosmetic and specialty chemicals.
5. Lignocellulosic biomass to value added product.
6. CO2 capture and valorization from refinery off gas emanating from Pressure Swing Adsorption.
7. Development of niche products such as Drag Reducing Agent, Acrylic acid, propylene oxide.
8. Certification of water detecting capsules in ATF service for marketing.
9. Development of bio-ATF from biomass/waste/CO2 to improve environmental footprint development.
10. Development of energy efficient domestic LPG burner.
11. Enhancement of performance of refinery heat exchanger through tube inserts.
12. Development of bio-ATF.
13. Development of intensified reactor for bio-diesel/hydro processing reactor.
14. Synthetic Lubricants – PAOs/Esters/Glycols – for various futuristic applications.
15. Development of Bio-Degradable packages.
16. Production of microcrystalline wax from/in NRL wax unit.
17. Development of polyols from CO2.
18. Development of catalyst coating for methanol steam reforming in micro channel reactors for de-centralized applications.
19. Development of pour point and CFPP depressant for Bio-Diesel.
20. Additives development for MS/HSD quality improvement.
21. 2nd generation lignocellulose biomass processing for ethanol production.
22. Options for Naphtha minimization in refinery/of Naphtha.
23. Minimization of kerosene production/valorization of kerosene to value added chemicals.
24. Valorization of LHSH/FO/Naphtha/Petcoke.
25. Valorization of used Lubes & Greases and Cutting Oils.
26. Valorization of Vacuum Gas Oil to Naphthenic Base Stocks.
27. Development of additive for improvement of flash point of Naphtha.
28. Development of Additives for Reduction of Sulphur in petcoke.
29. Selection and regeneration of potential ionic liquid for hydroprocessing.
30. Development of technology of on-purpose butadiene production from n-butane.
31. Studies on Ethanol – Bio-diesel – HSD Blends.
32. Development of High Performance Engine oil for 4 Stroke 2 Wheelers.
33. Low Viscometry Synthetic Engine oil for High performance passenger cars.
34. Development of High Performance Screw Compressor oil.
35. Development of Ecofriendly Granite Cutting oil.
36. Radiator coolant.

C) FOREIGN EXCHANGE EARNINGS/OUTGO

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

(₹in Crores)

	2015-16	2014-15
Earnings in Foreign Exchange - includes receipt of ₹1,003.91 Crores (Previous year ₹1,438.32 Crores) in Indian currency out of the repatriable funds of foreign airline and I&C customers and ₹53.93 Crores (previous year ₹62.06 Crores) of INR exports to Nepal and Bhutan and ₹47.98 Crores of commodity derivative income (previous year loss of ₹43.70 Crores included under Foreign exchange outgo).	**7,137.95**	12,364.27
Foreign Exchange Outgo - on account of purchase of Raw Materials, Capital Goods, Chemicals, Catalysts, Spare Parts, International Trading Activities.	**50,701.31**	80,736.57

ANNEXURE B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

2) The composition of the CSR Committee as on 31st March, 2016	:	The CSR Committee of the Board comprises- 1. Shri Rajesh Kumar Mangal, Chairman of the Committee – Independent Director 2. Shri Anant Kumar Singh, Government Nominee Director 3. Shri P. H. Kurian, Government Nominee Director 4. Shri S.P Gathoo, Director (HR) and 5. Shri P. Balasubramanian, Director (Finance)
3) Average net profit of the Company for the last three Financial Years	:	₹ 5,629.89 Crores
4) Prescribed CSR Expenditure for 2015 -16	:	₹ 112.6 Crores
5) Details of CSR Spend during the Financial Year 2015-16		
a. Total Amount to be spent	:	₹ 154.66 Crores (including carry forward of ₹ 42.06 Crores of FY 2014-15)
b. Amount unspent	:	₹ 59.07 Crores
c. Details of the manner in which the amount was spent	:	Enclosed in Attachment

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

BPCL has incorporated Corporate Social Responsibility into its core business strategy that has always fostered empowerment for the marginalised section of the society towards inclusive and sustainable development. Our CSR initiatives are directed by a project based approach in line with the guidelines issued by Department of Public Enterprises and Ministry of Corporate Affairs, Government of India. For the last six years, we have been focusing all our sustainable initiatives through an institutionalised approach in five thrust areas, which are also key pillars of the Sustainable Development Goals and significant indicators for the Human Development Index i.e. quality education, water conservation, skill development, health and community development.

BPCL weighs its performance by its Triple Bottom Line contribution to building economic, social and environmental stability. Throughout our journey, we have piloted several projects in the development sector, pan India. The outcome and impact evaluation have exhibited that projects have triggered a positive outcome and established a sense of community ownership in the broader social context. Today, through an institutionalised planning process, partnership with expert agencies and effective community engagement, we are ready for scaling them up across districts/geography. Just we have progressively scaled up our outreach, we have also steadily increased our spending from 0.5 to 2% of our profit - keeping a fragile balance between "Delivering & Spending".

We provided a budget of ₹ 112.6 Crores in 2015-16 and we have allocated the entire budget for various projects in our thrust areas mentioned above including Swachh Bharat - Swachh Vidyalaya initiatives. In addition, we have carried forward ₹ 42.06 Crores unspent budget from Financial Year 2014-15.

Against the stipulated 2% spends of the average net profit of the preceding three Financial Years (₹ 112.6 Crores), BPCL had made commitments for various projects, pan India. Pursuant to Hon'ble Prime Minister's clarion call on "Swachh Bharat Abhiyan", BPCL joined the mission to accelerate the progress of healthy sanitation in schools of rural areas. A significant proportion of this budget/allocation was committed towards the Swachh Bharat - Swachh Vidyalaya programme in which BPCL constructed 1,910 toilet blocks in the states of West Bengal, Andhra Pradesh, Telangana, Bihar, Odisha, Madhya Pradesh and Chhattisgarh, spread across 26 districts with enrolments of around 1.4 lakh children.

In the year 2015-16, BPCL has reached out to over one lakh children by improving their learning levels through digital literacy programs, remedial education, science or special education. In water conservation, we have made around 36 villages water positive through strategic programs viz. building, reviving and maintaining water harvesting structures. Through our placement linked vocational skilling projects, we have successfully trained over 1,450 youth, women and persons with disabilities.

Against the said commitment, BPCL had incurred an expenditure of ₹ 95.59 Crores. The shortfall from the stipulated prescribed spends is on account of the following reasons:

1. A major portion of the budget was committed towards maintenance of toilet blocks which were constructed under Swachh Vidyalaya and 'Waste to Fuel' Programme under the Swachh Bharat Abhiyan initiatives. We have spent less than the allocated amount and some of the components for the same are in the finalisation process and major expenditure against the allocated budget shall be made in the next three to four months, upon accomplishing project progress as per the agreement signed with the implementing agencies.
2. Similarly, we had committed funds for some large infrastructure related projects that were envisaged to be completed in 2015-16. Due to delay in administrative procedures, these are anticipated to begin in the coming year.
3. Any constructive and concrete outcome in the development sector demands a sustained long term and continued intervention. The project cycle of all our major projects span between one to five years. A number of projects were approved by the Board in the 2nd, 3rd and 4th quarter of the current Financial Year with implementation spread over one to two years. As per BPCL's CSR Policy, projects are executed in a project mode with payments being linked to achievement of key deliverables. The actual expenditure against them roll beyond the Financial Year. Hence, payments for projects committed during the reported Financial Year, will be released over the subsequent months. However, since most of these projects are being executed in a dynamic environment, encompassing various stakeholders, project completion does tend to get delayed.
4. Strengthening our CSR initiative standards and with reinvigorated focus on sustainable development, we have an established diligence process for approving the projects. Hence, we do not disburse funds on projects which are not 'sustainable' or not delivering 'results'.

As a responsible corporate, it will be our key endeavour to complete the project, create the impact and in the process, funds may have to be carried forward, sometimes even reallocated. The CSR funds that were unspent in the year 2015-16, despite being allocated for the reasons mentioned above, are being carried forward next year and will be rightfully spent/reallocated as the case may be.

BPCL commits to continue enabling inclusive growth as a core component of sustainable development through focused and pro-active social projects. We strive to align our CSR initiatives with national development goals.

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

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Sd/-	Sd/-	Sd/-
P. Balasubramanian	**S. P. Gathoo**	**Rajesh Kumar Mangal**
Director (Finance)	Director (HR)	Chairman - CSR Committee

Date: 27th July, 2016

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

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure up to the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
1.	BOOND - Rain water harvesting project mokhada	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Other	Dist Palghar, Maharashtra	6,26,18,267	1,28,30,219		3,06,78,985	Implementing Agency
2.	Intervention near Akolner depot		Local	Dist Ahmednagar, Maharashtra	52,430	52,430		52,430	Implementing Agency
3.	BOOND - Rain water harvesting project -Tuticorin		Local	Dist Tuticorin, Tamil Nadu	2,53,60,684	35,77,400		76,01,975	Implementing Agency
4.	BOOND- Rain water harvesting project in Bharatpur		Local	Dist - Bharatpur, Rajasthan	4,72,49,430	67,97,705		2,20,46,019	Implementing Agency
5.	BOOND - Rain water harvesting project -Kolar Ramanagara		Local	Dist - Kolar & Ramanagara, Karnataka	3,02,64,000	44,04,600		94,26,600	Implementing Agency
6.	Dispensary in Kozhikode	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Other	Dist Kozhikode, Kerala	36,58,000	10,10,000		10,10,000	Implementing Agency
7.	Healthcare facilities in Homeopathy Hospital Thiruvaniyoor		Local	Dist Ernakulam, Kerala	32,35,000	19,41,000		19,41,000	Implementing Agency
8.	Healthcare through fully equipped Ambulances		Local	Dist Thiruvananthapuram-Ernakulam-Kozhikode, Kerala	38,14,164	38,14,164		38,14,164	Implementing Agency
9.	Health insurance for DSMs and LPG delivery boys		Other	Pan India	2,11,00,000	92,45,269		1,66,51,198	Implementing Agency
10.	Support to Mahul needy patients for cataract operations		Local	Dist Mumbai, Maharashtra	45,000	22,500		45,000	Implementing Agency
11.	Homeopathy clinic providing services to the Mahul community		Local	Dist Mumbai, Maharashtra	1,99,540	1,98,000		1,98,000	Implementing Agency
12.	Healthcare project for tribal mother & Child		Other	Dist Mysore, Karnataka	20,64,400	10,63,100		17,07,835	Implementing Agency
13.	Healthcare & Hygiene for women		Other	Dist Raibareli, Uttar Pradesh	6,08,300	5,47,470		6,08,300	Implementing Agency
14.	Supporting medical camps in 5 locations		Local	Dist Mumbai, Maharashtra	36,80,270	1,150,000		11,50,000	Implementing Agency
15.	Swachh Bharat Awareness in villages		Local	Dist Tuticorin, Tamil Nadu	77,004	77,004		77,004	Implementing Agency
16.	Health insurance for Fishermen & spouses		Local	Dist Mumbai, Maharashtra	11,68,493	11,68,493		11,68,493	Implementing Agency
17.	Awareness on cleanliness/hygiene/ sanitation/solid waste management		Local	Dist Mumbai, Maharashtra	1,10,000	1,10,000		1,10,000	Implementing Agency
18.	Restoration of Primary Health Centre at Penugollu		Other	Dist Vishakhaptnam, Andhra Pradesh	98,00,000	9,80,000		9,80,000	Implementing Agency
19.	Supporting purchase of X-Ray Machine & Charitable dispensary		Local	Dist Chennai, Tamil Nadu	22,00,000	16,00,000		16,00,000	Implementing Agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure up to the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
20.	Cataract surgeries for tribals	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Other	Dist Dhenkanal-Angul-Jajpur-Kendrapara-Jagatsinghpur-Nayagarh, Odhisa	10,00,000	2,46,800		4,96,800	Implementing Agency
21.	Health Camps for tribals in Bastar		Other	Dist Bastar, Chhattisgarh	6,00,000	74,707		4,49,707	Implementing Agency
22.	Health camps for rural underprivileged		Local	Dist Chennai, Tamil Nadu	32,92,000	7,16,100		27,87,200	Implementing Agency
23.	Project Aarogya - Medical Camps in Mahul & Washala		Local	Dist Mumbai & Thane, Maharashtra	4,31,655	3,20,521		3,20,521	Implementing Agency
24.	Swachh Bharat - Swachh Vidyalaya Sanitation Block including maintenance cost		Other	Dist - Prakasam- Guntur and Krishna, Andhra Pradesh	4,45,29,654	1,38,21,765	1,35,05,050	1,40,63,765	Direct
25.	Swachh Bharat - Swachh Vidyalaya Sanitation Block including maintenance cost		Other	Dist - Patna, Araria, Katihar, Muzaffarpur, Khagariya and Bhojpur, Bihar	11,54,25,551	6,46,38,683		6,77,84,683	Direct
26.	Swachh Bharat - Swachh Vidyalaya Sanitation Block including maintenance cost		Other	Dist Surguja, Chhattisgarh	14,64,79,125	3,57,50,000		3,57,50,000	Implementing Agency
27.	Swachh Bharat - Swachh Vidyalaya Sanitation Block including maintenance cost		Other	Dist - Sehore-Badwani and Mandla, Madhya Pradesh	20,59,58,250	3,03,56,680		6,34,66,680	Direct or Implementing Agency
28.	Swachh Bharat - Swachh Vidyalaya Sanitation Block including maintenance cost		Other	Dist - Sambalpur, Balasore, Sonepur, Bargarh, Khordha, Mayurbhanj, Sundergarh and Deogarh, Odisha	26,95,21,590	9,58,01,529		9,94,61,529	Direct or Implementing Agency
29.	Swachh Bharat - Swachh Vidyalaya Sanitation Block including maintenance cost		Other	Dist Rangareddi and Medak, Telangana	12,18,70,632	8,01,90,576		8,01,90,576	Direct
30.	Swachh Bharat - Swachh Vidyalaya Sanitation Block including maintenance cost		Other	Dist - Bardhhaman, South 24 Parganas and Howrah, West Bengal	10,13,63,555	3,04,56,608		3,63,99,608	Direct or Implementing Agency
31.	Aptitude Test & Career Guidance programs for students at Mahul		Local	Dist Mumbai, Maharashtra	2,00,564	11,602		1,28,602	Implementing Agency
32.	Skill Development project for blind		Local	Dist Mumbai, Maharashtra	4,16,800	15,000		3,07,500	Implementing Agency
33.	Economic enhancement through Vocational skilling for women		Other	Dist Kheda, Gujarat	5,54,000	96,000		96,000	Implementing Agency
34.	Establishing 5 school libraries in Govt. Municipal schools		Local	Dist Mumbai, Maharashtra	10,94,256	5,36,444		7,94,966	Implementing Agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure up to the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
35.	Improve quality of education in 14 rural Govt. schools	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Local	Dist Coimbatore, Tamil Nadu	35,46,717	25,26,117		25,26,117	Implementing Agency
36.	Infrastructure assistance		Local	Dist Dakshina, Karnataka	30,00,000	10,52,221		18,43,132	Implementing Agency
37.	Computer education, setting up a library & reading room for children/youth		Other	Dist Coorg, Karnataka	11,87,500	10,68,750		10,68,750	Implementing Agency
38.	Career Counselling		Other	Dist -Raigarh, Maharashtra	6,02,450	4,21,715		6,02,450	Implementing Agency
39.	Ekalvidyalaya One teacher schools for primary education of tribals		Other	Dist Idukki, Wayanad, Kerala	40,00,000	25,00,000		35,00,000	Implementing Agency
40.	Teacher training in Universal active Maths		Local	Dist Mumbai, Maharashtra	26,65,044	7,63,996		7,63,996	Implementing Agency
41.	Rehabilitative teaching and home based rehabilitation therapy to differently abled children		Local	Dist Ernakulam, Kerala	51,40,800	18,54,469		18,54,469	Implementing Agency
42.	Computer Assisted Learning (CAL) (Mumbai, Jaipur & Solapur)		Local	Dist Mumbai -Jaipur- Solapur, Maharashtra, Rajasthan	4,78,61,710	1,51,35,800		2,59,74,300	Implementing Agency
43.	Skill Development for autistic students		Local	Dist Mumbai, Maharashtra	46,74,000	13,44,200		17,74,700	Implementing Agency
44.	Quality education for tribal students		Other	Dist Sundargarh, Odisha	35,91,500	21,54,900		28,73,200	Implementing Agency
45.	Utkarsh Classes & Vocational Skilling		Local	Dist Mumbai, Maharashtra	1,07,21,570	39,86,402		97,07,237	Implementing Agency
46.	Saksham - Primary Teacher training 14-15		Local	Dist Mumbai, Maharashtra	29,33,989	5,03,118		10,03,118	Implementing Agency
47.	Placement linked vocational training for unemployed youth near Kochi refinery		Local	Dist Ernakulam, Kerala	1,80,43,650	18,04,365		1,80,43,650	Implementing Agency
48.	Computer Assisted Learning (CAL) for Mahul students		Local	Dist Mumbai, Maharashtra	43,20,948	741633		16,47,733	Implementing Agency
49.	Supporting diploma in automobile & computer engineering for underprivileged		Other	Dist Chennai, Tamil Nadu	94,50,000	32,00,000		60,00,000	Implementing Agency
50.	Saksham - Teacher & School Leader Training Project (Primary & Upper Primary)15-16		Local	Dist Mumbai, Maharashtra	38,67,864	5,00,000		5,00,000	Implementing Agency
51.	Skill Development for Persons with disabilities		Local	Dist - Mumbai & Noida, Maharashtra & Uttar Pradesh	21,79,000	8,25,000		21,44,000	Implementing Agency
52.	Skill Development project for persons with disabilities		Local	Dist Kolkata, West Bengal	48,23,446	16,78,423		39,46,653	Implementing Agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure up to the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
53.	20 libraries in government schools	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Local	Dist - Mumbai & Delhi, Maharashtra & Delhi	41,43,363	3,27,225		37,43,696	Implementing Agency
54.	Akshar -Read India project in Nandurbar & Sagar		Other	Dist - Nandurbar & Sagar, Maharashtra & Madhya Pradesh	9,34,99,751	2,51,71,219		7,22,62,455	Implementing Agency
55.	Akshar - Read India project in Jaipur & Dausa		Other	Dist - Jaipur & Dausa, Rajasthan	2,76,31,395	1,30,74,879		2,15,36,898	Implementing Agency
56.	Secondary Education project to help academically weak students		Other	Dist -Raigarh, Maharashtra	30,25,890	10,08,630		26,71,725	Implementing Agency
57.	Education program & therapeutic rehabilitation for the differently abled		Other	Dist Thane, Maharashtra	7,98,000	95,700		7,68,200	Implementing Agency
58.	Computer Assisted Learning (CAL) Uran Lucknow		Local	Dist -Raigarh & Lucknow, Maharashtra & Uttar Pradesh	3,91,00,000	88,70,000		3,52,46,800	Implementing Agency
59.	Vocationally skilling rural women in zardozi work		Local	Dist Ghaziabad, Uttar Pradesh	24,00,000	99,550		24,00,000	Implementing Agency
60.	Science education - Solur Ramanagar Project		Local	Dist Bangalore, Karnataka	1,28,73,937	32,62,408		77,26,905	Implementing Agency
61.	Placement linked Training for unemployed women & youth as caregivers		Local	Dist Gautam Budh Nagar, Uttar Pradesh	24,96,900	11,29,177		16,75,427	Implementing Agency
62.	Civic Education Project		Local	Dist Bangalore- Eranakulam, Karnataka-Kerala	21,22,165	10,62,165		21,22,165	Implementing Agency
63.	BPC KOHINOOR educational scholarship to meritorious but economically deserving students		Local	Dist Mumbai, Maharashtra	96,33,600	30,84,000		53,61,600	Direct
64.	Saksham Upper primary Teacher Training 14-15		Local	Dist Mumbai, Maharashtra	23,44,361	39,744		5,39,744	Implementing Agency
65.	Vocational skilling for blind		Other	Dist Latur, Maharashtra	20,53,030	2,15,610		19,08,118	Implementing Agency
66.	Vocational skilling & employment for disabled youth for wax and candle making project		Local	Dist Mumbai, Maharashtra	4,90,000	45,000		4,90,000	Implementing Agency
67.	Placement linked Vocational skilling of unemployed youth in Telangana & AP		Local	Dist Warangal- Vijayawada & Visakhapatnam, Andhra Pradesh & Telengana	1,96,33,000	60,55,000		1,03,80,000	Implementing Agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure up to the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
68.	Science education -Mumbai	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Local	Dist Mumbai, Maharashtra	21,44,040	10,77,520		13,90,020	Implementing Agency
69.	Units for Personality Development, English & counselling (CEEP)		Local	Dist Ernakulam, Kerala	33,21,725	8,01,739		26,42,209	Implementing Agency
70.	Velicham Education Project -preparing for higher education		Local	Dist Ernakulam, Kerala	10,00,000	10,00,000		10,00,000	Implementing Agency
71.	Jyothi Education Project -providing professional education to the underprivileged		Local	Dist Ernakulam, Kerala	24,00,000	24,00,000		24,00,000	Implementing Agency
72.	Vidyadeepthi project- Setting up language lab in schools		Local	Dist Ernakulam, Kerala	11,00,000	11,00,000		11,00,000	Implementing Agency
73.	Support for Driving course for unemployed youth		Local	Dist Mumbai, Maharashtra	45,000	36,000		36,000	Implementing Agency
74.	Supporting of Anganwadis	Rural development projects	Local	Dist Ernakulam, Kerala	21,86,000	8,00,000		8,00,000	Implementing Agency
75.	Water Structures in Lachhda village		Other	Dist Rourkela, Odisha	7,88,100	7,88,100		7,88,100	Implementing Agency
76.	CSR activities in Jahazpur in Puruliya		Other	Dist Puruliya, West Bengal	22,415	22,145		22,145	Implementing Agency
77.	Setting up of a book library in Mahul Community Centre		Local	Dist Mumbai, Maharashtra	2,47,040	81,052		81,052	Implementing Agency
78.	Upgradation of facilities at Malpe Fishing harbour		Local	District Udupi, Karnataka	75,00,000	20,58,859		20,58,859	Implementing Agency
79.	Facilitation of livelihood enhancement for poor farmers of Kottayam by construction of storage/office building		Other	Dist Kottayam, Kerala	11,10,000	8,04,473		8,04,473	Implementing Agency
80.	Water Structures in Lachhda village Consultancy		Other	Dist Sundargarh, Odhisa	1,40,000	1,40,000		1,40,000	Implementing Agency
81.	Support of Balwadi		Local	Dist Mumbai, Maharashtra	58,500	58,500		58,500	Implementing Agency
82.	Maintenance of Community Centre at Mahul		Local	Dist Mumbai, Maharashtra	36,000	36,000		36,000	Implementing Agency
83.	Community development activities at Washala		Local	Dist Thane, Maharashtra	1,86,580	1,86,580		1,86,580	Implementing Agency
84.	Community development activities in & around Mahul village		Local	Dist Mumbai, Maharashtra	2,03,280	2,03,280		2,03,280	Implementing Agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise ₹	Amount spent on projects or programs ₹		Cumulative expenditure up to the reporting period ₹	Amount spent : Direct or implementing agency
						Direct Expenditure	Programs Overhead		
85.	500 bio gas units for underprivileged families	Rural development projects	Other	Dist Sindhudurg, Maharashtra	37,02,000	5,00,000		5,00,000	Implementing Agency
86.	For LPG connections to BPL families 15-16		Other	Pan India	20,34,00,000	20,34,00,000		20,34,00,000	Implementing Agency
87.	Solar Street lighting in villages		Other	Dist Badhoi, Uttar Pradesh	5,00,000	1,75,000		1,75,000	Implementing Agency
88.	For LPG connections to BPL families 12-13 & 13-14		Other	Pan India	21,52,00,000	21,52,00,000		21,52,00,000	Implementing Agency
89.	Rainwater Harvesting Structures & Other Community Development project		Other	Dist Sundargarh, Odhisa	3,40,000	-10,571		3,29,429	Implementing Agency
90.	International Conference on "The Political Economy of Water: a Social Work Response"	Capacity Building	Local	Dist Mumbai, Maharashtra	1,50,000	1,50,000		1,50,000	Implementing Agency
91.	Training - CSR Officers		Other	Dist New Delhi, Delhi	10,000	10,000		10,000	Implementing Agency
92.	Bharat Connect program for introducing CSR to management trainees		Other	Dist Palghar, Maharashtra	2,01,947	2,01,947		2,01,947	Implementing Agency
93.	Case Study submission for award		Local	New Delhi	17,467	17,467		17,467	Implementing Agency
94	Travelling/Miscellaneous/Admin expenses	Admin Expense	Local	Across India	19,17,412		19,17,412	19,17,412	Direct or Implementing Agency
				Grand Total		95,58,84,338			

Sd/-	Sd/-	Sd/-
P. Balasubramanian	**S. P. Gathoo**	**Rajesh Kumar Mangal**
Director (Finance)	Director (HR)	Chairman - CSR Committee

ANNEXURE C

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCHEDULED CASTES(SC), SCHEDULED TRIBES (ST) AND OTHER BACKWARD CLASSES (OBC) AS ON 1st JANUARY 2016 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR 2015

NAME: BHARAT PETROLEUM CORPORATION LIMITED

Groups	Representation of SCs/STs/OBCs				Number of appointments made during the calendar year 2015										
	(As on 1.1.2016)				By Direct Recruitment				By Promotion			By Other Methods			
	Total number of Employees	SCs	STs	OBCs	Total	SCs	STs	OBC	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	5781	918	349	851	429	51	22	108	75	6	3	2*	-	-	-
Group-B	2691	384	138	236	2	-	-	1	52	7	-	1**	-	-	-
Group-C	2447	373	151	423	203	18	6	123	95	11	2	1**	-	-	-
Group-D(Excluding Safai Karamcharis)	1817	353	140	227	27	2	2	15	-	-	-	-	-	-	-
Group-D (Safai Karamcharis)	5	5	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	12741	2033	778	1737	661	71	30	247	222	24	5	4	-	-	-

* 2 Sportspersons recruited in Group 'A'

** 1 Sportsperson recruited each in Group ' B' and 'C'

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCHEDULED CASTES(SC), SCHEDULED TRIBES (ST) AND OTHER BACKWARD CLASSES (OBC) IN VARIOUS GROUP "A" SERVICE AS ON 1ST JANUARY, 2016 AND NUMBER OF APPOINTMENTS MADE IN THE SERVICE IN VARIOUS GRADES DURING CALENDAR YEAR 2015

NAME: BHARAT PETROLEUM CORPORATION LIMITED

JG	Pay Scales (in ₹)	Representation of SCs/STs/OBCs (as on 01.01.2016)				Number of appointments made during the calendar year 2015										
						By Direct Recruitment				By Promotion			By Other Methods			
		Total Number of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A	24900-50500	1366	209	97	337	429	51	22	108	75	6	3	2*	-	-	-
B	29100-54500	1153	161	49	214	-	-	-	-	-	-	-	-	-	-	-
C	32900-58000	1189	196	91	179	-	-	-	-	-	-	-	-	-	-	-
D	36600-62000	942	178	74	95	-	-	-	-	-	-	-	-	-	-	-
E	43200-66000	564	120	28	24	-	-	-	-	-	-	-	-	-	-	-
F	51300-73000	361	46	10	2	-	-	-	-	-	-	-	-	-	-	-
G	51300-73000	122	4	-	-	-	-	-	-	-	-	-	-	-	-	-
H	51300-73000	54	3	-	-	-	-	-	-	-	-	-	-	-	-	-
I	62000-80000	25	1	-	-	-	-	-	-	-	-	-	-	-	-	-
J	75000-100000	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
K	80000-125000	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	5781	918	349	851	429	51	22	108	75	6	3	2	-	-	-

* 2 Sportspersons recruited in Group 'A'

ANNUAL STATEMENT SHOWING REPRESENTATION OF THE PERSONS WITH DISABILITIES IN SERVICE AS ON 1st JANUARY 2016 AND DIRECT RECRUITMENT/PROMOTION DURING THE CALENDAR YEAR 2015

NAME: BHARAT PETROLEUM CORPORATION LIMITED

Groups	NUMBER OF EMPLOYEES (as on 01.01.2016)				DIRECT RECRUITMENT - 2015							PROMOTION - 2015						
					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"	5781	4	6	60	4	5	4	429	-	-	9	-	-	-	75	-	-	2
"B"	2691	8	5	55	-	-	-	2	-	-	-	-	-	-	52	-	-	-
"C"	2447	13	12	25	2	2	2	203	-	2	2	-	-	-	95	-	1	1
"D/DS"	1822	5	4	19	-	-	1	27	-	-	-	-	-	-	-	-	-	-
TOTAL	12741	30	27	159	6	7	7	661	-	2	11	-	-	-	222	-	1	3

(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 promotions within Group "D".

ANNEXURE D

REPORT ON CORPORATE GOVERNANCE

1) Company's philosophy on Code of Governance

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

2) Board of Directors

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

As on 31st March 2016, the BPCL Board comprised 10 Directors represented by 5 Whole-time (Executive) Directors including Chairman & Managing Director, 2 Part-time (Ex-Officio) Directors (Government Directors) and 3 Part-time (Non-official) Directors (Independent Directors). The Company has taken up the matter with the Government of India for nomination of additional 4 Independent Directors with at least one woman Director as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

During the Financial Year 2015-16, 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 Financial Year.

The Directors neither held membership of more than 10 Committees nor acted as Chairperson of more than 5 Committees as specified in Regulation 26 of the Listing Regulations and Clause 3.3.2 of Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises across all the companies in which they were Directors.

The required information as indicated in Part A of Schedule II of Regulation 17(7) of the Listing Regulations and Annexure IV to Guidelines on Corporate Governance for Central Public Sector Enterprises were made available to the Board of Directors.

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

Board Meetings

Twelve Board Meetings were held during the financial year 2015-16 on the following dates:

13.05.2015	28.05.2015	14.07.2015	07.08.2015
14.08.2015	09.09.2015	16.10.2015	09.11.2015
11.12.2015	20.01.2016	12.02.2016	10.03.2016

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 the attendance at the Board/Members' Meetings during the Financial Year 2015-16

Names of the Directors	Academic Qualifications	Attendance out of 12 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Companies (as on 31st March, 2016)	Memberships held in Committees as specified under erstwhile Clause 49 of Listing Agreement/Regulation 26 of the Listing Regulations
Whole-time Directors		**No. of Meetings Attended**	**%**			
Shri S. Varadarajan Chairman & Managing Director	A.C.A., A.I.C.W.A	12	100	Attended	Chairman: Numaligarh Refinery Ltd. Bharat Oman Refineries Ltd. Matrix Bharat Pte.Ltd. Director: Bharat PetroResources Ltd. Petronet LNG Ltd.	Audit Committee Chairman: Bharat PetroResources Ltd.
Shri K. K. Gupta Director (Marketing) (up to 29.02.2016)	BSc. (Engg.), (Mech.)	11	100*	Attended	Chairman: Bharat Stars Services Pvt. Ltd. Bharat Stars Services (Delhi) Pvt. Ltd. Director: Matrix Bharat Pte. Ltd.	-
Shri B. K. Datta Director (Refineries)	B.E. (Chem)	11	92	Attended	Director: Bharat Oman Refineries Ltd. Bharat PetroResources Ltd.	Audit Committee Member: Bharat PetroResources Ltd.
Shri S. P. Gathoo Director (Human Resources)	M.PM (PG. Master's Degree in Personnel Management), Fellow of LEAD	12	100	Attended	Chairman: Petronet India Ltd. Petronet CCK Ltd.	Audit Committee Member: Petronet CCK Ltd.
Shri P. Balasubramanian Director (Finance)	A.C.A.	12	100	Attended	Director: Bharat Oman Refineries Ltd. Bharat PetroResources Ltd.	Audit Committee Member: Bharat PetroResources Ltd. Stakeholders' Relationship Committee Member: Bharat Petroleum Corporation Ltd.
Shri S. Ramesh Director (Marketing) (w.e.f. 01.03.2016)	B.Sc. (Honors), M.B.A.	1	100*	N.A.#	Director: Bharat Stars Services Pvt. Ltd. Bharat Stars Services (Delhi) Pvt. Ltd.	-

Names of the Directors	Academic Qualifications	Attendance out of 12 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Companies (as on 31st March, 2016)	Memberships held in Committees as specified under erstwhile Clause 49 of Listing Agreement/Regulation 26 of the Listing Regulations
Non Executive Directors a) Part-time (Ex officio)		**No. of Meetings Attended**	**%**			
Dr.Neeraj Mittal Joint Secretary (Marketing), Ministry Of Petroleum & Natural Gas (up to 11.12.2015)	I.A.S B.Tech (Elec. Engg) M.B.A. Ph.D in MIS	-	-	Did not attend	-	-
Smt Sushma Taishete (from 19.05.2015 up to 01.01.2016)	M.Sc. Microbiology, Diploma in Clinical Analysis & belongs to Civil Service batch of 1989	8	100*	Did not attend	-	-
Shri.P. H. Kurian Principal Secretary (Industries & IT) Government of Kerala	I.A.S	8	67	Did not attend	Director & Chairman: Malabar Cements Ltd. Transformers & Electricals Kerala Ltd. Rubber Park India Pvt. Ltd. ICICI KINFRA Ltd. Kottayam Port and Container Terminal Services Pvt. Ltd. Director: The Kerala Minerals & Metals Ltd. Kerala State Information Technology Infrastructure Ltd. Kerala State Ind. Development Corp. Ltd. Apollo Tyres Ltd. INKEL Ltd. Smart City (Kochi) Infrastructure Pvt. Ltd. Nitta Gelatin India Ltd. Kerala Academy for Skills Excellence Marine Products Infrastructure Development Corporation Pvt. Ltd. Symphony TV & Entertainments Pvt Ltd. Indian Institute of Information Technology Kerala Information and Communication Technology Academy of Kerala PTL Enterprises Ltd.	-
Shri Anant Kumar Singh (w.e.f. 02.01.2016)	I.A.S., LLB, M. Phil & Ph.D (Physics)	3	100*	N.A.#	Director: Indian Strategic Petroleum Reserves Ltd. Gail (India) Ltd.	-

Names of the Directors	Academic Qualifications	Attendance out of 12 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Companies (as on 31st March, 2016)	Memberships held in Committees as specified under erstwhile Clause 49 of Listing Agreement/Regulation 26 of the Listing Regulations
Non Executive Directors b) Part-time (Independent)		**No. of Meetings Attended**	**%**			
Prof. J .R. Varma (up to 09.08.2015)	A.I.C.W.A. Doctorate in Management from IIM, Ahmedabad	2	50*	N.A.#	Director: Infosys BPO Ltd. Gujarat International Finance Tec-city Co. Ltd.	Audit Committee Chairman: Bharat Petroleum Corporation Ltd. Infosys BPO Ltd Gujarat International Finance Tec-city Co. Ltd.
Shri B. Chakrabarti (up to 09.08.2015)	A.C.A	4	100*	N.A.#	Director: GIC Housing Finance Ltd.	Audit Committee Member: Bharat Petroleum Corporation Ltd. Stakeholders' Relationship Committee Chairman: Bharat Petroleum Corporation Ltd.
Shri Rajesh Kumar Mangal (w.e.f. 01.12.2015)	F.C.A	4	100*	N.A.#	Director: Rishi Corporate Services Private Ltd. NMDC Ltd.	Audit Committee Chairman: Bharat Petroleum Corporation Ltd.
Shri Deepak Bhojwani (w.e.f. 01.12.2015)	I.F.S, L.L.B, B.Com	4	100*	N.A.#	-	Audit Committee Member: Bharat Petroleum Corporation Ltd.
Shri Gopal Chandra Nanda (w.e.f. 01.12.2015)	I.P.S	4	100*	N.A.#	-	Audit Committee Member: Bharat Petroleum Corporation Ltd. Stakeholders' Relationship Committee Chairman: Bharat Petroleum Corporation Ltd.

* Percentage computed by considering the meetings attended with the total meetings held during Director's tenure;

N.A.: Not applicable.

Note: 1. The Non-Executive Directors are not holding any Shares in the Company.

2. Details of familiarisation programmes imparted to Independent Directors are available on website of the Company: https://bharatpetroleum.com/About-BPCL/Our-Policies.aspx

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 2016, the Audit Committee comprised three Part-time (Independent) Directors. The quorum for the meetings of the Committee is two Members (with at least two Independent Directors). Shri Rajesh Kumar Mangal, Part-time (Independent) Director is the Chairman of the Committee. Shri Deepak Bhojwani, Part-time (Independent) Director and Shri Gopal Chandra Nanda, Part-time (Independent) Director are the other present Members of the Committee. During part of the Financial Year 2015-16, Prof. J. R. Varma, Part-time (Independent) Director was the Chairman of the Committee and Shri B. Chakrabarti, Part-time (Independent) Director and Shri P. Balasubramanian, Director (Finance) were Members of the Committee. Prof. J. R. Varma and Shri B. Chakrabarti ceased to be Members of the Audit Committee on cessation from the Board w.e.f 10.08.2015 consequent to expiry of their tenure. Due to the absence of Independent Directors on the Board, after the completion of tenure of Prof. J. R. Varma and Shri B. Chakrabarti, the Audit Committee was re-constituted w.e.f. 10.08.2015 by appointing Shri P. Balasubramanian, Director (Finance), Shri K.K. Gupta, Director (Marketing) and Smt. Sushma Taishete, Part-time (Ex-Officio) Director as the Members of the Audit Committee on interim basis till nominations for appointment of Independent Directors were received from Ministry of Petroleum & Natural Gas. Subsequently, upon receipt of nomination from Ministry, the Audit Committee was re-constituted on 11.12.2015 comprising of Shri Rajesh Kumar Mangal as Chairman, Shri Deepak Bhojwani and Shri Gopal Chandra Nanda, as Members. The Members possess the requisite knowledge of Finance & Accounting for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

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

The role of the Audit Committee covers all matters specified in Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 177 of the Companies Act, 2013 and Guidelines on Corporate Governance for Central Public Sector Enterprises.

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

1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2) Recommending to the Board the fixation of audit fees;
3) Approval of payment to Statutory Auditors for any other services rendered by them;
4) Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
    a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
    b) Changes, if any, in accounting policies and practices and reasons for the same.
    c) Major accounting entries involving estimates based on the exercise of judgment by Management.
    d) Significant adjustments made in the financial statements arising out of audit findings.
    e) Compliance with listing and other legal requirements relating to financial statements.
    f) Disclosure of any related party transactions.
    g) Qualifications in the draft audit report;
5) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;

6) Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7) Reviewing and monitoring the Auditor's independence and performance, and effectiveness of the audit process;
8) Approval or any subsequent modification of transactions of the Company with related parties;
9) Scrutinizing of inter-corporate loans and investments;
10) Valuation of undertakings or assets of the Company, wherever it is necessary;
11) Evaluating internal financial controls and risk management systems;
12) Reviewing, with the Management, performance of the Statutory and Internal Auditors, and adequacy of the internal control systems;
13) Reviewing the adequacy of the Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14) Discussing with the Internal Auditors any significant findings and follow up thereon;
15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16) Discussing with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17) Looking into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors;
18) Reviewing the functioning of the Whistle Blower mechanism;
19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20) Carrying out any other function as mentioned in the 'Terms of reference' to the Audit Committee.

Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

1) Management discussion and analysis of financial condition and results of operations;
2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3) Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
4) Internal audit reports relating to internal control weaknesses; and
5) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
6) Statement of deviations:
    a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
    b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
7) The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.

Nine meetings of the Audit Committee were held during the Financial Year 2015-16 on the following dates:

28.05.2015	14.07.2015	14.08.2015
09.09.2015	09.11.2015	11.12.2015
20.01.2016	12.02.2016	28.03.2016

Attendance at the Audit Committee Meetings:

Names of the Members	No of meetings attended	%*
Prof. J. R. Varma, Chairman (up to 09.08.2015)	2	100%
Shri B. Chakrabarti, Member (up to 09.08.2015)	2	100%
Shri P. Balasubramanian, Chairman (up to 11.12.2015)	6	100%
Shri K. K. Gupta, Member (w.e.f. 10.08.2015 up to 11.12.2015)	4	100%
Smt. Sushma Taishete, Member (w.e.f. 10.08.2015 up to 11.12.2015)	4	100%
Shri Rajesh Kumar Mangal, Chairman (w.e.f. 11.12.2015)	3	100%
Shri Deepak Bhojwani, Member (w.e.f. 11.12.2015)	3	100%
Shri Gopal Chandra Nanda, Member (w.e.f. 11.12.2015)	3	100%

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

The Committee at its meetings held on 14th August, 2015, 09th November, 2015 and 12th February, 2016 reviewed the Quarterly/Half Yearly/Year to date Financial Statements as on 30th June, 2015, 30th September, 2015 and 31st December, 2015 respectively. Further, Annual Financial Statements as on 31st March, 2016 were reviewed by the Committee at its meeting held on 26th May, 2016, before the same were submitted to the Board for approval.

As of 31st March, 2016, BPCL had five unlisted Indian Subsidiary Companies i.e. Numaligarh Refinery Ltd. (NRL), Bharat PetroResources Ltd (BPRL), Bharat PetroResources JPDA Ltd (Wholly owned subsidiary of BPRL), Petronet CCK Limited (PCCKL) and BPCL-KIAL Fuel Farm Private Ltd. (BKFFPL) and four Foreign Subsidiaries i.e. BPRL International BV (subsidiary of BPRL), BPRL Ventures BV, BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV (subsidiaries of BPRL International BV). Subsequently, BPRL has incorporated 'BPRL International Singapore Pte. Ltd.', as a wholly owned subsidiary in Singapore on 12.05.2016 for projects relating to Russia. BPRL International Singapore Pte. Ltd. along with Oil India Ltd. and Indian Oil Corporation Ltd. has incorporated Vankor India Pte. Ltd. and Taas India Pte. Ltd. on 20.05.2016 and on 23.05.2016 respectively in Singapore wherein BPRL International Singapore Pte. Ltd. will be holding 33% stake in each of the two SPVs to hold stake in the Companies in Russia.

These Subsidiary Companies do not fall under the category of 'Material Subsidiary' under the Listing Regulations. Financial Statements of the Subsidiary Companies including investments made, if any, are reviewed by the Audit Committee/Board. The performance of the Subsidiary Companies and the minutes of their Board meetings are placed at the Board meetings of the Company. Any significant transactions or arrangements 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.

Shri Deepak Bhojwani, Part-time (Independent) Director is the Chairman of the Committee and Shri Rajesh Kumar Mangal, Part-time (Independent) Director, Shri P. H. Kurian, Part-time (Ex-Officio) Director and Shri P. Balasubramanian, Director (Finance) are the Members of the Committee. During the Financial Year 2015-16, Shri B. Chakrabarti, Part-time (Independent) Director, Chairman of the Committee and Prof. J. R. Varma, Part-time (Independent) Director, ceased to be Members of the Committee on completion of their tenure. The Committee was re-constituted on 14.08.2015 by appointing Shri P. H. Kurian, Part-time (Ex-Officio) Director, as the Chairman and Shri B. K. Datta, Director (Refineries), Shri P. Balasubramanian, Director (Finance) and Smt. Sushma Taishete, Part-time (Ex-officio) Director as Members. Subsequently, the Committee was re-constituted on 11.12.2015 comprising Shri Deepak Bhojwani, Part-time (Independent) Director as the Chairman of the Committee and Shri Rajesh Kumar Mangal, Part-time (Independent) Director, Shri P. H. Kurian Part-time (Ex-officio) Director and Shri P. Balasubramanian, Director (Finance) as Members.

Seven meetings of the Projects Evaluation Committee were held during the Financial Year 2015-16 on the following dates:

13.05.2015	14.07.2015	16.10.2015	09.11.2015
11.12.2015	12.02.2016	10.03.2016	-

Attendance at the Projects Evaluation Committee Meetings:

Names of the Members	No of meetings attended	%*
Shri B. Chakrabarti, Chairman (up to 09.08.2015)	2	100%
Shri P. H. Kurian, Chairman (w.e.f. 14.08.2015 up to 11.12.2015 as Chairman)	6	86%
Shri Deepak Bhojwani, Chairman (w.e.f. 11.12.2015)	2	100%
Prof. J. R Varma, Member (up to 09.08.2015)	1	50%
Shri P. Balasubramanian, Member	7	100%
Shri B. K. Datta, Member (w.e.f. 14.08.2015 and up to 11.12.2015)	3	100%
Smt. Sushma Taishete, Member (w.e.f. 14.08.2015 and up to 11.12.2015)	3	100%
Shri Rajesh Kumar Mangal, Member (w.e.f. 11.12.2015)	2	100%

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

C) Nomination and Remuneration Committee

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

BPCL being a Government Company, appointment/nomination of all the Directors is made by the President of India through the Ministry of Petroleum & Natural Gas including fixation of remuneration of Directors and Employees. The Nomination and Remuneration Committee comprised three Part-time Directors as Members with Director (Human Resources) and Director (Finance) being invitees. During the Financial Year 2015-16, Prof. J. R.Varma and Shri B. Chakrabarti, Part-time (Independent) Directors, ceased to be Members of the Committee on cessation from the Board w.e.f 10.08.2015 & Dr. Neeraj Mittal ceased to be a Member of the Committee on cessation from the Board w.e.f. 11.12.2015. The Committee was re-constituted on 14.08.2015 by inducting Smt. Sushma Taishete Part-time (Ex-Officio) Director, as Chairperson and Shri S. P. Gathoo, Director (Human Resources) and Shri P. Balasubramanian, Director (Finance), as Members. The Committee was subsequently re-constituted on 11.12.2015 by inducting Shri Deepak Bhojwani, Part-time (Independent) Director as Chairman and Shri Gopal Chandra Nanda, Part-time (Independent) Director and Smt Sushma Taishete, Part-time (Ex-officio) Director as Members. Subsequently, on cessation of Smt. Sushma Taishete from the Board w.e.f. 02.01.2016, the Committee was re-constituted on 20.01.2016 by inducting Shri Anant Kumar Singh, Part-time (Ex-Officio) Director as the Member in her place. Shri Deepak Bhojwani, Part-time (Independent) Director is the Chairman of the Committee and Shri Gopal Chandra Nanda, Part-time (Independent) Director and Shri Anant Kumar Singh, Part-time (Ex-Officio) Director are the Members. During the Financial Year 2015-16, one meeting was held on 10.03.2016 which was attended by all Members. BPCL is a Government Company and as per MCA circular, exemptions have been given to Government Companies from the applicability of Section 178(2)/(3)/(4) pertaining to Directors.

D) Stakeholders' Relationship Committee

The role of the Stakeholders' Relationship Committee is to specifically look into the redressal of grievances of securityholders, debenture holders including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc.

The Committee comprises Shri Gopal Chandra Nanda, Part-time (Independent) Director as Chairman and Shri P. Balasubramanian, Director (Finance) as Member. During the Financial Year 2015-16, Shri B. Chakrabarti, Part-time (Independent) Director, ceased to be Member of the Committee on cessation from the Board w.e.f 10.08.2015 and the Committee was re-constituted on 14.08.2015 by induction of Shri P. H. Kurian, Part-time (Ex-Officio) Director, as Chairman on an interim basis in his place. The Committee was subsequently re-constituted on 11.12.2015 by inducting Shri Gopal Chandra Nanda, Part-time (Independent) Director as Chairman in place of Shri P. H. Kurian.

