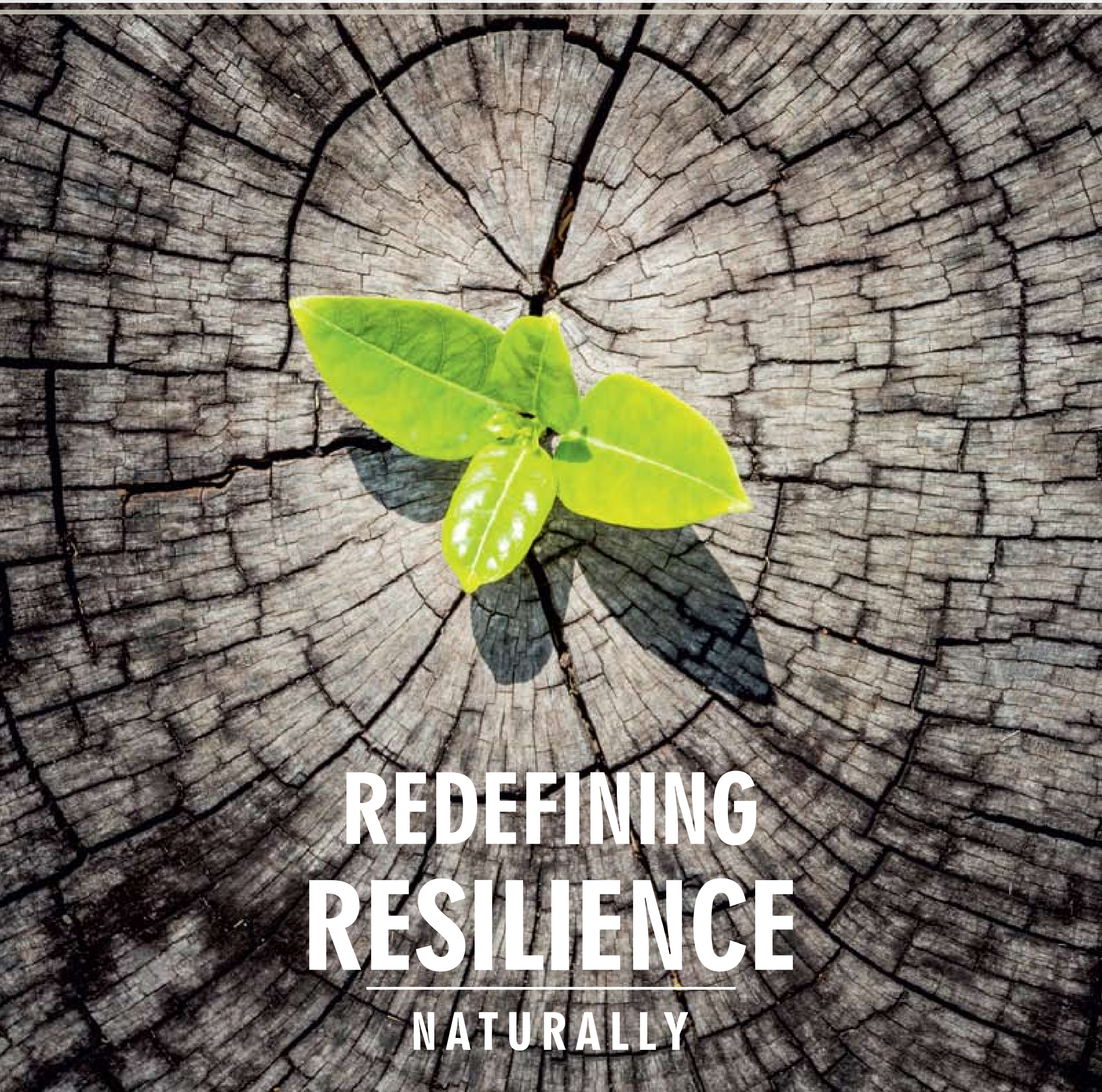
ANNUAL REPORT
2019-20

MAHARATNA

Bharat Petroleum
energising lives



REDEFINING RESILIENCE
NATURALLY

REDEFINING RESILIENCE . . . NATURALLY

The whole world has been severely impacted by the COVID-19 pandemic, which has not only led to loss of lives and livelihoods, but has also brought businesses and services to a near grinding halt.

Exhibiting extraordinary resilience, which is naturally ingrained in us as part of our system, Bharat Petroleum swung into action to combat the disruption caused by the pandemic and adapt to the new normal. We leveraged our arsenal of innovation and technology, catalysed by the indomitable spirit and sheer tenacity of our workforce. We could navigate through uncharted waters, unlock the unknown and successfully meet the human, business and operational needs to keep the wheels of the nation moving.

No stone was left unturned to out-manoeuvre uncertainty. Our 'Corona Warriors' worked day and night, risking their own lives to ensure uninterrupted production and supplies of fuels to essential service providers, as well as domestic LPG customers. Health, safety and environment conservation remained our topmost priority.

Our infinite capacity to meet challenges, along with novel strategies for resource optimisation and risk mitigation, has enabled us to rebound strongly from the global downturn to repurpose and reshape the operations and supply chain, thereby ensuring our financial health and sustainability moving forward.

Being a fully integrated energy company, with a diverse product portfolio and an enviable customer-centric approach, we have focused on digitalisation, startups, R&D, niche petrochemicals, alternate fuels, energy efficiency, expansion in rural markets, optimising business processes and automating activities across the entire hydrocarbon value chain.

Backed by our inspiring vision, with passion to excel embedded in our DNA, we are redefining resilience, stretching beyond limits, as we spread optimism and hope and create significant value for our stakeholders and our nation.

BPCL... Energising the new

CONTENTS

CHAIRMAN'S LETTER

Dear Shareowners,

At the outset, I wish you and your loved ones the best of health and well-being!

I am extremely happy to communicate with you for the first time after taking over additional charge of Chairman and Managing Director of your Company.

The year 2019-20 that progressed well until December 2019, witnessed unprecedented and confounding changes, transitions and economic severities in the last quarter. The COVID-19 pandemic brought the world to a standstill, with most countries, including ours, resorting to lockdowns and containment measures to check the spread of the disease. As global economies gradually open up and activity resumes, it reminds me of a famous quote by Confucius, "Our greatest glory is not in never falling, but in rising every time we fall."

Amidst these adversities, your Company emerged stronger, exhibiting a resolute approach, identifying opportunities, thus redefining resilience.

Playing a leading role in nation building, your Company ensured uninterrupted supplies of petroleum products and has been in the frontline of service during the pandemic. Mindful of the evolving risks on various fronts, we have focussed on safe operations, optimisation of resources and enhancement of efficiencies, leveraging technology and digitalisation to skilfully navigate through these challenging times.

The extreme volatility in the crude oil prices and foreign exchange rates and the pandemic-induced disruption in economic activity at the end of the year 2019-20 severely impacted the annual financial performance, resulting in an overall decline in the profits of the Company for the year. The profit after tax, on a standalone basis, declined to ₹ 2,683 crores, mainly due to lower refining margins and substantial inventory and foreign exchange variation losses. However, your Company has been able to better its physical performance, despite significant loss of sales in March 2020 and achieved market sales and refinery throughput of 43.10 MMT and 31.91 MMT respectively. I am happy to share that your Company was the only Oil Marketing Company (OMC) amongst PSU OMCs to register a growth in physical performance during the year. The Board of Directors declared a dividend of 165% in the month of March 2020.

At the group level, the profit after tax attributable to BPCL stood at ₹ 3,055 crores, while market sales and refinery throughput were higher at 43.36 MMT and 38.30 MMT respectively. Consolidating interests further, Bharat Oman Refineries Limited, hitherto our 50:50 Joint Venture Company, has undergone a change in its equity structure, consequent to conversion of warrants into equity shares, raising BPCL's equity shareholding to 63.38%.

Leveraging organic and inorganic growth opportunities over the years, your Company has expanded its footprint across the hydrocarbon value chain and become a fully integrated oil and gas player.

Pursuing the Go-**GDP** strategy, your Company has taken definitive steps towards fostering a **G**reener environment, permeating **D**igitalisation in all aspects of business and firming up its footprints in the **P**etrochemicals portfolio.

Our successful pilots of the newly launched "E-Drive" initiative - an innovative electric vehicle mobility model using BPCL's Retail Outlets as battery swapping stations pave the way for pan India expansion. Our presence across the alternate fuels / energy solutions will enable swift scale up once these verticals prime up and economics improve.

The importance of Digitalisation cannot be over-emphasised in a world which is converging towards a new normal post pandemic. Creating a digital ecosystem has been our immediate priority and the Company has taken major strides in proliferation of digitalisation across operations, particularly refining operations and management, and customer facing interfaces.

I am happy to share that the Propylene Derivative Petrochemical Project (PDPP) at Kochi Refinery (KR) for manufacturing niche petrochemicals is completed and will start commercial production soon. The project to produce Polyols and related products at KR is on track and will add to our growing petrochemicals portfolio, generating substantial value going forward.

In a major step towards enhancing the distribution network and reaching nearer to customers, your Company commissioned 1,447 new Retail Outlets across the country, the highest in a financial year amongst the PSU OMCs. BPCL also commissioned 118 vehicles fitted with dispensers, once again the highest amongst PSU OMCs, under the new initiative of door-to-door delivery of Diesel to stationary engines / generators and mining and construction equipment. Customer centricity being an integral part of BPCL's culture, the Company has created newer benchmarks in customer service and carved a niche for itself.

Towards exploring innovative solutions to identified business concerns and simultaneously supporting the startup ecosystem making India self-reliant, your Company launched a unique grand challenge for startups, with prize money for winners as well as creating opportunities to partner with BPCL. Going forward, BPCL is committed to support startups in a variety of ways, including grant of funds, equity investment, business exposure, mentoring and guidance.

Amidst the pandemic crisis, when Health, Safety, Security and Environment (HSSE) is gaining traction globally, BPCL has always recognised it as the topmost priority. Further strengthening the HSSE framework, your Company has put in place comprehensive pandemic compliant protocols across all touchpoints to ensure safety of all including employees, customers, vendors and partners.

Capitalising on the 'work from home' norm, we have seamlessly managed business operations across all functions in the organisation, leading to limited onsite presence of manpower in these dire circumstances. Remaining steadfast towards being a learning organisation, we have also utilised this opportunity of 'work from home' to augment people capabilities and upgrade their skill sets through various technologically enabled initiatives like digital learning and purposeful engagement.

With the Government of India's decision to sell its stake in BPCL to a strategic buyer, your Company is at the threshold of a major transformation, which is expected to unlock immense value by way of enhanced professionalism, access to advanced technologies, newer global markets, a diversified product portfolio and improved availability of resources and capital. This will create significant value for all stakeholders. The market capitalisation of your Company scaled peaks during the year and even surpassed the market capitalisation of the largest PSU OMC on a couple of occasions, bearing testimony to the rising investor confidence in BPCL's intrinsic value.

Before I conclude, I would like to thank all the stakeholders for their immense contribution and wholehearted support in designing our success and partnering in all our endeavours and aspirations. We fully acknowledge the valuable guidance and inspiration from the Ministry of Petroleum and Natural Gas. I would also like to place on record the deepest appreciation for the relentless efforts, unparalleled dedication and unmatched loyalty of our employees, who are our biggest asset, together with our network of dealers, distributors, business partners, vendors and service providers. We are thankful for the confidence reposed in us by the investors and customers, which gives us courage to dream, strength to accomplish and incentive to excel.

Humanity occupies centre stage at this juncture and we in Bharat Petroleum have always taken the lead in service before self. Our dynamic teams have demonstrated deep reserves of resilience in responding swiftly to the needs of the nation and will continue to ceaselessly serve our nation. We take pride in touching lives and making a difference.

As the impending wave of transition, structural and sectoral, reshapes the Company and rearranges the energy matrix, I firmly believe that BPCL, with its farsightedness, responsiveness, agility and fortitude will continue to occupy its central position in the industry and scale newer heights in times to come.

Stay safe and healthy !

Warm regards,

K. Padmakar
Chairman & Managing Director

BOARD OF DIRECTORS

K. PADMAKAR
Chairman & Managing Director
(w.e.f. 1.9.2020)
Director (Human Resources)

D. RAJKUMAR
Chairman & Managing Director
(up to 31.8.2020)

R. RAMACHANDRAN
Director (Refineries)
(up to 31.8.2020)

ARUN KUMAR SINGH
Director (Marketing)

N. VIJAYAGOPAL
Director (Finance)

DR. K. ELLANGOVAN
Principal Secretary (Industries),
Govt. of Kerala

RAJIV BANSAL
Additional Secretary & Financial Advisor,
MoP&NG (up to 7.1.2020)

RAJESH AGGARWAL
Additional Secretary & Financial Advisor,
MoP&NG (w.e.f. 8.1.2020)

RAJESH KUMAR MANGAL
Independent Director
(up to 30.11.2019)

VISHAL V SHARMA
Independent Director
(up to 8.2.2020)

JANE MARY SHANTI SUNDHARAM
Independent Director
(up to 4.3.2020)

VINAY SHEEL OBEROI
Independent Director
(up to 9.4.2020)

HARSHADKUMAR P. SHAH
Independent Director
(w.e.f. 16.7.2019)

(L to R) : Mr. N. Vijayagopal, Director (Finance) | Mr. R. Ramachandran, Former Director (Refineries)
Mr. D. Rajkumar, Former Chairman & Managing Director
Mr. K. Padmakar, Chairman & Managing Director | Mr. Arun Kumar Singh, Director (Marketing)

BANKERS

- State Bank of India
- Standard Chartered Bank
- BNP Paribas
- Union Bank of India
- Corporation Bank
- Bank of India
- Deutsche Bank
- ICICI Bank
- HDFC Bank
- IDBI Bank

AUDITORS

M/s. CVK & Associates
2, Samarth Apartments,
Ground Floor,
D. S. Babrekar Road,
Off Gokhale Road (North),
Dadar (W), Mumbai 400 028.

M/s. Borkar & Muzumdar
21/168, Anand Nagar
Om C. H. S.,
Anand Nagar Lane,
Vakola, Santacruz (East),
Mumbai 400 055.

SHARE TRANSFER AGENT

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

REGISTERED OFFICE

BHARAT PETROLEUM CORPORATION LTD.
CIN: L23220MH1952GOI008931
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

MANAGEMENT TEAM

Mr. Sunil Jain	Chief Vigilance Officer
Dr. D. C. Patra	ED (Planning)
Mr. G. Krishnakumar	ED (HRD)
Mr. J. S. Shah	ED (HRS)
Mr. L. R. Jain	Chief Procurement Officer (Marketing)
Mr. M. A. Khan	ED (Corp. Coordination & Development)
Mr. M. S. Patke	ED (Biofuels)
Mr. Murali Madhavan P.	ED (Kochi Refinery)
Mr. P. S. Ravi	ED (Retail) I/C
Mr. Priyotosh Sharma	ED (Gas)
Mr. P. V. Ravitej	ED (Mumbai Refinery)
Mr. R. Narayanan	ED (Information Systems)
Mr. R. P. Natekar	ED (Planning & Corporate Affairs) I/C
Mr. Ravi Pratap Singh	ED (HSSE)
Mr. S. Bhargava	ED (Research & Development)
Mr. Santosh Kumar	ED (Lubes)
Mr. S. K. Agrawal	ED (Internal Audit)
Mr. Subikash Jena	ED (I&C)
Ms. Sujata N. Chogle	ED (Legal)
Mr. Sukhmal K. Jain	Head (Retail) East
Mr. Surjeet Mahalik	Head (Retail) North
Mr. T. Peethambaran	ED (LPG)
Mr. V. Jacob	ED (Quality Control Cell)
Mr. Y. V. Apte	ED (Engineering & Projects)
Mr. Abhay Shah	CGM Strategy & Brand (Lubes)
Mr. A. R. Shah	CGM (Projects Procurement), Mumbai Refinery
Mr. Arul Muthunathan V.	CGM (RNP & RE) HQ
Mr. Bibhudutta Mishra	Regional Manager (Lubes) North
Mr. Chacko M. Jose	CGM (Special Projects), Mumbai Refinery
Mr. Debashis Ganguli	CGM (P & AD) Lubes
Mr. Deepak Jha	CGM (OEM), Lubes
Mr. Dinabandhu Mandal	CGM (Logistics), Retail
Mr. D. V. Mamadapur	CGM (Supply Chain Optimization)
Ms. Geeta V. Iyer	CGM Finance (Taxation)
Mr. J. Vedagiri	CGM (LPG Infrastructure)
Mr. K. Ajith Kumar	CGM (Projects), Kochi Refinery
Mr. Kani Amudhan N.	CGM (Marketing Corporate)
Mr. K. A. Trivedi	CGM (International Trade)
Mr. Kurian Parambi	CGM (HR), Mumbai Refinery
Mr. Kurian P. Alapatt	CGM (HR), Kochi Refinery
Mr. Lalit K. Watts	CGM (HRS), North
Mr. Mahadevan Easwaran S.	CGM (IS Technology)
Mr. Mahesh Narain	CGM (Gas Projects), Delhi
Mr. Mohammad Gayasuddin	CGM Engg. (E&P) North
Mr. M. Prasanna Kumar	CGM (Planning & Project Coordination)
Mr. M. R. Chaturvedi	CGM (Comp. & Ben.)
Mr. M. R. Subramoni Iyer	CGM (Refinery Operations), Kochi Refinery
Mr. N. Shukla	CGM (Planning)
Mr. P. Anilkumar	CGM Pipelines (Ops. & Projects)
Mr. P. K. Bhowmick	Chief Procurement Officer (Refineries)
Mr. Pushp Kumar Nayar	Head Supply Chain Management (Lubes)
Mr. P. K. Ramanathan	CGM Logistics (LPG) HQ
Ms. P. Rajeswari	CGM (Vigilance)
Mr. P. Sudhahar	Project Lead (Gas) HQ
Mr. Prabhu Venkatesh	CGM (Refineries Finance), Mumbai
Mr. Ramakrishnan N.	Head BPEC
Mr. Ramakrishnan T. N.	CGM (Rural Initiatives) Retail, Chennai
Mr. Ramesh S.	Team Member (Infra T/F) HQ
Mr. Ravikumar V.	CGM (Research & Development)
Mr. Ravindra V. Deshmukh	Regional LPG Manager, West
Mr. R. P. Singh	CGM (E & AS) Mumbai Refinery
Mr. Sanjeev Agrawal	CGM (Retail Engg. & Compressed Biogas Project) RHQ
Mr. S. Khanna	CGM (Operations), Mumbai Refinery
Mr. Sanjeeb K. Paul	CGM (Biofuels)
Mr. Sanjeev Raina	CGM (HSSE)
Mr. Shrikant Yadwadkar	CGM (Sales), Gas
Mr. Sreeram A. N.	CGM (Project Technical & Petchem), Kochi Refinery
Mr. Subhankar Sen	CGM (Retail Initiatives & Brand) HQ
Mr. Subhasis Mukherjee	CGM (Internal Audit)
Mr. Sunil Kumar	CGM Projects (Rasayani), Mumbai Refinery
Mr. Suresh John	CGM (Engg. Projects & Contract Mgt.), Kochi Refinery
Mr. S. Srinivasan	CGM Sales (I&C) HQ
Ms. Teresa Naidu	CGM (Corporate Treasury)
Mr. T. V. Rama Rao	CGM IS & Digital Strategy (MR & KR)
Mr. V. Chandrasekaran	CGM (Prod.Desp. & Trombay Terminal Projects), Mumbai Refinery
Mr. Varinder S. Chadha	CGM (Corporate Finance)
Mr. V. N. Herwadkar	CGM (Contract Mgt. & Administration), Mumbai Refinery
Mr. Vijay N. Tilak	CGM Sales & LPG Marketing Strategy, HQ
Mr. Vijay Ranjan	CGM (Aviation)
Mr. Anil Ahluwalia	GM (Employee Satisfaction Enhancement)
Ms. Kala V.	Company Secretary
Mr. Rahul Tandon	GM (Corporate Strategy)
Mr. Syed Abbas Akhtar	GM (Brand & PR)

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

VALUES

- **Trust** is the bedrock of our existence
- **Customer Centricity** is intrinsic to our achievements
- **Development of People** is the only way to success
- **Ethics** govern all our actions
- **Innovation** is our daily inspiration
- **Collaboration** is the essence of individual action
- **Involvement** is the way we pursue our organisation goals

CULTURE

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

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 liberalisation of the economy to achieve a global presence
- Promote ecology, environmental upgradation and national heritage

PERFORMANCE HIGHLIGHTS

Gross Revenue from Operations is ₹ 3,27,580.78 Crores

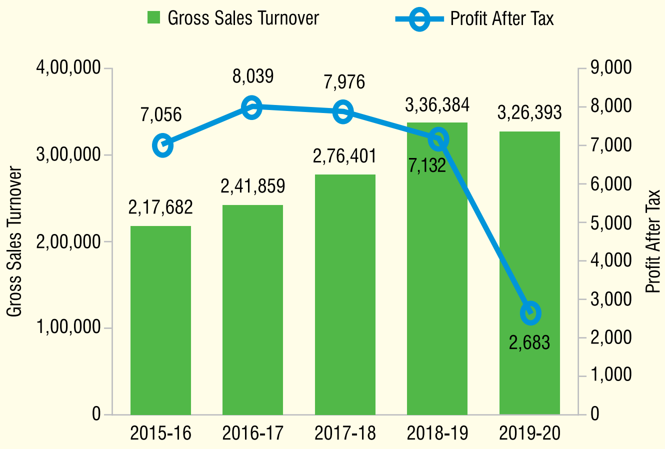
Refinery throughput increases to 31.91 MMT

Market Sales including exports surges to 45.72 MMT

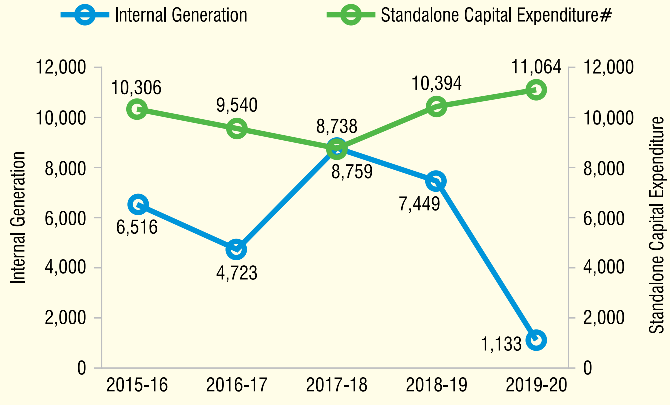
Net Profit is ₹ 2,683.19 Crores

Market Share soars to 24.52%

Gross Sales Turnover / Profit After Tax (₹ Crores)

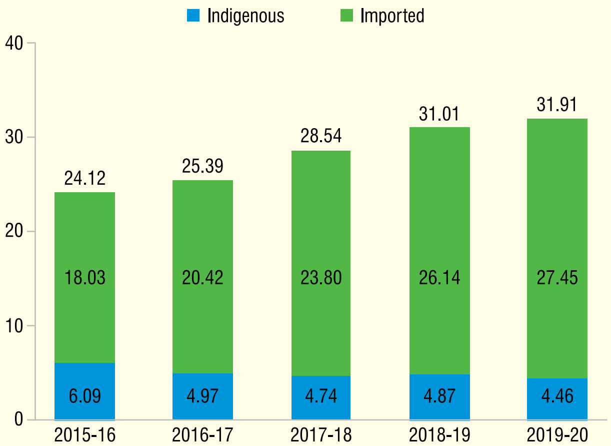


Internal Generation / Capital Expenditure (₹ Crores)

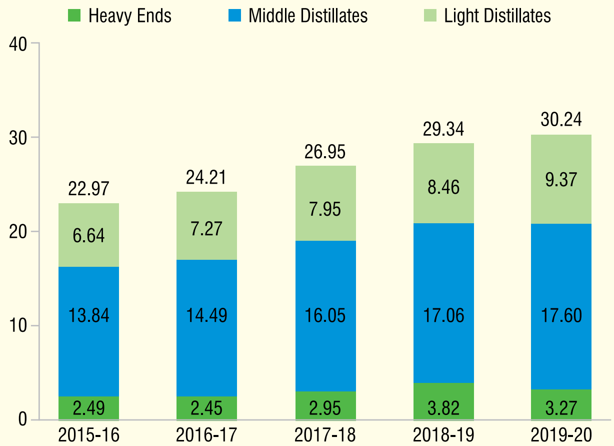


Includes investments in Subsidiaries, JVC's and Associates

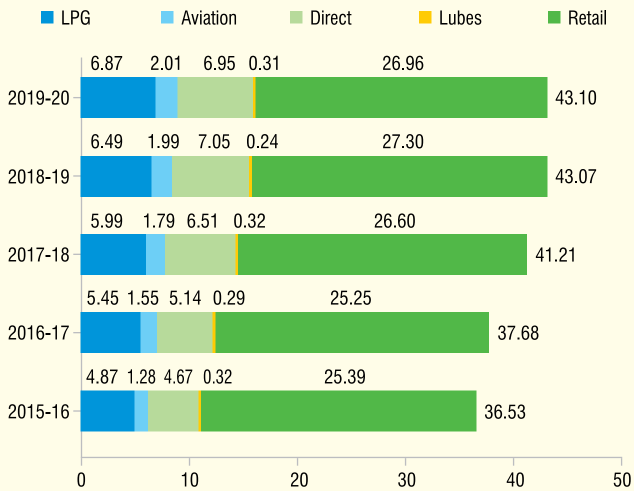
Refinery Throughput (Million Metric Tonnes)



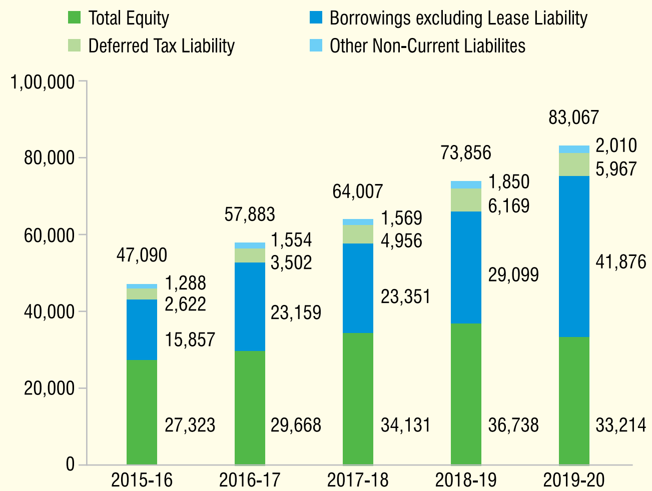
Production (Million Metric Tonnes)



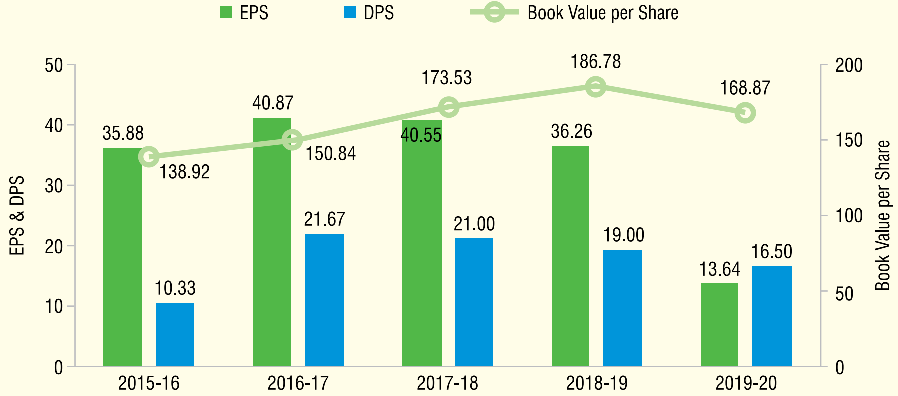
Market Sales Volume (Million Metric Tonnes)



Total Funds Employed (₹ Crores)



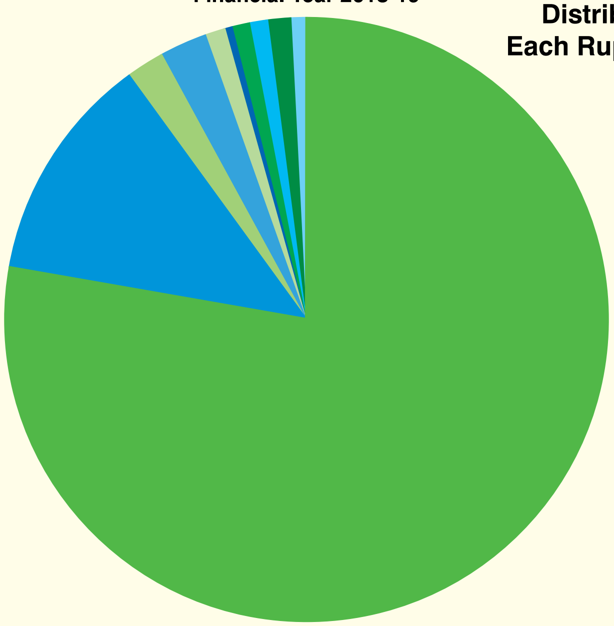
Earnings Per Share (EPS) / Dividend Per Share (DPS) / Book Value Per Share (₹)



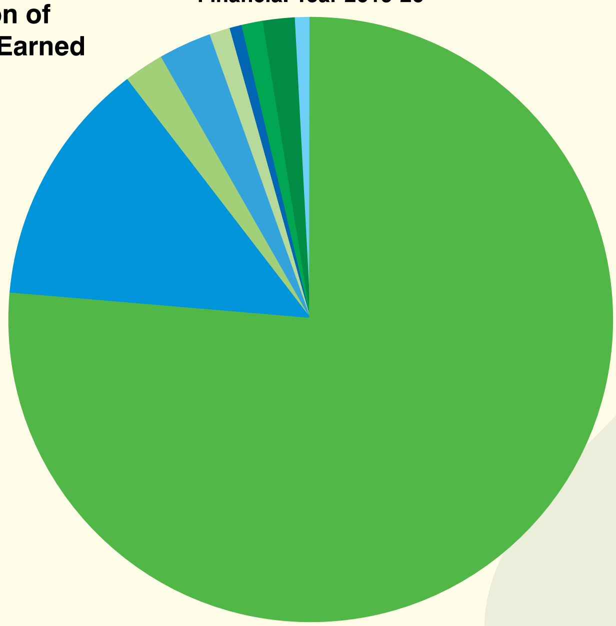
EPS, DPS & Book Value per Share for previous years have been adjusted for bonus issue

Distribution of Each Rupee Earned

Financial Year 2018-19

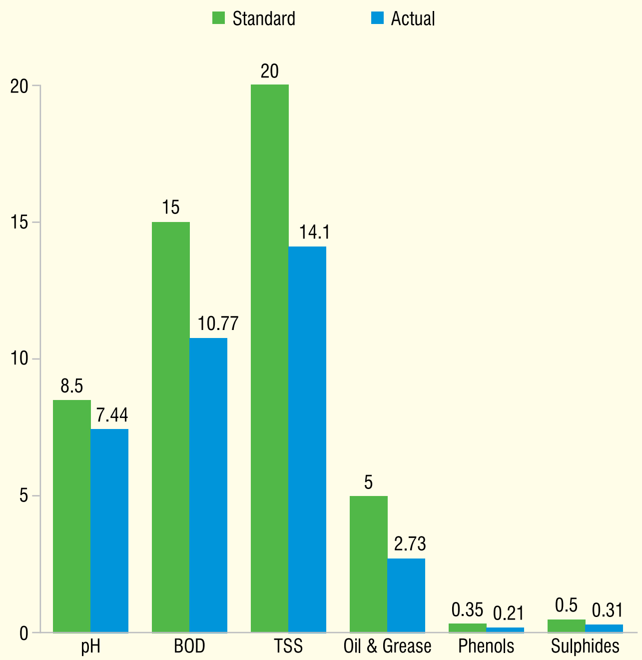


Financial Year 2019-20



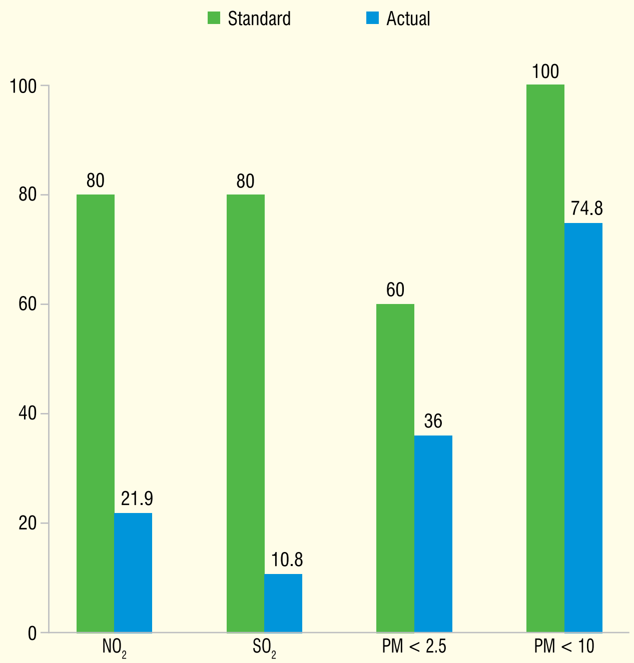
2018-19	2019-20	
77.77%	77.78%	Raw Materials, Purchase of Products for resale and packages
12.2%	13.44%	Duties, Taxes, etc.
2.03%	2.17%	Transportation
2.53%	2.88%	Other Operating Expenses
1.08%	1.12%	Employees' remuneration and other benefits
0.39%	0.66%	Finance cost
0.94%	1.15%	Depreciation & Amortisation
0.97%	0%	Income Tax
1.23%	1.74%	Dividend (Incl. Dividend Distribution Tax)
0.86%	-0.92%	Retained Earnings

Treated Effluent Water Quality vis-a-vis Statutory Standards at Mumbai Refinery



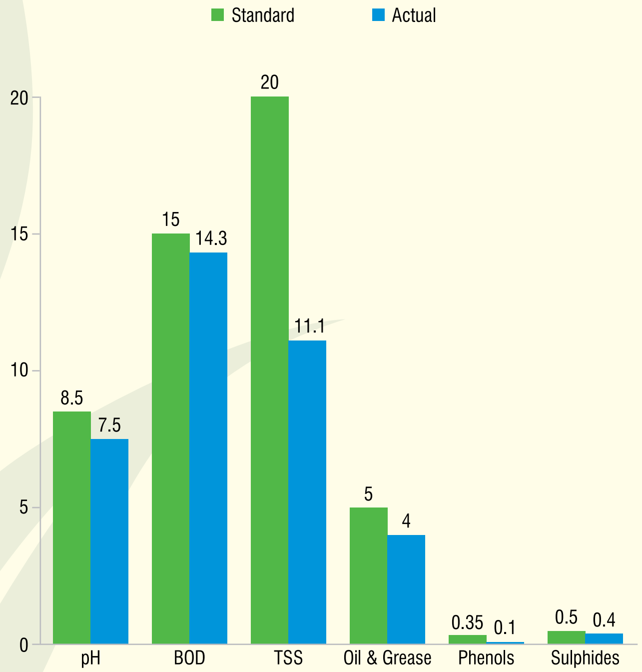
(All units are in mg / ltr. except pH)

Typical Ambient Air Quality vis-a-vis Statutory Standards at Mumbai Refinery



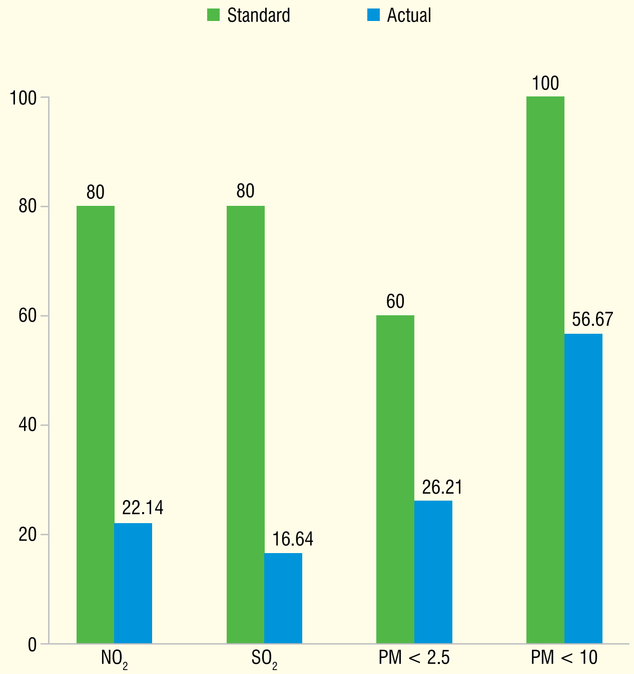
(All units are in mg / m³)

Treated Effluent Water Quality vis-a-vis Statutory Standards at Kochi Refinery



(All units are in mg / ltr. except pH)

Typical Ambient Air Quality vis-a-vis Statutory Standards at Kochi Refinery



(All units are in mg / m³)

ENERGISING THE NATION

NOTICE TO THE MEMBERS

Notice is hereby given that the 67th Annual General Meeting of the Members of Bharat Petroleum Corporation Limited ("the Company") will be held on Monday, 28th September, 2020, at 11.00 a.m. IST through Video-Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following Ordinary and Special Business:-

A. Ordinary Business

1) To receive, consider and adopt (a) the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020; and the Reports of the Board of Directors, the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon.

2) To confirm the payment of Interim Dividend on Equity Shares for the Financial Year ended 31st March, 2020.

3) To appoint a Director in place of Dr. K. Ellangovan, Director (DIN: 05272476), who retires by rotation and being eligible, offers himself for reappointment.

4) To authorize the Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2020-21 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, 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 as appointed by the Comptroller & Auditor General of India for the Financial Year 2020-21, as may be deemed fit by the Board."

B. Special Business

5) **Appointment of Shri Rajesh Aggarwal as Director**

To consider and, if thought fit, to pass the following Resolution, 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 Rajesh Aggarwal (DIN: 03566931), who was appointed by the Board of Directors as an Additional Director with effect from 8th January, 2020 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 of the Company, liable to retire by rotation."

6) **Approval of Remuneration of the Cost Auditors for the Financial Year 2020-21**

To consider and if thought fit, to pass the following Resolution, 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. R. Nanabhoy & Co., Cost Accountants, Mumbai and M/s. G.R. Kulkarni & Associates, 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, 2021 be paid the remuneration as set out below:

Name of the Cost Auditor	Activities / Location	Audit Fees
M/s. R. Nanabhoy & Co., Mumbai (Lead Auditor)	BPCL's activities where cost records are to be maintained including Refineries, products pipelines, etc. (other than Lubricants)	₹ 2,75,000/-plus applicable taxes and reimbursement of out-of-pocket expenses.
M/s. G.R. Kulkarni & Associates, Mumbai	Lube Oil Blending Plants; Wadilube; Tondiarpet; Budge-Budge and Loni	₹ 1,25,000/-plus applicable taxes 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 to take all such steps as may be necessary or expedient to give effect to this Resolution."

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

To consider and, if thought fit, to pass the following Resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the Regulation 23 and other applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Regulations"), approval of the Company be and is hereby accorded for the contracts, arrangements and transactions entered into and/or to be entered into with Bharat Oman Refineries Limited, a Related Party under Section 2(76) of the Companies Act, 2013 and the Regulations, for transfer or receipt of products, goods, materials, services or other resources and obligations for the Financial Year 2019-20 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."

8) **Approval of 'BPCL Employee Stock Purchase Scheme 2020'**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulations 3, 6 and Part B of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with Circular No. CIR/CFD/POLICY CELL/2/2015 issued by the Securities and Exchange Board of India on 16th June 2015(collectively referred to as "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary from any other authorities, if any, and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and are hereby accorded respectively to the "BPCL Employee Stock Purchase Scheme 2020" ("ESPS 2020"/ "Scheme") and the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination & Remuneration Committee or any other Committee, which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this Resolution and SEBI SBEB Regulations) to offer for purchase of fully paid-up equity shares of the Company of face value of ₹ 10 (Rupees Ten) each, to or for the benefit of permanent employees including those on deputation to the Subsidiary Company(ies), Joint Ventures, Petroleum Planning and Analysis Cell (PPAC), etc. and/or Executive/Whole-time Director(s) of the Company, and Executive / Whole-time Director(s) of its Subsidiary Company(ies) who are on lien with the Company, under the Scheme, as may be decided solely by the Board in accordance with the SEBI SBEB Regulations and other applicable laws, with authorisation to make such offers from time to time, in one or more tranches, not exceeding 4,33,85,000 (Four Crores Thirty Three Lakhs Eighty Five Thousand) equity shares in aggregate, to be acquired through an Employee Welfare Trust, namely the 'BPCL ESPS Trust' ("Trust"), to be set up by the Company by way of secondary acquisition for the purpose of holding and transferring to such eligible employees, upon their purchase, on such terms and conditions as may be determined by the Board, in accordance with the provisions of the Scheme.

RESOLVED FURTHER THAT the equity shares to be transferred as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as sub-division, consolidation of shares, rights issues, bonus issues, reorganization of capital structure of the Company and others, if there is any change in the total number of paid-up equity shares, then the above ceiling of equity shares and the purchase price payable by the eligible employees shall be deemed to be increased or decreased in line with such change in total paid-up equity shares and/or face value thereof.

RESOLVED FURTHER THAT the Company and the Trust shall conform to the accounting policies prescribed from time to time under Regulation 15 of the SEBI SBEB Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things including authorizing to appoint Merchant Banker(s) and such other appropriate agencies, if required and to sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose, including giving effect to this Resolution with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard, in conformity with the provisions of the Companies Act, 2013, SEBI SBEB Regulations, the Memorandum and Articles of Association of the Company and other applicable laws."

9) **Approval of offer of shares under the 'BPCL Employee Stock Purchase Scheme 2020' to the Executive/ Whole-time Director(s) of Subsidiary Company(ies) who are on lien with the Company**

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulations 3, 6 and Part B of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with Circular No. CIR/CFD/ POLICY CELL/2/2015 issued by the Securities and Exchange Board of India on 16th June 2015 (collectively referred to as "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary from any other authorities, if any, and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination & Remuneration Committee or any other Committee, which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this Resolution and SEBI SBEB Regulations) to offer for purchase of fully paid-up equity shares of the Company of face value of ₹ 10 (Rupees Ten) each, to or for the benefit of Executive or Whole-time Directors of the Subsidiary Company(ies) who are on lien with the Company, under the "BPCL Employee Stock Purchase Scheme 2020" ("ESPS 2020" / "Scheme") as may be decided solely by the Board in due compliance with the SEBI SBEB Regulations and other applicable laws, with authorisation to make such offers from time to time, in one or more tranches, subject to the overall ceiling of equity shares envisaged in the Scheme, and on such terms and conditions as may be determined in accordance with the provisions of the Scheme."