The Committee, at its meeting held on 28.05.2015 and 11.02.2016 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.

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

During the Financial Year 2015-16, 10 complaints received from investors through SEBI, BSE and NSE were attended to and resolved on a 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, 2016.

E) Corporate Social Responsibility Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has re-constituted the Corporate Social Responsibility Committee on 21.07.2014.

The Corporate Social Responsibility Committee comprised one Part-time (Independent) Director, Director (Finance) and Director (Human Resources) as Members. The Committee was re-constituted on 11.12.2015. It comprises one Part-time (Independent) Director as Chairman and two Part-time (Ex-Officio) Directors, Director (Finance) and Director (Human Resources) as Members.

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

1) In every Financial Year, utilizing at least 2% of average net profits of the Company made during the three immediately preceding Financial Years towards CSR activities as specified in Schedule VII of the Companies Act, 2013;

2) Providing guidance and suggestions on CSR activities to the CSR role holders and monitoring its progress, bringing greater transparency and experience in the execution of CSR activities of the Company etc.

During the Financial Year 2015-16, Shri B. Chakrabarti, Part-time (Independent) Director, ceased to be Member of the Committee on cessation from the Board w.e.f 10.08.2015 and Shri P. H. Kurian, Part-time (Ex-Officio) Director, was appointed as Chairman of the Committee w.e.f. 14.08.2015 in his place. The Committee was re-constituted on 11.12.2015 by inducting Shri Rajesh Kumar Mangal, Part-time (Independent) Director as Chairman and Shri P. H. Kurian, Part-time (Ex-Officio) Director, Smt. Sushma Taishete, Part-time (Ex-Officio) Director, Shri S. P. Gathoo, Director (Human Resources) and Shri P. Balasubramanian, Director (Finance) as Members. Subsequently, on cessation of Smt. Sushma Taishete from the Board, the Committee was re-constituted on 20.01.2016 by inducting Shri Anant Kumar Singh, Part-time (Ex-Officio) Director as a the Member. As on 31st March, 2016, Shri Rajesh Kumar Mangal, Part-time (Independent) Director is the Chairman of the Committee and Shri S. P. Gathoo, Director (Human Resources), Shri P. H. Kurian, Part-time (Ex-Officio) Director, Shri P. Balasubramanian, Director (Finance) and Shri Anant Kumar Singh, Part-time (Ex-Officio) Director, are the Members.

During the Financial Year 2015-16, two meetings were held on 14.07.2015 and 12.02.2016 which were attended by all Members.

F) Risk Management Committee

Regulation 21 of the Listing Regulations requires the Company through its Board of Directors to constitute a Risk Management Committee. In compliance thereto, the Board had constituted the Risk Management Committee on 12.11.2014. During part of the Financial Year 2015-16, Shri B. Chakrabarti, Part-time (Independent) Director, was the Chairman of the Committee and Prof. J. R. Varma, Part-time (Independent) Director, and Shri P. Balasubramanian Director (Finance) were the Members of the Committee. Subsequently, on completion of the tenure of Shri B. Chakrabarti and Prof. J. R. Varma, the Committee was re-constituted on 14.08.2015 by appointing Shri K. K. Gupta, Director (Marketing) as the Chairman of the Committee and inducting Shri B. K. Datta, Director (Refineries) as the Member. Further, the Committee was re-constituted on 11.12.2015 by inducting Shri Rajesh Kumar Mangal, Part-time (Independent) Director as Chairman. On superannuation of Shri K. K. Gupta, Shri Ramesh Srinivasan was appointed as the Member in his place.

As of 31st March, 2016 the Committee comprised Shri Rajesh Kumar Mangal, Part-time (Independent) Director as Chairman and Shri Ramesh Srinivasan, Director (Marketing), Shri B. K. Datta Director (Refineries) and Shri P. Balasubramanian, Director (Finance) as Members.

Three meetings were held in the Financial Year 2015-2016 i.e., on 14.07.2015, 16.10.2015 and 20.01.2016 which were attended by all Members.

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

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

G) Sustainable Development Committee

The terms of reference of the Sustainable Development Committee are to oversee, approve, provide budgetary allocation and monitor the projects covered under Sustainable Development projects as part of the business plan of the business units and involves an enduring and balanced approach to environmental responsibilities and includes reviewing of the Business Responsibility Report on a half yearly basis and to place this report to the Board for information on an annual basis.

In line with DPE Guidelines on Sustainable Development, the Board re-constituted the Sustainable Development Committee on 21.07.2014 comprising Shri B. Chakrabarti, Part-time (Independent) Director as Chairman and Shri K. K. Gupta, Director (Marketing) and Shri B. K. Datta, Director (Refineries) as Members. During the Financial Year 2015-16, Shri B. Chakrabarti ceased to be Chairman of the Committee on cessation from the Board w.e.f 10.08.2015 and Smt. Sushma Taishete, Part-time (Ex-Officio) Director, was inducted as Chairperson in his place. Subsequently, Shri Gopal Chandra Nanda, Part-time (Independent) Director, was inducted as Chairman in place of Smt. Sushma Taishete on 11.12.2015. On superannuation of Shri K. K. Gupta, Shri S. Ramesh was appointed as Member in his place w.e.f. 01.03.2016.

As of 31st March, 2016, the Committee comprised Shri Gopal Chandra Nanda, Part-time (Independent) Director as Chairman, and Shri S. Ramesh, Director (Marketing) and Shri B. K. Datta, Director (Refineries) as Members.

During the Financial Year 2015-16, two meetings were held on 14.07.2015 and 11.02.2016 which were attended by all Members.

H) Separate Meeting of Independent Directors

During the Financial Year 2015-16, one separate meeting of Independent Directors was held on 12.02.2016 wherein the Independent Directors reviewed various parameters for assessing the quality, quantity and timelines of flow of information between the Company, Management and the Board to effectively and reasonably perform their duties.

4) **Remuneration to Directors**

BPCL being a Government Company, appointment and remuneration of Whole-Time Directors are determined by the Government through the Ministry of Petroleum & Natural Gas. The Part-time (Ex officio) Directors do not receive any remuneration from the Company. The Part-time (Independent) Directors received sitting fees of ₹ 20,000 for each Board/Audit Committee/other Committee Meetings attended by them during the Financial Year 2015-16. Performance Linked Incentives are payable to the Whole-time Functional Directors as employees of the Company as per the policy applicable to all employees of the Company.

a) Details of remuneration paid/payable to the Whole-time Directors during the Financial Year 2015-16 are as follows :-

Names of Directors	All elements of remuneration packages of the Directors. i.e. salary, benefits, bonus, pension etc.				Total
	Salary & allowances	Contribution to Provident Fund & other funds	Other benefits & perquisites	Performance Related Pay	
	₹	₹	₹	₹	₹
Shri S. Varadarajan Chairman & Managing Director	22,36,221	5,47,875	18,97,326	20,95,988	67,77,410
Shri K. K. Gupta Director (Marketing) (up to 29.02.2016)	20,27,504	4,96,738	48,93,854	6,23,980	80,42,076
Shri B. K. Datta Director (Refineries)	21,13,000	5,17,685	17,05,054	14,85,454	58,21,193
Shri S. P. Gathoo Director (Human Resources)	21,80,746	5,34,283	10,17,809	15,33,062	52,65,900
Shri P. Balasubramanian Director (Finance)	20,91,024	5,12,301	20,22,733	14,70,365	60,96,423
Shri S. Ramesh Director (Marketing) (w.e.f. 01.03.2016)	1,80,115	44,128	3,86,419	57,751	6,68,413
Total	**1,08,28,610**	**26,53,010**	**1,19,23,195**	**72,66,600**	**3,26,71,415**

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

Notice period : Three months.

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

For attending the meetings of the Board/Committees during the Financial Year 2015-16, the Part-time (Independent) Directors were paid sitting fees as given below:

Name of the Director	Amount (₹)
Prof. J. R. Varma	1,40,000
Shri B. Chakrabarti	3,00,000
Shri Rajesh Kumar Mangal	2,40,000
Shri Deepak Bhojwani	2,60,000
Shri Gopal Chandra Nanda	2,80,000

5) General Body Meetings

a. The details of Annual General Meetings during the last three years are given below:

Meeting details	Date and Time of the Meeting	Venue
60th Annual General Meeting	20th September 2013 at 10:30 a.m.	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College (K.C College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020
61st Annual General Meeting	18th September, 2014 at 10:30 a.m.	
62nd Annual General Meeting	9th September, 2015 at 10:30 a.m.	

b. The details of Special Resolutions passed in the previous three Annual General Meetings are given below:

Meeting details	Date and Time of the Meeting	Special Resolutions passed at the Meeting
60th Annual General Meeting	20th September 2013 at 10:30 a.m.	-
61st Annual General Meeting	18th September, 2014 at 10:30 a.m.	-
62nd Annual General Meeting	9th September, 2015 at 10:30 a.m.	1. Approval of Private Placement of Non-Convertible Bonds/Debentures and/or Debt Securities; 2. Approval of Material Related Party Transactions.

c. The details of Special Resolutions passed last year through Postal Ballot is given below:

i. During the Financial Year 2015-16, there was no occasion of Postal Ballot.

ii. Postal Ballot Notice dated 21st April, 2016 containing Special Resolution for increase in limit of total shareholding of all Registered Foreign Institutional Investors (FIIs) put together from 24% up to 49% of the paid-up equity share capital of the Company was circulated to the Members of the Company. The Special Resolution was accordingly passed by requisite majority, the result of which was announced on 2nd June, 2016.

iii. Postal Ballot Notice dated 26th May, 2016 containing Ordinary Resolution to issue Bonus Shares in the ratio of 1:1 was circulated to the Members of the Company. The Ordinary Resolution was accordingly passed by requisite majority, the result of which was announced on 7th July, 2016.

d. Person who conducted Postal Ballot: The Company appointed Mrs. Ragini Chokshi, Practising Company Secretary (C.P. No. 1436), Partner of Ragini Chokshi & Co. as Scrutinizer for conducting the above c.ii and c.iii. Postal Ballots and remote e-voting process in a fair and transparent manner.

e. Presently, there is no Special Resolution proposed to be conducted through Postal Ballot. However, the following Special Resolutions are proposed at the ensuing Annual General Meeting (AGM): 1. Approval of Private Placement of Non-convertible Bonds/Debentures and/or other Debt Securities; 2. Approval of Material Related Party Transactions. E-voting and ballot form/polling paper option will be provided to the Members to cast their vote on the AGM agenda items in the AGM.

f. The procedures prescribed for conducting Postal Ballot in terms of Section 110 and other applicable provisions of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 including any statutory modification or re-enactment thereof have been followed for the Postal Ballots conducted for the resolution/s mentioned above.

6) Means of Communication of Financial Performance

In order to give wider publicity and to reach the Members and other investing public across the nation, the half-yearly and quarterly financial results were published in various editions of leading newspapers having wide circulation such as The Economic Times, The Times of India, Maharashtra Times, Business Standard, Financial Express, Hindu Business Line, Nav Bharat, Free Press Journal, Nav Shakti, Mint etc. Reports on Limited Review of the Financial Results for the quarters ended 30th June, 2015, 30th September, 2015, 31st December, 2015 were obtained from the Auditors of the Company and filed with the Stock Exchanges. The financial results for the first quarter ended June, 2015, half year ended September, 2015, third quarter ended December, 2015, were sent to all Members at their registered addresses/email ids as the case may be.

The periodic financial results of the Company are also displayed on the website of the Company at www.bharatpetroleum.in and the websites of BSE and NSE.

7) General Shareholders'/Members' information:

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

Annual General Meeting Date, Time and Venue : Wednesday, 21st September, 2016, at 10.30 a.m. at Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College, 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020.

Financial Year : BPCL follows the Financial year from April to March. The Unaudited Results/Audited Results for the four quarters/year end 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 2015	14th Aug, 2015	15th Aug, 2015	Unaudited
Jul -Sep 2015	09th Nov, 2015	10th Nov, 2015	Unaudited
Oct-Dec 2015	12th Feb, 2016	13th Feb, 2016	Unaudited
Jan-Mar 2016	26th May, 2016	28th May, 2016	Unaudited
Apr-Mar 2016	26th May, 2016	28th May, 2016	Audited

Dividend Payment Dates : The Board of Directors at its meeting held on 20.01.2016 and 12.02.2016 approved declaration of Interim Dividends (I & II) of ₹12.50 & ₹3.50 per equity share respectively for face value of ₹10 each for the Financial Year 2015-16. The Company has paid the above dividends on 08.02.2016 and 09.03.2016 respectively.

The Board has recommended final dividend of ₹15 per equity share of ₹10 each for consideration of the Members at the ensuing Annual General Meeting. If approved by the Members, the same will be paid on or before 30.09.2016.

Date of Book Closure : Wednesday, 8th June, 2016 to Friday, 10th June, 2016 (both days inclusive), for the purpose of determining the names of Members/Beneficial Owners who would be entitled for final 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 400 001.	500547
National Stock Exchange of India Ltd Exchange Plaza, Plot No. C/1 Bandra Kurla Complex, Bandra (E), Mumbai 400 051.	BPCL

The Listing Fees have been paid for the year 2016-17 to both the above Exchanges.

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

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

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

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

Share Transfer System	:	A Committee comprising two Whole-time Directors considers the requests for transfer/ transmission of shares, dematerialisaton of shares etc. A Committee comprising four Directors i.e. two Whole-Time Directors and two Part-time Directors considers request for issue of share certificates. Transfers in physical form are registered after ascertaining objections, if any, from the transferors; and no valid transfer applications are kept pending beyond the stipulated period of fifteen days. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories viz., NSDL and CDSL within 15 days.
Distribution of shareholding as on 31st March, 2016	:	

Shareholder	No.of Shares Held	% of holding
1) Government of India	39,72,00,120	54.93
2) Government of Kerala	62,22,222	0.86
3) BPCL Trust for Investments in Shares	6,74,57,474	9.33
4) Mutual Funds/UTI	4,14,51,578	5.74
5) Financial Institutions/Banks	9,52,733	0.13
6) Insurance Companies	1,91,94,898	2.65
7) Foreign Institutional Investors	15,27,86,399	21.13
8) Bodies Corporate	1,79,01,137	2.48
9) Others	1,99,17,687	2.75
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, 98.90% are held in dematerialised form and balance in physical form as on 31st March, 2016.

The Company has not issued any GDRs/ADRs/Warrants etc.

Plant Locations

Mumbai Refinery	:	Bharat Petroleum Corporation Ltd., Mahul, Mumbai 400 074
Kochi Refinery	:	Bharat Petroleum Corporation Ltd., Ambalamugal, Kochi 682 302
Lubricant	:	Bharat Petroleum Corporation Ltd., Wadilube Installation, Mallet Road, Mumbai – 400 009 Bharat Petroleum Corporation Ltd. 24, Parganas, Budge – Budge 743 319 Bharat Petroleum Corporation Ltd. 35, Vaidyanatha Mudali street, Tondiarpet, Chennai-600 081.

Address for Correspondence

The Secretarial Department
Bharat Petroleum Corporation Ltd
Bharat Bhavan No.I, Ground Floor,
4&6,Currimbhoy Road,
Ballard Estate,
Mumbai 400 001.
Tel No. 022 – 2271 3170/2271 3435
Fax. No. 022 – 2271 3759/
022-2271 3688
Email : ssc@bharatpetroleum.in

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

Investors' Service Centre

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

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

C/o. Bharat Petroleum Corporation Ltd.

Bharat Bhavan No.1, Ground Floor,	Tel. No. 022 – 2271 3170
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 Members/Investors located in western region. It coordinates with DSRC based at Chennai and facilitates our efficient investor complaint redressal mechanism.

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

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

8) Management Discussion & Analysis Report

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

9) Other Disclosures:

a. Except where the Company has incurred expenses on behalf of subsidiaries/joint ventures as co-promoter and the same are recoverable from the subsidiaries/joint venture companies/associates, 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. To the extent applicable, the designated Member of the Audit Committee reviewed the related party transactions and the same were placed before the Audit Committee.

b. The Company has complied with all mandatory requirements of the erstwhile Equity Listing Agreement entered into with Stock Exchanges/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance except for non-compliance under 49(II)(A)(1)/(2) of the erstwhile Equity Listing Agreement/Regulation 17(1)(a)/(b) of the Listing Regulations & clause 2.2 & 3.1.4 of the Guidelines issued by DPE relating to the condition of having at least one woman director as on 31st March, 2016 and half of the Board of Directors shall comprise of Independent Directors and consequently the Committee constitution requirements were not met with during the period when Independent Directors were not on the Board.

   It may be noted that earlier the Stock Exchanges (BSE Limited and National Stock Exchange of India Limited) have levied a fine of ₹50,000/- each as per SEBI Circular and RoC, Mumbai (Ministry of Corporate Affairs) has issued a show cause notice for not having appointed a woman director. Since the Company is a Government Company, the regulators were informed of the action being initiated at the Ministry stating that non-compliance was not intentional and compliance was only within the control and powers of the Administrative Ministry/Government of India. All endeavours were made by the Management for compliance.

c. BPCL has also implemented the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

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

In addition to compliance of mandatory requirements, the Company has fulfilled the following discretionary requirements as specified in Part E of Schedule II of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

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

b) The Company has moved towards a regime of Standalone and Consolidated Financial Statements with unmodified audit opinion.

e. The web link for policy for determining 'material' subsidiaries is as follows: https://bharatpetroleum.com/About-BPCL/Our-Policies.aspx.

f. The web link for policy on dealing with related party transactions is as follows: https://bharatpetroleum.com/About-BPCL/Our-Policies.aspx.

g. Disclosure of commodity price risks and commodity hedging activities: The Company has adopted Risk Management Policy framework. Accordingly, the Company periodically informs the Board Members about the risk assessment and procedures for minimizing the risks.

h. BPCL nominates Directors for relevant training programmes/seminars conducted by reputed Institutions/ SCOPE/IICA etc. Further, strategy workshops are held to deliberate strategic issues, policy decisions etc.

i. CEO/CFO Certification: The Chairman & Managing Director and Director (Finance) have certified to the Board in accordance with Part B of Schedule II of Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for the Financial Year 2015-16.

j. Disclosures with respect to demat suspense account/unclaimed suspense account: No Shares are kept under demat/unclaimed suspense account.

k. 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 0.64% and 0.27% of the total expenses respectively for the Financial Year 2015-16. There is an increase in Office and Administrative expenses as % of total expenses for the Financial Year 2015-16 vis-à-vis compared with Financial Year 2014-15 (from 0.43% to 0.64%) mainly because of increase in rent, safety/security, training related expenses.

l. 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in BPCL' & the 'Code of Conduct to Regulate, Monitor and Report Trading for Prevention of Insider Trading in the Securities of BPCL': Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company had earlier adopted the 'Code of Conduct, Procedure and Disclosures for Prevention of Insider Trading in the Securities of Bharat Petroleum Corporation Limited' and 'Code of Corporate Disclosure Practices'. The Company Secretary was the Compliance Officer for implementation of the said Codes.

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

m. In line with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has implemented the following policies: 1. Policy on Preservation of documents; 2. Policy on materiality of events or information and they are disclosed on the website of the Company under the link: https://bharatpetroleum.com/About-BPCL/Our-Policies.aspx.

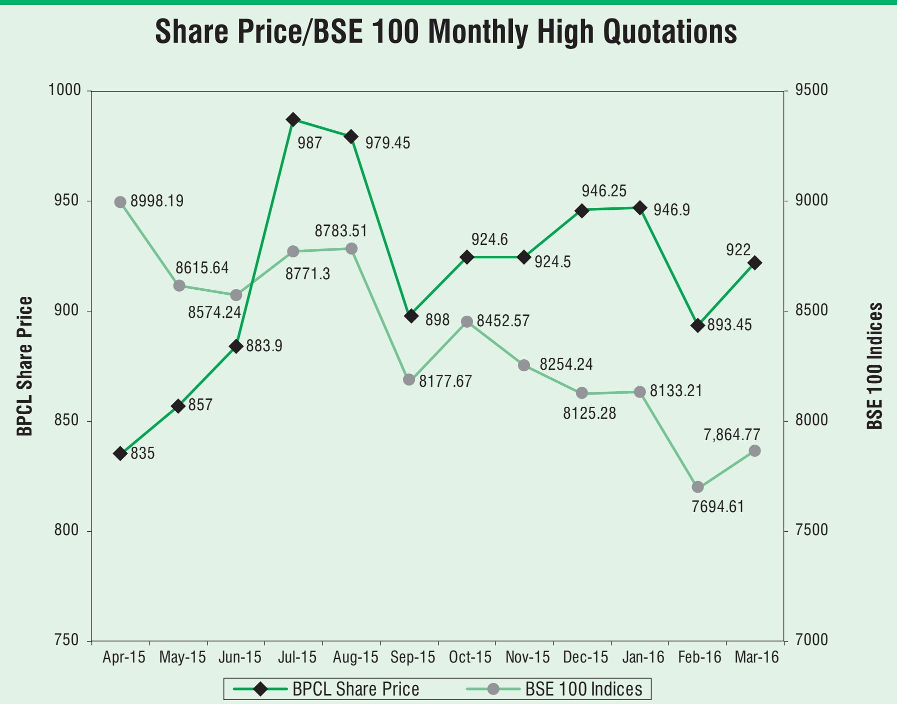
Annexure I

BPCL MARKET PRICE DATA						
April 2015- March 2016	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	835	722	2072557	835	720.4	24491159
May	857	**704.4**	1770920	855	**703.6**	22680827
June	883.9	803.25	2810027	883.95	803	29393744
July	**987**	864.2	3290799	**987**	863.25	40758495
August	979.45	803.8	3755174	979.55	802.9	42059729
September	898	812.1	2638579	898.95	811.6	25530108
October	924.6	837.85	1554701	925.6	837.25	24445814
November	924.5	862	1198695	924.05	861.55	17949007
December	946.25	868	2628309	946.9	867.25	20375984
January	946.9	861	1313784	947	861	25377979
February	893.45	732.2	1943617	893.25	731.15	39920627
March	922	769.75	1576324	921.9	769	33927703

MARKET CAPITALISATION/SHARES TRADED DURING 1ST APRIL 2015 TO 31ST MARCH 2016		
	BSE	NSE
No of Shares traded	2,65,53,486	34,69,11,176
No. of Shares	72,30,84,248	72,30,84,248
Highest Share Price (₹)	(23.07.2015) 987	(23.07.2015) 987
Lowest Share Price (₹)	(13.05.2015) 704.40	(29.05.2015) 703.60
Closing Share price as on 31st March, 2016 (₹)	901.60	904.30
Market Capitalisation as on 31st March, 2016 (₹ Crores)	65,193.28	65,388.51

Annexure II

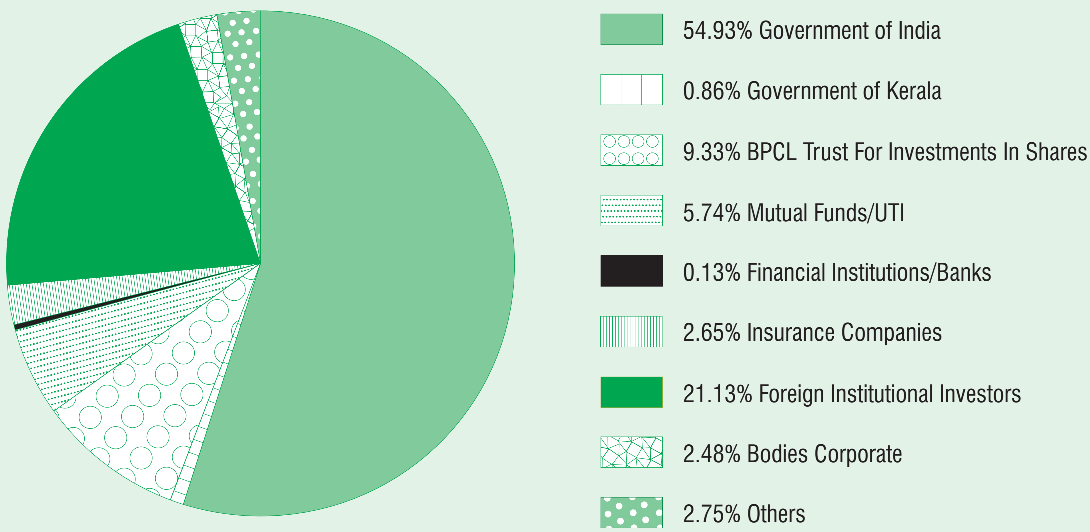
BPCL MARKET PRICE MOVEMENT IN COMPARISON TO BSE 100 INDICES



Annexure III

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016			
NO. OF. EQUITY SHARES HELD	**NO. OF MEMBERS**	**NO. OF SHARES**	**% OF TOTAL**
UPTO 5000	93,067	1,65,24,093	2.29
5001 TO 10000	258	18,63,942	0.26
10001 TO 50000	395	94,87,692	1.31
50001 TO 100000	125	86,79,754	1.20
100001 TO 500000	211	4,78,51,742	6.62
500001 TO 1000000	81	5,61,13,143	7.76
1000001 TO 2000000	31	4,40,38,678	6.09
2000001 TO 3000000	10	2,49,80,695	3.45
3000001 AND ABOVE	10	51,35,44,509	71.02
TOTAL	**94,188**	**72,30,84,248**	**100**

SHAREHOLDING PATTERN OF BPCL AS ON 31st MARCH, 2016 (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, 2016.

Sd/-
S Varadarajan
Chairman & Managing Director
Bharat Petroleum Corporation Limited

Place : Mumbai
Date : 11th August, 2016

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Bharat Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Bharat Petroleum Corporation Limited ("the Company"), for the year ended on 31st March, 2016, as stipulated in Clause 49 of the erstwhile Equity Listing Agreement of the said Company with stock exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in provisions as specified in the Clause 49 of the erstwhile Equity Listing Agreement and SEBI LODR except for non-compliance under 49(II)(A)(1)/(2) of the erstwhile Equity Listing Agreement/ Regulation 17(1)(a)/(b) of SEBI LODR relating to the condition of having at least one woman director as on 31st March, 2016 and half of the Board of Directors shall comprise of Independent Directors and consequently the Committee constitution requirements not met with during the period when Independent Directors were not on the Board.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Ragini Chokshi & Co.**
(Company Secretaries)

Sd/-
Ragini Chokshi
Partner
C.P. No. 1436/ FCS No. 2390

Place: Mumbai
Date: 27th July, 2016

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Bharat Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Bharat Petroleum Corporation Limited ("the Company"), for the year ended on 31st March, 2016, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 ("the Guidelines"), issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Guidelines issued by DPE except for non-compliance in terms of clause 2.2 & 3.1.4 of the Guidelines relating to the condition of having at least one woman director as on 31st March, 2016 and half of the Board of Directors shall comprise of Independent Directors and consequently the Committee constitution requirements not met with during the period when Independent Directors were not on the Board.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Ragini Chokshi & Co.**
(Company Secretaries)

Sd/-
Ragini Chokshi
Partner
C.P. No. 1436/ FCS No. 2390

Place: Mumbai
Date: 27th July, 2016

BUSINESS RESPONSIBILITY REPORT 2015-2016

About this report

The Securities and Exchange Board of India (SEBI), vide notification dated 22nd December, 2015, has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of a Company's Annual Report for the top 500 listed entities based on market capitalization at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) as on March 31, of every Financial Year - which includes BPCL. The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs') released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles. Following is the Business Responsibility Report of our Company based on the format suggested by SEBI in the cited notification.

Section A: General Information about the Company	
1. Corporate Identity Number (CIN) of the Company	L23220MH1952GOI008931
2. Name of the Company	Bharat Petroleum Corporation Limited
3. Registered address	Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001
4. Website	http://www.bharatpetroleum.in
5. E-mail id	ssc@bharatpetroleum.in
6. Financial Year reported	2015-16
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	**Group** : 192 **Class** : 1920 **Sub-class** : 19201 **Description** : Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals **Group**: 192 **Class** : 1920 **Sub-class** : 19203 **Description** : Bottling of LPG/CNG **Group**: 192 **Class** : 1920 **Sub-class** : 19209 **Description** : Manufacture of other petroleum products (includes petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)
8. List three key products/services that the Company manufactures/provides (as in balance sheet):	The Company produces and supplies primary fuels including (but not limited to): • High Speed Diesel • Motor Spirit (petrol) • Liquefied Petroleum Gas (LPG)
9. Total number of locations where business activity is undertaken by the Company **i. Number of International Locations (Provide details of major 5)** **ii. Number of National Locations**	There are no direct operations that BPCL undertakes at international locations (only subsidiary companies have overseas operations). 2 Refineries (Mumbai and Kochi); 82 Retail (Installations/ Depots/TOPs); 49 LPG Bottling Plants; 4 Lube Blending Plants; 30 Aviation Locations/Fuelling Stations/on-wheels; 1 Head Office; and 4 Regional Offices.
10. Markets served by the Company - Local/State/National/International/	Local ☑ /State ☑ / National ☑ / International ☑

Section B: Financial Details of the Company	
1. **Paid up Capital (INR)**	₹723.08 Crores
2. **Total Turnover (INR)**	₹2,18,011.04 Crores
3. **Total profit after taxes (INR)**	₹7,431.88 Crores
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	In line with the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 BPCL has earmarked 2% of previous three years average net profit amounting to ₹112.60 Crores. In addition, we had a carry forward of ₹42.06 Crores as unspent for the previous year 2014-15. Out of these balance, BPCL has spent ₹95.59 Crores during the year 2015-16 while the balance amount is earmarked for CSR Projects and Swachh Bharat Related Projects.
5. **List of activities in which expenditure in 4 above has been incurred**	Our CSR related activities are mainly in the areas of: • Education • Water Conservation • Skill Development • Health/Hygiene • Community Development
Section C: Other Details	
1. **Does the Company have any Subsidiary Company/ Companies?**	Yes, BPCL has seven subsidiaries, of which 5 are Indian and 4 are foreign subsidiaries: Indian: • Numaligarh Refinery Ltd • Bharat PetroResources Ltd. (BPRL) • Bharat PetroResources JPDA Ltd. • Petronet CCK Ltd. • BPCL-KIAL Fuel Farm Pvt Ltd. Foreign: • BPRL International B.V. • BPRL Ventures B.V. • BPRL Ventures Mozambique B.V. • BPRL Ventures Indonesia B.V.
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**	No; Subsidiary Companies are driven by their own policies as they are located in different geographies/ business domains.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

Entity	Initiative	% of entity
Suppliers	All BPCL Suppliers have to conform to Company's norms before being awarded any contract, it also includes compliance to laws of the land. BPCL has taken initiatives to make procurement from local and small vendors. Section-E, Principle-2 (Question-4) may be referred to for further details.	More than 60%
Contractors	BPCL conducts safety training for Contractors. In addition to this, certification courses based on fuel efficiency, knowledge on health and safety etc. are conducted. Health Checkups of the Contract Workmen are carried out at regular intervals at various locations.	More than 60%

Dealers & Distributors	Dealers and Distributors of BPCL participate in CSR initiatives of the Company such as training to transport crew, retail outlet staff etc.	More than 60%
Customers	At BPCL, we ensure customers safety by providing them with training for the safe use of the products. We also conduct regular surveys and engage with our customers through various forums in order to continuously improve our service delivery systems. We have a systematic LPG Safety Training programmes for domestic LPG customers.	More than 60%

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

a) **Details of the Director/Directors responsible for implementation of the BR policy/policies**

The review and implementation of the BR policies are the responsibility of the Sustainable Development Committee of the Board of BPCL. The details of the Committee Members as on 31.03.2016 are given below.

DIN Number	Name	Designation
06441034	Shri G. C. Nanda, Chairman of the Committee	Independent Director
03586382	Shri B.K.Datta	Director (Refineries)
07164250	Shri S. Ramesh	Director (Marketing)

b) **Details of the BR head**

S. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Shri S.V. Kulkarni
3.	Designation	Company Secretary
4.	Telephone number	022- 2271 3440
5.	e-mail id	ssc@bharatpetroleum.in

2. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

The 9 principles outlined in the National Voluntary Guidelines are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being 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

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	Refer table below @								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
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 Chairman & Managing Director of BPCL, as a member of the 'Constitution of Working Group for the formulation of 12th Five Year Plan (2012-17) for Petroleum & Natural Gas Sector' and several other similar forums, pursued BPCL's public policy at the time of Policy formation.

@ Web-link for the policy:

NVG Principle	Web-link
Principle 1: Ethics, transparency& accountability	https://bharatpetroleum.com/images/files/Codeof Conduct_BPCL.pdf
Principle 2: Sustainability in life-cycle of product	Company's Internal web (Intralink)
Principle 3: Employee well-being	Company's Internal web (Intralink)
Principle 4: Stakeholder engagement	http://www.bharatpetroleum.in/EnergisingSociety/CSR_ Sustainability_Report.aspx?id=2
Principle 5: Promotion of human rights	Company's Internal web (Intralink)
Principle 6: Environmental protection	https://bharatpetroleum.com/Sustainability/Health,-Safety,-Security-&-Environment.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	Question	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**

1. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year)**

   A 'Sustainable Development Committee of the Board' has been set up which reviews the sustainability initiatives and provides suggestions for further improvement every 3-6 months. The committee is formulated as per the provision under the law.

2. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   Yes; In addition to a Business Responsibility Report (BRR), BPCL has been publishing its GRI Framework based Sustainability Development (SD) Report every year since Financial Year 2007-08.SD Reports for the past years are available at: http://www.bharatpetroleum.in/EnergisingSociety/CSR_Sustainability_Report.aspx?id=2

Section E: Principle-wise performance

Principle 1: *Ethics, Transparency and Accountability*

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The policy formulated by BPCL on ethics, prevention of corruption and bribery covers the Company's operations and extends to the suppliers, vendors and contractors. The vendors and contractors are made to sign a contract which is in accordance with the law of the land. There is also a code of conduct with regard to ethics, bribery and corruption for the members of the board and the senior management.

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

   During the financial year 2015-16, 10 complaints have been received from investors through SEBI, BSE and NSE which were attended to and resolved on a priority basis.

   In order to meet the aspirations of the vast customer base, BPCL has developed a robust and easily accessible Customer Care System (CCS), which enables customers to lodge their feedback, complaints or suggestions. The toll free number of CCS and our corporate website address are displayed across customer touch points. During the year 2015-16, 6 lakh customer interactions have been received and all have been resolved with an average closure time of 6 days.

Principle 2: *Sustainability in the life-cycle of the Product*

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

   BPCL has clear commitment to develop sustainable products. While developing products, it is ensured that they do not pose unintended harm to the environment and to persons involved during their production, transportation, consumption or disposal. Our R&D Centre helps in developing products so as to continuously reduce the negative impact of the product on the environment and society.

   Some of our products with enhanced environmental performance include:

   - BS III & IV Motor Spirit
   - BS III & IV HSD
   - 10% Ethanol Blended Motor Spirit
   - 5% Biodiesel blended HSD
   - Horticulture Mineral Oil (HMO)

   MAK All Season HMO and its variants, abide by the stringent requirements of IMO. Both conventional and organic farmers benefit from this product.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

i. **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

   BPCL has undertaken a plan to upgrade from Euro Stage II to III and IV standards of fuel. This decision is in alignment with the Government of India Autofuel Policy.

   As per auto fuel vision and policy 2025, BS IV will be progressively available across the country and nationwide by April, 2017.

   In line with Ministry of Petroleum & Natural Gas Gazette Notification for selling of Ethanol Blended Motor Spirit with ethanol upto 10%, BPCL has undertaken a plan to maximize the blending of Ethanol in Motor Spirit. Sales volume of 25,66,931 KL of Ethanol blended Motor Spirit has been achieved during the year 2015-16. Ethanol is an oxygen-enhancing additive that helps Motor Gasoline burn cleaner, thus reducing air pollution due to lesser harmful emissions such as Carbon Monoxide (CO). It also results in reduction in the use of crude oil, a non-renewable resource and dependence on import of petroleum products, thereby saving valuable foreign exchange for the country.

In line with Govt. of India's Biodiesel blending programme, BPCL has undertaken the blending of 5% Biodiesel in HSD at selected locations. Sales volume of 40,710 KL of Biodiesel blended HSD has been achieved during the year 2015-16. BIODIESEL (B-100) is a fuel manufactured from non–edible/ edible oils. Biodiesel substantially reduces unburnt HydroCarbon, CO and particulate matter. It has almost no sulphur, no aromatics and about 10% built in oxygen which helps in ensuring complete combustion.

This year BPCL has paid close attention to the reduction of energy at our distribution outlets and centres. Keeping this goal in mind, we have provided green lighting and solar systems at 350 Retail Outlets in the year 2015-16. This has resulted in a significant decrease in our energy consumption. We have also scheduled ISO 50001 certification programs at our Refineries, LPG plants and Retail depots/installations.

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

MAK All Season HMO is a single product which abides by the stringent requirements of IMO. Both conventional and organic farmers benefit from this product. This product has been found to be negligibly toxic as compared to conventional plant protection chemicals. It has been successfully evaluated at ICAR/SAU's. Introduction of MAK All Season HMO has reduced the use of harmful chemicals by farmers.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

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

Yes, BPCL has a standard tender document which includes in it, a clause on sustainable procuring which is in compliance with the applicable labour laws, technical codes, statutory requirements etc. The tender document contains clauses with respect to production using ethical business practices and environmentally sustainable practices. These are used for all procurements at BPCL. Along with this, we also conduct safety training programmes, fuel conservation techniques and courses on health management on a regular basis for our transport staff. Training to transport crew on defensive driving is also being given at the location level.

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; goods and services are procured from small/ local vendors by BPCL. The Tender Guidelines applicable to the Central Procurement Office (CPO) have the following Purchase Preference Clause for Micro and Small Enterprises (MSEs) :

"Owner reserves its right to allow 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'.

During the year 2015-16, 23.06% of BPCL procurement has been through MSEs as against Govt. of India's target of 20%.

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%)**

We have an estimate of less than 5% of waste being recycled in the organisation. The nature of business is such that the scope of using recycled products is very low. Efforts are on for exploring new opportunities to recycle waste generated as a result of our business processes and operations. We have installed Effluent Treatment Plants (ETPs) in Mumbai and Kochi Refineries and also at some of our PoL Depots and LPG Plants. The water treated using the ETP is then used for gardening, toilets and other non-potable applications.

Some of the items that have potential to be recycled at our units are as follows:

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

As part of our sustainability development initiatives, we have undertaken waste management studies and have implemented effective ways to manage waste at our Refineries and Marketing Locations.

Principle 3: *Employee Well-being*

1. **Please indicate the Total number of employees**

   Permanent Employees 12,623

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis**

   Temporary/Contractual/Casual employees:

   Contract Labour: 29,832 (There is no Casual Labour currently engaged by BPCL. As a policy we have discontinued engagement of Casual Labour. Contract labours is engaged by contractors for non-core, sporadic and peripheral nature of jobs as per "Contract for Services". Their engagement, thus, is dynamic & keeps varying. Currently, significant number of contract labour are also engaged through Contractors for special projects at various places including a major project namely Integrated Refinery Expansion Project in Kochi Refinery).

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

   1,151

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

   218 (Management : 75, Non-Management : 143)

5. **Do you have an Employee Association that is recognized by management?**

   There are 21 Registered Unions (including Refineries)

6. **What percentage of your permanent employees are members of this recognized Employee Association?**

   94% of our (non-management) employees are represented through these employee unions.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as at the end of the financial year.**

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as at the end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	NA
2.	Sexual harassment	01	01
3.	Discriminatory employment	Nil	NA

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

- Permanent Employees:

  On an average 14.91 man-hours of training per employee was provided in the reporting period. This is inclusive of safety related training undertaken at plants and technical and behavioural training offered by BPCL Learning Centre (BPLC) centrally.

- Permanent Women Employees:

  On an average 7.76 man-hours of training per woman employee was provided in the reporting period. This is inclusive of safety related training undertaken at plants.

- Casual/Temporary/Contractual Employees:

  The safety of our contract labour is of utmost importance and we have mandated a comprehensive training programme which includes sessions on 'Safety within the workplace' before which they are not provided access cards. Although these training programmes are mandated, we do not separately track the proportion of contract labour that were given safety and skill up-gradation in the year 2015-16.

- Employees with Disabilities:

  Not tracked separately

Principle 4: *Stakeholder Engagement*

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   Yes; BPCL has identified both, its internal and external stakeholders. The internal stakeholders largely include employees and the external stakeholders include the customers and the community. At BPCL we undergo a thorough materiality to understand and identify the most important stakeholders.

   In no order of preference its external stakeholders are as follows:

   - Members & lenders
   - Government and regulatory authorities
   - Industry associations
   - Customers

- Suppliers
- Community
- Dealers and distributors
- Contractors
- Media and academic institutions

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes. Our projects aim at benefitting the community from the low socio economic strata and who are in and around our business units like Refineries, Depots, Installations, LPG Bottling Plants and are identified as vulnerable. Also remote rural/tribal communities are under the ambit of marginalized and vulnerable stakeholders. Furthermore, we have projects solely targeted at improving the quality of life of persons with disabilities who are highly marginalized and disadvantaged.

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.**

   Against the stipulated 2% spends of the average net profit of the preceding three financial years (₹112.6 Crores), BPCL had made commitments for various projects, Pan India in the thrust areas. Pursuant to Hon'ble Prime Minister's clarion call on "Swachh Bharat Abhiyan", BPCL joined the mission to accelerate the progress of healthy sanitation in schools in rural areas. A significant proportion of this budget/allocation was committed towards the Swachh Bharat – Swachh Vidyalaya programme in which BPCL constructed 1910 toilet blocks in the states of West Bengal, Andhra Pradesh, Telangana, Bihar, Odisha, Madhya Pradesh and Chhattisgarh, spread across 26 districts with enrolment of around 1.4 lakh children.

Principle 5: ***Promotion of Human Rights***

1. **Does the policy of the Company on Human Rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The BPCL practices and policies on Human Rights extends to all its suppliers, vendors and contractors.

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

   During the year 2015-16, total 4,21,619 Customer Complaints have been received and all have been resolved during the year.

Principle 6: ***Environmental Protection***

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

   The policy pertaining to environmental protection covers only the Company.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes; BPCL has undertaken several initiatives which focus on mitigating global environmental issues by undertaking various Sustainability Development projects such as solar power, wind power, energy efficient lighting, rainwater harvesting and planting and raising seedlings. We are proud to partner with the Ministry of Petroleum & Natural Gas, Ministry of Environment, Forest & Climate Change and other Oil Companies on the Campaign on Climate. The link is provided below:

   http://www.bharatpetroleum.co.in/EnergisingEnvironment/EnergisingEnvironment.aspx?id=3

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes; Environmental risk and safety is of primary concern for us at BPCL. We have in place a detailed Health, Safety and Environment Policy which we follow to identify the potential environmental risks that are material to the organisation.

4. **Does the Company have any project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed?**

   Yes, BPCL has projects undertaken in Clean Development Mechanism. However, there are no environmental compliance reports filed with respect to this.

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.**

   Yes, BPCL has undertaken Renewable Energy Projects during 2015-16 which are outlined as below:

   1. 4 MW Solar Power Plant at Bina Dispatch Terminal.
   2. 1.05 MW Solar Power Plant CRDC, Noida
   3. 6.3 MW Wind Power Plant at Hanumanthappa, Karnataka.

   The details of these initiatives have been provided in the below mentioned link.

   https://bharatpetroleum.com/Sustainability/BPCL-on-Renewable-Energy.aspx

   https://bharatpetroleum.com/Sustainability/Alternative-Energy-Resources.aspx

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

   Information regarding the emissions/waste generated from our locations will be detailed in our Sustainability Development Report for the year 2015-16.The report also provides details on compliance with the CPCB/SPCB limits for these parameters.

7. **Number of showcause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There are no pending CPCB/SPCB showcause/legal notices at the close of Financial Year 2015-16.

Principle 7: *Responsible Public Policy Advocacy*

1. **Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with**

   Yes; BPCL is a member of several industrial and trade associations. Some of the major ones are listed below:

   - Confederation of Indian Industry (CII)
   - Federation of Indian Chambers of Commerce and Industry (FICCI)
   - Bombay Chamber of Commerce & Industry
   - ASSOCHAM
   - Indian Merchant Chambers
   - World Energy Council-Indian Member Committee
   - World LP Gas Association
   - Petroleum Federation of India
   - Bio Diesel Association of India
   - The Advertising Standards Council of India
   - National Accreditation Board for Testing and Calibration Laboratories

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).**

   BPCL uses the platforms of the above mentioned associations to address issues that might impact our stakeholders. We encourage and participate in advocating policy level processes rather than lobbying on any specific issues.

   As a member of the 'Working Group for the Formulation of Plan for Petroleum & Natural Gas Sector', BPCL Chairman and Managing Director has in the past, contributed in the formation of Oil Industry specific guidelines.

Principle 8: *Inclusive Growth*

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

   We carry out a variety of CSR activities under the focus areas mentioned above. Amongst them, BPCL has identified water conservation through Rainwater Harvesting (RWH)as a major thrust area. BPCL has transformed more than 35 villages from water scarce to water positive in the year 2015-16. The installation of RWH structures have impacted these villages socially, environmentally and economically.

   Apart from providing water and promoting conservation practices, the villages were steered on adopting more efficient agricultural practices consuming lesser water and pesticides. With efficient systems of agriculture brought in, villagers were economically benefitted. Drought affected villages are now transformed into villages with water, with an increase in the health and sanitary conditions of the village. Most of the RWH structures are in the nature of bunds, ponds, gabions, tanks etc. This has a direct impact in recharging ground water, soil moisture conservation & checking soil erosion.

   With availability of water, some flora & fauna can also be seen around the water bodies while simultaneously, pisciculture too has been promoted with good harvests.

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

   Although our CSR programmes/projects are monitored internally, we connect and collaborate with various NGOs, government structures, other professional agencies, and foundations for execution of the project on the ground and also obtain community participation wherever possible.

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

   Yes; Impact assessment is crucial to view the effect of the activity conducted. In this regard, BPCL conducts impact assessment at two levels: 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?**

   ₹ 95.59 Crores. Details of CSR Projects undertaken, are provided in the section on CSR Activities forming part of the Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Community involvement and participation in every step of the project/programme is fundamental to BPCL CSR. From planning right to final result assessment, efforts are taken to form community based organisations like farmer committees, village water committees, alumni committees and school management committees. Throughout the project several capacity building and training programs, meetings etc. are held for these groups and various other stakeholders. In several projects, more specifically skill development & water conservation, the community also contributes a small amount financially or through "Shram". This ensures ownership of the project by the community as well as sustainability on BPCL exit. We also use the transformed communities as resource groups to empower other villages/communities. This peer learning is much more effective.

Principle 9: *Customer Value*

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

   During the year 2015-16, total 4,21,619 Customer Complaints have been received and all have been resolved during the year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)**

   All BPCL's product labels give data required according to National and International particulars. It additionally shows data significant for safe handling of the product.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year? If so, provide details thereof, in about 50 words or so.**

	No. of cases filed in the last five years	**No. of cases pending as on end of Financial Year 2015-16**
Unfair trade practices	Nil	Nil
Irresponsible advertising	Nil	Nil
Anti-competitive behaviour	5	5

Details of cases regarding Anti-competitive behaviour are as follows:

1. RIL/Essar/Shell had filed a complaint before the Petroleum & Natural Gas Regulatory Board (PNGRB) against PSU OMCs and upstream companies alleging collusion, cartelization and predatory pricing for MS and HSD - *Sub Judice.*
2. A complaint was filed by RIL before the Competition Commission of India alleging cartelization and misuse of its dominant position - *Sub Judice.*
3. India Glycols Ltd Vs India Sugar Mills Associates & Ors. alleging that ISMA, on behalf of member companies (including BPCL) have lobbied with Govt. of India for increasing the price of Ethanol from various suppliers - *Sub Judice.*
4. CCI vide its own cognizance started enquiry against OMCs by observing that OMCs are behaving like a cartel by fixing petrol price. Preliminary objection taken by Respondent OMCs that CCI does not have jurisdiction and PNGRB has jurisdiction to hear this issue.

   Commission ordered DG investigation which should cover the entire value chain of price build up. We challenged the said order in Delhi High Court vide WP 7303/2013 and Delhi High Court vide order dated 22.11.2013 ordered stay in the said proceedings - *Sub Judice.*
5. Appeal filed against order dated 11.2.2014 passed by CCI in suo-motu case no. 95/2013. Federation is alleging unfair terms in Dealership Agreements for a) Not allowing to use petroleum products of other OMCs and b) Reserving Dealer land just for selling oil and impose condition to give land to OMC when dealership is terminated - *Sub Judice.*

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

   BPCL carries out annual consumer surveys through an external agency from time to time to derive the Brand Equity Index of our Strategic Business Units (SBUs). One such survey was conducted during the year 2014-15. However no such survey has been undertaken during the year 2015-16.

ANNEXURE E

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2016	The preparation of financial statements of Bharat Petroleum Corporation Limited for the year ended 31 March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 May, 2016. I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Bharat Petroleum Corporation Limited for the year ended 31 March, 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

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

Place : Mumbai
Date : 27 July 2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2016	The preparation of consolidated financial statements of Bharat Petroleum Corporation Limited for the year ended 31 March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is/are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 May, 2016. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Bharat Petroleum Corporation Limited for the year ended 31 March, 2016. We conducted a supplementary audit of the financial statements of Bharat Petroleum Corporation Limited and its subsidiaries and jointly controlled entities (Annexure - I), but did not conduct supplementary audit of the financial statements of (Annexure -II) for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to (Annexure - III) being private entities/entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit &
ex-officio Member, Audit Board–II, Mumbai

Place : Mumbai
Date : 29 July 2016

Annexure-I	**Annexure-II**
Subsidiaries	**Joint Ventures**
1. Numaligarh Refinery Limited	1. Delhi Aviation Fuel Facility Private Limited
2. Bharat PetroResources Limited	**Annexure-III**
3. Petronet CCK Limited	**Joint Ventures**
Joint Ventures	1. Indraprastha Gas Limited
1. Maharashtra Natural Gas Limited	2. Bharat Oman Refineries Limited
2. Petronet India Limited	3. Matrix Bharat Pte Ltd.
3. Central UP Gas Limited	4. Petronet LNG Limited
4. Kochi Salem Pipeline Private Limited	5. Sabarmati Gas Limited
5 Mumbai Aviation Fuel Farm Facility Pvt. Ltd	6. Bharat Stars Services Private Limited
	7. GSPL India Gasnet Ltd.
	8. GSPL India Transco Ltd.

Annexure F

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	Name of the Related Party	Nature of Relationship	Nature of Contract/ Arrangement/ Transactions	Duration of the Contract/ Arrangement/ Transactions	Salient Terms of the Contracts/ Arrangements/Transactions	Transaction Values in FY 2015-16 (₹ Crores)	Dates of Board Approval	Amount Paid as Advances (₹ Crores)
1	Bharat Oman Refineries Ltd. (BORL)	Joint Venture Company	Purchase of Goods	2015-16	Purchase of petroleum products for resale	25,898.20	NA	-
2	Bharat Oman Refineries Ltd.	Joint Venture Company	Sale of Goods	2015-16	Import of Crude Oil on behalf of BORL and supplies to them. Also, sale of lubricants	808.08	NA	-
3	Bharat Oman Refineries Ltd.	Joint Venture Company	Receiving of Services	2015-16	Interest on the loans provided to BORL	129.01	NA	-
4	Indraprastha Gas Ltd.	Joint Venture Company	Purchase of Goods	2015-16	Purchase of Compressed Natural Gas for resale at the Retail Outlets	213.81	NA	-
5	Indraprastha Gas Ltd.	Joint Venture Company	Sale of Goods	2015-16	Sale of Liquefied Natural Gas/Lubricants	283.19	NA	-
6	Matrix Bharat Pte. Ltd	Joint Venture Company	Sale of Goods	2015-16	Sale of bunker fuels/Naphtha	997.74	NA	-
7	Numaligarh Refinery Ltd.	Subsidiary Company	Purchase of Goods	2015-16	Purchase of petroleum products for resale	10,588.58	NA	-
8	Petronet CCK Ltd. * (PCCKL)	Joint Venture Company	Receiving of Services	2015-16	Transportation of petroleum products through PCCKL pipeline	107.78	NA	-
9	Petronet LNG Ltd.	Joint Venture Company	Purchase of Goods	2015-16	Purchase of Regasified Liquefied Natural Gas for consumption/sale	4,184.69	NA	56.18
10	Sabarmati Gas Ltd.	Joint Venture Company	Purchase of Goods	2015-16	Purchase of Compressed Natural Gas for resale at the Retail Outlets	145.56	NA	-
11	Sabarmati Gas Ltd.	Joint Venture Company	Sale of Goods	2015-16	Sale of Liquified Natural Gas	300.28	NA	-

* Petronet CCK Ltd. has become a subsidiary from 29th May, 2015.

Note: The threshold for determining the material transaction has been considered in line with Rule no.15(3) of Companies (Meetings of Boards and its Powers) Rules, 2014.
All Transactions are in ordinary course of business and at arm's length.

For and on behalf of the Board of Directors

Sd/-
S. Varadarajan
Chairman & Managing Director

Place: Mumbai
Date : 26th May 2016

ANNEXURE G

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2016
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i) CIN	L23220MH1952GOI008931
(ii) Registration date	3rd November,1952
(iii) Name of the Company	Bharat Petroleum Corporation Limited
(iv) Category/Sub-Category of the Company	Public Company Limited by Shares/Government Company
(v) Address of the Registered Office and contact details	Bharat Bhavan, 4&6, Currimbhoy Road, Ballard Estate, P.B. No. 688, Mumbai 400 001, India Tel No. 022 2271 3000/4000 Fax. No. 022 2271 3874 Email : info@bharatpetroleum.in Website : www.bharatpetroleum.in
(vi) Whether listed Company	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Data Software Research Co. Pvt. Ltd. #19, Pycrofts Garden Road, Off. Haddows Road, Nungambakkam,Chennai- 600 006 Ph: +91-44-2821 3738/2821 4487; Fax: 91-44-2821 4636; Email : bpcl@dsrc-cid.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No	Name and Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the Company (After allocating Cash subsidy received)
1	Motor Spirit (MS)	Group 192; sub-class: 19201	23.71
2	High Speed Diesel (HSD)	Group 192; sub-class: 19201	51.66
3	Liquefied Petroleum Gas (LPG)	Group 192; sub-class: 19201	10.07

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Numaligarh Refinery Limited 122A, G. S. Road, Christian Basti, Guwahati, Assam 781005, India	U11202AS1993GOI003893	Subsidiary	61.65%	2(87)
2	Bharat PetroResources Limited Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai, Maharashtra 400001, India	U23209MH2006GOI165152	Subsidiary	100.00%	2(87)
3	Bharat PetroResources JPDA Limited Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai, Maharashtra 400001, India	U23209MH2006GOI165279	Subsidiary	*100.00%	2(87)
4	BPRL International BV., WTC Amsterdam, Tower C-11 Strawinskylaan 1143 I 1077 XX Amsterdam, Netherlands	Not Applicable	Subsidiary	*100.00%	2(87)

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5	BPRL Ventures BV. WTC Amsterdam, Tower C-11 Strawinskylaan 1143 I 1077 XX Amsterdam, Netherlands	Not Applicable	Subsidiary	*100.00%	2(87)
6	BPRL Ventures Mozambique BV WTC Amsterdam, Tower C-11 Strawinskylaan 1143 I 1077 XX Amsterdam, Netherlands	Not Applicable	Subsidiary	*100.00%	2(87)
7	BPRL Ventures Indonesia BV WTC Amsterdam, Tower C-11 Strawinskylaan 1143 I 1077 XX Amsterdam, Netherlands	Not Applicable	Subsidiary	*100.00%	2(87)
8	Petronet CCK Limited New Oil Installation, Irimpanam P O Ernakulam, Kerala 682309 India	U60300KL1998PLC012336	Subsidiary	73.96%	2(87)
9	BPCL-KIAL Fuel Farm Private Limited Irimpanam Installation, Irimpanam Kochi 682309	U23200KL2015PTC038487	Subsidiary	74.00%	2(87)
10	Bharat Oman Refineries Limited Administrative Building, Refinery Complex, Post BORL Residential Complex, Bina, Dist. Sagar, Bina, Madhya Pradesh 470124, India	U11101MP1994PLC008162	Associate	50.00%	2(6)
11	Petronet LNG Limited First floor, World Trade Centre, Babar Road, Barakhamba Lane, New Delhi 110 001, India	L74899DL1998PLC093073	Associate	12.50%	2(6)
12	Indraprastha Gas Limited IGL Bhawan, Plot No 4, Community Centre, Sector 9, R K Puram, New Delhi 110022, India	L23201DL1998PLC097614	Associate	22.50%	2(6)
13	Sabarmati Gas Limited Plot No 907, Sector 21, Gandhinagar, Gujarat 382021, India	U40200GJ2006PLC048397	Associate	49.94%	2(6)
14	Central U.P. Gas Limited A-1/4, Lakhanpur, UPSID complex, Kanpur, Uttar Pradesh 208024, India	U40200UP2005PLC029538	Associate	25.00%	2(6)
15	Maharashtra Natural Gas Limited Plot No 27, Narveer Tanaji wadi, PMT Bus Depot, Commercial Building, 1st floor, Shivaji Nagar, Pune 411005, India	U11102PN2006PLC021839	Associate	22.50%	2(6)
16	Bharat Stars Services Private Limited Aviation Fuelling Station, Shahbad Mohammad Pur, New Delhi 110061, India	U11100DL2007PTC168158	Associate	50.00%	2(6)

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
17	Bharat Renewable Energy Limited Room No. 200, 1st Floor, Bio-Business Block, Biotech Park, Sec-G, Jankipuram, Kursi Road, Lucknow, Uttar Pradesh 226021, India	U74999UP2008PLC035469	Associate	36.34%	2(6)
18	Matrix Bharat Pte Limited, 2 Shenton way, SGX Centre 1, Singapore 068804	Not Applicable	Associate	50.00%	2(6)
19	Petronet India Limited BPCL Sewree Installation, Sewree Fort Road, Sewree (East), Mumbai 400015, India	U45203MH1997PLC108251	Associate	16.00%	2(6)
20	Delhi Aviation Fuel Facility Pvt Limited Aviation Fuelling Station,Shahbad Mohammad Pur, IGI Airport, New Delhi 110061, India	U74999DL2009PTC193079	Associate	37.00%	2(6)
21	Kannur International Airport Limited 'Parvathy', T.C.36/1, Near Ananthapuri Hospital, NH Bypass, Pettah, Thiruvananthapuram, Kerala 695024, India	U63033KL2009SGC025103	Associate	21.68%	2(6)
22	GSPL India Transco Limited GSPC Bhavan, B/H Udyog Bhavan, Sector 11, Gandhinagar, Gujarat 382011, India	U40200GJ2011SGC067450	Associate	11.00%	2(6)
23	GSPL India Gasnet Limited GSPC Bhavan, B/H Udyog Bhavan, Sector 11, Gandhinagar, Gujarat 382011, India	U40200GJ2011SGC067449	Associate	11.00%	2(6)
24	Mumbai Aviation Fuel Farm Facility Private Limited, 1st floor, Terminal 1 B, CSI Airport Mumbai 400099, India	U63000MH2010PTC200463	Associate	25.00%	2(6)
25	Kochi Salem Pipeline Private Limited Irimpanam Installation, Irimpanam P O, Kochi, Kerala 682309, India	U40300KL2015PTC037849	Associate	50.00%	2(6)
26	IBV Brasil Petroleo Limitada, Av.das Américas, 4200 Salas 217B a 220B (parte), Bloco 09. Centro Empresarial Barra Shopping Cep 22 640-102, Rio de Janeiro, RJ Brasil	Not applicable	Associate	*50.00%	2(6)
27	DNP Limited, Adams Plaza, 1st Floor, Christian Basti, G S Road, Guwahati, Assam 781005, India	U51410AS2007SGC008410	Associate	*26.00%	2(6)
28	Brahmaputra Cracker and Polymer Limited, Hotel Brahmaputra, Ashok M.G.Road, Guwahati, Assam 781101, India	U11101AS2007GOI008290	Associate	*10.00%	2(6)

* Shares are held by Subsidiary

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt/State Govt(s)	397200120	-	397200120	54.93	397200120	-	397200120	54.93	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Banks/FI	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**397200120**	**-**	**397200120**	**54.93**	**397200120**	**-**	**397200120**	**54.93**	**-**
(2)	**Foreign**									
(a)	NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**397200120**	**-**	**397200120**	**54.93**	**397200120**	**-**	**397200120**	**54.93**	-
B.	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds/UTI	46656075	44	46656119	6.45	41451534	44	41451578	5.74	-0.71
(b)	Banks/FI	788292	3092	791384	0.11	949641	3092	952733	0.13	0.02
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	6222222	6222222	0.86	-	6222222	6222222	0.86	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	37771944	-	37771944	5.22	19194898	-	19194898	2.65	-2.57
(g)	FIIs	124249941	800	124250741	17.18	152785599	800	152786399	21.13	3.95
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**209466252**	**6226158**	**215692410**	**29.83**	**214381672**	**6226158**	**220607830**	**30.51**	**0.68**
(2)	**Non-Institutions**									
(a)	Bodies Corporate	24525285	35540	24560825	3.40	17867557	33580	17901137	2.48	-0.92
(i)	Indian	-	-	-	-	-	-	-	-	-
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
(i)	Individual Shareholders holding Nominal Share Capital up to ₹ 1 lakh	12739217	1738533	14477750	2.00	13958497	1640083	15598580	2.16	0.16
(ii)	Individual Shareholders holding Nominal Share Capital in excess of ₹ 1 lakh	2013119	20656	2033775	0.28	1876721	20656	1897377	0.26	-0.02
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
(i)	NRI	504241	34250	538491	0.07	733215	34021	767236	0.11	0.04
(ii)	BPCL Trust for investment in shares	67457474	-	67457474	9.33	67457474	-	67457474	9.33	-
(iii)	Clearing Members	1123403	-	1123403	0.16	1654494	-	1654494	0.23	0.07
	Sub-Total (B)(2)	**108362739**	**1828979**	**110191718**	**15.24**	**103547958**	**1728340**	**105276298**	**14.56**	**-0.68**
	Total Public Shareholding (B)=(B)(1) + (B)(2)	**317828991**	**8055137**	**325884128**	**45.07**	**317929630**	**7954498**	**325884128**	**45.07**	-
C.	**Shares held by Custodian for GDRs & ADRs**									
	Grand Total (A+B+C)	**715029111**	**8055137**	**723084248**	**100.0**	**715129750**	**7954498**	**723084248**	**100.00**	-

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% Change in Share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to Total Shares	
1	President of India	397200120	54.93	-	397200120	54.93	-	-
	Total	**397200120**	**54.93**	**-**	**397200120**	**54.93**	**-**	**-**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	397200120	54.93	397200120	54.93
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity, etc.)	There is no change in Promoter's Shareholding between 01.04.2015 to 31.03.2016			
	At the end of the year	397200120	54.93	397200120	54.93

(iv) Shareholding Pattern of top ten Members (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2015)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
1	BPCL Trust for Investment in Shares	67457474	9.33	01.04.2015				
				31.03.2016	-	-	67457474	9.33
2	Life Insurance Corporation of India	27086759	3.75	01.04.2015				
				10.04.2015	-1149816	sale	25936943	3.59
				17.04.2015	-573487	sale	25363456	3.51
				24.04.2015	-403083	sale	24960373	3.45
				22.05.2015	513,788	purchase	25474161	3.52
				19.06.2015	-200,000	sale	25274161	3.50
				26.06.2015	-866,316	sale	24407845	3.38
				03.07.2015	-1,248,836	sale	23159009	3.20
				10.07.2015	-1,121,380	sale	22037629	3.05
				17.07.2015	-620,000	sale	21417629	2.96
				14.08.2015	-6,683	sale	21410946	2.96
				02.10.2015	-164,142	sale	21246804	2.94
				09.10.2015	-408,820	sale	20837984	2.88
				16.10.2015	-539,094	sale	20298890	2.81
				23.10.2015	-864,702	sale	19434188	2.69
				30.10.2015	-441,034	sale	18993154	2.63

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2015)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
				13.11.2015	-39,979	sale	18953175	2.62
				20.11.2015	-356,467	sale	18596708	2.57
				27.11.2015	-862,475	sale	17734233	2.45
				04.12.2015	-188,693	sale	17545540	2.43
				11.12.2015	-319,870	sale	17225670	2.38
				18.12.2015	-230,811	sale	16994859	2.35
				25.12.2015	-132,353	sale	16862506	2.33
				01.01.2016	-116,991	sale	16745515	2.32
				18.03.2016	-1,162,006	sale	15583509	2.16
				25.03.2016	-762,644	sale	14820865	2.05
				31.03.2016	-1,132,597	sale	13688268	1.89
3	Franklin Templeton Investment Funds	8764064	1.21	01.04.2015				
				24.04.2015	-568,161	sale	8195903	1.13
				08.05.2015	-2,800	sale	8193103	1.13
				15.05.2015	-16,658	sale	8176445	1.13
				22.05.2015	-277,381	sale	7899064	1.09
				20.11.2015	-240,000	sale	7659064	1.06
				01.01.2016	-260,000	sale	7399064	1.02
				22.01.2016	-847,960	sale	6551104	0.91
				29.01.2016	-402,040	sale	6149064	0.85
				05.02.2016	-97,019	sale	6052045	0.84
				12.02.2016	-20,900	sale	6031145	0.83
				31.03.2016	-	-	6031145	0.83
4	HDFC Trustee Company Limited - HDFC Equity	9755397	1.35	01.04.2015				
				05.06.2015	-100,000	sale	9655397	1.34
				12.06.2015	-474,000	sale	9181397	1.27
				19.06.2015	-34,200	sale	9147197	1.27
				03.07.2015	-398,012	sale	8749185	1.21
				10.07.2015	-624,600	sale	8124585	1.12
				17.07.2015	-100,000	sale	8024585	1.11
				24.07.2015	-104,500	sale	7920085	1.10
				31.07.2015	-435,000	sale	7485085	1.04
				07.08.2015	-913,700	sale	6571385	0.91
				14.08.2015	-490,000	sale	6081385	0.84
				21.08.2015	-485,000	sale	5596385	0.77
				28.08.2015	-230,000	sale	5366385	0.74
				11.09.2015	-170,000	sale	5196385	0.72

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2015)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
				25.09.2015	-91,300	sale	5105085	0.71
				20.11.2015	425,000	purchase	5530085	0.76
				27.11.2015	100,000	purchase	5630085	0.78
				15.01.2016	-552,000	sale	5078085	0.70
				18.03.2016	-200,000	sale	4878085	0.67
				31.03.2016	-	-	4878085	0.67
5	Governor of Kerala	6222222	0.86	01.04.2015				
				31.03.2016	-	-	6222222	0.86
6	ICICI Prudential Life Insurance Company	6668009	0.92	01.04.2015				
				10.04.2015	-226,668	sale	6441341	0.89
				17.04.2015	-9,950	sale	6431391	0.89
				24.04.2015	-187,798	sale	6243593	0.86
				08.05.2015	-26,750	sale	6216843	0.86
				15.05.2015	6,693	purchase	6223536	0.86
				22.05.2015	10,001	purchase	6233537	0.86
				29.05.2015	67,516	purchase	6301053	0.87
				05.06.2015	-30,146	sale	6270907	0.87
				12.06.2015	8,153	purchase	6279060	0.87
				19.06.2015	-1,699	sale	6277361	0.87
				26.06.2015	528	purchase	6277889	0.87
				03.07.2015	4,684	purchase	6282573	0.87
				10.07.2015	8,411	purchase	6290984	0.87
				17.07.2015	8,143	purchase	6299127	0.87
				24.07.2015	5,975	purchase	6305102	0.87
				07.08.2015	-175,675	sale	6129427	0.85
				14.08.2015	-91,303	sale	6038124	0.84
				21.08.2015	-85,732	sale	5952392	0.82
				28.08.2015	-445,193	sale	5507199	0.76
				04.09.2015	-62,338	sale	5444861	0.75
				11.09.2015	-3,137	sale	5441724	0.75
				18.09.2015	-12,262	sale	5429462	0.75
				25.09.2015	-3,745	sale	5425717	0.75
				02.10.2015	9,089	purchase	5434806	0.75
				09.10.2015	12,841	purchase	5447647	0.75
				16.10.2015	3,524	purchase	5451171	0.75
				23.10.2015	-2,786	sale	5448385	0.75

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2015)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
				30.10.2015	2,752	purchase	5451137	0.75
				06.11.2015	-43,988	sale	5407149	0.75
				13.11.2015	-114,922	sale	5292227	0.73
				20.11.2015	-5,773	sale	5286454	0.73
				04.12.2015	11,432	purchase	5297886	0.73
				11.12.2015	-29,039	sale	5268847	0.73
				18.12.2015	-114,640	sale	5154207	0.71
				25.12.2015	-1,097	sale	5153110	0.71
				01.01.2016	22,495	purchase	5175605	0.72
				08.01.2016	-21,804	sale	5153801	0.71
				15.01.2016	-1,762	sale	5152039	0.71
				22.01.2016	-2,770	sale	5149269	0.71
				05.02.2016	-2,024	sale	5147245	0.71
				12.02.2016	-4,249	sale	5142996	0.71
				19.02.2016	1,734	purchase	5144730	0.71
				26.02.2016	15,752	purchase	5160482	0.71
				04.03.2016	2,144	purchase	5162626	0.71
				11.03.2016	54,076	purchase	5216702	0.72
				18.03.2016	-1,541	sale	5215161	0.72
				31.03.2016	2,980	purchase	5218141	0.72
7	Government Pension Fund Global	4053092	0.56	01.04.2015				
				10.04.2015	589,163	purchase	4642255	0.64
				17.04.2015	136,719	purchase	4778974	0.66
				24.04.2015	-234,715	sale	4544259	0.63
				15.05.2015	-27,899	sale	4516360	0.62
				05.06.2015	144,531	purchase	4660891	0.64
				07.08.2015	-43,380	sale	4617511	0.64
				21.08.2015	425,162	purchase	5042673	0.70
				28.08.2015	219,184	purchase	5261857	0.73
				30.10.2015	-201,975	sale	5059882	0.70
				06.11.2015	-572,888	sale	4486994	0.62
				19.02.2016	-163,371	sale	4323623	0.60
				26.02.2016	-212,529	sale	4111094	0.57
				25.03.2016	752,405	purchase	4863499	0.67
				31.03.2016	-395,532	sale	4467967	0.62

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2015)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
8	HDFC Trustee Co. Ltd. - HDFC Top	5662092	0.78	01.04.2015				
				24.07.2015	-104,500	sale	5557592	0.77
				31.07.2015	-435,000	sale	5122592	0.71
				14.08.2015	-240,000	sale	4882592	0.68
				21.08.2015	-530,000	sale	4352592	0.60
				28.08.2015	-100,000	sale	4252592	0.59
				11.09.2015	-385,000	sale	3867592	0.53
				09.10.2015	-154,000	sale	3713592	0.51
				16.10.2015	-181,000	sale	3532592	0.49
				30.10.2015	-100,000	sale	3432592	0.47
				31.03.2016	-	-	3432592	0.47
9	HDFC Standard Life Insurance Company Ltd.	5178845	0.72	01.04.2015				
				10.04.2015	21,879	purchase	5200724	0.72
				17.04.2015	-373,409	sale	4827315	0.67
				24.04.2015	-506,619	sale	4320696	0.60
				08.05.2015	-88,274	sale	4232422	0.59
				15.05.2015	66,837	purchase	4299259	0.59
				22.05.2015	-216,762	sale	4082497	0.56
				29.05.2015	-9,619	sale	4072878	0.56
				05.06.2015	-126,604	sale	3946274	0.55
				12.06.2015	-87,204	sale	3859070	0.53
				19.06.2015	-307,778	sale	3551292	0.49
				26.06.2015	-50,412	sale	3500880	0.48
				03.07.2015	20,494	purchase	3521374	0.49
				10.07.2015	-544	sale	3520830	0.49
				17.07.2015	-5,000	sale	3515830	0.49
				24.07.2015	-97,603	sale	3418227	0.47
				31.07.2015	7,058	purchase	3425285	0.47
				07.08.2015	-172,208	sale	3253077	0.45
				14.08.2015	-2,717	sale	3250360	0.45
				28.08.2015	-184,227	sale	3066133	0.42
				04.09.2015	-11,453	sale	3054680	0.42
				11.09.2015	-135,921	sale	2918759	0.40
				18.09.2015	-58,185	sale	2860574	0.40
				25.09.2015	-20,000	sale	2840574	0.39
				02.10.2015	39	purchase	2840613	0.39
				09.10.2015	-5,183	sale	2835430	0.39
				16.10.2015	-48,520	sale	2786910	0.39

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2015)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
				23.10.2015	-31,687	sale	2755223	0.38
				30.10.2015	-50,599	sale	2704624	0.37
				06.11.2015	-28,938	sale	2675686	0.37
				13.11.2015	7,001	purchase	2682687	0.37
				04.12.2015	98	purchase	2682785	0.37
				11.12.2015	-25,913	sale	2656872	0.37
				18.12.2015	-6,769	sale	2650103	0.37
				08.01.2016	87,472	purchase	2737575	0.38
				15.01.2016	32,151	purchase	2769726	0.38
				22.01.2016	80,630	purchase	2850356	0.39
				29.01.2016	-103,000	sale	2747356	0.38
				05.02.2016	20,119	purchase	2767475	0.38
				12.02.2016	-27,567	sale	2739908	0.38
				19.02.2016	-17,398	sale	2722510	0.38
				26.02.2016	-20,615	sale	2701895	0.37
				04.03.2016	-43,230	sale	2658665	0.37
				11.03.2016	20,143	purchase	2678808	0.37
				18.03.2016	-58,251	sale	2620557	0.36
				25.03.2016	-59,860	sale	2560697	0.35
				31.03.2016	-100,000	sale	2460697	0.34
10	The New India Assurance Company Limited	3379436	0.47	01.04.2015				
				29.05.2015	-91,994	sale	3287442	0.45
				05.06.2015	-70,000	sale	3217442	0.44
				12.06.2015	-38,006	sale	3179436	0.44
				09.10.2015	-50,000	sale	3129436	0.43
				16.10.2015	-50,000	sale	3079436	0.43
				06.11.2015	-80,546	sale	2998890	0.41
				13.11.2015	-27,500	sale	2971390	0.41
				20.11.2015	-30,000	sale	2941390	0.41
				27.11.2015	-30,936	sale	2910454	0.40
				04.12.2015	-25,000	sale	2885454	0.40
				11.12.2015	-25,755	sale	2859699	0.40
				18.12.2015	-21,033	sale	2838666	0.39
				25.12.2015	-35,000	sale	2803666	0.39
				01.01.2016	-32,796	sale	2770870	0.38
				08.01.2016	-11,171	sale	2759699	0.38
				26.02.2016	-50,000	sale	2709699	0.37
				31.03.2016	-	-	2709699	0.37

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2015)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
11	Robeco Capital Growth Funds	3378457	0.47	01.04.2015				
				17.04.2015	-300,000	sale	3078457	0.43
				15.05.2015	110,558	purchase	3189015	0.44
				10.07.2015	-5,131	sale	3183884	0.44
				31.07.2015	-113,559	sale	3070325	0.42
				07.08.2015	-36,441	sale	3033884	0.42
				14.08.2015	49,688	purchase	3083572	0.43
				28.08.2015	-380,000	sale	2703572	0.37
				02.10.2015	46,677	purchase	2750249	0.38
				20.11.2015	-154,840	sale	2595409	0.36
				27.11.2015	-45,160	sale	2550249	0.35
				11.12.2015	-150,000	sale	2400249	0.33
				01.01.2016	-150,000	sale	2250249	0.31
				15.01.2016	-100,000	sale	2150249	0.30
				22.01.2016	200,000	purchase	2350249	0.33
				29.01.2016	-240,000	sale	2110249	0.29
				19.02.2016	110,000	purchase	2220249	0.31
				11.03.2016	28,000	purchase	2248249	0.31
				31.03.2016	-	-	2248249	0.31
12	Vanguard Emerging Markets Stock Index	3269756	0.45	01.04.2015				
				08.05.2015	5,720	purchase	3275476	0.45
				15.05.2015	6,500	purchase	3281976	0.45
				26.06.2015	-130,434	sale	3151542	0.44
				14.08.2015	-6,500	sale	3145042	0.43
				21.08.2015	-15,600	sale	3129442	0.43
				28.08.2015	-30,420	sale	3099022	0.43
				04.09.2015	-41,600	sale	3057422	0.42
				11.09.2015	-21,840	sale	3035582	0.42
				25.09.2015	-9,108	sale	3026474	0.42
				02.10.2015	-27,324	sale	2999150	0.41
				20.11.2015	-22,562	sale	2976588	0.41
				27.11.2015	-5,264	sale	2971324	0.41
				04.12.2015	-19,251	sale	2952073	0.41
				18.12.2015	-14,220	sale	2937853	0.41
				25.12.2015	-6,876	sale	2930977	0.41
				15.01.2016	-19,012	sale	2911965	0.40
				22.01.2016	-18,853	sale	2893112	0.40
				29.01.2016	-14,260	sale	2878852	0.40

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2015)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
				05.02.2016	-37,983	sale	2840869	0.39
				12.02.2016	-12,950	sale	2827919	0.39
				26.02.2016	-37,048	sale	2790871	0.39
				04.03.2016	-39,947	sale	2750924	0.38
				11.03.2016	7,400	purchase	2758324	0.38
				18.03.2016	-18,175	sale	2740149	0.38
				25.03.2016	-29,495	sale	2710654	0.37
				31.03.2016	-	-	2710654	0.37

Note: The Shares of the Company are traded on daily basis and hence date wise increase/decrease in Shareholding is provided as per weekly download from Depositories.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2015)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
	Whole Time Directors:							
1	Shri S.Varadarajan, Chairman & Managing Director	-	-	01.04.2015	-			
				31.03.2016			-	-
2	Shri K. K. Gupta, Director (Marketing) (up to 29.02.2016)	-	-	01.04.2015	-			
				29.02.2016			-	-
3	Shri B. K.Datta, Director (Refineries)	100	-	01.04.2015	-			
				31.03.2016			100	0.00
4	Shri S. P. Gathoo, Director (Human Resources)	1,200	0.00	01.04.2015	-			
				31.03.2016			1,200	0.00
5	Shri P. Balasubramanian, Director (Finance)	6	-	01.04.2015	-			
				31.03.2016			6	0.00
6	Shri S. Ramesh Director (Marketing) (w.e.f. 01.03.2016)	200	0.00	01.03.2016	-			
				31.03.2016	-		200	-
	Non-Executive (Ex-Officio) Directors:							
7	Dr. N. Mittal (up to 11.12.2015)	-	-	01.04.2015	-			
				11.12.2015			-	-
8	Shri P. H. Kurian	-	-	01.04.2015	-			
				31.03.2016			-	-
9	Smt. Sushma Taishete (from 19.05.2015 up to 01.01.2016)	-	-	01.04.2015	-			
				01.01.2016			-	-
10	Shri Anant Kumar Singh (w.e.f. 02.01.2016)	-	-	02.01.2016				
				31.03.2016			-	-

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2015)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
	Non-Executive (Independent) Directors:							
11	Prof. J. R. Varma (up to 09.08.2015)	-		01.04.2015				
				09.08.2015	-		-	-
12	Shri B. Chakrabarti (up to 09.08.2015)	-		01.04.2015				
				09.08.2015	-		-	-
13	Shri Rajesh Kumar Mangal (w.e.f. 01.12.2015)	-		01.12.2015				
				31.03.2016	-		-	-
14	Shri Deepak Bhojwani (w.e.f. 01.12.2015)	-		01.12.2015				
				31.03.2016	-		-	-
15	Shri Gopal Chandra Nanda (w.e.f. 01.12.2015)	-		01.12.2015				
				31.03.2016	-		-	-
	Key Managerial Personnel:							
16.	Shri S V Kulkarni, Company Secretary	-	-	01.04.2015				
				31.03.2016	-		-	-
	Total	**1,506**	**0.00**				**1,506**	**0.00**

V. Indebtedness

Amount (₹ in Crores)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposit**	**Total Indebtedness**
Indebtedness at the beginning of the financial year (01.04.2015)				
(i) Principal Amount	1,647.77	11,449.83	0.08	13,097.68
(ii) Interest due but not paid	-	-	* 0.04	0.04
(iii) Interest accrued but not due	29.03	135.99	-	165.02
Total (i+ii+iii)	**1,676.80**	**11,585.82**	**0.12**	**13,262.74**
Change in Indebtedness during the financial year				
Addition	768.20	4,429.67	-	5,197.87
Reduction	769.30	1,548.46	0.10	2,317.86
Net Change	**(1.10)**	**2,881.21**	**(0.10)**	**2,880.01**
Indebtedness at the end of the financial year (31.03.2016)				
(i) Principal Amount	1,675.71	14,300.05	0.02	15,975.79
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	166.98	-	166.98
Total (i+ii+iii)	**1,675.71**	**14,467.03**	**0.02**	**16,142.76**

Note: *Cheques for interest due were issued but not claimed.

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole time Directors and/or Manager

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager						Total
		S. Varadarajan	K. K.Gupta	B. K. Datta	S. P. Gathoo	P. Bala-subramanian	S.Ramesh	
1	Gross Salary							
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	52,58,657	51,53,756	41,90,854	39,94,126	46,84,114	5,60,609	2,38,42,116
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	10,65,190	11,78,015	11,16,325	8,58,630	9,86,189	83,118	52,87,467
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-	-
5	Others: Allowances/Contributions	4,53,563	17,10,305	5,14,014	4,13,144	4,26,120	24,686	35,41,832
	Total (A)	**67,77,410**	**80,42,076**	**58,21,193**	**52,65,900**	**60,96,423**	**6,68,413**	**3,26,71,415**
	Ceiling as per the Act	Under Section 197 Remuneration shall not exceed 10% of the net profit. Being a Goverment Company as per MCA notification GSR 463(E) dated 05.06.2015 Section 197 is not applicable.						

B. Remuneration to other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total
1	Independent Directors	J. R. Varma	B. Chakrabarti	Rajesh Kumar Mangal	Deepak Bhojwani	Gopal Chandra Nanda	
	- Fee for attending Board Committee meetings	1,40,000	3,00,000	2,40,000	2,60,000	2,80,000	12,20,000
	- Commission	-	-	-	-		-
	- Others, please specify	-	-	-	-		-
	Total (1)	**1,40,000**	**3,00,000**	**2,40,000**	**2,60,000**	**2,80,000**	**12,20,000**

Sl. No.	Particulars of Remuneration	Name of Directors				Total
2	Other Non-Executive Directors	Dr. N. Mittal	P. H. Kurian	Sushma Taishete	Anant Kumar Singh	
	- Fee for attending Board Committee meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	**12,20,000**
	Total Managerial Remuneration (A+B)					**3,38,91,415**
	Overall ceiling as per the Act	Under Section 197 Remuneration shall not exceed 11% of the net profit. Being a Goverment Company as per MCA notification GSR 463(E) dated 05.06.2015 Section 197 is not applicable.				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	-	28,20,742	-	28,20,742
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	7,44,018	-	744,018
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others: Allowances/Contributions	-	4,34,694	-	4,34,694
	Total	**-**	**39,99,454**	**-**	**39,99,454**

C&MD and Director (Finance) are CEO and CFO respectively whose remuneration details are provided under VI A above.

VII. Penalties/Punishment/Compounding of Offences

Sr. No	Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A	Company/ Director	Complaint Nos. (1) CC 194 of 2014, (2) CC 195 of 2014, (3) CC 196 of 2014 & (4) CC 197 of 2014 (Old Complaint Nos. 7285 to 7288 of 2008) Under Section 211(7) read with Schedule VI of the Companies Act, 1956.	The Complainant, Addl Registrar of Companies, Bombay have filed the Complaint against the Accused late Shri Raj Kumar Gajree (then Managing Director) charging offences for non- disclosure of information regarding fees paid to Auditors for 'Other Services' and non-disclosure of information relating to short term deposits – 'Income from Investment' for the years of (1) 1987-88, (2) 1988-89, (3) 1989-90 & (4) 1990-91 as required under section 211 read with Schedule VI, Part II, Item 4 B of the Act.	Penalty provided under Section 211(7): Imprisonment up to 6 months or fine up to ₹ 1,000/- or both.	The Additional Chief Metropolitan Magistrate, Girgaon, Mumbai.	Not Applicable (Complaints are Pending for Hearing).
	Penalty	NIL				
	Punishment					
	Compounding					
B.	Directors					
	Penalty					
	Punishment					
	Compounding					
C.	Other Officers in default					
	Penalty					
	Punishment					
	Compounding					

ANNEXURE H

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01-04-2015 TO 31-03-2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
BHARAT PETROLEUM CORPORATION LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BHARAT PETROLEUM CORPORATION LIMITED** (L23220MH1952GOI008931) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering **1st April, 2015 to 31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period **1st April, 2015 to 31st March, 2016** according to the provisions of:

(i) The Companies Act, 2013 (“the Act”) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):

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

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015/1992;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable during the audit period;

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable during the audit period;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the audit period;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable during the audit period;

h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009 - Not applicable during the audit period;

Based on the compliance mechanism established by the Company and the Legal Compliance Report submitted and taken on record by the Board of Directors, we are of the opinion that the Company has complied with the following laws specifically applicable to the Company:

a. The Petroleum Act,1934;
b. The Oil Fields (Regulation and Development) Act,1948;
c. The Oil Industry (Development) Act, 1974;

d. The Energy Conservation Act, 2001;
e. The Petroleum & Natural Gas Regulatory Board Act, 2006;
f. The Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962;
g. The Petroleum & Natural Gas Rules;
h. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 (Guidelines), issued by the Department of Public Enterprises.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with BSE Limited & National Stock Exchange of India Limited (effective up to November 30, 2015).
- The Revised Listing Agreement with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (effective from 1st December, 2015).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

i. except for non-compliance under 49(II)(A)(1)/(2) of the erstwhile Equity Listing Agreement/ Regulation 17(1)(a)/(b) of SEBI LODR & further in terms of clause 2.2 & 3.1.4 of the Guidelines issued by DPE relating to the condition of having at least one woman director as on 31st March, 2016 and half of the Board of Directors shall comprise of Independent Directors and consequently the Committee constitution requirements were not met with during the period when Independent Directors were not on the Board.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act expect for the observations as stated above.

Adequate notice is given to all directors to schedule the Board Meetings, and the same was sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least 7 days before the date of Meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws, Service tax has not been reviewed in this audit since the same has been subjected to review by the statutory financial audit, internal audit conducted by the internal audit department of the Company.

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

The Company has redeemed/repaid the 8.65% Non-Convertible Debentures of ₹ 700 Crores.

FOR RAGINI CHOKSHI & CO.

Sd/-
Ragini Chokshi
(Partner)
C.P. NO. 1436
FCS NO. 2390

Place : Mumbai
Date : 27th July, 2016

Notes: 1. Maintenance of secretarial record & compliance of provisions of Corporate & other applicable laws, rules, regulations & standards is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit; 2. The verification was carried out on a test basis in order to obtain reasonable assurances about the correctness of the secretarial & other records. We believe that the processes and practices we followed provide a reasonable basis for our opinion; 3. Wherever required, we have obtained the Management Representation about compliance of laws, rules & regulations and happening of events etc.; 4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company; 5. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which management has conducted the affairs of the Company.

PERFORMANCE PROFILE

		2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
1.	**Refinery Thruput (TMT)**										
	Imported	**18,028**	17,661	16,761	17,155	16,353	14,769	14,126	13,143	13,904	13,465
	Indigenous	**6,088**	5,694	6,590	6,050	6,559	7,015	6,281	6,802	7,042	6,317
	TOTAL	**24,115**	23,355	23,351	23,205	22,912	21,784	20,407	19,945	20,946	19,782
2.	**Production Quantity (TMT)**	**22,965**	22,149	22,052	21,843	21,522	20,547	19,199	18,628	19,570	18,473
	Light Distillates %	**28.90**	27.93	29.19	28.52	28.91	29.83	28.11	26.43	26.64	25.54
	Middle Distillates %	**60.27**	59.65	57.02	56.26	55.42	55.46	54.51	54.24	54.72	52.84
	Heavy Ends %	**10.83**	12.42	13.78	15.22	15.68	14.71	17.38	19.33	18.64	21.62
3.	**Fuel and Loss as % of Crude Processed ***	**4.8**	5.2	5.6	5.9	6.1	5.7	5.9	6.6	6.6	6.6
4.	**Market Sales (MMT)**	**36.53**	34.45	34.00	33.30	31.14	29.27	27.89	27.35	25.79	23.45
5.	**Lubricants Production (MT)**	**2,95,509**	2,87,649	2,58,112	2,58,586	2,17,851	2,20,387	2,09,301	1,51,788	1,61,957	1,16,337
6.	**Market Participation %**	**22.9**	23.3	23.5	23.1	22.4	22.5	22.5	22.8	22.7	22.6
7.	**Marketing Network**										
	Installations	**13**	13	12	12	12	12	12	12	12	12
	Depots	**118**	114	116	115	115	114	129	120	126	121
	Aviation Service Stations	**40**	35	34	36	36	31	30	23	22	21
	Total Tankages (Million KL)	**3.60**	3.52	3.49	3.44	3.43	3.39	3.40	3.33	3.32	3.27
	Retail Outlets	**13,439**	12,809	12,123	11,637	10,310	9,289	8,692	8,402	8,251	7,537
	LPG Bottling Plants	**50**	50	50	50	49	49	49	49	48	48
	LPG Distributors	**4,494**	4,044	3,355	2,949	2,658	2,452	2,187	2,117	2,137	2,129
	LPG Customers (No. Million)	**50.6**	45.8	41.2	37.4	34.5	31.1	28.3	26.6	25.3	23.5
8.	**Manpower (Nos.)**	**12,623**	12,687	13,214	13,213	13,343	13,837	13,900	14,016	14,006	13,970
9.	**Sales and Earnings (Figures in ₹ Crores)**										
	i) Sales and Other Income	**2,18,425**	2,47,552	2,53,492	2,29,796	2,03,866	1,54,886	1,27,884	1,30,118	1,13,936	1,02,428
	ii) Gross Profit before Depreciation, Interest & Tax	**13,068**	10,515	9,555	7,787	5,569	5,167	4,619	4,246	4,368	4,204
	iii) Depreciation	**1,854**	2,516	2,247	1,926	1,885	1,655	1,242	1,076	1,098	904
	iv) Interest	**563**	583	1,359	1,825	1,800	1,117	1,011	2,166	673	533
	v) Profit before Tax	**10,651**	7,416	5,949	4,036	1,884	2,395	2,366	1,004	2,597	2,768
	vi) Tax	**3,219**	2,331	1,888	1,393	573	848	828	268	1,017	962
	vii) Profit after Tax	**7,432**	5,085	4,061	2,643	1,311	1,547	1,538	736	1,581	1,806

*The Figures of Fuel & Loss reported do not include the external fuel used in Refineries

PERFORMANCE PROFILE (CONTD.)