10) **Approval of secondary acquisition of shares through the Trust route for the implementation of the 'BPCL Employee Stock Purchase Scheme 2020'**

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulations 3, 6 and Part B of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with Circular No. CIR/CFD/ POLICY CELL/2/2015 issued by the Securities and Exchange Board of India on 16th June 2015 (collectively referred to as "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary from any other authorities, if any, and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded, authorising the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the

Nomination & Remuneration Committee or any other Committee, which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this Resolution and SEBI SBEB Regulations) to acquire, in a financial year, total number of equity shares not exceeding ceiling of 2% (two percent) of the paid-up equity share capital of the Company as at the end of the financial year immediately prior to the year in which approval is obtained for secondary acquisition, as prescribed under the SEBI SBEB Regulations, to be acquired from time to time, in one or more tranches, through an Employee Welfare Trust, namely the 'BPCL ESPS Trust ("Trust") to be set up by the Company by way of secondary acquisition for the sole purpose of implementation of the 'BPCL Employee Stock Purchase Scheme 2020' ("ESPS 2020"/ "Scheme") in due compliance with the provisions of the SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, or other reorganisation, if any, additional equity shares are required to be issued by the Company to its shareholders, the ceiling aforesaid in terms of number of equity shares intended to be purchased by the Trust from secondary acquisition shall be deemed to increase in proportion of such additional equity shares issued, to facilitate making of a fair and reasonable adjustment as per the provisions of the SEBI SBEB Regulations.

RESOLVED FURTHER THAT the Trust shall not deal in derivatives and shall undertake only delivery based transactions for the purpose of secondary acquisition as permitted under the SEBI SBEB Regulations.

RESOLVED FURTHER THAT the Trustees of the Trust shall not vote in respect of the shares acquired and held by such Trust.

RESOLVED FURTHER THAT the Trustees of the Trust shall ensure compliance of the provisions of the SEBI SBEB Regulations, Rules made under the Companies Act, 2013 and all other applicable laws at all times in connection with acquisition, holding and dealing in the shares of the Company including, but not limited to, maintenance of proper books of accounts, records and documents with appropriate disclosures as prescribed."

11) **Provision of money by the Company for purchase of its own shares by the Trust for the benefit of employees under the 'BPCL Employee Stock Purchase Scheme 2020'.**

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 67(3)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 ("SCD Rules"), Regulation 3(8) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Memorandum and Articles of Association of the Company and subject further to other such approvals, permissions and sanctions as may be necessary from any other authorities, if any, and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded, authorizing the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination & Remuneration Committee or any other Committee, which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this Resolution and SEBI SBEB Regulations) to grant loan, provide guarantee or security in connection with a loan or provide financial assistance, from time to time, in one or more tranches, subject to such other terms as may be determined by the Board, to the 'BPCL ESPS Trust' ("Trust") to be setup by the Company for purchase of fully paid-up equity shares of the Company by way of secondary acquisition in connection with implementation of the 'BPCL Employee Stock Purchase Scheme 2020' ("ESPS 2020"/ "Scheme"), by such sum of money not exceeding the ceiling as contemplated under Rule 16(1)(d) of the SCD Rules.

RESOLVED FURTHER THAT the Trust shall use the loan amount disbursed from time to time only for the purposes of the Scheme, strictly in accordance with the provisions of SEBI SBEB Regulations.

RESOLVED FURTHER THAT any loan provided by the Company shall be interest free, with the tenure of such loan based on the terms of the Scheme, and shall be repayable to the Company upon realization of proceeds on the permitted sale/ transfer of shares and any other income of the Trust.

RESOLVED FURTHER THAT subject to the broad terms above, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may at its absolute discretion deems fit, to settle any issues, questions, difficulties or doubts that may arise in this regard, including any modification in the terms of loan, without being required to seek any further consent or approval of the members and further, to execute all such documents, writings and to give such directions and/ or instructions as may be necessary or expedient."

By Order of the Board of Directors

Sd/-
(V. Kala)
Company Secretary

Place: Mumbai
Date: 5th September, 2020

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. In view of the massive outbreak of the COVID-19 pandemic, pursuant to the Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020 and Circular No. 20/2020 dated 5th May 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), physical attendance of the Members at the Annual General Meeting (AGM) venue is not required and the AGM will be held through VC or OAVM. Hence, Members can attend and participate in AGM through VC/ OAVM or view the live webcast at www.evoting.nsdl.com. In compliance of provisions of Regulation 44 (6) of SEBI Regulations, top 100 Listed Companies with Market Capitalisation are required to provide the facility of the live webcast of the proceedings of the General Meeting. Accordingly BPCL is arranging a live webcast for the members.

2. **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since the present AGM is being held through VC / OAVM pursuant to the MCA Circulars, the facility to appoint a proxy to attend and cast a vote for the Member is not available. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.**

3. Since the present AGM is being held through VC/OAVM, Proxy form, Attendance Slip and Route map are not enclosed to the notice.

4. The Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 are annexed hereto. The Board of Directors has considered and decided to include Item Nos. 5, 6, 7, 8, 9, 10 and 11 given above as Special Business in the AGM, as they are unavoidable in nature.

5. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. The presence of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations

& Disclosure Requirements) Regulations, 2015 (as amended) (Regulations), and the Circulars issued by the MCA, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using the remote e-voting system as well as the electronic voting system at the AGM will be provided by NSDL.

In line with the MCA Circular No. 17/2020 dated 13th April, 2020, the Notice convening the AGM and Annual Report will be available on the website of the Company at https://www.bharatpetroleum.com/Bharat-Petroleum-For/Investors/Shareholders-Information/Annual-Reports.aspx. The Notice and Annual Report can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and will also be available on the website of NSDL (agency for providing the remote e-voting facility) i.e. www.evoting.nsdl.com.

In terms of the MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the AGM along with the Annual Report 2019-20 is sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.

For receiving the Annual Report and all other communications from the Company electronically:

a. Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the RTA of the Company, M/s Data Software Research Co. Pvt. Ltd. email id: bpcl@dsrc-cid.in with details of folio number and attaching a self-attested copy of PAN card.

b. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

c. 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.

8. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 (both days inclusive) for the purpose of the AGM.

9. In terms of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019 except in case of requests received for transmission or transposition of securities.

10. All documents referred to in the Notice will also be available electronically for inspection during office hours without any fee by the members from the date of circulation of the Notice upto the date of AGM. Members seeking to inspect such documents can send an email to ssc@bharatpetroleum.in.

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM. Members desiring inspection of such Registers during the AGM may send their request in writing to the Company at ssc@bharatpetroleum.in.

12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, 21st September, 2020 through email on ssc@bharatpetroleum.in. The same will be replied by the Company suitably through email.

13. As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resumes of persons seeking appointment/reappointment as Directors under Item Nos. 3 and 5 of the Notice, are attached.

14. 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 from the Registrar and Transfer

Agent (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.

15. 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.

16. a) Pursuant to Section 124 and 125 of the Companies Act, 2013, 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. The unclaimed dividends for the Financial Years from 1994-95 to 2011-12 have been transferred to the said Fund, and no claim shall lie against the Company, for the amount of dividend so transferred.

    b) In terms of Section 124(6) of the Companies Act, 2013, read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. Accordingly, shares in respect of unclaimed dividend for the financial year 2011-12 have been transferred to an IEPF Demat Account. In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

    c) Members of BPCL who have not yet encashed their dividend warrant(s) for the Financial Year 2012-13 or dividend warrants(s) for any subsequent financial years are requested to make their claims without any delay to the Registrar & Share Transfer Agent/Company. It may be noted that the unclaimed amount of dividend for the Financial Year ended 31st March, 2013 becomes due for transfer to IEPF Authority on 26th October, 2020. It may please be noted that if no claim/application is received by the Company or the Company's RTA for the Financial Year 2012-13 before the said date, the Company will be compelled to transfer the underlying shares to the IEPF.

The Instructions for members for Remote E-Voting are as under :-

The remote e-voting period begins on **Thursday, 24th September, 2020, at 9:00 a.m.** and ends on **Sunday, 27th September, 2020, at 5:00 p.m.** The remote e-voting module shall be disabled by NSDL for voting thereafter.

The way to vote electronically on the NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to the NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open the web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of the e-Voting system is launched, click on the icon "Login" which is available under the 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID (CL ID) For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if your folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow the steps mentioned below:

      Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password for e-voting and for registration of e-mail ids:

      1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), by email to RTA, M/s DSRC on bpcl@dsrc-cid.in

      2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), to RTA, M/s DSRC, email id: bpcl@dsrc-cid.in

      Alternatively members may send an e-mail request to evoting@nsdl.co.in for obtaining the User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by the aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on the "Login" button.

9. After you click on the "Login" button, the Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on the NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) intending to authorize their representatives to participate and vote at the Meeting are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., to the Scrutinizer by e-mail to info@dholakia-associates.com with a copy marked to evoting@nsdl.co.in or upload on the VC portal / e-voting portal.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on the toll free no.: 1800-222-990 or send a request to NSDL at evoting@nsdl.co.in or to Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Email: pallavid@nsdl.co.in, Tel: 91 22 2499 4545

Instructions for Members for attending the AGM through VC/OAVM are as under :-

1. The Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under the Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in the Shareholders/ Members login where the EVEN of the Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for a better experience.

3. Further Members will be required to allow the camera and use the internet with good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use a stable wifi or LAN connection to mitigate any kind of aforesaid glitches.

5. The Members who would like to express their views/have questions may pre-register themselves as a speaker, by sending their request from their registered email address mentioning their name, DPID and Client ID /folio number, PAN, email id, and mobile number at bpclagm2020@bharatpetroleum.in from Sunday, 20th September 2020 to, Wednesday, 23rd September, 2020. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

The Members who need technical assistance w.r.t. VC/OAVM before or during the AGM, can contact NSDL on evoting@nsdl.co.in/1800-222-990 or contact Mr. Amit Vishal, Senior Manager, National Securities Depository Ltd., located at 'A' Wing, Trade World, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 on amitv@nsdl.co.in /022-24994360.

The Instructions for members for e-Voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.

2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend and participate at the AGM. However, they will not be eligible to vote at the AGM.

4. The Members who need technical assistance w.r.t. e-voting before or during the AGM, can contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Email: evoting@nsdl.co.in / pallavid@nsdl.co.in, Tel: 91 22 2499 4545/ 1800-222-990. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

Other Instructions:

i) 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.

ii) The Members holding shares in electronic form are therefore requested to submit the Permanent Account Number (PAN) details to their Depository Participants (DP) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to Data Software Research Company Private Limited (DSRC), Registrar and Share Transfer Agent of the Company.

iii) The voting rights 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 i.e. Monday, 21st September, 2020. 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 i.e. Monday, 21st September, 2020 only shall be entitled to avail of the facility of remote e-voting at the Annual General Meeting. A person who is not a Member as on the cut-off date, should treat the Notice for information purpose only.

iv) Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Monday, 21st September, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or bpcl@dsrc-cid.in.

v) Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.

vi) Shri Bhumitra V. Dholakia, Designated Partner (C.P. No. 507) and in his absence, Shri Nrupang B. Dholakia, Designated Partner (C.P. No.12884) from Dholakia & Associates LLP, Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

vii) The Chairman shall, at the end of the discussion on the Resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of e-voting for all those Members who have not cast their votes by availing the remote e-voting facility.

viii) The Scrutinizer will, within fifteen minutes after the conclusion of voting at the Annual General Meeting, first unblock the votes cast through remote e-voting and shall make available, not later than forty eight hours of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour of, or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of voting.

ix) 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. 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: Appointment of Shri Rajesh Aggarwal as Director

Shri Rajesh Aggarwal was appointed as an Additional Director on the Board upon nomination by the Government of India as Part-time (Government) Director, under the provisions of Article 77A of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013, effective 8th January, 2020, in accordance with the directions of the Government of India.

Shri Rajesh Aggarwal, 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 Companies Act, 2013 proposing his candidature.

Shri Rajesh Aggarwal is a senior IAS officer and holds the post of Additional Secretary & Financial Advisor in Ministry of Petroleum & Natural Gas (MoP&NG) and Ministry of Corporate Affairs, Government of India. He holds a degree of B. Tech in Computer Science & Engineering from IIT, Delhi. His brief resume containing his age, qualifications, expertise etc. is annexed herewith.

The Board of Directors, accordingly, recommends the passing of the proposed Ordinary Resolution as contained in Item No. 5 of the Notice by Members of the Company.

Shri Rajesh Aggarwal is interested in the Resolution to the extent as it concerns his appointment. None of the 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.6: Approval of Remuneration of the Cost Auditors for the Financial Year 2020-21

With the completion of cost audit for the financial year 2019-20, both existing Cost Auditors (M/s. ABK & Associates, Cost Accountants and M/s. Bandyopadhyaya Bhaumik & Co., Cost Accountants) have completed 4 years of cost audit. Hence, appointment of new Cost Auditors for the Financial Year 2020-21 in place of existing Cost Auditors was considered. The Board had approved the appointment and remuneration of M/s. R. Nanabhoy & Co., Cost Accountants and M/s G.R. Kulkarni & Associates, Cost Accountants as the Cost Auditors on 14th May, 2020 to conduct the audit of the Cost records for the Financial Year 2020-21. 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 2020-21 by way of an Ordinary Resolution is being sought from the Members as set out at Item No. 6 of the Notice.

The Board of Directors 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 have any concern or interest, financially or otherwise in passing of the said Ordinary Resolution.

Item No.7: Approval of Material Related Party Transactions

Bharat Oman Refineries Limited (BORL) was incorporated by Bharat Petroleum Corporation Limited and Oman Oil Company. The present shareholding of the Company as on 31st March, 2020 is 63.38%. BORL is a related party within the meaning of Section 2(76) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”).

In terms of the Regulations, the contracts, arrangements and transactions relating to transfer or receipt of products, goods, materials, services, other resources and obligations with BORL are material in nature, since 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, an Ordinary Resolution is proposed for adoption regarding the contracts, arrangements and transactions with BORL and the related parties shall abstain from voting on such a Resolution.

The particulars of contracts, arrangements and transactions are as under:

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

(b) Name of the Director or Key Managerial Personnel (KMP) who is related: None (other than Shri Neelakantapillai Vijayagopal to the extent of being common Board member and nominee Director of BPCL).

(c) Nature of relationship: Bharat Oman Refineries Limited (BORL) is a group company of Bharat Petroleum Corporation Limited (BPCL).

(d) Nature, Material Terms of contracts, arrangements and 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; canalising commission, demurrage, port charges, employee deputation, lease rental etc.

(e) Monetary value: The actual value of material transactions falling under Regulation 23(1) of the Listing Regulations for the Financial Year 2019-20 was ₹ 45,650.11/- Crores. The estimated value of material transactions falling under Regulation 23(1) of the Listing Regulations for the Financial Year 2020-21 is ₹ 52,962.23/- Crores. Ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company for the Financial Year 2019-20 is ₹ 32,979.71/- Crores. The annual material related party transactions exceed / may exceed ten percent of the annual consolidated turnover of the Company as per the latest audited financial statements of the Company for the respective Financial Years based on the subsisting contracts, arrangements and transactions entered into or to be entered into;

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

The Board of Directors, accordingly, recommends the passing of the proposed Ordinary Resolution as contained in Item No. 7 of the Notice by Members of the Company.

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

Item No. 8 : Approval of ‘BPCL Employee Stock Purchase Scheme 2020’ and

Item No. 9: Approval of offer of shares under the ‘BPCL Employee Stock Purchase Scheme 2020’ to the Executive/ Whole-time Director(s) of Subsidiary Company(ies) who are on lien with the Company

With the proposal of the Government of India for strategic disinvestment of its entire shareholding in the Company along with transfer of management control to the investor, the Company intends to implement an employee share based benefits scheme with the objectives of:

a) Rewarding eligible employees, in due recognition of their association and loyalty with the Company;

b) Enabling eligible employees to become co-owners, seeking alignment of their interest with that of members of the Company; and

c) Providing a share to such eligible employees in the value created in the Company over a period of time, as well as to give them an opportunity to reap value out of corporate growth in future.

Given the objectives, the Company proposes to implement an employee stock purchase scheme, namely the 'BPCL Employee Stock Purchase Scheme 2020' ("ESPS 2020"/ "Scheme"), contemplating to offer for purchase equity shares of the Company, which in aggregate for all eligible employees taken together shall not exceed 4,33,85,000 (Four Crores Thirty Three Lakhs Eighty Five Thousand) fully paid-up equity shares ("Shares") of face value of ₹ 10 (Rupees Ten) each. These Shares are proposed to be procured by way of secondary acquisition through an employee welfare trust, namely 'BPCL ESPS Trust' ("Trust") which shall also be instrumental in the general administration of the Scheme.

The quantum of Shares specified above is within the statutory ceiling of 2% (two percent) of the paid-up equity share capital of the Company as at the end of the financial year immediately prior to the year in which member's approval is sought for secondary acquisition of Shares of the Company. The Trust shall purchase the aforesaid Shares from the 'BPCL Trust for Investment in Shares' ("BPCL Investment Trust"), subject to prevailing market conditions, through the stock exchange mechanism as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, ("SEBI SBEB Regulations"). Thus, the implementation of the Scheme shall not result in any further equity dilution of the existing shareholders.

The Company shall provide necessary financial assistance by grant of a loan, provision of guarantee or security in connection with a loan to the Trust, by such sum of money which shall not exceed the ceiling, as contemplated under Regulation 3(8) of the SEBI SBEB Regulations read with Rule 16(1)(d) of the Companies (Share Capital and Debentures) Rules, 2014.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the SEBI SBEB Regulations, the Company seeks your approval for implementation of the Scheme and offer Shares thereunder to the eligible employees.

Subject to your approval and approval from any other authorities, if any, the Board of the Directors of the Company and its empowered committee, vide their respective meetings held on 4th September, 2020 have approved the proposed Scheme, features of which are specified under :

(a) Brief description of the Scheme:

The proposed Scheme seeks to reward eligible employees by way of offer of Shares at a discount, with a view to reward their association and loyalty which has resulted in corporate growth and value creation over a long period of time. The Scheme shall also be instrumental in making such eligible employees as co-owners with a mandatory lock-in period in respect of Shares offered to them, which would motivate them for ensuring higher corporate growth and creation of value for all stakeholders.

The Company shall issue the offer of purchase of Shares to the eligible employees, which may be accepted by them within the offer period. Upon acceptance of the offer, the eligible employees shall be required to make payment of the purchase price and applicable taxes within the payment window, after which the Trust shall transfer Shares to the eligible employees. The eligible employees shall have a right to sell the Shares offered under the Scheme only after expiry of the mandatory lock-in period.

The Nomination and Remuneration Committee or any other empowered committee of the Board of Directors of the Company, as constituted or reconstituted, shall act as the Compensation Committee ("Committee") for the superintendence of the Scheme; whereas the Trust shall undertake the general administration of the Scheme. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.

(b) Total number of Shares to be granted:

4,33,85,000 (Four Crores Thirty Three Lakhs Eighty Five Thousand) Shares of the Company having face value of ₹ 10 (Rupees Ten) each fully paid-up would be available for offer under the Scheme, which shall be acquired by the Trust from secondary acquisition.

As per the SEBI SBEB Regulations, in case of any corporate action(s) such as sub division, consolidation of Shares, rights issues, bonus issues, reorganization of capital structure of the Company and others, the Committee shall adjust the number of Shares available for offer and purchase price payable by the eligible employees in such a manner that the total value of Shares available for offer remain the same after any such corporate action(s).

(c) Identification of classes of employees entitled to participate in the Scheme:

The following classes of employees ("Employees"), subject to their selection as per eligibility criteria, shall be entitled to participate in the Scheme:

a) a permanent employee of the Company including those on deputation to the Subsidiary Company(ies), Joint Ventures, Petroleum Planning and Analysis Cell (PPAC) etc. working in India or out of India as on the offer date;

b) Executive or Whole-time Director/s of the Company as on offer date; and

c) Executive or Whole-time Director/s of the Subsidiary Company(ies) as on offer date, who are on lien with the Company.

However, the following personnel shall not be eligible:

a) an employee who is a promoter or belongs to the promoter group;

b) a Director who, either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company;

c) all those who are on cessation/suspension immediately prior to the offer date; and

d) any other person(s) as determined by the Committee from time to time.

(d) Appraisal process for determining the eligibility of employees under the Scheme:

Employees who have completed 5 (five) years of continued employment or service in the Company and / or employment or service in the Subsidiary Company(ies) who are on lien with the company, as on offer date are eligible under the scheme. The quantum of Shares will vary depending on the designation, level and grade.

(e) Mandatory lock-in period under the Scheme:

Shares transferred by the Trust under the Scheme shall be subject to a mandatory lock-in period of 1 (One) year from the date of transfer of such Shares. The Employees shall not be allowed to transfer, sell, hypothecate, create any charge or alienate in any other form during this lock-in period.

(f) Offer period, payment window and the process of purchase of Shares:

Once the offer is made, the eligible Employees who intend to purchase the Shares shall be required to accept such offer within the offer period or the extended offer period, as the case may be. The offer shall lapse and shall be cancelled in case an eligible Employee fails to submit the acceptance of the offer before the closure of the offer period or extended offer period.

The eligible Employees shall submit the acceptance of the offer along with an application for purchase of Shares to the Trust in such form as may be prescribed. After submission of acceptance of offer, the eligible Employees are required to make payment of the purchase price along with applicable taxes within the payment window for obtaining the Shares under offer. The Trust, after verifying the requisite details, shall proceed to transfer the Shares.

The commencement and closure dates of offer period, extended offer period and payment window, respectively, as decided by the Board, shall be specified in the offer letter to be issued to the eligible Employees.

(g) Purchase price or pricing formula:

The purchase price per Share shall be determined as per the following formula:

i. For eligible Employees who will accept the offer within the offer period, it shall not be lesser than 33.33% (Thirty Three Point Thirty Three Percent) of the Market Price prevailing as on the offer date or purchase date, whichever is lower; and

ii. For eligible Employees who will accept the offer after the expiry of the offer period but within the extended offer period, shall not be lesser than 66.67% (Sixty Six Point Six Seven Percent) of the Market Price prevailing as on the offer date or purchase date, whichever is lower.

Market price for determination of the purchase price shall be the average of the closing market price of the Share on the recognised Stock Exchange having higher trading volume during 180 (One Hundred and Eighty) days immediately preceding the offer date or purchase date, as the case may be.

(h) Maximum number of Shares to be offered per Employee and in aggregate:

The entitlement per Employee under one offer and in aggregate under the Scheme shall not exceed 9,000 (Nine Thousand) Shares.

(i) Maximum quantum of benefits to be provided per employee under the Scheme:

The Scheme does not contemplate any benefit other than offering Shares. In this context, the maximum benefit shall be the maximum number of Shares that can be offered as stated above.

(j) Whether the Scheme is to be implemented and administered directly by the Company or through a trust:

The Scheme shall be implemented and administered through the Trust.

(k) Source of acquisition of shares for the implementation of the Scheme:

The Scheme contemplates purchase of Shares through the Trust from secondary acquisition. The Trust shall purchase the Shares from the 'BPCL Investment Trust' through the stock exchange mechanism, in accordance with provisions of the SEBI SBEB Regulations.

(l) Amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms etc.:

The Company shall provide necessary financial assistance by grant of loan, provision of guarantee or security in connection with a loan to the Trust by such sum of money not exceeding the ceiling as contemplated under Rule 16(1)(d) of the Companies (Share Capital and Debentures) Rules, 2014. The loan amount may be disbursed in one or more tranches.

The loan shall be interest free with the term of the loan based on the term of the Scheme, unless repaid earlier. The loan shall be repayable to, and recoverable by, the Company from time to time, subject to realization of proceeds by the Trust upon sale/ transfer of Shares.

The Trust shall utilise the loan amount disbursed from time to time strictly for the purchase of Shares to be utilized for the purpose of the Scheme.

(m) Maximum percentage of Secondary Acquisition that can be made by the Trust for the purchase of the Shares:

The Scheme envisages that the total number of shares to be purchased by way of secondary acquisition shall not exceed 2% (two percent) of the paid-up equity share capital of the Company as at the end of the financial year immediately prior to the year in which member's approval is obtained for secondary acquisition of Shares, which is the statutory ceiling prescribed under the SEBI SBEB Regulations.

(n) Accounting and Disclosure Policies:

The Company shall follow 'IND AS 102- Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein in compliance of Regulation 15 of the SEBI SBEB Regulations.

Consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Regulation 6 of the SEBI SBEB Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Scheme.

A copy of the Scheme is available for inspection electronically during official hours on all working days till the conclusion of voting.

The Board of Directors recommends the passing of the proposed Special Resolutions nos. 8 and 9 as contained in the Notice by Members of the Company.

Item No. 10: Approval of secondary acquisition of shares through the Trust route for the implementation of the 'BPCL Employee Stock Purchase Scheme 2020'

The Company intends to implement the 'BPCL Employee Stock Purchase Scheme 2020' ("ESPS 2020"/ "Scheme") with a view to reward eligible employees as a recognition of their association/ loyalty and their role in corporate growth.

The Scheme seeks to reserve a total of 4,33,85,000 (Four Crores Thirty Three Lakhs Eighty Five Thousand) fully paid-up equity shares ("Shares") of the Company of face value of ₹ 10 (Rupees Ten) each to be purchased through secondary acquisition by the 'BPCL ESPS Trust' ("Trust") to be set up by the Company, which is within the statutory ceiling of 2% (two percent) of the paid-up equity share capital of the Company as at the end of the financial year immediately prior to the year in which member's approval is obtained for such secondary acquisition of Shares of the Company that can be purchased in any one financial year as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

The Trust shall acquire these Shares, in one or more tranches and from time to time, from the 'BPCL Investment Trust' through the Stock Exchange mechanism.

The Trust shall not deal in derivatives and shall undertake only delivery based transactions for the purpose of secondary acquisition and for the purpose of the Scheme. The Trustees of the Trust shall ensure compliance of all the relevant provisions made under the SEBI SBEB Regulations read with the Companies Act, 2013 at all times, in connection with acquisition and dealing in the Shares of the Company including, but not limited to, maintenance of proper books of accounts, records and documents along with appropriate disclosures as prescribed.

Subject to your approval and approval of any other authorities, if any, the Board of the Directors of the Company and its empowered committee, vide their respective meetings held on 4th September, 2020 have approved this proposal for use of Shares from secondary acquisition for the purposes of the Scheme.

Consent of the members is being sought by way of a Special Resolution pursuant to Regulation 6(3) of the SEBI SBEB Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned in the Resolution, except to the extent they may be lawfully offered Shares under the Scheme.

The Board of Directors recommends the passing of the proposed Special Resolution no. 10 as contained in the Notice by Members of the Company.

Item No. 11: Provision of money by the Company for purchase of its own shares by the Trust for the benefit of employees under the 'BPCL Employee Stock Purchase Scheme 2020'.

The Company intends to implement the 'BPCL Employee Stock Purchase Scheme 2020' ("ESPS 2020"/ "Scheme") with a view to reward and share the value created over a period of time in the Company with its eligible employees. The Scheme envisages use of not exceeding 4,33,85,000 (Four Crores Thirty Three Lakhs Eighty Five Thousand) fully paid-up equity shares ("Shares") of the Company of face value of ₹ 10 (Rupees Ten) each to be purchased by way of secondary acquisition by the 'BPCL ESPS Trust'. As per the extant Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), any scheme envisaging purchase of Shares by way of secondary acquisition mandatorily requires a trust route.

Accordingly, the Board of Directors of the Company, vide its Resolution passed at the meeting held on 4th September 2020 has accorded its approval to set up the 'BPCL ESPS Trust' ("Trust") with a view to implement the Scheme through this Trust. This Trust shall require loan/ financial assistance for acquisition of Shares for implementation of the Scheme. The loan may be disbursed in one or more tranches, from time to time, as per the requirement placed by the Trust. The total outstanding disbursal of loan at any time shall not exceed by such sum of money as contemplated under Regulation 3(8) of the SEBI SBEB Regulations read with Rule 16(1)(d) of the Companies (Share Capital and Debentures) Rules, 2014 ("Companies Rules").

Necessary details in this regard are provided as under:

a) The class of employees for whose benefit the Scheme is being implemented and money is being provided for purchase of Shares:

The following employees who have completed 5 (five) years of continued employment or service in the Company and/ or the Subsidiary Company(ies) with a lien on BPCL employment as on offer date shall be eligible under the Scheme for whose benefit the Scheme is being implemented and money is being provided for purchase of the shares:

i) a permanent employee of the Company including those on deputation to the Subsidiary Company(ies), Joint Ventures, Petroleum Planning and Analysis Cell (PPAC) etc. working in India or out of India as on the offer date;

ii) Executive or Whole-time Director/s of the Company as on offer date; and

iii) Executive or Whole-time Director/s of the Subsidiary Company(ies) as on offer date, who are on lien with the Company.

However, the following personnel shall not be eligible:

i) an employee who is a promoter or belongs to the promoter group;

ii) a Director who, either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company;

iii) all those who are on cessation/suspension immediately prior to the offer date; and

iv) any other person(s) as determined by the Committee from time to time.

b) The particulars of the Trustee or employees in whose favour such Shares are to be registered:

It is contemplated that one or more of the designated Trustees shall acquire and hold the Shares of the Company in due compliance of the relevant provisions of Companies Rules. The Trustees shall transfer the Shares in favour of the eligible employees after realisation of purchase price and applicable taxes.

c) The particulars of Trust and name, address, occupation and nationality of Trustees and their relationship with the Promoters, Directors or Key Managerial Personnel, if any:

The Trust to be set up shall be in the nature of an irrevocable Trust with the name 'BPCL ESPS Trust' having its principal office at 'Bharat Bhavan, P.B. No.688, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai – 400 001, Maharashtra'.

Particulars of the Trustees who shall be appointed upon establishment of the Trust:

Sl. No.	Name	Address	Occupation	Nationality
1.	Mr. P. V. Ravitej	BPCL - Refinery, Mahul, Chembur, Mumbai – 400074, Maharashtra	Company Executive	Indian
2.	Mr. G. Krishnakumar	BPCL - Bharat Bhavan, 4 & 6 Currimbhoy Road,Ballard Estate, Mumbai – 400001, Maharashtra	Company Executive	Indian
3.	Ms. Geeta Iyer	BPCL - Bharat Bhavan, 4 & 6 Currimbhoy Road,Ballard Estate, Mumbai – 400001, Maharashtra	Company Executive	Indian

The Trustees are neither Promoters, Directors nor Key Managerial Personnel of the Company, nor are they related to the Promoters, Directors or Key Managerial Personnel in their personal capacity.

d) **Any interest of Key Managerial Personnel, Directors or Promoters in such Scheme or Trust and effect thereof:**

The Promoters are not eligible to be covered under the Scheme. However, Key Managerial Personnel and Executive / Whole-time Directors will be covered under the Scheme in due compliance with the relevant Companies Rules read with SEBI SBEB Regulations.

Any Key Managerial Personnel, Director or Promoter shall not have any interest in the Trust.

e) **The detailed particulars of benefits which will accrue to the employees from the implementation of the Scheme:**

The eligible employees shall be offered Shares under the Scheme with discount from the market price as on offer date or purchase date, whichever is lower. After acceptance of offer and payment of purchase price with applicable taxes, the Trust/ Trustees shall transfer the corresponding number of Shares to the eligible employees. The eligible employees would get the benefit on sale of Shares, depending on the sale price of such Shares.

f) **The details about who would exercise and how the voting rights in respect of the Shares to be purchased/ acquired under the Scheme would be exercised:**

The Trustees shall not vote in respect of Shares held in the Trust as per the extant SEBI SBEB Regulations. In this circumstance, the voting rights can be exercised by an eligible employee only when the Shares are transferred by the Trust to them.

None of the directors or key managerial personnel of the Company or their relatives are interested or concerned in the Trust/ resolution, except to the extent of their entitlements, if any, under the Scheme.

Consent of the members is being sought by way of a Special Resolution pursuant to Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 read with Regulation 3(8) of the SEBI SBEB Regulations.

The Board of Directors recommends the passing of the proposed Special Resolution No.11 as contained in the Notice by Members of the Company.

By Order of the Board of Directors

Sd/-
(V. Kala)
Company Secretary

Place: Mumbai
Date : 5th September, 2020

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

BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE 67TH ANNUAL GENERAL MEETING IN TERMS OF REGULATION 36(3) OF LISTING REGULATIONS AND SECRETARIAL STANDARD – 2.

Name	**Dr. K. Ellangovan**	**Shri Rajesh Aggarwal**
Date of Birth	12th January 1962	12th November 1966
Date of first Appointment	20th March 2018	8th January 2020
Qualifications	IAS, PhD from IIT, Madras, MS from Bangalore Medical College	IAS, B. Tech (Computer Science & Engineering) IIT, Delhi
Experience in specific functional areas	He holds the position of Principal Secretary, (Industries), Government of Kerala. He was also Secretary, Department of Health and Family Welfare, Transport, Education, Government of Kerala. During his 28 years of service, he has held assignments in the Embassy of India in Abu Dhabi and Ministry of Overseas Indian Affairs. He was earlier Executive Director, Council for Leather Exports in the Ministry of Commerce & Industry and District Collector, Palakkad. He has also held the post of Deputy Chairman, Ports in the Ministry of Shipping.	He is Additional Secretary and Financial Advisor, Ministry of Petroleum & Natural Gas and Ministry of Corporate Affairs, Government of India. He has worked in Central Government as Joint Secretary, Department of Financial Services and Director, Jan Dhan Mission in Tribal Affairs and Skill Development & Entrepreneurship, and earlier as Director in Election Commission of India. In the State Government of Maharashtra, he has worked as IT Secretary and had various other posts. He has earlier been on the Boards of Punjab National Bank, IFCI Ltd., CDAC, etc. He has also been Chairman & Managing Director of National Insurance Company Ltd.
Directorship held in other Companies	**Chairman:** 1. Malabar Cements Ltd. 2. The Kerala Minerals and Metals Limited 3. Nitta Gelatin India Ltd. **Director:** 1. Kerala State Industrial Development Corporation Ltd. 2. INKEL Ltd. 3. Kottayam Port and Container Terminal Services Private Ltd. 4. Overseas Keralites Investment and Holding Ltd. 5. Norka-Roots (Sect 25 Company)	**Director:** 1. Oil and Natural Gas Corporation Ltd. 2. Indian Strategic Petroleum Reserves Ltd.
Membership/ Chairmanships of Audit and Stakeholders' Relationship Committees	None	**Member:** Audit Committee - BPCL
No. of Board Meetings attended during the financial year 2019-20	13	4
Relationship with other Directors & KMP	None	None
No. of shares held in BPCL	-	-

DIRECTORS' REPORT

The Board of Directors takes pleasure in presenting its Report on the performance of Bharat Petroleum Corporation Limited (BPCL) for the year ended 31st March, 2020.

PERFORMANCE OVERVIEW

Group Performance

During 2019-20, the aggregate 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 (BORL), was 38.30 Million Metric Tonnes (MMT), as compared to 36.76 MMT during 2018-19. The BPCL Group ended the year with Market Sales of 43.36 MMT, as compared to 43.30 MMT during 2018-19. During the year, the BPCL Group exported 2.66 MMT of petroleum products, as against 1.99 MMT during 2018-19.

During this Financial Year, the Group achieved Gross Revenue from Operations of ₹ 3,29,797.16 Crores, as compared to ₹ 3,40,879.15 Crores in 2018-19. The Net Profit attributable to BPCL stood at ₹ 3,055.36 Crores in 2019-20, as against ₹ 7,802.30 Crores in the previous year. The Group has recorded Earnings per Share of ₹ 15.53 in the current year, as against ₹ 39.67 in 2018-19 after setting off the Non-controlling interests.

CONSOLIDATED GROUP RESULTS	2019-20	2018-19
Physical Performance		
Refinery Throughput (MMT)	38.30	36.76
Market Sales (MMT)	43.36	43.30
Financial Performance		₹ in Crores
Gross Revenue from Operations	329,797.16	3,40,879.15
Profit before Depreciation, Finance Costs, Exceptional Items and Tax	10,278.35	17,149.77
Finance Cost	2,637.01	1,763.95
Depreciation & Amortization expense	4,080.09	3,417.77
Share of profit of equity accounted investee (net of income tax)	1,400.67	937.32
Exceptional Items (Expense)	1,310.35	-
Profit before Tax	3,651.57	12,905.37
Provision for Taxation – Current Tax	629.96	3,109.18
Provision for Taxation – Deferred Tax	(14.49)	1,367.53
Short / (Excess) provision for Taxation for earlier years	(629.68)	(99.19)
Net Profit for the year	3,665.78	8,527.85
Non-controlling interests	610.42	725.55
Net Profit attributable to BPCL	3,055.36	7,802.30
Other Comprehensive Income attributable to BPCL	599.84	(1,173.05)
Total Comprehensive Income attributable to BPCL	3,655.20	6,629.25
Group Earnings per Share attributable to BPCL (₹)	15.53	39.67

Company Standalone Performance

During the year 2019-20, the refinery throughput at BPCL's Refineries at Mumbai and Kochi was 31.91 MMT, as against 31.01 MMT achieved in 2018-19. The Market Sales of the Company grew marginally by 0.07% to 43.10 MMT in 2019-20, from 43.07 MMT in 2018-19.

COMPANY STANDALONE RESULTS	2019-20	2018-19
Physical Performance		
Refinery Throughput (MMT)	**31.91**	31.01
Market Sales (MMT)	**43.10**	43.07
Financial Performance		₹ in Crores
Gross Revenue from Operations	**327,580.78**	3,37,622.53
Profit before Depreciation, Finance Costs, Exceptional Items and Tax	**9,720.62**	14,947.86
Finance Cost	**2,181.86**	1,318.96
Depreciation & Amortization expense	**3,786.89**	3,189.28
Profit before Exceptional Items and Tax	**3,751.87**	10,439.62
Exceptional Items (Expense)	**1,080.83**	-
Profit before Tax	**2,671.04**	10,439.62
Provision for Taxation – Current Tax	**201.00**	2,079.00
Provision for Taxation – Deferred Tax	**400.68**	1,316.48
Short/(Excess) provision for taxation of earlier years	**(613.83)**	(87.88)
Net Profit for the year (A)	**2,683.19**	7,132.02
Other Comprehensive Income (OCI)	**(497.99)**	(201.60)
Total Comprehensive Income for the year	**2,185.20**	6,930.42
Opening Balance of Retained Earnings (B)	**4,997.31**	5,027.35
Amount available for disposal (A+B)	**7,680.50**	12,159.37
The Directors propose to appropriate this amount as under:		
Towards Dividend:		
Final Dividend of previous year	**1,735.40**	1,518.48
Dividend Distribution Tax on Final Dividend of previous year	**327.54**	287.98
Interim Dividend	**3,579.27**	2,386.18
Dividend Distribution Tax on Interim Dividend	**595.89**	359.97
Dividend Distribution Tax pertaining to previous years	**(4.45)**	-
For transfer to Debenture Redemption Reserve	**293.21**	295.91
For transfer to General Reserve	**-**	2,500.00
Income from BPCL Trust for Investment in Shares	**(495.81)**	(364.27)
Re-measurements of Defined Benefit Plans (Net of tax)	**185.06**	138.02
For transfer to Deferred Income on account of implementation of Ind AS 115 (Net of Tax)	**-**	39.79
Closing Balance of Retained Earnings	**1,464.39**	4,997.31
Summarized Cash Flow Statement :		
Cash Flows:		
Inflow/(Outflow) from Operating Activities	**6,357.75**	7,644.85
Inflow/(Outflow) from Investing Activities	**(9,263.97)**	(7,536.58)
Inflow/(Outflow) from Financing Activities	**2,940.22**	(87.49)
Net increase/(decrease) in cash & cash equivalents	**34.00**	20.78

BPCL's Gross Revenue from Operations for 2019-20 stood at ₹ 3,27,580.78 Crores, reflecting a decrease of 2.97% over the previous year's revenues of ₹ 3,37,622.53 Crores. The Profit before Tax for the year was ₹ 2,671.04 Crores, as compared to ₹ 10,439.62 Crores in 2018-19. After providing for Tax, (including Deferred Tax, Short/(Excess) provision for previous years) of ₹ (12.15) Crores, as against ₹ 3,307.60 Crores during the last year, the Profit after Tax for the year stood at ₹ 2,683.19 Crores, as against ₹ 7,132.02 Crores in 2018-19. Profit for the current year is lower mainly due to significant decrease in the refining margin coupled with depreciation of Indian Rupee vis-a-vis the US dollar. Internal Generation after adjusting Dividends, Depreciation and Deferred Tax during the year, was lower at ₹ 1,132.92 Crores, as against ₹ 7,449.44 Crores in 2018-19, mainly due to lower Profit after Tax and higher distribution of Dividend.

The Earnings per Share amounted to ₹ 13.64 in 2019-20, as compared to ₹ 36.26 in 2018-19. The Earnings per Share is after adjustment of BPCL Trust for Investment in Shares.

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the top five hundred listed entities shall formulate a Dividend Distribution Policy. Accordingly, a Dividend Distribution Policy has been adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of Dividend to its shareholders and/or retaining the profit into the business. The policy is enclosed as Annexure J to the Board Report and is available on the Company's website at https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx

BPCL's contribution to the exchequer by way of Taxes, Duties and Dividend during 2019-20 amounted to ₹ 97,672.88 Crores, as against ₹ 95,035.24 Crores in the previous Financial Year.

As on 31st March, 2020, BPCL's Total Equity stands at ₹ 33,214.38 Crores, as against the previous year's figure of ₹ 36,737.68 Crores.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

Globally, the outbreak of COVID-19 resulted in lockdown in many countries, including India from 25th March 2020, disrupting the economic activity and impacting the businesses across the world. Consequently, lower demand for crude oil and petroleum products affected the prices and refining margins globally. Since petroleum products are under essential services in India, the refining and marketing operations of the Company continued during the lock down period. However, due to the lock down and resultant reduction in economic activity, the revenue from operations of the Company were recorded at lower levels.

The Company continues to operate all its major business units, thus servicing its customers and meeting the demand of petroleum products in the country. Concurrent with gradual lifting of lockdown, demand for the products have gone up and the Company is confident of further improvement in demand to normal levels, upon full lifting up of the lockdown and stalibilisation of economic activity. We have assessed the potential impact of COVID-19 based on the current circumstances and we expect no significant adverse impact on the continuity of operations and business, on useful life of the assets, on financial position, etc. on a long term basis, though there may be lower revenues and refinery throughput, which may impact profitability in the near term.

Dividend

The Board of Directors has declared and distributed Interim Dividend of ₹ 16.50 per equity share (i.e. @ 165% of the paid up share capital of ₹ 2,169.25 Crores) totalling ₹ 4,175.16 Crores inclusive of ₹ 595.89 Crores for Dividend Distribution Tax during the year. The Board of Directors has not recommended any Final Dividend for the Financial Year 2019-20.

Transfer to Reserves

It is proposed to transfer ₹ 293.21 Crores to the Debenture Redemption Reserve out of the amount available in Retained Earnings and transfer ₹ 377.40 crore from the Debenture Redemption Reserve to the General Reserve on redemption of Bonds.

Disinvestment

During the year, the Government of India disinvested 69,12,370 equity shares in favour of Bharat 22 ETF (an exchange traded fund comprising of PSU stocks). Consequently, the holding of the President of India in the equity share capital was reduced to 52.98% as at 31st March, 2020 from 53.29%.

The Government of India has on 20th November, 2019 accorded in-principle approval for strategic disinvestment of Government's shareholding in BPCL excluding BPCL's shareholding in Numaligarh Refinery Limited (NRL). Further, as per the above approval, BPCL's shareholding in NRL has to be divested to a Central Public Sector

Enterprise (CPSE) operating in Oil and Gas sector along with transfer of management control. Action in this regard has been initiated.

EMPLOYEE STOCK PURCHASE SCHEME (ESPS)

The Company is proposing to introduce an Employee Stock Purchase Scheme during the ensuing year. The scheme will be framed in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (SEBI (SBEB) Regulations, 2014) and will be effective on approval of the scheme by the members of the company by way of a special resolution. In line with the SEBI (SBEB) Regulations, 2014, for the implementation of the scheme, it is proposed to form an ESPS Trust ("ESPS Trust"). ESPS Trust shall purchase the shares required to implement the scheme from the 'BPCL Trust for investment in shares' by way of secondary acquisition through the stock exchanges as per SEBI (SBEB) Regulations, 2014 and other applicable laws. The trustees of the ESPS trust, which is governed by the SEBI (SBEB) Regulations, 2014 shall not vote in respect of the shares held by such trust, so as to avoid any misuse arising out of exercising such voting rights.

Borrowings

Total Borrowings of the Corporation as at 31st March, 2020 stood at ₹ 41,875.40 Crores (excluding lease obligation as per Ind AS 116 "Lease" of ₹ 5,943.29 Crores), as against ₹ 29,099.30 Crores as at 31st March, 2019.

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 were Nil.

Capital Expenditure

Capital Expenditure during the year, including investments in Subsidiaries, JVCs and Associates amounted to ₹ 11,063.68 Crores, as compared to ₹ 10,393.53 Crores during the year 2018-19. The Capital Expenditure for the year is including Right-of-Use assets of ₹ 913.95 Crores pertaining to leases of properties entered during the year as per Ind AS 116 "Leases".

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, 2020 is annexed as Annexure E.

C&AG Audit on Other Matters: As at 31st March, 2020, there are eight pending published paras related to the C&AG audit. These relate to extension of credit facility to a defaulter company, implementation of PAHAL (DBTL) Scheme for LPG, unwarranted collection of delivery charges from RGGLV consumers on sale of cylinders on cash and carry basis, payment of stagnation relief to employees, payment towards encashment of employee leave together with employer's share of EPF contribution, payment of shift allowance to executives and payment to employees on the occasion of completion of 40 years by the Company and 50 years by Kochi Refinery, Employee Long Service Awards in contravention of DPE Guidelines. The audit objections have been suitably replied to and the same are under their review.

REFINERIES

During the year 2019-20, the refineries achieved excellent performance, registering an overall capacity utilization of over 100%. The two refineries, Mumbai and Kochi, achieved the highest ever refinery throughput of 31.91 MMT, as against the previous best of 31.01 MMT last year. BPCL achieved a Gross Refining Margin (GRM) for the year 2019-20 at USD 2.50 per barrel (₹ 4,182 Crores), as compared to USD 4.58 per barrel (₹ 7,319 Crores) realized in the year 2018-19 due to depressed cracks of High Speed Diesel (HSD), Jet Fuel/Kerosene, Fuel Oil and Naphtha. Persistent efforts in both the refineries helped to achieve significant reduction in Specific Energy Consumption to 66.0 Million British Thermal Unit per barrels per Energy Factor (MBN) in 2019-20, as compared to 68.6 MBN during the year 2018-19.

As per the International Maritime Organisation (IMO), 2020 rules on maximum Sulphur content of 0.5 wt.% in marine fuels and Government of India regulations on transportation fuels, the refineries had additional

Operating Performance of Refineries

Parameters	Mumbai Refinery		Kochi Refinery	
	2019-20	**2018-19**	**2019-20**	**2018-19**
Refinery Throughput (MMT)	**15.14**	14.78	**16.77**	16.23
Crude Oil Processed (MMT)	**15.02**	14.77	**16.52**	16.05
Capacity Utilization (%) *	**125.17**	123.08	**106.58**	103.54
GRM (USD/bbl)	**2.88**	4.92	**2.17**	4.27
GRM (in ₹ Crores)	**2,321**	3,816	**1,861**	3,503

*Capacity utilization is the percentage of the actual Crude oil processed to the installed (Design) capacity.

challenges of producing 3 new upgraded products, Very Low Sulphur Fuel Oil (VLSFO), BS-VI Motor Spirit (MS) and BS-VI High Speed Diesel (HSD). BPCL was the first company to have successfully rolled out the supply of BS-VI grade fuel across the country. The Gasoline Treatment Unit (GTU) was commissioned in Mumbai Refinery (MR), which enabled the production of 100% BS-VI MS. Heat Traced Pipelines (HTPL) were commissioned at MR and Kochi Refinery (KR) for the transportation of high pour products like High and Low Sulphur Vacuum Residue, thereby adding value to the Corporation.

MARKETING

During the year 2019-20, BPCL's market sales volume increased marginally by 0.07% to 43.10 MMT, as compared to 43.07 MMT in the previous year. BPCL's market share amongst public sector oil companies stood at 24.52% as at 31st March, 2020, as compared to 24.49% as at the end of the previous year.

A detailed discussion of the performance of the Marketing function is given in the Management Discussion & Analysis Report (MDA).

PIPELINES

BPCL owns a network of 2,241 kms of multi-product pipelines, with design capacity of 17.84 Million Metric Tonne Per Annum (MMTPA).

In the year 2019-20, Pipelines achieved a throughput of 16.99 MMTPA of petroleum products (i.e. 10.76% increase over the previous year), keenly observing safe operating procedures, nil fatality and nil lost time accident (LTA). Bina-Kota Pipeline & Cochin-Coimbatore-Karur Pipeline achieved their highest ever annual throughput of 4.21 MMT and 4.00 MMT respectively during 2019-20. All product pipelines and tankages en-route locations have been successfully converted to BS-VI grade. Petrol and Diesel continue to be the major products that the Pipelines transport. In addition, Superior Kerosene Oil (SKO), Aviation Turbine Fuel (ATF) and Liquefied Petroleum Gas (LPG) are also transported through pipelines.

MAJOR PROJECTS

Gasoline Hydro Treatment Unit (GTU) at Mumbai Refinery

The project envisages installation of Gasoline Hydro Treatment Unit (GTU) at Mumbai Refinery to produce 100% BS VI MS (Motor Spirit) in line with Government mandate to produce 100% BS VI grade MS by 1st April 2020 as per Auto Fuel Vision and Policy 2025 at a cost of ₹ 554.00 crores. The project was completed in June 2019 ahead of schedule.

Propylene Derivative Petrochemical Project (PDPP) at Kochi Refinery

The project envisages production of niche petrochemicals such as Acrylic Acid, Oxo Alcohols and Acrylates which are predominantly imported. The PDPP project marks BPCL's entry into production of niche petrochemicals utilizing Polymer Grade Propylene produced from the Petro FCCU set-up under the Integrated Refinery Expansion Project (IREP) at KR. The approved cost of the project is ₹ 5,245.96 Crores and it is under commissioning.

BS-VI Motor Spirit Block Project (MSBP) at Kochi Refinery

KR is producing BS-VI MS & HSD since November 2019. The project is conceived to maximize BS-VI MS and to minimize Naphtha production at KR. The approved project cost is ₹ 3,288.96 Crores.

The physical progress is 91.50% as on 31.03.2020. The project is scheduled for completion in March 2021.

Production of Polyols, Propylene Glycol and Mono Ethylene Glycol at Kochi Refinery

The project envisages production of value added petrochemicals with high growth rate and demand such as Polyols, Propylene Glycol and Mono Ethylene Glycol utilizing propylene and ethylene feed stock from Kochi Refinery. The preliminary cost estimate for the project is approx. ₹ 11,130.00 Crores.

The licensors for all six units and the Project Management Consultant have been finalized. The firmed up cost and time schedule will be finalized after preparation of the Front End Engineering Design (FEED).

2G Ethanol Bio-refinery at Bargarh (Odisha)

The project envisages setting up a Second Generation (2G) Bio-refinery to produce 100 Kilo Litres Per Day (KLPD) Ethanol using 400 Metric Tonne Per Day (MTPD) lignocellulosic Biomass as feedstock (rice straw / maize stalk) using indigenous technology. The 2G Ethanol produced will be used for blending in MS. The approved cost of the project is ₹ 1,607.00 Crores.

The project has achieved overall physical progress of 20.10% as on 31.03.2020 and is scheduled for completion in February 2022.

LPG Import Facility at Haldia

The project envisages setting up of a 1 MMTPA capacity LPG Import Terminal at Haldia with twin pipelines (one for Butane & the other for Propane) from the Jetty to the Terminal to meet the eastern region LPG demand.

The approved cost of the project is ₹ 1,097.54 Crores and it is under commissioning.

POL Terminal with Railway Siding at Pune

The project envisages construction of a new rail fed POL terminal at Pune with approximately 40 TKL storage tanks, 12 bay tank lorry gantry, full rake single spur railway siding and associated firefighting facilities. The approved cost of the project is ₹ 282.64 Crores.

The project has been completed in August 2020.

Coastal Terminal with Railway Siding at Krishnapatnam

The project envisages setting up of a coastal terminal and railway siding at Krishnapatnam port. The approved cost of the project is ₹ 580.20 Crores and it has achieved overall physical progress of 33.50% as on 31.03.2020.

Resitement of Raichur Depot to Gulbarga

The old Raichur Depot is proposed to be resited to Gulbarga on revised safety considerations, and it will meet the market demand from a new location in Karnataka. The approved cost of the project is ₹ 206.26 Crores.

The project has achieved overall physical progress of 45.00% as on 31.03.2020 and is scheduled for completion in December 2020.

New POL Terminal at Radhanagar, Bokaro

The old Ranchi and Dhanbad Depots are proposed to be resited to Radhanagar on revised safety considerations, and it will meet the future market demand from a new location in Jharkhand. The approved cost of the project is ₹ 248.55 Crores.

The project has achieved overall physical progress of 20.00% as on 31.03.2020 and is scheduled for completion in March 2022.

Mumbai Manmad Pipeline Re-routing

The project envisages laying of a 50 Km long 18” dia pipeline for rerouting of the Mumbai Manmad Pipeline section, construction of 3 Sectionalizing Valve stations and associated facilities. The approved cost of the project is ₹ 449.58 Crores.

The project has achieved overall physical progress of 89.10% as on 31.03.2020 and is scheduled for completion in February 2021.

Multiproduct Pipeline from Bina Dispatch Terminal to POL Terminal at Kanpur

The project envisages laying of approx. 355 Km multiproduct pipeline for a throughput of 3.5 MMTPA from Bina Dispatch Terminal to POL Terminal at Panki, Kanpur for transporting MS, HSD & SKO, augmentation of tankage at Panki Terminal, Kanpur along with the railway loading siding. The approved cost of the project is ₹ 1,524.06 Crores.

The project has achieved overall physical progress of 31.20% as on 31.03.2020 and is scheduled for completion in December 2021.

Multiproduct Pipeline from Irugur to Devangonthi

The project envisages laying of a 294 Km long 16” dia multiproduct POL cross-country pipeline from Irugur (Tamil Nadu) to Devangonthi (Karnataka). The approved cost of the project is ₹ 1,472 Crores. The Project has achieved overall physical progress of 5.2% as on 31.03.2020 and is scheduled for completion in August 2022.

RESEARCH & DEVELOPMENT (R&D)

R&D plays a vital role in the Corporation to develop disruptive technologies and provide innovative solutions to customers and stakeholders. The R&D Centres of BPCL are involved in developing cutting edge technologies, energy efficient robust processes, novel products and cleaner fuels to increase the Company’s profitability and reduce the environmental footprint.

The Corporate R&D Centre (CRDC) at Greater Noida, Uttar Pradesh and Product & Application Development Centre (P&AD) at Sewree, Mumbai are proactively involved in creating tangible and intangible benefits through research activities. CRDC works in the areas of catalyst development, biofuels, petrochemicals, process development, modelling & simulation, crude oil characterization and compatibility, corrosion studies, residue upgradation, additive development and waste utilization.

P&AD is focusing on industrial lubricant formulation development, technical services, quality assurance and the MAK Centre of Excellence. This R&D Centre is actively involved in the latest research for developing lubricants based on frontier technologies. Key focus areas have been development of new products, alternate formulations, conducting field trials and offering prompt technical service to customers and marketing functions. R&D has been actively associated with automotive majors in the country for developing genuine oils meeting their stringent in-house tests and international specifications.

The benefits derived during the year 2019-20 due to research activities have been summarized in Annexure A.

NON-CONVENTIONAL ENERGY

BPCL is steadily increasing its Renewable Energy portfolio and moving towards generating more clean energy. During the year 2019-20, BPCL commissioned 10 grid interactive solar plants in 5 installations / depots and 5 LPG plants, adding a total capacity of 4.12 MW.

BPCL is also installing hybrid solar plants in 18 Company owned large format retail outlets across India. These plants are under construction and are expected to be completed in the year 2020-21. These plants are being developed as pilot projects, where rooftop solar plants with battery storage are being installed.

Rooftop solar units were also installed in 974 retail outlets in the year 2019-20, taking the number of total solarized retail outlets to 2285.

INDUSTRIAL RELATIONS

During the year, the Industrial Relations climate was cordial and harmonious across all locations despite two strikes. BPCL continued its thrust towards maintaining industrial harmony through continuous interface & engagement with Unions and the SC/ST association with focus on increased communication, productivity enhancement and employee well-being. All organizational and employee related issues were handled with a collaborative approach and regular communication was ensured to all employees on all important issues affecting them and the Organization. The Unions and the workmen demonstrated their commitment to achieve organizational objectives through partnering in the various processes.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, BPCL accords significant importance to Corporate Social Responsibility (CSR) and it therefore forms a key part of the Company's overall vision touching the pulse of all, especially rural & tribal India. Sustainability of the initiatives is the prime motto, factoring in community needs and cultural sensitivities, in the core thrust areas of Skill Development, Education, Water Conservation, Health & Hygiene and Community Development.

Recognising its duty to the communities near and far from its businesses, BPCL has contributed in a large way to the relief and rehabilitation activities in the wake of the coronavirus pandemic, while also continuing its support to national missions like Swachh Bharat Abhiyan, Skill India and Transformation of Aspirational Districts program, to name a few.

The Corporation relies on the strong partnerships it has forged with the Government, credible not-for-profit organisations and other agencies to bring the above mentioned quality interventions to the doorsteps of those in need, across the nation.

Skill Development

Aligning with our Hon'ble Prime Minister's 'Skill India Campaign', BPCL along with other oil companies has promoted a Skill Development Institute (SDI) at Kochi to provide vocational training to deserving youth and enhance their employability / entrepreneurship, both in the Oil & Gas Industry as well as in other Industries.

This state-of-the-art campus with all the latest gadgets and equipment provides the right ambience for skilling 180 youth at a time on a fully residential model for a total of 1248 training hours spread across six months. Industrial electrician, welding, fitter- fabrication and process instrumentation are some of the courses conducted at SDI, Kochi with M/s Nettur Technical Training Foundation (NTTF), Bangalore as the training partner. SDI Kochi has so far trained and certified 755 students in 6 batches, since its inception in December 2016. It has an excellent placement track record, having placed 95% of certified students in leading companies in India and abroad.

Continuing aid to the neglected sections of society, BPCL has supported a placement-linked Vocational Training project for assimilating 792 leprosy-affected youth into mainstream society. With a variety of technical and non-formal courses offered at these Vocational Training Centres, aspirants can choose to obtain qualification in trades such as motor mechanic, diesel mechanic, welder, computer operator and programming assistant, stenographer, electrician, carpenter, tailor among others.

In a similar programme which promotes self-employment, BPCL has skilled 940 individuals, mostly women, in tailoring and hand embroidery trades in the aspirational districts of Shrawasti (UP) and Mewat (Haryana) with around 90% of the beneficiaries placed/ earning basic livelihood from these skills.

Education

Firm in the belief that children are the leaders of the future, BPCL continues its commitment to education as one of its core areas of focus under CSR. Project Akshar, being undertaken at Nandurbar in Maharashtra and Sagar in Madhya Pradesh, has transformed the way in which early-age education is perceived and imparted. More than 84,000 children have directly benefitted from this program this year.

Another such program in the education sector is the 'Computer Aided Learning' (CAL) program, which aims at providing a level-playing field to children from economically disadvantaged communities, by helping in bridging the gap of digital literacy between them and the society at large.

This year, BPCL has continued with the 7th batch of its flagship Teacher Training Program– Saksham. This project has prepared over 320 primary and upper primary teachers and headmasters from 70 schools for the evolving education paradigm, by imparting knowledge on new techniques for teaching and classroom management.

BPCL has also widely covered the infrastructural facet of education. One such project is carried out in Darrang which is an aspirational district situated in the central part of Assam. 80 additional classrooms with allied facilities in 30 identified Government Primary Schools are being constructed. They would facilitate an advantageous & safe learning atmosphere for over 10,000 students, including both boys and girls.

A new hostel block with 165 rooms for women was constructed at the Indian Institute of Science (IISc), Bengaluru where some of the brightest women students and researchers from disadvantaged sections of the community, backward regions and far-flung areas across India are admitted.

Water Conservation

Water being one of the most essential elements for living, it has been one of the ongoing areas of focus for BPCL both within and beyond the fence. Through its water conservation initiatives, collectively named "BOOND", BPCL has aimed at improving access to water for various needs including drinking, agriculture and livelihood, household needs as well as for recharging ground water reserves. The Company has taken up rejuvenation of urban water bodies as well as cleaning of semi-urban/rural water structures through a balanced combination of direct intervention, involvement of local government, 'Shramdaan' by local community and community engagement.

In an effort to re-establish ecological balance and biodiversity, BPCL undertook the cleaning of a 10 km stretch of the Ichamati river in Bengal along with the local administration of three panchayats. This initiative will help to reopen the scope for fishing, as well as provide water for cultivation and production of organic manure from the vegetation removed from the river.

Health & Hygiene

BPCL continues to contribute to the well-being of the country by reaching out to marginalised communities through the adoption of several quality health care initiatives that include both preventive and curative interventions.

The cancer care project in Darrang, an Aspirational District, entails the setting up of an affordable cancer care facility and ensuring access to cancer care, leading to early diagnosis and timely treatment that helps in improved survival rates among patients.

With focus on cancer cure, one of BPCL's major ongoing projects has been to support more than 450 underprivileged and low income cancer patients towards holistic treatment cost in six cancer hospitals across the country.

The Lifeline Express - "Hospital on a train" has contributed in reducing the burden of avoidable disability in rural communities by early identification, screening and providing medical & surgical interventions to about 20000 patients in the districts of Araria (Bihar), Dhubri (Assam) and Papum Pare (Arunachal Pradesh). The whole train, comprising nine compartments, is actually modified into a hospital and it travels to interior parts of the country to serve the local people, for whom reaching hospitals is a big issue.

Paving the way for a healthy life, several Mobile Medical Units catered largely to marginalized sections of society by providing aids & appliances, performing cataract surgeries or strengthening health facilities by supporting procurement of medical equipment or through construction of additional facilities etc.

The Company enthusiastically participated in 'Swachh Bharat Abhiyan', the flagship movement of the Government of India and received top honours from MOP&NG for an outstanding performance during the Pakhwada in July. As part of the various Swachhta Pakhwadas, BPCL undertook more than 80,000 activities within a narrow timespan of two months, combined with a total outreach of more than 10 lakhs people through various awareness initiatives.

BPCL constructed over 1400 toilets during the year which include community sanitation complexes, individual household toilets and school sanitation complexes. The Company undertook a bold step towards eliminating manual scavenging by providing robotic manhole cleaning machines to M-Ward in Mumbai, Maharashtra. The Company has also continued in its support of Swachh Iconic Places projects at Kalady, Kerala - the birthplace of Shri Adi Sankaracharya and Meenakshi Amman Temple at Madurai, Tamil Nadu.

This year has seen one of the most challenging global health crises by way of the COVID-19 pandemic and BPCL has been right there on the front-line, be it through setting up ICUs for treating COVID-19 patients, providing of Personal Protective Equipment (PPE) kits to health workers, distribution of sanitizers and face masks to the general public, as well as making available basic provisions to those in need. Along with the entire oil and gas industry, BPCL has contributed in a big way to the PM CARES Fund for the relief and rehabilitation measures.

Community Development

The Company's Community Development initiatives seek to empower individuals, groups of people and families with the resources they need to effect change within their communities. BPCL has continued to support a mega project of integrated development of communities in the district of Gadchiroli, situated in the south-eastern corner of Maharashtra which includes interventions on water harvesting, safe drinking water, sustainable livelihood program, establishment of libraries, central kitchen, treating anaemic adolescent girls by providing fortified rice etc.

BPCL has participated in the “Transforming of Aspirational Districts Program”, working in various sectors such as skill development and community development along with a special focus on healthcare, nutrition and school education. BPCL has also spread its coverage to the north-east by initiating projects in the interior and difficult terrains of Meghalaya, Mizoram and Manipur.

Mumbai Refinery has been contributing significantly to BPCL’s efforts in CSR through various programs around the refinery and pipelines. The quality education initiative of ‘Nanhi Kali’ at Palghar District provides 360-degree support to underprivileged girls studying in government schools from Grades 1 to 10. Likewise the Company contributes to making hands-on science education available to children and teachers through setting up Mini Science Centres in 20 Government Aided Schools. The Refinery is proactively working to address issues of quality healthcare through several activities like strengthening healthcare infrastructure in Government Hospitals, providing health insurance to the underprivileged and conducting free cataract surgeries for the needy.

Kochi Refinery reached out to people in the neighbourhood and beyond, through a host of CSR activities in the thrust areas of Education, Health, Skill Development and Community Development, ranging from life-saving medical equipment to much required infrastructure support. The ‘Roshni’ Learning Enhancement Project is a major annual intervention for the children of guest workers. The First Meal project provides healthy and nutritious breakfast to school students contributing to their health, intellectual capacity and enrolment in schools.

In addition to multi-specialty medical camps and support to Palliative Care Centers, one of the recurring areas of focus for Kochi Refinery has been ‘Trauma Care’. Dedicated Trauma Care Units have been completed at Ernakulam General Hospital and Koothuparambu Taluk Hospital in Kannur District. Along the same lines, BPCL has contributed in making a Marine Ambulance available for helping the distressed at sea during calamities and emergencies.

As a part of employee engagement and volunteering, BPCL staff are actively involved in value-based storytelling and conducting games to facilitate peer learning thus creating a positive environment. BPCL employees have volunteered in great numbers in the relief work during the flood and landslide affected-areas in 2019 while also being in the frontline of service during the COVID-19 pandemic, through the donation of blood, service in community kitchens and packing thousands of kits with provisions. Contribution towards nation building has always been the constant endeavour of BPCL and we strive to take it to greater heights every day. The Annual Report on CSR activities in the specified format is provided in Annexure B.

PROMOTION OF SPORTS

The year 2019-20 was quite an eventful year for BPCL sportspersons, as they continued to excel in the national and international sports arena. Ace shuttler, Saina Nehwal continues to be amongst the best Badminton players with World Ranking of No.11.

Para Badminton players, Manasi Joshi and Manoj Sarkar performed exceedingly well at the Badminton World Championship held at Basel, Switzerland. Manasi became the World Champion and Manoj won the Bronze Medal.

Ace Archer and Arjuna awardee V. Jyothi Surekha won the Gold Medal in the Mix team & Silver Medal in the Team event at the Asian Championship 2019 held at Bangkok, Thailand. She also won 2 Bronze Medals in individual and team events at the World Archery Championship 2019 held at Netherlands. Archer Atanu Das won the Silver Medal in the same Team event and booked India’s position at the Tokyo 2020 Olympic Games. Recently recruited Padma Shri Deepika Kumari also came up with a fabulous performance in the Asian Championship 2019 by winning several medals and also booking an individual quota for India at the Tokyo 2020 Olympic Games.

Newly recruited hockey player, Vivek Sagar Prasad was awarded Young Promising Player for the year 2019-20 by Federation of International Hockey (FIH). 7 of our Hockey players viz. Harmanpreet Singh, Varun Kumar, Birendra Lakra, Lalit Upadhyay, SV Sunil, Vivek Sagar Prasad and Dipsan Tirkey represented the country in several International hockey tournaments and are also part of the Indian Hockey Camp gearing up for the Tokyo 2020 Olympic Games.

5 of our Cricketers viz. Kuldeep Yadav, Manish Pandey, Shreyas Iyer, Sanju Samson and Shivam Dube represented India in International tournaments. Kuldeep Yadav was part of the Indian Cricket team for the 2019 Cricket World Cup.

Our leading Chess player and Arjuna awardee P. Harikrishna continues to be ranked amongst the best players in the world. Arjuna awardee Abhijeet Gupta won the Gold Medal in the Reykjavik Chess tournament and both Abhijeet and Harikrishna represented India in the Chess World Cup 2019 held at Russia.

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

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

SC/ST and economically backward students are encouraged by awarding scholarships to students pursuing courses in Secondary School education upto graduation level.

BPCL also complies with provisions under "The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation), Act 1995 relating to providing employment opportunities for Persons with Disabilities (PWDs). Details relating to representation of SC/ST/OBC/ Economically Weaker Sections (EWS) candidates and Persons with Disabilities are enclosed as Annexure C.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

BPCL continued to abide by the Annual Program 2019-20 issued by Department of Official Language, Ministry of Home Affairs, Government of India for diligent compliance towards implementation of Official Language across all locations. BPCL locations and offices across the country observed Hindi Fortnight/Week during the month of September, 2019 by organizing unique competitions, cultural programs and educational seminars. Notable days, milestones, projects and pledges of national importance have also been celebrated and organized in Hindi. World Hindi Day was also observed on 10th January, 2020 across all the offices of BPCL.

Various accolades have been received by the Company for implementation of official language Hindi. Eastern Regional Office, Kolkata was conferred with the 'Best office' amongst PSUs located in Kolkata under 'C' Region (as defined under Official Language Rules, 1976 framed under the provisions of Sec 8(1) of the Official Languages Act, 1963) for implementing Official Language by Town Official Language Implementation Committee, Kolkata.

The Company has also put in a place an attractive Hindi incentive scheme for employees to enhance and encourage the usage of Hindi in the daily activities of offices/locations. As a part of encouraging employees' children for promoting Hindi, children were given Official Language Prizes for scoring more than 60% marks in Hindi subject in class 10th and 12th. Hindi Training and Workshops on various topics were organized on an all India basis for imparting enhanced and important techniques of compliance.

CITIZEN'S CHARTER, PUBLIC GRIEVANCE REDRESSAL (PG) & CUSTOMER CARE SYSTEM (CCS) & RIGHT TO INFORMATION (RTI)

BPCL constantly strives towards excellence by setting up new benchmarks in customer service standards, thereby providing customers with an enriching experience. 'Customer Centricity' is a cardinal policy followed by BPCL; therefore, customers and their satisfaction are essential aspects of its business process.

BPCL believes in focusing on the redressal of customer complaints as a significant step to success. Consequently, the Company has fixed standards at every touch point, encompassing the Citizen's Charter, Public Grievance Redressal (PG) and Customer Care System (CCS).

Citizen's Charter

The Citizen's Charter enshrines trust between BPCL and its customers. BPCL remains focused on providing improved quality of services. The Citizen's Charter published by BPCL, which is available on the Company's Website, specifies customer rights with respect to standards, quality and time-frame for service delivery. This also provides insights into the range of products and services offered to customers and gives an overview of the marketing activities of the Company, highlighting the policy guidelines and processes on marketing of petroleum products.

Public Grievance Redressal (PG)

The Public Grievance Redressal framework in BPCL transcends across business units and is a well established online mechanism for receipt, escalation and timely and effective closure of all public complaints. The complaints resolution is continuously monitored from the Corporate Office through the Centralized Public Grievance Redress and Monitoring System (CPGRAMS). It is an online web-enabled system, (https://www.pgportal.gov.in/), developed by National Informatics Centre (NIC) and Department of Administrative Reforms and Public Grievances (DARPG).

To ensure prompt and qualitative closure, the operation takes place on a well-established online network. In the year 2019-20, BPCL redressed and closed 5,243 out of 5,336 grievances, with an average disposal time of 13 days, as opposed to the norm of 30 days disposal.

Customer Care System (CCS)

The Customer Care System (CCS) administered by BPCL is a centralized portal that enables customers to register their suggestions, complaints and feedback. CCS ensures that customers' queries get heard and addressed. Branded as "SmartLine", CCS is equipped with a toll-free number 1800 22 4344. "Ek Call, Sab Solve" is a one-stop solution for customers to resolve their grievances. It has an inbuilt escalation matrix that allows tracking of every interaction. CCS also maintains a record of feedback from customers in order to provide assistance as well as enhance service standards.

Right to Information (RTI)

The RTI Act came into force effective 2005 and BPCL has effectively implemented the same from the beginning. The Company complies with all the requirements of the RTI Act, 2005. Along with the physical RTI applications, BPCL also receives online applications and addresses them through the unified RTI portal of the Government of India at www.rtionline.gov.in.

For better understanding, BPCL's website, www.bharatpetroleum.in publishes a separate section that is explicitly designated to RTI. Suo Motu disclosure under section 4(1) (b) is updated regularly.

Officers from different business units and departments have been designated as Central Public Information Officers (CPIOs) and First Appellate Authorities (FAAs) to handle the RTI requests received from Indian citizens. In order to effectively respond to the RTI queries and appeals addressed to BPCL, the Company currently has 49 CPIOs and 12 FAAs, who are positioned across the country, covering major Business Units like Retail, LPG, Aviation, Mumbai Refinery, Kochi Refinery, and Entities like HR and International Trade.

BPCL received 4,052 RTI queries and 569 appeals in the year 2019- 20. All the RTI queries and appeals were replied on time. BPCL since 2005 has successfully handled 41,386 RTI applications, 5913 first appeals, and 972 second appeals that were addressed to Central Information Commission (CIC).

PUBLIC PROCUREMENT : MICRO & SMALL ENTERPRISES

During the year 2019-20, Central Procurement Organisation (Marketing) procured goods worth ₹ 7,752 Crores (100% e-tendering). As an initiative towards Digital India, a new process of receiving digitally signed invoices and issuance of digitally signed Purchase Orders was introduced. BPCL procured goods worth ₹ 16 Crores through Government e-Marketplace (GeM), up from ₹ 1 crore procured in the previous year.

BPCL fully abides by the Public Procurement Policy for MSEs Order 2012 and its amendment of November 2018. All the high value tenders at BPCL were through the press tender route. The General Conditions of Contract (GCC) and General Purchase Conditions (GPC) of press tenders have the purchase preference clause for MSEs.

During the year 2019-20, the procurement value for BPCL for Goods and Services, excluding Works Contracts, where MSEs could have participated was ₹ 8754.81 Crores and the actual procurement value from MSEs was ₹ 2,585.36 Crores, i.e., an achievement of 29.53%, which is more than the target of 25%.

BPCL conducted a Vendor Development Program exclusively for MSE-SC/ST Vendors at Chennai, wherein over 100 vendors participated. BPCL teams participated in 9 Vendor Development Programs cum Exhibitions conducted by MSME-DI (Micro, Small and Medium Enterprises-Development Institute), National Small Industries Corporation (NSIC) at Mumbai, Pune, Aurangabad, Delhi, etc.

BPCL offered Trades Receivable Discounting Scheme (TReDS) to its MSE Vendors. This facility was availed by MSE Vendors and over 1,940 invoices valued at ₹ 102 Crores were discounted.

VIGILANCE

Vigilance in BPCL is committed to nurture and facilitate the highest level of ethical standards in the Organization. Team Vigilance focuses on proactive and preventive efforts to promote good governance and transparency in all business processes in the Organization.

As a part of preventive vigilance activities, Vigilance officials, during their visits to various locations, guided the officers and staff on the relevant procedures and guidelines. Further, surprise inspections were conducted at 158 locations, 238 retail outlets and 123 LPG distributorships from time to time during the year. Based on the outcome of these inspections, administrative actions and system improvements were initiated. Detailed inspections of major projects were also undertaken and observations with specific recommendations were made available to the concerned departments.

Vigilance Awareness Week with the theme 'Integrity - a way of life' was observed across the country from

29th October to 3rd November, 2019. During the week, a variety of programs were carried out across the country to spread the theme and bring awareness amongst the stakeholders.

In the knowledge gaining initiative, Team Vigilance successfully participated in a 3 day certification program on the subject of "Psychological Methods of Investigation" at the Gujarat Forensic Sciences University (GSFU), Gandhinagar, Gujarat.

During the year, with the purpose of safeguarding the interests of stakeholders, Vigilance took timely action in concluding complaints as per the guidelines provided by the Central Vigilance Commission. A summary of investigative complaints handled by Vigilance during the Financial Year 2019-20 are given below:-

Opening Balance (as on 01.04.2019)	Received during the Year	Total	Disposed during the Year	Closing Balance (as on 31.03.2020)
57	37	94	35	59

The above complaints broadly cover issues like selection of Retail Outlet dealers, LPG Distributors and irregularities in Retail Outlets/LPG Distributorships, lapses in the tendering process, etc.

The tenth edition of the Vigilance magazine, 'Vigilance Plus' was released. It had articles on good governance, ethics and values, experiences of individuals, poems and highlights of the activities conducted during the year.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

BPCL had 4 subsidiaries and 22 Joint Venture Companies and Associate Companies at the beginning of the year. During the year, a Joint Venture company IHB Pvt. Ltd. was incorporated. Apart from this, subsequent to conversion of warrants of ₹ 650 Crores in Bharat Oman Refineries Limited (BORL) into equity shares in March, 2020 the Company's shareholding in BORL increased from existing 50% to 63.38% on 31st March 2020.

A separate statement containing the salient features of the financial statements of Subsidiaries/ Associates/ Joint Venture Companies in Form AOC-1 pursuant to provisions of Section 129 (3) of the Act, is attached alongwith 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://www.bharatpetroleum.com/about-bpcl/our-policies.aspx

BPCL SUBSIDIARY COMPANIES

NUMALIGARH REFINERY LIMITED (NRL)

NRL was incorporated in 1993 with an authorized share capital of ₹ 1,000 Crores. As on 31st March, 2020, the authorised capital has been increased to ₹ 5,000 Crores. NRL is a Category I Mini Ratna CPSE and has 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 product. NRL also has a 42 TMTPA LPG Bottling Plant at Numaligarh. The Company is going in for the capacity expansion of Numaligarh Refinery from 3 MMTPA to 9 MMTPA. Government approvals for the same have been obtained and necessary activities have started. Environment clearance for the project has been received in July 2020.

As on 31st March, 2020, the paid up capital of NRL was ₹ 735.63 Crores, of which BPCL holds 61.65%. During 2019-20, NRL crude throughput was 2.38 MMT, as compared to 2.90 MMT in the previous year. The Revenue from Operations (net of excise duty) was ₹ 12,045.23 Crores for the year ending 31st March, 2020, as compared to ₹ 16,205.07 Crores in the previous year. The company's consolidated profit after tax for the year stood at ₹ 1,533.45 Crores, as against profit of ₹ 1,980.28 Crores in the previous year. The consolidated earnings per share (EPS) for the year 2019-20 was ₹ 20.85, as compared to ₹ 26.92 in 2018-19. Dividend of ₹ 15.00 per fully paid equity share of ₹ 10/- each has been paid during 2019-20, as compared to ₹ 17.00 per share in the previous year. NRL had a total equity of ₹ 5,392.00 Crores as at 31st March, 2020.

NRL has 4 Joint Venture companies. Brahmaputra Cracker and Polymer Ltd., a CPSE under the Department of Chemicals & Petrochemicals, Government of India, is a petrochemical based company located in Dibrugarh district of Assam. They started operations in January 2016 and NRL holds 10% equity share in this company. DNP Limited is a Joint Venture between Assam Gas Company Limited (51%), NRL (26%) and Oil India Limited (OIL) (23%) for transportation of Natural Gas to Numaligarh Refinery through pipeline. During the year 2019-20, DNP Limited transported 268.66 Million Metric

Standard Cubic Meter (MMSCM) of Natural Gas and had a revenue of ₹ 87.96 Crore. The third JV, Assam Bio Refinery Private Limited (ABRPL) was incorporated in 2018-19, where NRL has 50% equity shares and balance 50% equity shares are held by Fortum and Chempolis Oy of Finland. ABRPL has started construction of a bio-refinery plant at Numaligarh. The fourth JV, Indradhanush Gas Grid Limited (IGGL) was incorporated in 2018-19. NRL has 20% equity along with Oil and Natural Gas Corporation Limited (ONGC), GAIL (India) Limited (GAIL), Indian Oil Corporation Limited (IOCL) and OIL. IGGL is implementing the North East Gas Grid project.

BHARAT PETRORESOURCES LIMITED (BPRL)

BPRL was incorporated in October 2006, as a 100% subsidiary of BPCL, to cater to the upstream activities of BPCL. As on 31st March, 2020, BPCL's investment is ₹ 5,000 Crores in equity. In addition to this, BPCL has given a loan of ₹ 2,950 Crores to BPRL. BPRL has recorded a consolidated income of ₹ 131.09 Crores and a consolidated loss of ₹ 301.74 Crores for the Financial Year ending 31st March, 2020, as against a consolidated income of ₹ 180.63 Crores and consolidated loss of ₹ 95.69 Crores in the previous year.

BPRL has Participating Interest (PI) in 27 blocks, of which 15 are located in India and 12 overseas, along with equity stake in two Russian entities holding the licence to four producing blocks in Russia. Seven of the fifteen blocks in India were acquired under different rounds of New Exploration Licensing Policy (NELP), five blocks were awarded under Discovered Small Fields Bid Round I and three blocks were awarded under the Open Acreage Licensing Policy Bid Round I. Out of twelve overseas blocks, five are in Brazil, two in United Arab Emirates and one each in Mozambique, Indonesia, Australia, Israel and Timor Leste. The blocks of BPRL are in various stages of exploration, appraisal, pre-development and production. The total acreage held by BPRL and its subsidiaries is around 32,304 km^2 of which approximately 57% is offshore. BPRL and its consortia have 26 exploration discoveries in respect of blocks held in five countries i.e. Brazil, Mozambique, Indonesia, Australia and India.

During the year 2019-20, the Final Investment Decision (FID) for development of 2x6.44 MMTPA LNG Project in Mozambique was announced on 18th June, 2019 and the project has entered the construction phase.

BPRL, through its JV Urja Bharat Pte. Limited (UBPL) opened an office in Abu Dhabi for the Onshore Block 1 concession as Operator and the activities towards fulfilment of Minimum Work Programme have commenced.

In the year 2019-20, BPCL Group refineries have lifted 5.1 Million barrels out of BPRL's share of equity crude oil from the Lower Zakum asset, wherein the consortium of BPRL, ONGC Videsh Ltd. and IOCL has 10% PI.

Extended Well Testing commenced in the BM-SEAL-11 concession, which is the first to be carried out in ultra-deep waters in the Northeast Brazil offshore.

In respect of the Indian block, production continued from the block CY-ONN-2002/2 located in Cauvery basin, Tamil Nadu with BPRL's share of production being 2,64,000 barrels and development activities progressed in BPRL's NELP IX operated block, CB-ONN-2010/8 located in Cambay basin, Gujarat.

BPRL farmed into 2 OALP blocks – one each in Cauvery Basin (40% PI) and Assam-Arakan Basin (10% PI) as non-operator with ONGC and OIL; and farmed out 40% PI to ONGC in its OALP I Operated Block in Cambay Basin.

The PI in respect of blocks in India, Israel and Australia are held directly by BPRL. The PI in the block in Timor Leste is held by BPRL's wholly owned subsidiary company in India, i.e. Bharat PetroResources JPDA Limited. PI in respect of blocks in Brazil, Mozambique, Indonesia and UAE and equity stake in two Russian entities are held through various step down wholly owned subsidiaries/ JVs of the wholly owned subsidiaries located in the Netherlands and Singapore. A detailed discussion on the blocks is given in the MDA.

BHARAT GAS RESOURCES LIMITED (BGRL)

BGRL, a wholly owned subsidiary of BPCL for handling the Natural Gas business, was incorporated in June 2018.

During the year 2019-20, BGRL has completed the Financial Closure submission to PNGRB with respect to 13 Geographical Areas authorised to BGRL under round 9 and round 10 of City Gas Distribution (CGD) bidding. These CGD projects have been progressing in full swing in terms of project implementation activities and capital expenditure of ₹ 226 Crores was incurred during the year with capital commitments of ₹ 338 Crores as on 31st March, 2020. BGRL is also planning to put up a LNG Regasification Terminal along the east coast of India. The detailed feasibility study for the same has been carried out.

BHARAT OMAN REFINERIES LIMITED (BORL)

BORL was incorporated in 1994 as a Joint Venture between BPCL and OQ S.A.O.C (formerly known as Oman Oil Company S.A.O.C). During the year under review, BPCL has increased its stake in the company by conversion of Warrants into Shares, raising its stake from 50% to 63.38%. As on 31st March, 2020, it had authorized share capital of ₹ 7,000 Crores and paid up equity share capital of ₹ 2,426.83 Crores. The current holding of OQ is 36.62%. BPCL has given a loan of ₹ 1,254.10 Crores and subscribed to Share Warrants of ₹ 935.68 Crores. Further, the State of Madhya Pradesh has also subscribed to ₹ 26.90 Crores of Share Warrants in BORL. BPCL has also subscribed to Zero Percent Compulsorily Convertible Debentures of ₹ 1,000 Crores.

Crude oil intake during the year 2019-20 was 7,913 TMT with average capacity utilization of 95%. The company has reported Revenue from Operations of ₹ 41,940.96 Crores in the Financial Year ended as on 31st March, 2020, as compared to ₹ 31,597.59 Crores recorded in the previous financial year. The net loss for the year 2019-20 stood at ₹ 803.50 Crores due to unprecedented circumstances arising due to outbreak of COVID-19, as compared to profit of ₹ 106.71 Crores in the previous year. The Basic EPS for the year stood at ₹ (2.35) as against ₹ 0.31in 2018-19.

BPCL-KIAL FUEL FARM PRIVATE LIMITED (BKFFPL)

BKFFPL was incorporated in May 2015 with an equity participation of 74% by BPCL & 26% by Kannur International Airport Limited. The company was formed to design, construct, commission and operate the Fuel Farm at Kannur International Airport for the supply of ATF on an exclusive basis. The Fuel Farm started operating from December 2018 onwards along with the commissioning of Kannur International Airport. As on 31st March, 2020, the authorized capital of the company is ₹ 50 Crores and paid up capital is ₹ 9 Crores. During the year 2019-20, the fuel throughput was 44,882 KL. The company earned a revenue of ₹ 8.54 Crores in the Financial Year 2019-20 and loss during the period is ₹ 1.97 Crores.

In respect of BORL and BKFFPL, these companies are being managed under joint control mechanism, hence in the consolidated financial statements of the group, the financials of these companies have been consolidated as joint ventures as per the requirements of IND AS accounting standards.

BPCL JOINT VENTURE COMPANIES AND ASSOCIATES

PETRONET LNG LIMITED (PLL)

PLL was formed in April 1998 for importing LNG and setting up a LNG terminal with facilities like jetty, storage, regasification etc. to supply natural gas to various industries in the country. The company has an authorised capital of ₹ 3,000 Crores and paid up capital of ₹ 1,500 Crores. PLL was promoted by four public sector companies viz. BPCL, IOCL, ONGC and GAIL. Each of the promoters holds 12.5% of the equity capital of PLL. BPCL's equity investment in PLL currently stands at ₹ 98.75 Crores. PLL recorded Revenue from Operations of ₹ 35,452.00 Crores during 2019-20 as compared to ₹ 38,395.43 Crores recorded in 2018-19. The net profit for the year stood at ₹ 2,703.35 Crores, as compared to ₹ 2,230.56 Crores in the previous year. The EPS for the year 2019-20 is ₹ 18.02, as compared to ₹ 14.87 in 2018-19. During the year 2019-20, PLL has paid a special interim dividend of ₹ 5.50 per share and has recommended final dividend of ₹ 7.00 per share.