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
10. What the Company Owned (₹ in Crores)										
i) Gross Fixed Assets (including Capital Work-in-Progress)	**59,149**	49,475	41,229	36,095	32,846	30,307	27,930	24,560	22,268	20,310
ii) Net Fixed Assets (including Capital Work-in-Progress)	**36,086**	27,981	22,105	19,110	17,732	16,972	16,187	14,003	12,735	11,833
iii) Net Current Assets	**(1,333)**	(991)	9,584	14,690	13,612	9,715	19,954	20,536	15,445	10,652
iv) Non-Current Assets	**11,828**	11,463	10,671	9,482	8,430	8,113	-	-	-	-
Total Assets Net (ii + iii+ iv)	**46,581**	38,453	42,360	43,282	39,774	34,800	36,141	34,539	28,180	22,485
11. What the Company Owed (₹ in Crores)										
i) Share Capital	**723**	723	723	723	362	362	362	362	362	362
ii) Reserves and Surplus	**26,436**	21,744	18,736	15,911	14,552	13,696	12,725	11,766	11,315	9,912
iii) Shareholders' Funds (i +ii)	**27,159**	22,467	19,459	16,634	14,914	14,058	13,087	12,128	11,677	10,273
iv) Borrowings	**15,976**	13,098	20,322	23,839	22,994	18,960	22,195	21,172	15,022	10,829
v) Deferred Tax Liability (net)	**2,229**	1,708	1,361	1,656	1,401	1,008	859	1,239	1,481	1,383
vi) Non-Current Liabilities	**1,217**	1,180	1,218	1,153	465	774	-	-	-	-
Total Funds Employed (iii + iv + v +vi)	**46,581**	38,453	42,360	43,282	39,774	34,800	36,141	34,539	28,180	22,485
12. Internal Generation (₹ in Crores)	**7,167**	5,989	4,586	4,002	3,135	2,759	1,897	1,282	2,636	2,218
13. Value Added (₹ in Crores)	**25,377**	20,569	20,855	17,638	14,837	12,926	10,085	10,447	8,024	7,955
14. Earnings in Foreign Exchange (₹ in Crores)	**7,138**	12,364	19,122	18,456	19,316	12,380	9,504	6,567	7,440	5,585
15. Ratios										
i) Gross Profit before Depreciation, Interest & Tax as % age of Sales and Other Income	**5.9**	4.1	3.5	3.1	2.5	3.1	3.5	2.9	3.5	3.9
ii) Profit after Tax as % age of average Shareholders' Funds	**30.0**	24.3	22.5	16.8	9.1	11.4	12.2	6.2	14.4	18.6
iii) Gross Profit before Depreciation, Interest & Tax as % age of Capital Employed	**40.2**	36.1	25.4	19.7	14.6	15.7	13.7	13.1	15.9	19.4
iv) Profit before Tax as % age of Capital Employed	**32.7**	25.5	15.8	10.2	4.9	7.2	7.0	3.1	9.5	12.8
v) Profit After Tax as % age of Capital Employed (ROCE)	**22.8**	17.5	10.8	6.7	3.4	4.7	4.6	2.3	5.8	8.3
vi) Debt Equity Ratio	**0.59**	0.58	1.04	1.43	1.54	1.35	1.70	1.75	1.29	1.05
16. Earnings per Share (₹)	**102.78**	70.32	56.16	36.55	18.13	21.39	21.27	10.18	21.86	24.97
17. Book Value per Share (₹)	**375.60**	310.71	269.11	230.04	206.25	194.41	180.99	167.74	161.50	142.08
18. Dividend										
i) Percentage	**310**	225	170	110	110	140	140	70	40	160
ii) Amount (₹ in Crores)	**2,242**	1,627	1,229	795	398	506	506	253	145	578

Note: The figures from the year 2010-11 and onwards are prepared as per the requirements of the Revised Schedule VI/Schedule III as applicable

SOURCES AND APPLICATION OF FUNDS

₹ in Crores

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
SOURCES OF FUNDS										
OWN										
Profit after Tax	**7,432**	5,085	4,061	2,643	1,311	1,547	1,538	736	1,581	1,806
Foreign Exchange Gain credited to Foreign Currency Monetary Item Translation Difference Account (Net of amortization)	**-**	-	184	-	-	-	-	-	-	-
Capital Grants received/ (Reversed) (Net of amortization)	**(2)**	3	5	-	-	2	-	-	-	(1)
Adjustment on account of Transitional Provisions	**-**	-	-	-	-	-	-	-	(36)	-
Depreciation	**1,856**	2,524	2,247	1,926	1,885	1,655	1,247	1,084	1,099	1,056
Investment	**-**	-	262	-	461	2,124	4,577	-	-	-
Deferred Tax Provision	**521**	347	(295)	255	393	148	(380)	(242)	111	27
BORROWINGS										
Loans (net)	**2,878**	-	-	845	4,022	-	1,024	6,149	4,193	2,456
LPG Deposits	**1,123**	1,183	904	653	613	570	411	237	232	154
Decrease in Working Capital	**-**	9,533	3,109	-	-	235	-	2,432	-	1,382
Adjustment on account of Deletion/Re-classification, etc.	**27**	(28)	19	236	63	50	16	38	38	4
	13,835	18,647	10,496	6,558	8,748	6,331	8,433	10,434	7,218	6,884
APPLICATION OF FUNDS										
Capital Expenditure	**9,693**	8,494	5,553	3,544	2,762	2,532	3,447	2,389	2,039	1,808
Foreign Exchange loss debited to Foreign Currency Monetary Item Translation Difference Account (including amortization)	**106**	157	-	-	-	-	-	-	-	-
Dividend (including interim dividend)	**2,242**	1,627	1,229	795	398	506	506	253	145	579
Tax on distributed profits	**391**	294	197	127	57	71	73	32	9	92
Repayment of Loans (net)	**-**	7,224	3,517	-	-	3,222	-	-	-	-
Investment	**276**	851	-	1,192	-	-	-	7,760	2,023	4,405
Increase in Working Capital	**1,127**	-	-	900	5,531	-	4,407	-	3,002	-
	13,835	18,647	10,496	6,558	8,748	6,331	8,433	10,434	7,218	6,884

SALES VOLUME ('000 MT)

	2015-16		2014-15		2013-14		2012-13		2011-12	
	Sales	**Market Share (%)**	Sales	Market Share (%)	Sales	Market Share (%)	Sales	Market Share (%)	Sales	Market Share (%)
Light Distillates:										
Naphtha	**104**	**2.2**	326	6.8	640	11.5	594	11.5	459	11.1
LPG (Bulk & Packed)	**4,874**	**25.7**	4,510	25.8	4,031	25.6	3,884	25.9	3,870	26.3
Motor Spirit	**6,011**	**28.5**	5,350	28.8	4,814	28.8	4,443	28.7	4,152	28.2
Special Boiling Point Spirit/Hexane	**28**	**46.5**	31	50.6	36	48.4	36	46.9	38	44.3
Benzene	**46**	**23.5**	31	16.5	20	11.6	48	26.6	43	30.8
Toluene	**19**	**100.0**	26	100.0	15	100.0	21	100.0	29	100.0
Polypropylene Feedstock	**105**	**38.3**	109	-	102	-	100	-	95	-
Regasified - LNG	**718**	**6.5**	816	-	976	-	912	-	736	-
Others	**356**	**21.8**	337	-	324	-	307	-	286	-
Sub-Total	**12,261**		11,536		10,958		10,345		9,708	
Middle Distillates:										
Aviation Turbine Fuel	**1,283**	**22.8**	1,255	23.6	1,303	24.6	1,172	23.0	1,189	22.1
Superior Kerosene Oil	**1,100**	**15.6**	1,171	16.1	1,223	16.5	1,304	16.8	1,437	16.9
High Speed Diesel	**19,354**	**26.8**	18,375	26.7	18,337	26.9	18,039	26.1	16,320	25.2
Light Diesel Oil	**90**	**22.0**	81	22.1	68	17.5	72	17.8	64	15.3
Mineral Turpentine Oil	**87**	**61.3**	84	66.1	94	67.2	101	69.2	122	70.8
Sub-Total	**21,914**		20,966		21,025		20,688		19,132	
Others:										
Furnace Oil	**742**	**13.6**	650	14.0	636	13.8	747	14.7	855	14.0
Low Sulphur Heavy Stock	**80**	**53.5**	162	42.9	183	40.7	323	23.7	249	14.2
Bitumen	**779**	**16.2**	733	16.8	819	18.2	817	18.7	846	19.6
Petcoke	**291**	**8.5**	-	-	-	-	-	-	-	-
Lubricants	**322**	**24.3**	311	26.0	277	22.3	283	23.3	265	22.0
Others	**145**	**19.4**	91	14.3	97	16.4	94	15.8	87	15.2
Sub-Total	**2,359**		1,947		2,012		2,264		2,302	
Grand Total	**36,534**	**22.94**	34,449	23.29	33,995	23.48	33,297	23.14	31,142	22.33

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

PRODUCTION ('000 MT)

	2015-16	2014-15	2013-14	2012-13	2011-12
Light Distillates:					
Naphtha	**1,135**	1,291	2,184	2,262	2,354
LPG	**1,048**	955	931	924	977
Motor Spirit	**4,207**	3,686	2,966	2,666	2,516
Special Boiling Point Spirit/Hexane	**28**	32	36	35	38
Benzene	**95**	78	37	50	47
Toluene	**18**	25	16	21	29
Polypropylene Feedstock/Propylene	**104**	108	103	100	94
Ind. Reformate	**-**	12	164	171	164
Others	**1**	1	-	-	2
Sub-Total	**6,636**	6,187	6,437	6,229	6,221
Middle Distillates:					
Aviation Turbine Fuel	**1,284**	1,268	1,226	1,165	1,193
Superior Kerosene Oil	**534**	530	534	787	961
High Speed Diesel	**11,579**	11,005	10,397	9,953	9,391
Light Diesel Oil	**91**	80	62	70	53
Mineral Turpentine Oil	**83**	82	97	100	123
Lube Oil Base Stock	**270**	246	239	215	206
Others	**-**	-	20	-	-
Sub-Total	**13,841**	13,211	12,575	12,290	11,927
Heavy Ends:					
Furnace Oil	**1,537**	1,706	1,912	2,083	2,175
Low Sulphur Heavy Stock	**81**	221	191	322	261
Sulphur	**89**	93	92	92	87
Bitumen	**781**	731	845	827	851
Others	**-**	-	-	-	-
Sub-Total	**2,488**	2,751	3,040	3,324	3,374
Grand Total	**22,965**	22,149	22,052	21,843	21,522

Lubricants Production (MT)

2015-16	2014-15	2013-14	2012-13	2011-12
2,95,509	2,87,649	2,58,112	2,58,586	2,17,851

Quantity of LPG Filled in Cylinders (MT)

2015-16	2014-15	2013-14	2012-13	2011-12
46,16,172	42,67,898	38,31,127	35,77,335	35,15,549

HOW VALUE IS GENERATED

₹ in Crores

	2015-16	2014-15
Value of Production (Refinery)	**69,151**	1,03,555
Less: Direct Materials Consumed	**(63,208)**	(1,00,305)
Added Value	**5,943**	3,250
Marketing Operations	**17,422**	15,119
Value added by Manufacturing &		
Trading Operations	**23,365**	18,369
Add: Other Income and prior period items	**2,012**	2,200
Total Value Generated	**25,377**	20,569

HOW VALUE IS DISTRIBUTED

₹ in Crores

		2015-16		2014-15
1. OPERATIONS				
Operating & Service Costs		**9,429**		7,969
2. EMPLOYEES' BENEFITS				
Salaries, Wages & Bonus	**2,055**		1,398	
Other Benefits	**824**	**2,879**	688	2,086
3. PROVIDERS OF CAPITAL				
Interest on Borrowings	**563**		583	
Dividend	**2,242**	**2,805**	1,627	2,210
4. INCOME TAX		**3,090**		2,278
5. RE-INVESTMENT IN BUSINESS				
Depreciation	**1,854**		2,516	
Deferred Tax	**521**		347	
Retained Profit (including Debenture Redemption Reserves)	**4,799**	**7,174**	3,163	6,026
Total Value Distributed		**25,377**		20,569

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BHARAT PETROLEUM CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bharat Petroleum Corporation Limited ("the Corporation"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Corporation's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(5) of the Act, we give in "Annexure B", a statement on the matters specified by the Comptroller and Auditor-General of India for the Corporation.

(3) As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books;

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

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Corporation;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, we give our separate report in "Annexure C";

g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Corporation has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 49 of the standalone financial statements;

ii. The Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 50 of the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Corporation.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FRN. 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FRN. 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

Place: Mumbai
Date: 26th May 2016

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited ("the Corporation") on the standalone financial statements for the year ended March 31, 2016]

(i) (a) The Corporation has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) As per information and explanations given to us, physical verification of fixed assets (except LPG Cylinders and pressure regulators with customers) has been carried out by the Management during the year in accordance with the phased programme of verification of all assets over three years which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. As informed, no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Corporation, the title deeds of immovable properties are held in the name of the Corporation, except in cases given below:

Particulars	Number of Cases	Gross Block (₹ in Crore)	Net Block (₹ in Crore)	Remarks
Freehold land	27	132.90	132.90	Documents of title lying with Registration Authorities
Freehold land	2	2.26	2.26	Documents of title not available for verification
Leasehold Land having lease period of more than 99 years	9	1.76	1.70	Documents of title lying with Registration Authorities
Other leasehold land	1	0.23	0.09	Document of title lying with Registration Authorities

(ii) The inventory (excluding stocks with third parties and goods in transit) has been physically verified by the management during the year at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. No material discrepancies were noticed on physical verification of inventories carried out at the end of the year;

(iii) As informed, the Corporation has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable;

(iv) In our opinion and according to the information and explanations given to us, the Corporation has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities;

(v) In our opinion and according to the information and explanations given to us, the Corporation has not accepted any deposits within the provisions of Sections 73 to 76 of the Act read with The Companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Act;

(vi) We have broadly reviewed the books of account maintained by the Corporation in respect of products where the maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act and we are of the opinion that prima-facie, the prescribed books of account and cost records have been made and maintained. We have not, however, made a detailed examination of the same with a view to determining whether they are accurate or complete;

(vii) (a) The Corporation is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it;

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, were outstanding, as on the last day of the financial year, for a period of more than six months from the date they became payable;

(b) According to the information and explanation given to us, the dues of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax have not been deposited on account of any dispute, are as per Statement 1;

(viii) According to the information and explanations given to us, the Corporation has not defaulted in repayment of loans or borrowing to financial institutions, banks, government or dues to debenture holders;

(ix) The Corporation did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us, money raised by way of term loans have been applied for the purpose for which those were raised;

(x) During the course of our examination of the books and records of the Corporation, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of fraud by the Corporation or on the Corporation by its officers and employees have been noticed or reported during the year, except for the following instance of fraud identified by the Management:

Two incidents of irregularities aggregating ₹ 0.25 crore were noticed in vendor payment relating to the Retail Territory by an officer. Inquiry against the concerned officer is in progress. The dues of the vendor have been withheld;

(xi) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Corporation. Accordingly, paragraph 3(xi) of the Order is not applicable;

(xii) In our opinion and according to the information and explanations given to us, the Corporation is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable;

(xiii) According to the information and explanations given to us and based on our examination of the records of the Corporation, all transactions entered into by the Corporation with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards;

(xiv) According to the information and explanations given to us and based on our examination of the records, the Corporation has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable;

(xv) According to the information and explanations given to us and based on our examination of the records, the Corporation has not entered during the year into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable;

(xvi) The Corporation is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FRN. 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FRN. 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

Place: Mumbai
Date: 26th May 2016

Statement 1 (Refer Clause vii (b) of Annexure A)

Details of dues outstanding with respect to, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax attached, on account of any dispute:

₹ in Crores

Sr. No.	Name of the Statute	Forum Where Dispute is pending	Amount	Period block to which it relates ^
1	Central Excise Act, 1944	Supreme Court	772.57	2000 - 2010
		High Court	121.23	1995 - 2015
		Appellate Tribunal *	1,060.01	1985 - 2016
		Appellate Authority **	30.67	1990 - 2016
		Adjudicating Authority ***	6,195.35	1995 - 2016
		Total	**8,179.83**	
2	Customs Act, 1962	Supreme Court	-	
		Appellate Tribunal *	81.33	1990 - 2010
		Appellate Authority **	2.83	2000 - 2005
		Adjudicating Authority ***	10.54	2000 - 2016
		Total	**94.70**	
3	Income Tax Act, 1961	High Court	7.65	1990 - 2005
		Appellate Tribunal *	5.73	1990 - 2005
		Appellate Authority **	1.42	1995 - 2015
		Total	**14.80**	
4	Sales Tax/VAT Legislations	Supreme Court	65.38	1995 - 2010
		High Court	400.36	1980 - 2016
		Appellate Tribunal *	1,114.36	1985 - 2015
		Appellate Authority **	7,834.13	1985 - 2015
		Adjudicating Authority ***	225.94	1985 - 2000
		Total	**9,640.17**	
5	Finance Act,1994 (Service tax)	Supreme Court	31.15	2000 - 2015
		Appellate Tribunal *	19.60	2000 - 2016
		Appellate Authority **	148.88	2000 - 2016
		Adjudicating Authority ***	168.40	2005 - 2016
		Total	**368.03**	
		Grand Total:	**18,297.53**	

Dues Include Penalty & Interest, wherever applicable

* Appellate Tribunal includes Sales Tax Tribunal, CESTAT and ITAT.

** Appellate Authority includes Commissioner Appeals, Assistant Commissioner Appeals, Deputy Commissioner Appeals, Joint Commissioner Appeals and Deputy Commissioner Commercial Taxes Appeals.

*** Adjudicating Authority includes Collector of Sales Tax, Sales Tax Officer and Deputy Commissioner Sales Tax, Joint/Deputy/Additional Commissioner of Commercial Taxes etc.

^ Period block shall indicate the period interval in which all the disputes under that authority have taken place.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited ("the Corporation") on the standalone financial statements for the year ended March 31, 2016]

<table>
<tr><td>1</td><td>Areas Examined</td><td>Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.</td></tr>
<tr><td></td><td>Observations/Findings</td><td>
<table>
<tr><th>Particulars</th><th>Area
(In Acres)</th><th>Remarks</th></tr>
<tr><td>Freehold land</td><td>261.82</td><td>Documents of title lying with Registration Authorities</td></tr>
<tr><td>Freehold land</td><td>877.10</td><td>Document of title not available for verification</td></tr>
<tr><td>Leasehold Land having lease period of more than 99 years</td><td>3.35</td><td>Documents of title lying with Registration Authorities</td></tr>
<tr><td>Other leasehold land</td><td>0.44</td><td>Document of title lying with Registration Authorities</td></tr>
</table>
</td></tr>
<tr><td>2</td><td>Areas Examined</td><td>Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, with reasons there for and amount involved.</td></tr>
<tr><td></td><td>Observations/Findings</td><td>The details of cases of waiver/write off of debts/loans/interest by the Corporation during the year are as under:
<table>
<tr><th>Particulars</th><th>₹ in crores</th></tr>
<tr><td>Write off of debts</td><td>0.0012 *</td></tr>
<tr><td>Waiver of penalty & interest</td><td>-</td></tr>
</table>
*(₹ 11,512.58)</td></tr>
<tr><td>3</td><td>Areas Examined</td><td>Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from Government or other authorities?</td></tr>
<tr><td></td><td>Observations/Findings</td><td>Proper records are maintained for inventories lying with third parties;
The Corporation has not received any assets as gift/grants from Government or other authorities.</td></tr>
</table>

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FRN. 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FRN. 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

Place: Mumbai
Date: 26th May 2016

ANNEXURE C TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited on the standalone financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharat Petroleum Corporation Limited ("the Corporation") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Corporation for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Corporation's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Corporation's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Corporation's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Corporation has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FRN. 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FRN. 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

Place: Mumbai
Date: 26th May 2016

BALANCE SHEET AS AT 31ST MARCH 2016

	Note No.	As at 31/03/2016	₹ in Crores As at 31/03/2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	**723.08**	723.08
(b) Reserves and Surplus	3	**26,435.61**	21,744.40
		27,158.69	22,467.48
(2) Non-current liabilities			
(a) Long-term borrowings	4	**13,685.69**	11,737.01
(b) Deferred tax liabilities (Net)	5	**2,228.90**	1,708.26
(c) Other long-term liabilities	6	**60.73**	70.03
(d) Long-term provisions	7	**1,156.84**	1,108.60
		17,132.16	14,623.90
(3) Current liabilities			
(a) Short-term borrowings	8	**23.96**	40.27
(b) Trade payables	9	**8,430.79**	12,467.04
(c) Other current liabilities	10	**20,217.97**	16,570.21
(d) Short-term provisions	11	**3,025.84**	3,575.61
		31,698.56	32,653.13
TOTAL		**75,989.41**	69,744.51
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	**23,377.80**	20,226.06
(ii) Intangible assets	13	**89.99**	89.00
(iii) Capital work-in-progress	15	**12,402.75**	7,640.61
(iv) Intangible assets under development	14	**215.18**	25.07
(b) Non-current investments	16	**7,875.58**	7,302.05
(c) Long-term loans and advances	17	**3,864.84**	4,077.17
(d) Other non-current assets	18	**87.70**	83.46
		47,913.84	39,443.42
(2) Current assets			
(a) Current investments	19	**5,098.11**	5,089.09
(b) Inventories	20	**13,696.28**	14,457.85
(c) Trade receivables	21	**2,165.02**	2,561.14
(d) Cash and Bank Balances	22	**2,067.35**	1,360.20
(e) Short-term loans and advances	23	**1,030.81**	786.22
(f) Other current assets	24	**4,018.00**	6,046.59
		28,075.57	30,301.09
TOTAL		**75,989.41**	69,744.51
Significant Accounting Policies	1		
Notes on Financial Statements	33 to 58		

For and on behalf of the Board of Directors

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

Sd/-
S. VARADARAJAN
Chairman and Managing Director
DIN: 00052928

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W

Sd/-
P. BALASUBRAMANIAN
Director (Finance)
DIN: 05262654

Sd/-
S.V. KULKARNI
Company Secretary

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Dated: 26th May 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

₹ in Crores

		Note No.	2015-16	2014-15
I)	Revenue from operations	25	**1,89,303.33**	2,38,086.90
II)	Other income	26	**2,012.16**	2,199.96
III)	**Total revenue (I + II)**		**1,91,315.49**	2,40,286.86
IV)	**Expenses**			
	1) Cost of raw materials consumed	27	**61,032.44**	94,424.39
	2) Purchases of stock-in-trade	28	**1,00,732.00**	1,17,051.71
	3) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	**724.42**	4,513.32
	4) Employee benefits expense	30	**2,879.05**	2,085.60
	5) Finance costs	31	**562.94**	583.10
	6) Depreciation and amortization expense	12,13	**1,854.30**	2,516.02
	7) Other expenses	32	**12,879.16**	11,697.21
	Total expenses		**1,80,664.31**	2,32,871.35
V)	**Profit/(Loss) before tax (III - IV)**		**10,651.18**	7,415.51
VI)	**Tax expense**			
	1) Current tax		**2,684.00**	2,010.00
	2) Deferred tax		**520.64**	347.36
	3) Short/(Excess) provision of earlier years		**14.66**	(26.36)
	Total tax expense		**3,219.30**	2,331.00
VII)	**Profit/(Loss) after tax for the year (V - VI)**		**7,431.88**	5,084.51
VIII)	**Basic and Diluted Earnings per share (Face value ₹ 10)** (Refer Note No. 44)		**102.78**	70.32
	Significant Accounting Policies	1		
	Notes on Financial Statements	33 to 58		

For and on behalf of the Board of Directors

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

Sd/-
S. VARADARAJAN
Chairman and Managing Director
DIN: 00052928

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W

Sd/-
P. BALASUBRAMANIAN
Director (Finance)
DIN: 05262654

Sd/-
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Company Secretary

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Dated: 26th May 2016

CASH FLOW STATEMENT

		31/03/2016	₹ in Crores 31/03/2015
	For the year ended	**31/03/2016**	31/03/2015
A	**Net Cash Flow from Operating Activities**		
	Net Profit Before tax & Prior Period Items	**10,645.20**	7,371.80
	Adjustments for:		
	Depreciation	**1,854.30**	2,516.02
	Interest	**562.94**	583.10
	Foreign Exchange Fluctuations (Refer explanatory note 3)	**(3.68)**	(366.41)
	(Profit)/Loss on Sale of fixed assets	**27.24**	(0.15)
	Income from Investments	**(1,105.44)**	(878.66)
	Dividend Received	**(442.50)**	(159.30)
	Expenditure towards Corporate Social Responsibility	**112.60**	76.01
	Other Non-Cash items (Refer explanatory note 4)	**442.60**	(344.19)
	Operating Profit before Working Capital Changes	**12,093.26**	8,798.22
	(Invested in)/Generated from:		
	Inventories	**755.74**	4,613.28
	Trade Receivables	**314.56**	1,337.65
	Other receivables	**1,327.47**	4,689.00
	Current Liabilities & Payables	**(1,677.36)**	1,064.97
	Cash generated from Operations	**12,813.67**	20,503.12
	Direct Taxes paid	**(2,490.16)**	(2,329.54)
	Paid for Corporate Social Responsibility	**(95.59)**	(33.95)
	Cash flow before prior period items	**10,227.92**	18,139.63
	Prior Period Items	**5.98**	43.71
	Net Cash from/(used in) Operating Activities	**10,233.90**	18,183.34

₹ in Crores

		31/03/2016	31/03/2015
	For the year ended	**31/03/2016**	31/03/2015
B	**Net Cash Flow from Investing Activities**		
	Purchase of fixed assets	**(9,374.49)**	(8,034.94)
	Sale of fixed assets	**8.54**	18.32
	Capital Advances	**295.17**	(121.57)
	Capital Grant Received	**-**	4.98
	Investment		
	Petronet CCK Limited	**(66.31)**	-
	Bharat Renewable Energy Limited	**-**	(0.75)
	Sabarmati Gas Limited	**(102.44)**	-
	GSPL India Gasnet Limited	**(2.75)**	(5.50)
	GSPL India Transco Limited	**(2.75)**	-
	Mumbai Aviation Fuel Farm Facility Private Limited	**(33.77)**	(4.50)
	Kannur International Airport Limited	**(50.00)**	(50.00)
	Kochi Salem Pipeline Private Limited	**(33.25)**	-
	BPCL - KIAL Fuel Farm Facility Private Limited	**(4.44)**	-
	Cochin International Airport Limited	**(13.13)**	-
	BPCL Trust for Investment in Shares	**-**	(0.01)
	Petroleum India International	**23.60**	-
	Advance against Equity		
	Kochi Salem Pipeline Private Limited	**-**	(6.75)
	Bharat PetroResources Limited	**-**	(300.00)
	Loans and Advances		
	Bharat PetroResources Limited	**-**	(350.00)
	Petronet LNG Limited	**(50.00)**	(93.82)
	GSPL India Transco Limited	**-**	(2.75)
	Sale of Investments	**-**	3.12
	Income from Investment	**1,107.84**	875.75
	Dividend Received	**442.50**	159.30
	Net Cash from/(used in) Investing Activities	**(7,855.68)**	(7,909.12)
C	**Net Cash Flow from Financing Activities**		
	Long term Borrowings	**4,181.49**	907.50
	Repayment of Loans	**(2,128.78)**	(7,937.13)
	Interest paid	**(786.64)**	(666.41)
	Dividend paid	**(2,781.64)**	(1,228.57)
	Corporate Dividend Tax	**(496.78)**	(196.58)
	Net Cash from/(used in) Financing Activities	**(2,012.35)**	(9,121.19)
D	**Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)**	**365.87**	1,153.03

		₹ in Crores
Cash and Cash equivalents as at	**31/03/2015**	31/03/2014
Cash on hand	**26.86**	47.07
Cheques and drafts on hand	**25.88**	55.68
Cash at Bank	**1,303.99**	100.32
Effect of Exchange difference on Translation of Foreign Currency cash and cash equivalents	**(2.74)**	(2.11)
	1,353.99	200.96
Cash and Cash equivalents as at	**31/03/2016**	31/03/2015
Cash on hand	**24.32**	26.86
Cheques and drafts on hand	**11.91**	25.88
Cash at Bank	**1,684.31**	1,303.99
Effect of Exchange difference on Translation of Foreign Currency cash and cash equivalents	**(0.68)**	(2.74)
	1,719.86	1,353.99
Net change in Cash and Cash equivalents	**365.87**	1,153.03

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Accounting Standard 3 as notified by the Central Government.
2. In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
3. The net profit/loss arising due to conversion of current assets/current liabilities, receivable/payable in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
4. "Other Non-Cash items" include excess provisions written back, diminution in value of investment, amortization of Capital grant, Bad debts and materials written off and miscellaneous adjustments not affecting cash flow.
5 "Current Liabilities and Payables" may include Payables in respect of Purchase of Fixed Assets, if any.
6. Cash and Cash equivalents as at 31/03/2016 does not include fixed deposits and balance in current account with State Bank of India amounting to ₹ 341.11 crores held on behalf of Government of India towards cash assistance under PAHAL (DBTL) scheme 2014. Accordingly, for the year ended 31/03/2016 the amount included in Current Liabilities and Payables in Part-A of the Cash Flow Statement does not take into consideration the balance of ₹ 341.11 crores payable to Government of India.
7. Figures of the previous year have been regrouped wherever necessary, to conform to current year's presentation.

For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director
DIN: 00052928

Sd/-
P. BALASUBRAMANIAN
Director (Finance)
DIN: 05262654

Sd/-
S.V. KULKARNI
Company Secretary

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

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Dated: 26th May 2016

Company Overview

Bharat Petroleum Corporation Limited referred to as "BPCL" or "the Corporation" was incorporated on 3rd November, 1952. BPCL is a Government of India Enterprise listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Corporation is engaged in the business of refining of crude oil and marketing of petroleum products. It has refineries at Mumbai and Kochi, LPG bottling plants and Lube blending plants. The Corporation's marketing infrastructure includes vast network of Installations, Depots, Retail Outlets, Aviation Service Stations and LPG distributors.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS FOR PREPARATION

The financial statements of the Corporation have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Corporation has prepared these financial statements to comply in all material respects with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule (7) of the Companies (Accounts) Rules, 2014 and other provisions of the Act (to the extent notified). The financial statements have been prepared on an accrual basis (unless otherwise stated) and under historical cost convention. The accounting policies are consistent with those used in previous year except for the policy in respect of capitalization of fixed bed catalysts referred to in para 1.2.1(c), the depreciation of Fixed Assets referred to in para 1.5.1(b), (c), (d) and (f) and valuation of inventory referred to in para 1.7.1.

1.1. USE OF ESTIMATES

The preparation of financial statements requires the Management of the Corporation to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences, if any, between actual amounts and estimates are recognised in the period in which the outcome is known.

1.2. FIXED ASSETS

1.2.1. TANGIBLE FIXED ASSETS

a) Fixed Assets are stated at cost net of accumulated depreciation.

b) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

c) First time procurement cost of fixed bed catalyst is capitalized as a separate 'component' in the respective Plant and Equipment.

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

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

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

g) Land acquired on lease for 99 years or less is treated as leasehold land.

h) **Expenditure during construction period:** Direct expenses including borrowing cost incurred during construction period on capital projects are capitalised. Indirect expenses of the project group which are allocated to projects costing ₹ 5 crores and above are also capitalised. Crop compensation expenses incurred in the process of laying pipelines are capitalised as part of pipeline cost. Expenditure incurred during construction period on projects like electricity transmission lines, roads, culverts etc. the ownership of which is not with the Corporation are charged to revenue in the accounting period of incurrence of such expenditure.

1.2.2. INTANGIBLE ASSETS

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

b) Cost of Right of Way which is perpetual and absolute in nature is amortised over a period of 99 years and in other cases, over its estimated useful life.

c) Expenditure incurred for creating/acquiring other intangible assets of ₹ 0.50 Crore and above, from which future economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is lower, from the time the intangible asset starts providing the economic benefit. In other cases, the expenditure is charged to revenue in the year the expenditure is incurred.

1.3. IMPAIRMENT OF ASSETS

The values of tangible and intangible assets of respective Cash Generating Units are reviewed by the management for impairment at each Balance Sheet date, if events or circumstances indicate that the carrying values may not be recoverable. If the carrying value is more than higher of net selling price of the asset or present value of estimated future cash flows, the difference is recognized as an impairment loss.

1.4. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets till the month in which the asset is ready for use. All other borrowing costs are charged to revenue.

1.5. DEPRECIATION

1.5.1. Depreciation on fixed assets is provided on the straight line basis, over the useful lives of assets (after retaining the residual value of upto 5%) as prescribed by the Schedule II of the Act, except in following cases:

a) Cost of leasehold land for lease period not exceeding 99 years, is amortised over the period of lease. Plant & Machinery at Retail Outlets (other than Storage tanks and related equipments) are depreciated over a useful life of 15 years based on the technical assessment.

b) Computer equipments are depreciated over a period of 4 years and Mobile phones are depreciated over a period of 2 years (previously 3 years) based on internal assessment. Furniture, other than computer equipments and mobile phones, provided at the residence of management staff are depreciated over a period of 7 years as per internal assessment.

c) Solar Panels are depreciated over a period of 25 years based on the technical assessment of useful life and applicable warranty conditions.

d) Moulds, used for the manufacturing of the packaging material for Lubricants, are depreciated over a period of 5 years based on technical assessment of useful life.

e) Fixed assets costing not more than ₹ 5,000 each are depreciated @ 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.

f) Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life for such components has been assessed based on historical experience and internal technical assessment.

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

1.6. INVESTMENTS

1.6.1. Current investments are valued at lower of cost or fair value determined on an individual investment basis.

1.6.2. Long-term investments are valued at cost. Provision for diminution in value is made to recognise a decline, other than of temporary nature, in the value of such investments.

1.7. INVENTORIES

1.7.1 Inventories are stated at cost or net realisable value, whichever is lower. Cost of inventories 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 and are determined on the following basis:

a) Crude oil, traded goods and finished products other than lubricants are determined on First in First out basis

b) Other raw materials, packages, lubricants and stores and spares are determined on weighted average basis.

c) The cost of Stock-in-Process is determined at raw material cost plus cost of conversion.

1.7.2. 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.

1.7.3. Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

1.8. REVENUE RECOGNITION

1.8.1. Revenue is recognised when, sufficient risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection.

1.8.2. Sales represents invoiced value of goods supplied net of trade discounts, and include applicable excise duty, surcharge and other elements as are allowed to be recovered as part of the price but excludes VAT/ Sales Tax. Further, it includes other elements allowed by the Government from time to time.

1.8.3. Claims including subsidy on LPG and SKO from Government of India are booked on in principle acceptance thereof on the basis of available instructions/clarifications subject to final adjustments after necessary audit, as stipulated.

1.8.4. Other claims are booked when there is a reasonable certainty of recovery.

1.8.5. Income from sale of scrap is accounted for on realization.

1.8.6. Dividend income is recognized when the Corporation's right to receive the dividend is established.

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

1.9. CLASSIFICATION OF INCOME/EXPENSES

1.9.1. Expenditure on Research, other than capital expenditure, is charged to revenue in the year in which the expenditure is incurred.

1.9.2. Income/expenditure upto ₹ 0.05 crore in each case pertaining to prior year(s) is charged to the current year.

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

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

1.10. EMPLOYEE BENEFITS

1.10.1. Contributions to defined contribution schemes such as Pension, Superannuation, Provident Fund, etc. are charged to the Statement of Profit and Loss as and when incurred.

1.10.2. The Corporation also provides for retirement/post-retirement benefits in the form of gratuity, leave encashment, post-retirement benefits and other long-term benefits. Such defined benefits are charged to the Statement of Profit and Loss based on valuations made by independent actuary using the Projected Unit Credit Method, as at the Balance Sheet date.

1.10.3. Expenditure on account of Voluntary Retirement Scheme are charged to Statement of Profit and Loss as and when incurred.

1.11. DUTIES ON BONDED STOCKS

1.11.1. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

1.11.2. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on end use.

1.12. FOREIGN CURRENCY & DERIVATIVE TRANSACTIONS

1.12.1. Transactions in foreign currency are accounted in the reporting currency at the exchange rate prevailing on the date of transaction.

1.12.2. Monetary items denominated in foreign currency are converted at exchange rates prevailing on the date of Balance Sheet.

1.12.3. Foreign Exchange differences arising at the time of translation or settlement are recognised as income or expense in the Statement of Profit and Loss either as Profit or Loss on Foreign Currency transactions and translations or Finance Cost, as the case may be.

1.12.4. Foreign exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of the asset or liability.

1.12.5. Premium/discount arising at the inception of the forward exchange contracts to hedge foreign currency risks are amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss.

1.12.6. Gains/losses arising on settlement of Derivative transactions entered into by the Corporation to manage the commodity price risk and exposures on account of fluctuations in interest rates and foreign exchange are recognised in the Statement of Profit and Loss. Provision for losses in respect of outstanding contracts as on Balance Sheet date is made based on mark to market valuations of such contracts.

1.13. GOVERNMENT GRANTS

1.13.1. When the grant relates to an expense item or depreciable fixed assets, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grants relating to depreciable fixed assets are reflected as Capital Grants under Reserves & Surplus in Balance Sheet and recognised in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

1.13.2. Government grants of the nature of promoters' contribution or relating to non-depreciable assets are credited to Capital Reserve in Balance Sheet.

1.14. PROVISIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

1.14.1. A provision is recognized when the Corporation has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made.

1.14.2. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation.

1.14.3. Contingent liabilities and Capital Commitments disclosed are in respect of items which exceed ₹ 0.05 crore in each case.

1.15. TAXES ON INCOME

1.15.1. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

1.15.2. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date.

1.15.3. Deferred Tax Assets are recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, in respect of unabsorbed depreciation or carry forward losses, deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

1.15.4. The carrying amount of deferred tax assets and unrecognized deferred tax assets are reviewed at each Balance Sheet date.

1.16. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Corporation considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.18. CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON-CURRENT

All assets and liabilities are classified as current or non-current as per the Corporation's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

1.19. ACCOUNTING FOR LEASES

For operating leases, rentals are expensed with reference to lease terms and other relevant considerations.

1.20. CASH FLOWS

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2. SHARE CAPITAL

₹ in Crores

		31/03/2016	31/03/2015
i	**Authorised**		
	2,50,00,00,000 equity shares	**2,500.00**	2,500.00
	(previous year 2,50,00,00,000 equity shares)		
ii	**Issued, subscribed and paid-up**		
	72,30,84,248 (previous year 72,30,84,248) equity shares fully paid-up	**723.08**	723.08
	Total	**723.08**	723.08

iii The Corporation has only one class of shares namely equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per equity 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 final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iv The Board at its meeting held on 20th January 2016 and 12th February 2016 declared interim dividends of ₹ **12.50** (previous year NIL) and ₹ **3.50** (previous year NIL) per equity share, respectively. The amount of interim dividends distributed to equity shareholders and Corporate Dividend Tax paid thereon is ₹ **1,156.93 crores** (previous year NIL) and ₹ **202.51 crores** (previous year NIL) respectively. In addition, the Board has also proposed a final dividend of ₹ **15** (previous year ₹ 22.50) per equity share. The final dividend appropriated for the year ended 31st March 2016 amounted to ₹ **1,273.11 crores** (previous year ₹ 1,921.21 crores) including Corporate Dividend Tax of ₹ **188.48 crores** (previous year ₹ 294.27 crores). The total dividend including interim dividend for the year ended 31st March 2016 is ₹ **31** (previous year ₹ 22.50) per equity share amounting to ₹ **2,632.55 crores** (previous year ₹ 1,921.21 crores) including Corporate Dividend Tax of ₹ **390.99 crores** (previous year ₹ 294.27 crores).

v During Financial Year 2012-13, the Corporation had issued Bonus Shares in the ratio of 1:1 by capitalization of General Reserve. The total number of Bonus Shares issued is 36,15,42,124 equity shares having face value of ₹ 10 each.

vi Reconciliation of No. of Equity Shares

		31/03/2016	31/03/2015
A.	Opening Balance	**72,30,84,248**	72,30,84,248
B.	Shares Issued		
	- Bonus Shares	**-**	-
C.	Shares Bought Back	**-**	-
D.	Closing Balance	**72,30,84,248**	72,30,84,248

vii Details of shareholders holding more than 5% shares

Name of shareholder	31/03/2016		31/03/2015	
	% Holding	**No. of shares**	% Holding	No. of shares
Government of India	**54.93**	**39,72,00,120**	54.93	39,72,00,120
BPCL Trust for Investment in shares	**9.33**	**6,74,57,474**	9.33	6,74,57,474

3. RESERVES AND SURPLUS

₹ in Crores

	31/03/2016	31/03/2015
Capital Reserve:		
As per last Balance Sheet	**12.33**	12.33
Capital Grant:		
As per last Balance Sheet	**12.05**	9.37
Add: Grant received during the year	**-**	4.98
Less: Amortization of Capital Grant during the year	**(1.93)**	(2.30)
	10.12	12.05
Debenture Redemption Reserve:		
As per last Balance Sheet	**517.49**	323.14
Add: Transfer from Surplus	**243.75**	194.35
Less: Transfer to General Reserve on redemption of debentures	**(175.00)**	-
	586.24	517.49
General Reserve:		
As per last Balance Sheet	**20,675.54**	17,706.59
Add: Transfer from Surplus	**4,555.58**	2,968.95
Add: Transfer from Debenture Redemption Reserve	**175.00**	-
	25,406.12	20,675.54
Foreign Currency Monetary Item Translation Difference Account:		
(Refer Note No. 34)		
As per last Balance Sheet	**26.99**	184.25
Add/(Less): Additions/(Deletions) during the year	**(340.10)**	(149.35)
Less: Amortization during the year	**233.91**	(7.91)
	(79.20)	26.99
Surplus:		
As per last Balance Sheet	**500.00**	500.00
Add: Profit/(Loss) for the year as per Statement of Profit and Loss	**7,431.88**	5,084.51
Less: Interim Dividend	**(1,156.93)**	-
Less: Corporate Dividend Tax on Interim Dividend	**(202.51)**	-
Less: Proposed Dividend	**(1,084.63)**	(1,626.94)
Less: Corporate Dividend Tax on Proposed Dividend	**(188.48)**	(294.27)
Less: Transfer to Debenture Redemption Reserve	**(243.75)**	(194.35)
Less: Transfer to General Reserve	**(4,555.58)**	(2,968.95)
	500.00	500.00
Total	**26,435.61**	21,744.40

4. LONG-TERM BORROWINGS

₹ in Crores

	31/03/2016		31/03/2015	
	Current #	**Non-Current**	Current #	Non-Current
Secured				
From others				
Debentures				
8.65% Secured Non-Convertible Debentures 2017 *	**-**	**-**	-	700.00
Term Loan				
Loan from Oil Industry Development Board **	**226.87**	**1,424.87**	-	907.50
Unsecured				
From banks				
Foreign Currency Loans - Syndicated	**1,989.99**	**3,979.97**	1,251.82	5,633.17
Term loan	**-**	**250.00**	-	-
From others				
Bonds				
4.625% US Dollar International Bonds 2022	**-**	**3,316.65**	-	3,129.54
4% US Dollar International Bonds 2025	**-**	**3,316.65**	-	-
3% Swiss Franc International Bonds 2019 (Refer Note No. 50 (c))	**-**	**1,373.30**	-	1,293.30
Term Loan				
Loan from Oil Industry Development Board	**49.25**	**24.25**	68.50	73.50
Total	**2,266.11**	**13,685.69**	1,320.32	11,737.01

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

4. LONG-TERM BORROWINGS (CONTD.)

Terms of Repayment Schedule of Long-term borrowings as on 31/03/2016:

Non-Current	₹ in Crores	Maturity
Loan from Oil Industry Development Board - Secured	1,424.87	Apr 17 - Mar 21
Loan from Oil Industry Development Board - Unsecured	24.25	28-Sep-17
Foreign Currency Loans - Syndicated	1,094.49	7-Nov-17
	663.33	5-Feb-18
	33.17	7-Nov-18
	2,188.98	26-Feb-21
3% Swiss Franc International Bonds 2019	1,373.30	20-Dec-19
4.625% US Dollar International Bonds 2022	3,316.65	25-Oct-22
Term Loan	250.00	Apr 20 - Mar 24
4% US Dollar International Bonds 2025	3,316.65	8-May-25

Current	₹ in Crores	Maturity
Foreign Currency Loans - Syndicated	1,989.99	9-Mar-17
Loan from Oil Industry Development Board - Secured	226.87	Apr 16 - Jan 17
Loan from Oil Industry Development Board - Unsecured	49.25	Sep 16 - Mar17

* The Corporation had allotted redeemable non-convertible 8.65% Debentures of face value of ₹ 700 crores on 8th October 2012 redeemable on 8th October 2017 with a put call option which was exercised on 8th October 2015. Accordingly Corporation has redeemed the debentures during the year. These were secured by first legal mortgage by way of a Registered Debenture Trust Deed over the fixed assets of the Company, mainly Plant and Machinery at Mumbai Refinery. The relevant charge has been satisfied.

** These are secured by first legal mortgage over the fixed assets of the Company, mainly Plant and Machinery at Mumbai Refinery and Kochi Refinery.

5. DEFERRED TAX LIABILITIES (NET)

The net deferred tax liability of ₹ **520.64 crores** (previous year ₹ 347.36 crores) is recognised during the year in the Statement of Profit and Loss. The breakup of components of deferred tax assets/liabilities are as under:

₹ in Crores

	31/03/2016	31/03/2015
Deferred Tax Liabilities:		
On account of depreciation	**3,487.08**	2,878.25
On account of Foreign Currency Monetary Item Translation Difference Account	**27.41**	-
Total Deferred Tax Liabilities	**3,514.49**	2,878.25
Deferred Tax Assets:		
Disallowances under Income Tax Act, 1961	**845.46**	755.68
Provisions for diminution in value of investment and provision for Loans, doubtful debts, claims, etc.	**422.31**	381.64
Voluntary Retirement Scheme	**17.82**	32.67
Total Deferred Tax Assets	**1,285.59**	1,169.99
Deferred Tax Liabilities (Net)	**2,228.90**	1,708.26

6. OTHER LONG-TERM LIABILITIES

₹ in Crores

	31/03/2016	31/03/2015
Security/Earnest Money Deposits	**11.24**	20.00
Retiral Dues	**49.49**	50.03
Total	**60.73**	70.03

7. LONG-TERM PROVISIONS

₹ in Crores

	31/03/2016	31/03/2015
Provision for employee benefits (Refer Note No. 39)	**1,156.84**	1,108.60
Total	**1,156.84**	1,108.60

8. SHORT-TERM BORROWINGS

₹ in Crores

	31/03/2016	31/03/2015
Loans repayable on demand		
Secured		
From banks		
Working capital loans/Cash Credit *	**23.96**	40.27
Total	**23.96**	**40.27**

* 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.

The Corporation has Collaterized Borrowing & Lending Obligations limits from Clearing Corporation of India Limited, the balance of which is **Nil** as at 31st March 2016 (previous year Nil). These are secured by Oil Marketing Companies GOI Special Bonds 2026 of ₹ **2,450 crores** (previous year ₹ 2,450 crores) and a bank guarantee of **Nil** (previous year ₹ 500 crores) issued in favour of Clearing Corporation of India Limited.

9. TRADE PAYABLES

₹ in Crores

	31/03/2016	31/03/2015
Dues to subsidiaries	**792.17**	1,161.63
Dues to Micro, Small and Medium Enterprises	**-**	-
Dues to others (Refer Note No. 38)	**7,638.62**	11,305.41
Total	**8,430.79**	12,467.04

10. OTHER CURRENT LIABILITIES

₹ in Crores

	31/03/2016	31/03/2015
Current maturities of long-term borrowings (Refer Note No.4)	**2,266.11**	1,320.32
Interest accrued but not due on borrowings	**166.98**	165.02
Security/Earnest Money deposits	**456.69**	411.45
Deposits for Containers	**8,800.84**	7,677.48
Advances from Customers	**542.67**	663.23
Unclaimed Dividend *	**5.70**	3.47
Unclaimed Deposits *	**0.02**	0.08
Unclaimed Interest on Deposits */#	**-**	0.04
Statutory Liabilities	**2,748.75**	2,438.22
Dues to Micro, Small and Medium Enterprises (Refer Note No. 40)	**114.26**	163.67
Other Liabilities (including creditors for expenses and others) **	**5,115.95**	3,727.23
Total	**20,217.97**	16,570.21

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

** Includes balance payable to Government of India - DBTL account ₹ **341.11 Crores** (previous year NIL) - Refer Note No. 22

₹ 31,095 as at 31st March 2016

11. SHORT-TERM PROVISIONS

₹ in Crores

	31/03/2016	31/03/2015
Provision for employee benefits (Refer Note No. 39)	**168.72**	146.07
Provision for Taxation (Net of Advance tax paid)	**889.94**	738.71
Proposed Dividend	**1,084.63**	1,626.94
Corporate Dividend Tax on Proposed Dividend	**188.48**	294.27
Provision for CSR Expenditure (Refer Note No. 47)	**59.07**	42.06
Others (Refer Note No. 46)	**635.00**	727.56
Total	**3,025.84**	3,575.61

12. TANGIBLE ASSETS

₹ in Crores

Particulars	Gross Block					Depreciation				Net Carrying Amount	
	As at 01/04/2015	Additions	Other Adjustments (Refer Note 34)	Reclassifications/ Deductions on account of retirement/Disposal	**As at 31/03/2016**	Up to 31/03/2015	For the year	Reclassifications/ Deductions on account of retirement/Disposal	**Up to 31/03/2016**	**As at 31/03/2016**	As at 31/03/2015
(1)	(2)	(3)	(4)	(5)	**(6)**	(7)	(8)	(9)	**(10)**	**(11)**	(12)
1 Land (Refer Note 12.b)											
(a) Freehold	810.54	56.11	-	0.34	**866.31**	-	-	-	**-**	**866.31**	810.54
(b) Leasehold	214.72	68.22	-	0.21	**282.73**	40.52	6.35	0.01	**46.86**	**235.87**	174.20
2 Buildings including Roads *	6,543.96	575.37	28.59	(61.19)	**7,209.11**	2,311.42	338.14	(22.04)	**2,671.60**	**4,537.51**	4,232.54
3 Plant and Equipments *	14,245.38	1,850.58	254.79	303.78	**16,046.97**	6,234.05	848.13	242.41	**6,839.77**	**9,207.20**	8,011.33
4 Furniture and Fixtures *	515.69	75.89	-	7.28	**584.30**	265.44	58.99	5.00	**319.43**	**264.87**	250.25
5 Vehicles	78.89	7.63	-	2.77	**83.75**	55.22	5.03	2.36	**57.89**	**25.86**	23.67
6 Office Equipments *	1,027.81	154.57	0.25	41.87	**1,140.76**	742.18	93.69	39.18	**796.69**	**344.07**	285.63
7 Railway Sidings *	309.46	25.93	-	0.03	**335.36**	196.26	13.16	0.04	**209.38**	**125.98**	113.20
8 Tanks and Pipelines *	7,021.84	534.54	3.58	38.78	**7,521.18**	3,632.06	179.93	24.09	**3,787.90**	**3,733.28**	3,389.78
9 Dispensing Pumps	2,733.01	295.38	16.64	7.28	**3,037.75**	886.32	156.47	6.54	**1,036.25**	**2,001.50**	1,846.69
10 LPG Cylinders and Allied Equipments	8,087.38	1,054.14	45.21	2.60	**9,184.13**	6,999.15	152.23	2.60	**7,148.78**	**2,035.35**	1,088.23
Total	**41,588.68**	**4,698.36**	**349.06**	**343.75**	**46,292.35**	**21,362.62**	**1,852.12**	**300.19**	**22,914.55**	**23,377.80**	**20,226.06**
Previous Year	37,977.87	3,735.66	134.79	259.64	**41,588.68**	19,009.04	2,521.61	168.03	**21,362.62**	**20,226.06**	

* These include assets which are given on Operating Leases, the details thereof are included in Note No. 43

Additional information in respect of Note No. 12:

a) Pursuant to the notification dated 29th August 2014 issued by the Ministry of Corporate Affairs, the Corporation has complied with the requirements of paragraph 4(a) of Notes to Schedule II of the Companies Act, 2013 relating to Componentization in FY 2015-16. This has resulted in higher depreciation of ₹ 258.55 Crores in FY 2015-16.

b) Land:

i. Freehold land includes ₹ **37.76 Crores** (previous year ₹ 33.54 Crores) with more than 99 years lease period.

ii. Freehold land includes ₹ **126.20 Crores** (previous year ₹ 387.56 Crores) capitalized at various locations for which conveyance deeds are yet to be executed and/or mutation is pending. It also includes land acquired on lease for a period exceeding 99 years ₹ **1.06 Crores** (previous year ₹ 1.06 Crores), which though in possession of the Corporation, the lease deeds are yet to be registered.