INDRAPRASTHA GAS LIMITED (IGL)

IGL is a Joint Venture Company promoted by BPCL and GAIL and set up in December 1998. Today, IGL is a leading CGD company in India, supplying natural gas to transport, domestic, commercial and industrial consumers. The operations of IGL spread over NCT of Delhi, Noida & Greater Noida, Ghaziabad & Hapur, Gurugram, Meerut (except area already authorized), Shamli, Muzaffarnagar, Karnal and Rewari. The company is also setting up a CGD network in the Geographical Areas of Kanpur (except areas already authorized)-Hamirpur-Fatehpur districts, Kaithal district, and Ajmer-Pali & Rajsamand districts. IGL also holds 50% of equity in M/s Central UP Gas Limited, Kanpur & M/s. Maharashtra Natural Gas Limited, Pune, Joint Venture Companies promoted by BPCL and GAIL.

The paid up share capital of IGL is ₹ 140 Crores. BPCL had invested ₹ 31.50 Crores for 22.5% stake in its equity. During the year 2019-20, IGL showed robust growth both in financial and operational numbers. The company added 55 new Compressed Natural Gas (CNG) stations and 2.72 lakhs new Piped Natural Gas (PNG) domestic connections. As on 31st March, 2020, IGL had 555 CNG stations and 13.74 lakhs PNG domestic connections.

IGL has registered Revenue from Operations of ₹ 7,165.49 Crores and Profit After Tax of ₹ 1,248.99 Crores for the year ending 31st March, 2020, as compared to Revenue from Operations of ₹ 6,361.87 Crores and Profit After Tax of ₹ 842.10 Crores in the previous year. The EPS for the year stood at ₹ 17.84, as against ₹ 12.03 in the year 2018-19. IGL Board has recommended a dividend of ₹ 2.80 per share (face value of ₹ 2 each) for the year ending 31st March, 2020, as against a dividend of ₹ 2.40 per share (face value of ₹ 2 each) in the previous year.

SABARMATI GAS LIMITED (SGL)

SGL, a Joint Venture Company promoted by BPCL and Gujarat State Petroleum Corporation (GSPC), was incorporated in June 2006 with an authorized capital of ₹ 100 Crores for implementing the City Gas Distribution project for supply of CNG to the household, automobile, industrial and commercial sectors in the districts of Gandhinagar, Mehsana, Aravali, Sabarkantha and Patan of Gujarat. The paid up share capital of the company is ₹ 20 Crores. As at 31st March, 2020, BPCL has a stake of 49.94% in the equity capital of SGL. SGL has set up 105 CNG stations and is supplying PNG (Domestic) to 1,89,333 customers. During the year 2019-20, SGL has commissioned 2 COCO CNG stations located at Gandhinagar and Modasa. Franchisee CNG concept has been introduced for the first time in SGL. During the year 2019-20, SGL has commissioned 2 Franchisee CNG stations and 5 CNG stations have been commissioned under the State Government's "CNG Sahabhagi Yojna". SGL has achieved turnover of ₹ 1,179.11 Crores and a net profit of ₹ 129.21 Crores for the financial year ending 31st March, 2020, as against ₹ 1,122.57 Crores and ₹ 100.47 Crores respectively for the previous year. The EPS for the year stood at ₹ 64.56, as against ₹ 50.22 in 2018-19. The company has recommended a dividend of ₹ 4.50 per share for the year ending 31st March, 2020, as against ₹ 3.25 per share in the previous year.

CENTRAL UP GAS LIMITED (CUGL)

CUGL is a Joint Venture Company set up in February 2005 with GAIL as the other partner for implementing projects for supply of CNG to the automobile sector and PNG to the household, industrial and commercial sectors in Kanpur (including parts of Unnao district), Bareilly and Jhansi 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, the balance 50% being held by IGL. CUGL has set up 47 CNG stations. CUGL has achieved Revenue from Operations of ₹ 345.33 Crores and net profit of ₹ 73.64 Crores for the year ending 31st March, 2020, as against ₹ 328.03 Crores and ₹ 52.11 Crores respectively for the previous year. The EPS for the year stood at ₹ 12.27, as against ₹ 8.68 in 2018-19.

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, commercial and automobile sectors in Pune and its nearby areas. MNGL, while strengthening its roots in the existing authorized Geographical Area(GA) covering Pune and adjoining areas, is also on its way to expand the CGD network in Nasik GA (Nasik, Dhule & part of Valsad), Sindhudurg GA in Maharashtra and Ramanagara GA in the state of Karnataka, which were awarded by the PNGRB under the 9th CGD bidding round. 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 Maharashtra Government, had taken 5% equity in June 2015; the balance 50% is held by IGL, a BPCL Joint Venture Company.

MNGL was awarded as "City Gas Distribution Growing Company of the Year 2019", one of the prestigious National Awards of the country in the Oil & Gas sector by Federation of Indian Petroleum Industry (FIPI). Besides this, the company has achieved two milestones in year 2019-20. Firstly, crossing a turnover of ₹ 1,000 Crores and secondly, achieving sales of 1 MMSCMD. MNGL has achieved Revenue from Operations of ₹ 1,074.45 Crores and profit of ₹ 223.33 Crores for the year ending 31st March, 2020, as against Revenue of ₹ 901.63 Crores and profit of ₹ 142.65 Crores respectively in the previous year. The EPS for the year 2019-20 stood at ₹ 22.33, as against ₹ 14.27 in 2018-19. The MNGL Board has recommended a dividend of ₹ 6.00 per share for the year ending 31st March, 2020, as against a dividend of ₹ 2.64 per share in the previous year.

HARIDWAR NATURAL GAS PRIVATE LIMITED (HNGPL)

BPCL has signed a Joint Venture Agreement with GAIL Gas Limited for implementation of a City Gas Distribution Project in the geographical area of Haridwar and formed a Joint Venture Company, Haridwar Natural Gas Pvt Ltd. on a 50:50 basis. HNGPL was incorporated in April 2016 with an authorised share capital of ₹ 45 Crores. As on 31st March, 2020, the promoters have infused ₹ 22.20 Crores each towards equity contribution. The project cost for the first five years is approx. ₹ 148 Crores, which will be funded through a debt equity of 70:30.

GOA NATURAL GAS PRIVATE LIMITED (GNGPL)

GNGPL was incorporated in January 2017 as a Joint Venture Company with GAIL Gas Limited on a 50:50 basis for implementation of a City Gas Distribution Project in the geographical area of North Goa. The authorised share capital of the company is ₹ 50 Crores and as on 31st March, 2020 the promoters have infused ₹ 17.50 Crores each towards equity contribution. The project cost for the first five years is approx. ₹ 119 Crores, which is being funded through a debt equity of 70:30.

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 (ITP) fuelling services at open access airports in India. 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 has also incorporated a wholly owned subsidiary viz. Bharat Stars Services Pvt. (Delhi) Ltd. for implementing ITP Fuelling services exclusively at the new T3 Terminal of Delhi International Airport. BSSPL is presently providing ITP Services at three open access airports viz. Bengaluru, Mumbai & Delhi T3. It also manages operations at Aviation Stations for other oil companies in India. The company is now venturing into manpower support services in the petroleum sector. Presently, the company is operating at 34 locations in India. BSSPL has achieved a consolidated turnover of ₹ 52.40 Crores and consolidated profit of ₹ 5.89 Crores for the financial year ending 31st March, 2020, as against ₹ 50.27 Crores and ₹ 5.57 Crores respectively for the previous year. The EPS for the current year i.e. 2019-20 is ₹ 2.95 as against ₹ 2.78 in 2018-19. The company has recommended a dividend of ₹ 0.25 per share for the financial year ending 31st March, 2020, as against a dividend of ₹ 0.50 per share in the previous year.

DELHI AVIATION FUEL FACILITY PRIVATE LIMITED (DAFFPL)

A Joint Venture Company, DAFFPL has been promoted by BPCL, IOCL and Delhi International Airport Limited (DIAL) for implementing open access Aviation Fuel facility for the new T3, T2 and cargo terminals at Delhi International Airport. Currently, the company is setting up an Aviation hydrant system at T1 terminal of Delhi International Airport as well. The authorized and paid up share capital of the company is ₹ 170 Crores and ₹ 164 Crores respectively. BPCL and IOCL each have subscribed to 37% of the share capital of the joint venture, while the balance 26% has been held by DIAL. DAFFPL has registered Revenue from Operations of ₹ 123.96 Crores and net profit of ₹ 41.43 Crores for the year ending 31st March, 2020, as against revenue of ₹ 161.35 Crores and net profit of ₹ 50.96 Crores respectively during the previous year. The EPS for the year stood at ₹ 2.53, as against ₹ 3.11 in 2018-19. The company has recommended a dividend of ₹ 0.65 per equity share for the year ending 31st March, 2020, as against a dividend of ₹ 0.80 per share in the previous year.

MUMBAI AVIATION FUEL FARM FACILITY PRIVATE LIMITED (MAFFFPL)

MAFFFPL was incorporated in February 2010. BPCL, IOCL and HPCL became joint venture partners along-with Mumbai International Airport Private Limited (MIAL) on 28th October, 2014 with equity holding of 25% each. Presently, BPCL has invested an amount of ₹ 48.29 Crores towards equity so far. MAFFFPL has started its operations from February 2015. The business of the company is to operate & maintain the existing Aviation fuel farm facilities and to provide Into-plane services at Chhatrapati Shivaji Maharaj International Airport (CSMIA), Mumbai. MAFFFPL is constructing the Integrated Fuel Farm Facility on an open access basis and the first phase of commissioning activities have been completed. The revenue to MAFFFPL is by way of the Fuel Infrastructure Charges, payable by the Suppliers for utilising the Facility. MAFFFPL has registered a Revenue from Operations of ₹ 113.64 Crores and net profit of ₹ 40.05 Crores for the year ending 31st March, 2020, as against revenue of ₹ 137.11 Crores and net profit of ₹ 51.84 Crores during the previous year. The EPS for the year stood at ₹ 2.07, as against ₹ 2.75 in 2018-19.

KANNUR INTERNATIONAL AIRPORT LIMITED (KIAL)

KIAL is an Unlisted Public Company promoted by the Government of Kerala to build and operate the airport at Kannur on international standards, primarily to cater to the travelling needs of the large NRI population in the region, who travel frequently to various international destinations, the flourishing business community and tourists. The project cost was ₹ 2392 Crores, of which ₹ 1,500 Crores will be financed through equity and the balance sum of ₹ 892 Crores will be financed by way of borrowings. The paid up capital of the company as on 31st March, 2020 is ₹ 1,338.12 Crores, out of which BPCL has made a contribution of ₹ 216.80 Crores. Kannur Airport was commissioned on 9th December, 2018, as 4th international airport in Kerala, the only State in the country to have 4 international airports. During the year 2019-20, total aircraft movements were 15,142 and passenger traffic was approx. ₹ 15.83 lakhs.

MATRIX BHARAT PTE LIMITED (MXB)

MXB is a Joint Venture Company incorporated in Singapore in May 2008 for carrying out the bunkering business and supply of marine lubricants in the Singapore market, as well as international bunkering, including expanding into Asian and Middle East markets. The company has been promoted by BPCL and Matrix Marine Fuels L.P. USA, an affiliate of the Mabanaft group of companies, Hamburg, Germany. The authorised capital of the company is USD 4 million. BPCL has subscribed 20 lakh shares for an equivalent sum of ₹ 8.41 Crores. Both the partners have contributed equally to the share capital. Matrix Marine Fuels L.P. USA subsequently transferred their share and interest in the joint venture in favour of Matrix Marine Fuels Pte Limited, Singapore which has further in July 2020 been substituted by Bomin International Holding Gmbh, another affiliate of the Mabanaft group. MXB has reported a profit of USD 0.03 million for the year ending 31st December, 2019, as against USD 0.04 million for the year ending 31st December, 2018.

KOCHI SALEM PIPELINE PRIVATE LIMITED (KSPPL)

BPCL has signed a Joint Venture Agreement with IOCL for implementation of the Kochi-Coimbatore-Salem LPG Pipeline Project and formed a Joint Venture Company, KSPPL in January 2015, on a 50:50 basis. As on 31st March, 2020, BPCL has paid an amount of ₹ 152.50 Crores towards equity in this JV Company. The project is presently underway.

The Project is being executed in 4 phases. The 1st phase is a 12 km 12” pipeline from Kochi Refinery (KR) to IOCL Udayamperoor Bottling plant & 155 km 12” pipeline from KR to Palakkad receipt terminal. The 12 km pipeline from KR Despatch Terminal (DT) to Udayamperoor Receipt Terminal (RT) was commissioned on 20th August, 2017 and during the year 2019-20, 131.43 TMT LPG was transported through this pipeline. With respect to the 155 km pipeline from BPCL-KR DT to Palakkad RT, the pipeline lowering is in an advanced stage and the overall physical progress achieved as on 31st March, 2020 is 91.20%.

The second phase is a 42 km 12” pipeline from Puthuvypeen IOCL import terminal to KR. The overall physical progress achieved for this section is 34.50%. The 3rd and 4th phases are 50 km 12” pipeline from Palakkad RT to Coimbatore RT and a 170 km 8” pipeline from Coimbatore RT to Salem RT. For these two phases, the Tamil Nadu Government order on RoU acquisition & compensation was released on 14th February, 2020 and activities for identification/acquisition of RoU have started.

GSPL INDIA TRANSCO LIMITED (GITL)

GITL is a Joint Venture of Gujarat State Petronet Limited (GSPL), IOCL, BPCL and Hindustan Petroleum Corporation Limited (HPCL). BPCL has 11% equity participation in the company, the balance being held by GSPL (52%), IOCL (26%)& HPCL (11%). GITL has been authorised to lay a 1,881 km pipeline from Mallavaram to Bhilwara. BPCL has made an equity contribution of ₹ 54.12 Crores as on 31st March, 2020. The initial section of the project from Reliance Gas Transmission India Limited interconnection point at Kunchanapalli to Ramagundam Fertilizers & Chemicals Limited’s (RFCL) Plant at Ramagundam has been commissioned on 14th October, 2019 and the gas transportation to RFCL has started w.e.f. 1st November, 2019. The Company has transported approx. 2.17 MMSCM of gas and has earned a nominal revenue through transportation of gas, as the tariff is lower in the initial years of operation.

GSPL INDIA GASNET LIMITED (GIGL)

GIGL is a Joint Venture of GSPL, IOCL, BPCL and HPCL. BPCL has 11% equity participation in the company, the balance being held by GSPL (52%), IOCL (26%) & HPCL (11%). BPCL has made an equity contribution of ₹ 103.62 Crores as on 31st March, 2020. GIGL has been authorized to lay two cross country gas pipelines viz 1,834 km Mehsana to Bhatinda Pipeline (MBPL) and 740 km Bhatinda to Srinagar Pipeline. The initial sections of the project covering approx. 440 kms viz. Barmer-Pali Pipeline, Palanpur-Pali Pipeline and Jalandhar-Amritsar Pipeline were completed during the year 2018-19 and have commenced commercial operations. The company has transported approx. 629.59 MMSCM of gas and has earned total revenue of ₹ 108.96 Crores through transportation of gas till 31st March, 2020. The company is also implementing various sections of the MBPL Project planned under Phase II and has awarded EPC contracts for several sections covering approx. 930 kms which will traverse through the states of Rajasthan, Haryana and Punjab and will cater to the gas demands of various industrial customers and city gas networks enroute the Pipeline. Project implementation activities for these sections are in full swing.

FINO PAYTECH LIMITED (FINO)

BPCL acquired shares in FINO in the year 2016-17 and made an investment of ₹ 251 Crores. FINO Payments Bank (FPB) (A FINO group entity) completes its third year of operation in June 2020. FPB evolved a new cost-effective channel of operations through the Merchant Network and stabilized 266 branches across India as on 31st March, 2020. Consolidated Revenue from Operations during the year stood at ₹ 827.37 Crores and consolidated loss for the year 2019-20 was ₹ 20.67 Crores, as against ₹ 527.24 Crores and ₹ 73.33 Crores respectively for the previous year.

PETRONET INDIA LIMITED (PIL)

PIL was formed in the year 1997 as a financial holding company to give impetus to the development of a pipeline network throughout the country. The company carried out business through SPVs and Joint Venture Companies. With the new Pipeline policy, oil companies were allowed to establish their own pipeline network. PIL obtained appropriate approvals and proceeded to liquidate its investments in joint ventures and subsidiaries. PIL’s equity has been purchased by respective promoter companies viz. Petronet CCK Limited stake has been taken over by BPCL, Petronet MHB Limited stake has been taken over by HPCL and ONGC and Petronet VK Limited stake has been taken over by IOCL and Reliance Industries Limited (RIL). PIL filed an application before NCLT and paid up share capital was reduced from ₹ 100 Crores to ₹ 1 Crore and ₹ 99 Crores was returned to its promoters. BPCL has 16% equity participation in the company with current investment of ₹ 0.16 Crores. During the year 2018-19, shareholders of the company had approved voluntary winding up of PIL and appointed an Official Liquidator (OL) for the same. Liquidation of the company is under process.

PETRONET CI LIMITED (PCIL)

PCIL was set up for laying a pipeline for evacuation of petroleum products from refineries at Jamnagar/ Koyali to feed consumption zones in Central India. BPCL has an equity participation of 11% in this JV. Promoter companies have decided to exit from PCIL, and provision for full diminution in the value of investment has been done in the accounts of BPCL The company is under liquidation.

BHARAT RENEWABLE ENERGY LIMITED (BREL)

BREL was incorporated in 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 the 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 Cleantec Limited (Nandan Biomatrix Limited), Hyderabad and the Shapoorji Pallonji group, through their affiliate, S.P. Agri Management Services Pvt. Ltd. A Company Petition was filed before the Hon'ble High Court of Allahabad (Lucknow Bench) for winding up BREL. By the judgement dated 21.12.2015, the company was ordered to be wound up and an OL to proceed in accordance with the provisions of the Companies Act was appointed. All assets and records of the company have been deposited with the OL and the OL has since submitted a status request to the Hon'ble High Court. A reply to the report submitted by the OL has been given and the matter is pending in the Hon'ble High Court of Allahabad.

RATNAGIRI REFINERY & PETROCHEMICALS LIMITED (RRPCL)

An integrated refinery and petrochemical complex of about 60 MMTPA capacity was conceived by the Oil PSUs (OMCs) in the west coast of Maharashtra State, based on growing demand of petroleum fuels and petrochemical products in the country. Accordingly, BPCL, IOCL and HPCL entered into a Joint Venture Agreement and the JV Company, RRPCL was incorporated in September 2017 with an authorised capital of ₹ 400 Crores. As on 31st March, 2020, BPCL has made an equity contribution of ₹ 50 Crores. Saudi Aramco showed interest in taking equity in RRPCL and a non-binding MoU for Key Business Principles was signed on 11th April, 2018. Saudi Aramco also sought to include another strategic partner to co-invest in the project as an overseas investor and accordingly, signed a MoU with ADNOC on 25th June, 2018. Saudi Aramco and ADNOC have expressed their intent to together hold up to 50% of the share capital of RRPCL as a Non-Resident Block as per the MoU, with the Indian consortium holding the balance 50% as a Resident Block.

City and Industrial Development Corporation (CIDCO) was entrusted with land acquisition at Raigad District by the Government of Maharashtra. A Market Study was carried out as a prelude/basis to Pre-feasibility Report (PFR) by an internationally renowned consultant to assess and forecast the demand of Petrochemical Products and the pricing details of Crude, Fuel Products and Petrochemicals. To carry out the Configuration Study of the mega integrated complex, an international consultant was engaged in July 2018. The entire job was completed in 4 phases and the final report has been submitted in March 2020. Based on the configuration finalized, PFR is being carried out.

IHB PRIVATE LIMITED (IHBPL)

IHBPL is a Joint Venture Company of IOCL, BPCL and HPCL with equity participation in the ratio of 50:25:25. Subsequent to receipt of authorization from PNGRB, IHBPL has been incorporated in July 2019 to construct, operate and manage about 2,800 km long Kandla-Gorakhpur LPG Pipeline for meeting the LPG demand of the bottling plants en-route the pipeline in Gujarat, Madhya Pradesh and Uttar Pradesh.

The pipeline would source LPG from import terminals at Kandla, Dahej and Pipavav on the western coast and also two refineries, i.e. Koyali Refinery of IOCL and Bina Refinery of BORL and deliver LPG to 22 LPG bottling plants en-route. One-third of the project cost is being met through equity by promoters and balance two-third through debt. IHBPL has tied up a Rupee Term Loan arrangement through a consortium of 5 banks led by State Bank of India. Financial closure of the project has been achieved and project implementation is underway.

UJJWALA PLUS FOUNDATION (UPF)

UPF was incorporated in July 2017, as a Joint Venture Company among the three PSU Oil Marketing Companies viz. BPCL, HPCL & IOCL (in the ratio of 25:25:50) under Section 8 of the Companies Act, 2013. The company receives donations from individuals/Corporates/NGOs etc. which shall be utilized for extending financial assistance for making LPG available to economically disadvantaged households who are not covered by the Pradhan Mantri Ujjwala Yojana.

MANAGEMENT DISCUSSION & ANALYSIS REPORT (MDA)

The MDA for the year under review, as stipulated under Regulation 34(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 MDA are based on certain assumptions and expectations of future events. The Directors cannot guarantee that these assumptions are accurate or these expectations will materialise.

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 entered into a Memorandum of Understanding (MoU) for the year 2019-20 with the Ministry of Petroleum & Natural Gas. MoU for 2020-21 is under finalization. BPCL has been achieving "Excellent" performance rating since 1990-91 till 2018-19. In 2018-19, BPCL achieved an "Excellent" rating with composite score of 90.79.

BOARD EVALUATION

The provisions of Section 134 (3)(p) of the Act shall not apply to a Government Company in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology. BPCL 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

The provisions of Section 134(3)(e) of the Act 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) of the Act.

Similarly, Section 197 of the Act shall not apply to a Government Company. Consequently, there is no requirement of 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) of the Act 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.

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.

SECRETARIAL STANDARDS

The Company complies with the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

SOCIAL, ENVIRONMENTAL AND ECONOMIC RESPONSIBILITIES AND BUSINESS RESPONSIBILITY REPORT

The Company is committed to be a responsible Corporate Citizen in society, which leads to sustainable growth and economic development for the nation as well as all stakeholders. In order to be a responsible business to meet its commitment, the Board of Directors of the Company has adopted and delegated to the Sustainability Committee the implementation of a 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. BPCL's Sustainability Report is 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.

TRANSACTION WITH RELATED PARTIES

During the Financial Year, the Company has entered into contracts or arrangements with related parties, which were in the ordinary course of business and on an arm's length basis.

The required 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, a transaction entered into with Bharat Oman Refineries Limited, a group company could be considered material. The details of the transaction are being placed for approval of the shareholders.

The Policy on related party transactions including material related party are available on the Company's website at the link https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx

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 at 31st March, 2020, are given in the Disclosures under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in Annexure H.

RISK MANAGEMENT

The Risk Management Committee has been constituted by the Board. The Board has defined the roles and responsibilities of the Risk Management Committee, which includes reviewing and recommending of the risk management plan comprising risks assessed and their mitigation plans and reviewing and recommending the risk management report for approval of the Board with the recommendation of 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 and for managing risks on an ongoing basis.

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, 2020, 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

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 are 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

Shri D. Rajkumar, C&MD superannuated at the close of office hours on 31.08.2020. The Directors have placed on record their deep appreciation on behalf of the Board for the valuable contributions made and guidance given by him for the development and progress of the company's business. Shri K. Padmakar, Director (Human Resources) has been entrusted with the additional charge of the post of Chairman and Managing Director w.e.f. 01.09.2020 by Ministry of Petroleum and Natural Gas.

Shri R. Ramachandran, Director (Refineries) superannuated at the close of office hours on 31.08.2020. The Directors have placed on record their deep appreciation on behalf of the Board for the valuable contributions made and guidance given by him for the development and progress of the Company's business.

Shri Rajesh Aggarwal, Additional Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas was appointed as Additional Director w.e.f. 08.01.2020. As he has been appointed as Additional Director, he will hold office till the ensuing Annual General Meeting (AGM).

Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing AGM.

Shri Harshadkumar P. Shah was appointed as Additional Director on the Board to act as an Independent Director w.e.f. 16.07.2019. The Shareholders have appointed him as an Independent Director of the Company at the AGM held on 30.08.2019.

Shri Rajesh Kumar Mangal, Independent Director ceased to be a Director w.e.f. 01.12.2019 on completion of his tenure. Shri Rajiv Bansal, Government Nominee Director ceased to be a Director of the Board w.e.f. 08.01.2020. Shri Vishal V Sharma, Independent Director ceased to be a Director w.e.f. 09.02.2020 on completion of his tenure. Smt. Jane Mary Shanti Sundharam, Independent Director resigned from Directorship w.e.f. 05.03.2020 due to personal reasons. The Directors have placed on record their deep appreciation on behalf of the Board for the valuable contributions made and guidance given by them for the development and progress of the Company's business.

Shri Vinay Sheel Oberoi, Independent Director ceased to be the Director of the Board w.e.f. 10.04.2020 due to his demise. The Directors place on record his contributions towards the Company and express their deep condolences for his sad demise.

Smt. V. Kala was appointed as Company Secretary w.e.f. 13.2.2020. Shri M. Venugopal, Company Secretary superannuated on 31.12.2019.

Dr. K. Ellangovan, Director will retire by rotation at the ensuing AGM as per the provisions of Section 152 of the Act and being eligible, has offered himself for reappointment as Director at the said Meeting.

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

DECLARATION OF INDEPENDENCE

The Independent Directors of the Company have provided a declaration confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 at the Company's web link: https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx

AUDIT COMMITTEE

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

VIGIL MECHANISM

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

The vigil mechanism provides for adequate safeguards against victimisation of persons who use the mechanism and has provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The details of establishment of such a mechanism are disclosed in the Company's web link: https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx

NUMBER OF MEETINGS OF THE BOARD

Sixteen 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, extract of Annual Return of the Company is annexed herewith in specified Form MGT-9 as Annexure G to this Report and is also placed on the website of the Company at www.bharatpetroleum.in under the Investors' column.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The details are included in the MDA which forms part of this Report.

STATUTORY AUDITORS

M/s. CVK & Associates, Chartered Accountants, Mumbai and M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai, were appointed as Statutory Auditors for the year 2019-20, by the Comptroller & Auditor General of India (C&AG), under the provisions of Section 139(5) of the Companies Act, 2013. They will hold office till conclusion of the ensuing AGM. The C&AG has been approached for the appointment of Statutory Auditors for the financial year 2020-21.

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

COST RECORD AND COST AUDIT

The Company has prepared and maintained cost records as prescribed under Section 148(1) of the Companies Act, 2013 for the year 2019-20. The Cost Audit Report for the year 2018-19 has been filed with the Ministry of Corporate Affairs before the due date in XBRL Format. The Cost Auditors for the year 2018-19 were M/s ABK & Associates, Mumbai and M/s Bandyopadhyaya Bhaumik & Company, Mumbai. The same Cost Auditors have been appointed for the year 2019-20.

SECRETARIAL AUDITOR

The Board has appointed M/s Dholakia & Associates LLP, Company Secretaries to conduct the Secretarial Audit for the year 2019-20. The Secretarial Audit Report for the financial year ended 31st March, 2020 is enclosed as Annexure I to this Report.

The Secretarial Audit Report contains observations that the Company did not have the following :

a) A Woman Director on its Board pursuant to the second proviso of sub-section (1) of Section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1)(a) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the period 05.03.2020 to 31.03.2020.

b) Optimum combination of executive and non-executive directors, pursuant to Regulation 17(1)(a) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and CPSE Guidelines for the period 05.03.2020 to 31.03.2020.

c) Sufficient number of Independent Directors on its Board, as required under Regulation 17(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and CPSE Guidelines for the period under review i.e. 01.04.2019 to 31.03.2020 and pursuant to sub-section (4) of Section 149 of the Act for the period from 09.02.2020 to 31.03.2020.

Explanations by the Board to the above observations 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 nomination/appointment of all categories of Directors are done by Government of India in accordance with the laid down guidelines of Department of Public Enterprises. Accordingly, the subject matter of nomination/appointment of adequate number of Independent Directors including Woman Director falls under the purview of the Government of India. BPCL has from time to time communicated to the Ministry of Petroleum & Natural Gas with respect to the requirements of Independent Directors under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."

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.

The Company has an Internal Complaints Committee (ICC) to address complaints pertaining to sexual harassment in the workplace. During the year under review, there were 7 complaints of sexual harassment in respect of our employees. The matter was taken up by the ICC, enquiries were conducted by them and 5 cases were resolved and closed. There are 2 pending cases as on 31st March, 2020. There were no pending complaints pertaining to the previous year.

ACKNOWLEDGEMENTS

In these calamitous times of the global COVID-19 pandemic, our employees have been in the forefront, leading the challenge with grit, determination and resilience, expending tremendous efforts in fuelling the nation. The Directors commend their diligence and dedication and reiterate their stance on considering them as the most valuable assets of the Company.

The Directors gratefully acknowledge the support and guidance received from various Ministries of the Government of India, particularly the Ministry of Petroleum & Natural Gas, and from various State Governments that have been instrumental in BPCL's creditable performance.

The Directors also appreciate the loyalty and encouragement of the customers, business partners and shareowners, which have underpinned BPCL's growth trajectory through the years.

The Directors assure of their commitment to BPCL's plans to succeed in a disruptive future, continuously expanding horizons to deliver immense value.

For and on behalf of the Board of Directors

Sd/
K. Padmakar
Chairman & Managing Director

Place : Mumbai
Date : 5th September, 2020

MANAGEMENT DISCUSSION & ANALYSIS REPORT

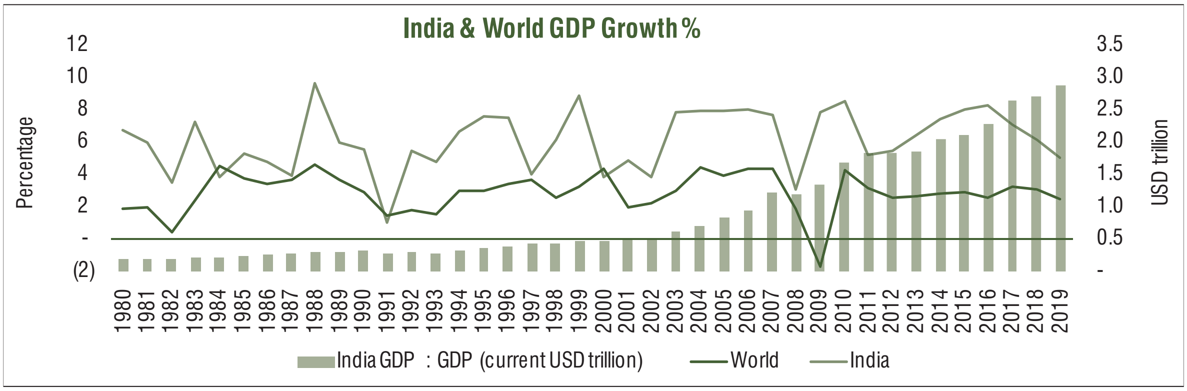
Humanity witnessed the severest of global health and economic crisis of modern times as the COVID-19 pandemic paralyzed the world and impacted lives in an unforeseen manner. The crisis is unprecedented in several ways and one of the vilest in peacetime in at least the last century. As the world remained locked down for weeks together in its fight against the pandemic, economy, travel, trade and human life suffered severely. While the world is trying to gather the pieces and jumpstart the economic engine, uncertainty looms large.

Economic Developments: Distress in stress

The world economy grew at a slower pace of sub 3% levels in the year 2019, lower than that witnessed in the year 2018, due to adverse impacts of trade protectionism, geopolitical tensions, financial stress in key emerging market economies, heightened social unrest in many countries and weather related disasters. In end 2019, just as the global economy was looking forward to stabilizing supported by easing of trade barriers , abating of Brexit concerns, adoption of accommodative monetary policies by Central Banks and bottoming out of manufacturing activity and global trade, the worst pandemic in decades of modern history hit hard. The COVID-19, which emanated in China in December 2019, engulfed within its fold almost the entire world within a span of few weeks. With no known remedies available to combat the fast spreading deadly pandemic, nations across the world responded by enforcing lockdowns, mandating social distancing, instituting preventive protocols and augmenting healthcare systems on a war footing - measures aimed at slowing down the spread of the virus and containing the damage. The last time the world faced a pandemic crisis of the scale of COVID-19 was in 1918, when the indomitable H1N1 influenza spread across the world claiming millions of human lives.

The disruption in economic activity, global trade and travel has triggered a deep economic crisis across the world. In spite of genuine attempts to counter adverse impacts of the crisis through a plethora of fiscal and monetary policy stimulus and financial support, the global economic growth is expected to slip deep into the negative zone by the end of year 2020, much worse than that witnessed during the 2008–09 financial crisis. In the event that the pandemic recedes in the second half of 2020 and economic activity normalizes with policy support and gradual unwinding of containment measures, the world economy is expected to grow at a higher pace in 2021. However, the global growth projection is overwhelmed with uncertainty, as it hinges on factors extremely difficult to predict at this stage, like the pathway of the pandemic, the efficacy of containment measures and the pace and extent of unwinding, response to policy stimulus, financial market movements, behavioral changes affecting spending and investment, global trade and travel, business and consumer confidence and volatility in commodity prices.

The pandemic has posed severe risks to the global economy. It is considered as the worst crisis since the Great Depression during the 1930s. The crisis has a contagion nature and a domino effect with maximum risk to the lower strata of economies, businesses and population. The disruptions in global and domestic supply and value chains, interruption in international trade and travel, lower productivity levels, closure of work places, suspension of activity and postponement of investment may lead to workforce layoffs, reduced income levels and reduced spending, which will further exert downward pressure on demand, leading to more business closures and job losses. The stress in the financial markets, liquidity crunch and rising debts can amplify the effects further with limited room available with policymakers. Downsides notwithstanding, targeted timely and massive fiscal, monetary and financial market reforms and measures may facilitate resumption of economic activity towards normal levels and neutralize the effect of the shock, especially in the sectors and sections worst affected by the pandemic. Enhanced international cooperation,



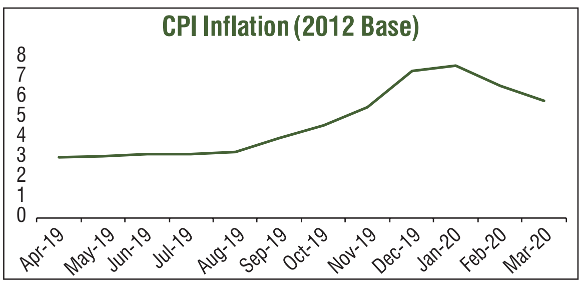
information sharing, coordinated medical research and interventions and provision of financial assistance to weaker economies would be required for a broad-based recovery in the global economy. Nevertheless, checking the spread of the virus and finding an effective cure for the disease remain the critical prerequisites.

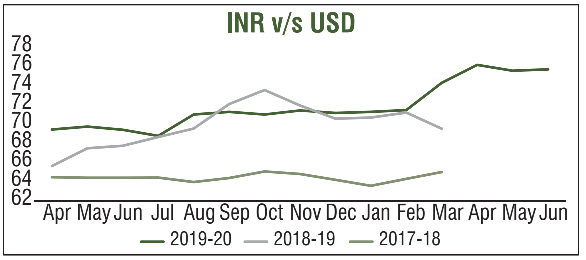
While the **Indian economy** grew at a slower pace of around 4.2% in the year 2019-20 due to factors like slowing consumption, declining investments, muted export growth and deepening financial stress, the outlook for 2020-21 looked encouraging before the onset of COVID-19. The improving rural demand and return of optimism in manufacturing and investment, supported by fiscal and monetary policy stimulus by the Government and the RBI, especially the tax reforms, infusion of liquidity, reduction in interest rates and enabling monetary transmission, had created an environment conducive for higher growth. However, the COVID-19 pandemic drastically changed the scenario. India's swift response to the situation is appreciated world over, however, the economic cost of lockdowns and containment measures is massive and has to be borne by the economy. While the stimulus announced by the RBI and Government, coupled with a benign international crude oil price scenario, is expected to provide some cushion to the falling growth, however, due to the pandemic situation, it may be severely impacted.

The Consumer Price Index (CPI) inflation in the country averaged at 4.76% in the year 2019-20 as against 3.43% in the previous year. The headline inflation rose consistently month over month and peaked in the month of January 2020 before declining and settling at 5.84% in March 2020. The changes in the food and vegetable prices defined majority of the movement in CPI inflation during the year 2019-20. Looking ahead, inflation may soften in the coming months, as food prices ease further with expected record production and impact of lower prices of crude oil percolate in the economy. However, the trajectory of inflation will be determined by the evolution of the COVID-19 situation and the pace of economic recovery.

The outbreak of pandemic bore heavily on the foreign exchange rates across the emerging market economies, with the Indian Rupee (INR) touching a staggering low of 76.15 against the USD dollar (USD) in the month of March 2020 and depreciating by around 9.0% by the close of year 2019-20. The INR came under intensified depreciation pressures towards end February 2020, as global trade disrupted and risk aversion gained prominence. Prior to this, the INR vs USD exchange rate remained range bound in the territory of INR 68.3 to INR 72.2 per USD, impacted by developments around US-China trade tensions, movement in crude oil prices and policy measures announced by the Government for attracting capital inflows. The rupee averaged at INR 70.89 per USD as against INR 69.91 per USD in the previous year, registering an average depreciation of 1.4% year on year. The COVID-19 situation continued to put pressure on the INR, which further depreciated to all-time lows in early 2020-21.

With absolute uncertainty around unfolding of the COVID-19 situation, economic recovery is inundated with significant downside risks stemming from the migration of labour, fractured and unaligned supply chains, suboptimal operations, demand and supply shocks, liquidity crisis especially in the unorganized and small scale businesses, and distorted fiscal position.



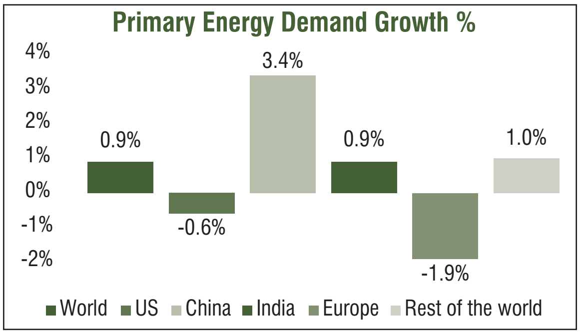


On the side of optimism, higher proportion of domestic consumption in the economy, demographic dividend, potential to emerge as an alternate manufacturing hub and targeted timely fiscal and monetary policy measures by the Government can cushion the shock and place the economy back on the growth trajectory faster than many other major economies in the world.

Trends in the Oil and Gas Sector

The Oil and Gas sector has been abuzz with activity and witnessing transformational trends since the past few years driven mainly by growing climatic concerns and technological developments. The world has been moving faster towards de-carbonization of energy and electrification of mobility, extensively supported by policy imperatives and capital commitments besides improving quality of fuels and adopting reduced emission norms, a remarkable achievement being the implementation of IMO 2020 regulations with effect from January 2020. However, with the world reeling under a severe economic crisis due to the pandemic, forcing redistribution of resources and reshuffle in investment priorities, and with emissions reducing substantially due to reduction in energy demand, there is increased uncertainty around the pace of transition.

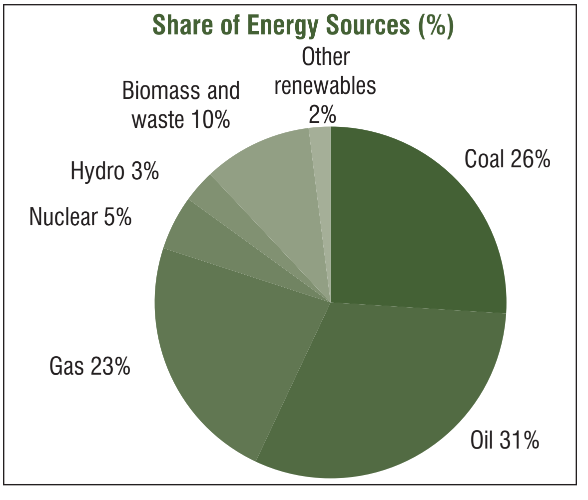
During the year 2019, global energy demand grew by a meagre 0.9%, registering a decline of around 60% in growth as compared to 2018. The slowdown in global economy and lesser heating and cooling requirements due to milder weather in some of the major economies contributed to lower growth in primary energy demand. The major decline in growth was recorded in coal and gas, with the former de-growing by 1.7%, while the latter growing by only 1.8%, as compared to a growth of 0.7% and 4.6% in 2018 respectively. Despite declining for the third time in the past five years, coal still remains the second largest source of energy after oil, and the single largest source of electricity. However, for the first time in the year 2019, the electricity generation from low carbon sources - nuclear and renewables - was more than from coal. Renewables recorded the fastest rate of growth at 3.7%, and the highest absolute growth in the year 2019 with double digit growth in both solar and wind power. Oil, including biofuels, grew by just 0.8% (or 0.8

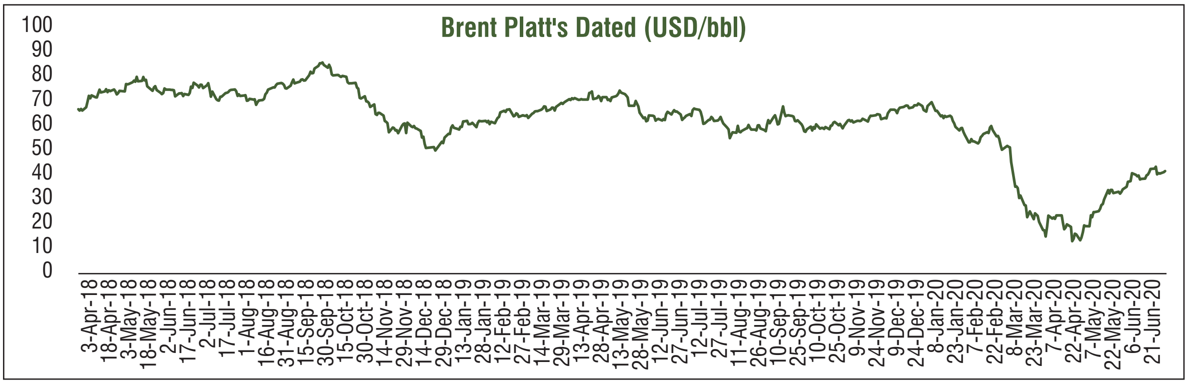


million barrels per day) in 2019, the third lowest rate in the last ten years. The decline in oil demand in advanced economies was more than offset by increase in demand in the rest of the world, led by China and India, though demand growth in India was lower than in 2018.

Regionally, with 3.4% growth in energy demand, China claimed the lion's share (90%) of net global energy demand growth in 2019, while the European Union and United States registered a de-growth of 1.9% and 0.6% respectively. India recorded a growth of just 0.9% in energy demand, staggeringly lower from 4% in 2018 and the lowest ever so far, as the economic activity slowed and power demand fell, particularly from irrigation and manufacturing. The growth rate in energy demand in many advanced economies and major emerging economies trailed the economic growth rate, as the benefits of energy efficiency accrue from technological developments and switching to low carbon solutions.

After two years of increase, the global energy-related CO2 emissions remained almost stable in 2019, contributed by milder weather, improvements in energy efficiency and increasing transition to gas, renewables and nuclear power, offsetting the impact of growth in economic activity. While advanced economies recorded a decline in emissions mainly from the power sector, the rest of



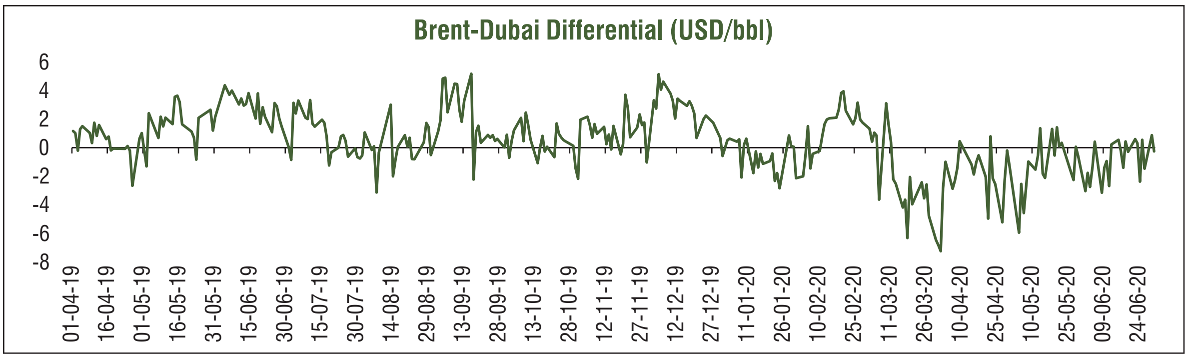


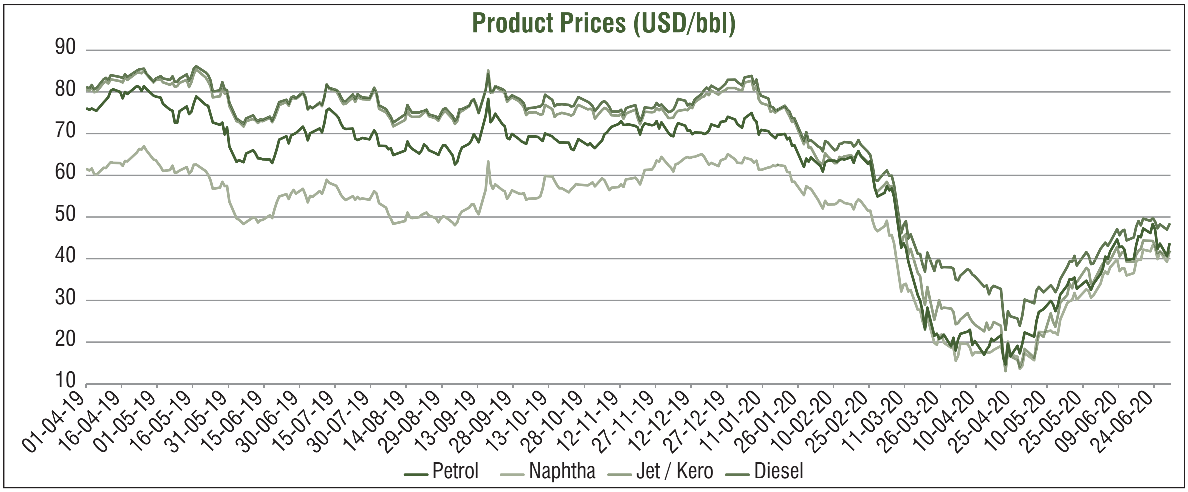
the world experienced an overall increase; however, the emission growth rate was much lower in India, Indonesia and to some extent in China.

The COVID-19 pandemic has the energy sector witnessing some extraordinary occurrences, movements and trends. With the worldwide lockdowns and curtailment of activity, global energy demand declined; however, the decline was asymmetrical across sectors. Digital applications, residential and healthcare sectors witnessed a surge in demand, which was more than offset by reduction in demand from commercial, industrial and mobility sectors. During the first quarter of 2020 itself, global energy demand declined by a shocking 3.8% and CO2 emission levels lowered by an unprecedented 5%. Moving ahead, the energy demand and emission levels are likely to remain subdued for a longer period of time as the pandemic situation evolves and economic activity normalizes; however, some structural changes are imminent with the world realizing the power of climatic catastrophes and digitalization emerging as a powerful enabler and even a substitute.

The international prices of crude oil and natural gas continued to be volatile in the year 2019-20 influenced by slowing global economic activity, developments on the US-China trade war, tensions in the Middle East, Brexit worries, US sanctions on Venezuela and Iran, act of terrorism in Saudi Arabia in September 2019, changing supply side dynamics amongst top oil producers and above all, the outbreak of COVID-19 pandemic. During the year 2019-20, the benchmark Brent crude as well as the Indian basket of crude oil averaged at around USD 61 per barrel as against USD 70 per barrel for both the crudes in 2018-19. Moving in the range of around USD 50 per barrel to USD 75 per barrel for almost the entire year, the Brent crude oil prices collapsed in the month of March 2020, hit by a double whammy of declining demand due to the pandemic and overflowing supplies due to supply war amongst major producers. This culminated in substantial inventory pile up, both onshore and offshore, shooting up the freight market significantly. The Brent Crude prices fell to a low of around USD 13 per barrel in the month of April 2020, the lowest in the last 20 years. In an unimaginable and unprecedented slide, the benchmark WTI crude futures, which are widely tracked and traded especially in the US, fell to a level of negative USD 37.63 per barrel in erratic trade during mid-April 2020. The prices have strengthened since then as global demand – supply rebalanced with production cuts by Opec+ in line with the deal clinched in April 2020 and gradual reopening of the global economy. Nevertheless, uncertainty continues.

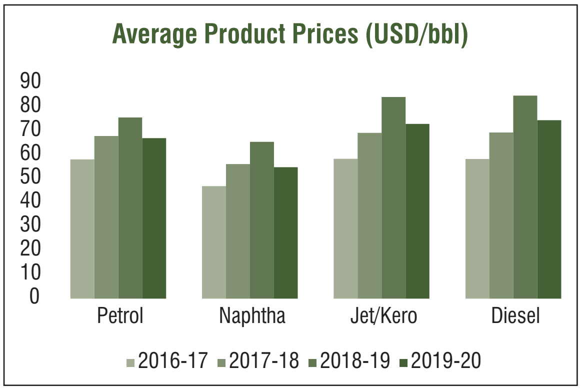
During the year 2019-20, the Brent Dubai differential averaged at USD 0.7 per barrel in favour of Brent, as against USD 0.8 per barrel in the previous year. The Brent crude traded at a premium to Dubai crude for most part of the year with intermittent reversal of spreads





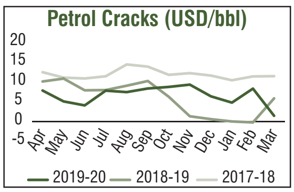
from premium to discount. This was more pronounced during the period January 2020 to March 2020, when the discount to Dubai crude rose as high as 5.7 per barrel during March 2020. The trend continued in subsequent months with Dubai crude quoting at discount to Brent crude most of the times.

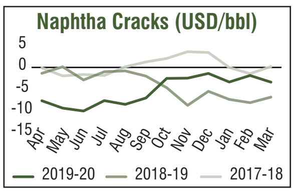
In tandem with the crude prices, the product prices witnessed high volatility during the year 2019-20, averaging lower than the levels of the previous year. Motor Spirit (MS) (Unleaded Singapore Platts) (Petrol) prices averaged at USD 67 per barrel, as against USD 76 per barrel in the previous year while the prices of High Speed Diesel (HSD) (Diesel) averaged at around USD 74 per barrel as against USD 85 per barrel in the previous year. The average prices of Naphtha and Jet Fuel / Kerosene (SKO) were USD 55 per barrel and USD 73 per barrel as against USD 65 per barrel and USD 84 per barrel respectively in the previous year.

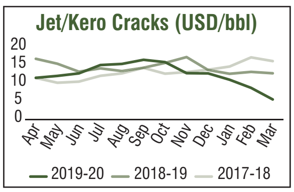


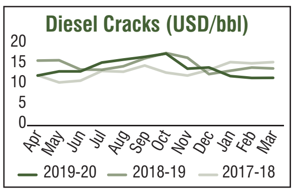
Unlike 2018-19, the MS cracks (Product prices FOB Singapore minus Dubai Crude) remained positive throughout the year 2019-20 except in the second fortnight of March 2020 when the cracks became negative and touched unprecedented lows of around negative USD 6 per barrel. The MS cracks averaged at USD 6.7 per barrel against USD 5.9 per barrel in previous year, 14% higher. However, the average cracks of Naphtha, Jet Fuel/ Kero and HSD were weaker than the previous year. The average cracks of Naphtha were negative USD 5.5 per barrel against negative USD 4.1 per barrel in the previous year, Jet Fuel/Kero cracks averaged at USD 12.6 per barrel against USD 14.6 per barrel in the previous year and HSD cracks averaged at USD 14.1 per barrel against USD 15.1 per barrel in the previous year, registering a decline of 34%, 14% and 7%, respectively.

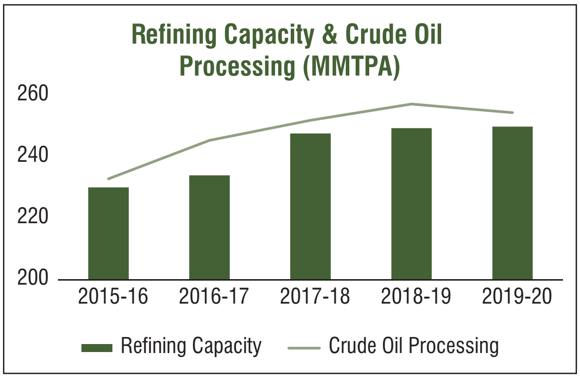
The global oil market, which was already facing challenges due to geopolitical tensions, weaker economic activity, rising energy efficiency, excessive refining capacity and energy transition trends, has further been distressed by the pandemic, amplifying the probability of a much longer depressed crude and product price scenario. Responding to the situation, the global oil companies have slashed their capex spends and resorted to cash conservation measures to ease off the pressure on liquidity and profitability and effectively serve their debt obligations. On the geopolitical front, with the emergence of US as a strong influencer while Saudi Arabia – Russia relations run hot and cold, the global crude market is seeing a subtle shift in the fulcrum of dominance.

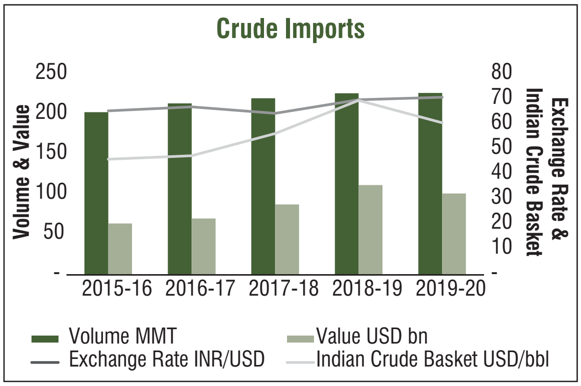












Indian Petroleum Sector

For a country which is the third largest consumer of oil after the US and China, and which imports around 85% of its requirements every year, a low and stable oil price regime is a boon. Capitalizing on reduced foreign exchange outflow on account of a lower oil and petroleum product import bill, which constituted more than 25% of the country's total import bill in 2019-20, India gets enough leg room to constructively manage its balance of payments, fiscal and monetary policy situation. However, as the COVID-19 pandemic throttles economic activity, the low oil prices offer little respite. The countrywide lockdown, which started in the last week of March 2020, contracted the consumption of petroleum products by around 18% during the month itself and moderated the full year consumption growth to negligible levels. Consequently, the year 2019-20 ended at around 213.7 MMT as against 213.2 MMT in the previous year. The natural gas consumption grew by around 5.5% during the year 2019-20, as against 2.8% in the previous year due to increased adoption of gas in the country supported by reduction in international LNG prices.

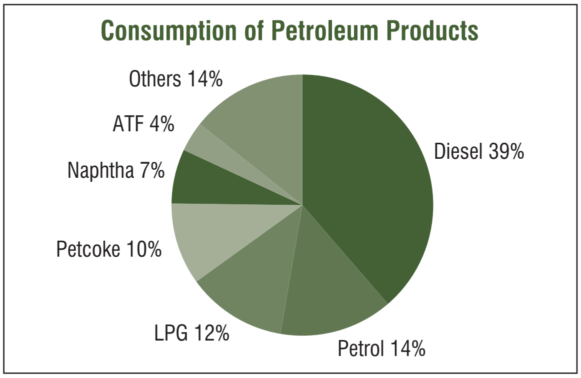
With crude oil imports remaining static, oil prices averaging lower than the previous year and the INR depreciating marginally against the USD during the year 2019-20, the country's crude oil import bill reduced by around 9%, from USD 111.9 billion in the year 2018-19 to USD 101.4 billion in the current year. While the country imported around 227.0 MMT of crude oil in the year 2019-20, as against 226.5 MMT in the previous year, the price of the Indian crude basket averaged at around USD 61 per barrel as against USD 70 per barrel, a decline of 13% against the previous year. The Indian Rupee averaged at INR 70.89 per USD in year 2019-20 as against INR 69.91 per USD in the previous year, a depreciation of 1.4%.

The indigenous crude oil production, which is less than 1% of the global oil production, declined for the eighth consecutive year in 2019-20, falling 6% to 32.2 MMT from 34.2 MMT in the previous year. The output from ageing fields continued to decline, coupled with operational issues encountered in some of the fields during the year.

India's refining capacity leads consumption of petroleum products by a significant margin, positioning it as a net exporter, with exports to the tune of around 25% of the total production in 2019-20. With no major capacity addition in the past two years, the country's refining capacity has been almost static and was at 249.9 MMT as of 1st April 2020. During the year 2019-20, the country processed around 254.4 MMT of crude, as against 257.2 MMT in the previous year, with PSUs and their group companies contributing 65% of the total processing. The domestic refineries processed around 76% high Sulphur crude during the year.

As the pace of economic growth slowed in 2019-20, the consumption of petroleum products ended almost flat at around 213.7 MMT, as against 213.2 MMT in the previous year. Diesel, which constituted 39% of the total consumption of petroleum products in 2019-20, registered a de-growth of 1%, while Petrol and LPG, which constituted 14% and 12% respectively grew by 6% each.

The country's flagship PMUY initiative, aimed at promoting cleaner cooking fuel and ensuring good health of women, particularly in the rural areas, saw achievement of the



target of 8 crore LPG connections by the first week of September 2019, seven months ahead of schedule. With this, the LPG active consumer base has increased to 27.9 crore consumers as of 31st March, 2020, leading to more than 97% coverage in the country. The fringe benefit of the initiative in supporting the needy in current times of socio-economic trouble was realized as the Government announced provision of three free refills in three months with effect from April 2020. This will also give a fillip to the Company's efforts to enhance the usage of LPG amongst PMUY consumers, which is necessary for sustainability of the scheme.

Bearing testimony to the nation's commitment towards a greener and cleaner environment, BS VI fuels (petrol and diesel), equivalent of Euro VI grade, were rolled out across the country on the scheduled date of 1st April 2020. Leapfrogging from extant BS IV standards, in just three years, India joined the elite club of select nations of the world using such cleaner fuels.

In a landmark move aimed at improving customer service levels and augmenting the retail network, particularly in rural areas, the Government revised the 17 year old guidelines for marketing of transportation fuels, relaxing the rules and lowering the entry barriers, thereby encouraging participation of private and foreign players in the sector. The move will enhance competition in the industry and drive efficiencies, enhance customer service and ensure deeper penetration of retail outlets.

Towards the objective of making India a gas based economy, enhancing contribution of gas in the energy basket from current levels of around 6% to 15% by 2030, the Government has taken many visionary steps. These include promoting creation of necessary infrastructure like City Gas Distribution (CGD) networks, Gas grid, LNG terminals, allotting "Public Utility" status to CGD and incentivizing adoption of gas through prioritized allocation of cheaper domestic gas for households and transportation. The Geographical Areas awarded in the 9th and 10th bidding rounds of CGD networks are in various stages of progress and once operational, would cover around 70 percent of India's population and 53 percent of the geographical area. The National Gas Grid has been planned to be expanded to 27,000 KMs from the present 16,200 KMs for wider integration of gas sources to consumption hubs.

Over the years, the country has implemented several reforms and taken various initiatives towards overall economic progress and development and in particular, for the oil and gas sector, keeping pace with the changing market dynamics, emerging trends, country's requirements and aspirations. The country has formulated a lofty Energy Vision propped on the four pillars of Energy Access, Energy Efficiency, Energy Sustainability and Energy Security with Energy Justice as an integral part of the overall objective. Ambitious targets have been set across all pillars with particular mention of promotion of gas based economy, increase in biofuels, diversification of sources of crude oil and natural gas, transition to electric vehicles and enhancement of renewables capacity. They are being pursued with all-out efforts and the country is progressing well towards achieving them.

Opportunities and Threats

Energy has been instrumental in ushering in all developments in the modern world. As important and major constituents in the energy basket, Oil and Gas have played a key role in energizing the lives of millions of people around the globe and kept the wheels of the world economy moving for centuries now. In recent times, growing climatic concerns and technological developments have compelled focus on and accelerated efforts towards de-carbonization of energy, thus building expectations of fossil fuels running out of favor sooner than later. However, with expectations of softer crude oil price regime, reduced CO2 emission levels due to muted economic activity and changes in consumer behavior, oil and gas are expected to continue fueling the world longer than expected earlier.

The **ongoing pandemic** has brought the world almost to a standstill, pushing it back by many years. As economies across the world rise in their battle against the pandemic, economic activity and demand is expected to revive; however, it will take some time for it to even return to the previous levels. Any increase in severity of the pandemic will be disastrous for health and economy. India is likely to bounce back quicker than most of the major economies in the world, riding on its demographic dividend and high domestic consumption. Nevertheless, the economic cost of lockdown is severe and unsettling. In these difficult times, companies need to take an introspective approach for eliminating redundancies, improving efficiencies and optimizing spends to sail through the turbulent waters and at the same time adapt to new market conditions to continue to serve its customers.

The volatility in international prices of **crude oil** have a profound impact on the socio-economic situation of an import dependent country like India. A low oil price scenario, like the one prevailing now, creates an environment conducive for growth and development without constraining the economy and finances. However, depressed product cracks have jeopardized the refining margins and posed a serious threat to the profitability of the sector, which is already under pressure due to demand decline.

As the world and the country embraces and pursues **Energy Transition**, it creates both an opportunity and a threat for the oil and gas sector. While the threat ascends in the form of reduced demand and consequent decline in business, the opportunities manifest in the form of diversification and progression from Oil and Gas to Energy. With more than 50% of the total petroleum product demand emanating from the transportation sector, the growing electrification of mobility is likely to decelerate the demand of transportation fuels, particularly in personal and shared mobility. However, demand in segments like commercial vehicles, LPG, industrial, commercial and marine fuels and petrochemicals will continue to keep the sector live. On the other hand, it also provides an opportunity for the oil marketing companies to spearhead the transition and offer battery charging solutions dwelling on their extensive presence and vast infrastructure. The global trends in adoption of EVs, policy incentives and technological developments reducing total cost of ownership need to be closely monitored.

As the country progresses towards its target of scaling up **renewable energy capacity**, backed by policy incentives and technological developments, there has been a consistent increase in the share of renewable energy sources in power generation, with generation capacity standing at more than 23% now. However, for it to become a critical part of the country's energy mix, continued capacity creation, development of grid infrastructure and finding low cost solutions to the problem of energy storage and performance consistency are imperative. Nonetheless, renewable energy presents an exciting opportunity for the companies to offset their carbon footprints and contribute to cleaner and greener environment.

With oil and gas demand likely to decrease due to increasing adoption of electric vehicles and rise of renewable energy, **Petrochemicals** present themselves as a counter balance to the Oil and Gas industry. Globally, oil and gas companies are increasingly pursuing integration along the petrochemical value chain. The new age crude-to-chemicals process offers an opportunity to delink petrochemical production from conventional intermittent refining/processing. India, which consumes roughly one fourth of the world's average of petrochemicals on a per capita basis, is likely to see a surge in demand as the standards of living improve, consumption rises and the country progresses towards becoming a developed economy. However, harmful effects of petrochemicals particularly, the plastics, on health and environment, needs to be addressed through behavioral changes, regulatory provisions, technological upgradation, better handling and disposal and recycling, to ensure sustainability and scalability. The oil and gas companies need to recalibrate their strategies and plan the capital investments appropriately to include petrochemicals as a critical component of refining reconfigurations and expansions and an important constituent of their product basket.

Towards achieving crude oil import reduction, extending financial support to agriculture sector, addressing environmental concerns, particularly emanating out of indiscriminate burning of stubble and converting waste to energy, the country has taken various policy initiatives to promote **Biofuels** like Compressed Bio Gas, 1st and 2nd Generation Ethanol and Used Cooking Oil based Bio diesel and set ambitious targets to increase their blending percentage into transportation fuels. Oil Marketing companies are supporting and pursuing these initiatives towards greener fuels, thus ensuring achievement of national objectives along with profitable and sustainable growth. However, availability of funds at competitive rates for the projects, evolving technology and low crude oil price regime pose challenges for viability and scalability of such green initiatives.

Natural Gas being a cleaner and greener fuel has seen extensive acceptance and adoption across the world. The natural gas market in the country is poised for accelerated growth in making India a gas based economy, presenting itself as a natural diversification for oil companies and a necessary hedge in the product portfolio. An early and widespread adoption of natural gas, however, hinges on faster creation of gas infrastructure, taxation and pricing reforms and incentivizing switchover to gas. To enhance the share of LNG in transportation sector, automobile manufacturers need to keep pace and roll out LNG driven commercial and personal vehicles as the gas marketing infrastructure grows in the country.

Risks, Concerns and Outlook

The current pandemic situation has put the world in a tight spot inflicting substantial damage to human lives, economies and business and consumer confidence across the world. With the **pathway of the pandemic uncertain** and proven remedy not being available, there are significant downside risks and serious concerns around economic revival and resumption of activity, so much so that even the targeted stimulus packages handed out by the governments across the world may not be sufficient to reinvigorate the ailing economy faster.

Negative surprises on the pandemic can deteriorate the condition with even more loss of lives, numerous business closures, widespread poverty and unemployment, further increase in income inequality, deterioration in the law and order situation and precipitation of a sovereign debt crisis, particularly in smaller and weaker economies. In the event that the pandemic is contained in time without any relapse, central banks and governments stand resolute with their reform agenda and the benefit of the stimulus packages reach the targeted sections quickly, the economies can turn around faster and tide over the wave. Nevertheless, the global economy is likely to feel the after effects of the pandemic for a longer time and it will take a while for demand to return to normal levels.

A low international crude oil price regime bodes well for the Indian economy which imports around 85% of its requirements and pays the price in foreign currency. It helps in controlling inflation, managing the current account and fiscal deficit situations and containing input costs for many industries and sectors. However, some of the benefits of low prices get offset with depreciation of the Indian Rupee against the US Dollar, which has been the case recently owing to global economic turmoil caused by the pandemic. Also, a significant increase in freight rates and insurance premiums, due to Middle East disruptions, the recent pandemic situation and excessive floating inventory, has increased the landed cost of crude oil.

The significant **erosion in oil and gas demand and high volatility in prices** have distressed the profitability and liquidity position of oil and gas companies across the world and led to spending cuts, postponement of capital investments and reduction in shareholder dividends, as cash conservation takes precedence. Going forward, rate of economic revival, developments on the global geopolitical front particularly the US-China tensions and Middle-East stability, and demand-supply rebalancing shall have substantial impact on oil and gas prices. With demand expected to remain muted in the near future and crude oil prices likely to be volatile as the pandemic situation evolves, the domestic oil refining and marketing companies face significant profitability pressures due to truncated operations, lower product cracks and incurrence of inventory losses and fixed costs. Appropriate spend optimization measures, efficiency enhancement efforts and prioritization of capital expenditures would be required to ride out these turbulent times with minimal impact.

The debate around **Peak of Oil and pace of energy transition** has once again gathered momentum against the backdrop of the pandemic. A case in favour of an early maturity of the oil industry stems from a bleak outlook of oil demand, renewed environmental concerns, on-track energy transition plans as hinted by global oil and gas majors, and consumer behavioral changes driving down the demand for transportation fuels. On the other hand, a low oil price regime, healthy demand expected from the petrochemicals sector and reduction in emissions due to subdued economic activity may push the oil plateau by some more years. Besides, the trends in energy transition will depend upon an interplay of a number of other factors like technological advancements driving cost competitiveness of substitutes, increasing efficiency of the ICE engine, oil market dynamics, Government policy choices and decision on subsidies, particularly in the current scenario of constrained finances, and investment priorities of companies and consumers. Nevertheless, Energy Transition continues to be included in both - the risk registers as well as strategy documents of the oil and gas companies across the world.

The domestic oil and gas market is set to witness enhanced **competition** with low entry barriers and existing players enhancing their activities. While a competitive market promotes efficiency, innovation, quality and enhanced customer value, it also constrains industry margins, increases vulnerability and reduces predictability in earnings of the market players. As the sector faces multiple pressures, the marketing strategies of the oil and gas companies need to be realigned to the emerging reality and the corporate culture be infused with agility to tackle the dynamic environment.

The pandemic has reinforced the importance of **Health, Safety and Environment** and repositioned them as the topmost priority for the society and business, as any slippage on this account can be catastrophic to lives and assets. A healthy and motivated workforce, safe working conditions which now need to be pandemic ready and environment friendly operations ensures sustainability with profitability. To mitigate the risks, safety needs to be instituted as a culture through constant end user education and zero tolerance for non-compliance of the standard operating and safety procedures, along with safe upkeep of equipment, information and data.

Inadequacy of **infrastructure** remains a serious concern for an aspiring economy like India. While demand of petroleum products have grown at a considerable rate over the years in the country, the infrastructure has not undergone commensurate expansion, leading to inadequacies, deficient growth and opportunity losses. As the country treads the growth path and oil and gas demand increases, robust infrastructure would be required to support the progress and development and ensure energy justice, access and efficiency. A focused and targeted approach is needed to augment the road, port, pipeline, storage, processing and distribution infrastructure to foster efficiencies, harness the growth potential and capitalize on sudden opportunities like the one that emerged in the form of crashing crude oil prices and low demand.

The importance of **Digitalization** cannot be overemphasized in the current times, as the crisis shapes the operating and interacting norms across the world, impacting the demand for aviation and transportation fuels. However, as a key component of corporate DNA, the case for digital proliferation in organizations has further strengthened, particularly in the Oil and Gas sector which has seen limited digital adoption. The new age digital technologies have potential to significantly drive cost optimization, enable efficient asset creation, operation, maintenance and management, enhance predictability in upstream assets, improve yields, streamline processes, deliver integrated and intelligent information, redefine human resource interface, reshape customer experience and effectively manage recording and compliances.

India has led the world in economic growth in recent years and is expected to be the growth leader of the world in the next few decades, emerging as one of the world's top three superpowers. The country has undertaken massive structural and policy reforms to promote growth, ease of doing business, competitiveness, inclusiveness, digitalization, entrepreneurship and Make in India, attract foreign investments, augment infrastructure, strengthen corporate governance, bolster the banking and financial sector, perpetrate an efficient tax structure and enhance India's image in the international arena. The current crisis has put the country in a sweet spot to emerge as a Global Factory as the world searches for alternative places in Asia for setting up business. With the country embarking on its Self-Reliant India Mission, the Government has emphasized and encouraged entrepreneurs to boost local production, improve quality standards to international levels, enhance efficiency and promote local goods. Though a slew of reforms have been announced in this direction, there is more scope and a need to strengthen execution and timely percolation to the targeted sectors.

As the world stands on the threshold of a new reality brought about by the pandemic, and India strengthens its resolve to overcome the virus and revive the economy, BPCL is fully seized of the various dimensions of this new normal and is set to leverage the new horizons which would emerge. Exhibiting agility and resilience and with concerted focus on risk matrix and resource management, BPCL is evaluating the various facets of this transition, and has put in place appropriate strategies and plans to not just overcome the impact of this disruption, but also to identify and capitalize on the new unfolding opportunities. With its professional management, total customer focus and robust governance systems, as always, BPCL is poised to rise above the challenges and establish itself firmly at a higher level. As the company prepares for historic transition in its ownership structure, it is expected to unlock tremendous value by way of enhanced professionalism, access to advanced technologies, newer global market, a diversified product portfolio and improved availability of resources and capital, and create significant value for all stakeholders.

PERFORMANCE

REFINERIES

Although the year 2019-20 was a very challenging year, BPCL's two refineries, Mumbai and Kochi achieved the highest ever refinery throughput of 31.91 MMT as against the previous best of 31.01 MMT in 2018-19. BPCL achieved a Gross Refining Margin (GRM) for the year 2019-20 at USD 2.50 per barrel (₹4182 Crores) as compared to USD 4.58 per barrel (₹7319 Crores) realized in the year 2018-19. BPCL achieved the lowest ever Specific Energy Consumption of 66.0 (MBTU/Barrel/Energy complexity factor) MBN in 2019-20 compared to 68.6 MBN in 2018-19 through implementation of various Energy Conservation (Encon) Schemes.

With an increase of over 2.9% in the refineries throughput over the last year, they produced the highest ever products (MS, HSD, Propylene, Hexane and Lube Oil Base Stock) albeit having the challenge of producing upgraded products like Very Low Sulphur Furnace Oil (VLSFO), BS-VI MS and HSD. To improve margins, the refineries adopted several measures such as optimum capacity utilization of both primary & secondary processing units. For the first time, annual turnaround of process units and catalyst replacement were carried out during the monsoon season, which is the lean demand period. Kochi Refinery (KR) was the first PSU oil Refinery in India to export VLSFO (15 TMT) on 7th February, 2020.

As part of its Integrated Management System, surveillance audit and recertification of both the refineries were completed for conformance to the new standards of ISO 9001:2015 and 14001: 2015 for Quality, Environment & Occupational Health and Safety Management Systems. Many activities were done and some are in progress to improve the awareness and strengthen the Quality Management System (QMS) system.

BPCL's Quality Control (QC) laboratories have always strived to maintain the highest quality standards to comply with the norms set by reputed external certified agencies and accreditation bodies. Both the refinery laboratories maintained their performance and continued to perform excellently in the international laboratory proficiency testing scheme. QC received approval from Bureau of Indian Standards (BIS) for testing competency and product quality for specialty product, Food Grade Hexane. A state-of-the-art petrochemical laboratory was constructed as part of PDPP project in the Centralized Quality Control Laboratory at Kochi.

During the year, various digital initiatives were taken in the refineries thereby achieving good progress in the areas of the industrial internet of things, machine learning, artificial intelligence, etc. For the first time ever, a digital enabled turnaround was carried out in the CDU-4 unit of MR in collaboration with the startup companies. First of its kind, the digitally enabled Gasoline Treatment Unit (GTU) in MR has helped in faster commissioning of the unit enabled faster collection, processing, and action on daily performance plant data. Wireless transmitters installed on every pump helped in continuous monitoring and improved reliability. Other initiatives like smart parking, drone based inspection, digital twins, robotic process automation, etc. were carried out in the refineries to leverage the latest digital technologies available and generate significant value.

The refineries have a well established effective Energy Management System (EnMS), accredited with ISO 50001:2011 certification and activities for migration to ISO 50001:2018 have been initiated. There have been numerous efforts for optimizing plant operation and implementing energy conservation schemes across the refineries. These relentless efforts have brought down the Specific Energy Consumption to 62.5 MBN in 2019-20 as compared to 64.5 MBN in 2018-19 at MR and 68.5 MBN in 2019-20 as compared to 71.5 MBN in 2018-19 at KR, their lowest individual values ever.

BPCL refineries have always given priority to care for the environment and its protection. The refineries have already incorporated pollution control measures in their design itself and they always strive to enhance sustainability and efficiency by exploring avenues of sustainable developments. All the conventional lights in MR were replaced with energy efficient LEDs resulting in huge savings. Other initiatives like rainwater harvesting, sewage treatment plant, solar power plant, hazardous waste management, etc. were taken in both the refineries during the year. Various other “Go-Green Initiatives” have also been implemented across different parts and functions of the refinery.

People are the greatest resource in BPCL. Breaking the gender wall, 11 Women Officers have taken the charge of various Process Units in all 3 rotating shifts at MR for the first time. BPCL has always invested in learning and development. Throughout the year, a series of training programs and learning initiatives based on individual and organizational needs were implemented for employees to engage in and enhance their skills, both in the technical domain as well as Visionary Leadership workshops, Team Building Outbound programs, etc. During the year, focus was on developing and imparting emerging skills which the organization needs in the coming years. The Company has also offered in-house technical expertise to external organizations from both within India and abroad. New learning methodologies such as e-learning modules, case studies etc. were also introduced during the year.

RETAIL

Indian petroleum retailing, including the private sector in the year 2019-20 registered negative growth of (0.2%), whereas the retail business of Public Sector Oil Companies (PSUs) registered negative growth of (1.6%). The market share of PSUs in Indian petroleum retail dropped from 91.1% last year to 90.1% this year. The year 2019-20 witnessed the impact of economic slowdown, aggressive network expansion by private players and the effect of COVID-19 in the last quarter. All these resulted in negative growth in sales volume. By focusing on customer-centric initiatives in existing markets and prioritizing network expansion in less represented markets, the Retail Strategic Business Unit (SBU) avoided major volume erosion.

The Retail Business recorded total market sale of 26.96 MMT. The sales volume of MS at 7.79 MMT was 5.1% higher over previous year 2018-19. HSD sales volumes stood at 18.37 MMT, witnessing negative growth of (3.0%). In the alternate fuels segment, BPCL recorded growth of 7.2% on the sale of Compressed Natural Gas (CNG) with sales volume for the year being 475 TMT. Auto LPG registered negative growth of (6.8%) with a sales volume of 28.58 TMT. Government policy linked SKO sales stood at 297 TMT, with de-growth of (38.1%).

With focus on providing environment friendly fuel facilities at Retail Outlets (ROs), CNG was commissioned at 114 ROs during the year 2019-20. Sales of premium branded fuel, ‘Speed’ were 308 TKL with a conversion of 2.8%.

During the year, 1447 new retail outlets were commissioned by BPCL, the highest ever in a financial year amongst PSUs, 571 of which were in key priority rural markets. 17 Company Owned and Company Controlled (COCO) Outlets and 6 One Stop Trucker and Shops (OSTSs) Outlets were commissioned during the year. The total number of retail outlets at the end of 2019-20, taking into account those newly commissioned during the year and those decommissioned, stood at 16,234. 174 ROs were revived towards creating a healthier and more effective network.

BPCL has 5,710 Pure For Sure (PFS) ROs and 1,555 PFS Platinum certified ROs. The certifications are carried out by a third party inspection agency for maintaining the business promise of trust, efficient fuelling and courteous service. The 'NextGen PURE FOR SURE' initiative was launched in Delhi, Kolkata, Mumbai, Bengaluru, Chennai and Hyderabad, covering 530 ROs. These ROs display new retail visual identity, featuring technology led brand positioning. These ROs leverage best-in-class technology for receipt of products into ROs, using geo-fencing technology in Tank Lorries (TLs). The ROs have adopted digital payment integration of fuelling through automation, which is the ultimate measure towards customer trust and transparency.

BPCL provided financial inclusion services at 6,631 ROs through Fino Payments Bank. BPCL has partnered with Fino Payments Bank, which offers Business Correspondent (BC) services, which include Aadhar-enabled Payment System (AePS), Micro ATMs, Domestic Money Transfer, Content Management System and Bill Payments. In the rural market, these are offered under the 'Umang' brand across 3,761 select ROs. These ROs also offer Government to Citizen Services through online portals. Fino BC services generated Gross Merchandise Value of ₹ 2,120 Crores through the BPCL retail network.

BPCL has 150 "In & Out" convenience stores, 121 Quick Service Restaurants through alliances with food brands and "Ghar Dhabas" for the trucking community. Money transfer, Two-wheeler insurance, Energy Efficiency Services Limited (EESL)'s LED appliances, Mother Dairy and Amul products were offered across select ROs. Towards environment protection, a new product named 'Adblue' has been made available at 496 outlets for new generation Heavy Commercial Vehicles.

With 13,308 ROs equipped with Auto-RSP facilities, digital transactions in BPCL ROs increased to 32.42% in March 2020 from 28.41% in April 2019. With tie-ups with wallet companies/National Payment Corporation of India (NPCI), monthly Unified Payments Interfaced (UPI) transactions increased to ₹ 137.67 Crores in March 2020 from ₹ 7.49 Crores in April 2019.

BPCL has 310 COCO outlets, including 150 OSTSs, where customers experience superior quality and a wide array of services that are expected of a model outlet. The signature brand of COCO outlets on highways, i.e. the OSTSs, are strategically positioned on major highways to give transporters and drivers an experience of 'a home away from home.' These outlets, in addition to conventional services, offer premium loyalty services under the brand 'SmartFleet' for fleet customers, a customer care center, truckers' air gauge, greasing facility, driver rest rooms and secured parking. During the year 2019-20, in order to bring assurance to the highway customers, the Retail SBU launched an Integrated Payment Solution at all OSTSs and select Highway ROs. BPCL retail automation integrates credit / debit card payment and loyalty transactions of customers.

In an attempt to reach a step closer to the customer, the mobile app, 'SmartDrive' was enhanced for a more user-friendly experience for the ever growing population of mobile users. To increase digital transactions at ROs, additional features were brought into the SmartDrive Mobile App for urban customers. The Retail SBU enrolled 3.94 Lakh urban customers in the BPCL SBI co-branded credit card program, taking the card base to 5.78 lakhs and making it the fastest growing co-branded credit card in the country. The Company offered multiple options like mobile, email, website and callcenter to stay connected with the customers and dealer network. Apart from these, the Retail SBU also conducted fortnightly customer connect campaigns, Ghar Utsav at all OSTS ROs to bring synergy and improve engagement with all the stakeholders. The Retail SBU launched a Quick Oil Change proposition, "Mak Quik" across 4,372 ROs for increased convenience of two wheeler customers.

The Retail SBU launched a Driver Insurance Scheme giving Accident Insurance Benefits of ₹ 3 lakhs to drivers and ₹ 1.50 lakhs to helpers. In 2019-20, 7.54 lakh drivers and helpers were enrolled in the scheme.

In an endeavour to support its frontline resources, 34,250 Driveway Salesmen (DSMs)/ Tank Lorry (TL) crew were enrolled into the Bharat Arogya Yojana Medical Insurance scheme and 12,994 DSMs/TL crew were covered under the Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM) (pension scheme). BPCL has certified 20,518 DSMs/TLs crew under the Recognition of Prior Learning-4 program of the Government of India.

To enhance the automation system capabilities, the Retail SBU introduced wireless Forecourt Controller (FCC), Android based Electronic Data Capture (EDC) terminal, an Integrated Payment solution and unique cloud architecture in the automation landscape, the first among PSUs. All the Multi Product Dispensers (MPDs) are updated with the highest security level features for stamping/e-cards replacement. The Retail SBU strengthened the Vapour Recovery System (VRS) type Stage II and Stage IB at 103 ROs of National Capital Territory of Delhi (NCT) and 455 ROs of National Capital Region (NCR).

In the year 2019-20, under MOP&NG's initiative of "Door-to-Door HSD delivery" service, the Retail SBU commissioned 118 Bowsers under the brand name "FuelKart", the highest among PSUs. Under this initiative, customers having heavy stationery equipment/machinery, get diesel at their doorstep through Geo-fencing/OTP enabled Bowsers.

Towards the Clean Energy mission, a pilot project was launched for battery swapping facilities at 6 ROs in Kochi and Lucknow. An MOU has been executed with M/s. REIL (a Public Sector Enterprise) for setting up EV charging stations.

BPCL has developed the Corporate Safety Management Framework (CSMF) including the Life Saving Rules and Technical Guidelines for ensuring the highest level of safety standards. In response to the COVID-19 pandemic, comprehensive Standard Operating Practices (SOPs) were issued to all ROs in line with the Central/ State Government directives. All DSMs and RO staff compulsorily wear masks. Sanitizers are made available on the forecourt for the use of DSMs & DSWs. DSMs / DSWs are advised to maintain minimum 2 meter distance from each other and from customers. Digital payments by customers are being encouraged in order to reduce currency handling. BPCL has introduced SmartDrive with QR code facility and APOS (Android Point of Sale) to promote touch-less payment.

To reduce environmental pollution and improve air quality, all marketing installations, depots and retail outlets were converted for handling BS-VI grade auto fuel, which was rolled out from 1st April 2020. BPCL achieved ethanol blending of 4.22% during the year 2019-20.

To improve the operational efficiency of supply locations, a Retail Auto Invoice System (RAIS) was implemented in 72 locations resulting in efficient usage of resources. BPCL also implemented Electric Mechanical (EM) locks across 40 locations covering about 7,000 TL, achieved 96% visual identity on 10,439 TLs out of targeted 10,878 TLs and achieved automation and interlock uptime of over 98% across India.

INDUSTRIAL AND COMMERCIAL (I&C)

During the year 2019-20, I&C SBU recorded domestic sale of 6.18 MMT and registered high growth of 7.5% against de-growth of (0.9%) in the Industry, following the trend of the previous year. The SBU also increased its domestic market share amongst PSUs in an extremely competitive market to 18.4%, a significant jump over the previously reported market share of 15.6%.

In a highly competitive business landscape, the SBU has been able to register volume growth and improve profitability at the same time. This has been made possible with the SBU's undivided focus on appropriate pricing interventions, sales of high margin products, registering growth in the refinery economic zone, scanning value driven market opportunities and optimizing logistics costs.

The SBU focused on seamless customer service through automation and digitalization, thereby offering the best value for customers. The SBU renewed its long term customer relationship with major Corporates by signing MoUs through a consistent approach of treating customers as valued partners in its growth journey. Overall 47 major MoUs were signed in the year 2019-20.

With a clear focus on Diesel as a growth driver for the SBU, I&C exceeded the milestone of 1500 TMT sales of Diesel, the highest in the past 7 years. The MoU with Karnataka State Road Transport, one of the major customers with volume of 500 TMTPA of Diesel, was renewed for a period of 1 year.

During 2019-20, I&C commissioned 68 Consumer Pumps for its customers across the country covering various sectors like mining, industrial, State Transport Undertakings and Defence over varied geographies. The focused strategy on adding value to the customer and improving ease of operations by installing consumer pumps led to the improved bottom line for the Diesel business. During the year, I&C sold 1502 TMT of Diesel to Direct Customers, which led to the market share improvement of 0.35% amongst PSUs and a growth of 1.14%, the best amongst all PSUs.

Taking a leap in its focus on trading activities, the SBU forayed into trading of Petrochemicals by importing and selling Butyl Acrylate to major customers in the paint sector. Commencing sales of Bitumen sourced from importers at 7 ports to meet the growing demand of the infrastructure sector was another feather added to the trading portfolio. The I&C SBU also traded imported Furnace Oil at Ennore to feed the southern region.

Grabbing opportunities arising out of the changes in the global market of bunkering, I&C launched VLSFO in the market, meeting IMO 2020 specifications from both Mumbai and Kochi and gained an indomitable position quickly. Solvent D 80, a niche product in the household insecticide and specialized coating segment, has also been added in the I&C portfolio.