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 land with Gross Block ₹ **0.40 Crores** (previous year ₹ 0.40 Crores), Net Block ₹ **0.31 Crores** (previous year ₹ 0.31 Crores); which though in the possession of Corporation, the lease deeds are yet to be registered.

c) Buildings include Ownership flats of ₹ **50.36 Crores** (previous year ₹ 49.36 Crores) in proposed/existing co-operative societies and others.

d) Other adjustments include capitalization of foreign exchange differences (net) of ₹ **313.52 Crores** (previous year ₹ 131.24 Crores) and borrowing costs of ₹ **35.54 Crores** (previous year ₹ 3.55 Crores).

e) Land, Plant and Equipment, Tanks and Pipelines, Railway Sidings and Buildings jointly owned in varying extent with other Oil Companies/Railways: Gross Block ₹ **294.94 Crores** (previous year ₹ 292.26 Crores), Cumulative Depreciation ₹ **137.61 Crores** (previous year ₹ 128.92 Crores), Net Block ₹ **157.33 Crores** (previous year ₹ 163.34 Crores).

f) Gross Block includes ₹ **29.05 Crores** (previous year ₹ 16.15 Crores) towards assets which are not currently in active use during the year, in respect of which additional depreciation of ₹ **4.90 Crores** (previous year ₹ 6.08 Crores) has been provided to recognize the expected loss on disposal.

13. INTANGIBLE ASSETS

₹ in Crores

Particulars	Useful Life (No. of Years)	Gross Amount				Amortization				Net Carrying Amount	
		As at 01/04/2015	Additions	Reclassifications/ Deletions	**As at 31/03/2016**	Up to 31/03/2015	For the year	Reclassifications/ Deletions	**Up to 31/03/2016**	**As at 31/03/2016**	As at 31/03/2015
(1)	(2)	(3)	(4)	(5)	**(6)**	(7)	(8)	(9)	**(10)**	**(11)**	(12)
1 Right Of Way	upto 99	51.19	7.77	-	**58.96**	2.95	0.96	-	**3.91**	**55.05**	48.24
2 Software/Licenses	2 - 5	82.16	-	-	**82.16**	56.80	7.54	-	**64.34**	**17.82**	25.36
3 Development Rights	5	1.50	-	-	**1.50**	1.50	-	-	**1.50**	**-**	-
4 Process Licenses	5	86.10	9.58	0.01	**95.67**	70.70	7.85	-	**78.55**	**17.12**	15.40
Total		**220.95**	**17.35**	**0.01**	**238.29**	**131.95**	**16.35**	**-**	**148.30**	**89.99**	**89.00**
Previous Year		185.91	42.02	6.98	**220.95**	115.23	17.22	0.50	**131.95**	**89.00**	

Additional information in respect of Note Nos. 12 and 13:

a. Deduction from Gross Block includes:

i) Write back of excess capitalization of ₹ **29.11 Crores** (previous year ₹ 140.23 Crores)

ii) Deletions during the year ₹ **314.65 Crores** (previous year ₹ 126.39 Crores).

b. Depreciation and amortization for the year includes:

i) Charged to Statement of Profit and Loss ₹ **1,866.82** Crores (previous year ₹ 2,530.41 Crores)

ii) Charged to Prior Period expenses ₹ **1.65 Crores** (previous year ₹ 8.42 Crores).

c. Deductions from depreciation includes:

i) On excess capitalization ₹ **2.35 Crores** (previous year ₹ 2.16 Crores)

ii) On withdrawal of depreciation on deletion during the year ₹ **278.88 Crores** (previous year ₹ 108.22 Crores)

iii) On reclassification of assets ₹ **10.17 Crores** (previous year ₹ 12.23 Crores)

iv) Credited to Prior Period ₹ **8.79 Crores** (previous year ₹ 45.92 Crores)

14. INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crores

Particulars	Gross Amount			
	As at 01/04/15	Additions	Capitalizations as Intangible Asset/Deletions	**As at 31/03/16**
(1)	(2)	(3)	(4)	**(5)**
1. Process Licenses	25.07	190.11	-	**215.18**
Total	**25.07**	**190.11**	**-**	**215.18**
Previous Year	25.07	-	-	**25.07**

There are no internally generated Intangible Assets

15. CAPITAL WORK-IN-PROGRESS

₹ in Crores

			31/03/2016	31/03/2015
Capital work-in-progress (at cost)				
Tangible Assets under erection/ construction			**9,599.38**	5,701.63
Capital stores including lying with contractors			**1,749.23**	1,149.36
Capital goods in transit			**53.03**	162.78
Allocation of Construction period expenses				
	31/03/2016	31/03/2015		
Opening balance	**626.84**	349.04		
Add: Expenditure during the year				
Establishment charges including Salaries & Wages	**105.81**	97.89		
Interest	**238.67**	175.49		
Loss on foreign currency transactions and translations	**95.14**	65.10		
Insurance	**18.50**	22.25		
Others	**16.98**	13.79		
	1,101.94	723.56		
Less: Allocated to assets capitalised during the year/charged off	**(100.83)**	(96.72)		
Closing balance pending allocation			**1,001.11**	626.84
Total			**12,402.75**	7,640.61

16. NON-CURRENT INVESTMENTS

(At Cost unless otherwise specified)

		No. of Units		Book Value	
		31/03/2016	31/03/2015	**31/03/2016**	31/03/2015
Long Term		**Nos.**	Nos.	**₹ in Crores**	₹ in Crores
(a)	**Trade Investment in Equity Instruments**				
	Quoted				
	Equity Shares of ₹ 10 each (fully paid up)				
	Joint ventures				
	Petronet LNG Limited	**9,37,50,000**	9,37,50,000	**98.75**	98.75
	Indraprastha Gas Limited	**3,15,00,080**	3,15,00,080	**31.50**	31.50
	Others				
	Oil India Limited	**1,33,75,275**	1,33,75,275	**561.76**	561.76
				692.01	692.01
	Unquoted				
A	**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	**2,92,00,02,670**	2,62,00,02,670	**2,920.00**	2,620.00
	Petronet CCK Limited *	**7,39,59,998**	4,90,00,000	**115.31**	49.00
	BPCL-KIAL Fuel Farm Facility Private Limited	**44,40,000**	-	**4.44**	-
	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
	Maharashtra Natural Gas Limited	**2,24,99,600**	2,24,99,600	**22.50**	22.50
	Sabarmati Gas Limited	**99,87,400**	50,00,000	**122.40**	19.96
	Petronet India Limited	**1,60,00,000**	1,60,00,000	**16.00**	16.00
	Central UP Gas Limited	**1,49,99,600**	1,49,99,600	**15.00**	15.00
	Bharat Stars Services Pvt. Ltd.	**1,00,00,000**	1,00,00,000	**10.00**	10.00
	Bharat Renewable Energy Ltd.	**33,60,000**	33,60,000	**3.36**	3.36
	Petronet CI Limited	**15,84,000**	15,84,000	**1.58**	1.58
	GSPL India Gasnet Ltd.	**2,33,22,128**	2,05,72,128	**23.32**	20.57
	GSPL India Transco Ltd.	**1,81,50,000**	1,54,00,000	**18.15**	15.40
	Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	**3,82,71,250**	45,02,500	**38.27**	4.50
	Kochi Salem Pipeline Private Limited	**4,00,00,000**	-	**40.00**	-
	Others				
	Cochin International Airport Limited	**1,31,25,000**	1,05,00,000	**23.63**	10.50
B	**Equity Shares of ₹ 100 each (fully paid up)**				
	Joint ventures				
	Kannur International Airport Limited	**1,70,00,000**	1,70,00,000	**170.00**	120.00
	Current year ₹ **100** (previous year ₹ 70.59) paid up				
C	**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
				4,955.21	4,339.62
	Investment in Share Warrants				
	Unquoted				
	Joint ventures				
	Bharat Oman Refineries Limited				
	- of ₹ 10 each (fully paid up)	**48,68,86,664**	48,68,86,664	**486.89**	486.89
	- of ₹ 15 each (fully paid up)	**29,91,94,364**	29,91,94,364	**448.79**	448.79
	- of ₹ 18 each (fully paid up)	**36,11,11,111**	36,11,11,111	**650.00**	650.00
				1,585.68	1,585.68

16. NON-CURRENT INVESTMENTS (CONTD.)

	No. of Units		Book Value	
	31/03/2016	31/03/2015	**31/03/2016**	31/03/2015
Investment in Debentures or Bonds	**Nos.**	Nos.	**₹ in Crores**	₹ in Crores
Unquoted				
6% Optional Convertible Debenture of ₹ 1,00,000 each (fully paid up)				
Joint ventures				
Sabarmati Gas Limited**	**-**	2,000	**-**	20.00
			7,232.90	6,637.31
Investment - Other				
Unquoted				
BPCL Trust for investment in shares (Refer Note No. 35)			**659.11**	659.11
Less: Provision for diminution in value of investment				
Petronet India Limited			**(16.00)**	(16.00)
Bharat Renewable Energy Ltd			**(3.36)**	(3.36)
Petronet CI Limited			**(1.58)**	(1.58)
			(20.94)	(20.94)
			7,871.07	7,275.48
(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 ***			**0.10**	10.00
Share in accumulated surplus of Petroleum India International ***			**4.40**	16.56
			4.50	26.56
Member Companies of Association of Persons ###				
Bharat Petroleum Corporation Limited				
Engineers India Limited				
Hindustan Petroleum Corporation Limited				
Indian Oil Corporation Limited				
Reliance Industries Limited				
Chennai Petroleum Corporation Limited				
Oil and Natural Gas Corporation Limited				
Oil India Limited				
Total			**7,875.58**	7,302.05

* Petronet CCK Limited has become subsidiary from Joint venture during 2015-16.

** 6% Optional Convertible Debenture of Sabarmati Gas Limited has been classified as Current Investment as at 31st March 2016 (Refer Note no. 19)

*** Received ₹ **9.90 crores** (previous year Nil) against capital contribution and ₹ **13.70 crores** (previous year Nil) out of accumulated surplus.

Aggregate value of Unquoted Securities ₹ **7,183.57 crores** (previous year ₹ 6,610.04 crores)

Aggregate value of Quoted Securities ₹ **692.01 crores** (previous year ₹ 692.01 crores)

Market value of Quoted Securities ₹ **4,563.80 crores** (previous year ₹ 3,535.38 crores)

The total capital is ₹ 0.55 crore of which share of Bharat Petroleum Corporation Limited is ₹ 0.10 crore, Indian Oil Corporation Limited is ₹ 0.15 crore and other members have equal share of ₹ 0.05 crore each.

17. LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated) ₹ in Crores

	31/03/2016	31/03/2015
Capital advances	**213.50**	508.67
Security deposits		
Considered good	**193.28**	28.10
Considered doubtful	**0.65**	0.45
Less: Provision for doubtful deposits	**(0.65)**	(0.45)
Loans and advances to subsidiaries (Refer Note No. 48)		
Loan to Bharat PetroResources Limited	**650.00**	650.00
Advance to Bharat PetroResources Limited *	**-**	300.00
Loans and advances to related parties (Refer Note No. 48)		
Bharat Oman Refineries Limited	**1,354.10**	1,354.10
Petronet LNG Limited	**200.00**	150.00
Bharat Renewable Energy Limited **	**0.54**	0.75
Less: Provision in respect of Bharat Renewable Energy Limited	**(0.54)**	(0.75)
Kochi Salem Pipeline Pvt Ltd *	**-**	6.75
Loans and advances to employees (including accrued interest) (secured) (Refer Note No. 42)	**552.46**	539.02
Loans to others		
Considered good	**28.62**	30.40
Considered doubtful	**0.77**	1.03
Less: Provision for doubtful loans	**(0.77)**	(1.03)
Claims & Deposits		
Considered good	**600.10**	452.20
Considered doubtful	**132.42**	80.91
Less: Provision for doubtful claims & deposits	**(132.42)**	(80.91)
Advance Income Tax (Net of provision for taxation)	**72.78**	57.93
Total	**3,864.84**	4,077.17

* Advance against equity shares (pending allotment); since allotted during the year

** Advance against equity shares (pending allotment)

18. OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated) ₹ in Crores

	31/03/2016	31/03/2015
Unamortized Borrowings Expenses	**81.54**	70.57
Gratuity Fund Balance (Refer Note No. 39)	**5.19**	11.93
Bank deposits with more than twelve months maturity		
Considered good *	**0.97**	0.96
Considered doubtful	**0.02**	0.02
Less: Provision for Bank deposits with more than twelve months maturity	**(0.02)**	(0.02)
Total	**87.70**	83.46

* Includes deposit of ₹ **0.80 crores** (previous year ₹ 0.80 crores) that have been pledged/deposited with local authorities.

19. CURRENT INVESTMENTS

(Current Investments are valued at lower of cost or fair market value)

₹ in Crores

	No. in Thousands		Book Value	
	31/03/2016	31/03/2015	**31/03/2016**	31/03/2015
Investments in Government Securities (Face Value ₹ 100 each)				
Non Trade - Quoted				
1. 6.35% Oil Marketing Companies GOI Special Bonds 2024	**2,09,496**	2,09,496	**2,094.96**	2,094.96
2. 6.90% Oil Marketing Companies GOI Special Bonds 2026 #	**2,47,400**	2,47,400	**2,474.00**	2,474.00
3. 7.95% Oil Marketing Companies GOI Special Bonds 2025	**1,063**	1,063	**10.63**	10.63
4. 8.20% Oil Marketing Companies GOI Special Bonds 2024	**89,778**	89,778	**897.78**	897.78
			5,477.37	5,477.37
Less: Provision for diminution in value of investment				
in 6.35% Oil Marketing Companies GOI Special Bonds 2024			**(210.91)**	(211.39)
in 6.90% Oil Marketing Companies GOI Special Bonds 2026			**(188.34)**	(176.89)
in 7.95% Oil Marketing Companies GOI Special Bonds 2025			**(0.01)**	-
Total provision for diminution in value of investment			**(399.26)**	(388.28)
Investment in Debentures (Face Value ₹ 1,00,000 each) (fully paid up)				
Trade - Unquoted				
6% Optional Convertible Debenture of Sabarmati Gas Limited ##	**2**	-	**20.00**	-
Total			**5,098.11**	**5,089.09**

Kept as Collateral Security with Clearing Corporation of India Limited for borrowing in CBLO of face Value ₹ **2,450 crores** (previous year ₹ 2,450 crores)

6% Optional Convertible Debenture of Sabarmati Gas Limited has been classified as Non - Current Investment as at 31st March 2015 (Refer Note No.16)

Aggregate value of Unquoted Securities ₹ **20.00 crores** (previous year Nil)

Aggregate value of Quoted Securities ₹ **5,078.11 crores** (previous year ₹ 5,089.09 crores)

Market value of Quoted Securities ₹ **5,091.67 crores** (previous year ₹ 5,104.33 crores)

20. INVENTORIES

(Refer Note No. 1.7 and Note No. 56)

₹ in Crores

	31/03/2016	31/03/2015
Raw materials	**3,369.70**	3,439.66
[Including in transit ₹ **2,030.69 crores** (previous year ₹ 1,585.10 crores)]		
Stock in process	**313.87**	376.42
Finished goods	**5,312.25**	6,065.55
Stock-in-trade	**4,402.55**	4,311.12
[Including in transit ₹ **469.15 crores** (previous year ₹ 559.81 crores)]		
Stores and spares	**282.76**	254.68
[Including in transit ₹ **1.26 crores** (previous year ₹ 1.44 crores)]		
Packaging material	**15.15**	10.42
Total	**13,696.28**	14,457.85

21. TRADE RECEIVABLES

(Unsecured unless otherwise stated)

₹ in Crores

	31/03/2016	31/03/2015
Outstanding for a period exceeding 6 months from due date of payment		
Considered good *	**166.06**	109.20
Considered doubtful	**274.93**	201.08
Less: Provision for doubtful debts	**(274.93)**	(201.08)
Other debts		
Considered good *	**1,998.96**	2,451.94
Considered doubtful	**0.06**	1.10
Less: Provision for doubtful debts	**(0.06)**	(1.10)
Total	**2,165.02**	2,561.14

* Includes Secured debts ₹ **564.14 crores** (previous year ₹ 621.40 crores)

22. CASH AND BANK BALANCES

₹ in Crores

	31/03/2016	31/03/2015
Cash on hand	**24.32**	26.86
Cheques and drafts on hand	**11.91**	25.88
Balances with Banks		
On Current Account	**99.31**	193.99
Demand deposits with banks with original maturity of less than three months	**1,585.00**	1,110.00
Cash and Cash equivalents	**1,720.54**	1,356.73
Earmarked Balances		
Unpaid Dividend	**5.70**	3.47
Fixed deposits with banks with original maturity of more than six months and less than twelve months*	**91.97**	-
Fixed deposits with banks with original maturity of more than twelve months*	**249.13**	-
DBTL Account **	**0.01**	-
Total	**2,067.35**	1,360.20

* Represents Fixed deposits with State Bank of India held on behalf of Government of India towards cash assistance under PAHAL (DBTL) scheme 2014; includes accrued interest of ₹ **4.63 Crores** (previous year NIL) - (Refer Note No. 10)

** Represents balance in current account with State Bank of India held on behalf of Government of India towards cash assistance under PAHAL (DBTL) scheme 2014 - (Refer Note No. 10)

23. SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	31/03/2016	31/03/2015
Loans and advances to related parties		
Dues from subsidiaries	**5.09**	5.44
Dues from Joint Venture Companies	**9.23**	11.66
Loans and advances to employees (including accrued interest) (Secured) (Refer Note No. 42)	**69.11**	65.06
Loans to Others	**9.22**	8.64
Advances		
Advances Recoverable in cash, or in kind or for value to be received - Considered good	**234.91**	219.04
Advances considered doubtful	**14.65**	11.78
Less: Provision for doubtful advances	**(14.65)**	(11.78)
	327.56	309.84
Advance Income Tax (Net of provision for taxation)	**-**	72.12
Claims (net)	**160.46**	81.13
Recoverables from Customs, Excise, Port Trust, etc.	**540.54**	320.18
Others	**2.25**	2.95
Total	**1,030.81**	786.22

24. OTHER CURRENT ASSETS

₹ in Crores

	31/03/2016	31/03/2015
Interest accrued on investments & bank deposits		
Considered good	**68.54**	71.11
Considered doubtful	**0.02**	0.02
Less: Provision	**(0.02)**	(0.02)
Interest accrued on Loans to Related Parties	**28.82**	28.65
Receivable from Central Government/State Government	**3,479.57**	5,869.65
Unamortized premium (foreign exchange forward contract)	**4.95**	0.85
Unamortized Borrowings Expenses	**31.84**	29.80
Others - Considered good	**404.28**	46.53
Considered doubtful	**285.49**	305.83
Less: Provision for doubtful	**(285.49)**	(305.83)
Total	**4,018.00**	6,046.59

25. REVENUE FROM OPERATIONS

₹ in Crores

	2015-16	2014-15
(i) a) **Sales**		
Petroleum products	**2,15,227.97**	2,43,954.36
Crude oil	**979.35**	1,215.67
	2,16,207.32	2,45,170.03
b) Subsidy on LPG (Domestic) & SKO (PDS)*	**-**	612.79
c) Subsidy from Government of India (Refer Note No. 33(b))	**1,598.49**	7,290.40
	2,17,805.81	2,53,073.22
Less: Excise duty	**(28,707.71)**	(15,167.96)
	1,89,098.10	2,37,905.26
(ii) Other operating revenues	**205.23**	181.64
Total	**1,89,303.33**	2,38,086.90

* As per the scheme of the Government of India

26. OTHER INCOME

₹ in Crores

	2015-16	2014-15
Income from Current Investments		
Interest Income	**477.98**	426.99
Dividend Income	**23.06**	17.36
Income from Non-Current Investments		
Dividend Income - Subsidiaries	**343.61**	72.57
Dividend Income - Others	**75.83**	69.38
Interest Income	**-**	1.20
Income from Association of Persons	**1.54**	1.19
Income from Others (Refer Note No. 35)	**259.71**	114.68
Interest-Others (including on bank deposits)	**366.21**	334.60
Write back of liabilities no longer required	**19.20**	13.82
Profit on sale of fixed assets (net)	**-**	0.15
Reversal towards diminution in value of current investments	**-**	483.42
Prior period income (net)	**5.98**	43.71
Gain on foreign currency transactions and translations (net) (Refer Note No. 50 (b) & (c))	**-**	224.33
Others #	**439.04**	396.56
Total	**2,012.16**	2,199.96

Includes amortization of capital grants ₹ **1.93 Crores** (previous year ₹ 2.30 Crores)

27. COST OF RAW MATERIALS CONSUMED

₹ in Crores

	2015-16	2014-15
Opening stock	**3,439.66**	3,538.35
Add: Purchases (Refer Note No. 33(a))	**60,962.48**	94,325.70
Less: Closing stock	**(3,369.70)**	(3,439.66)
Total	**61,032.44**	94,424.39

Particulars	Year	Imported		Indigenous		Total
		₹ in Crores	%	₹ in Crores	%	₹ in Crores
Crude oil	**2015-16**	**44,530.40**	**74.82**	**14,989.61**	**25.18**	**59,520.01**
	2014-15	73,899.40	79.45	19,108.74	20.55	93,008.14
Others	**2015-16**	**43.50**	**2.88**	**1,468.93**	**97.12**	**1,512.43**
	2014-15	39.49	2.79	1,376.76	97.21	1,416.25
Total	**2015-16**	**44,573.90**	**73.03**	**16,458.54**	**26.97**	**61,032.44**
	2014-15	73,938.89	78.30	20,485.50	21.70	94,424.39

28. PURCHASES OF STOCK-IN-TRADE

₹ in Crores

	2015-16	2014-15
Petroleum products (Refer Note No. 33(a))	**99,752.65**	1,15,836.04
Crude oil	**979.35**	1,215.67
Total	**1,00,732.00**	1,17,051.71

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crores

	2015-16	2014-15
Value of opening stock of		
Finished goods	**6,065.55**	8,986.00
Stock-in-trade	**4,311.12**	5,369.51
Stock in process	**376.42**	910.90
	10,753.09	15,266.41
Less: Value of closing stock of		
Finished goods	**5,312.25**	6,065.55
Stock-in-trade	**4,402.55**	4,311.12
Stock in process	**313.87**	376.42
	10,028.67	10,753.09
Net (Increase)/Decrease in Inventory	**724.42**	4,513.32

30. EMPLOYEE BENEFITS EXPENSE

(Refer Note No. 51)

₹ in Crores

	2015-16	2014-15
Salaries and wages	**2,055.48**	1,397.77
Contribution to Provident and Other funds	**426.37**	227.33
Staff welfare expenses	**397.20**	459.22
Voluntary Retirement Scheme	**-**	1.28
Total	**2,879.05**	2,085.60

31. FINANCE COSTS

₹ in Crores

	2015-16	2014-15
Interest expense	**405.02**	409.97
Interest on shortfall in payment of advance tax	**68.85**	58.10
Other borrowing costs	**87.09**	54.40
Applicable loss on foreign currency transactions and translations (Net)	**1.98**	60.63
Total	**562.94**	583.10

32. OTHER EXPENSES

	2015-16	₹ in Crores 2014-15
Transportation	**5,403.30**	5,003.62
Excise Duty on inventory differential	**782.42**	731.32
Octroi, Other Levies and Irrecoverable Taxes	**614.25**	767.44
Repairs and maintenance		
Machinery	**658.59**	619.09
Building	**68.11**	93.70
Others	**184.89**	167.70
Sub-Total	**911.59**	880.49
Power and fuel	**3,354.13**	5,104.80
Less: Consumption of fuel out of own production	**(1,791.81)**	(3,368.68)
Power and fuel consumed (net)	**1,562.32**	1,736.12
Stores, spares and materials	**379.35**	394.64
Less: Charged to other revenue accounts	**(297.59)**	(275.04)
Stores, spares and materials (net)	**81.76**	119.60
Packages consumed	**168.42**	150.36
Office Administration, Selling and Other expenses		
Rates and Taxes	**36.90**	69.23
Rent (Refer Note No. 43)	**424.31**	223.89
Utilities	**240.91**	223.41
Terminaling and related expenses	**262.64**	175.93
Travelling and conveyance	**173.99**	155.38
Insurance	**55.13**	52.83
Communication expenses	**35.43**	35.06
Remuneration to auditors		
Audit fees	**0.36**	0.36
Fees for other services - Certification	**0.36**	0.40
Reimbursement of out of pocket expenses	**0.01**	0.01
Sub-Total	**0.73**	0.77
Write offs		
Bad debts and claims	**0.04**	0.83
Other write offs	**10.90**	0.75
Sub-Total	**10.94**	1.58
Provision for doubtful debts & advances (net)	**106.58**	161.69
Provision towards diminution in value of current investments	**10.98**	-
Loss on sale of fixed assets (net)	**27.24**	-
Loss on foreign currency transactions and translations (net) (Refer Note No. 50 (c))	**580.59**	-
CSR Expenditure (Refer Note No. 47)	**112.60**	76.01
Others	**1,276.13**	1,132.48
Sub-Total-Office Administration, Selling and Other expenses	**3,355.10**	2,308.26
Total	**12,879.16**	11,697.21
Details of stores/spare parts and components		
Imported - Amount	**72.51**	105.30
Imported - % of total	**19.11%**	26.68%
Indigenous - Amount	**306.84**	289.34
Indigenous - % of total	**80.89%**	73.32%
Sub-Total	**379.35**	394.64
Less: Charged to other revenue accounts	**(297.59)**	(275.04)
Total	**81.76**	119.60

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 ₹ **1,796.50 Crores** (previous year ₹ 16,140.66 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) ₹ **198.01 Crores** (previous year ₹ 8,362.88 Crores) discount on crude oil/products purchased from ONGC/GAIL/NRL which has been adjusted against purchase cost;

b) ₹ **1,598.49 Crores** (previous year ₹ 7,290.40 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 **Nil** (previous year under-recovery ₹ 487.38 Crores).

34. Pursuant to the Ministry of Corporate Affairs Notification G.S.R. 914 (E) dated 29th December 2011, the Corporation had exercised the option under Para 46 A of AS-11 (notified under the Companies (Accounting Standards) Rules, 2006) (as amended) and has changed its accounting policy from FY 2011-12 onwards for recognition of exchange differences arising on reporting of long-term foreign currency monetary items. For the current financial year, the impact on account of this change (net of depreciation and amortization) is increase in profit before tax of ₹ **441.38 Crores** (previous year ₹ 307.06 Crores). The net loss remaining unamortised under Foreign Currency Monetary Item Translation Difference Account as at 31st March 2016 is ₹ **79.20 Crores** (net gain in the previous year ₹ 26.99 Crores).

35. As per the scheme of Amalgamation of the erstwhile Kochi Refineries Limited (KRL) with the Corporation approved by the Government of India, 3,37,28,737 equity shares of the Corporation were allotted (in lieu of the shares held by the Corporation in the erstwhile KRL) to a trust for the benefit of the Corporation in the FY 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** (previous year ₹ 659.10 Crores) together with the additional contribution to the corpus of the trust of ₹ 0.01 Crores made in 2014-15 amounting to ₹ 659.11 Crores is included in Non-Current Investments (Refer Note no. 16). The income distributed by the trust during the year 2015-16 amounting to ₹ **259.71 Crores** (previous year ₹ 114.68 crores) have been included in 'Other income' (Refer Note No. 26).

36. **Impairment of Assets:** It is assumed that suitable mechanism would be in place by the Government of India, in line with earlier/current year(s), to provide compensation towards under recoveries of margin, if any, and recoveries against Direct Benefit Transfer for LPG Scheme on account of sale of sensitive petroleum products in subsequent years. Hence, there is no indication of impairment of assets of the Corporation as at 31st March 2016.

37. **Segment Reporting:** As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

38. The Corporation has numerous transactions with other oil companies. The outstanding balances (included under Trade Payables/Trade Receivables, etc) from them including certain other outstanding credit and debit balances are subject to confirmation/reconciliation. Adjustments, if any, arising therefrom are not likely to be material on settlement and are accounted as and when ascertained.

39. **Disclosure as per requirements of Accounting Standard 15 - "Employee Benefits":**

The Corporation's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Corporation and charged to Statement of Profit and Loss. The fair value of the assets of the Trust is more than the book value.

Gratuity: The Corporation has a defined benefit gratuity plan managed by a trust. The contribution based upon actuarial valuation is paid/payable to a trust which is invested as per investment pattern prescribed by the Government in plan assets. Gratuity is paid to a staff member who has put in a minimum qualifying period of 5 years of continuous service on superannuation, resignation, termination or to his nominee on death.

Leave Encashment: The Employees are entitled to accumulate Earned Leave and Sick Leave, which can be availed during the service period. Employees are also allowed to encash the accumulated earned leave during the service period. Further, the accumulated earned leave and sick leave can be encashed by the employees on superannuation, resignation, and termination or by nominee on death.

Other Defined Benefits: These are (a) Post Retirement Medical Scheme Benefit (managed by a trust) to employees, spouse, dependent children and dependent parents; (b) Pension/ex-gratia scheme to the retired employees who are entitled to receive the monthly pension/ex-gratia for life; (c) Death in service/Permanent disablement given to employee, the spouse of the employee, provided the deceased's family/disabled employee deposits retirement dues such as PF, Gratuity, Leave encashment payable to them with the Corporation; and (d) Resettlement allowance paid to employees to permanently settle down at the time of retirement.

Disclosures as per requirements of Accounting Standard 15 continued:

₹ in Crores

a) Reconciliation of balances of Defined Benefit Obligations	Gratuity - Funded		Post Retirement Medical - Funded		Leave Encashment - Non Funded		Burmah Shell Pension - Non Funded		Death/Permanent disablement - Non Funded		Re-settlement Allowance - Non Funded		Ex-gratia scheme - Non Funded	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Defined Obligations at the beginning of the year	**612.66**	594.76	**649.56**	551.84	**671.55**	783.15	**82.72**	88.46	**11.64**	8.75	**5.30**	5.14	**333.38**	272.81
Interest Cost	**48.40**	55.02	**51.64**	51.16	**53.05**	72.44	**6.00**	7.41	**0.44**	0.38	**0.45**	0.57	**26.90**	26.10
Current Service Cost	**3.39**	3.32	**29.42**	25.32	**60.45**	46.36	**-**	-	**-**	-	**1.10**	0.99	**15.04**	18.26
Past Service Cost	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Benefits paid	**(48.04)**	(91.40)	**(28.28)**	(25.21)	**(188.15)**	(311.09)	**(15.36)**	(17.01)	**(12.25)**	(9.33)	**(1.35)**	(0.02)	**(19.99)**	(19.03)
Actuarial (Gains)/Losses on obligations	**18.56**	50.96	**153.42**	46.45	**145.53**	80.69	**5.68**	3.86	**12.28**	11.84	**9.49**	(1.38)	**(34.24)**	35.24
Defined Obligations at the end of the year	**634.97**	612.66	**855.76**	649.56	**742.43**	671.55	**79.04**	82.72	**12.11**	11.64	**14.99**	5.30	**321.09**	333.38

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	**624.59**	659.76	**602.10**	530.36
Expected Return (a)	**49.34**	57.40	**47.87**	45.61
Actuarial gains/(losses) (b)	**14.27**	(1.17)	**8.43**	3.47
Actual Return on Plan assets (a+b)	**63.61**	56.23	**56.30**	49.08
Contribution by employer	**-**	-	**75.74**	46.69
Contribution by employee	**-**	-	**0.92**	1.18
Benefits paid	**(48.04)**	(91.40)	**(28.28)**	(25.21)
Fair Value of Plan Assets at the end of the year	**640.16**	624.59	**706.78**	602.10

c) Amount recognised in Balance sheet (a-b)	**(5.19)**	(11.93)	**148.98**	47.46	**742.43**	671.55	**79.04**	82.72	**12.11**	11.64	**14.99**	5.30	**321.09**	333.38

d) Amount recognised in Statement of Profit and Loss														
Current Service Cost	**3.39**	3.32	**29.42**	25.32	**60.45**	46.36	**-**	-	**-**	-	**1.10**	0.99	**15.04**	18.26
Past Service Cost	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Interest Cost	**48.40**	55.02	**51.64**	51.16	**53.05**	72.44	**6.00**	7.41	**0.44**	0.38	**0.45**	0.57	**26.90**	26.10
Expected Return on Plan Assets	**(49.34)**	(57.40)	**(47.87)**	(45.61)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Contribution by employee	**-**	-	**(0.92)**	(1.18)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Actuarial (Gains)/Losses	**4.29**	52.13	**144.99**	42.98	**145.53**	80.69	**5.68**	3.86	**12.28**	11.84	**9.49**	(1.38)	**(34.24)**	35.24
Expenses for the year	**6.74**	53.07	**177.26**	72.67	**259.03**	199.49	**11.68**	11.27	**12.72**	12.22	**11.04**	0.18	**7.70**	79.60

e) Major Actuarial Assumptions														
Discount Rate (%)	**7.99**	7.90	**8.06**	7.95	**7.99**	7.90	**7.79**	7.99	**7.84**	8.04	**7.99**	7.90	**8.06**	7.95
Salary Escalation/Inflation (%)	**8.00**	8.00	**7.00**	7.00	**8.00**	8.00	**-**	-	**-**	-	**-**	-	**-**	-
Expected Return on Plan assets (%)	**7.99**	7.90	**8.06**	7.95	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-

f) Investment pattern for Fund as on	**31/03/2016**	31/03/2015	**31/03/2016**	31/03/2015
Category of Asset	**%**	%	**%**	%
Government of India Asset	**23.69**	24.94	**8.95**	7.96
Corporate Bonds	**20.80**	27.06	**62.75**	54.48
Insurer Managed funds	**49.50**	40.19	**-**	-
State Government	**4.22**	5.38	**23.32**	34.10
Others	**1.79**	2.43	**4.98**	3.46
Total	**100.00**	100.00	**100.00**	100.00

g) As per our best estimate, ₹ Nil is the expected contribution to be paid to the Gratuity Fund in the year 2016-17

h) Effect of Increase/Decrease of 1% is assumed for medical cost trend to the Post Retirement Medical Liability

	31/03/2016	31/03/2015
Change in liability for 1% increase in Discount Rate	**(92.77)**	(68.66)
Change in liability for 1% increase in medical inflation	**112.33**	83.69
Change in liability for 1% decrease in Discount Rate	**113.10**	83.16
Change in liability for 1% decrease in medical inflation	**(93.49)**	(69.49)

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

Disclosures as per requirements of Accounting Standard 15 continued:

Details of present value of obligation, fair value of plan assets, surplus/deficit in plan and experience adjustments

Particulars	₹ in Crores				
	2015-16	**2014-15**	**2013-14**	**2012-13**	**2011-12**
Present Value of Obligation					
Funded*	**1,490.73**	1,262.22	1,146.60	1,124.09	1,032.60
Non Funded**	**1,169.66**	1,104.59	1,158.31	1,078.47	947.78
Sub-Total	**2,660.39**	**2,366.81**	**2,304.91**	**2,202.56**	**1,980.38**
Fair Value of Plan Assets	**1,346.94**	1,226.69	1,190.12	1,031.42	903.76
Deficit/(Surplus)	**1,313.45**	**1,140.12**	**1,114.79**	**1,171.14**	**1,076.62**
Experience Adjustments					
Gain/(Loss)On Funded Plan Liabilities	**(62.43)**	50.88	51.83	(33.44)	(13.50)
Gain/(Loss)On Funded Plan Assets	**22.70**	2.30	(0.37)	24.36	(7.08)
Gain/(Loss)On Non Funded Plan Liabilities	**(145.60)**	(6.11)	(157.72)	(100.63)	(100.16)

* Gratuity & Post Retirement Medical Benefit Scheme.

** Leave encashment, Burmah Shell Pension, Death/Permanent Disablement, Re-settlement Allowance & Ex-Gratia Scheme.

40. To the extent, the Corporation has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under:

₹ in Crores

	31/03/2016	31/03/2015
Amount Due and Payable at the year end		
- Principal	**0.89**	3.10
- Interest on above Principal	**-**	-
Payment made during the year after the due date		
- Principal	**-**	-
- Interest	**-**	-
Interest due and payable for Principal already paid	**-**	-
Total Interest accrued and remained unpaid at year end	**-**	-

The interest payable to such vendors is not likely to be material.

41. Related Party Disclosures as per Accounting Standard 18

Names of the Related parties (Joint Venture Companies)

Indraprastha Gas Limited
Petronet India Limited *
Petronet CCK Limited #
Petronet CI Limited *
Petronet LNG Limited
Bharat Oman Refineries Limited
Maharashtra Natural Gas Limited
Central UP Gas Limited
Sabarmati Gas Limited
Bharat Stars Services Private Limited
(Including Bharat Stars Services (Delhi) Pvt. Limited)
Bharat Renewable Energy Limited *
Matrix Bharat Pte. Ltd.
Delhi Aviation Fuel Facility Private Limited
Kannur International Airport Limited
GSPL India Gasnet Limited
GSPL India Transco Limited
Mumbai Aviation Fuel Farm Facility Private Limited
Kochi Salem Pipeline Private Limited
IBV (Brazil) Petroleo Ltda.

*Companies in the process of winding up

Petronet CCK Limited has become subsidiary w.e.f. 29th May 2015

Key Management Personnel (Whole time directors):

Shri S. Varadarajan, (Chairman & Managing Director)

Shri P. Balasubramanian, Director (Finance)

Shri K.K. Gupta, Director (Marketing) till 29th February 2016

Shri S. Ramesh, Director (Marketing) w.e.f. 1st March 2016

Shri B.K. Datta, Director (Refineries)

Shri S.P. Gathoo, Director (Human Resources)

The nature wise transactions with the above related parties are as follows:

S.No.	Nature of Transactions	**2015-16**	₹ in Crores 2014-15
1	Purchase of goods	**30,602.57**	35,756.86
2	Sale of goods	**2,429.92**	3,802.70
3	Rendering of Services	**58.63**	24.35
4	Receiving of Services	**92.28**	144.25
5	Interest Income	**130.21**	129.12
6	Dividend Received	**49.55**	53.44
7	Investment and Advance for Investments	**229.01**	70.25
8	Loans and Advances given	**56.18**	112.36
9	Management Contracts (Employees on deputation/consultancy services)	**24.06**	23.76
10	Lease Rental & Other Charges received	**27.09**	30.04
11	Lease Rental & Other Charges paid	**0.07**	0.07
12	Sale of Assets	**-**	5.01
13	Receivables as at year end	**1,661.73**	1,701.33
14	Payables as at year end	**1,065.48**	1,017.37

Guarantees of **USD 150 Million (₹ 994.99 Crores)** and **USD 84 Million (₹ 557.20 Crores)** were given to lender banks on behalf of Bharat Oman Refineries Ltd. against foreign currency loans which were refinanced during the year and have been extended to new lender banks.

Disclosure with respect to Related Party Transactions during the year (more than 10% of the total transaction value):

1. Purchase of goods: Bharat Oman Refineries Limited ₹ **25,898.20 Crores** (previous year ₹ 29,610.52 Crores) and Petronet LNG Limited ₹ **4,184.69 Crores** (previous year ₹ 5,612.34 Crores).
2. Sale of goods: Matrix Bharat Pte. Ltd. ₹ **997.74 Crores** (previous year ₹ 2,286.27 Crores), Bharat Oman Refineries Limited ₹ **808.08 Crores** (previous year ₹ 661.21 Crores), Sabarmati Gas Limited ₹ **300.28 Crores** (previous year ₹ 339.64 Crores) and Indraprastha Gas Limited ₹ **283.19 Crores** (previous year ₹ 434.38 Crores)
3. Rendering of Services: Kochi Salem Pipeline Private Limited ₹ **21.93 Crores** (previous year Nil), Mumbai Aviation Fuel Farm Private Limited ₹ **14.69 Crores** (previous year Nil), Indraprastha Gas Limited ₹ **15.12 Crores** (previous year ₹ 7.38 Crores) and Bharat Oman Refineries Limited ₹ **6.49 Crores** (previous year ₹ 16.13 Crores)
4. Receiving of Services: Mumbai Aviation Fuel Farm Facility Private Limited ₹ **40.87 Crores** (previous year Nil), Bharat Stars Services Private Limited ₹ **29.08 Crores** (previous year ₹ 16.70 Crores) and Bharat Oman Refineries Limited ₹ **12.00 Crores** (previous year ₹ 11.70 Crores)
5. Interest income: Bharat Oman Refineries Limited ₹ **129.01 Crores** (previous year ₹ 129.12 Crores)
6. Dividend received: Petronet LNG Limited ₹ **18.75 Crores** (previous year ₹ 18.75 Crores), Indraprastha Gas Limited ₹ **18.90 Crores** (previous year ₹ 17.33 Crores) and Delhi Aviation Fuel Facility Pvt. Ltd. ₹ **7.59 Crores** (previous year ₹ 7.59 Crores)
7. Investment and Advances for Investments: Sabarmati Gas Limited ₹ **102.24 Crores** (previous year Nil), Kannur International Airport Ltd ₹ **50.00 Crores** (previous year ₹ 50.00 crores), Kochi Salem Pipeline Private Limited ₹ **37.50 Crores** (previous year ₹ 6.75 Crores) and Mumbai Aviation Fuel Farm Facility Private Limited ₹ **33.77 Crores** (previous year ₹ 4.50 Crores)
8. Loans and Advances: Petronet LNG Limited ₹ **56.18 Crores** (previous year ₹ 112.36 Crores)
9. Management Contracts (Employees on deputation/consultancy services): Bharat Oman Refineries Limited ₹ **15.96 Crores** (previous year ₹ 16.46 Crores) and Bharat Stars Services Private Limited ₹ **2.50 Crores** (previous year ₹ 1.81 Crores)
10. Lease Rental & Other Charges received: Bharat Oman Refineries Limited ₹ **26.00 Crores** (previous year ₹ 29.21 Crores)

11. Lease Rental & Other Charges paid: Delhi Aviation Fuel Facility Private Limited ₹ **0.07 Crores** (previous year ₹ 0.07 crores)
12. Sale of Assets: Bharat Stars Services Private Limited **Nil** (previous year ₹ 3.09 Crores) and Mumbai Aviation Fuel Farm Private Limited **Nil** (previous year ₹ 1.92 Crores)
13. Receivables as at period end: Bharat Oman Refineries Limited ₹ **1,388.06 Crores** (previous year ₹1,390.18 Crores), which is mainly on account of Subordinated loan of ₹ **1,354.10 Crores** (previous year ₹ 1,354.10 Crores) and Petronet LNG Limited of ₹ **200.00 Crores** (previous year ₹ 105.22 Crores)
14. Payables as at period end: Bharat Oman Refineries Limited ₹ **908.04 Crores** (previous year ₹ 820.38 Crores) and Petronet LNG Limited ₹ **123.76 Crores** (previous year ₹ 151.03 Crores)

Remuneration to Key Management Personnel

₹ in Crores

Key Management Personnel	**2015-16**	2014-15
Shri S. Varadarajan	**0.68**	0.65
Shri P. Balasubramanian	**0.61**	0.46
Shri K.K. Gupta	**0.80**	0.73
Shri B.K. Datta	**0.58**	0.52
Shri S.P. Gathoo	**0.53**	0.57
Shri S. Ramesh	**0.07**	-
Total	**3.27**	2.93

In view of the exemption provided under AS-18 Related Party Disclosures, related party relationships with other state-controlled enterprises and transactions with such enterprises are not included in the above.

42. Dues from Directors is ₹ **0.35 Crores** (previous year ₹ 0.32 Crores) and Dues from Officers is ₹ **3.98 Crores** (previous year ₹ 3.30 Crores).

43. Disclosure for Operating Leases as per Accounting Standard - 19

The Corporation enters into cancellable/non-cancellable operating lease arrangements for office premises, staff quarters and others. The lease rentals paid/received for the same are charged to the Statement of Profit and Loss.

A) As Lessee

a) The Corporation enters into non-cancellable operating leases in respect of godowns. The details are as follows-

₹ in Crores

S.No.	**Particulars**	**2015-16**	2014-15
i)	Future Lease payment obligations under non-cancellable operating leases		
	a) Not later than one year	**0.10**	0.10
	b) Later than one year and not later than five years	**0.17**	0.36
	c) Later than five years	**-**	-
ii)	Lease Rentals recognized in the Statement of Profit and Loss	**0.10**	0.11

b) The Corporation enters into cancellable operating leases in respect of office premises, staff quarters and others which are cancellable by giving appropriate notices as per respective agreements. During the year ₹ **27.65 Crores** (previous year ₹ 27.29 Crores) has been charged to Statement of Profit and Loss on account of lease rentals.