The year stands out in I&C's journey of technological advancement with a number of digital initiatives taken to improve internal processes and create an improved customer experience. These include analytical dashboards, consumer stock tracking and upgrading features of mobile applications for faster market response.

The SBU has further enhanced its logistics capabilities and has achieved a major milestone this year. Through its logistics initiatives like product exchange with OMCs, I&C has achieved significant cost and freight optimization along with improved customer satisfaction.

Buoyed by the unparalleled growth achieved by the SBU in this year and the performance of past years, I&C now looks forward to moving ahead with renewed vigour for new opportunities that the future can offer, even in the most challenging times ahead.

GAS

The Gas SBU handled 1,700 TMT of Gas in the year 2019-20. Out of this volume, 318 TMT of Gas was supplied to MR and 601 TMT to KR to meet their internal requirements. The remaining 781 TMT of Gas was supplied to various customers in Fertilizer, Power, City Gas Distribution (CGD), Steel and other industries across the country.

During 2019-20, BPCL enrolled three new LNG customers for supplies through Tank Lorry, including the prestigious ISRO (Propulsion Unit), Mahendragiri (Tamil Nadu). These customers are expected to take around 300 MT of LNG every year. Although currently in terms of volumes, the share of the Tank Lorry LNG segment is limited, it is set to increase over a period of time with forays into another technological segment i.e. L-Compressed Natural Gas (CNG) Stations, which would be supplying gas to the neighbouring areas that are currently away from the vicinity of the pipeline. BPCL is undertaking its first pilot project of a L-CNG Station in Aurangabad (Maharashtra).

BPCL, through its wholly owned subsidiary Bharat Gas Resources Ltd (BGRL), is planning to put up a LNG Regasification Terminal along the east coast of India. The BPCL Board has accorded its approval for going ahead with the Regasification Terminal. The detailed feasibility study for the same has been completed.

Financial closure has been achieved for all 13 Geographical Areas (GAs) under the 9^{th} and 10^{th} CGD rounds, won through its subsidiary BGRL, and necessary documents have been submitted to Petroleum and Natural Gas Regulatory Board (PNGRB). BPCL CGD projects have been progressing in full swing to ensure completion of targets as committed by the Company. The total capital expenditure incurred in BPCL & BGRL's CGD projects during the year 2019-20 is approx. ₹ 351 Crores.

During the year, BPCL commissioned its first CGD network in Rupnagar GA which includes commissioning of City Gas Station (CGS), District Regulating Station (DRS), Piped Natural Gas (PNG) network and 4 CNG stations. During the year, BPCL also commissioned 4 CNG stations in Yamunanagar and 5 in Saharanpur CGD GA. Besides, 68 CNG stations were commissioned at BPCL Retail Outlets other than the above GAs.

LUBRICANTS

The Indian lubricant market is the world's third largest growing market. As per Petroleum Planning and Analysis Cell (PPAC)'s report, India consumed 3,640 TMT of lubricants in the year 2019-20 and it is expected to grow by 2.8% in the year 2020-21. The industry is made up of over 30 players, thus making the lubricant industry highly competitive.

Over the years, MAK Lubricants has established a well-entrenched position in the automotive and industrial segments. The marketing of MAK Lubricants is mainly through Retail Outlets, Bazaar network, Authorized Service Stations, industrial and institutional customers. Apart from domestic markets, MAK Lubricants has expanded its footprints in other countries and is establishing itself as a reliable brand in international markets. Through aggressive marketing at the ground level, MAK Lubes ensured a spectacular performance in the year. It gained market share of 5.4% among PSUs, with total market share of 21.1% among PSUs.

In the 16,234 BPCL retail outlets, the focus remained on generating secondary sales at the forecourt. Initiatives like Quick Oil Change (QOC) machine with focus on rural ROs, product-specific campaigns, Below-The-Line (BTL) activities, Digital Mobile App, etc. improved visibility and awareness of the brand and offered a unique value proposition to customers. Through various initiatives and a strong presence in social media, the Lubes SBU enrolled over six lakhs customers in the MAK QUIK app.

In the Bazaar channel, retailers and mechanics are vital influencers. Many customized programs for mechanics such as mechanic training, mechanic engagement program and ground-level activities were conducted. To cope with the market requirement, the Lubes SBU introduced new products, which helped the SBU to capture niche segments. New distributors were appointed to strengthen the network pan-India.

In the Direct channel, the demand for Industrial lubricants is observed to have a strong correlation with the Index of Industrial Production (IIP), which is largely driven by economic activity. MAK drove the industrial business through the acquisition of new customers, introduction of new products, and value-added services to the direct customers, despite a tough external environment. The Company strengthened its OEM portfolio by entering into a new agreement with KIA Motors and renewed the agreement with TATA Motors for marketing its Genuine Oil and grew significantly in the personal and commercial mobility space.

MAK continued to deliver its strong performance in SAARC countries by proliferating its presence in the secondary market through the channel partners. Under network expansion into other countries, MAK expanded its footprint in a few Gulf Cooperation Council (GCC) countries.

There was an unprecedented impact on the Lubricant demand in March 2020 due to the COVID19 pandemic, which has created uncertainty in demand during the year 2020-21. However, expansion opportunities such as automobile manufacturing, automotive components, construction activities and the power sector will drive growth. MAK will ensure its significant presence and penetration in personal and commercial mobility. BPCL is also working with many industrial and OEM customers to build enduring partnerships and augment product development with new technology. MAK will continue to invest in training and development to enhance the capability of channel partners and their staff to compete and excel in the market place.

LPG

The LPG Strategic Business Unit (SBU) registered sale of 6.87 MMT with a growth of 5.8% and growth of 0.02% in market share in the LPG Domestic segment in the year 2019-20. LPG has an overall market share of 26.28% amongst major OMCs. Network expansion has been a priority for providing accessibility of LPG to all households in the country, especially in rural areas. The LPG SBU added 214 Distributors during the year, thereby taking the total distributor network to 6,110. Newly added Distributors have been commissioned mainly in the rural areas to extend benefit to Ujjwala customers and facilitate service to overall 8.25 crore households.

To support the expanding customer base, second cylinder facility was extended to 17.8 lakh customers leading the 'Double Bottle Connection' coverage to 3.23 crore customers, which is 39.1% of the total consumer base.

Pradhan Mantri Ujjwala Yojana (PMUY) envisaged providing LPG connections to women belonging to poor households with a target of 8 crores by March 2020. This target of 8 crore LPG connections was achieved by the OMCs during the first week of September 2019, 7 months ahead of schedule. The Company had released 23.67 Lakh connections during the year 2019-20 and overall 2.105 crore connections since inception of the PMUY. With the launch of the PMUY in 2016, LPG coverage has increased from 62% to 97.5% as on end March 2020.

LPG Plants in BPCL continue to maintain their record of following the best practices in HSSE, coupled with improvement in productivity and cost leadership. During the year 2019-20, BPCL's bottling capacity was 6.2 MMT, recording growth of 7.2% and achieving capacity utilization of more than 100% in 52 Bottling Plants across the country. To meet the increasing demand of LPG, several steps were taken to enhance bottling capacities, tankages and import receipt terminals. BPCL commissioned a new Bottling Plant at Baitalpur (UP) through the O&M (Operations and Maintenance) Model to reduce operating cost. Mechanical commissioning of the LPG Import Terminal at Haldia and Bottling Plants at Bolangir (Odisha) and Madurai (Tamil Nadu) have already been completed. Construction work for a new Bottling Plant at Bokaro (Jharkhand) is in an advanced stage.

The Plant Automation project was completed at 4 plants- Pune, Sholapur, Bakania and Jalgaon. In addition to the Bulk LPG Tankers, a Vehicle Tracking System (VTS) has been installed in the fleet of Packed LPG Trucks for monitoring purpose as well as for effective planning in the Plants. Imparting training to Bulk LPG Tanker drivers, to create a pool of trained drivers, continues to be one of the focus areas under the Safety initiative. At the Centre of Excellence, 11 workshops covering 217 participants with 578 man days, were conducted during the year.

BPCL commissioned a 169 km long cross country LPG pipeline from Uran to Chakan & Shikrapur, of 1 MMTPA capacity, in partnership with HPCL. A Joint Venture of IOCL, HPCL and BPCL was formed for the longest LPG pipeline of 2757 kms from Kandla to Gorakhpur with an investment of about ₹ 10,000 Crores.

A major drive was undertaken to enroll new Point Of Sales for marketing 5 Kg Free Trade LPG (FTL) cylinders, wherein 17,500 new customers were enrolled to increase reach to the targeted customer segment of IT professionals, BPO employees, students, roadside eateries, etc., who are outside the established LPG connection refill system.

In synergy with team Corporate Research and Development Center (CRDC), the LPG SBU successfully launched the in-house developed cost effective "NxtGen Bharat Metal Cutting Gas (BMCG)"- an Industrial gas fortified with an innovative Nano-additive, which has a long shelf life of 8 months vis-à-vis the earlier one month. The product offers excellent performance, a smoother finish with minimal slag, better stability and also saving towards fuel and time. This revised version of the product offers a new business edge to the Company in the competitive Metal Cutting Business.

BPCL has proactively joined the Digital India program and embarked upon several customer-centric initiatives such as bookings through WhatsApp for domestic consumers, pay and book facility on Amazon, payment solution through Phone Pay, Bharat Bill Payments System (BBPS), SBI YONO, FINO & Google Pay and geo-tagging of refill deliveries.

AVIATION

The Aviation SBU achieved its highest ever sales of 2005 TMT with 0.8% growth against industry de-growth of (1.3%) by retaining large volume customers in the domestic and international segments. The negative growth of the industry was due to the collapse of Jet Airways in April 2019, which had 15% market share and the onset of the COVID-19 pandemic, followed by a lockdown in the later part of March 2020.

The Aviation SBU incurred ₹ 30.8 Crores on capital assets, mainly on account of purchase of refuellers, additional tankage and revamping of the fire-fighting facility at Cochin, and procurement of self-bunded tanks. The SBU commissioned new Aviation Fueling Stations (AFSs) at Madurai and the IAF station at Panagarh, RCS airports at Kalaburagi and Pakyong, self-bunded tanks for the Army at advanced landing grounds at Misamari and Rupa two tanks at Budge Budge installation, additional tanks at Tirupati AFS and Raipur AFS, and ATF Testing Facility at Devanagonthi Installation. In-principle permission was obtained from Centre for Military Airworthiness and Certification (CEMILAC) to start ATF Pipeline Transfer (PLT) in the multi-product pipeline from Bina to Piyala and Piyala to Bijwasan with pipeline compatible kerosene plug as interface.

The Aviation SBU accords highest priority to safety and the environment, hence strictly adheres to Quality Assurance and Standard Operating Procedures. There was no incident of fire and nil lost time accidents (LTA). There were no major deviations in Quality, Operations and Safety audits this year.

A Junior Business Council has been formulated to leverage new ideas and the boundless energy of young officers. Familiarization programs were organized for IAF personnel. Refresher courses were organized for BPCL and 'into-plane' refueling staff. All locations are now covered for centralised invoicing of sales at AFSs.

CORPORATE STRATEGY AND BUSINESS DEVELOPMENT (CS&BD)

The key focus of CS&BD is to explore new strategic opportunities across the value chain to enhance efficiencies, find new business models and act as a catalyst for innovation and excellence in execution. The set-up has been continuously working along with various SBUs to analyze long term trends and suggest requisite interventions to overcome imminent business challenges, use digital innovations to stay connected with all customers and ultimately deliver performance on a sustained basis.

BPCL's Startup initiative, christened as **"Project Ankur"** was started in 2017, in line with Government of India's "Startup India" initiative, recognizing the importance of Startups as an innovation engine. The aim of Project Ankur is to develop a supportive ecosystem that nurtures entrepreneurship in the country by backing innovative ideas/concepts that have the potential to grow into promising Startups and create a multiplier effect on the entire ecosystem. BPCL has initially allocated ₹ 25 Crores for this purpose and this fund is being distributed as grants to deserving applicants. Till 31.03.2020, 25 Startups were funded, amounting to a total of about ₹ 24.9 Crores, of which about ₹ 19.60 Crores has already been disbursed. BPCL is also providing mentoring and guidance to these Startups. Additionally, BPCL's Startup cell has been facilitating Startups to engage with SBUs through separate contractual arrangements to implement new initiatives and test services provided by them.

To collaborate on Startups and have a steady pipeline of applicants, BPCL has signed MoUs with Kerala Startup Mission (KSUM), Invest India, New Delhi, IIT Madras, KIIT, Bhubaneswar, Axilor Ventures, Bangalore and IIM Kozhikode, Kerala.

During the year, an additional corpus of ₹ 25 Crores for the second phase of Project Ankur was approved for a 3 year period. With a view to attract the best entrepreneurial talent and channelize creative and innovative energies towards solving industrial problems, BPCL had launched a grand challenge for Startups, wherein 6 problem statements were provided and a grant of ₹ 50 lakhs would be given to the winner of each one. Further, winners would also get an opportunity to carry out the Proof of Concept of the same with BPCL.

Going forward, BPCL is committed to support startups in a variety of ways, including grant funding, equity investment, business exposure, mentoring and guidance.

Globally, **Electric Vehicles** are being looked at as the solution to the challenges faced due to increasing pollution levels across the world. In order to capitalize on the opportunity and enjoy first mover advantage in India, BPCL has been working on various business options in the EV value chain. During the year, BPCL launched the **"E-Drive"** initiative - an innovative electric vehicle mobility model based on battery swapping. BPCL worked closely with IIT Madras and other stakeholders, including battery and automobile manufacturers for using BPCL's Retail Outlets as swapping stations. This initiative was launched on a pilot basis in February 2020 for 3 Wheelers in Lucknow and Kochi.

Further, Corporate Strategy is partnering with Marketing SBUs for digital transformation in the Corporation. With the objective of making BPCL's customer interfacing units technology relevant at all times and to get a single view of the customer across the organization, **"Project Anubhav"** has been initiated. This will be further extended to cross-sell and up-sell BPCL's goods and services to customers. A few initiatives under Project Anubhav include a Customer Engagement Platform, Command Control Center, Digital Marketing Platform and Integrated Supply Chain Management solutions. Further, the Retail SBU and Corporate Strategy are working towards digitally enabled solutions, using the design thinking principles to improve Retail Outlet performance through enhanced customer experience at ROs.

BPCL has initiated action to set up an **Integrated Messaging platform** to connect all BPCL communication to any messaging channel, unifying all customer interactions into a consistent omni-channel conversation. A pilot for LPG booking through WhatsApp has been carried out.

A state-of-the-art **Corporate Digital Center** is being set up at the head office to comprehensively build a common data warehouse across the organization, essentially to enable integrated and more effective decision making by top management. It will encompass data visualization and data analytics to arrive at Predictive Analytics and enriching analytics with Artificial Intelligence and Machine Learning to evolve into Prescriptive Solutions.

The Corporate Strategy department, along with Businesses, has from time to time been carrying out various initiatives for cost rationalization and improvement in process efficiency in BPCL. Also, being constantly on the lookout for new business opportunities, BPCL is charting out the growth trajectory and developing business cases for future investment by working on key areas of potential future growth such as Petrochemicals, Alternate Energy, Renewable Energy, Global forays, etc.

HUMAN RESOURCES (HR)

BPCL constantly strives to enhance HR Practices and processes. In line with this philosophy, the company has embarked on the journey of creating a comprehensive Functional Competency Framework for the organization. As a part of this initiative, unique roles are identified across the organization and these roles are mapped with competencies required to succeed in these roles. A Competency Dictionary is defined for 307 roles spanning across the organization.

BPCL is in the process of upgrading to Maturing Level 3 of the People Capability Maturity Model (PCMM) which is a proven set of people management practices that provide a roadmap for continuously improving the capability of an organization's workforce.

The cornerstones of BPCL's capability/skill building for the organization were Instructor-led Training, Digital Learning, Alternate Learning & Purposeful Engagement. The core focus of the learning strategy remained leadership building and critical skills through the Behavioural Learning Framework and other customized training programs with the objective of grooming leaders and subject matter experts for the organization. This was complemented by 62 officers pursuing their Executive Management Course at SP Jain Institute of Management Research, 3 officers pursuing an Executive M Tech course at Institute of Chemical Technology, Bhubaneshwar and 496 officers were extended learning opportunities through Management Development Programmes at Premier Institutes. The total training mandays for the year 2019-20 covering internal and external training was 31,761 mandays.

Digital Learning was leveraged to provide opportunity for employees to learn anytime or anywhere through EBSCO resources and the Linked-In Learning Library. BPCL's ability to curate relevant content to ensure personalized learning led to high adoption rates. The Learning Management System in place ensured better user experience and enabled us to make data driven decisions on learning.

BPCL continued its efforts of capturing tacit knowledge of employees by encouraging them to create Learning videos and hosting them on the VIZDOME platform, making it a rich repository of knowledge. Other alternate learning platforms like SOCRATIX, the case study competition and MERCURIX, the story telling competition provided experiential learning to participants, apart from being an excellent platform for identifying talent.

Ensuring that the workplace allows both profession and passion to blend was achieved through "iPassion", a platform for pursuing hobbies and interests. Apart from nurturing their passion through workshops, employees were provided an opportunity to showcase their talent at iPassion Night.

Empowering women employees and harnessing their potential to achieve greater success on both personal and professional front was initiated through 20 different initiatives covering 494 women employees across the Corporation like leadership, financial wellness, physical wellness, work-life balance, self-defence etc.

Junior Business Council (JBC): The JBC was started in April 2019 to groom young leaders (JG C to JG E) of tomorrow by giving them exposure to real integrated business challenges, providing a platform at the highest levels of decision-making as well as to channelize their enthusiasm, agility, entrepreneurial spirit and nurture holistic thinking capability.

EMPLOYEE SATISFACTION ENHANCEMENT (ESE)

ESE is a unique and innovative initiative taken by the organization to make BPCL **'A Great Place to Work'** by being a facilitator towards keeping the employees healthy, vibrant and energized. The ESE team continued its endeavours by working towards 360 degree wellness of employees, living up to BPCL's core purpose of energizing lives. ESE followed a plan of enhancing employee satisfaction through employee wellness, employee connect and prompt grievance redressal.

Proactive grievance identification & resolution

BPCL, recognizes that unless adequately and promptly resolved, health and wellness issues may result in lower productivity and demoralized work force, something that no organization can afford. The ESE team carries the mandate to reach out to maximum number of employees in a proactive manner, to listen to them, to understand their concerns and resolve those. During the year, ESE teams conducted 88 awareness sessions across 80 locations and proactively interacted with over 1300 employees as sharing and learning exercise.

Employee Assistance Program (EAP)

It is with the objective of having a healthy, energized and productive workforce, that ESE introduced free and confidential psychological counselling services for all employees (and their dependents) through an EAP vendor under the initiative – Roshni Plus.

Registration opens up a new window for wellness for them and their families, access to a self- help library, self-assessment tests and free and confidential counselling sessions. Employee Assistance Program (EAP) registrations have crossed 6000 and during the year, 195 counselling sessions, 289 self-assessment tests and 47 Health Risk Assessments were conducted . In addition, 1343 topical articles were shared under EAP.

Employee wellness

Interdependence of emotional well-being and physical well-being was highlighted through various platforms. Aiming to motivate employees positively, ESE regularly publishes articles on topics like parenting, councelling, resilence, choices, support systems, suicide prevention, self-confidence, mental and emotional health, etc. An "Inter-Connect" e-Zine focusing on wellness was introduced this year and has been well received.

Employee connect

ESE connects with employees in many ways. 25 workshops, seminars and sessions with external faculty were organized covering over 1900 employees across the country. Workshops and seminars on "mindfulness", "professional Image", "resilience", "legal will planning", "budget and tax planning, a happy retired life" and "life style diseases" were organised. Employee engagement activities included exhibitions on handicrafts, handmade umbrellas, Onam Mela and organic women's fabrics. Quiz contests on Mother's Day and World Diabetes Day were organized. World Environment day was celebrated at KR with the objective of creating awareness in employees about environment needs like water conservation, planting trees, recycling of kitchen waste/E-waste and conservation of natural resources. Employees are wished on their special occasions such as birthday, promotion and retirement, engendering feelings of being cared for.

INTEGRATED INFORMATION SYSTEMS (IIS)

Team IIS has been continuously creating value for the businesses by enabling new business processes and enhancing existing processes.

Digital Initiatives: Digitally signed **product invoices** were enabled for the Aviation and Gas Businesses and about 88,500 invoices were mailed to customers. During the year digitally signed **purchase orders** for Supply of Goods and Services was introduced and 7000 purchase orders have been mailed to vendors since February 2020.

A **Retail Auto Invoicing System** (RAIS) was implemented at 72 locations resulting in increased efficiency of the product despatch process and increased transparency among the supply location, dealer and transporter. The Retail business is seeing this as an opportunity to rationalize the numbers of officers deployed for planning product despatches.

ERP and the GeM portal have been interfaced to facilitate sharing of the purchase order, invoice and payment information and 250 purchase orders have been shared so far.

BPCL enabled rural customers to digitally book LPG Cylinder refills, at 2.5 lakhs Customer Service Centres (CSCs), a Government of India facility to deliver e-Services to rural and remote locations.

HEALTH, SAFETY, SECURITY & ENVIRONMENT (HSSE)

BPCL practices the 'Safety First, Safety Must' mantra across the organization and believes in imbibing the principles of Sustainable Development with the highest concern and commitment for Health, Safety and Security of employees, contractors and all other stakeholders and communities. Safe operations and implementation of health, safety and environmental initiatives remain at the core of all business activities for BPCL.

BPCL's commitment towards safety is evident, as KR has achieved 64.42 million man-hours for employees without Lost Time Accidents as on 31.3.2020 whereas MR stands at 2.25 million man-hours. The Behaviour Based Safety (BBS) program, which helps in changing the existing unsafe workplace behaviours by identifying and using the right behaviour has been successfully implemented at Refineries. This has given results and helped in decreasing the number of unsafe conditions substantially. KR is in an advanced stage of implementation of Process Safety Management (PSM) principles and MR has also initiated the same.

It has always been the constant endeavour of BPCL to achieve its mission of Zero Incidents, Zero Harm and Zero Excuses. To ensure emergency preparedness, mock drills are regularly conducted at all locations to keep everyone in the state of readiness. A comprehensive report is prepared using root cause analysis, learnings and recommendations to prevent any recurrence of incidents. In addition, technological advancements have helped in reduction of in-transit transport accidents as well as those at consumer premises.

Internal and External Audits are considered to be an integral part of operations and their compliance is given very high importance. This year, there is a reduction in old pending External Safety Audit recommendations by 95%. Root Cause Analysis of incidents is undertaken to increase collaborative learning for safer operations and greater adoption of best practices. Governance practices of the safety systems & Standard Operating Procedures (SOPs) of the critical processes are regularly monitored to ensure safe working across all locations. BPCL regularly conducts HSSE workshops, and other initiatives like "Safety Voice", "Safety Moment", "Safety Share", "Virtual HSSE Town Hall Meeting" etc. where information on best practices is disseminated which helps to ensure collaborative learning for safer operations across all locations. BPCL recently organized a "One Energy- One Force, One Vision" forum for integration, standardization and replication of HSSE initiatives in Marketing and Refinery units.

All the locations of BPCL strictly adhere to SOPs and guidelines to ensure safety of operations. Asset Integrity plays an important role in determining the safety, operational performance and profitability of the organization, hence, to ensure integrity of the assets, they are continuously examined, monitored, inspected, periodically maintained and replaced.

A portal has been developed for capturing incident reporting, which is a very critical activity to disseminate the learnings and take necessary corrective actions. . The internal and external incidents reported in the system are investigated, analyzed and thoroughly reviewed. Use of an industrial drone was carried out in MR for monitoring of ongoing jobs to improve safety and productivity. Robotic cleaning of manholes of underground pits was carried out without manual intervention. BPCL always looks forward implementation of technological innovations which improve safety across the businesses.

Global warming and climate change are the biggest environmental issues that the world is facing today. BPCL believes that innovations and technological advances can improve performance and energy efficiency of operations. Towards this objective, BPCL has implemented various initiatives. A Flare Gas Recovery System (FGRS) for emission reduction and energy conservation is operational in the Refineries. MR has implemented many energy conservation schemes having potential savings of 19,882 MTOEs/Year & reduction of CO_2 emission by 62,742 MT/Year, whereas KR energy conservation schemes have potential savings of 16,927 MTOEs/Year & reduction of CO_2 emission by 53,466 MT/Year.

BPCL is capturing data on parameters like energy, water, and waste, etc. from the Refineries and Marketing locations across India and implementing various initiatives to minimize the operational impacts on the environment. BPCL trusts that transitioning to clean energy alternatives will help protect our environment hence, it has been increasing its renewable energy capacity. The capacity has increased to 43.43 MW in the year 2019-20 as compared to 31.70 MW during the year 2018-19. Energy efficient lighting capacity has been increased to 17.95 MW in the year 2019-20 as compared to12.66 MW during the year 2018-19. MR became the first Refinery in India to convert 100% of its conventional lights into LED lights. This initiative resulted in power saving of 9,840 MWH/annum corresponding to a benefit of ₹ 9.6 Crores/

annum & reduction in CO_2 emission by 7,085 MT/annum. These initiatives on renewables have resulted in an annual reduction of approx. 104376 MT of CO_2 equivalent. Besides, the other sustainable initiatives of Ujjwala Yojna/ transportation of product through pipelines and use of Biofuel in MS and HSD helped in reduction of emissions by 1686,400 MTCO2e. In the year 2019-20, BPCL has taken a target of planting one million trees by end 2022 to improve biodiversity. Approx. 72,000 trees were planted this year taking the total number to more than 3.2 lakhs in the year 2019-20. BPCL has also increased its carbon sink by sequestration of CO_2 with trees of more than 7,800 MT CO_2 this year.

BPCL is fully aware of the importance of water and has been working towards increasing the rainwater harvesting capacity to reduce the dependency on other sources of water. The total catchment area under rainwater harvesting has been increased to 823732 m^2 in the year 2019-20, as compared to 7,78,939 m^2 in previous year. BPCL has recently carried out a Water Conservation Study in both the Refineries. Efficient consumption of fresh water and waste water generated is regularly monitored. Effluent treatment plants are installed at both Refineries and the treated water is used for non-potable uses. BPCL has set up a Sewage Treatment Plant in collaboration with Rashtriya Chemicals & Fertilizers for treating 22.75 Million Litres /Day (MLD) of Municipal Sewage to produce 15 MLD of treated water to reduce the environmental impact, which helped in reduction of dependency of raw water from Brihanmumbai Municipal Corporation (BMC) by 35% i.e. approx. 6 MLD.

BPCL is following the rule of reduce, reuse and recycle of waste in all its operations. Use of single use plastic has been prohibited across Businesses. The BPCL has also adopted composting in a big way to dispose of organic waste in a responsible manner from the Refineries and other Marketing locations. Approx. 350 tons of organic waste has been converted into compost and used for gardening purposes in year 2019-20. BPCL disposes off Hazardous waste also as a responsible company and "Zero Waste to Land Fill Certification" was carried out for one Retail and One Lubricant location on a pilot basis successfully.

BPCL has institutionalized sustainability as a core parameter in its philosophy. The focus is on safe operations and energy efficiency, improved processes and technologies, reduced resource consumption, minimising the impact of operations on the environment and creating a healthy, safe and secure workplace. The latest report on Sustainability was published following the GRI Standards framework in the year 2018-19. The Sustainable Development Reports of Bharat Petroleum are assured by an independent third-party assurance provider as per Accounting Ability (AA) 1000 Assurance Standard (AS) 2008 and International Standards of Assurance Engagement (ISAE) 3000. BPCL's efforts on Sustainability were recognized by various institutions and agencies through Awards and Accolades this year.

BPCL has taken various steps to continue its essential services during the time of the COVID-19 pandemic. BPCL has published a comprehensive COVID manual with details on procedures to be followed at operating locations and offices, use of Personal Protective Equipments (PPEs) and disinfectants and recommending ways to manage stress levels during this time for all its employees and stakeholders.

BPCL endeavors to improve its performance on Health, Safety, Security and Environment continuously and minimising its operational impact on its stakeholders.

Bio-fuels

The Government of India has prepared a road map to reduce import dependency in the oil & gas sector by implementing a five pronged strategy which includes adopting biofuels as one of them. With the aim of increasing the ethanol blending percentage in petrol to 20% and in diesel to 5% by 2030, ethanol was procured from additional feed stocks like 100% sugar cane juice, B heavy molasses and damaged food grains resulting in blending percentage of petrol by 4.22%. The storage cover has also been increased from 11 days to 15 days at marketing locations.

To meet the blending targets, BPCL is setting up a 2G Bio ethanol Refinery in Bargarh district of Odisha. The proposed refinery has been designed for a production capacity of 100 Kilo Litres per Day (KLPD) of 2G ethanol using approximately 400 MT/day of biomass as the feedstock (rice straw/ maize stalk). The 2G ethanol produced shall be used for blending in petrol. As on date, engineering works for proprietary equipment are in an advanced stage and manufacturing of equipment at the Licensor's workshop and construction of temporary facilities at site are in progress. The overall physical progress of the project as on March 2020 is 20.1%. The project is expected to be completed in 2022.

BPCL has also taken initiatives in the field of production of Compressed Bio-Gas (CBG) from biomass waste/ biomass sources like agricultural residue, sugarcane press mud, municipal solid waste, etc. The company has invited Expressions of Interest (EOIs) from potential entrepreneurs to set-up CBG plants. In response to the EOIs, applications for setting-up 94 plants have been received. A total of 79 Letters of Intent (LOIs) have been issued for a production capacity of 337 Tonnes per Day (TPD) (111 TMTPA).

BPCL has also taken initiatives for production of Bio diesel from used cooking oil for which offers have been received for setting up of 8 plants, with a combined bio-diesel production capacity of 196 TPD. The offers are under evaluation and post evaluation LOIs will be issued.

INTERNATIONAL TRADE & RISK MANAGEMENT (ITRM)

The ITRM set-up is primarily responsible for all import and export related activities of BPCL, including procurement of crude oil both indigenous as well as imported, import of petroleum products to bridge the gap between domestic demand and availability and export of petroleum products which are surplus after meeting domestic demand. The associated services of freight chartering and shipping operations are also facilitated by ITRM. In addition to the above physical activities, ITRM actively participates in the paper (financial derivatives) market for the purpose of Risk Management by covering refineries operating cost and other associated costs.

ITRM steered BPCL towards a journey on setting up its independent Crude Oil Trading Desk, in partnership with M/s Shell, after revision in crude oil import policy by the Government of India in mid-2016. BPCL is the first and only Oil PSU to embark on such a journey, with the objective of aligning to the best global practices adopted by major Oil Companies across the world and continually enhancing value in the arena of crude oil sourcing/ trading. During the last 2 years, BPCL has also achieved the feat of sourcing crude oil from all six continents (Asia, Africa, Australia, Europe, North America & South America), through the Trading Desk approach. Also, with continual exposure to the best global practices of M/s Shell through targeted learning programs, the ITRM Trading team of BPCL has continually up-skilled itself to take over independent Trading Desk operations in future.

During 2019-20, ITRM further diversified its crude oil sources and ensured enhanced value by importing several new grades of crude oil across geographies, based on processing requirements and prevailing economics. For the first time, crude oil grades such as Lula and Iracema were imported from Brazil and CPC Blend crude oil cargo was imported from Kazakhstan, considering arbitrage opportunities, global supply-demand and overall economics.

Conscious efforts were made to diversify sourcing of LPG from the Middle East region in 2019-20 with the import of LPG from US and Norway for the first time. Tapping the market opportunity in the year 2019-20, ITRM marked its presence in the bunker market and BPCL became the first oil marketing company in India to export Very Low Sulphur Fuel Oil (VLSFO 0.5% Sulphur max.) International Maritime Organization (IMO) compliant fuel grade post implementation of new IMO fuel specifications that came into effect from 1st January, 2020.

The freight chartering market witnessed extreme volatility throughout 2019-20. Heightened unrest in the Arab Gulf region in June and September 2019, US sanctions on Chinese Shipping company, implementation of IMO 2020 rules to reduce Sulphur emissions and subsequent increase in cost of bunker fuels, and increase in World Scale rates, all contributed to sharp rise in freight costs. However, judicious mix of vessel types, optimization of cargo size and meticulous planning has ensured lesser impact in freight chartering.

BPCL is exposed to price risk arising from adverse movement in prices of crude oils procured from both international as well as domestic sources, petroleum products sold in the domestic market as well as exported, and freight charges of ships in-chartered for transportation of imported cargoes, as all these prices are benchmarked against international prices. BPCL has a comprehensive Commodity Risk Management Policy wherein all such price risks have been identified and the process for monitoring, measuring, mitigating and reporting have been laid down.

During the year 2019-20, ITRM hedged BPCL's exposure to the above commodity price risks in the international Over-The-Counter (OTC) market in accordance with BPCL's Commodity Risk Management Policy.

ITRM continues to focus on optimization of landed crude cost, maximization of product export value, enrichment of the commodities hedging portfolio and management of inherent risks. Going forward, given the unprecedented economic conditions due to the pandemic situation, and the consequent impact on oil prices, the role of ITRM shall assume greater significance.

RESEARCH AND DEVELOPMENT (R&D)

During 2019-20, the R&D Centers of BPCL continued the trend of developing energy efficient technologies, novel products, cleaner fuels and providing valuable technical support to SBUs.

The R&D team developed a refrigeration based Vapour Recovery System (VRS) to recover hydrocarbon vapour and successfully commissioned the pilot at BPCL's COCO Retail Outlet, Greater Noida. Preliminary results showed more than 80% of hydrocarbon vapour emissions reduction during unloading of the tank-lorry.

In collaboration with Centre of High Technology (CHT) and Engineers India Limited (EIL), a new desalter internal design was developed and successful trials were conducted in Kochi Refinery. The novel design was found to be superior to the existing desalter internal design and scaling-up of innovation is being premeditated.

An in-house developed rapid tool (K-Model) for crude oil blend compatibility prediction has been successfully implemented in refinery operations. The tool enables arriving at an optimum compatible crude oil blend and processing feasibility on real time basis. In this context, K-Model helped the refineries in taking timely decisions of selecting opportunity crudes for co-processing with regular crude oils, resulting in substantial value addition. Likewise, the tool viz. BPMARRK® for rapid crude assay has been implemented in refinery operations for Real-time Monitoring & Optimization of Crude Distillation Units.

R&D also developed a Gasoline Sulphur Reduction additive GSR-CAT, which is continuously being used in the refineries. The average sulphur reduction of 32% in gasoline sulphur has been achieved with 10% GSR catalyst additive, leading to savings in costs.

Commercial production of Water Detecting Paste (WDP) for determination of water in Ethanol Blended MS (EBMS) and Quick Test Method (QTM) kit for determination of ethanol in EBMS has been initiated and implemented in Retail operations on a pan India basis.

R&D's corrosion inhibitor formulation for preventing crude oil pipeline internal corrosion has been scaled-up for performance demonstration in the Vadinar-Bina Pipeline (VBPL). This will be the first instance of using corrosion inhibitors in the BPCL crude oil pipeline.

R&D came up with an improved version of Bharat Metal Cutting Gas (BMCG) viz. NxtGen BMCG, which is commercialized. The NxtGen BMCG formulation offers a smooth cutting finish with minimal slag. Bharat FurnoChem, a furnace cleaning chemical was developed and its performance was demonstrated in MR. The use of Bharat FurnoChem helped in maximizing crude throughput.

Other products such as synthetic petrol engine oil for latest generation passenger cars, advanced engine oil for modern 4-stroke motorcycles, high performance gas engine oil for new generation auto rickshaws were developed for generating new business. Development of transmission fluid for EVs, food grade lubricants, high viscosity warp sizing oil for the textile sector are other outcomes of research activities carried out.

During the year, the continuous in-house R&D efforts have resulted in grant of 15 patents and filing of 10 patent applications.

EXPLORATION AND PRODUCTION OF CRUDE OIL AND GAS OPERATIONS OF THE COMPANY THROUGH WHOLLY OWNED SUBSIDIARY

Operations of the Company

Bharat PetroResources Limited (BPRL) has participating interest (PI) in twenty seven blocks of which fifteen are located in India and twelve overseas, along with equity stake in two Russian entities holding the license to four producing blocks in Russia. Seven of the fifteen blocks in India were acquired under different rounds of New Exploration Licensing Policy (NELP), five blocks were awarded under Discovered Small Fields (DSF) Bid Round I and three blocks were awarded under the Open Acreage Licensing Policy (OALP) Bid Round I. Out of twelve overseas blocks, five are in Brazil, two in United Arab Emirates and one each in Mozambique, Indonesia, Australia, Israel and Timor Leste. The blocks of BPRL are in various stages of exploration, appraisal, pre-development and production. The total acreage held by BPRL and its subsidiaries is around 32304 km^2 of which approximately 57% is offshore.

The PI in respect of Blocks in India, Israel and Australia are held directly by BPRL. BPRL has wholly owned subsidiary companies located in the Netherlands, Singapore and India. The PI in the Block-JPDA 06-103, in Timor Leste is held by BPRL's wholly owned subsidiary company in India, i.e. Bharat PetroResources JPDA Limited. The subsidiary located in the Netherlands, i.e. BPRL International BV, in turn has four wholly owned subsidiary companies viz. BPRL Ventures BV, BPRL Ventures Mozambique BV, BPRL Ventures Indonesia BV and BPRL International Ventures BV. BPRL Ventures BV has 50% stake in IBV Brasil Petroleo Limitada, which currently holds PI ranging from 20% to 40% in five blocks in off shore 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. BPRL, through BPRL International Ventures BV, has 30% stake in Falcon Oil and Gas BV, which holds 10% stake in the Lower Zakum concession in offshore Abu Dhabi, UAE. Further, BPRL's wholly owned subsidiary in Singapore, i.e. BPRL International Singapore Pte Ltd (BISPL) holds 33% each in two Special Purpose Vehicles (SPV) i.e. Taas India Pte Ltd (TIPL) and Vankor India Pte Ltd (VIPL) which hold 29.9% and 23.9% in the Russian entities LLC TYNGD and JSC Vankorneft respectively. BISPL further holds 50% stake in Urja Bharat Pte Limited (UBPL) in Singapore which is the Operator of Onshore Block 1 Concession in Abu Dhabi with 100% PI.

RUSSIA

BPRL along with Oil India Limited (OIL) and Indian Oil Corporation Limited (IOCL), jointly referred to as the Indian Consortium (IC), holds 23.9% stake in JSC Vankorneft and 29.9% stake in LLC Taas Yuryakh Neftegazodobycha ("TYNGD"). In JSC Vankorneft, Rosneft holds 50.1% shares, ONGC Videsh Ltd. (OVL) (through its subsidiary) holds 26% shares and IC (through subsidiary companies) holds the remaining 23.9%.

In TYNGD, Rosneft (through subsidiary) holds 50.1% shares, BP (through a subsidiary) holds 20% shares and IC (through subsidiary companies) holds the remaining 29.9% shares.

During the year 2019-20, JSC Vankorneft produced approx. 13.43 MMT of Oil and 5.8 BCM of Gas (BPRL's effective share being 1.06 MMT Oil and 0.46 BCM Gas). During the year 2019-20, IC received dividend amounting to approx. USD 364 Million (with BPRL's effective share of approx. USD 120 Million).

During the year 2019-20, TYNGD produced approx. 4.20 MMT of Oil and 1.45 BCM of Gas (BPRL's effective share being 0.41 MMT Oil and 0.14 BCM Gas). During the year 2019-20, IC received dividend amounting to approx. USD 241 Million (with BPRL's effective share of approx. USD 80 Million).

UNITED ARAB EMIRATES (UAE)

BPRL, in consortium with OVL and IOCL acquired 10% stake in the offshore producing oil asset, Lower Zakum Concession in Abu Dhabi, UAE. The IC's share in the Lower Zakum Concession is held through Falcon Oil & Gas B.V, a SPV incorporated in the Netherlands, where BPRL holds 30% shares through its step down subsidiary BPRL International Ventures B.V in the Netherlands. The Concession has a term of 40 years effective from March 2018. The international shareholders in the Lower Zakum concession are JODCO (10%, a wholly owned subsidiary of Japan's INPEX Corporation), China National Petroleum Corporation (10%), Italy's ENI (5%) and France's Total S.A. (5%). The Abu Dhabi National Oil Company (ADNOC) holds a majority 60% stake in the concession. The Lower Zakum field, located in Abu Dhabi Offshore shallow water, has been producing crude oil since 1967. The Indian Consortium's entitled crude oil from the concession has been approx. 15.23 million barrels during the year 2019-20. During the year 2019-20, BPCL Group Refineries have lifted approx. 5.1 million barrels of Das Blend Crude Oil as its equity oil from the Lower Zakum Concession.

BPRL, jointly with IOCL, was awarded the Onshore Block 1 Concession as an operator with 100% PI in March 2019 under Abu Dhabi 2018 Block Bid Round. The block is held by Urja Bharat Pte Limited (UBPL), a 50:50 Joint Venture company of wholly owned subsidiaries (WOS) of BPRL and IOCL incorporated in Singapore. Onshore Block 1 covers an area of 6,162 km^2 located in the Al Dhafra region around Ruwais City and the refining complex, including the coastal region to the west. There are two existing undeveloped oil and gas fields in the area, named Ruwais and Mirfa, which will be appraised by the consortium, in addition to available prospects/leads for exploration.

MOZAMBIQUE

BPRL, through its Netherlands based step-down subsidiary company, i.e., BPRL Ventures Mozambique B.V, holds 10% PI in the Rovuma Offshore Area 1 concession in Mozambique. Total E&P Mozambique Area 1 Limitada, a wholly owned step-down subsidiary of Total S.A. is the Operator with 26.5% PI and the other consortium partners are Mitsui E&P Mozambique Area 1 Limited (20%), ENH Rovuma Área Um, S.A. (15%), ONGC Videsh Rovuma Limited (10%), Beas Rovuma Energy Mozambique Limited (10%) and PTTEP Mozambique Area 1 Limited (8.5%).

Following the announcement of Final Investment Decision (FID) on 18th June, 2019 by Area 1 Consortium partners to develop a 2-Train (2 x~6.44 MMTPA) onshore initial LNG Project utilizing the gas from offshore Golfinho-Atum reservoirs, the Golfinho-Atum Field Development Plan has become effective and Development and Production Period of 30 years has commenced.

All major construction contracts such as onshore Engineering, Procurement &Construction (EPC) and offshore Engineering, Procurement, Construction & Installation (EPCI) (CPI) have been executed and engineering, procurement and construction activities have commenced.

Area 1 partnership on 15th July, 2020, has finalized senior debt financing of US$ 14.9 Billion to advance the 2-Train LNG project. The senior debt comprises of a mix of Export Credit Agencies (ECA) Direct Loans, ECA Covered Facilities, Commercial Bank facilities, and a loan facility with one multilateral development institution.

BRAZIL

IBV Brasil Petroleo Limitada (incorporated in Brazil) a joint venture company of BPRL Ventures BV, and Videocon Energy Brazil Ltd, step down subsidiaries of BPRL & Videocon Industries Limited respectively, holds PI in 5 blocks in 3 concessions in Brazil.

In Sergipe Alagoas (BM-SEAL-11) concession, which currently consists of three blocks, Petrobras is the Operator with 60% PI and IBV holds the remaining 40% PI. During the exploration periods, four discoveries of oil and gas i.e. 'Barra', 'Farfan', 'Cumbe' and 'Barra#1' have been made in this concession. The Operator i.e., Petrobras concluded Extended Well Testing (EWT) in Farfan field and the EWT data is being analyzed/evaluated for assessing reservoir extent and based on the results further development activities would be commenced.

In Potiguar (BM-POT-16) concession, Petrobras is the Operator with 30% PI, the other partners are IBV (20% PI), Petrogal (20% PI) and BP (30% PI). The minimum commitment activities have been completed, including drilling of one exploration well called "Ararauna" in POT-M-760. Based on the oil and gas shows observed in Ararauna well, ANP (Regulator) has approved Ararauna appraisal plan, covering both the blocks in BM-POT-16 concession, consisting of firm commitment of drilling one well and G&G studies.

In Campos (BM-C-30) concession, BP with 35.7% PI is the operator and other partners are IBV Brasil (35.7% PI) and TOTAL (28.6% PI). During the exploration period in the concession, Wahoo discovery was announced. After the completion of the exploratory period in November 2010, the consortium decided to move on to Appraisal phase. Under the Appraisal plan, drilling of two firm Appraisal wells, screening of Development concepts and Pre-FEED (Front End Engineering Design) studies on identified facility options were completed. The consortium is studying various options including possible tie back arrangement with nearby developed oil fields before any firm commitment is made towards field development.

INDONESIA

A subsidiary of BPRL, i.e. BPRL Ventures, Indonesia BV, has PI of 12.5% in Nunukan Block in Indonesia. Other Joint Venture partners are PT Pertamina Hulu Energi with 64.5% PI as Operator; and Videocon Indonesia with 23% PI. The minimum work programme committed as per the Production Sharing Contract (PSC) under the exploration phase has been achieved. The exploratory / appraisal wells drilled in the block proved to be successful and indicated presence of oil and gas. The Drill Stem Tests (DST) conducted also confirmed producible hydrocarbons from these wells and has led to Oil & Gas discoveries in Badik, West Badik and Parang fields of the block.

As part of further exploratory/appraisal activities, drilling campaign in Parang / Keris fields is being planned by the operator. The drilling of appraisal wells in Parang field is currently in progress.

ISRAEL

BPRL has 25% PI in the License of exploration Block 32 awarded to the Indian Consortium in the 1st Offshore Bid Round 2016, conducted by the State of Israel. OVL is the Operator while IOCL and OIL are the other partners in the block, each having a PI of 25%. The seismic (2D & 3D) data collection, prospectivity assessment and the report on data evaluation, re-processing requirements, prospective assessment etc. was carried out and the reports were submitted to Israeli Petroleum Commissioner on 28th March, 2019. The report along with prospectivity analysis of the block has been submitted to the regulator and the submission of final report on "Drill or drop decision" is expected by December 2020.

AUSTRALIA

BPRL farmed into EP - 413 (on-land) Shale Gas Block, in December 2010 and currently has a PI of 27.803% in the block in consortium with Norwest Energy NL (Operator, 27.945% PI), and AWE Perth Pty Ltd (44.252% PI) (formerly known as Arc Energy Ltd), 100% subsidiary of Australia Worldwide Exploration. Pending revised regulations on hydraulic fracture stimulation, the regulator granted the extension of the permit till 22nd February, 2023 and the activities related to the five year monitoring programme under the Environmental Management Plan (EMP 2015) and the maintenance / care of the suspended well are being taken up now.

TIMOR LESTE

BPRL, through its wholly owned subsidiary, Bharat PetroResources JPDA Limited, currently holds 20% PI in the Block JPDA 06-103. 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. PSC has been terminated and Arbitration Proceedings with the Regulator are in progress in the International Chamber of Commerce (ICC), Singapore.

Relinquished Foreign Block

UNITED KINGDOM

The Plug and Abandonment activities of the well have been completed during the year 2019-20.

INDIA

A. Operated Blocks

i) NELP IX Block (CB-ONN-2010/8, Cambay Basin)

Under NELP-IX bid round, BPRL led consortium was awarded one on-land block CB-ONN-2010/8, in Cambay basin. BPRL is the Lead Operator with 25% PI and the other consortium partners are GAIL (India) Ltd - 25% PI (Jt. Operator), Engineers India Ltd (EIL) - 20% PI, BF Infrastructure Ltd (BFIL) - 20% PI and Monnet Ispat& Energy Ltd (MIEL) - 10% PI. Due to MIEL's cash call payment default under the Joint Operating Agreement (JOA), the other non-defaulting parties have agreed to distribute MIEL's 10% PI in proportion to their existing share for which a request has been submitted to Director General of Hydrocarbons (DGH) for approval and the matter is under active consideration at DGH. There are two discoveries in the block CB-ONN-2010/8 in exploratory wells Pasunia#01 (PA#01) and Pasunia#02 (PA#02). The approval of Petroleum Mining Lease (PML) from Govt. of Gujarat has been received on 26.02.2019 for a period of 15 years. Environmental Clearance (EC) for starting production and development activities has been granted by MoEF&CC on 30.07.2019. Presently, various tendering activities are in progress for implementation of approved the Field Development Plan (FDP).

ii) OALP I Block (CB-ONHP-2017/9, Cambay Basin)

The block CB-ONHP-2017/9 in Cambay basin, Gujarat was awarded to BPRL as Operator with 100% PI under OALP Bid Round- I and the Revenue Sharing Contract (RSC) of the block was signed with Govt. of India on 01.10.2018. BPRL farmed out 40% PI in the block to ONGC on 23.12.2019. Petroleum Exploration License (PEL) has been granted by Govt. of Gujarat on 25.07.2019. Processing of the existing raw 3D data has been completed and interpretation is in progress for identification of drillable prospects.

iii) DSF Blocks

BPRL has also been awarded 5 Contract Areas (2 offshore and 3 onshore) through the Discovered Small Field (DSF) bid rounds of 2016. The two offshore blocks (B15 and B127E) are in the Mumbai Offshore basin, two in Rajasthan (Bakhri Tibba and Sadewala) and one in Cauvery Basin, Tamil Nadu (Karaikal). PML for Karaikal is yet to be received while the PML for other blocks has been received. Based on the in-house Geological & Geophysical (G&G) studies, a techno-commercial analysis was carried out for the Contract Areas B15, B127E, Bakhri Tibba and Sadewala The report has been submitted to DGH and is awaiting the approval of the Management Committee in this regard.

B. Non Operated Blocks

iv) NELP IV Block (CY-ONN-2002/2 Madanam Field, Cauvery Basin)

BPRL has a PI of 40% in an On-land Block CY-ONN-2002/2 in Cauvery Basin wherein ONGC is the Operator with 60% PI. Construction activities for the setting up of Central Processing Facility (CPF) at Madanam, and laying of pipelines for evacuation of Oil/ Gas from the block are under progress. During the year 2019-20, the consortium completed drilling and testing of three development wells. The block currently has a daily average oil production of 1750 BBLs. During the financial year 2019-20, 659,530 barrels (104,857m^3) of oil and associated gas of 30,741,107m^3 has been produced from the block.

v) NELP VI Block (CY-ONN-2004/2, Cauvery Basin)

BPRL has a PI of 20% in an On-land Block CY-ONN-2004/2 in Cauvery Basin wherein ONGC is the Operator with 80% PI. The FDP was approved on 13.7.2017 and accordingly the block has entered into the Development Phase. The first two development wells drilled as per the development plan did not yield the desired results due to which additional studies like Critically Stressed Fracture (CSF) and Geo-Mechanical studies are currently being undertaken by the operator to firm up the way forward.

vi) NELP VII Block (RJ-ONN-2005/1, Rajasthan Basin)

BPRL has a PI of 33.33% in RJ-ONN-2005/1, an On-land block in Rajasthan in consortium with Hindustan Oil Exploration Corporation (HOEC, 33.34% PI), and IMC Limited (33.33% PI). HOEC is the Lead Operator and BPRL is the Joint Operator of this block. The Petroleum Exploration License (PEL) for the block was granted by the Government of Rajasthan on 13th July, 2009. BPRL and IMC have submitted joint proposal for recommencement of exploration activities in the block in order to complete the MWP commitments of drilling of six wells after the Lead Operator HOEC expressed interest to withdraw from the block. The proposal is under consideration by DGH.

vii) NELP IX Blocks

In the Cambay Basin, CB-ONN-2010/11, an On-land block was awarded by GOI to a Consortium consisting of GAIL, BPRL, EIL, BFIL and MIEL. GAIL with 25% PI is the Operator of the block. BPRL with 25% PI is the Joint Operator of the block. Due to MIEL's cash call payment default under the JOA, the other non- defaulting parties have agreed to distribute MIEL's 15% PI in proportion to their existing share for which a request has been submitted to DGH for approval. The FDP of Galiyana 1 has been approved on 10th February, 2020 and an additional area of 13.43 sq. km falling beyond the block area has also been granted for development activities which are in progress. M/s BFIL is not participating in the development plan, whose PI is unconditionally transferred to the Operator M/s GAIL.

In the Assam Basin, AA-ONN-2010/3, an On-land block was awarded by Government of India to a consortium consisting of OIL, ONGC and BPRL. OIL with 40% PI is the Operator of the block. BPRL is having 20% PI and ONGC holds 40% PI in the block. The Petroleum Exploration License (PEL) for the block was granted by the Government of Assam with effect from 12th December, 2013 which is valid up to 11th December, 2020 Pre-drilling activities for the committed MWP well are currently in progress.

MB-OSN-2010/2, a shallow water offshore block in Mumbai Offshore basin was awarded by GOI to a consortium consisting of OIL (operator, 50% PI), HPCL (30% PI) and BPRL (20% PI). The proposal for relinquishment of the block MB-OSN-2010/2 has been approved by DGH and relinquishment is in progress.

viii) OALP I blocks

BPRL farmed into the OALP – I block AA-ONHP-2017/12 with PI of 10% in December 2019. The other consortium partners of the block are OIL (60% PI) as operator, IOCL (20% PI) and NRL (10%). The total block is 489 sq. km in area of which 488.50 sq. km is located in Assam, 0.5 sq. km is located in Arunachal Pradesh. PEL for the respective block areas were granted by Govt. of Assam on 3rd July, 2019 and Govt. of Arunachal Pradesh on 18th December, 2019.

BPRL farmed into the OALP – I block CY-ONHP-2017/1 with PI of 40% in December 2019. The other consortium partner in the block is ONGC (60% PI) as operator. Out of the total block area of 731 sq. km, 579 sq. km is onshore area and the remaining 152 sq.km is offshore area. PEL has been granted for the offshore area and the Operator is awaiting PEL grant for the onshore area.

BUSINESS PROCESS EXCELLENCE CENTRE (BPEC)

During the year 2019-20, BPEC processed 4.43 Lakh invoices amounting to ₹ 14,500 crores. There was a marked improvement in the processing cycle with more than 85% of the invoices being processed within 3 to 15 days of receipt at BPEC.

Micro Small and Medium Enterprises (MSMEs) play a vital role especially for a developing country like India, by contributing to its economic growth, stability and providing employment opportunities, thereby reducing the poverty level. To give strength to Government of India's vision, BPCL has created a separate cell for MSMEs to ensure uninterrupted payments to MSME Vendors in particular.

Trade Receivables Discounting System (TReDS) is a digital platform to support MSMEs to get their invoices financed at a competitive rate through an auction wherein multiple registered financiers can participate. BPCL started invoice discounting for MSME vendors from December 2018 onwards. During 2019-20, BPCL discounted 1920 invoices valuing ₹ 100 crores as against ₹ 30 crores during 2018-19.

In pursuance of the vision of centralisation, digitalisation and automation, BPEC centralized processes like customer account clearing, collection management, dispute management, clearing of NEFT / RTGS amounts held in bank clearing accounts, issue of debit / credit notes and customer master governance for all SBU's and entities. This has helped in bringing effective controls and governance in customer accounts. Further, frequent communication with the customers has led to increased transparency and enhanced trust.

BRAND & PUBLIC RELATIONS

The Corporate Brand & PR team has assiduously built on the foundation of a vaunted brand image through the years. Aided by the refining, marketing and upstream arms of the Company, BPCL has been delivering functional and social expectations of the public on one hand and crafting a unique identity on the other, leading to an enviable reputation in corporate circles.

Reputation Management

Brand & PR employed a three pronged strategy to boost the Company's reputation by firstly, providing media support to initiatives undertaken by SBUs and Entities; secondly, by positive storytelling on achievements and contributions to society and thirdly, by leveraging social media.

Using the platform of a Reputation Strategy Meet, location heads and key role holders were anointed as members of the Bharat Petroleum Response Force (BPRF) to uphold the reputation of BPCL in all their endeavours. BPCL has unleashed the power of Online Reputation Management (ORM) as a potent online listening and responding tool to improve the equity of Brand Bharat Petroleum. With this robust ORM tool, BPCL is equipped to monitor and respond to around 20,000 conversations across the Internet every month. The ORM tool helps in monitoring feedback, suggestions and complaints and also generates reports on parameters like demographics and sentiment analysis. With the rising popularity of digital and social media, customers have increasingly resorted to these modes of communication; hence, resolution of these complaints have been accorded top priority.

Active Social Media Presence

Various digital initiatives and unique campaigns have helped BPCL enhance and amplify its presence and customer engagement on social media. BPCL owned social media assets like Facebook, Twitter, LinkedIn, Instagram and YouTube were leveraged to promote digital content for enhancing the BPCL brand. Some of the major campaigns like MAK Oil Change, BPCL SBI Co-branded card, Bharatgas on Amazon, Bharat First, Har Ek Kaam Desh Ke Naam and Corona Warriors gained tremendous traction.

The BPCL Facebook page achieved a historic milestone of one million followers. With this achievement, BPCL now stands tall with the highest number of Facebook followers in the oil and gas industry in India. BPCL has developed a positive and active social media culture with a strong follower base of over 13.34 lakhs, more than 800 lakh impressions, 170 lakh video views and 50 lakh engagements.

Knowledge Exchange

BPCL has also participated in many major conferences like the Refinery Technology Meet (RTM) organized by Centre for High Tech, CERA Conference by FIPI, 17th National Conference by Engineering Council of India, 44th All India Public Relations Conference by Public Relations Society of India, International Conclave on Occupational Health by Indian Association of Occupational Health, 47th National Convention for Company Secretaries organized by Institute of Company Secretaries of India, apart from many others.

As a corporate working towards uplifting the weaker sections of society, BPCL regularly contributes to various fund-raising events organized by NGOs. Moreover, as a good corporate citizen, BPCL has sponsored many events organized by the Indian Express, CII, Bombay Management Association, Indian Society of Training & Development, Global Compact of India, ASSOCHAM and SCOPE, to name a few. BPCL also associated with Somaiya Institute of Management Studies and Research, Mumbai in a Case Study Challenge to build Brand Equity for BPCL amongst the student community.

Braving the COVID-19 Pandemic

The COVID-19 pandemic has impacted the whole world and redefined the way we do business. BPCL has responded swiftly and efficiently to the changing dynamics, remaining true to its core purpose of 'Energising Lives' of the nation. All functions have gone the extra mile to render service, especially the LPG & Retail SBUs in Marketing and the Refineries ensuring product availability.

Brand & PR synchronised social, digital and print media to create a brand image of the Company as the major value contributor for individuals and society. The communication strategy entailed reaching more than one crore people, through a combination of videos and static posts on BPCL's work, people and activities. There were celebrity testimonial videos to promote BPCL's Corona Warriors, vast media coverage, both print and digital, covering the entire supply chain, showcasing how the Company is responding to various consumer segments. Younger followers of BPCL's Instagram handle were engaged with celebrity chats.

BPC Tarang

The in-house radio channel, BPC Tarang was revamped and repositioned to reach out to employees with relevant, informative, educational and motivational content, blending in a bit of entertainment. Episodes were broadcast, covering psychologists and doctors, to help employees cope with the evolving situation during the lockdown. Team IS educated employees on the use of various technical tools for work from home. To motivate employees, the 'Salute Corona Warriors' series was also launched, showcasing the frontline staff, including workmen.

Brand studies show that post this pandemic, brand communications will leave the age of hyper-individualization and move into a period in which society and social thinking are valued commodities. Brand BPCL will continue to follow this communication strategy.

AWARDS & RECOGNITION

In the prestigious Fortune Global 500 list for 2020, BPCL's rank is 309. BPCL's rank is 601 in the Forbes Global 2000 list for 2020, a considerable rise from the rank of 628 in the 2019 list. For its outstanding global, financial and industry performance, BPCL has been ranked among the top 20 Oil and Gas Refining and Marketing companies in the Platts Top 250 Global Energy Company Rankings for 2019. BPCL ranks 4th in Oil & Gas Refining and Marketing in the Asia/Pacific Rim, 7th in Oil & Gas Refining and Marketing globally and 12th in overall performance in the Asia/Pacific Rim. On an overall global performance, BPCL has been ranked 44th.

BPCL received the Federation of Indian Petroleum Industry (FIPI) Oil & Gas Award 2019, under the category 'Oil Marketing - Company of the Year' for leading performance for Direct and Retail Sales through customer-centric initiatives.

At the Refining and Petrochemical Technology Meet (RPTM 2020), while Kochi Refinery (KR) was declared the Winner in 'Innovation Awards 2018-19' under the 'Innovation in Refinery' category for BPMARKK (Usage for Predicting Crude Yields), Mumbai Refinery (MR) received the Innovation Award for in-line Crude Blending. Corporate Research & Development Centre (CRDC) was adjudged the 'Winner' under the 'Best Innovation in R&D Institute' category for 'K Model: Quick & Accurate Prediction of Crude Oil Blend Compatibility and Blend Optimisation of N Number of Crude Oils'. CRDC was also awarded a Commendation Certificate for the development of 'Bharat-Divided Wall Column Technology'. KR received the Refinery Performance Improvement Award (Second Prize) for commendable performance among Indian Refineries and MR got the Best Conceptualisation and Representation prize under "Best Poster" category for its Intelligent Plant Concept on Digital start-up – Gasoline Treatment Unit, using state-of-the-art Business Wi-Fi network and mobility solutions.

MR was adjudged the winner for 2018-19 in the Inter-Refinery Swachhata Ranking for 18 PSU Refineries, by Centre for High Technology (CHT). Another feather in its cap was the 'Certificate of Merit' under National Quality Award & 'MQH - Best Practices Competition' conducted by IMC - RBNQA (Ramkrishna Bajaj National Quality Award) Trust, Mumbai.

MR achieved 'Silver' Rating in the assessment for 'Green Co' by CII , and was the first Refinery to be rated under 'Green Co' Rating Certification. MR bagged the India Manufacturing Excellence (Future Ready Factory under Platinum Category) from M/s Frost & Sullivan, in recognition of the excellence achieved in the areas of superior leadership, technological innovation, customer service and strategic product development. MR also bagged a Prize in the 'Boiler 2020 Competition', conducted by Inspectorate of Boilers.

Integrated Expansion Refinery Project (IREP) at KR was adjudged as the Winner of the 'Top Refining Project of the year 2019' by the international journal, Hydrocarbon Processing (HP). KR bagged the Apex India Platinum Award 2019 for Occupational Health and Safety for the Propylene Derivative Petrochemical Project (PDPP) for the second consecutive year. The PDPP received the Safety Innovation Award 2019 from the Institution of Engineers (India). KR also received the HSE Excellence Oil & Gas Company of the Year Award 2019 for the third consecutive year by the Synnex Group. Yet another achievement for KR was the SKOCH Order-of-Merit Certificate for its Safety Management System.

CRDC bagged three Awards during the Frost & Sullivan Project Evaluation & Recognition Program (PERP) 2019 under the category 'Process Innovation Leadership' in the Manufacturing Sector. These were the Winner Award for Bharat-Divided Wall Column (B-DWC) Technology: Improving Separation Efficiency and its Application for Maximizing Gasoline Production in Refinery. CRDC was also conferred the 'Sustainability Award for the Best Green Product in the Petrochemical Sector' for 'Development & Commercialisation of Indigenously developed Gasoline Sulphur Reduction Catalyst (Bharat GSR CAT) for Refineries' during the Federation of Indian Chambers of Commerce and Industry (FICCI) Chemicals and Petrochemicals Awards 2019.

BPCL bagged the 'Best-In-Class Supply Chain and Procurement Diversity Initiative' Award from Express Logistics & Supply Chain (ELSC) for widening of crude oil baskets and their ranking based on economics, which helped in sourcing 8 new crude oil grades and procuring crude oil from 18 different countries from 6 continents in the year 2018-19. BPCL was also adjudged the Winner in the Manufacturing Supply Chain Awards 2020 presented by Future Supply Chain Solutions Limited, under the category of 'Quality Excellence in Planning, Processes & Systems' for its initiative of "Reduction in Transportation and Logistics Cost by developing a Pan-India model for Secondary Optimization" in the Company.

Internal Audit won the 'Excellence Award' in the 'Best Application of Technology' category, for the implementation of 'One Click' Audit and leveraging technology as a tool in improving internal controls and governance from Institute of Internal Auditors. BPCL bagged the Digital PSU Award at the 7th PSU awards, organised by Governance Now for two digital initiatives - Retail Auto Invoicing System (RAIS) and Leveraging Machine Learning for solving IT issues in BITSS (BPCL IT Services System - for IS related Complaints Management).

Corporate HSSE received the 'Order of Merit' Award under the category 'Sustainability' and Kochi Refinery won the Silver Award under the category 'Green Initiatives' at the SKOCH Leadership Awards. HSSE also won the Corporate Governance and Sustainability Vision Award 2020 from the Indian Chamber of Commerce (ICC) for taking positive steps to manage and measure its economic, environmental and social performance and integrating sustainability into core business model.

The Golden Peacock Sustainability Award was conferred on HSSE for outstanding contribution, commitment, professionalism and actions that made a visible impact on Sustainability and Environment. Yet another achievement was the Responsible Business of the Year Award from Social and Business Enterprise Responsible Awards (SABERA) for excellent contributions towards Community, Sustainability and Environment. HSSE also received the Gold Category award for Global Sustainability 2019 by

Energy and Environment Foundation in recognition of its outstanding contribution, professionalism, commitment and action towards positive impact on the environment.

KR won the National Institute of Personnel Management (NIPM) Kerala Chapter Best Corporate Citizen Award among large companies for the third consecutive year. KR also bagged top honours for Health, Education and Women Empowerment in the Rotary CSR Awards 2019. KR also won the Kerala Management Association (KMA) CSR Awards 2019 for Education for the Roshni Educational Project for the children of inter-state workers.

BPCL's resounding performance during the Swachhata Pakhwada in July 2019 won the First place among Oil & Gas PSUs for 50,020 activities. Mumbai Refinery bagged the first place among refineries and BORL secured the third place.

BPCL won Awards for its In-house magazine - Petro Plus and Corporate Intranet – I-Connect at the Annual Awards of the Association of Business Communicators of India (ABCI). BPCL bagged several awards at the Public Relations Society of India (PRSI) National Awards 2019 for Excellence in the field of Communications and Public Relations – Best Corporate Website, Best Use of Social Media in Campaign for the MAK Oil Change campaign, Best Use of Social Media for PR & Branding for BPCL Customer Service, Best House Journal (Hindi) and Best PSU Implementing RTI. BPCL was awarded First Prize by SCOPE for the Best Corporate Communication Campaign & Program at the SCOPE Corporate Communication Excellence Awards 2019.

KR won the prestigious Rajbhasha Rolling Trophy 2019 of Kochi Town Official Language Implementation Committee (TOLIC) for the Best Implementation of Official Language among PSUs in Kochi. They also received the Trophy for the Best Hindi House Magazine for JwalaDwani Varshiki.

KR was adjudged the winner of the 'Suraksha Puraskar 2019' in the Very Large Industries category by the National Safety Council of India, Kerala Chapter and the Department of Factories & Boilers, Govt. of Kerala for the year 2019.

Bareilly LPG Plant won the 4th level Award Prashansa Patra in the NSCI Safety Awards – 2019 among the MSME Sector across India. Bangalore LPG Plant was awarded for 'Outstanding Performance in Best Safe Practices in the Oil Industry' for year 2019-20 by the Department of Factories & Boilers, Industrial Health and Safety, Govt. of Karnataka.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Corporation has a robust internal control system (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 an optimum utilization of resources and protects the Corporation's assets and interests of investors. The Corporation has a clearly defined organizational structure, well documented decision rights, detailed manuals and operating procedures for its business units and service entities to ensure orderly and efficient conduct of its business. The internal control systems (including Internal Financial Controls over Financial Reporting) are reviewed on an ongoing basis and necessary changes are carried out to align with the changing business/statutory requirements.

The state-of-the-art ERP solutions (SAP) and Business Information Warehouse has inbuilt controls including the authorization controls. This further enhances controls and seamless exchange of information with access controls. The SAP systems provide an audit trail of the transactions. The Corporation has a whistle blower policy and anti-fraud policy to address fraud risk.

The Corporation'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 the internal control system through risk focused audits. The Internal Audit Department plans the annual audit plan to cover various aspects of the business. The audit reports published by the Internal Audit Department are shared with the Statutory/Government Auditors, who review the efficacy of internal financial controls. Key business process changes have been reviewed by the internal team 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.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

In Accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios along with detailed explanations are given below:

Sl. No.	Ratio Type	Unit	2019-20	2018-19	Variation (In %)	Explanation for changes
1	Debtors Turnover Ratio	No. of Days	6.62	6.41	3.17%	
2	Inventory Turnover Ratio	No. of Days	23.46	23.01	1.96%	
3.	Interest Coverage Ratio (Profit Before interest and Tax + Depreciation)/Finance cost	Times	3.96	11.33	-65.05%	The interest coverage ratio has declined during current year as compared to previous year mainly on account of substantial decrease in profit before tax from ₹ 10,439.62 Cr to ₹ 2,671.04 Cr coupled with increased finance cost
4.	Current Ratio	Times	1.10	1.12	-2.12%	
5.	Debt Equity Ratio (Excluding Lease obligation)	Times	1.26	0.79	59.49%	Debt Equity Ratio has increased due to higher borrowings during the year. Borrowing has increased mainly on account of capital expenditure coupled with lower internal accruals during the year.
6.	Operating Profit Margin Ratio (OPM) OPM = (Profit before Exceptional Items and Tax minus Other Income)/Sales	%	0.21	2.22	-90.75%	The variation in operating profit margin ratio is mainly due to significant decrease in the Operating Profit Margin during the year. The Operating Profit Margin has been reduced mainly due to significant decrease in Refining Margin coupled with depreciation of Indian Rupee vis-à-vis Dollar which has resulted in significant foreign exchange loss during the current year.
7	Net Profit Margin Ratio	%	0.82	2.12	-61.22%	The net profit margin ratio has declined mainly on account of reduced profit after tax
8	Return on Net Worth	%	8.00	19.41	-58.78%	The return on net worth has declined mainly on account of reduced profit after tax

ANNEXURE A

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

A. CONSERVATION OF ENERGY

Efforts made by BPCL in regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo which are as under :

(i) Steps taken or impact on conservation of energy

Mumbai Refinery

Utmost importance has been accorded to energy conservation efforts and Mumbai Refinery has in place a sound and effective Energy Management System (EnMS), accredited & upgraded with ISO 50001:2018 certification by M/s DNV. Continuous monitoring of energy performance and keeping abreast of the latest technologies for energy conservation have helped to achieve a robust energy performance during the year.

Persistent efforts helped to achieve significant reduction in Specific Energy Consumption to 62.5 Million British Thermal Unit per barrels per Energy Factor (MBN) in 2019-20, as compared to 64.5 MBN during the year 2018-19. This improvement is attributed to sustained operation at higher intake level of energy efficient CDU4, higher capacity utilization of secondary process units, the energy champion scheme and various energy conserving efforts undertaken during the year. Totally 28 Encon schemes were implemented which helped to save 19,882 MTOE/year and to reduce CO_2 emission by 62,742 MT/year.

Mumbai Refinery completed a Monitoring & Verification Audit on 23rd July'19 for BEE PAT-2 cycle which concluded in March'19. MR achieved MBN of 64.5 in 2018-19, much lower than the PAT-2 MBN target of 72.1. This is equivalent to Energy Saving Certificates (ESCerts) of 83,996 and can be traded with a valuation of around ₹ 84 Crores.

As a part of the ED's ENCON Awards Scheme, sustainable energy savings of 6,581 MTOE/year was achieved by implementing the various ENCON initiatives, resulting in reduction of MBN by 0.53.

The following are the measures taken up at MR for energy conservation:

- Relentless efforts being taken by Mumbai Refinery to achieve zero steam leaks. Unit-wise daily stringent monitoring of steam leaks being done.
- Continuous monitoring & control of all parameters of Furnaces & Boilers.
- Online chemical cleaning of furnaces to clean off fouling and deposits on the radiation tubes leading to better heat absorption in the radiation section.
- Continuous recovery of flare gas with the help of FGRS and stringent monitoring of process conditions to control flare loss.
- Continuous Survey of PSV/PCV to identify passing valves and rectification to reduce flare loss.
- Periodical Survey of Compressed air and Nitrogen leaks and rectification.
- Provision of superior insulation on steam headers to reduce surface heat loss.
- Implementation of various Advanced Process Control (APC) strategies in RMP ARU, SWS-1 & SWS-2 to reduce energy.

Kochi Refinery

The following energy conservation and loss control measures were adopted during the year 2019-20, resulting in significant fuel savings:

- Conversion of WGC in the Fluidized Cracking unit from steam driven turbine to 2.5 MW high efficiency VFD driven motor.

- Optimization of stripping steam in columns and velocity steam in heaters.
- Optimization of cooling water system.
- Optimization of hot water belt in PFCCU.
- Replacement of conventional lighting with LEDs.

(ii) Steps taken by the Company for utilizing alternate sources of energy

Mumbai Refinery

First Refinery in India to convert 100% of conventional lights into LED lights leading to power savings of 9,840 MWH/annum, benefit of ₹ 9.6 Crores & reduction in CO_2 emission by 7,085 MT/annum.

Kochi Refinery

Embarked on the journey of replacing conventional light into energy efficient LED's. So far 2122 lights have been replaced.

(iii) The capital invested on energy conservation and estimated savings

Mumbai Refinery

Sl. No.	Description of Schemes in FY 2019-20	Capital Investment (₹ Crores)	Energy Savings	
			Fuel (MT/ Year)	Power (MWH/ Year)
1	Optimization of CCR RGC RPM from 7200 to 6950 for saving steam.	Nil	476	
2	Replacement of 3505 Non flameproof light fittings with LED for saving power.	0.69		540
3	Replacement of existing raw water supply pump 139-P-901A in DM plant by new low life cycle cost (LLC) pump for saving power.	0.13		160
4	Implementation of APC in RMP ARU, SWS-1 & SWS-2 for saving steam.	Nil	3244	
5	Implementation of APC in CDU3 for saving steam.	Nil	476	
6	Optimization of ARU Benzene Column overhead load for saving steam.	Nil	524	
7	Implementation of APC in DHT for saving steam.	Nil	691	
8	Replacement of steam driven old pump of RMP bearing cooling water supply (139-P-908A) by new LLC pump for saving power.	0.185	1191	
9	Replacement of existing 28 metallic blades of AFC's in CDU4 with new generation energy efficient FRP blades for saving power.	1.11		913
10	Implementation of Steam Trap Management System in CDU4 for saving steam.	4.3	4048	
11	Provision of CORROCOAT in MOC water pumps P1 & P2 for efficiency improvement leading to saving power.	0.1		96
12	Replacement of steam ring in FCCU reactor for saving steam.	Nil	286	
13	Replacement of existing 6 metallic blades of AFC's in CCR with new generation energy efficient FRP blades for saving power.	0.22		319
14	Implementation of Steam Trap Management System in DHT for saving steam.	0.45	445	
15	Provision of Welded Plate Type heat exchanger in place of Conventional Shell & Tube heat exchanger in DHDS ARU for saving steam.	2.5	952	
16	Replacement of Centac Compressor at BBU for saving power.	1.26		752
17	Supply of Hot Lean Amine from RMP ARU and Stoppage of Existing Lean Amine LP steam Preheater in HCU for saving steam.	2.75	1190	

Sl. No.	Description of Schemes in FY 2019-20	Capital Investment (₹ Crores)	Energy Savings	
			Fuel (MT/ Year)	Power (MWH/ Year)
18	Recirculation of hot sour water from the CDU4 crude column hot reflux drum (144-V-102) as wash water in the overhead exchangers(144-E-102 A/B/C/D) for saving steam.	0.58	1048	
19	Dropping of DHT vacuum dryer inlet temperature, thereby improving preheat for saving fuel.	Nil	1100	
20	Maximization of heat recovery in NHGU BFW and product cooling section through APC strategy for saving steam.	Nil	429	
21	Provision of Electrical tracing on FO supply line to CDU3, HCU, LOBS, CDU4, RFU & ARU (Both OSBL & ISBL) for saving steam with additional power consumption.	4.5	952	-1776
22	Provision of CORROCOAT in MOC water pump P4 for efficiency improvement for saving power.	0.06		48
23	Interconnection of the discharge header of CPP and Boiler House DM water pumps and stopping Boiler House DM water pump for saving power.	0.08		440
24	Commissioning of Solar Power plant for power generation and thereby reduction in equivalent power import.	2.96		738
25	Pressure reduction in HCU Tail gas KOD V 276 from 11 Kg/cm^2 to 6 Kg/cm^2 for saving power.	0.1		1317
26	Replacement of existing Cooling water Supply pump P1 in CPP by new LLC pump for saving power.	0.083		176
27	Diversion of Oxygen rich VPSA outlet to FCCU MAB suction for saving steam.	0.392	1071	
28	Stoppage of Fuel Oil consumption in HCU/LOBS/ARU heaters & HEBs in view of 100% gas firing for saving steam.	Nil	1190	
	Total	**22.5**	**19313**	**3723**

Kochi Refinery

Sl. No.	Description of Schemes in FY 2019-20	Capital Investment (₹ Crores)	Energy Savings	
			Fuel (MT/ Year)	Power (MWH/ Year)
1	Single column operation of NSU 1	Nil	229	
2	CDU2 Kero stripping steam reduced by packing replacement and operational changes	0.65	1212	
3	Optimization of Velocity steam to vacuum heater, Stripping steam to vacuum column and to crude column in CDU3	Nil	2909	
4	VFD provided for IGP 112A/B motor Product diesel pump in DHDT	Nil		1600
5	FCCU WGC2 drive is changed from MP steam to 2.5 MW high efficiency VFD motor.	18.2		1978
6	Cooling Water tie-up in IREP CW and stopping UCT-5 Pump UP-25.	Nil		2569
7	DMW to MUH & CST pump discharge results in stoppage of BFW transfer pump to deaerator A/B	Nil		2927
8	Optimizing PFCCU Hot water belt flow through exchangers & Stopping one Hot water belt Pump	Nil		5800

Sl. No.	Description of Schemes in FY 2019-20	Capital Investment (₹ Crores)	Energy Savings	
			Fuel (MT/ Year)	Power (MWH/ Year)
9	Minimization of PFCCU reactor Riser bottom steam by introduction of C4 Recycle.	Nil	498	
10	Stripping /re-boiling steam optimization in PFCCU columns	Nil	1291	
11	Using Nitrogen to substitute a part of Fuel Gas for CEMP-2 flare purging	Nil	438	
12	CCR Recycle gas ratio optimizations	Nil	124	
13	Chemical Grade Propylene production in PFCCU-PRU with zero re-boiling in C3 Stripper	Nil	6654	
	Total	**18.85**	**13355**	**14874**

B. TECHNOLOGY ABSORPTION

Mumbai Refinery

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

a. With the implementation of MARPOL specifications (FO with 0.5 wt. % Sulphur), started producing a new product - Very Low Sulphur Fuel Oil (VLSFO) in line with IMO regulations.

b. Gasoline Treatment Unit (GTU) was commissioned ahead of schedule by 5 months in Oct' 19 within the approved Capital Budget and was operated at 100% capacity within 20 days of commissioning. This enables MR to produce 100% BS VI MS.

c. CDU4 stabilizer was revamped with high capacity trays to increase capacity by 33%. This enhances Crude oil processing capacity and flexibility to process high API Crude oils for improving the margin.

d. LOBS Unit: Replacement of catalyst in IDW / HDF Reactors along with modification in the unit increased LOBS production capacity to 400 TMTPA.

e. Completed implementation of Advanced Process Control optimization in all major process units 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:

Sl. No.	Unit - Technology	Licensor	Year
1	New Hydrogen Unit - Revamp	M/s. Haldor Topsoe, Denmark	2017
2	Diesel Hydro Treater (DHT) Unit	M/s. Haldor Topsoe, Denmark	2017
3	Hydrocracker Unit - Revamp	M/s. Chevron, USA	2017
4	NHT- Isomerisation Unit	M/s. GTC, USA	2017
5	VPSA Oxygen Unit	M/s. Linde, Germany	2018
6	Gasoline Treatment Unit (GTU)	M/s. Axens, France	2019

(c) Has technology been fully absorbed?

Yes.

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

Not Applicable.

Kochi Refinery

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

a. Chloride Guard bed was installed in the light reformate stream of Continuous Catalytic Reformer (CCR) to Aromatic Recovery Unit (ARU), which will help to trap Chlorides and avoid corrosion issues in ARU.

b. FCC/PFCC moving bed catalyst was reformulated for maximising MS/Diesel.

c. Divided Wall Column (DWC) Technology was successfully implemented in Gasoline splitter unit to produce better quality of feedstock for CCR and ISOM unit.

d. For production of BS-VI grade fuels (less than 8 ppm sulphur), existing Catalyst was replaced with new generation catalyst in DHDT, VGO-HDT units.

e. Filter/Coalescer installed in NHT (CCR) feed line to trap moisture and corrosion products, which will help in avoiding reactor pressure drop and unit shutdown.

f. To maximise ATF production, additional reactor commissioned in KMU.

g. New grade of MTO-Regular (IBP-145, FBP-245 deg. C) was launched as an import substitute.

h. Started production of new product-Very Low Sulphur Fuel Oil (VLSFO).

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

(a) Details of technology imported (during last 3 years) and (b) year of import

Sl. No.	Unit - Technology	Licensor	Year
1	Acrylic Acid Unit	M/s. Air Liquide E&C, Germany*	2016
2	Oxo Alcohol Unit	M/s. JM Davy Process Technology, UK*	2016
3	Acrylates Unit	M/s. Mitsubishi Chemical Corporation, Japan*	2016
4	Naphtha Hydro-treating Unit	M/s. UOP, USA	2017
5	Light Naphtha Isomerisation Unit	M/s. UOP, USA	2017
6	Continuous Catalytic Reformer Unit	M/s. UOP, USA	2017
7	Propylene Oxide Unit	M/s. Sumitomo, Japan	2019
8	Propylene Glycols (PG) Unit	M/s. Huntsman, USA	2019
9	Polyols Unit	M/s. Scientific Design, USA	2019
10	Ethylene Recovery Unit	M/s. Technip, UK	2019
11	Ethylene Oxide / Ethylene Glycol (EO/EG) Unit	M/s. Scientific Design, USA	2019
12	Cumene Unit	M/s. UOP, USA	2019

*Year 2016 technologies are considered and mentioned above, as these technologies aren't commissioned and absorbed by BPCL yet (Units constructed and in commissioning phase).

(c) Has technology been fully absorbed?

No.

(d) **If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action**

Items 1-3: Units constructed and in commissioning phase

Items 4-6: Units under construction phase

Items 7-12: Units under engineering phase

RESEARCH AND DEVELOPMENT (R&D)

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

1. Energy efficient distillation process based on Divided Wall Column (DWC) technology
2. Vapour recovery system (VRS)
3. Simulation models for refinery units
4. Desalter technology development
5. Crude oil pipeline corrosion inhibitor development
6. Process Intensification
7. Digitization approach for crude assay and blending options
8. Catalyst and catalytic processes
9. Residue upgradation
10. CO_2 valorization
11. Energy efficient furnace operation
12. Biofuels and bio-chemicals
13. Bioremediation of oil spills
14. Efficient LPG burner design
15. Petrochemicals and Petrochemical processes
16. Low grade heat recovery
17. IMO grade fuel oil production
18. Synthetic Petrol engine oil for latest generation passenger cars fitted with modern after treatment devices
19. Engine oil for modern 4-stroke Motorcycles
20. High performance gas engine oil with extended life
21. Food grade lubricants
22. General transmission oil for 3 wheeler EV
23. Specialty lubricant for textile industry
24. Rust Preventive oils for automotive ancillaries for long term protection

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

1. BPMARRK®, crude oil characterization software, has enabled refineries to handle crude switchovers efficiently and helped to avoid unplanned shutdowns. Regular use of BPMARRK® has resulted in monetary benefit of about ₹ 175 Crores during the year.
2. In-house crude oil blend compatibility analysis tool, K Model, helped refineries to analyse more than 800 crude oil blends for optimal crude oil blend processing. The value addition by K Model is about ₹ 45.83 Crores and significant time savings (Laboratory takes one week's time for analysing one blend compatibility as compared to few minutes by K Model).
3. Preliminary results of the vapour recovery system installed at a BPCL Retail Outlet (RO) showed more than 80% reduction in hydrocarbon emission during unloading of tank lorries

at RO. It is expected to reduce the VOC emission by 2.6 ton/year for an RO capacity of ~300 kl/month.

4. Data driven models were successfully developed for predicting product quality and minimizing product give away during crude oil switchover.
5. R&D efforts in the field of desalter design have resulted in three new desalter internal designs. Trials have proven the superiority of these novel designs over the conventional desalter internals which has led to development of indigenous desalter technology.
6. Designed an energy efficient and cost effective separation system for recovery of MS and HSD from the transmix formed during pipeline transportation.
7. Demonstration of in-house formulation for online cleaning of refinery furnaces has shown average 40 °C reduction in arch temperature which resulted in increase in feed throughput by about 8%.
8. Successful field trials conducted over novel in-house developed LPG burner design established burner efficiency > 72%.
9. Developed formulations for novel FCC additives (Bottom Cracking Additive, SOx additive) and state-of-the-art niche catalyst viz. Bharat-Hi^{3}Cat for LOBS process.
10. Process know-how for petrochemical, methacrylic acid and oxo process catalysts established.
11. Process know-how to convert lignin to carbon fiber established to improve economics of a bio-refinery.
12. Process know-how for furfural alcohol production from furfural established to improve bio-refinery economics.
13. Provided recipes through use of digital technology i.e. K-Model towards successful production of IMO grade fuel oil and launch in the market.
14. Low grade energy recovery options at Kochi Refinery firmed up for implementation that would lead to energy efficient operations.
15. Synthetic petrol engine oil for latest generation passenger cars fitted with modern after treatment devices is helping to generate new business.
16. Engine oil for modern 4-stroke motorcycles would cater to their lubrication requirements and generate new business.
17. High performance gas engine oil developed for new generation autorickshaws offering better engine protection and cleanliness with longer drain intervals. This will help BPCL generate new business.
18. The demand for food grade lubricants is increasing with the increase in the size of the processed food industry nationwide as well as proliferating food safety laws. These food grade lubricants would help to enter into new segment and generate new business.
19. Development of transmission fluid for EV segment will help to tap the emerging EV market.
20. High viscosity warp sizing oil designed to improve weaving performance on high speed looms for synthetic yarn will help to generate new business in textile sector.
21. Positioning of solvent based rust preventive oils with existing grades can help in generating new business.