B) As Lessor

i) The Company enters into cancellable/non-cancellable operating lease arrangements in respect of commercial spaces, storage and distribution facilities and others. The details are as follows-

₹ in Crores

Particulars	Buildings		Plant & Machinery		Tanks & Pipelines		Furniture		Office Equipment		Railway Siding	
	15-16	14-15	**15-16**	14-15	**15-16**	14-15	**15-16**	14-15	**15-16**	14-15	**15-16**	14-15
Gross Carrying Amount	**164.84**	163.80	**129.27**	104.09	**406.35**	398.69	**16.42**	15.22	**16.52**	16.03	**80.44**	77.84
Accumulated depreciation	**56.64**	55.97	**35.47**	26.98	**115.94**	102.27	**12.25**	9.44	**14.44**	14.20	**23.74**	18.33
Depreciation recognised in Statement of P&L	**4.21**	37.90	**7.72**	7.61	**13.67**	12.98	**2.01**	2.85	**0.58**	0.98	**5.41**	5.31

ii) Total contingent rent recognised as income in the Statement of Profit and Loss in the FY 2015-16 is ₹ **23.20 Crores** (previous year ₹ 23.21 Crores).

iii) Future Lease rentals under non-cancellable operating leases

₹ in Crores

S.No.	Particulars	2015-16	2014-15
i)	Future Lease rentals under non-cancellable operating leases		
	a) Not later than one year	**26.04**	26.08
	b) Later than one year and not later than five years	**104.00**	104.00
	c) Later than five years	**104.00**	130.00

44. Earnings per share

Particulars	Unit	2015-16	2014-15
Profit after Tax	₹ in Crores	**7,431.88**	5,084.51
Weighted average number of shares outstanding during the year	Crore nos.	**72.31**	72.31
Basic earnings per share	₹	**102.78**	70.32
Diluted earnings per share	₹	**102.78**	70.32

45. In compliance with Accounting Standard – 27 'Financial Reporting of Interests in Joint Ventures', the required information is as under:

(a) Jointly controlled entities	Country of Incorporation	Percentage of ownership interest as on	
		31/03/2016	31/03/2015
Indraprastha Gas Limited	India	**22.50**	22.50
Petronet India Limited #	India	**16.00**	16.00
Petronet CCK Limited $	India	**-**	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

(a) Jointly controlled entities	Country of Incorporation	Percentage of ownership interest as on	
		31/03/2016	31/03/2015
Maharashtra Natural Gas Limited	India	**22.50**	22.50
Sabarmati Gas Limited	India	**49.94**	25.00
Bharat Stars Services Private Limited	India	**50.00**	50.00
Bharat Renewable Energy Limited #	India	**33.33**	33.33
Matrix Bharat Pte. Ltd.	Singapore	**50.00**	50.00
Delhi Aviation Fuel Facility Pvt. Limited	India	**37.00**	37.00
Kannur International Airport Limited @	India	**21.68**	21.68
GSPL India Gasnet Limited	India	**11.00**	11.00
GSPL India Transco Limited	India	**11.00**	11.00
Mumbai Aviation Fuel Farm Facility Private Limited	India	**25.00**	25.00
Kochi Salem Pipeline Private Limited *	India	**50.00**	50.00

Companies in the process of winding up.

$ Petronet CCK Ltd. has become a Subsidiary with 73.96 % holding.

* The percentage of ownership interest as at 31st March 2015 is after considering Advance against Equity as per the Joint Venture Agreement.

@ The percentage of ownership interest is after considering proposed increased in equity participation.

BPRL Ventures B.V., a 100% step-down subsidiary of the Corporation holds 50% equity in IBV (Brazil) Petroleo Ltda., a Joint Venture company incorporated in Brazil.

The percentage of ownership interest is as per the respective Joint Venture Agreement.

(b) In respect of jointly controlled entities, the Corporation's share of assets, liabilities, income, expenditure, contingent liabilities and capital commitments compiled on the basis of unaudited/audited financial statements received from these Joint Ventures are as follows:

₹ in Crores

Particulars	**31/03/2016**	31/03/2015
(i) Assets		
- Non Current Assets	**7,655.77**	7,431.73
- Current Assets	**2,225.21**	2,706.17
- Deferred Tax Asset	**547.15**	650.44
(ii) Liabilities		
- Non Current Liabilities	**5,622.27**	5,101.74
- Current Liabilities	**2,010.29**	3,334.11
- Deferred Tax Liability	**185.69**	144.72
(iii) Revenue	**14,763.85**	21,146.17
(iv) Expenses	**14,090.76**	21,379.83
(v) Contingent Liabilities	**1,070.70**	997.97
(vi) Capital & Other Commitments	**502.75**	259.25

46. **In compliance of Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:**

₹ in Crores

Nature	Opening balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	54.74	2.83	-	-	57.57
Customs	65.12	-	-	62.61	2.51
Service Tax	0.07	-	0.07	-	-
VAT/Sales Tax/Entry Tax	550.81	20.08	-	34.18	536.71
Property Tax	83.08	99.19	-	81.59	100.68
Total	**753.82**	**122.10**	**0.07**	**178.38**	**697.47**
Previous year	524.48	267.89	0.27	38.28	753.82

The above provisions are made based on estimates and the expected timing of outflows is not ascertainable at this stage.

Above includes provision of ₹ **62.47 Crores** (previous year ₹ 26.26 Crores) in respect of which deposits have been made.

47. **Disclosure in respect of Expenditure on Corporate Social Responsibility Activities**

₹ in Crores

		2015-16	2014-15
a)	Amount required to be spent by the Company during the year.	**112.60**	76.01
b)	Unspent CSR Expenditure carried forward from FY 2014-15	**42.06**	-
c)	Amount spent during the year (on purpose other than construction/ acquisition of assets controlled by the company) #	**95.59 ***	33.95
d)	Provision created for balance amount	**59.07**	42.06

The above expenditure includes contribution to funds, expenses through registered trusts/registered society or company established under section 8 of the Act and direct expenses by the company.

* including payables of ₹ **2.86 Crores** (previous year ₹ 7.28 Crores) as on 31/03/2016.

48. **Disclosure as required by Regulation 34, Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

₹ in Crores

Particulars	Balance as on		Maximum amount outstanding during the period	
	31/03/2016	31/03/2015	**2015-16**	2014-15
(a) Loans and advances in the nature of Loans:				
(i) To Subsidiary Company - Bharat PetroResources Limited	**650.00**	650.00	**650.00**	650.00
(ii) To Associates - Bharat Oman Refineries Limited	**1,354.10**	1,354.10	**1,354.10**	1,354.10
(iii) To Firms/Companies in which Directors are interested	**-**	-	**-**	-
(b) Investment by the loanee in the shares of BPCL and its subsidiary companies	**-**	-	**-**	-

49. Contingent Liabilities and Capital Commitments

		31/03/2016	₹ in Crores 31/03/2015
(a)	**Contingent Liabilities:**		
	In respect of Income Tax matters	**80.43**	80.68
	Other Matters:		
	i) Claims against the Corporation not acknowledged as debts *:		
	Excise, Service Tax and Customs matters	**1,207.79**	1,093.13
	Sales Tax matters	**7,260.48**	6,526.43
	Land Acquisition cases for higher compensation	**176.75**	121.05
	Others	**470.15**	441.42

* These include ₹ **4,606.08 Crores** (previous year ₹ 4,163.89 Crores) against which the Corporation has a recourse for recovery and ₹ **104.32 Crores** (previous year ₹ 49.93 Crores) which are on capital account.

		31/03/2016	31/03/2015
	ii) Claims on account of wages, bonus/ex-gratia payments in respect of pending court cases.	**16.28**	15.95
	iii) Guarantees **	**1,570.27**	2,698.04
(b)	**Capital Commitments:**		
	i) Estimated amount of contracts remaining to be executed on capital account and not provided for	**4,674.55**	7,877.49
	ii) Uncalled liability on shares and other investments partly paid	**-**	50.00

**In respect of terms and conditions of guarantee for necessary infrastructure of terminal and pipelines at Kochi and obligations of Petronet LNG Limited under the LNG SPA, the outflow that may arise under the same is not quantifiable.

50. (a) The Corporation has on the Balance Sheet date, outstanding forward contracts amounting to **USD 228.75 Million (₹ 1,533.66 Crores)** (previous year - USD 184 Million, ₹ 1,152.96 Crores) to hedge foreign currency exposure for payment of crude oil.

Following are the unhedged foreign currency on account of exposures:

	31/03/2016		31/03/2015	
Exposure Type	**USD Million**	**₹ in Crores**	USD Million	₹ in Crores
Imports	**507.76**	**3,368.11**	838.71	5,249.57
ECB (Long Term) *	**2,107.03**	**13,976.55**	1,806.63	11,307.83
Export Debtors	**56.20**	**372.77**	132.09	826.78

* This includes 3 % CHF Bonds 2019 for **CHF 200 Million** which were swapped into **USD 228.29 Million**

(b) The RBI swap transactions outstanding as on 31/03/2014 had matured during 2014-15 and the gain of ₹ 521.14 Crores had been recognised in the Statement of Profit and Loss during the year 2014-15.

(c) The Corporation had raised Swiss Franc (CHF) 200 Million of 3% CHF Bonds 2019 in March 2014, the proceeds of which were swapped into USD 228.29 Million on the same day. The mark to market losses of ₹ **0.58 Crores** (previous year ₹ 96.09 Crores) in respect of this CHF-USD Swap transaction have been recognized as expense during 2015-16 based on the concept of prudence and in line with the ICAI announcement of 29th March 2008 on Accounting for Derivatives.

(d) The Corporation has on the Balance Sheet date the following outstanding derivatives for hedging purposes:

Instrument	Description	Quantity
OTC Swap	Spread between Petroleum Products and Crude Oil	0.30 million barrels
ZCC Option	Petroleum Product - HSFO 180	3000 MT

There are no mark-to-market losses as on 31st March 2016 (previous year ₹ 0.01 Crores) in respect of these derivative contracts.

51. The Employee benefits expense for FY 2015-16 include reversal of provisions no longer required **Nil** (previous year ₹ 657.93 Crores).

52. Value of imports calculated on C.I.F. basis

₹ in Crores

	2015-16	2014-15
(a) Raw Materials (including crude oil)	**43,690.17**	72,139.49
(b) Capital goods	**1,238.41**	432.75
(c) Components and spare parts (including packages, chemicals and catalysts)	**100.33**	77.28

53. Expenditure in foreign currency

₹ in Crores

	2015-16	2014-15
(a) Purchase of products	**4,810.92**	7,308.71
(b) Professional Consultancy Fees	**7.76**	5.27
(c) Freight	**219.50**	333.80
(d) Interest	**513.17**	375.63
(e) Royalty	**1.80**	1.21
(f) Other matters	**119.25**	62.43

54. Earnings in foreign exchange

₹ in Crores

	2015-16	2014-15
Exports on FOB basis #	**7,089.97**	12,364.27
Commodity Derivative Income ##	**47.98**	-

Includes receipt of ₹ **1,003.91 Crores** (previous year ₹ 1,438.32 crores) in Indian currency out of the repatriable funds of foreign airline and I&C customers and ₹ **53.93 Crores** (previous year ₹ 62.06 crores) of INR exports to Nepal and Bhutan.

Includes commodity derivative income of ₹ **47.98 Crores** (previous year loss of ₹ 43.70 crores included in 'Other matters' in Note No. 53)

55. Research and Development Expenditure

₹ in Crores

	2015-16	2014-15
(a) Revenue expenditure	**40.49**	30.69
(b) Capital expenditure	**19.21**	10.04

56. The Corporation has, in the current year, changed the method of determination of cost of inventories from 'Weighted Average' to 'First in First Out' (FIFO) in respect of crude oil and finished products (except lubricants which are continued to be determined at weighted average). This has resulted in increase in value of inventory of crude oil by ₹ **15.30 Crores** and finished products including intermediaries by ₹ **167.87 Crores**, resulting in corresponding increase in the profit before tax in the current year.

57. During the year, the Corporation has released LPG cylinders for the BPL families as per the scheme of MOPNG. Out of these, in respect of certain connections, the claims on MOPNG towards deposits amounting to ₹ **95.85 Crores** are not yet accounted for, pending their approval.

58. Figures of the previous year have been regrouped wherever necessary, to conform to current period presentation.

Signature to Notes '1' to '58'

For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director
DIN: 00052928

Sd/-
P. BALASUBRAMANIAN
Director (Finance)
DIN: 05262654

Sd/-
S.V. KULKARNI
Company Secretary

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

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Dated: 26th May 2016

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT PETROLEUM CORPORATION LIMITED

To the Members of
Bharat Petroleum Corporation Limited

We have audited the accompanying consolidated financial statements of BHARAT PETROLEUM CORPORATION LIMITED (hereinafter referred to as "the Holding Company" or "the Corporation") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and joint venture companies (JVs) comprising of the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements" or "the CFS").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these CFS in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate and JVs in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and JVs are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these CFS based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the CFS are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (2) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the CFS.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and of its associate and JVs as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

(1) The auditors of a Subsidiary Company have stated in their report about the incorporation of details of its share in assets, liabilities, income and expense in the operations of jointly controlled entities based on the audited/ unaudited statements received from the respective Operators. They have observed that:

(a) In case of three blocks, no audited statements have been received by the Company. Total assets, liabilities, income and expenses in respect of these blocks, amount to ₹ 86.97 crore, ₹ 0.49 crore, ₹ Nil and ₹ Nil, respectively;

(b) The audited statements referred above are prepared, as stated there in, to meet requirements of production sharing contracts and are special purpose statement;

(c) None of the statements, audited as well as unaudited, are drawn up in the format prescribed under Schedule III to the Act;

(d) Some of the Operators use accounting policies other than those adopted by the Company for like transactions. The Company has made appropriate adjustments while incorporating relevant data; and

(e) No break-up of assets and liabilities is available in respect of one block where the Company has invested ₹ 12.41 crore.

The said Subsidiary Company's proportionate share in jointly controlled assets, liabilities for which the Company is jointly responsible, Company's proportionate share of income and expenses for the year, the elements making up the Cash Flow Statement and related disclosures contained in the enclosed financial statements and their observations thereon are based on such audit reports and statements from the operators to the extent available with the said Subsidiary Company.

(2) The auditors of a Subsidiary Company have drawn attention to the observation made by the auditors of its stepdown Subsidiary Company regarding the financial statements indicating that the Company has accumulated losses and negative net worth. The Company has incurred a net loss of ₹ 2.02 crore during the current year (previous year loss ₹ 22.95 crore). These conditions, along with other matters indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

(3) The auditors of a JV Company have drawn attention in their Audit Report for the unanimous opinion of the Promoters/Shareholders of said JV Company as noted by Board of Directors of the JV company regarding non-viability of continuation of operations of the said JV Company and to explore realization of investment and that the same indicates the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Our Opinion is not modified in respect of these matters.

Other Matters

(1) The auditors of JV of a Subsidiary Company have drawn attention to the fact that the said JV has spent significant amounts that are related mainly to exploration and evaluation costs, the recovery of which is subject to the success of all its exploration campaigns. The management of the said JV understands that the members of the JV will continue to provide the funds necessary for keeping the Company's operations and, therefore, the financial statements for the year ended December 31, 2015 were prepared based on the assumption that the Company will continue to operate as a going concern;

(2) We did not audit the financial statements of three subsidiaries (and its step down subsidiaries, JVs and associate), whose financial statements reflect total assets (net) of ₹ 5,637.75 crore as at March 31, 2016, total revenue of ₹ 10,308.19 crore and net cash inflow aggregating ₹ 458.50 crore for the year then ended. We also did not audit the financial statements of twelve JVs, whose aggregate share of total assets (net) of ₹ 2,452.98 crore as at March 31, 2016/December 31, 2015, total revenue of ₹ 14,367.89 crore and net cash inflow of ₹ 235.15 crore for the year then ended are also included in the CFS. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the CFS, insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and JVs, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, associate and JVs, is based solely on the reports of the other auditors.

(3) The CFS includes unaudited figures in respect of two JVs which are provisional/as approved by their Management. The aggregate share of total assets (net) of these JVs is ₹ 156.99 crore as at March 31, 2016, total revenue is ₹ 383.85 crore and net cash inflow is ₹ 0.85 crore for the year then ended. Our opinion on the CFS, insofar as it relates to the amounts and disclosures included in respect of these JVs, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid JVs, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to these CFS.

(4) The CFS does not include figures in respect of five JVs as mentioned in note no. 1.1 (c)- note (i),(ix),(x) and (xi) of the consolidated financial statements. According to the information and explanations given to us by the Management, the same are not material to these CFS.

Our opinion on the CFS and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements approved by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section (3) of Section 143 of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid CFS. However, we have not received responses to the Group Audit instructions from the auditors of subsidiaries and JVs and hence we are unable to comment on its implications, if any;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid CFS have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and working/records maintained for the purpose of preparation of the CFS;

   (d) In our opinion, the aforesaid CFS comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act, are not applicable to the Holding company and in case of other companies, on the basis of report of the statutory auditors of the respective Companies of the Group and its associate and JVs incorporated in India, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the financial controls over financial reporting of the Holding Company, its Subsidiary, associate and JVs incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Group, associate and JVs have disclosed the impact of pending litigations, on its financial position in the CFS - Refer Note 52 of the CFS;

      ii. The Group, associate and JVs have made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long – term contracts including derivative contracts - Refer Note 51 of the CFS;

      iii. There has been no delay in transferring amounts, where required to be transferred, to the Investor Education and Protection Fund by the Group, Associate and JVs incorporated in India.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FRN. 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FRN. 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

Place: Mumbai
Date: 26th May 2016

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date on the consolidated financial statements of Bharat Petroleum Corporation Limited, its subsidiaries, associate and Joint Venture Companies (JVs)]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of the Bharat Petroleum Corporation Limited (hereinafter referred to as "the Holding Company" or "Corporation"), its subsidiaries, associate and Joint Venture Companies (JVs), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiaries, associate and JVs, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI").These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company its subsidiaries, associate and Joint Venture Companies (JVs), which are companies incorporated in India internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures

of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiaries, associate and JVs, which are companies incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries, associate and JVs which are companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiaries, eleven JVs, which are companies incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FRN. 101961W

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FRN. 103523W

Sd/-
Chetan Desai
Partner
Membership No.: 17000

Place: Mumbai
Date: 26th May 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

₹ in Crores

	Note No	As at 31/03/2016	As at 31/03/2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	**723.08**	723.08
(b) Reserves and Surplus	3	**27,296.62**	21,825.42
		28,019.70	22,548.50
(2) Share application money pending allotment in respect of Joint Venture		**0.43**	-
(3) Minority Interest		**1,572.74**	1,286.37
(4) Share Warrants in respect of Joint Venture		**13.45**	13.45
(5) Non-current liabilities			
(a) Long-term borrowings	4	**26,043.05**	19,341.82
(b) Deferred tax liabilities (Net)	5	**2,524.05**	1,997.21
(c) Other long-term liabilities	6	**243.94**	184.34
(d) Long-term provisions	7	**1,663.43**	1,396.86
		30,474.47	22,920.23
(6) Current liabilities			
(a) Short-term borrowings	8	**583.79**	1,675.88
(b) Trade payables	9	**8,470.67**	12,865.29
(c) Other current liabilities	10	**21,201.47**	21,443.03
(d) Short-term provisions	11	**3,451.80**	4,219.78
		33,707.73	40,203.98
TOTAL		**93,788.52**	86,972.53
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	**31,899.14**	28,520.65
(ii) Intangible assets	13	**563.71**	574.30
(iii) Capital work-in-progress	15	**21,903.58**	15,762.27
(iv) Intangible assets under development	14	**215.18**	25.07
(b) Goodwill on consolidation		**61.00**	14.45
(c) Non-current investments	16	**2,479.87**	2,351.35
(d) Deferred tax assets (Net)	5	**547.15**	650.44
(e) Long-term loans and advances	17	**2,771.13**	2,695.21
(f) Other non-current assets	18	**322.42**	84.47
		60,763.18	50,678.21
(2) Current assets			
(a) Current investments	19	**5,256.43**	5,360.46
(b) Inventories	20	**15,496.85**	17,400.02
(c) Trade receivables	21	**2,423.50**	2,901.85
(d) Cash and Bank Balances	22	**4,629.00**	3,446.26
(e) Short-term loans and advances	23	**1,148.44**	1,065.26
(f) Other current assets	24	**4,071.12**	6,120.47
		33,025.34	36,294.32
TOTAL		**93,788.52**	86,972.53
Significant Accounting Policies	1		
Notes on Financial Statements	33 to 54		

For and on behalf of the Board of Directors

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

Sd/-
S. VARADARAJAN
Chairman and Managing Director
DIN: 00052928

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W

Sd/-
P. BALASUBRAMANIAN
Director (Finance)
DIN: 05262654

Sd/-
S.V. KULKARNI
Company Secretary

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Dated: 26th May 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

₹ in Crores

		Note No	2015-16	2014-15
I)	Revenue from operations	25	**1,88,651.36**	2,42,598.50
II)	Other income	26	**1,740.89**	2,120.05
III)	**Total Revenue (I + II)**		**1,90,392.25**	2,44,718.55
IV)	**Expenses**			
	1) Cost of raw materials consumed	27	**77,356.03**	1,18,466.57
	2) Purchases of stock-in-trade	28	**77,485.49**	93,872.77
	3) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	**1,585.86**	4,351.45
	4) Employee benefits expense	30	**3,172.35**	2,349.85
	5) Finance costs	31	**1,132.07**	1,180.47
	6) Depreciation and amortization expense	12,13	**2,428.63**	3,026.68
	7) Other expenses	32	**14,637.91**	13,780.29
	Total expenses		**1,77,798.34**	2,37,028.08
V)	**Profit/(Loss) before tax (III - IV)**		**12,593.91**	7,690.47
VI)	**Tax expense**			
	1) Current tax		**3,507.09**	2,551.38
	2) Less: MAT credit entitlement		**(11.89)**	(28.94)
	3) Deferred tax		**626.13**	95.55
	4) Short/(Excess) provision of earlier years		**8.60**	(9.53)
	Total tax expense		**4,129.93**	2,608.46
VII)	**Profit/(Loss) after tax for the year (V - VI)**		**8,463.98**	5,082.01
VIII)	Share in profit of associates		**2.49**	-
IX)	Minority Interest		**484.96**	275.44
X)	**Net Profit/(Loss) for the Group (VII + VIII - IX)**		**7,981.51**	4,806.57
XI)	**Basic and Diluted Earnings per Share (Face value ₹ 10)** (Refer Note No. 44)		**110.38**	66.47
	Significant Accounting Policies	1		
	Notes on Financial Statements	33 to 54		

For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director
DIN: 00052928

Sd/-
P. BALASUBRAMANIAN
Director (Finance)
DIN: 05262654

Sd/-
S.V. KULKARNI
Company Secretary

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

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Dated: 26th May 2016

CONSOLIDATED CASH FLOW STATEMENT

₹ in Crores

	For the year ended	31/03/2016	31/03/2015
A	**Net Cash Flow from Operating Activities**		
	Net Profit Before tax & Prior Period Items	**12,588.20**	7,646.61
	Adjustments for:		
	Depreciation	**2,428.63**	3,026.68
	Interest	**1,132.07**	1,180.47
	Foreign Exchange Fluctuations (Refer explanatory note 3)	**130.27**	(391.64)
	(Profit)/Loss on Sale of fixed assets	**28.62**	3.48
	(Profit)/Loss on Sale of investments	**(11.76)**	(7.57)
	Income from Investments	**(1,168.81)**	(904.08)
	Dividend Received	**(70.02)**	(52.89)
	Expenditure towards Corporate Social Responsibility	**124.67**	83.80
	Other Non-Cash items (Refer explanatory note 4)	**689.18**	(50.67)
	Operating Profit before Working Capital Changes	**15,871.05**	10,534.19
	(Invested in)/Generated from:		
	Inventories	**1,897.71**	5,769.85
	Trade Receivables	**422.07**	1,638.16
	Other Receivables	**1,457.35**	4,678.64
	Current Liabilities & Payables	**(2,605.41)**	867.99
	Cash generated from Operations	**17,042.77**	23,488.83
	Direct Taxes paid	**(3,369.91)**	(2,749.30)
	Paid for Corporate Social Responsibility	**(107.40)**	(41.74)
	Cash flow before prior period items	**13,565.47**	20,697.79
	Prior Period Items	**5.71**	43.86
	Net Cash from/(used in) Operating Activities	**13,571.17**	20,741.65
B	**Net Cash Flow from Investing Activities**		
	Purchase of fixed assets	**(11,571.59)**	(10,884.59)
	Sale of fixed assets	**8.79**	18.70
	Capital Advances	**295.17**	(121.57)
	Capital Grant Received	**-**	4.98
	(Investment)/Sale of Investment in Associate Companies	**(2.14)**	-
	Investment		
	BPCL-KIAL Fuel Farm Facility Private Limited	**(4.44)**	-
	Cochin International Airport Limited	**(13.13)**	-
	Kannur International Airport Limited	**(50.00)**	(50.00)
	Petroleum India International	**23.60**	-
	BPCL Trust for Investment in Shares	**-**	(0.01)
	Advance against Equity		
	Kochi Salem Pipeline Private Limited	**-**	(6.75)
	Loans & Advances		
	Bharat Renewable Energy Limited	**-**	(0.75)
	Petronet LNG Limited	**(43.75)**	(82.09)
	Goodwill on Acquisition of Shares	**(61.00)**	(14.45)
	Purchase of Investments	**(5.39)**	(369.91)
	Sale of Investments	**553.15**	18.44
	Income from Investment	**1,114.36**	119.99
	Dividend Received	**67.19**	47.49
	Interest Received	**43.38**	784.89
	Net Cash from/(used in) Investing Activities	**(9,645.80)**	(10,535.63)

₹ in Crores

	For the year ended	31/03/2016	31/03/2015
C	**Net Cash Flow from Financing Activities**		
	Proceeds towards issue of Share Capital in respect of Joint Venture	0.43	-
	Long-term Borrowings	8,705.15	2,096.20
	Short-term Borrowings	0.02	77.56
	Repayment of loans	(6,502.51)	(9,231.30)
	Interest paid	(1,451.93)	(1,237.32)
	Dividend paid	(2,996.28)	(1,272.23)
	Corporate Dividend Tax	(619.89)	(224.91)
	Net Cash from/(used in) Financing Activities	(2,865.01)	(9,792.00)
D	**Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)**	1,060.36	414.02

₹ in Crores

Cash and Cash equivalents as at	31/03/2015	31/03/2014
Cash on hand	27.24	48.34
Cheques and drafts on hand	25.88	55.68
Cash at Bank	2,647.19	1,626.11
Current Investment (Cash Equivalents)	9.27	10.84
Effect of Exchange difference on Translation of Foreign Currency cash and cash equivalents	(521.43)	33.16
Adjustment on Account of Component Reclassification	(52.13)	-
	2,136.02	1,774.11
Cash and Cash equivalents as at	31/03/2016	31/03/2015
Cash on hand	24.43	27.24
Cheques and drafts on hand	11.91	25.88
Cash at Bank	3,897.91	2,647.19
Current Investment (Cash Equivalents)	26.38	9.27
Effect of Exchange difference on Translation of Foreign Currency cash and cash equivalents	(764.25)	(521.43)
	3,196.38	2,188.13
Net change in Cash and Cash equivalents	1,060.36	414.02

₹ in Crores

Reconciliation of Cash and Cash Equivalents with Balance Sheet	31/03/2016	31/03/2015
A. Cash and Bank Balances as per Balance Sheet (Refer Note No. 22)	4,629.00	3,446.26
B. Less: Bank Balances not considered as Cash & Cash Equivalents		
Ear Marked Balances (Unclaimed Dividend)	3.54	4.58
Deposits not included in Cash and Cash Equivalents	664.82	741.38
	3,960.64	2,700.30
C. Add: Items to be considered as part of Cash & Cash Equivalents		
Effect of Exchange difference on Translation of Foreign Currency cash and cash equivalents	(764.25)	(521.43)
Bank deposit under Current Assets included in Cash and Cash Equivalents as per AS 3.	-	9.26
	(764.25)	(512.17)
Cash and Cash Equivalents at the end of the year as per Cash Flow (A-B+C)	3,196.38	2,188.13

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Accounting Standard 3 as notified by the Central Government.
2. In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
3. The net profit/loss arising due to conversion of current assets/current liabilities, receivable/payable in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
4. “Other Non-Cash items” include excess provisions written back, diminution in value of investment, amortization of Capital grant, Bad debts and materials written off and miscellaneous adjustments not affecting cash flow.
5 "Current Liabilities and Payables" may include Payables in respect of Purchase of Fixed Assets, if any.
6. Cash and Cash equivalents as at 31/03/2016 does not include fixed deposits and balance in current account with State Bank of India amounting to ₹ 341.11 crores held on behalf of Government of India towards cash assistance under PAHAL (DBTL) scheme 2014. Accordingly, for the year ended 31/03/2016 the amount included in Current Liabilities and Payables in Part-A of the Cash Flow Statement does not take into consideration the balance of ₹ 341.11 crores payable to Government of India.
7. Figures of the previous year have been regrouped wherever necessary, to conform to current year's presentation.

For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director
DIN: 00052928

Sd/-
P. BALASUBRAMANIAN
Director (Finance)
DIN: 05262654

Sd/-
S.V. KULKARNI
Company Secretary

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

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Dated: 26th May 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONSOLIDATED)

1.1. BASIS OF CONSOLIDATION:

The Consolidated Financial Statements relate to Bharat Petroleum Corporation Limited (BPCL or Parent Company or Corporation), its Subsidiary companies and interest in Joint Ventures (including Associates thereof) (together referred to as Group).

(a) **Basis of accounting:** The Financial Statements of the subsidiary companies and the Joint Venture Companies (JVCs) used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of BPCL i.e. 31st March 2016, except for Matrix Bharat Pte. Ltd. whose accounts are drawn for the year ended 31st December 2015, where there are no significant transactions or other events that have occurred between 31st December 2015 to 31st March 2016. The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP), except for the financial statements of Matrix Bharat Pte. Ltd. which have been prepared in accordance with Singapore Financial Reporting Standards ("FRS" and "INT FRS").

(b) **Principles of Consolidation:** The Consolidated Financial Statements have been prepared as per AS-21 "Consolidated Financial Statements", AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements" and AS-27 "Financial Reporting of Interest in Joint Ventures" as notified on the following basis:-

i. The Financial Statements of BPCL and its subsidiary companies (which are not in the nature of Joint Ventures) have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, contingent liabilities and capital commitments. The intra group balances and intra group transactions and unrealised profits or losses resulting from intra group transactions are fully eliminated.

ii. Investments in Associates have been accounted for using the equity method in accordance with the AS-23. The excess/deficit of cost of investment over the proportionate share in the equity of the Associate at the date of the acquisition of stake has been identified as Goodwill/Capital Reserve and included in the carrying value of the investment in the Associate and disclosed separately. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate.

iii. The Consolidated Financial Statements include the interest of the Corporation in JVCs, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Corporation's share of assets, liabilities, income and expenses, contingent liabilities and capital commitments of a jointly controlled entity is considered as a separate line item in the Consolidated Financial Statements. The exchange rate used for conversion in case of Matrix Bharat Pte. Ltd. (where the reporting currency is USD) is average rate for calendar year 2015 for Statement of Profit and Loss and closing rate as at 31st December 2015 for Balance Sheet items.

iv. The share of equity in the subsidiary companies/joint venture companies as on the date of investment, if in excess of the cost of investment, the difference is recognised as "Capital Reserve on Acquisition of Subsidiaries/Consolidation" and if the cost of investment in the subsidiary companies/joint venture companies exceeds share of equity, the difference is recognised as "Goodwill".

v. 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.

vi. In cases where unaudited financial statements have been consolidated in the previous financial year, the difference between the audited and unaudited financial statements, if any, are adjusted in the appropriate heads of accounts in the current financial year.

(c) The percentage of ownership interest of the Corporation in the Subsidiary Companies and the JVCs (including Associates) as on 31st March 2016 are as under:

	Percentage of ownership interest as on		Country of Incorporation
	31/03/2016	**31/03/2015**	
Subsidiaries			
Numaligarh Refinery Limited (NRL)	**61.65**	61.65	**India**
BPCL-KIAL Fuel Farm Facility Private Limited (Note i)	**74.00**	-	**India**
Petronet CCK Limited (Note ii)	**73.96**	53.16	**India**
Bharat PetroResources Limited (BPRL)	**100.00**	100.00	**India**
Bharat PetroResources JPDA Limited (Note iii)	**100.00**	100.00	**India**
BPRL International BV (Note iii)	**100.00**	100.00	**Netherlands**
BPRL Ventures BV (Note iv)	**100.00**	100.00	**Netherlands**
BPRL Ventures Mozambique BV (Note iv)	**100.00**	100.00	**Netherlands**
BPRL Ventures Indonesia BV (Note iv)	**100.00**	100.00	**Netherlands**
Joint Venture Companies (JVC)			
IBV (Brazil) Petroleo Pvt. Ltda. (Note v)	**50.00**	50.00	**Brazil**
Indraprastha Gas Limited	**22.50**	22.50	**India**
Petronet LNG Limited	**12.50**	12.50	**India**
Bharat Oman Refineries Limited (BORL)	**50.00**	50.00	**India**
Central UP Gas Limited (Note vi)	**25.00**	36.25	**India**
Maharashtra Natural Gas Limited (Note vii)	**22.50**	33.75	**India**
Sabarmati Gas Limited	**49.94**	25.00	**India**
Bharat Stars Services Private Limited (Note viii)	**50.00**	50.00	**India**
Bharat Renewable Energy Limited (Note ix)	**33.33**	33.33	**India**
Matrix Bharat Pte. Ltd.	**50.00**	50.00	**Singapore**
Delhi Aviation Fuel Facility Private Limited	**37.00**	37.00	**India**
Petronet CI Limited (Note ix)	**11.00**	11.00	**India**
Petronet India Limited	**16.00**	16.00	**India**
GSPL India Gasnet Limited	**11.00**	11.00	**India**
GSPL India Transco Limited	**11.00**	11.00	**India**
Kannur International Airport Limited (Note x)	**21.68**	21.68	**India**
Mumbai Aviation Fuel Farm Facility Private Limited	**25.00**	25.00	**India**
Kochi Salem Pipeline Private Limited	**50.00**	-	**India**
Brahmaputra Cracker and Polymer Limited (Note xi)	**10.00**	10.00	**India**
Associates			
DNP Limited (Note xii)	**26.00**	26.00	**India**

Notes:

(i) BPCL-KIAL Fuel Farm Facility Private Limited is a Subsidiary incorporated in the year 2015-16 which has not yet started operations. Hence, the same has not been considered for consolidation since no financial statements have been prepared and the same are not expected to be material.

(ii) Petronet CCK Limited has become a Subsidiary from 29th May 2015. As at 31st March 2015, Petronet CCK Limited's proportionate share includes 4.16% indirectly held by the Corporation through Petronet India Limited.

(iii) Bharat PetroResources JPDA Limited and BPRL International BV are 100% subsidiaries of BPRL.

(iv) 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.

(v) BPRL Ventures BV holds 50% equity in Joint Venture Company IBV (Brazil) Petroleo Pvt. Ltda., incorporated in Brazil.

(vi) The Corporation has a direct holding of 25.00% in Central UP Gas Limited and has an indirect holding of 11.25% through Indraprastha Gas Limited. For the year 2015-16, Indraprastha Gas Limited has presented Consolidated Financial Statements where Central UP Gas Limited is considered as an Associate. Hence, only direct holding in Central UP Gas Limited has been considered for Consolidation in 2015-16. In previous year, the indirect holding was also considered for Consolidation in the nature of Joint Venture.

(vii) The Corporation has a direct holding of 22.50% in Maharashtra Natural Gas Limited and has an indirect holding of 11.25% through Indraprastha Gas Limited. For the year 2015-16, Indraprastha Gas Limited has presented Consolidated Financial Statements where Maharashtra Natural Gas Limited is considered as an Associate. Hence, only direct holding in Maharashtra Natural Gas Limited has been considered for Consolidation in 2015-16. In previous year, the indirect holding was also considered for Consolidation in the nature of Joint Venture.

(viii) The financial statements of a Joint Venture company Bharat Stars Services Private Limited is yet to be audited and hence the provisional financial statements provided by the management have been considered for the purpose of preparation of Consolidated Financial Statements.

(ix) Proportionate consolidation in respect of Investment in Petronet CI Limited and Bharat Renewable Energy Limited have not been considered in the preparation of Consolidated Financial Statements as the parent company has decided to exit from these Joint Ventures and provision for full diminution in the value of investment has been done in the standalone financial statements of the parent company.

(x) Kannur International Airport Limited is a Joint Venture Company which has not yet started operations. Hence, the same has not been considered for consolidation since no financial statements have been prepared and the same are not expected to be material. Current year percentage of ownership interest is after considering proposed increase in equity participation.

(xi) Brahmaputra Cracker and Polymer Limited is a Joint Venture of NRL which has not been considered for consolidation by NRL, since the same is not considered material.

(xii) DNP Limited is an Associate of Numaligarh Refinery Limited.

1.2. BASIS FOR PREPARATION:

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Corporation has prepared these financial statements to comply in all material respects with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule (7) of the Companies (Accounts) Rules, 2014 and other provisions of the Act (to the extent notified). The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies are consistent with those used in previous year except for the policy in respect of capitalization of fixed bed catalysts referred to in para 1.4.(a)(iii), the depreciation of Fixed Assets referred to in para 1.7 (c), (d), (e) and (f), valuation of inventory referred to in para 1.9.(v) and in respect to Joint Venture Companies GSPL Gasnet India Limited and GSPL India Transco Limited in para 1.4. (b) (vi).

Certain accounting policies of JVCs towards Depreciation, Inventory Valuation, Employee Benefits and classification of Income/Expenses etc are not in line with that followed by the parent company. However, considering the nature of transactions and amounts involved the impact is not expected to be material had the accounting policies of parent company been followed.

1.3. USE OF ESTIMATES:

The preparation of financial statements requires the management of the Group 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 outcome is 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) First time procurement cost of fixed bed catalyst is capitalized as a separate 'component' in the respective Plant and Equipment.

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

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

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

(vii) Land acquired on lease for 99 years or less is treated as leasehold land.

(viii) The dead stock of fuel maintained in the storage tanks by design or nature is capitalized as fixed assets by Mumbai Aviation Fuel Farm Facility Private Limited.

(ix) Gas distribution systems are commissioned when ready for commencement of supply of gas to consumers. In the case of commissioned assets where final payments to the contractors is pending, capitalization is made on an estimated basis pending receipt of final bills from the contractors and subject to adjustment in cost and depreciation in the year of final settlement.

(x) **Expenditure during construction period:** Direct expenses including borrowing cost incurred during construction period on capital projects are capitalized. Indirect expenses of the project group which are allocated to projects costing ₹ 5 crores and above are also capitalized. Crop compensation expenses incurred in the process of laying pipelines are capitalized as part of Pipeline cost. Expenditure incurred during construction period on projects like electricity transmission lines, roads, culverts etc. the ownership of which is not with the Corporation are charged to revenue in the accounting period of incurrence of such expenditure.

(b) Intangible Assets

(i) Intangible assets are carried at cost less accumulated amortization.

(ii) Cost of Right of Way which is perpetual and absolute in nature is amortized over a period of 99 years and in other cases, over its estimated useful life. In case of Central UP Gas Limited, Right to use of land is amortized over a period of 90 years.

(iii) Expenditure incurred for creating/acquiring other intangible assets of ₹ 0.50 crores and above and ₹ 0.02 crores and above in case of Petronet CCK Limited, from which future economic benefits will flow over a period of time, is amortized 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.

(iv) Expenditure incurred on intangible assets is capitalized and amortized over a period of 5 years by Indraprastha Gas Limited and Central UP Gas Limited and over a period of 3 years by Petronet LNG Limited and Maharashtra Natural Gas Limited.

(v) Bharat Oman Refineries Limited - Expenditure incurred on construction of facilities such as SPM, Sub-sea Pipeline etc., the ownership of which is not with the company but for which the Company has license to use, is capitalized as "Intangible Asset". Intangible assets are amortized over their estimated economic useful lives as estimated by the management, but not exceeding the period given hereunder:

a) Computer software – 5 years

b) Single Point Mooring System and Sub-sea Pipeline – 25 years

c) Others – 5 years

(vi) During the year, GSPL India Transco Limited and GSPL India Gasnet Limited have changed their policy on Intangible Assets 'Right of Use' and 'Right of Way'. The expenditure on Land Compensation for acquiring Right of Use (ROU) and expenditure on Right of Way is amortized over 99 years and 30 years respectively, on straight line method from the date of commissioning of the respective pipeline.

1.5. IMPAIRMENT OF ASSETS:

The values of tangible and intangible assets (including Goodwill) of respective Cash Generating Units are reviewed by the management for impairment at each Balance Sheet date, if events or circumstances indicate that the carrying values may not be recoverable. If the carrying value is more than the higher of net selling price of the asset or present value of estimated future Cash Flows, the difference is recognized as an impairment loss. At each Balance Sheet date, the goodwill is tested for impairment and the impairment loss, if any, is recognized in the financial statements.

1.6. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets till the month in which the asset is ready for use. All other borrowing costs are charged to revenue. In Matrix Bharat Pte. Ltd., borrowing costs are recognised in Profit and Loss using the effective interest method.

1.7. DEPRECIATION:

The Group has provided depreciation on fixed assets on straight line basis, over the useful lives of assets (after retaining the residual value of upto 5%) as prescribed in Schedule II of the Act, except in certain cases based on technical/internal evaluation.

a) Cost of Leasehold Land for lease period not exceeding 99 years is amortized over the period of lease.

b) In case of the Corporation, Plant & Machinery at Retail Outlets (other than Storage tanks and related equipments) are depreciated over a useful life of 15 years based on the technical assessment.

c) In case of the Corporation, Numaligarh Refinery Limited and Bharat PetroResources Limited, computer equipments are depreciated over a period of 4 years on the basis of internal assessment. Mobile phones are depreciated over a period of 2 years (previous year 3 years) in case of the Corporation and over a period of 3 years in case of Numaligarh Refinery Limited and Bharat PetroResources Limited based on internal assessment. Furniture, other than computer equipments and mobile phones, provided at the residence of management staff are depreciated over a period of 7 years as per internal assessment in case of the Corporation, Numaligarh Refinery Limited, Bharat PetroResources Limited and Petronet CCK Limited. Computers and Peripherals (other than servers and hubs) and mobile phones are depreciated over a period of 4 years in case of Petronet CCK Limited.

d) Solar Panels are depreciated over a period of 25 years based on the technical assessment of useful life and applicable warranty conditions.

e) Moulds, used for the manufacturing of the packaging material for Lubricants, are depreciated over a period of 5 years based on technical assessment of useful life.

f) Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life for such components has been assessed based on historical experience and internal technical assessment.

g) In case of the Corporation, Numaligarh Refinery Limited, Bharat PetroResources Limited, Bharat Oman Refineries Limited, Petronet CCK Limited, GSPL India Gasnet Limited and GSPL India Transco Limited, fixed assets costing not more than ₹ 5,000 each are depreciated @ 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators in case of the Corporation which are depreciated over a useful life of 15 years based on the technical assessment.

h) Indraprastha Gas Limited:

 i. Mother compressors, Online compressors and Booster compressors – 10 years
 ii. Signages (forming part of Buildings) – 10 years
 iii. Pipelines (forming part of plant and equipment) – 25 years

i) Petronet LNG Limited: Useful life of the assets, required to be transferred under Concession Agreement have been restricted up to the end of the Concession Agreement.

j) Bharat Stars Services Private Limited: Depreciation is provided on Written Down Value(WDV) method as per the useful lives prescribed in Schedule II of the Act except the following assets:

 i. Chasis of dispensers and refuellers (Aviation Refuelling Equipment) – 8 years
 ii. Fabricated module of Dispensers and Refuellers (Aviation Refuelling Equipment) – 25 years
 iii. Cost of Operating rights is amortized over a period of 10 years.

k) Maharashtra Natural Gas Limited:

 i. Mother compressors, Online compressors and Booster compressors – 10 years
 ii. Computer and Mobile Phones – 3 years
 iii. Signages – 10 years
 iv. Pipelines – 25 years
 v. Plant and Equipment – 20 years
 vi. Vehicles – 6 years
 vii. Buildings – 30 years

l) Sabarmati Gas Limited: Certain items of Plant & Machinery ranging from 15 to 30 years.

m) Bharat Oman Refineries Limited:

i. Roads and Boundary walls – 30 years as certified by the Chartered Engineer

ii. Cetane and Octane Engine – 25 years considering the usage and maintenance

n) Delhi Aviation Fuel Facility Private Limited: Depreciation is charged on the full value of the assets except building where depreciation is being charged over useful life of 25 years as provided in concession and operating agreement.

o) GSPL India Gasnet Limited and GSPL India Transco Limited: Depreciation is provided on WDV method as per the useful life of the Schedule II of the Act except on mobile instruments which are depreciated over 2 years.

p) Mumbai Aviation Fuel Farm Facility Private Limited: Depreciation on dead stock forming part of the plant and machinery is provided on the basis of diminution in the value of dead stock calculated on realization price method, if such diminution in value is not temporary. In respect of the assets acquired from the promoters, the useful life is restricted to the contractual period governed by the respective agreements.

q) Central UP Gas Limited:

i. Mother compressors, Online compressors and Booster compressors – 10 years

ii. Pipeline – 25 years

r) 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. INVENTORIES:

i. Inventories are stated at cost or net realisable value, whichever is lower. The cost comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.

ii. The net realizable value of finished goods and stock in trade are based on the inter-company transfer prices and final selling prices (applicable at the location of stock) for sale to oil companies and retail consumers respectively. For the purpose of stock valuation, the proportion of Sales to oil companies and retail sales are determined on all India basis and considered for stock valuation at all locations.

iii. The Cost of Stock-in-process is determined at raw material cost plus cost of conversion.

iv. Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks. In case of Numaligarh Refinery Limited, the obsolete, slow-moving/non-moving/surplus stores and other materials including project materials for three years and above are provided for in full and regular stores are provided for at the rate of 2%.

v. Cost of Crude Oil, traded goods and finished products other than Lubricants are determined on First-in-First-Out basis. Other raw materials, packages, lubricants and stores and spares are determined on weighted average basis. In case of Matrix Bharat Pte. Ltd. inventories are valued at fair value less cost to sell.

vi. In case of Petronet CCK Limited, the stores and spares are valued on First-in-First-Out basis. In case of Kochi Salem Pipeline Private Limited, an adhoc provision @ 5% is also made on the balance stores and spares toward the likely diminution in the value.

1.10. REVENUE RECOGNITION:

i. Revenue is recognised when sufficient risks and rewards incidental to ownership is transferred to the customers, it can be reliably measured and it is reasonable to expect ultimate collection.

ii. Sales represents invoiced value of goods supplied net of trade discounts, and include applicable Excise Duty, Surcharge and other elements as are allowed to be recovered as part of the price but excludes VAT/ Sales Tax. Further, it includes other elements allowed by the Government from time to time.

iii. Claims including subsidy on LPG and SKO from Government of India are booked on 'in principle acceptance' thereof on the basis of available instructions/clarifications subject to final adjustments after necessary audit, as stipulated.

iv. Other claims are booked when there is a reasonable certainty of recovery.

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

vi. Dividend income is recognized when the right to receive the dividend is established.

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

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 Crores in each case pertaining to prior years is charged to the current year by the parent company, Numaligarh Refinery Limited and Petronet CCK Limited; and ₹ 50,000 by GSPL India Transco Limited and GSPL India Gasnet Limited.

iii. Prepaid expenses upto ₹ 0.05 Crores in each case, are charged to revenue as and when incurred by the parent company and Numaligarh Refinery Limited, upto ₹ 50,000 by GSPL India Transco Limited and GSPL India Gasnet Limited and upto ₹ 10,000 by Bharat PetroResources Limited and Petronet CCK Limited.

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

v. Liabilities for expenses in Bharat PetroResources Limited and in Petronet CCK Limited (other than for transportation, rent and property taxes) are provided only if the amount exceeds ₹ 10,000 in each case.

1.12. 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 Group also provides for retirement/post-retirement benefits in the form of gratuity, leave encashment, post retirement benefits and other long-term benefits. Such defined benefits are charged to the Statement of Profit and Loss based on valuations made by independent actuary using the Projected Unit Credit Method, as at the Balance Sheet date.

iii. Expenditure on Voluntary Retirement Scheme is charged to Statement of Profit and Loss as and when incurred.

1.13. DUTIES ON BONDED STOCKS:

i. Customs duty on raw materials/finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

ii. Excise duty on finished stocks lying at manufacturing location is provided for, at the assessable value applicable at each of the locations based on end use.

1.14. FOREIGN CURRENCY AND DERIVATIVE TRANSACTIONS:

i. Transactions in foreign currency are accounted in the reporting currency at the exchange rate prevailing on the date of transaction.

ii. Monetary items denominated in foreign currency are converted at exchange rates prevailing on the date of Balance Sheet.

iii. Foreign Exchange differences arising at the time of translation or settlement are recognised as income or expense in the Statement of Profit and Loss either as profit or loss on Foreign Currency transactions and translations or finance cost as the case may be.

iv. In case of parent company, Numaligarh Refinery Limited, Bharat Oman Refineries Limited and Bharat PetroResources Limited the foreign exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in “Foreign Currency Monetary Item Translation Difference Account” and amortized over the balance period of the asset or liability.

v. Premium/discount arising at the inception of the forward exchange contracts entered in to hedge foreign currency risks are amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss.

vi. Gains/losses arising on settlement of Derivative transactions entered into by the Corporation to manage the commodity price risk and exposures on account of fluctuations in interest rates and foreign exchange are recognised in the Statement of Profit and Loss. Provision for losses in respect of outstanding contracts as on Balance Sheet date is made based on mark to market valuations of such contracts.

vii. All the subsidiaries and Joint Ventures incorporated outside India are considered to be “non integral foreign operations" in terms of Accounting Standard 11 “The Effects of Changes in Foreign Exchange

Rates". Consequently, the assets and liabilities, monetary and non-monetary of such subsidiaries and Joint Ventures have been translated at the closing rates. Income and expense items of the non-integral foreign operations 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 recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grants relating to depreciable fixed assets are reflected as Capital Grants under Reserves and Surplus in Balance Sheet and recognised in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

ii. Government grants of the nature of promoter's contribution or relating to non depreciable assets are credited to capital reserve in Balance Sheet.

iii. In case of Bharat Oman Refineries Limited grants related to specific fixed assets are shown as a deduction from the gross value of fixed asset concerned. Grants related to revenue are deducted in reporting the related expenses.

1.16. PROVISIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS:

i. A provision is recognized when Group has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made.

ii. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

iii. Capital commitments and Contingent liabilities disclosed are in respect of items which exceed ₹ 0.05 crores in each case of the Corporation, Numaligarh Refinery Limited, and Bharat Oman Refineries Limited and ₹ 0.01 crores in case of Bharat PetroResources Limited.

1.17. 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. Deferred Tax Assets are recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, in respect of unabsorbed depreciation or carry forward losses, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty supported by convincing evidence that the assets will be realized in future.

iv. The carrying amount of deferred tax assets and unrecognized deferred tax assets are reviewed at each Balance Sheet date.

1.18. EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.19. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Corporation considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.20. CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON-CURRENT:

All assets and liabilities are classified as current or non-current as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

1.21. ACCOUNTING FOR LEASES:

For operating leases, rentals are expensed with reference to lease terms and other relevant considerations.

1.22. CASH FLOW:

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.23. OIL AND GAS EXPLORATION ACTIVITIES IN CASE OF BHARAT PETRORESOURCES LIMITED:

(i) The Subsidiary Company follows the "Full Cost" method of accounting for its oil and natural gas exploration and production activities read with the Guidance Note(A) 15 (Revised 2013) on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India. Accordingly, all acquisition, exploration and development costs are treated as capital work-in-progress and are accumulated in a cost centre. General and Administrative expenses identifiable in respect of blocks or cost centre is capitalized along with block or cost centre. The cost centre is not normally smaller than a country except where warranted by major difference in economic, fiscal or other factors in the country. When any well in a cost centre is ready to commence commercial production, these costs are capitalized from capital work-in-progress to the gross block of assets regardless of whether or not the results of specific costs are successful. Depletion is charged on all capitalized costs according to the unit of production method. On completion of the minimum work programme or on the expiration of licence period and if hydrocarbons are not found in any of the block or the cost centre then expenditure accumulated under the head Capital work-in-progress in relation to the block or cost centre is written off.

The net quantities of the Group's interest is in proved reserves and proved developed reserves of oil and gas at the beginning and additions, deductions, productions and closing balance for the year and disclosure of quantities on the geographical basis are not mentioned as the Group is in exploratory/ appraisal phase.

(ii) Surrender of field/disposal of participation interest

If the Subsidiary Company were to surrender a field, the accumulated acquisition, exploration, development and General & Administrative costs in respect of such field are deemed to be fully depreciated if the remainder of the wells in the cost centre continue to produce oil or gas. Gain or loss is recognised only when the last well on the cost centre ceases to produce and the entire cost centre is abandoned. Also, in the event the Company assigns or farms out the whole or any part of its participating interest, the corresponding carrying value of the capitalized amount is adjusted against the consideration and the net amount credited or, as the case may be, is charged to the profit and loss account in the year in which the Subsidiary Company's participating interest is assigned, surrendered or farmed out.

(iii) Depletion

Depletion charge is calculated on the capitalized cost according to the unit of production method. The depreciation charge or the unit of production (UOP) charge for all costs within a cost centre is calculated by multiplying the UOP rate with the production for the period. The unit of production rate is arrived at by dividing the depreciation base of the cost centre by the Proved Oil and Gas Reserves. The depreciation base of a cost centre includes gross block of the cost centre, estimated future development expenditure and estimated site restoration expenditure and is reduced by the accumulated depreciation and accumulated impairment charge of the cost centre. The estimates of proved reserves used are based on the latest technical assessment available with the Subsidiary Company.

(iv) Site restoration costs

Liabilities for site restoration costs (net of salvage values) are recognized when the Subsidiary Company has an obligation to dismantle and remove a facility such as oil and natural gas production or transportation facility or an item of plant and to restore the site on which it is located and when a reasonable estimate of that liability can be made. Where an obligation exists for a new facility, the liability is recognized on construction or installation. An obligation may also crystallize during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognized is the value of estimated future expenditure determined in accordance with local conditions and requirements. The corresponding amount is added to the cost of the tangible fixed asset and is subsequently depleted as part of the capital costs of the facility or item of plant. Any change in the value of the estimated expenditure is reflected as an adjustment to the provision and the corresponding tangible fixed assets.

2. SHARE CAPITAL (CONSOLIDATED)

₹ in Crores

		31/03/2016	31/03/2015
i.	**Authorised**		
	2,50,00,00,000 equity shares	**2,500.00**	2,500.00
	(previous year 2,50,00,00,000 equity shares)		
ii.	**Issued, subscribed and paid-up**		
	72,30,84,248 (previous year 72,30,84,248) equity shares fully paid-up	**723.08**	723.08
	Total	**723.08**	723.08

iii. The Corporation has only one class of shares namely equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per equity 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 final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iv. The Board at its meeting held on 20th January 2016 and 12th February 2016 declared interim dividends of ₹ **12.50** (previous year NIL) and ₹ **3.50** (previous year NIL) per equity share respectively. The amount of interim dividends distributed to equity shareholders and Corporate Dividend Tax paid thereon is ₹ **1,156.93 crores** (previous year NIL) and ₹ **202.51 crores** (previous year NIL) respectively. In addition, the Board has also proposed a final dividend of ₹ **15.00** (previous year ₹ 22.50) per equity share. The final dividend appropriated for the year ended 31st March 2016 amounted to ₹ **1,273.11 crores** (previous year ₹ 1,921.21 crores) including Corporate Dividend Tax of ₹ **188.48 crores** (previous year ₹ 294.27 crores). The total dividend including interim dividend for the year ended 31st March 2016 is ₹ **31.00** (previous year ₹ 22.50) per equity share amounting to ₹ **2,632.55 crores** (previous year ₹ 1,921.21 crores) including Corporate Dividend Tax of ₹ **390.99 crores** (previous year ₹ 294.27 crores).

v. During Financial Year 2012-13, the Corporation had issued Bonus Shares in the ratio of 1:1 by capitalization of General Reserve. The total number of Bonus Shares issued is 36,15,42,124 equity shares having face value of ₹ 10 each.

vi. Reconciliation of No. of Equity Shares

		31/03/2016	31/03/2015
A.	Opening Balance	**72,30,84,248**	72,30,84,248
B.	Shares Issued		
	- Bonus Shares	**-**	-
C.	Shares Bought Back	**-**	-
D.	Closing Balance	**72,30,84,248**	72,30,84,248

vii. Details of shareholders holding more than 5% shares

Name of shareholder	31/03/2016		31/03/2015	
	% Holding	No. of shares	% Holding	No. of shares
Government of India	**54.93**	**39,72,00,120**	54.93	39,72,00,120
BPCL Trust for Investment in shares	**9.33**	**6,74,57,474**	9.33	6,74,57,474

3. RESERVES AND SURPLUS (CONSOLIDATED)

₹ in Crores

	31/03/2016	31/03/2015
Capital Reserve		
As per last Balance Sheet	**50.68**	50.68
Capital Grant		
As per last Balance Sheet	**12.05**	9.37
Add: Grant received during the year	-	4.98
Less: Amortization of Capital Grant during the year	**(1.93)**	(2.30)
	10.12	12.05
Capital Reserve on Acquisition of subsidiaries (Refer Note No. 34)	**66.45**	66.45
Debenture Redemption Reserve		
As per last Balance Sheet	**517.49**	323.14
Add: Transfer from Surplus	**243.75**	194.35
Less: Transfer to General Reserve on redemption of debentures	**(175.00)**	-
	586.24	517.49
Foreign Currency Translation Reserve	**687.24**	397.29
Foreign Currency Monetary Item Translation Difference Account (Refer Note No. 36)		
As per last Balance Sheet	**26.99**	184.25
Add/Less: Additions/(Deletions) during the year	**(340.10)**	(149.35)
Less: Amortization during the year	**233.91**	(7.91)
	(79.20)	26.99
General Reserve		
As per last Balance Sheet	**23,194.90**	19,861.80
Add: Transfer from Surplus	**5,160.17**	3,333.10
Add: Transfer from/(to) Debenture Redemption Reserve	**175.00**	-
	28,530.07	23,194.90
Surplus as per Statement of Profit and Loss *	**(1,765.45)**	(1,438.53)
Sub Total	**28,086.15**	22,827.32
Less: Minority Interest (net of dividend payable)	**(1,264.62)**	(1,004.29)
Share of Interest in Joint Ventures #	**475.09**	2.39
Grand Total	**27,296.62**	21,825.42
# Share of Interest in Joint Ventures		
Debenture Redemption Reserve	**21.46**	11.66
General Reserve	**158.52**	137.45
Securities Premium Reserve	**249.26**	224.39
Foreign Currency Translation Reserve	**3.27**	2.72
Surplus as per Statement of Profit and Loss	**42.58**	(373.83)
Sub Total	**475.09**	2.39
*** Surplus as per Statement of Profit and Loss**		
As per last Balance Sheet	**(1,438.53)**	(994.40)
Add: Profit/(Loss) for the year	**8,011.85**	5,177.28
Less: Interim Dividend	**(1,255.66)**	-
Less: Corporate Dividend Tax on Interim Dividend	**(254.92)**	-
Less: Proposed Dividend	**(1,183.37)**	(1,739.78)
Less: Corporate Dividend Tax on Proposed Dividend	**(240.90)**	(354.18)
Less: Transfer to Debenture Redemption Reserve	**(243.75)**	(194.35)
Less: Transfer to General Reserve	**(5,160.17)**	(3,333.10)
Sub total	**(1,765.45)**	(1,438.53)

4. LONG-TERM BORROWINGS (CONSOLIDATED)

₹ in Crores

	31/03/2016		31/03/2015	
	Current #	**Non-Current**	Current #	Non-Current
Secured				
From others				
Debentures				
8.65% Secured Non-Convertible Debentures 2017 *	-	-	-	700.00
Term Loan				
Term loan from Banks/Financial Institutions **	-	7,130.79	3,129.54	2,816.59
Foreign Currency Loan Syndicated ***	-	497.50	-	469.43
Loan from Oil Industry Development Board @	226.87	1,424.87	-	941.10
Unsecured				
From banks				
Foreign Currency Loans Syndicated	1,989.99	3,979.97	1,251.82	5,633.17
Term loan	-	250.00	-	-
From others				
Term Loan				
Loan from Oil Industry Development Board	49.25	24.25	93.15	73.50
Bonds				
4.625% US Dollar International bonds 2022	-	3,316.65	-	3,129.54
4% US Dollar International bonds 2025	-	3,316.65	-	-
3% Swiss franc International bonds 2019	-	1,373.30	-	1,293.30
	2,266.11	21,313.98	4,474.51	15,056.63
Share of Interest in Joint Ventures	-	4,729.07	-	4,285.19
Total	2,266.11	26,043.05	4,474.51	19,341.82

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

* The Corporation had allotted redeemable non-convertible 8.65% Debentures of face value of ₹ 700 crores on 8th October 2012 redeemable on 8th October 2017 with a put call option on 8th October 2015. Accordingly, the Corporation has redeemed the debentures during the year. These were secured by first legal mortgage by way of a Registered Debenture Trust Deed over the fixed assets of the Corporation, mainly Plant and Machinery at Mumbai Refinery. The relevant charge has been satisfied.

** Pledge of shares held in BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV; a first rank of security interest on fixed and current assets and cash flows of BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV.

*** Loan is secured in favour of participating banks ranking pari-passu inter-alia by hypothecation of Plants & Equipments both present and future.

@ These are secured by first legal mortgage over the fixed assets of the Corporation, mainly Plant and Machinery at Mumbai Refinery and Kochi Refinery.

4. LONG-TERM BORROWINGS (CONSOLIDATED) (CONTD.)

Terms of Repayment Schedule of Long-term borrowings as on 31/03/2016

Non-Current	₹ in Crores	Maturity
Loan from Oil Industry Development Board - Secured	1,424.87	Apr 17- Mar 21
Loan from Oil Industry Development Board - Unsecured	24.25	28/Sep/2017
Foreign Currency Loans - Syndicated	1,094.49	07/Nov/2017
	663.33	05/Feb/2018
	33.17	07/Nov/2018
	2,188.98	26/Feb/2021
Term Loan	250.00	Apr 20 - Mar 24
4.625% US Dollar International Bonds 2022	3,316.65	25/Oct/2022
4% US Dollar International Bonds 2025	3,316.65	08/May/2025
3% Swiss Franc International Bonds 2019	1,373.30	20/Dec/2019
Loan from Bank (BPRL)	1,989.99	06/Dec/2017
Loan from Bank (BPRL)	829.16	24/Aug/2020
Loan from Bank (BPRL)	1,658.32	27/Nov/2020
Loan from Bank (BPRL)	2,653.32	27/Nov/2022

In respect of Numaligarh Refinery Limited

Foreign Currency Loan (External Commercial Borrowing) of **USD 75 million** (previous year USD 75 million) carries interest at 3 months LIBOR plus 1.85% Margin. The loan is repayable in 3 equal yearly instalments at the end of 4th, 5th and 6th year from the date of the loan taken on various dates and keeping the average age of the maturity of repayments as 5 years.

Current	₹ in Crores	Maturity
Foreign Currency Loans - Syndicated	1,989.99	09/Mar/2017
Loan from Oil Industry Development Board - Secured	226.87	Apr 16 - Jan 17
Loan from Oil Industry Development Board - Unsecured	49.25	Sep 16 - Mar 17

5. DEFERRED TAX LIABILITIES & ASSETS (CONSOLIDATED)

₹ in Crores

	31/03/2016	31/03/2015
Deferred Tax Liabilities:		
On account of depreciation	**3,812.03**	3,163.74
On account of Foreign Currency Monetary Item Translation Difference Account	**27.41**	-
Total Deferred Tax Liabilities (A)	**3,839.44**	3,163.74
Deferred Tax Asset:		
Disallowance under Income Tax Act, 1961	**1,032.19**	828.13
Provisions for mark to market for investments & Loans, doubtful debts, claims, etc.	**422.31**	381.64
Voluntary Retirement Scheme	**17.82**	32.67
Others	**28.76**	68.81
Total Deferred Tax Assets (B)	**1,501.08**	1,311.25
Net Deferred Tax Liabilities (A-B)	**2,338.36**	1,852.49
Share of Interest in Joint Ventures	**185.69**	144.72
Total Deferred Tax Liabilities	**2,524.05**	1,997.21
Deferred Tax Assets:		
Share of Interest in Joint Ventures	**547.15**	650.44
Total Deferred Tax Assets	**547.15**	650.44

6. OTHER LONG-TERM LIABILITIES (CONSOLIDATED)

₹ in Crores

	31/03/2016	31/03/2015
Security/Earnest Money Deposits	**13.24**	22.46
Retiral Dues & Provision for expenses*	**49.82**	50.03
	63.06	72.49
Share of Interest in Joint Ventures	**180.88**	111.85
Total	**243.94**	184.34

* Includes provision for expenses of ₹ 0.33 crores.

7. LONG-TERM PROVISIONS (CONSOLIDATED)

₹ in Crores

	31/03/2016	31/03/2015
Contingencies for probable obligations	**474.30**	269.94
Provision for employee benefits (Refer Note No. 40)	**1,163.74**	1,118.02
	1,638.04	1,387.96
Share of Interest in Joint Ventures	**25.39**	8.90
Total	**1,663.43**	1,396.86

8. SHORT-TERM BORROWINGS (CONSOLIDATED)

₹ in Crores

	31/03/2016	31/03/2015
Loans repayable on demand		
Secured		
From banks		
Working capital loans/Cash Credit*	**24.40**	40.27
Unsecured		
From banks		
Bank overdraft	**-**	1.08
Foreign currency loans	**-**	164.53
	24.40	205.88
Share of Interest in Joint Ventures	**559.39**	1,470.00
Total	**583.79**	1,675.88

* In respect of Corporation, 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.

The Corporation has collaterized borrowing & lending obligations limits from Clearing Corporation of India Limited, the balance of which is **Nil** as at 31st March 2016 (previous year Nil). These are secured by Oil Marketing Companies GOI Special Bonds 2026 of ₹ **2,450 crores** (previous year ₹ 2,450 crores) and a bank guarantee of **Nil** (previous year ₹ 500 crores) issued in favour of Clearing Corporation of India Limited.

*In case of Numaligarh Refinery Limited, Cash Credit from State Bank of India carries interest @ 9.30% p.a. The loan is repayable on demand. The loan is secured by hypothecation of current assets i.e. stocks of raw material, finished goods, semi-finished goods and book debts and second charge on Plant & Machinery and other Fixed Assets of the company.

9. TRADE PAYABLES (CONSOLIDATED)

₹ in Crores

	31/03/2016	31/03/2015
Dues to Micro, Small and Medium Enterprises (Refer Note No. 41)	**2.96**	0.65
Dues to others (Refer Note No. 39)	**7,869.13**	12,436.15
	7,872.09	12,436.80
Share of Interest in Joint Ventures	**598.58**	428.49
Total	**8,470.67**	12,865.29

10. OTHER CURRENT LIABILITIES (CONSOLIDATED)

₹ in Crores

	31/03/2016	31/03/2015
Current maturities of long-term borrowings (Refer Note No. 4)	**2,266.11**	4,474.51
Interest accrued but not due on borrowings	**180.48**	181.00
Security/Earnest Money Deposits	**525.55**	476.98
Deposits for Containers	**8,800.84**	7,677.48
Advances from Customers	**546.29**	666.85
Unclaimed Dividend*	**5.70**	3.47
Unclaimed Deposits*	**0.02**	0.08
Unclaimed Interest on Deposits*/#	**-**	0.04
Statutory Liabilities	**2,975.34**	2,650.62
Dues to Micro, Small and Medium Enterprises (Refer Note No. 41)	**114.26**	163.67
Other Liabilities (Including creditors for expenses and others) @	**5,192.08**	3,814.26
	20,606.67	20,108.96
Share of Interest in Joint Ventures	**594.80**	1,334.07
Total	**21,201.47**	21,443.03

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

Balance of ₹ 31,095 as at 31st March 2016

@ Includes balance payable to Government of India - DBTL Account of ₹ **341.11 Crores** (previous year Nil) - Refer Note No. 22

11. SHORT-TERM PROVISIONS (CONSOLIDATED)

₹ in Crores

	31/03/2016	31/03/2015
Provision for Taxation (Net of Advance Tax paid)	**914.47**	882.25
Provision for Liquidated Damages	**30.54**	25.48
Proposed dividend	**1,183.37**	1,739.78
Corporate Dividend Tax on proposed dividend	**240.90**	354.18
Provision for abandonment	**0.42**	-
Provision for employee benefits (Refer Note No. 40)	**224.76**	198.97
Provision for CSR Expenditure	**59.59**	42.06
Others (Refer Note No. 45)	**635.00**	727.56
	3,289.05	3,970.28
Share of Interest in Joint Ventures	**162.75**	249.50
Total	**3,451.80**	4,219.78

12. TANGIBLE ASSETS (CONSOLIDATED)

₹ in Crores

Particulars	Gross Block					Depreciation				Net Carrying Amount	
	As at 01/04/2015	Additions	Other adjustments	Reclassification/ Deductions on account of retirement/Disposal	**As at 31/03/2016**	Up to 31/03/2015	For the year	Reclassification/ Deductions on account of retirement/Disposal & adjustments	**Up to 31/03/2016**	**As at 31/03/2016**	As at 31/03/2015
(1)	(2)	(3)	(4)	(5)	**(6)**	(7)	(8)	(9)	**(10)**	**(11)**	(12)
Land											
Freehold	842.41	56.47	0.68	0.34	**899.22**	-	-	-	**-**	**899.22**	842.41
Leasehold	214.88	68.22	-	0.21	**282.89**	40.61	6.35	0.01	**46.95**	**235.94**	174.27
Buildings including Roads	7,064.25	583.72	53.12	(60.74)	**7,761.83**	2,452.57	357.92	(35.25)	**2,845.74**	**4,916.09**	4,611.68
Plant and Equipments	17,683.56	2,175.72	320.70	307.28	**19,872.70**	8,232.07	1,012.98	191.37	**9,053.68**	**10,819.02**	9,451.49
Furniture and Fixtures	530.53	77.91	0.68	7.73	**601.39**	272.96	60.69	4.90	**328.75**	**272.64**	257.57
Vehicles	83.88	10.86	0.30	2.90	**92.14**	57.84	5.72	2.15	**61.41**	**30.73**	26.04
Office Equipments	1,045.67	157.28	1.56	42.51	**1,162.00**	752.92	97.40	38.92	**811.40**	**350.60**	292.75
Railway Sidings	358.22	25.93	-	0.03	**384.12**	223.03	22.58	0.04	**245.57**	**138.55**	135.19
Tanks and Pipelines	7,021.84	534.54	233.30	38.78	**7,750.90**	3,632.06	181.10	(185.05)	**3,998.21**	**3,752.69**	3,389.78
Dispensing Pumps	2,733.01	295.38	16.64	7.28	**3,037.75**	886.32	156.47	6.54	**1,036.25**	**2,001.50**	1,846.69
LPG Cylinders and Allied Equipments	8,087.38	1,054.14	45.21	2.60	**9,184.13**	6,999.15	152.23	2.60	**7,148.78**	**2,035.35**	1,088.23
Others	91.17	14.62	(0.01)	1.24	**104.54**	58.69	8.41	0.99	**66.11**	**38.43**	32.48
Total	**45,756.80**	**5,054.79**	**672.18**	**350.16**	**51,133.61**	**23,608.22**	**2,061.85**	**27.22**	**25,642.85**	**25,490.76**	**22,148.58**
Share of Interest in Joint Ventures	**7,903.73**	**293.22**	**(56.06)**	**8.28**	**8,132.61**	**1,531.66**	**293.34**	**100.77**	**1,724.23**	**6,408.38**	**6,372.07**
Grand Total - Current Year	**53,660.53**	**5,348.01**	**616.12**	**358.44**	**59,266.22**	**25,139.88**	**2,355.19**	**127.99**	**27,367.08**	**31,899.14**	**28,520.65**
Previous Year	41,677.00	4,212.51	134.79	267.50	**45,756.80**	21,088.76	2,691.82	172.36	**23,608.22**	**22,148.58**	
Share of Interest in Joint Ventures	7,420.35	404.32	44.72	(34.34)	**7,903.73**	1,197.06	299.43	(35.17)	**1,531.66**	**6,372.07**	
Grand Total - Previous Year	49,097.35	4,616.83	179.51	233.16	**53,660.53**	22,285.82	2,991.25	137.19	**25,139.88**	**28,520.65**	

Notes:

1. Pursuant to the notification dated 29th August 2014 issued by the Ministry of Corporate Affairs, the Group has complied with the requirements of paragraph 4(a) of Notes to Schedule II of the Companies Act, 2013 relating to Componentization in the financial year 2015-16. This has resulted in higher depreciation of ₹ **367.26 crores** in financial year 2015-16 which includes Share of Interest in Joint Ventures ₹ **16.85 crores**.

2. Other adjustments include capitalization of foreign exchange differences of ₹ **375.47 crores** (previous year ₹ 173.28 crores) which includes Share of Interest in Joint Ventures ₹ **61.95 crores** (previous year ₹ 42.03 crores) and borrowing costs of ₹ **39.90 crores** (previous year ₹ 12.82 crores) which includes Share of Interest in Joint Ventures of ₹ **3.09 crores** (previous year Nil).

3. In respect of Land:

   a) Freehold land of the Corporation includes ₹ **37.76 crores** (previous year ₹ 33.54 crores) with more than 99 years lease period.

   b) Freehold land includes ₹ **128.02 crores** (previous year ₹ 387.56 crores) capitalized at various locations for which conveyance deeds are yet to be executed and/or mutation is pending which include Share of Interest in Joint Ventures of ₹ **1.82 crores**.

   c) Leasehold land of the Group includes gross block ₹ **3.07 crores** (previous year ₹ 2.95 crores) which though in possession, the lease deeds are yet to be registered which includes Share of Interest in Joint Ventures ₹ **1.61 crores** (previous year ₹ 1.49 crores).

   d) Freehold land of the Corporation includes land costing ₹ **2.20 crores** (previous year ₹ 2.20 crores) which is in the process of being surrendered to competent authority.

4. Buildings include ownership flats of ₹ **50.36 crores** (previous year ₹ 49.36 crores) in proposed/existing co-operative societies and others.

5. Land, Plant & Machinery, Tanks & Pipelines, Railway Sidings and Buildings jointly owned by the Corporation in varying extent with other Oil Companies/Railways:- Gross Block ₹ **294.94 crores** (previous year ₹ 292.26 crores), Cumulative Depreciation ₹ **137.61 crores** (previous year ₹ 128.92 crores) and Net Block ₹ **157.33 crores** (previous year ₹ 163.34 crores).

6. Gross Block of the Group includes ₹ **37.86 crores** (previous year ₹ 16.15 crores) towards assets which are not in active use during the period in respect of which additional depreciation of ₹ **5.10 crores** (previous year ₹ 6.08 crores) has been provided to recognise the expected loss on disposal.

13. INTANGIBLE ASSETS (CONSOLIDATED)

₹ in Crores

Particulars	Gross Block					Amortization				Net Carrying Amount	
	As at 01/04/2015	Additions	Other adjustments	Reclassification/ Deletions	**As at 31/03/2016**	Up to 31/03/2015	For the Year	Reclassification/ Deletions & adjustments	**Up to 31/03/2016**	**As at 31/03/2016**	As at 31/03/2015
Right Of Way	51.16	8.23	17.27	-	**76.66**	2.95	1.14	(2.13)	**6.22**	**70.44**	48.21
Software/Licenses	99.06	0.14	1.17	-	**100.37**	72.49	8.47	(1.06)	**82.02**	**18.35**	26.57
Development Rights	1.50	-	-	-	**1.50**	1.50	-	-	**1.50**	**-**	-
Process Licenses	100.13	9.58	(0.08)	0.01	**109.62**	82.89	8.57	-	**91.46**	**18.16**	17.24
Total	**251.85**	**17.95**	**18.36**	**0.01**	**288.15**	**159.83**	**18.18**	**(3.19)**	**181.20**	**106.95**	**92.02**
Share of Interest in Joint Ventures *	**548.35**	**5.30**	**(17.62)**	**-**	**536.03**	**66.07**	**13.80**	**0.60**	**79.27**	**456.76**	**482.28**
Grand Total - Current Year	**800.20**	**23.25**	**0.74**	**0.01**	**824.18**	**225.90**	**31.98**	**(2.59)**	**260.47**	**563.71**	**574.30**
Previous Year	234.69	42.11	-	24.95	**251.85**	139.52	20.81	0.50	**159.83**	**92.02**	
Share of Interest in Joint Ventures	725.13	5.62	(100.56)	81.84	**548.35**	51.88	14.00	(0.19)	**66.07**	**482.28**	
Grand Total - Previous Year	959.82	47.73	(100.56)	106.79	**800.20**	191.40	34.81	0.31	**225.90**	**574.30**	

* Includes share of Goodwill on acquisition pertaining to Subsidary company's Joint Venture Companies ₹ **264.72 crores** (previous year ₹ 274.67 crores).

14. INTANGIBLE ASSETS UNDER DEVELOPMENT (CONSOLIDATED)

₹ in Crores

Particulars	Gross Amount			
	As at 01/04/2015	Additions	Capitalization as intangible asset/ deletions	**As at 31/03/2016**
Process Licenses	25.07	190.11	-	**215.18**
Total	**25.07**	**190.11**	**-**	**215.18**
Share of Interest in Joint Ventures	**-**	**-**	**-**	**-**
Grand Total - Current Year	**25.07**	**190.11**	**-**	**215.18**
Previous Year	25.07	-	-	**25.07**
Share of Interest in Joint Ventures	-	-	-	**-**
Grand Total - Previous Year	25.07	-	-	**25.07**

There are no internally generated intangible assets.

15. CAPITAL WORK-IN-PROGRESS (AT COST) (CONSOLIDATED)

₹ in Crores

	31/03/2016	31/03/2015
Tangible Assets under erection/construction *	**14,349.58**	9,936.37
Capital stores including lying with contractors	**1,787.90**	1,150.68
Capital goods in transit	**53.76**	167.39
Allocation of construction period expenses		
Opening balance	**634.59**	372.72
Add: Expenditure during the year		
Establishment charges including Salaries & Wages	**112.00**	102.32
Interest	**268.13**	188.69
Loss on foreign currency transactions and translations	**95.14**	65.10
Insurance	**18.50**	22.25
Others	**17.28**	14.22
	1,145.64	765.30
Less: Allocated to assets capitalized during the year/charged off	**(137.59)**	(130.71)
Closing balance pending allocation	**1,008.05**	634.59
	17,199.29	11,889.03
Share of Interest in Joint Ventures	**4,704.29**	3,873.24
Total	**21,903.58**	15,762.27

* Net of provision for impairment loss of ₹ **124.38 crores** (previous year ₹ 87.24 crores) - Refer Note No. 38

* Includes assets held for sale of **Nil** (previous year ₹ 1.22 crores) in case of Numaligarh Refinery Limited.

16. NON-CURRENT INVESTMENTS (CONSOLIDATED)

(At cost unless otherwise stated)

₹ in Crores

		31/03/2016	31/03/2015
	Long-Term		
(a)	**Trade**		
	Investment In Equity Instruments, Warrants & Debentures		
	Oil India Limited-Quoted	**561.76**	561.76
	Unquoted *	**1,172.55**	1,108.66
	Less: Provision for diminution in value of investments	**(20.94)**	(20.94)
		1,713.37	1,649.48
	Others		
	BPCL Trust for Investment in Shares (Refer Note No. 37)	**659.11**	659.11
(b)	**Non-Trade**		
	Investment In Debentures, Unquoted	**0.01**	0.01
	In Association of Persons, Unquoted		
	Capital Contribution in Petroleum India International	**0.10**	10.00
	Share in accumulated surplus of Petroleum India International	**4.40**	16.56
		4.51	26.57
		2,376.99	2,335.16
	Share of Interest in Joint Ventures	**102.88**	16.19
	Total	**2,479.87**	2,351.35

* includes investment in Shares of Kannur International Airport Limited ₹ **170 crores** (previous year ₹ 120 crores), in Cochin International Airport Limited ₹ **23.63 crores** (previous year ₹ 10.50 crores), in Share warrants of Bharat Oman Refineries Limited ₹ **792.83 crores** (previous year ₹ 792.83 crores), in Brahmaputra Cracker and Polymer Limited ₹ **126.90 crores** (previous year ₹ 126.90 crores), in DNP Limited ₹ **49.81 crores** (previous year ₹ 43.49 crores), in BPCL-KIAL Fuel Farm Facility Pvt. Ltd ₹ **4.44 crores** (previous year Nil), in Bharat Renewable Energy Ltd ₹ **3.36 crores** (previous year ₹ 3.36 crores), in Petronet CI Ltd ₹ **1.58 crores** (previous year ₹ 1.58 crores)

Debentures of Sabarmati Gas Limited ₹ **0.03 crores** (previous year ₹ 10 crores) has been classified as Current Investment as at 31st March 2016. (Refer Note No. 19)

17. LONG-TERM LOANS AND ADVANCES (CONSOLIDATED)

(Unsecured, considered good unless otherwise stated) ₹ in Crores

	31/03/2016	31/03/2015
Capital advances	**233.25**	525.34
Security deposits		
Considered good	**196.92**	32.06
Considered doubtful	**0.65**	0.45
Less: Provision for doubtful deposits	**(0.65)**	(0.45)
Loans and advances to related parties		
Bharat Oman Refineries Limited	**677.05**	677.05
Bharat Renewable Energy Limited #	**0.54**	0.75
Less: Provision in respect of Bharat Renewable Energy Limited	**(0.54)**	(0.75)
Petronet LNG Limited	**175.00**	131.25
Advance for investments *	**-**	6.75
Loans and advances to employees (including accrued interest) (secured)	**598.74**	584.08
Loans and advances to others		
Considered good	**28.61**	30.40
Considered doubtful	**0.77**	1.03
Less: Provision for doubtful loans	**(0.77)**	(1.03)
Claims & Deposits		
Considered good	**600.10**	452.20
Considered doubtful	**132.42**	80.91
Less: Provision for doubtful claims & deposits	**(132.42)**	(80.91)
Advance Income Tax (Net of provision for taxation)	**72.78**	57.93
Others	**0.51**	0.17
	2,582.96	2,497.23
Share of Interest in Joint Ventures	**188.17**	197.98
Total	**2,771.13**	2,695.21

Advance against equity shares (pending allotment).

* Advance against equity shares (pending allotment) pertaining to Kochi Salem Pipeline Private Limited as at 31st March 2015; since allotted during the year.

18. OTHER NON-CURRENT ASSETS (CONSOLIDATED)

(Unsecured, considered good unless otherwise stated) ₹ in Crores

	31/03/2016	31/03/2015
Unamortized Borrowings Expenses	**180.02**	70.57
Gratuity Account Balance	**5.19**	11.93
Bank deposits with more than twelve months maturity		
Considered Good *	**122.31**	0.96
Considered Doubtful	**0.02**	0.02
Less: Provision for bank deposits with more than twelve months maturity	**(0.02)**	(0.02)
	307.52	83.46
Share of Interest in Joint Ventures	**14.90**	1.01
Total	**322.42**	84.47

* Includes deposit of ₹ **0.80 crores** (previous year ₹ 0.80 crores) that have been pledged/deposited with local authorities.

19. CURRENT INVESTMENTS (CONSOLIDATED)

(Current Investments are valued at lower of cost or fair market value)

₹ in Crores

		31/03/2016	31/03/2015
Investments in Government Securities			
(Face Value of ₹ 100 each)			
Non Trade, Quoted			
1.	6.35% Oil Marketing Companies GOI Special Bonds 2024	**2,094.96**	2,094.96
2.	6.90% Oil Marketing Companies GOI Special Bonds 2026 #	**2,474.00**	2,474.00
3.	7.95% Oil Marketing Companies GOI Special Bonds 2025	**10.63**	10.63
4.	8.20% Oil Marketing Companies GOI Special Bonds 2024	**897.78**	897.78
		5,477.37	5,477.37
	Less: Provision for diminution in value of investment		
	In 6.35% Oil Marketing Companies GOI Special Bonds 2024	**(210.91)**	(211.39)
	In 6.90% Oil Marketing Companies GOI Special Bonds 2026 #	**(188.34)**	(176.89)
	In 7.95% Oil Marketing Companies GOI Special Bonds 2025	**(0.01)**	-
	Total provision for dimunition in value of investment	**(399.26)**	(388.28)
Investment in Debentures (Face Value of ₹ 1,00,000 each - fully paid up)			
Trade - Unquoted			
	6% Optional Convertible Debenture of Sabarmati Gas Limited ##	**0.03**	-
Investment in Mutual Funds (Quoted)		**146.39**	236.80
		5,224.53	5,325.89
Share of Interest in Joint Ventures		**31.90**	34.57
Total		**5,256.43**	5,360.46

\# Kept as Collateral Security with Clearing Corporation of India Limited for borrowing in CBLO of face Value ₹ **2,450 crores** (previous year ₹ 2,450 crores).

\## Classified as Non-Current Investment as at 31st March 2015 (Refer Note No. 16).

In respect of Corporation:

Aggregate value of Unquoted Securities ₹ **0.03 crores** (previous year Nil)

Aggregate value of Quoted Securities ₹ **5,078.11 crores** (previous year ₹ 5,089.09 crores)

Market value of Quoted Securities ₹ **5,091.67 crores** (previous year ₹ 5,104.33 crores)

20. INVENTORIES (CONSOLIDATED)

(Refer Note No. 1.9 and Note No. 53)

₹ in Crores

	31/03/2016	31/03/2015
Raw materials	**1,449.22**	2,135.46
Raw materials in transit	**2,030.69**	1,585.10
	3,479.91	3,720.56
Stock in process	**373.64**	423.46
Finished goods	**6,120.10**	7,256.05
Stock-in-trade	**3,728.06**	3,617.52
Stock-in-trade in transit	**469.15**	559.81
	4,197.21	4,177.33
Stores and spares	**459.73**	421.15
Provision for Stores and spares	**(98.41)**	(90.13)
Stores and spares in transit	**3.08**	3.73
	364.40	334.75
Packaging material	**15.15**	10.42
	14,550.41	15,922.57
Share of Interest in Joint Ventures	**946.44**	1,477.45
Total	**15,496.85**	17,400.02

21. TRADE RECEIVABLES (CONSOLIDATED)

(Unsecured unless otherwise stated)

₹ in Crores

	31/03/2016	31/03/2015
Outstanding for a period exceeding 6 months from due date of payment		
Considered good *	**166.91**	110.05
Considered doubtful	**274.93**	201.19
Less: Provision for doubtful debts	**(274.93)**	(201.19)
Other debts		
Considered good *	**2,004.63**	2,462.18
Considered doubtful	**0.06**	1.10
Less: Provision for doubtful debts	**(0.06)**	(1.10)
	2,171.54	2,572.23
Share of Interest in Joint Ventures	**251.96**	329.62
Total	**2,423.50**	2,901.85

* Includes Secured debts ₹ **564.14 crores** (previous year ₹ 621.40 crores)

22. CASH AND BANK BALANCES (CONSOLIDATED)

₹ in Crores

	31/03/2016	31/03/2015
Cash on hand	**24.34**	26.87
Cheques and drafts on hand	**11.91**	25.88
Balances with Banks:		
On Current Account	**171.53**	284.87
Demand deposits with banks with original maturity of less than three months	**3,319.35**	2,130.00
Cash and Cash equivalents	**3,527.13**	2,467.62
Earmarked Balances		
Unpaid Dividend	**5.80**	3.56
Fixed deposits with banks with original maturity of 3-12 months *	**415.68**	741.38
Fixed deposits with banks with original maturity of more than 12 months *	**249.13**	-
DBTL Account **	**0.01**	-
	4,197.75	3,212.56
Share of Interest in Joint Ventures	**431.25**	233.70
Total	**4,629.00**	3,446.26

* Includes Fixed deposits with State Bank of India held on behalf of Government of India towards cash assistance under PAHAL (DBTL) scheme 2014; includes acrrued interest of ₹ **4.63 crores** (previous year NIL) - Refer Note No. 10

** Represents balance in current account with State Bank of India held on behalf of Government of India towards cash assistance under PAHAL (DBTL) scheme 2014 - Refer Note No. 10

23. SHORT-TERM LOANS AND ADVANCES (CONSOLIDATED)

(unsecured, considered good unless otherwise stated)

₹ in Crores

	31/03/2016	31/03/2015
Loans and advances to related parties		
Dues from Joint Venture Companies	**4.07**	7.52
Loans and advances to employees (including accrued interest) (secured)	**73.92**	69.47
Loans to Others, considered good	**11.12**	13.47
Loans to Others, Doubtful	**1.58**	1.56
Less: Provision for Loans to Others, Doubtful	**(1.58)**	(1.56)
Advances		
Advances Recoverable in cash, or in kind or for value to be received, considered good	**236.14**	220.81
Advances considered doubtful	**14.65**	11.78
Less: Provision for doubtful advances	**(14.65)**	(11.78)
	236.14	220.81
Advance Income Tax (Net of provision for taxation)	**8.40**	138.15
Claims, Considered good	**181.76**	140.86
Claims, Doubtful	**2.04**	2.04
Less: Provision for Claims, Doubtful	**(2.04)**	(2.04)
Recoverables with Customs, Excise, Port Trust, etc.	**567.61**	346.37
Others	**5.71**	4.29
	1,088.73	940.94
Share of Interest in Joint Ventures	**59.71**	124.32
Total	**1,148.44**	1,065.26

24. OTHER CURRENT ASSETS (CONSOLIDATED)

₹ in Crores

		31/03/2016	31/03/2015
Interest accrued on investments and bank deposits			
Considered good		**100.03**	85.15
Considered doubtful		**0.02**	0.02
Less: Provision		**(0.02)**	(0.02)
Interest accrued on Loans to Related Parties		**14.41**	14.32
Receivable from Central Government/State Government		**3,479.57**	5,869.65
Unamortized premium (foreign exchange forward contract)		**4.95**	2.14
Unamortized Borrowing Expenses		**31.84**	29.80
Others -	Considered good	**405.88**	47.33
	Considered doubtful	**285.49**	305.83
	Less: Provision for doubtful	**(285.49)**	(305.83)
		4,036.68	6,048.39
Share of Interest in Joint Ventures		**34.44**	72.08
Total		**4,071.12**	6,120.47

25. REVENUE FROM OPERATIONS (CONSOLIDATED)

₹ in Crores

	2015-16	2014-15
(i) a) Sales		
Petroleum products	**2,15,834.83**	2,44,396.70
Crude oil	**575.99**	885.73
	2,16,410.82	2,45,282.43
b) Subsidy on LPG (Domestic) & SKO (PDS)*	**-**	612.79
c) Subsidy from Government of India (Refer Note No. 35(b))	**1,598.49**	7,290.40
	2,18,009.31	2,53,185.62
Less: Excise duty	**(30,601.71)**	(16,132.59)
	1,87,407.60	2,37,053.03
(ii) Other operating revenues	**203.48**	179.74
	1,87,611.08	2,37,232.77
Share of Interest in Joint Ventures	**1,040.28**	5,365.73
Total	**1,88,651.36**	2,42,598.50

* As per the scheme of the Government of India

26. OTHER INCOME (CONSOLIDATED)

₹ in Crores

	2015-16	2014-15
Income from Current Investments		
Interest Income	**477.38**	426.99
Dividend Income	**39.64**	30.61
Income from Non-Current Investments		
Dividend Income - Others	**26.27**	16.03
Interest Income	**-**	1.20
Income from Association of Persons	**1.54**	1.19
Income from Others (Refer Note No. 37)	**259.71**	114.68
Interest-Others (including on bank deposits)	**415.80**	341.22
Write back of liabilities no longer required	**20.64**	13.95
Reversal towards diminution in value of current investments	**-**	483.42
Prior period income (net)	**5.71**	43.86
Gain on Foreign Currency Transactions and Translations (net)	**-**	223.76
Others #	**442.10**	384.75
	1,688.79	2,081.66
Share of Interest in Joint Ventures *	**52.10**	38.39
Total	**1,740.89**	2,120.05

Includes amortization of capital grants ₹ **1.93 crores** (previous year ₹ 2.30 crores)

* Includes ₹ **12.07 crores** on account of share in profit of associates of Indraprastha Gas Limited

27. COST OF RAW MATERIALS CONSUMED (CONSOLIDATED)

₹ in Crores

	2015-16	2014-15
Opening stock	**3,720.56**	3,796.05
Add: Purchases (Refer Note No. 35(a))	**67,318.69**	1,02,027.78
Less: Closing stock	**(3,479.91)**	(3,720.56)
	67,559.34	1,02,103.27
Share of Interest in Joint Ventures	**9,796.69**	16,363.30
Total	**77,356.03**	1,18,466.57

28. PURCHASE OF STOCK-IN-TRADE (CONSOLIDATED)

₹ in Crores

	2015-16	2014-15
Petroleum products (Refer Note No. 35(a))	**75,607.59**	91,270.23
Crude oil	**895.10**	1,100.11
	76,502.69	92,370.34
Share of Interest in Joint Ventures	**982.80**	1,502.43
Total	**77,485.49**	93,872.77

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (CONSOLIDATED)

₹ in Crores

	2015-16	2014-15
Value of opening stock of		
Finished goods	**7,256.05**	9,935.24
Stock-in-trade	**4,177.33**	5,369.51
Stock in process	**423.46**	976.50
	11,856.84	16,281.25
Less: Value of closing stock of		
Finished goods	**6,120.10**	7,256.05
Stock-in-trade	**4,197.21**	4,177.33
Stock in process	**373.64**	423.46
	10,690.95	11,856.84
Net (Increase)/Decrease in Inventory	**1,165.89**	4,424.41
Share of Interest in Joint Ventures	**419.97**	(72.96)
Total	**1,585.86**	4,351.45

30. EMPLOYEE BENEFIT EXPENSES (CONSOLIDATED)

(Refer Note No. 46)

₹ in Crores

	2015-16	2014-15
Salaries and wages	**2,199.06**	1,534.93
Contribution to Provident and Other Funds	**449.43**	251.96
Staff welfare expenses	**431.33**	483.98
Voluntary Retirement Scheme	**-**	1.28
	3,079.82	2,272.15
Share of Interest in Joint Ventures	**92.53**	77.70
Total	**3,172.35**	2,349.85

31. FINANCE COSTS (CONSOLIDATED)

₹ in Crores

	2015-16	2014-15
Interest expense	**513.08**	496.92
Interest on shortfall in payment of advance tax	**68.85**	58.10
Other borrowing costs	**87.28**	54.55
Applicable loss on foreign currency transactions and translations (Net)	**8.45**	81.20
	677.66	690.77
Share of Interest in Joint Ventures	**454.41**	489.70
Total	**1,132.07**	1,180.47

32. OTHER EXPENSES (CONSOLIDATED)

₹ in Crores

	2015-16	2014-15
Transportation	**5,464.40**	5,160.32
Excise Duty on Inventory differential	**810.48**	793.20
Octroi, Other Levies and Irrecoverable Taxes	**934.35**	979.96
Repairs and maintenance		
Machinery	**706.41**	660.20
Building	**68.19**	94.37
Others	**260.40**	219.11
Sub-Total	**1,035.00**	973.68
Power and Fuel	**3,595.07**	5,325.31
Less: Consumption of fuel out of own production	**(1,814.00)**	(3,385.10)
Power and Fuel consumed (net)	**1,781.07**	1,940.21
Stores, spares and materials	**400.51**	419.09
Less: Charged to other revenue accounts	**(297.59)**	(275.04)
Stores, spares and materials (net)	**102.92**	144.05
Packages consumed	**168.42**	150.36
Office Administration, Selling and Other expenses		
Rates & Taxes	**39.67**	72.27
Rent (Refer Note No. 43)	**424.44**	226.40
Utilities	**245.64**	222.97
Terminalling and related charges	**262.57**	175.26
Travelling and conveyance	**193.82**	172.97
Insurance	**64.32**	60.05
Communication expenses	**36.69**	35.78
Remuneration to auditors		
Audit fees	**0.91**	0.76
Fees for other services - Certification	**0.41**	0.45
Reimbursement of out of pocket expenses	**0.02**	0.02
Sub-Total	**1.34**	1.23
Write offs		
Bad debts and claims	**0.04**	0.83
Other write offs	**10.90**	0.75
Project cost charged off	**-**	185.51
Provision for doubtful debts & advances (net)	**106.88**	162.19
Provision for Impairment (Refer Note No. 38)	**37.15**	0.84
Provision towards diminution in value of current investments	**10.98**	-
Loss on sale of fixed assets (net)	**27.80**	2.89
Loss on foreign currency transactions and translations (net)	**672.71**	-
Liability upon termination	**-**	21.91
CSR Expenditure	**124.67**	83.80
Others (Refer Note No. 47(I)(d))	**1,311.25**	1,195.31
Sub-Total - Office Administration, Selling and Other Expenses	**3,570.87**	2,620.96
	13,867.51	12,762.74
Share of Interest in Joint Ventures	**770.40**	1,017.55
Total	**14,637.91**	13,780.29

33. In line with the General Circular No. 39/2014 dated 14th October, 2014, issued by the Ministry of Corporate Affairs, the disclosures relevant to Consolidated Financial Statements only have been provided.

34. 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.

35. 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 ₹ **1,796.50 Crores** (previous year ₹ 16,140.66 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) ₹ **198.01 Crores** (previous year ₹ 8,362.88 Crores) discount on crude oil/products purchased from ONGC/GAIL which has been adjusted against Purchase cost;

    b) ₹ **1,598.49 Crores** (previous year ₹ 7,290.40 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 **Nil** (previous year under-recovery ₹ 487.38 Crores).

36. Pursuant to the Ministry of Corporate Affairs Notification G.S.R. 914 (E) dated 29th December, 2011, the Corporation and a Joint Venture had exercised the option under Para 46 A of AS-11 (notified under the Companies (Accounting Standard) Rules, 2006) (as amended) and has changed its accounting policy in the financial year 2011-12 and onwards for recognition of exchange differences arising on reporting of long-term foreign currency monetary items. For the current financial year, the impact on account of this change (net of depreciation and amortization) is increase in profit before tax of ₹ **489.45 Crores** including ₹ **48.07 Crores** pertaining to interest of Joint Ventures (previous year increase in profit before tax of ₹ 336.63 Crores including ₹ 29.57 Crores pertaining to interest of Joint Ventures). The net loss remaining unamortized under Foreign Currency Monetary Item Translation Difference Account as at 31st March 2016 is ₹ **79.20 Crores** (net gain in the previous year ₹ 26.99 Crores)

37. 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** (previous year ₹ 659.10 Crores) together with the additional contribution to the corpus of the trust of ₹ 0.01 Crores made in 2014-15 amounting to ₹ **659.11 Crores** is included in Non-Current Investments (Refer Note No.16). The income distributed by the trust during the year 2015-16 amounting to ₹ **259.71 Crores** (previous year ₹ 114.68 crores) have been included in Note No. 26.-'Other income'

38. **Impairment of Assets:** It is assumed that suitable mechanism would be in place by the Government of India, in line with earlier/current year(s), to provide compensation towards under-recoveries of margin, if any, and recoveries against Direct Benefit Transfer for LPG Scheme on account of sale of sensitive petroleum products in subsequent years. Hence, there is no indication of impairment of assets of the Corporation as at 31st March 2016. In case of one subsidiary company, provision for impairment of capital work in progress of ₹ **124.38 Crores** has been made as at 31st March 2016 (provision as at 31st March 2015 ₹ 87.24 Crores).

39. The Group has numerous transactions with other oil companies. The outstanding balances (included under Trade Payables/Trade Receivables, etc.) from them including certain other outstanding credit and debit balances are subject to confirmation/reconciliation. Adjustments, if any, arising therefrom are not likely to be material on settlement and are accounted as and when ascertained.

40. Disclosure as per requirements of Accounting Standard 15 - "Employee Benefits":

In case of the Corporation and its Subsidiaries, contribution to the Provident Fund is remitted to a separate trust/ Employees Provident Fund established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, in respect of the trust, based on the Government specified minimum rate of return, will be made good by the Corporation and charged to Statement of Profit and Loss.

Gratuity: The Corporation and its Subsidiaries have a defined benefit gratuity plan managed by a trust. The contribution based upon actuarial valuation is paid/payable to a trust which is invested as per investment pattern prescribed by the Government in plan assets. Gratuity is paid to a staff member who has put in a minimum qualifying period of 5 years of continuous service on superannuation, resignation, termination or to his nominee on death.

Leave Encashment: The Employees are entitled to accumulate Earned Leave and Sick Leave, which can be availed during the service period. Employees are also allowed to encash the accumulated earned leave during the service period. Further, the accumulated earned leave and sick leave can be encashed by the employees on superannuation, resignation, and termination or by nominee on death.

Other Defined Benefits: These are (a) Post Retirement Medical Scheme Benefit (managed by a trust) to employees, spouse, dependent children and dependent parents; (b) Pension/ex-gratia scheme to the retired employees who are entitled to receive the monthly pension/ex-gratia for life; (c) Death in service/Permanent disablement given to employee, the spouse of the employee, provided the deceased's family/disabled employee deposits retirement dues such as PF, Gratuity, Leave encashment payable to them with the Corporation/ Subsidiary; and (d) Resettlement allowance paid to employees to permanently settle down at a place at the time of retirement.

Disclosures as per requirements of Accounting Standard 15 continued:

₹ in Crores

a) Reconciliation of balances of Defined Benefit Obligations	Gratuity - Funded		Post Retirement Medical - Funded		Gratuity- Non-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	
	2015-16	2014-15	2015-16	2014-15	2015-16	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Defined Obligations at the beginning of the year	**639.58**	616.58	**669.57**	568.05	**0.50**	**711.40**	813.96	**82.72**	88.46	**11.64**	8.75	**7.47**	6.87	**333.38**	272.81
- Petronet CCK Limited	-	-	-	-	-	**0.17**	-	-	-	-	-	-	-	-	-
Interest Cost	**50.55**	57.05	**53.24**	52.67	**0.04**	**56.24**	75.31	**6.00**	7.41	**0.44**	0.38	**0.62**	0.73	**26.90**	26.10
Current Service Cost	**3.63**	3.52	**30.93**	26.55	**0.04**	**61.30**	47.03	-	-	-	-	**1.37**	1.21	**15.04**	18.26
Past Service Cost	-	-	**1.90**	-	-	-	-	-	-	-	-	-	-	-	-
Benefits paid	**(48.37)**	(92.00)	**(28.68)**	(25.44)	-	**(193.46)**	(314.61)	**(15.36)**	(17.01)	**(12.25)**	(9.33)	**(1.71)**	(0.44)	**(19.99)**	(19.03)
Actuarial (Gains)/Losses on obligations	**18.56**	54.43	**152.10**	47.74	**0.07**	**151.50**	89.71	**5.68**	3.86	**12.28**	11.84	**9.78**	(0.90)	**(34.24)**	35.24
Defined Obligations at the end of the year	**663.95**	639.58	**879.06**	669.57	**0.65**	**787.15**	711.40	**79.04**	82.72	**12.11**	11.64	**17.53**	7.47	**321.09**	333.38

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	**651.99**	685.35	**620.90**	547.72
Expected Return (a)	**51.53**	59.78	**49.37**	47.23
Actuarial gains/(losses) (b)	**14.68**	(1.14)	**8.44**	3.51
Actual Return on Plan Assets (a+b)	**66.21**	58.64	**57.81**	50.74
Contribution by employer	-	-	**75.74**	46.69
Contribution by employee	-	-	**0.92**	1.18
Benefits paid	**(48.37)**	(92.00)	**(28.68)**	(25.44)
Fair Value of Plan Assets at the end of the year	**669.83**	651.99	**726.69**	620.89

c) Amount recognised in Balance Sheet (a-b)	**(5.88)**	(12.41)	**152.37**	48.68	**0.65**	**787.15**	711.40	**79.04**	82.72	**12.11**	11.64	**17.53**	7.47	**321.09**	333.38

d) Amount recognised in Statement of Profit and Loss															
Current Service Cost	**3.63**	3.52	**30.93**	26.55	**0.04**	**61.30**	47.03	-	-	-	-	**1.37**	1.21	**15.04**	18.26
Past Service Cost	-	-	**1.90**	-	-	-	-	-	-	-	-	-	-	-	-
Interest Cost	**50.55**	57.05	**53.24**	52.67	**0.04**	**56.24**	75.31	**6.00**	7.41	**0.44**	0.38	**0.62**	0.73	**26.90**	26.10
Expected Return on Plan Assets	**(51.53)**	(59.78)	**(49.37)**	(47.23)	-	-	-	-	-	-	-	-	-	-	-
Contribution by employee	-	-	**(0.92)**	(1.18)	-	-	-	-	-	-	-	-	-	-	-
Actuarial (Gains)/Losses	**3.88**	55.57	**143.65**	44.23	**0.07**	**151.50**	89.71	**5.68**	3.86	**12.28**	11.84	**9.78**	(0.90)	**(34.24)**	35.24
Expenses for the year	**6.53**	56.36	**179.43**	75.04	**0.15**	**269.04**	212.05	**11.68**	11.27	**12.72**	12.22	**11.77**	1.04	**7.70**	79.60

e) Major Actuarial Assumptions															
Discount Rate (%)	**8.04-7.99**	7.99-7.90	**8.06-8.04**	7.99-7.95	**8.08**	**8.08-7.99**	7.99-7.90	**7.79**	7.99	**7.84**	8.04	**8.04-7.99**	7.99-7.90	**8.06**	7.95
Salary Escalation/Inflation (%)	**8.00**	8.00	**8.00-7.00**	8.00-7.00	**5.00**	**8.00-5.00**	8.00	-	-	-	-	-	-	-	-
Expected Return on Plan Assets (%)	**8.04-7.99**	7.99-7.90	**8.06-8.04**	7.99-7.95	-	-	-	-	-	-	-	-	-	-	-

f) Investment pattern for Fund as on	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Category of Asset	%	%	%	%
Government of India Asset	**22.64**	23.89	**8.70**	7.72
Corporate Bonds	**19.88**	25.92	**61.03**	52.83
Insurer Managed Funds	**47.31**	42.70	-	3.03
State Government	**4.03**	5.16	**22.68**	33.07
Others	**6.14**	2.33	**7.59**	3.35
Total	**100.00**	100.00	**100.00**	100.00

g) As per our best estimate, ₹ Nil is the expected contribution to be paid to the Gratuity fund in year 2016-17

h) Effect of Increase/Decrease of 1% is assumed for medical cost trend to the Post Retirement Medical Liability:

	31/03/2016	31/03/2015
Change in liability for 1% increase in Discount Rate	**(91.22)**	(67.33)
Change in liability for 1% increase in Medical Inflation	**112.33**	83.69
Change in liability for 1% decrease in Discount Rate	**111.21**	81.53
Change in liability for 1% decrease in Medical Inflation	**(93.49)**	(69.49)

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.
Petronet CCK Limited has become the subsidiary during the year 2015-16. Accordingly, details of Gratuity (Non- funded) & Leave Encashement (Non- funded) have been included for 2015-16.

41. To the extent, the Corporation and its Subsidiaries has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under:

₹ in Crores

	31/03/2016	31/03/2015
Amount Due and Payable at the year end		
-Principal	**3.85**	3.75
-Interest on above Principal	**-**	-
Payment made during the year after the due date		
-Principal	**-**	-
-Interest	**-**	-
Interest due and payable for Principal already paid	**-**	-
Total Interest accrued and remained unpaid at year end	**-**	-

The interest payable to such vendors is not likely to be material.

42. Related Party Disclosures as per Accounting Standard 18

Key Managerial Personnel (Whole time directors):

Shri S. Varadarajan, (Chairman & Managing Director), BPCL

Shri P. Balasubramanian, Director (Finance), BPCL

Shri K.K. Gupta, Director (Marketing), BPCL till 29th February 2016

Shri S. Ramesh, Director (Marketing), BPCL w.e.f. 1st March 2016

Shri B.K. Datta, Director (Refineries), BPCL

Shri S.P. Gathoo, Director (Human Resources), BPCL

Remuneration to Key Managerial Personnel: ₹ **3.27 Crores** (previous year ₹ 2.93 Crores).

As mentioned in Note No. 1.1 (C) (i), (ix) and (x), BPCL-KIAL Fuel Farm Facility Private Limited, Bharat Renewable Energy Limited and Kannur International Airport Limited have not been considered in the preparation of Consolidated Financial Statements for reasons mentioned therein.

Further, Videocon Energy Brazil Limited is a Co Venturer of Bharat PetroResources Limited, 100% Subsidiary of the Corporation.

The transactions with these Companies are as below:

₹ in Crores

S. No.	Nature of Transactions	2015-16	2014-15
1.	Investment and Advance for Investments*	**54.44**	50.75
2.	Reimbursement of Expenditure #	**2.67**	0.61

*** Kannur International Airport Limited – ₹ 50.00 Crores** (previous year ₹ 50.00 Crores)

BPCL-KIAL Fuel Farm Facility Private Limited – ₹ 4.44 Crores (previous year Nil)

Bharat Renewable Energy Limited – Nil (previous year ₹ 0.75 Crores)

 # Videocon Energy Brazil Limited

43. Disclosure for Operating Leases as per Accounting Standard 19

The Group enters into cancellable/non-cancellable operating lease arrangements for office premises, staff quarters and others. The lease rentals paid/received for the same are charged to the Consolidated Statement of Profit and Loss.

A) As Lessee

a) The Corporation and its Subsidiaries enter into non-cancellable operating leases in respect of Godowns and Product Tanks. The details are as follows-

₹ in Crores

S.No.	Particulars	2015-16	2014-15
i)	Future Lease payment obligations under non-cancellable operating leases		
	a) Not later than one year	**8.35**	9.08
	b) Later than one year and not later than five years	**0.17**	8.10
	c) Later than five years	**-**	-
ii)	Lease Rentals recognized in the Statement of Profit and Loss	**5.74**	8.63

b) The Corporation enters into cancellable operating leases in respect of office premises, staff quarters and others which are cancellable by giving appropriate notices as per respective agreements. During the year ₹ **27.65 Crores** (previous year ₹ 27.29 Crores) has been charged to Consolidated Statement of Profit and Loss on account of lease rentals.

B) As Lessor

i) The Corporation enters into cancellable/non cancellable operating lease arrangements in respect of commercial spaces, storage and distribution facilities and others. The details are as follows-

₹ in Crores

Particulars	Buildings		Plant & Machinery		Tanks & Pipelines		Furniture		Office Equipment		Railway Siding	
	15-16	14-15	**15-16**	14-15	**15-16**	14-15	**15-16**	14-15	**15-16**	14-15	**15-16**	14-15
Gross Carrying Amount	**164.84**	163.80	**129.27**	104.09	**406.35**	398.69	**16.42**	15.22	**16.52**	16.03	**80.44**	77.84
Accumulated depreciation	**56.64**	55.97	**35.47**	26.98	**115.94**	102.27	**12.25**	9.44	**14.44**	14.20	**23.74**	18.33
Depreciation recognised in the Statement of Profit and Loss	**4.21**	37.90	**7.72**	7.61	**13.67**	12.98	**2.01**	2.85	**0.58**	0.98	**5.41**	5.31

The above includes assets given on lease within the Group.

ii) Total contingent rent recognised as income in the Consolidated Statement of Profit and Loss in the FY 2015-16 is ₹ **23.20 Crores** (previous year ₹ 23.21 Crores).

iii) Future Lease rentals under non-cancellable operating leases

₹ in Crores

S.No.	Particulars	2015-16	2014-15
i)	Future Lease rentals under non-cancellable operating leases		
	a) Not later than one year	**26.04**	26.08
	b) Later than one year and not later than five years	**104.00**	104.00
	c) Later than five years	**104.00**	130.00

44. Earnings per share

₹ in Crores

Particulars	Unit	2015-16	2014-15
Profit after Tax	₹ Crores	**7,981.51**	4,806.57
Weighted average number of shares outstanding during the year	Crore nos.	**72.31**	72.31
Basic earnings per share	₹	**110.38**	66.47
Diluted earnings per share	₹	**110.38**	66.47

45. In compliance of Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", the required information in respect of the Corporation and its Subsidiaries is as under:

Nature	Opening balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	55.98	62.97	-	-	118.95
Customs	65.12	-	-	62.61	2.51
Service Tax	0.07	-	0.07	-	-
VAT/Sales Tax/ Entry Tax	819.51	164.64	-	34.52	949.63
Property Tax	83.08	99.19	-	81.59	100.68
Total	**1,023.76**	**326.80**	**0.07**	**178.72**	**1,171.77**
Previous Year	679.01	393.30	10.27	38.28	1,023.76

The above provisions are made based on estimates and the expected timing of outflows is not ascertainable at this stage.

Above includes provision of ₹ **62.47 Crores** made by the parent company (previous year ₹ 26.26 Crores) in respect of which deposits have been made.

In case of the Subsidiary Company, provision for Entry Tax represents an amount of ₹ **194.53 crores** towards Assam Entry Tax for the period November 2006 to May 2008, which has been disputed by the Company and a Writ Petition (Civil) has been filed before the Hon'ble Supreme Court of India. Based on the Writ Petition, the Court has directed the Assessing Authority to assess the liability for the aforesaid period which was assessed at ₹ **194.53 crores**. The Court vide interim Order dated 04.02.2010 has directed the Company to pay, under protest, to the State a sum of ₹ 50 crores which the Company has deposited under protest to the tax authority. Additions during the year for Entry Tax is for the Interest amount for the period from Nov'06 to Feb'11 amounting to ₹ **118.52 crores** which was not considered earlier (the applicability of Interest from Nov'06 to Feb'11 was reviewed and based on some recent court judgments and opinion, the interest element for this period has been provided for) and interest for the current year amounting to ₹ **26.04 crores**.

Further, provision for Sales Tax includes an amount of ₹ **17.47 crores** as penalty for non submission of waybill as required under West Bengal VAT Act based on some recent court judgments and opinion.

Also, provision for Excise Duty includes an amount of ₹ **60.04 crores** provided for as duty liability on intermingling of SKO with HSD on outward transportation of final products from place of removal.

The above provisions are made based on estimates and the expected timing of outflow is not ascertainable at this stage.

46. The Employee benefits expense for the Corporation for the FY 2015-16 include reversal of provisions no longer required ₹ **Nil** (previous year ₹ 657.93 Crores).

47. Additional information as appearing in the financial statements of certain Subsidiaries and Joint Venture Companies:

I. Numaligarh Refinery Limited (Subsidiary)

a) Pending finalization of the Crude Oil Sales Agreement, purchases of Crude Oil from Oil India Limited (OIL) and Oil and Natural Gas Corporation Limited (ONGC) have been accounted for as per the Benchmark price of crude oil in financial year 2015-16 in line with the previous year.

To augment crude availability of North-East refineries, imported crude is brought in to IOCL Bongaigaon Refinery and the transportation cost and other incidentals thereof is being shared by all four north east (NE) refineries as per mutual agreement. The Subsidiary company's share of the transportation cost and other incidentals thereof has been included in crude cost as well as for valuation of the closing inventory.

b) An amount of ₹ **111.76 Crores** (previous year ₹ 87.11 Crores) has been charged to the Statement of Profit and Loss towards under-recovery of Central Sales Tax (CST) on petroleum products.

c) As on 31st March 2016, the Company has a stock of approximately 110 kgs of spent catalyst (scrap) (previous year 800 kgs), which contains approximately 0.36 kgs of platinum (previous year 2.63 kgs).

d) Claim on account of Loss due to fire in the Refinery has been settled by the Insurance Company and the differential between the amount of the claim provisionally recognised earlier and the amount of ₹ **1.86 Crores** settled has been recognised (net-off expenses).

II. Bharat PetroResources Limited (Subsidiary)

a) BPRL Group requires significant amount of funds to carry on its operations. The recovery of funds invested is subject to the success of exploration activities leading to monetization. BPCL has been extending financial support to BPRL to meet its obligation under production sharing contracts and for other activities, as required, and is committed to provide the necessary level of financial support, to enable BPRL to continue as a going concern.

b) BPRL Group has entered into Standby Letter of Credit (SBLC) facility agreement with a number of Indian banks to the extent of **USD 1,750 Mn** (₹ 11,608.26 Crores). During the year, the Company has entered into additional Standby Letter of Credit (SBLC) facility agreement of **USD 750 Mn** (₹ 4,974.97 Crores) with an Indian bank. As per the SBLC facility agreement banks will issue SBLC's, on behalf of BPRL International BV, a wholly owned subsidiary, for loans taken by BPRL International BV in favour of the foreign currency lenders, to the extent of their respective commitments. As of the date of Balance Sheet, SBLC's to the tune of **USD 1,089 Mn** (₹ 7,223.65 Crores) has been issued.

c) In respect of blocks held in India, as per the Production Sharing Contracts signed by BPRL with the Government of India (GOI), BPRL is required to complete the 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 the MWP. Further, in case BPRL does not complete the MWP or surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GOI.

III. Bharat Oman Refineries Limited (Joint Venture Company)

a) The Company by virtue of an MOU entered into, with the Government of Madhya Pradesh is entitled to fiscal assistance as given below:

   i. Entry Tax exemption on Crude Oil procured.

   ii. Interest free VAT loan up to ₹ 250 Crores per annum for fifteen years. Principal repayable from 16th year onwards.

   iii. Central Sales Tax exemption on sale of finished goods.

b) A liability was raised for ₹ **65.11 Crores** after adjustment of the amount already recovered from the contractors and deposited with the authorities based on a demand raised in March 2009 by the Government of Madhya Pradesh for Cess under Building and Other Construction Workers Welfare (BOCW) Cess Act, 1996 considering the entire project cost. During the year, the Company has been legally advised that the cess is leviable only to the extent of civil construction activities and not on the entire project cost. Accordingly the Company has reversed the liability of ₹ **65.11 crores** which is not related to the civil construction activities with corresponding decapitalization during the year. Based on this legal advice, the outflow on account of interest demand of ₹ **22.30 crores** is considered remote.

c) BPCL holds 98.33% of the share warrants of BORL amounting to ₹ **1,585.68 Crores,** out of which the amount of ₹ **792.84 Crores** is appearing as investments of the Group after eliminating 50% of the total amount of the share warrants upon consolidation.

d) Deferred Tax Asset on unabsorbed depreciation and unabsorbed business losses available as per the Income Tax Act, 1961 has been recognized, since the Company is virtually certain that sufficient future taxable income will be available to adjust such losses considering the following:

   i. The Company has entered into a binding agreement with BPCL for offtake of products at prices determined with reference to international product prices.

ii. The refinery is operating above the designed capacity.

iii. The Company's Gross Refinery Margin is generally higher than other Indian refineries due to superior refinery configuration.

iv. Unabsorbed depreciation which forms major portion of the Deferred Tax Asset, can be carried forward and set off against profits for unlimited number of years under the Income Tax Act, 1961.

e) The accumulated loss as on 31st March 2016 is ₹ **2,251.60 Crores** (previous year ₹ 2,617.38 Crores). Considering various factors as enumerated below, the financial statements have been drawn on a going concern basis:

i. The Company has made a Profit after Tax of ₹ **365.78 Crores** in the current year (previous year loss ₹ 790.17 Crores).

ii. There is no impairment in the value of assets used to generate Cash Flows.

iii. Expected infusion of funds from shareholder.

iv. The Company is able to pay creditors, loan instalments and interest on respective due dates. The Bankers continue to extend support to the Company.

v. The refinery is operating above the designed capacity.

IV. Petronet LNG Limited (Joint Venture Company)

a) 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.

V. Indraprastha Gas Limited (Joint Venture Company)

a) As per the terms of Gas Supply agreement (including amendments) between Indraprastha Gas Limited and GAIL (India) Limited, the Company had a minimum take or pay commitment to purchase natural gas quantities on an yearly basis. In case the Company does not offtake the minimum quantities in the year, the Company had the right to purchase the short drawn quantity in the future periods.

The Company had not purchased the minimum committed natural gas quantities for the year ended 31st December 2014. On 17th August 2015, the Company entered into a one-time settlement with GAIL under which the Company paid an amount of ₹ **14.03 Crores** (including service tax) to GAIL, as net settlement of its purchase obligation and surrender of its right to purchase the short drawn quantities of natural gas in future periods.

VI. Petronet India Limited (Joint Venture Company)

PIL's investment of ₹ 3,74,40,000/-(37,44,000 equity shares of ₹ 10/-each/26% equity holdings) in Petronet CI Limited (which was considered as a subsidiary of PIL under section 4 (1) (a) of The Companies Act, 1956) has been fully provided for diminution in value as the subsidiary has been under Voluntary Liquidation since 14/12/2006.

In view of the consistent excellent performance and declaration of dividend by PCCKL since FY 2013-14 and valuation of shares by professional valuer above cost, provision for diminution in value of investment in PCCKL has been reversed in the current year.

VII. GSPL India Gasnet Limited (Joint Venture Company)

a) The Company has signed Rupee Loan Facility Agreement for Term Loan of ₹ **4,516 Crores** with a consortium of 13 banks with Bank of India as the Lead Bank. However, disbursement of loan is not yet taken by the Company.

VIII. GSPL India Transco Limited (Joint Venture Company)

a) The Company has signed Rupee Loan Facility Agreement for Term Loan of ₹ **5,080 Crores** with a consortium of 14 banks with Bank of India as the Lead Bank. However, disbursement of loan is not yet taken by the Company.

IX. Kochi-Salem Pipeline Private Limited (Joint Venture Company)

a) The Company has signed Rupee Term Loan Facility agreement for term loan of ₹ **722.87 Crores** with State Bank Of India. However, till 31st March 2016, disbursement of loan has not been taken by the Company. The expenses against upfront fees, debt syndication fees etc have been amortized over the period of loan. The security i.e. the first charge of company's fixed assets to be created within six months of initial drawdown date.

48. The following Oil and Gas blocks are held by Bharat PetroResources Limited/its subsidiaries and Joint Ventures as on 31/03/2016:

Name	Company	Country	Participating Interest of the Group	
			31/03/2016	31/03/2015
NELP – IV				
CY/ONN/2002/2(b)	BPRL	India	**40.00%**	40.00%
NELP – VI				
CY/ONN/2004/1(a)	BPRL	India	**-**	-
CY/ONN/2004/2	BPRL	India	**20.00%**	20.00%
NELP – VII				
RJ/ONN/2005/1 (c)	BPRL	India	**33.33%**	33.33%
NELP – IX				
CB/ONN/2010/11	BPRL	India	**25.00%**	25.00%
AA/ONN/2010/3	BPRL	India	**20.00%**	20.00%
CB/ONN/2010/8	BPRL	India	**25.00%**	25.00%
MB/OSN/2010/2 (d)	BPRL	India	**20.00%**	20.00%
Blocks outside India				
JPDA 06-103 (e)	BPR JPDA	Australia/ Timor	**-**	-
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 (f)	IBV Brazil Petroleo Pvt Ltda.	Brazil	**-**	40.00%
Espirito Santo				
ES-24-661 (g)	IBV Brazil Petroleo Pvt Ltda.	Brazil	**-**	-
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 (h)	BPRL Ventures Mozambique B.V.	Mozambique	**10.00%**	10.00%
Nunukan PSC, Tarakan Basin	BPRL Ventures Indonesia B.V.	Indonesia	**12.50%**	12.50%

(a) On completion of Minimum Work Programme Commitments and based on analysis of seismic and well drilling results indicating poor prospectivity, as assessed by the Management, the Company has withdrawn in respect of Block CY/ONN/2004/1. Consequently, an amount of ₹ **31.60 Crores** has been written off to the Statement of Profit and Loss in 2014-15.

(b) In respect of CY/ONN/2002/2, the block has entered into Development Phase subsequent to the approval of Field Development Plan (FDP) for 140 sq.km of block area by Management Committee in their meeting held on 16th October 2015. Hence, cost incurred in respect of this block has shown under Development wells-in-progress.

During the year, an amount of ₹ **8.71 Crores** (previous year ₹ 1.48 Crores) net of Royalty of ₹ **1.17 Crores** (previous year ₹ 0.20 Crores) has been generated from production & sale of Pit Oil/Test Oil during testing of Wells NMAD (MD#6) in the block CY/ONN/2002/02. Pending Petroleum Mining Lease from State Government has been adjusted from the cost of development wells in progress expenditure.

(c) On account of the poor prospectivity, as assessed by Management, Company has provided ₹ **21.60 Crores** in the financial statements for the year towards impairment loss for Block RJ/ONN/2005/1.

(d) Based on analysis of 3D seismic data indicating poor prospectivity, as assessed by Management, Company has provided ₹ **14.92 Crores** in the financial statements for the year towards impairment loss for Block MB/OSN/2010/2. Company has also provided ₹ **3.98 Crores** as Provision for Liquidated Damages being liability on termination in the financial statement for the year.

(e) The Group had a participating interest of 20% in JPDA 06-103 block. The JV submitted formal request to ANP (Regulator) towards termination of PSC for consent, without claim or penalty, citing expenditure in excess of commitment. ANP rejected the JV's offer to terminate without claim and penalty. The regulator terminated the PSC on 15th July 2015 and demanded the payment of the "liability upon termination". Based on the notice a provision of ₹ **21.91 Crores** towards company's share of contractor's liability towards termination was created in the accounts of F.Y. 2014-15. This has been restated as on 31st March 2016 at the closing exchange rate i.e. ₹ 66.3329 per USD and the revised amount works out to ₹ **23.22 Crores.** Negotiations are on-going with the regulator to reach at final decision.

(f) During the previous year 2014-15, upon completion of Minimum Work Programme Commitments and based on analysis of G&G data indicating limited prospectivity, as assessed by the Management, the group has relinquished the area under the Papangu appraisal plan in SEAL-M-569 block, retaining an area of 20 sq. km (out of a total of 774 sq. km) in SEAL-M-569 as part of the Verde joint appraisal plan. Accordingly the group has written off 97.4% of the capitalized costs pertaining to block SEAL-M-569 amounting to ₹ **170.69 Crores** in the previous year 2014-15.

(g) During the previous year 2014-15, upon completion of Minimum Work Programme Commitments and based on analysis of G&G data indicating limited prospectivity, as assessed by the Management, the group along with other consortium partners has withdrawn participating interest in respect of Block ES-M-661. Consequently an amount of ₹ **83.81 Crores** has been written off in the books of the accounts, in the previous year 2014-15.

(h) 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 paying for 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 EPCC, 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.

(i) During 2015-16, the Capital Expenditure in respect of Indian blocks and Foreign block is ₹ **25.01 Crores** and ₹ **1,329.53 Crores** respectively.

49. Segment Reporting

In compliance with Accounting Standard-17, "Segment Reporting" issued by the Institute of Chartered Accountants of India, the segment information is as under:

I. The Group is engaged in the following business segments:

a) Downstream petroleum i.e. Refining and Marketing of Petroleum Products

b) Exploration and Production of Hydrocarbons (E&P)

Segments have been identified taking into account the nature of activities and its risks and returns.

II. There are no geographical segments.

III. Segment-wise details are as follows:

₹ in Crores

	Year Ended 31st March 2016			Year Ended 31st March 2015		
	Downstream petroleum	**E&P**	**Total**	**Downstream petroleum**	**E&P**	**Total**
Revenue						
External Revenue	**1,89,139.62**	**3.37**	**1,89,142.99**	2,43,752.71	1.59	2,43,754.30
Inter Segment Revenue						
Total Revenue	**1,89,139.62**	**3.37**	**1,89,142.99**	2,43,752.71	1.59	2,43,754.30
Results						
Segment Results	**12,655.76**	**(169.48)**	**12,486.28**	7,535.47	(340.45)	7,195.02
Unallocated Corporate Expenses						
Operating Profit	**12,655.76**	**(169.48)**	**12,486.28**	7,535.47	(340.45)	7,195.02
Add:						
Interest/Dividend Income			**1,249.26**			964.25
Less:						
a) Finance Cost			**1,132.07**			1,180.47
b) Loss on sale of current investments			**-**			-
c) Provision/(Reversal) of current Investment			**8.98**			(483.42)
d) MTM (Gains)/ Losses on derivative contracts			**0.58**			(228.25)
e) Income Tax (including deferred Tax)			**4,129.93**			2,608.46
Profit after tax			**8,463.98**			5,082.01
Other Information						
Segment Assets	**74,652.88**	**9,070.91**	**83,723.79**	68,881.85	8,168.25	77,050.10
Unallocated Corporate Assets			**10,064.73**			9,922.43
Total Assets			**93,788.52**			86,972.53
Segment Liabilities	**28,554.20**	**117.88**	**28,672.08**	29,988.48	355.38	30,343.86
Unallocated Corporate Liabilities			**35,510.12**			32,780.35
Total Liabilities			**64,182.20**			63,124.21
Capital Expenditure	**10,220.92**	**1,308.57**	**11,529.49**	9,249.89	1,784.38	11,034.27
Depreciation/ Amortization	**2,428.15**	**0.48**	**2,428.63**	3,025.76	0.92	3,026.68
Non-Cash Expenses other than depreciation	**106.88**	**37.15**	**144.03**	162.19	0.84	163.03

50. Disclosures as required under Schedule III to the Companies Act 2013 with respect to consolidated financial statements

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	₹ in Crores	As % of consolidated profit or loss	₹ in Crores
	Parent				
1	Bharat Petroleum Corporation Limited	86.90%	24,334.53	93.30%	7,457.81
	Subsidiaries				
	Indian				
1	Bharat PetroResources Limited (Incl. Subsidiaries and Joint Ventures)	4.70%	1,318.27	-3.10%	(249.18)
2	Numaligarh Refinery Limited	7.80%	2,189.62	9.50%	757.45
3	Petronet CCK Limited	0.50%	134.27	0.60%	44.09
4	BPCL- KIAL Fuel Farm Facility Private Limited*				
	Minority Interest	-5.60%	(1,572.74)	-6.10%	(484.96)
	Joint Ventures				
	Indian				
1	Bharat Oman Refineries Limited	-0.10%	(33.34)	2.30%	183.53
2	Bharat Renewable Energy Limited *				
3	Bharat Stars Services Private Limited	0.00%	12.98	0.00%	1.45
4	Central U.P. Gas Limited	0.10%	36.74	0.10%	8.18
5	Delhi Aviation Fuel Facility Private Limited	0.20%	67.47	0.20%	13.94
6	GSPL India Gasnet Limited	0.10%	21.36	0.00%	0.13
7	GSPL India Transco Limited	0.10%	16.74	0.00%	0.10
8	Indraprastha Gas Limited	1.80%	499.49	1.30%	104.79
9	Kannur International Airport Limited *				
10	Maharashtra Natural Gas Limited	0.20%	54.02	0.20%	16.98
11	Petronet India Limited	0.00%	10.61	0.00%	2.20
12	Petronet LNG Limited	2.60%	719.55	1.50%	116.47
13	Sabarmati Gas Limited	0.50%	127.69	0.00%	0.49
14	Petronet CI Limited *				
15	Mumbai Aviation Fuel Farm Facility Private Limited	0.10%	35.51	0.10%	4.50
16	Kochi Salem Pipeline Private Limited	0.10%	34.76	0.00%	(1.21)
	Foreign				
1	Matrix Bharat Pte. Ltd.	0.00%	12.17	0.10%	4.75
	Total	**100.00%**	**28,019.70**	**100.00%**	**7,981.51**

* Subsidiaries/Joint Ventures have not been considered for consolidation

51. (a) The Corporation and its Subsidiaries has on the Balance Sheet date, outstanding forward contracts amounting to **USD 228.75 Million**, of which **NIL** (previous year USD 14.62 Million i.e. an equivalent of ₹ 91.51 Crores) is to hedge the foreign currency exposure towards loans and **USD 228.75 Million** i.e. an equivalent of ₹ **1,533.66 Crores** (previous year USD 184 Million i.e. an equivalent of ₹ 1,152.96 Crores) to hedge foreign currency exposure for payment of crude oil.

Following are the unhedged foreign currency on account of exposures in respect of Corporation and its Subsidiaries:

	31/03/2016		31/03/2015	
Exposure Type	**USD Million**	**₹ in Crores**	USD Million	₹ in Crores
Imports	**507.76**	**3,368.11**	838.71	5,249.57
Buyers Credit Loan (Short-term)	**-**	**-**	11.75	73.51
ECB (Long-term) *	**2,182.03**	**14,474.05**	1,806.63	11,307.83
Export Debtors	**56.20**	**372.77**	132.09	826.78
Other Payables #	**5.23**	**34.66**	48.67	304.64

* This includes 3 % CHF Bonds 2019 for **CHF 200 Million** which were swapped into **USD 228.29 Million**.

This includes payables in AUD/Reias and GBP converted into equivalent USD.

(b) The RBI swap transactions outstanding as on 31/03/2014 had matured during 2014-15 and the gain of ₹ 521.14 Crores had been recognised in the Consolidated Statement of Profit and Loss during the year 2014-15.

(c) The Corporation had raised Swiss Franc (CHF) 200 Million of 3% CHF Bonds 2019 in March 2014, the proceeds of which were swapped into USD 228.29 Million on the same day. The mark to market losses of ₹ **0.58 Crores** (previous year ₹ 96.09 Crores) in respect of this CHF-USD Swap transaction have been recognized as expense during 2015-16 based on the concept of prudence and in line with the ICAI announcement of 29th March 2008 on Accounting for Derivatives.

(d) The Corporation has on the Balance Sheet date the following outstanding derivatives for hedging purposes:

Instrument	**Description**	**Quantity**
OTC Swap	Spread between Petroleum Products and Crude Oil	0.30 million barrels
ZCC Option	Petroleum Product - HSFO 180	3000 MT

There are no Mark-to-market losses as on 31st March 2016 (previous year ₹ 0.01 Crores) in respect of these derivative contracts.

52. **Contingent Liabilities and Capital Commitments:**

₹ in Crores

	31/03/2016	31/03/2015
(a) Contingent Liabilities:		
In respect of Income Tax matters	**80.43**	80.68
Other Matters:		
i) Claims against the Corporation not acknowledged as debts:*		
Excise, Service and Customs matters	**1,446.87**	1,364.46
Sales Tax matters	**7,296.83**	6,556.18
Land Acquisition cases for higher compensation	**176.75**	121.05
Others	**582.56**	663.58

* These include ₹ **4,606.08 Crores** (previous year ₹ 4,178.48 Crores) against which Group has a recourse for recovery and ₹ **216.41 Crores** (previous year ₹ 49.93 Crores) which are on capital account.

		31/03/2016	31/03/2015
	ii) Claims on account of wages, bonus/ex-gratia payments in respect of pending court cases.	**18.14**	15.95
	iii) Guarantees given on behalf of Subsidiaries/JV's	**866.83**	2,139.94
	Share of Interest in Joint Ventures	**1,070.70**	997.97
(b)	**Capital Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**5,426.30**	8,050.19
	Other Commitments	**8.24**	66.72
	Share of Interest in Joint Ventures	**502.75**	259.25
	Total	**5,937.29**	8,376.16

53. The Corporation, Subsidiary Numaligarh Refinery Limited and Joint Venture Bharat Oman Refineries Limited has, in the current year, changed the method of determination of cost of inventories from 'Weighted Average' to 'First-in-First-Out' (FIFO) in respect of crude oil and finished products (except lubricants which are continued to be determined at weighted average). This has resulted in (net) increase in value of inventory of crude oil and finished products including intermediaries by ₹ **181.33 Crores**, resulting in corresponding increase in the profit before tax in the current year.

54. Figures of the previous year have been regrouped wherever necessary, to confirm to current period presentation.

Signature to Notes '1 to 54'

For and on behalf of the Board of Directors

Sd/-
S. VARADARAJAN
Chairman and Managing Director
DIN: 00052928

Sd/-
P. BALASUBRAMANIAN
Director (Finance)
DIN: 05262654

Sd/-
S.V. KULKARNI
Company Secretary

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

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Dated: 26th May 2016

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

Sr. No.	Particulars	(₹ in Crores)		
1	Name of the Subsidiary	Numaligarh Refinery Limited*	Bharat PetroResources Limited *	Petronet CCK Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
3	Reporting Currency and Exchange rates as on the last date of the relevant Financial Year in case of foreign subsidiaries	NA	NA	NA
4	Share Capital	735.63	2,920.00	100.00
5	Reserves & Surplus	3,228.24	(1,448.74)	102.62
6	Total Assets	6,477.95	9,434.19	209.50
7	Total Liabilities	2,514.08	7,962.93	6.88
8	Investments	323.10	-	-
9	Turnover (net of excise duty)	10,031.43	-	107.77
10	Profit before Taxation (A)	1,882.38	(248.31)	91.06
11	Provision for taxation (B)	660.53	-	31.65
12	Profit after Taxation (A) - (B)	1,224.35	(248.31)	59.41
13	Proposed Dividend	257.47	-	-
14	% of Shareholding	61.65%	100.00%	73.96%

* figures based on Consolidated Financial Statements of the Company.

Note: BPCL-KIAL Fuel Farm Facility Private Limited is a subsidiary incorporated in the year 2015-16 which has not yet started operations. Hence, the same has not been considered for consolidation since no financial statements have been prepared and the same are not expected to be material.

Part "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crores)

			1	2			3	4	5	6	
Sr. No.	Name of Joint Ventures	Refer Note	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/Loss for the year	
				No.	Amount of Investment in Joint Ventures	Extent of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	Indraprastha Gas Limited	1	31-Mar-16	3,15,00,080	31.50	22.50%	By virtue of Shareholding/Joint venture agreement		557.45	104.43	
2	Petronet LNG Limited	1	31-Mar-16	9,37,50,000	98.75	12.50%			803.06	116.07	
3	Bharat Oman Refineries Limited		31-Mar-16	88,86,13,336	888.61	50.00%			(37.21)	182.89	
4	Central UP Gas Limited		31-Mar-16	1,49,99,600	15.00	25.00%			41.00	8.15	
5	Maharashtra Natural Gas Limited		31-Mar-16	2,24,99,600	22.50	22.50%			60.29	16.92	
6	Sabarmati Gas Limited	4	31-Mar-16	99,87,400	122.40	49.94%			142.51	0.48	
7	Bharat Stars Services Private Limited	1 & 4	31-Mar-16	1,00,00,000	10.00	50.00%			14.49	1.45	
8	Matrix Bharat Pte Ltd.		31-Dec-15	20,00,000	8.41	50.00%			13.58	4.73	
9	Delhi Aviation Fuel Facility Private Limited		31-Mar-16	6,06,80,000	60.68	37.00%			75.30	13.89	
10	Bharat Renewable Energy Limited	2		33,60,000	3.36	33.33%		Note 2			Note 2
11	Petronet CI Limited	2		15,84,000	1.58	11.00%		Note 2			Note 2
12	Petronet India Limited		31-Mar-16	1,60,00,000	16.00	16.00%			11.84	2.20	
13	GSPL India Gasnet Limited		31-Mar-16	2,33,22,128	23.32	11.00%			23.84	0.13	
14	GSPL India Transco Limited		31-Mar-16	1,81,50,000	18.15	11.00%			18.69	0.10	
15	Kannur International Airport Limited	3		1,70,00,000	170.00	21.68%		Note 3			Note 3
16	Kochi Salem Pipeline Private Limited		31-Mar-16	4,00,00,000	40.00	50.00%			38.80	(1.21)	
17	Mumbai Aviation Fuel Farm Facility Private Limited		31-Mar-16	3,82,71,250	38.27	25.00%			39.63	4.49	

Note 1: Figures based on consolidated financial statements of the Company.

Note 2: Proportionate consolidation in respect of Investment have not been considered in the preparation of Consolidated Financial Statements as the parent company has decided to exit from these Joint Ventures and provision for full diminution in the value of investment has been done in the standalone financial statements of the parent company.

Note 3: Kannur International Airport Limited is a Joint Venture Company which has not yet started operations. Hence, the same has not been considered for consolidation since no financial statements have been prepared and the same are not expected to be material. Current year percentage of ownership interest is after considering proposed increase in equity participation.

Note 4: The financial statements of these Joint Venture companies are yet to be audited and hence the provisional financial statements provided by the respective management have been considered for the purpose of preparation of Consolidated Financial Statements.

For and on behalf of the Board of Directors

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

Sd/-
S. VARADARAJAN
Chairman and Managing Director
DIN: 00052928

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W

Sd/-
P. BALASUBRAMANIAN
Director (Finance)
DIN: 05262654

Sd/-
S.V. KULKARNI
Company Secretary

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Sd/-
CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Dated: 26th May 2016

NOTES

NOTES

TOUCHING LIVES

Skill Development in Warangal

Science Project in Kudur, Karnataka

Computer Assisted Learning in Uran

Sanitation Block - Swachha Vidyalaya

Saksham - Teacher and School Leader Training project in Mumbai

Project Boond in village Kundyachapada in Mokhada


Bharat
Petroleum
40
Years
OF FUELLING DREAMS