3. Future plan of action

1. Modelling approach for column overhead corrosion mitigation
2. Strategy to handle petrochemical plant effluents
3. Residue upgradation to value added chemicals and products
4. Waste to energy and fuels
5. Alternate fuel Di Methyl Ether process demonstration

6. Process intensification based on Cross Flow Reactor concept
7. Cost optimization for bio-refineries
8. Niche petrochemical product development
9. Processes for CO_2 to chemicals conversion
10. Synthetic engine oil for ultra-low emission fuel efficient passenger cars
11. Engine oil with fuel economy benefit for heavy duty BS VI commercial vehicles
12. High performance marine engine oils for new generation fuels
13. Development of white oil for industrial application
14. Hybrid Dual Clutch Transmission (DCT) Fluid for PCs/SUVs
15. Hybrid Automatic Transmission Fluid (ATF) for PCs/SUVs
16. Cold rolling oil for steel rolling
17. Automotive wheel bearing Grease for 80,000 km drain interval.

4. The Expenditure incurred on R&D during 2019-20:

Particulars	Expenditure (in ₹ Crores)*
Capital Expenditure	41.47
Revenue / Recurring Expenditure	50.71
Total	**92.18**

*includes P&AD Sewree

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(₹ Crores)

Particulars	2019-20	2018-19
Earnings in Foreign Exchange - Includes receipt of ₹ 1098.16 Crores (previous year ₹ 1799.60 Crores) in Indian currency out of repatriated funds of foreign airline and ₹ 669.19 Crores (previous year ₹ 677.75 Crores) of INR exports to Nepal and Bhutan of I&C, Retail and Lubes Customers.	**15,167.55**	13,220.49
Foreign Exchange Outgo - On account of purchase of Raw Materials, Capital Goods, Chemicals, Catalysts, Spare Parts, International Trading Activities etc.	**1,10,194.67**	1,11,486.10

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:

"We are a Model Corporate Entity with Social Responsibility" is one of the vision statements of Bharat Petroleum Corporation Limited (BPCL). Recognising its equal responsibility towards the community near its business units and far-flung communities, BPCL has contributed steadily towards the goal of achieving sustainable development over the years. As per the Companies Act 2013, we have our CSR policy and guidelines in place, the highlights of the same being:

- In every financial year, at least 2% of average net profits of the Company made during the three immediately preceding financial years is earmarked for undertaking CSR activities.
- BPCL has a CSR Committee of the Board headed by an Independent Director, which regularly reviews and monitors all CSR projects.
- A robust governance structure with a dedicated team of CSR professionals strives towards identifying and implementing impactful social projects, which are in alignment with the areas specified under Schedule VII of the Companies Act, 2013 of which the Company takes up CSR projects largely in the five core thrust areas of:
    - Education
    - Water Conservation
    - Skill Development
    - Health/Hygiene and
    - Community Development

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

2.	**The composition of the CSR Committee:**	The CSR Committee of Directors comprises - 1. Shri H. P. Shah, Independent Director, Member (w.e.f. 11.02.2020) and Chairman of the Committee (w.e.f. 10.07.2020) 2. Shri Rajesh Aggarwal, Government Nominee Director, Member (w.e.f. 08.01.2020) 3. Dr. K. Ellangovan, Government Nominee Director, Member 4. Shri K. Padmakar, Director (Human Resources), Member 5. Shri N. Vijayagopal, Director (Finance), Member 6. Shri Rajesh Kumar Mangal, Chairman of the Committee, Independent Director (up to 30.11.2019) 7. Shri Rajiv Bansal, Government Nominee Director, Member (up to 07.01.2020) 8. Shri Vishal V Sharma, Independent Director, Member (up to 08.02.2020) 9. Shri V. S. Oberoi, Chairman of the Committee, Independent Director (from 30.12.2019 up to 09.04.2020)
3.	**Average net profit of the Company for the last three financial years:**	₹ 9,948.82 Crores (As per section 198 of the Companies Act, 2013).
4.	**Prescribed CSR Expenditure for 2019-20:**	₹ 198.98 Crores
5.	**Details of CSR Spend during the financial year 2019-20**	a. Total Amount to be spent: ₹ 371.23 Crores (including the carry forward of ₹ 172.25 Crores of previous years) b. Amount unspent: ₹ 25.66 Crores (earmarked towards Covid pandemic support) 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 provided a budget of ₹ 198.98 Crores in 2019-20 and has allocated the entire budget for various projects within the items enumerated in Schedule VII, which includes several initiatives of national importance. In addition, BPCL has also carried forward ₹ 172.25 Crores unspent budget from previous years. Against the above allocation of ₹ 371.23 Crores, an expenditure of ₹ 345.57 Crores was incurred. The shortfall from the stipulated prescribed spends is on account of the following reason:

- BPCL has committed funds towards relief and rehabilitation activities in the light of the corona virus pandemic and to other projects within identified thrust areas. Some of these are long-term projects, their expenditure will be incurred in the subsequent year.

As a responsible corporate, BPCL's constant endeavour is to complete projects which have been initiated, while ensuring the impact envisioned. In the process funds may have to be carried forward, sometimes even reallocated. The CSR funds that were unspent in the year 2019-20, despite being allocated, for the reason mentioned above, are being carried forward to the 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 proactive social projects. BPCL strives to align its CSR initiatives with missions of national importance and sustainable 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 the CSR objectives.

Sd/	Sd/	Sd/
K. Padmakar	**N. Vijayagopal**	**H. P. Shah**
Director (HR)	Director (Finance)	Chairman – CSR Committee

Date: 10th July, 2020

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 program wise in (₹)	Amount Spent on Program or Project in (₹)		Cumulative expenditure up to the reporting period ₹	Amount spent: Direct or Implementing Agency-Name
						Direct Expenditure	Programs Overhead		
Flagship Projects/Major Projects/Special Projects									
1	Supporting Congenital Heart Defect surgeries for underprivileged children	Category (i) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water	Local	Dist. Ahmednagar, Aurangabad, Beed, Gondia, Hingoli, Jalgaon, Kolhapur, Jalna, Latur, Nanded, Nandurbar, Nashik, Osmanabad, Parbhani, Ratnagiri, Satara, Solapur and Washim, Maharashtra	1,45,00,000	1,44,94,324		1,44,94,324	Balaji Heart Hospital & Diagnostic Centre
2	Swachhta Activities (2018-19)		Local	Across India	5,35,23,051	26,10,155		4,66,22,428	BPCL - Inhouse Project
3	Swachhta Activities (2019-20)		Local	Across India	17,21,53,373	11,29,18,623		11,29,18,623	BPCL - Inhouse Project
4	Immediate relief measures during COVID-19 pandemic (2019-20)		Local	Across India	1,85,00,000	9,54,084		9,54,084	BPCL - Inhouse Project
5	Marine Ambulance for emergency services		Local	Dist. Ernakulam, Kerala	6,08,00,000	3,04,00,000		6,08,00,000	Department of Fisheries, Government of Kerala
6	Construction of toilet blocks in Gujarat Jails		Local	Dist. Ahmedabad, Gujarat	1,02,50,000	9,08,124		90,28,140	DGP & IG Prisons
7	Support for construction of individual household toilet units at Tiruvottiyur and Balangir		Local	Dist. Chennai, Balangir, Tamil Nadu & Odisha	4,44,67,486	2,71,57,829		3,04,47,286	Habitat for Humanity India Trust
8	Construction of community sanitation units, Thane		Local	Dist. Thane, Maharashtra	1,63,63,004	50,59,392		1,48,68,992	Habitat for Humanity India Trust
9	Reducing avoidable disability through medical services on the Lifeline Express-hospital on a train at 4 locations		Other	Dist. Dhubri, Unakoti, Araria and Papum Pare, Assam, Tripura, Bihar & Arunachal Pradesh	3,95,36,359	1,47,06,823		1,96,56,823	Impact India Foundation (IIF)
10	Support for cancer care and cure		Local	Dist. Mumbai, Bangalore, Chennai, Vellore, Delhi and Ahmedabad, Maharashtra, Tamil Nadu, Karnataka, Delhi & Gujarat	14,99,91,000	8,24,72,280		8,24,72,280	Indian Cancer Society
11	Swachh Iconic Project Kalady		Local	Dist. Ernakulam, Kerala	8,53,80,507	1,34,82,845		5,14,86,990	Kalady Grama Panchayat
12	Providing infrastructure and allied facilities for School of Nursing		Other	Dist. Sindhudurg, Maharashtra	5,00,00,000	1,25,00,000		1,25,00,000	Manav Sadhan Vikas Sanstha (MSVS)
13	Open Defecation Free & Clean Panvel		Local	Dist. Raigad, Maharashtra	4,84,58,214	72,88,706		4,00,45,143	Panvel Municipal Corporation
14	Contribution towards LPG connections for BPL households		Other	Across India	39,80,00,000	39,80,00,000		39,80,00,000	PMUY / IOC Nodal 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 program wise in (₹)	Amount Spent on Program or Project in (₹)		Cumulative expenditure up to the reporting period ₹	Amount spent: Direct or Implementing Agency-Name
						Direct Expenditure	Programs Overhead		
15	Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (COVID-19)	Category (i) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water	Other	Across India	1,25,00,00,000	1,00,00,00,000		1,00,00,00,000	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)
16	Providing medical equipment for quality paediatric cardiac services		Local	Dist. Raigad, Maharashtra	4,97,29,213	4,15,96,841		4,15,96,841	Sri Sathya Sai Health & Education Trust
17	Primary healthcare & diagnostic services to tribal villages through Mobile Medical Unit and equipment		Other	Dist. Dehradun, Uttarakhand	1,96,12,576	1,37,28,804		1,96,12,576	Swami Vivekanand Health Mission Society (SVHMS)
18	Development of affordable cancer care for the population	Category (i) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water	Other	Dist. Darrang, Assam	29,30,93,011	9,73,35,604		14,15,79,061	Tata Education and Development Trust (TEDT)
19	Support for procurement of MRI machine & CT Scan machine		Other	Dist. Cuttack, Odisha	6,60,00,000	3,63,00,000		3,63,00,000	Servants of the People Society
20	Support for construction of dormitory facilities and renovation of a pond		Other	Dist.Gadchiroli, Maharashtra	1,98,29,000	49,57,250		49,57,250	Society for Education, Action and Research in Community Health (SEARCH)
21	Construction of individual toilets & awareness generation activities, Dindigul		Other	Dist. Dindigul, Tamil Nadu	1,56,68,640	9,40,118		1,50,41,894	Water, Sanitation and Hygiene Institute (WASH Institute)
22	Primary healthcare through the operation of a Mobile Medical Unit		Local	Dist. Thane, Nashik, Dhule and Jalgaon, Maharashtra	1,44,80,800	1,01,36,560		1,30,32,720	Wockhardt Foundation
23	Support of welfare of Sanitation workers engaged in Kumbh Mela	Categories (i) healthcare and (ii) education	Local	Dist. Prayagraj, Uttar Pradesh	4,00,00,000	4,00,00,000		4,00,00,000	Prayagraj Mela Pradhikaran
24	Placement linked skill development for underprivileged / unemployed youth	Category (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Local	Across India	1,90,08,000	1,03,10,400		1,88,64,000	Central Institute of Plastics Engineering & Technologies (CIPET)
25	Skill Development for underprivileged youth from Aspirational Districts		Other	Dist. Damoh, Chhatarpur, Rajgarh, Singrauli, Barwani, Guna, Vidisha and Khandwa, Madhya Pradesh	4,55,71,000	45,57,100		45,57,100	Centre for Research & Industrial Staff Performance (CRISP)
26	Establishing a new Govt.Industrial Training Institute (ITI) at Sembodai		Other	Dist. Nagapattinam, Tamil Nadu	13,54,31,000	2,70,86,200		2,70,86,200	Directorate of Employment and Training, Chennai
27	Construction of additional classrooms with allied facilities in Govt. Primary Schools		Other	Dist. Darrang, Assam	4,83,62,240	2,41,81,120		2,41,81,120	District Administration, Darrang

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 program wise in (₹)	Amount Spent on Program or Project in (₹)		Cumulative expenditure up to the reporting period ₹	Amount spent: Direct or Implementing Agency-Name
						Direct Expenditure	Programs Overhead		
28	Supporting infrastructure facilities for training in organic farming and sustainable livelihoods	Category (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Other	Dist.Vikarabad, Telangana	4,56,34,002	2,50,98,701		3,65,07,201	Ekalavya Foundation
29	Construction of hostel for Women		Local	Dist. Bangalore, Karnataka	19,81,89,047	9,64,39,017		17,89,32,657	Indian Institute of Science Bangalore
30	Placement linked skill development training programme in Aspirational Districts		Other	Dist. Shrawasti and Mewat, Uttar Pradesh & Haryana	1,93,76,960	1,16,26,176		1,55,01,568	Manav Vikas Sanstha
31	Project Akshar, Sagar		Other	Dist. Sagar, Madhya Pradesh	11,60,99,153	1,36,56,617		3,49,20,480	Pratham Education Foundation
32	Project Akshar, Nandurbar		Other	Dist. Nandurbar, Maharashtra	10,04,81,094	1,23,75,067		3,07,89,125	Pratham Education Foundation
33	Computer Assisted Learning (CAL) project with BMC schools		Local	Dist.Mumbai, Maharashtra	2,33,46,485	23,84,448		2,08,59,312	Pratham Infotech Foundation
34	Construction of Skill Development Center		Local	Dist. Chennai, Tamil Nadu	15,03,28,070	9,04,23,400	1,40,920	14,99,81,877	Ramakrishna Mission Students Home
35	Upgradation of facilities for technical education in RKM campus Coimbatore		Local	Dist. Coimbatore, Tamil Nadu	1,97,70,658	1,69,42,021		1,69,42,021	Ramakrishna Mission Vidyalaya, Coimbatore
36	Support for construction of Centre for Human Excellence and Social Sciences		Local	Dist. Kolkata, West Bengal	9,55,53,335	4,29,99,000		4,29,99,000	Ramakrishna Mission, Belur Math
37	Support for construction of high school building	Category (ii) 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. Pune, Maharashtra	1,49,41,872	37,35,468		37,35,468	Shree Bhuleshwar Shikshan Prasarak Mandal
38	Contribution towards Skill Development Institutes at six locations for operational expenses		Local	Dist. Khordha, Kochi, Raebareli, Kamrup, Ahmedabad, Visakhapatnam-Odisha, Kerala, Uttar Pradesh, Assam, Gujarat & Andhra Pradesh	16,50,00,000	4,50,00,000		10,00,00,000	Skill Development Institutes at six locations
39	Contribution towards Skill Development Institute, Bhubaneswar for construction / expansion of the main campus		Local	Dist. Khordha, Odisha	30,00,00,000	18,50,00,000		30,00,00,000	Skill Development Institute (SDI) Bhubaneswar
40	Enhancing school infrastructure of Girls' Higher Secondary School		Local	Dist. Chennai, Tamil Nadu	1,88,00,000	37,60,000		37,60,000	Sri Ramakrishna Math, Chennai
41	Scaling up support for placement linked vocational training centre for Leprosy affected and underprivileged youth		Local	Across India	3,60,36,000	65,14,200		2,86,38,284	The Leprosy Mission Trust India
42	Enhancement of facilities at Anganwadis nos.39/70/62/94/81		Local	Dist. Ernakulam, Kerala	1,12,85,045	36,47,522		1,12,85,045	Tripunithura Municipality
43	Supporting Centre of Excellence Project for girls at Higher Secondary School, Tripunithura		Local	Dist. Ernakulam, Kerala	3,50,00,000	1,75,00,000		1,75,00,000	Tripunithura Municipality
44	Support for construction of Vivekananda Kendra Academy		Local	Dist. Khordha, Odisha	3,45,08,214	86,27,053		2,76,06,571	Vivekananda Rock Memorial and Vivekananda Kendra

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 program wise in (₹)	Amount Spent on Program or Project in (₹)		Cumulative expenditure up to the reporting period ₹	Amount spent: Direct or Implementing Agency-Name
						Direct Expenditure	Programs Overhead		
45	Crop residue management initiative	Category (x) Rural development Projects	Local	Dist. Ludhiana and Barnala, Punjab	1,24,86,073	54,52,900		54,52,900	Confederation of Indian Industry Foundation (CII)
46	Contribution towards Relief & Rehabilitation activities post Cyclone Fani		Local	Dist. Khordha, Odisha	5,00,00,000	5,00,00,000		5,00,00,000	Odisha State Disaster Management Authority
47	Construction of rural road and drainage facilities for enhancing quality of life of backward communities		Local	Dist. Ernakulam, Kerala	4,75,00,000	3,05,10,000		3,05,10,000	Vadavucode Puthencruz Grama Panchayat
48	CSR projects by Kochi Refinery	Categories (i) (ii) and (x) of Schedule VII of the Companies Act	Local/ Other	Multiple districts of Kerala	45,05,92,305	25,44,33,926		35,37,35,652	Various implementing agencies including local government
49	CSR projects by Mumbai Refinery	Categories (i) (ii) (iv) and (x) of Schedule VII of the Companies Act	Local/ Other	Multiple districts of Maharashtra	23,03,36,716	7,64,86,809		10,28,18,043	Various implementing agencies including local government
50	CSR projects by Corporate Office	Categories (i) (ii) (iv) (v) and (x) of Schedule VII of the Companies Act	Local/ Other	Across India	26,04,85,065	7,63,95,285		17,40,59,208	Various implementing agencies
51	CSR projects across India by Regional Offices	Categories (i) (ii) (iv) and (x) of Schedule VII of the Companies Act	Local/ Other	Across India	40,29,41,577	23,24,89,029		28,98,52,384	Various implementing agencies including local government, Govt. bodies and Direct implementation projects
52	CSR projects across India	Categories (i) (ii) and (x) of Schedule VII of the Companies Act	Local/ Other	Across India	18,58,74,343	10,08,24,879	26,495	11,27,48,262	Directly implemented
53	Travel/Miscellaneous/Admin Expenses	Admin Expenses	Local	Across India			88,38,826		
54	Volunteering & Other Capacity Building Expenses	Capacity building expenses	Local	Across India			2,53,223		
						3,44,64,04,700	**92,59,464**		
		Total CSR Expenditure (2019-20)				**3,45,56,64,164**			

Sd/
K. Padmakar
Director (HR)

Sd/
N. Vijayagopal
Director (Finance)

Sd/
H. P. Shah
Chairman – CSR Committee

ANNEXURE C

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCHEDULED CASTES (SC), SCHEDULED TRIBES (ST), OTHER BACKWARD CLASSES (OBC) AND ECONOMICALLY WEAKER SECTIONS (EWS) AS ON 1ST JANUARY, 2020 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR, 2019

Name of the Public Sector Enterprise: BHARAT PETROLEUM CORPORATION LTD.

Group	Representation of SCs/STs/OBCs/EWS (As on 1.1.2020)					Number of appointments made during the calendar year 2019												
						By Direct Recruitment					By Promotion			By Other Methods				
	Total number of Employees	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	Total	SCs	STs	OBCs	EWS
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Group-A	6000	988	396	1132	3	165	21	1	39	3	**18	2	1	*10	--	2	2	--
Group-B	2220	315	106	272	0	--	--	--	--	--	103	14	5	***1	--	--	--	--
Group-C	1796	273	109	443	0	31	4	2	9	--	45	7	--	--	--	--	--	--
Group-D/Ds	1370	243	107	261	1	130	14	1	73	1	--	--	--	--	--	--	--	--
Total	**11386**	**1819**	**718**	**2108**	**4**	**326**	**39**	**4**	**121**	**4**	**166**	**23**	**6**	**11**	**0**	**2**	**2**	**0**

* 8 Sportspersons recruited in Group 'A'

**2 Sportspersons promoted to Group 'A'

***1 Sportsperson recruited in Group ' B'

Reservation of vacancies for Economically Weaker Sections (EWS) notified on or after 01.02.2019.

3 EWS recruited in Group 'A'

1 EWS recruited in Group 'D'

Group-D/Ds-Group is merged

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCHEDULED CASTES (SC), SCHEDULED TRIBES (ST), OTHER BACKWARD CLASSES (OBC) AND ECONOMICALLY WEAKER SECTIONS (EWS) IN VARIOUS GROUP "A" SERVICES AS ON 1ST JANUARY, 2020 AND NUMBER OF APPOINTMENTS MADE IN THE SERVICE IN VARIOUS GRADES DURING THE CALENDAR YEAR 2019

NAME OF PSU : BHARAT PETROLEUM CORPORATION LTD.

JG	Pay Scales (in ₹)	Representation of SCs/STs/OBCs/EWS (as on 01.01.2020)					Number of Appointments made during the calendar year 2019												
		Total Number of Employees	SCs	STs	OBCs	EWS	By Direct Recruitment					By Promotion			By Other Methods				
							Total	SCs	STs	OBCs	EWS	Total	SCs	STs	Total	SCs	STs	OBCs	EWS
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
A	60000-180000	916	162	75	265	3	72	13	-	26	3	**18	2	1	*9	-	2	2	-
B	70000-200000	1683	239	103	411	-	37	1	-	5	-	-	-	-	-	-	-	-	-
C	80000-220000	1095	174	67	206	-	43	6	-	5	-	-	-	-	*1	-	-	-	-
D	90000-240000	984	185	75	145	-	10	1	1	3	-	-	-	-	-	-	-	-	-
E	100000-260000	683	145	59	82	-	3	-	-	-	-	-	-	-	-	-	-	-	-
F	120000-280000	391	58	13	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G	120000-280000	163	20	4	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
H	120000-280000	59	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	150000-300000	21	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J	180000-340000	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
K	200000-370000	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**6000**	**988**	**396**	**1132**	**3**	**165**	**21**	**1**	**39**	**3**	**18**	**2**	**1**	**10**	**0**	**2**	**2**	**0**

* 8 Sportspersons recruited in 2019

**2 Sportspersons promoted to Group 'A' in 2019

ANNUAL STATEMENT SHOWING REPRESENTATION OF THE PERSONS WITH DISABILITIES (PWDs) IN SERVICE AS ON 1ST JANUARY, 2020 AND NUMBER OF APPOINTMENTS OF PWDs (RECRUITMENT / PROMOTION) DURING THE CALENDAR YEAR 2019

GROUP	TOTAL NUMBER OF EMPLOYEES (as on 01.01.2020)	NUMBER OF PWD EMPLOYEES (as on 01.01.2020)					*NO. OF APPOINTMENTS (2019)			
	TOTAL	TOTAL	VH	HH	OH	LD	VH	HH	OH	LD
1	2	3	4	5	6	7	8	9	10	11
"A"	6000	116	14	10	92	--	1	--	3	--
"B"	2220	57	7	4	46	--	--	--	--	--
"C"	1796	37	9	12	16	--	--	--	1	--
"D/DS"	1370	28	2	5	21	--	1	1	2	--
TOTAL	**11386**	**238**	**32**	**31**	**175**	**0**	**2**	**1**	**6**	**0**

* No. of Appointments include (Recruitment & Promotion)

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

HH stands for Hearing Handicapped (persons suffering from hearing impairment- (deaf or hard of hearing)

OH or LD stands for Orthopaedically Handicapped / Locomotor Disability (including persons suffering from locomotor disability, cerebral palsy, acid attack victims, dwarfism, muscular dystrophy and leprosy cured)

LD or ID stands for Learning Disability / Intellectual Disability (persons with autism, intellectual disability, specific learning disability and mental illness)

ANNEXURE D

REPORT ON CORPORATE GOVERNANCE

1) Company's philosophy on Code of Governance

Bharat Petroleum Corporation Limited's ("the Company/ BPCL") 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 2020, the BPCL Board comprised 9 Directors represented by 5 Whole-time (Executive) Directors including Chairman & Managing Director, 2 Part-time (Ex-Officio) Directors (Government Directors) and 2 Part-time (Non-official) Directors (Independent Directors).

Smt. J. M. Shanti Sundharam, Independent Director ceased to be the director of company w.e.f. 5th March, 2020 on her resignation due to personal reasons. She has confirmed that there are no other material reasons for her resignation.

BPCL has taken up the matter with the Government of India for nomination of 6 additional Independent Directors with at least one woman Independent Director, to fulfill the requirements under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Section 149 of the Companies Act, 2013.

During the Financial Year 2019-20, all meetings of the Board and the Annual General Meeting were chaired by the Chairman & Managing Director.

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.

Matrix setting out the skills/ expertise/ competence of Board of Directors

BPCL being a Government Company, all the Directors are appointed as per the nominations from the Government of India. The Company has a competent Board with background and knowledge of the Company's Businesses. All the Directors have requisite skills, expertise, competence in the areas of leadership, risk management, strategic planning, analytical thinking, corporate governance, finance, cost control measures and general administration. The Board comprises Directors from diverse experience, qualifications, skills, expertise etc. which are aligned with the Company's business, overall strategy, corporate ethics, values and culture etc.

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

Board Meetings

Sixteen Board Meetings were held during the Financial Year 2019-20 on the following dates:-

26th April, 2019	20th May, 2019	3rd June, 2019	14th June, 2019
15th July, 2019	9th August, 2019	13th September, 2019	26th September, 2019
15th October, 2019	31st October, 2019	7th November, 2019	30th December, 2019
8th January, 2020	13th February, 2020	12th March, 2020	30th March, 2020

Particulars of Directors including their attendance at the Board/ Members' Meetings during the Financial Year 2019-20

Names of the Directors	Academic Qualifications	Attendance out of 16 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, 2020)	Memberships held in Committees as specified under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
		No. of Meetings Attended	%			
Whole-time Directors						
Shri D. Rajkumar Chairman & Managing Director	B.Tech (IIT, Madras); PGDM from IIM, Bangalore	16	100	Attended	Chairman: 1. Numaligarh Refinery Ltd. 2. Bharat Oman Refineries Ltd. Director: 1. Bharat PetroResources Ltd. 2. Petronet LNG Ltd.(Listed Entity-Nominee Director of BPCL) 3. Bharat Gas Resources Ltd.	-
Shri R. Ramachandran Director (Refineries)	B. Tech (Chem)	16	100	Attended	Chairman: 1. Petronet India Ltd. Director: 1. Bharat Oman Refineries Ltd. 2. Ratnagiri Refinery and Petrochemicals Ltd. 3. Bharat Gas Resources Ltd.	-
Shri K. Padmakar Director (Human Resources)	Master's Degree in Personnel Management, Bachelor's Degree in Agriculture	15	93.75	Attended	-	Stakeholders' Relationship Committee: Member (w.e.f. 3rd June, 2019) Bharat Petroleum Corporation Ltd.
Shri A.K.Singh Director (Marketing)	Mechanical Engineering with first rank from NIT, Patna (Formerly BCE, Patna)	16	100	Attended	Director: 1. Bharat Gas Resources Ltd.	-
Shri N.Vijayagopal Director (Finance)	A.C.A., L.L.B.	16	100	Attended	Director: 1. Bharat Oman Refineries Ltd. 2. Bharat PetroResources Ltd. 2. Bharat Gas Resources Ltd.	Stakeholders' Relationship Committee: Member - Bharat Petroleum Corporation Ltd.

Particulars of Directors including their attendance at the Board/ Members' Meetings during the Financial Year 2019-20

Names of the Directors	Academic Qualifications	Attendance out of 16 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, 2020)	Memberships held in Committees as specified under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
		No. of Meetings Attended	%			
Non Executive Directors a) Part-time (Ex officio)						
Shri Rajiv Bansal Additional Secretary and Financial Advisor, MOP&NG (up to 7th January 2020)	I.A.S., B.Tech (Civil) IIT (Delhi), Diploma in Finance in ICFAI (Hyderabad), Executive Masters in International Business from IIFT (Delhi)	10	83.33*	Not Attended	Director: 1. Oil and Natural Gas Corporation Ltd. (Listed Entity-Nominee Director of Govt. of India) 2. Indian Strategic Petroleum Reserves Ltd. 3. Bharat Yantra Nigam Ltd.	-
Shri Rajesh Aggarwal Additional Secretary and Financial Advisor, MOP&NG (w.e.f. 8th January 2020)	I.A.S., B. Tech (Computer Science & Engineering) from IIT (Delhi)	4	100*	#NA	Director: 1. Oil and Natural Gas Corporation Ltd. (Listed Entity-Nominee Director of Govt. of India) 2. Indian Strategic Petroleum Reserves Ltd.	Audit Committee: Member (w.e.f. 12th March, 2020) Bharat Petroleum Corporation Ltd.
Dr. K. Ellangovan Principal Secretary, Industries Department, Government of Kerala	I.A.S., PhD from IIT Madras and MS from Bangalore Medical College	13	81.25	Not Attended	Chairman: 1. Malabar Cements Ltd. 2. The Kerala Minerals and Metals Ltd. 3. Nitta Gelatin India Ltd. Director: 1. Kerala State Industrial Development Corporation Ltd. 2. INKEL Ltd. 3. Kottayam Port and Container Terminal Services Private Limited 4. Overseas Keralites Investment and Holding Ltd. 5. Norka-Roots (Sect 25 Company)	-

N.A. # : Not applicable

* Percentage computed by considering the meetings attended with the total meetings held during the Director's tenure.

Particulars of Directors including their attendance at the Board/ Members' Meetings during the Financial Year 2019-20

Names of the Directors	Academic Qualifications	Attendance out of 16 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, 2020)	Memberships held in Committees as specified under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
		No. of Meetings Attended	%			
Non Executive Directors (b) Part-time (Independent)						
Shri Rajesh Kumar Mangal (up to 30th November 2019)	F.C.A.	11	100*	Attended	Director: 1. Rishi Corporate Services Private Ltd.	Audit Committee : Chairman - Bharat Petroleum Corporation Ltd.
Shri Vishal V Sharma (up to 8th February 2020)	B.Sc.(Physics) EPBM from IIM (Calcutta)	13	100*	Attended	Director: 1. Free Press House Ltd.	Audit Committee : Member - Bharat Petroleum Corporation Ltd. Stakeholders' Relationship Committee : Chairman - Bharat Petroleum Corporation Ltd.
Smt. J. M. Shanti Sundharam (up to 4th March 2020)	M.A. (English Literature), M.Phil. (Public Administration), I.R.S. (Indian Customs and Central Excise Services)	12	85.71*	Attended	-	Audit Committee : Member - Bharat Petroleum Corporation Ltd.
Shri V. S. Oberoi	I.A.S., M.A. (Economics) University of Delhi	12	75	Attended	-	Audit Committee: Member (Chairman w.e.f. 30th December, 2019) Bharat Petroleum Corporation Ltd.
Shri H. P. Shah (w.e.f. 16th July 2019)	B.Sc. (Maths)	10	90.90*	Attended	-	Audit Committee : Member - (w.e.f. 11th February, 2020) Bharat Petroleum Corporation Ltd. Stakeholders' Relationship Committee: Member (w.e.f. 30th December, 2019) (Chairman w.e.f. 11th February, 2020) Bharat Petroleum Corporation Ltd.

* Percentage computed by considering the meetings attended with the total meetings held during Director's tenure.

Note: Details of familiarization programmes imparted to Independent Directors are available on website of the Company: https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx

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 is enclosed with this Annual Report.

None of the Non-Executive Directors of BPCL has any pecuniary relationship / transaction with the Company during the Financial Year.

The declaration has been received from the Independent Directors about meeting the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions of independence specified in the said Act and Regulations and are independent of the management.

3) Board Committees

A) Audit Committee

BPCL's Audit Committee comprises three Part-time Directors. The role, powers and functions of the Audit Committee were specified and approved by the Board. The quorum for the meetings of the Committee is two members with the presence of at least two Independent Directors. 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.

The Head of Internal Audit is actively involved with the meetings of the Audit Committee besides attending and participating at the said meetings. In addition, 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.

On cessation of the tenure of Shri Rajesh Kumar Mangal, Chairman of the Committe w.e.f. 1st December, 2019, Shri V. S. Oberoi, Independent Director, was appointed as Chairman of the Committee w.e.f. 30th December, 2019. Further, Shri H.P. Shah, Independent Director, was inducted as a Member of the Committee w.e.f. 11th February, 2020. Shri Vishal V Sharma, Independent Director, ceased to be a Member of the Committee w.e.f. 9th February, 2020. Smt. J.M. Shanti Sundharam, Independent Director ceased to be a Member of the Committee w.e.f. 5th March, 2020. Shri Rajesh Aggarwal, Government Director, was inducted as a Member of the Committee w.e.f. 12th March, 2020.

As on 31st March, 2020, the Audit Committee comprised Shri V.S. Oberoi, Independent Director, as the Chairman of the Committee and Shri H.P. Shah, Independent Director and Shri Rajesh Aggarwal, Government Director, both as the Members of the Committee. Shri V.S. Oberoi, Chairman ceased to be a Member w.e.f. 10th April, 2020. Accordingly, on receipt of nomination from the Govt. of India, the Committee will be reconstituted after inducting requisite number of Independent Directors as Members.

The role of the Audit Committee covers all matters specified in Regulation 18 read with Part C of Schedule II of the Listing Regulations, 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 the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2) Recommending to the Board the fixation of audit fees;

3) Approval of payment to Statutory Auditors for any other services rendered by them;

4) Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgment by Management.
   d) Significant adjustments made in the financial statements arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party transactions.
   g) Qualifications in the draft audit report;
5) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document /prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7) Reviewing and monitoring the Auditor's independence and performance, and effectiveness of the audit process;
8) Approval or any subsequent modification of transactions of the Company with related parties;
9) Scrutinizing 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) Reviewing the follow up action on the audit observations of the C&AG Audit;
20) Reviewing the follow up action on the recommendations of the Committee on Public Undertakings (COPU) of Parliament;
21) Provide an open avenue of communication between the Independent Auditor, Internal Auditor and the Board of Directors;

22) 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;

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

24) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments existing as on the date of coming into force of this provision.

Review of information by the 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;

5) The appointment, removal and terms of remuneration of the Chief Internal Auditor;

6) Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

   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 financial statements, in particular, the investments made by the unlisted subsidiary company;

8) Certification/declaration of financial statements by the Chief Executive Officer and Chief Finance Officer.

Eight meetings of the Audit Committee were held during the Financial Year 2019-20 on the following dates:

26th April, 2019	20th May, 2019	15th July, 2019	9th August, 2019
13th September, 2019	15th October, 2019	7th November, 2019	13th February, 2020

Attendance at the Audit Committee Meetings

Names of the Members	No of meetings attended	%
Shri Rajesh Kumar Mangal, Chairman (up to 30th November, 2019)	7	100*
Shri V.S. Oberoi, Member (Chairman w.e.f. 30th December, 2019)	7	87.5
Shri Vishal V Sharma, Member (up to 8th February, 2020)	7	100*
Smt. J.M. Shanti Sundharam, Member (up to 4th March, 2020)	6	75*
Shri H.P. Shah, Member (w.e.f. 11th February, 2020)	1	100*

*Percentage computed by considering the meetings attended with the total meetings held during the Director's tenure.

The Committee at its meetings held on 9th August, 2019, 7th November, 2019, 13th February, 2020 reviewed the Quarterly, Half Yearly, Year to date Financial Statements as on 30th June, 2019, 30th September, 2019 and 31st December, 2019 respectively.

All the Subsidiary Companies of the Company are managed by their respective Boards and the Management. The Financial Statements of the Subsidiary Companies including investments made, if any, are reviewed by their respective Audit Committee / Board. The performance of Subsidiary Companies and the minutes of their Board meetings are placed at the Board meetings of the Company. Any significant transaction or arrangement entered into by the Subsidiary Companies are also reported to the Board of Directors of the Company.

B) Project Evaluation Committee

The Project Evaluation Committee (PEC) comprising two Independent Directors, one Government Director and Director (Finance) evaluates and recommends projects costing over ₹ 500 Crore for Board approval.

Shri H.P. Shah, Independent Director was appointed as Member of the Committee w.e.f. 12th March 2020. Smt. J.M. Shanti Sundharam, Independent Director, ceased to be a Member of the Committee with effect from 5th March 2020.

As on 31st March, 2020, the Project Evaluation Committee comprised of Shri V.S. Oberoi, Independent Director as the Chairman of the Committee and Shri N. Vijayagopal, Director (Finance), Dr. K. Ellangovan, Government Director and Shri H.P. Shah, Independent Director as Members. Shri V.S. Oberoi, Independent Director ceased to be a Chairman w.e.f. 10th April 2020. Shri H.P. Shah, Member was appointed as Chairman of the Committee w.e.f. 10th July 2020.

The PEC will evaluate, guide implementation, monitor, review and assess deliverables, provide recommendations and advice to the Board for projects costing over ₹ 500 Crore including investments in Subsidiaries / Joint Ventures.

Three meetings of the PEC were held during the Financial Year 2019-20 on the following dates:

26th April, 2019	13th September, 2019	30th December, 2019

Attendance at the Project Evaluation Committee Meetings

Names of the Members	No. of meetings attended	%
Shri V.S. Oberoi, Chairman	3	100
Dr. K. Ellangovan, Member	3	100
Smt. J.M. Shanti Sundharam, Member (up to 4th March, 2020)	2	66.67
Shri N. Vijayagopal, Member	3	100

C) Nomination and Remuneration Committee

The Nomination and Remuneration Committee formulates and reviews 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 the Whole-time Directors and employees.

During the Financial Year 2019-20, Shri Rajesh Kumar Mangal ceased to be Member w.e.f. 1st December, 2019. Shri Rajesh Aggarwal, Government Director was appointed as a Member of the Committee w.e.f. 8th January, 2020 in place of Shri Rajiv Bansal, Government Director who ceased to be a Member w.e.f. 8th January, 2020. Further, Smt. J.M. Shanti Sundharam, Independent Director ceased to be a Member of the Committee w.e.f. 5th March, 2020. Shri H.P. Shah, Independent Director was appointed as a Member of the Committee w.e.f. 12th March, 2020. As on 31st March, 2020, the Nomination and Remuneration Committee comprised Shri V.S. Oberoi, Independent Director as Chairman, Shri H.P. Shah, Independent Director and Shri Rajesh Aggarwal, Government Director as Members and Shri K. Padmakar, Director (Human Resources) and Shri N. Vijayagopal, Director (Finance) being invitees.

During the Financial Year 2019-20, one meeting of the Committee was held on 13th February, 2020, which was attended by Shri V.S. Oberoi, Chairman, Shri Rajesh Aggarwal, Member and Smt. J.M. Shanti Sundharam, Member. Subsequently, Shri V.S. Oberoi ceased to be Member w.e.f. 10th April, 2020. Accordingly, after receipt of nomination from Govt. of India, Nomination and Remuneration Committee will be reconstituted after inducting the requisite number of Independent Directors as Members.

BPCL is a Government Company and as per the MCA circular, exemptions have been given to Government Companies from applicability of Section 178 (2), (3), (4) of the Companies Act, 2013.

D) Stakeholders' Relationship Committee

The role of the Stakeholders' Relationship Committee is to specifically look into the redressal of grievances of shareholders, debenture holders (and other security holders) including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc. and other additional roles as covered under the Listing Regulations.

During the Financial Year 2019-20, Shri H.P. Shah, Independent Director was inducted as a Member of the Committee w.e.f. 30th December, 2019. Shri Vishal V Sharma, Independent Director ceased to be a Chairman of the Committee w.e.f. 9th February, 2020. Shri H.P. Shah, Independent Director was appointed as the Chairman of the Committee with effect from 11th February, 2020.

As on 31st March, 2020, the Stakeholders' Relationship Committee comprised of Shri H.P. Shah, Independent Director as Chairman, Shri N. Vijayagopal, Director (Finance) and Shri K. Padmakar, Director (Human Resources) as its Members.

The Committee, at its meeting held on 12th March, 2020, reviewed the services rendered to the Shareholders / Investors including response to complaints / communications and expressed its satisfaction on the performance of the Investor Relations Department of the Company. The said meeting was attended by all the Members of the Committee.

The Company Secretary acts as the Compliance Officer for matters related to investor relations. Shri M. Venugopal, Company Secretary acted as the Compliance Officer up to 31st December, 2019 and thereafter, Smt. V. Kala is acting as the Compliance Officer w.e.f. 13th February, 2020.

During the Financial Year 2019-20, five complaints were received from investors through SEBI, BSE and NSE, which were attended to and resolved on priority basis.

E) Corporate Social Responsibility Committee

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 to monitor its progress, bringing greater transparency and experience in the execution of CSR activities of the Company etc.

Shri Rajesh Kumar Mangal, Chairman of the Committee, ceased to be a Member w.e.f. 1st December, 2019. Shri V.S. Oberoi, Independent Director, was appointed as Member & Chairman of the Committee w.e.f. 30th December, 2019. Subsequently Shri Rajiv Bansal, Government Director ceased to be a Member of the Committee w.e.f. 8th January, 2020 and Shri Rajesh Aggarwal, Government Director, was inducted as a Member of the Committee with effect from 8th January, 2020. Shri Vishal V Sharma, Independent Director ceased to be a Member w.e.f. 9th February, 2020. Shri H.P. Shah, Independent Director was inducted as a Member of the Committee w.e.f. 11th February, 2020.

As on 31st March, 2020, the Committee comprises two Independent Directors, two Government Directors, Director (Finance) and Director (Human Resources) as Members. Subsequently, Shri V.S. Oberoi, Independent Director ceased to be the Chairman of the Committee w.e.f. 10th April, 2020. Shri H.P. Shah, Independent Director was appointed as the Chairman of the Committee w.e.f. 10th July, 2020.

Seven meetings of the Corporate Social Responsibility Committee were held during the Financial Year 2019-20 on the following dates:

20th May, 2019	14th June, 2019	15th July, 2019	9th August, 2019
7th November, 2019	13th February, 2020	30th March, 2020	

Attendance at the Corporate Social Responsibility Committee Meetings

Names of the Members	No. of meetings attended	%*
Shri Rajesh Kumar Mangal, Chairman (up to 30th November, 2019)	5	100*
Shri V.S. Oberoi, Chairman (w.e.f. 30th December, 2019)	1	50*
Shri K. Padmakar, Member	7	100
Dr. K. Ellangovan, Member	4	57.14
Shri Rajiv Bansal, Member (up to 7th January, 2020)	4	80*
Shri Rajesh Aggarwal, Member (w.e.f. 8th January, 2020)	2	100*
Shri N. Vijayagopal, Member	7	100
Shri Vishal V Sharma, Member (up to 8th February, 2020)	5	100*
Shri H.P. Shah, Member (w.e.f. 11th February, 2020)	2	100*

* Percentage computed by considering the meetings attended with the total meetings held during the Director's tenure.

F) Risk Management Committee

The 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 has constituted the Risk Management Committee.

Shri Vishal V Sharma, Independent Director, ceased to be a Member of the Committee w.e.f. 9th February, 2020. Further, Shri H.P. Shah, Independent Director was appointed as a Member and Chairman of the Committee w.e.f. 12th March, 2020. Smt. J.M. Shanti Sundharam, Independent Director, ceased to be Chairperson w.e.f. 5th March, 2020.

As on 31st March, 2020, the Committee comprised Shri H.P. Shah, Independent Director as Chairman and Shri A.K. Singh, Director (Marketing), Shri R. Ramachandran, Director (Refineries), Shri N. Vijayagopal, Director (Finance) and Shri V.S. Oberoi, Independent Director as Members. Shri V.S. Oberoi, Independent Director ceased to be a Member w.e.f. 10th April, 2020.

During the Financial Year 2019-20, one meeting of the Risk Management Committee was held on 14th June, 2019 and the said meeting was attended by all the respective Members of the Committee.

The role and responsibilities of the Risk Management Committee includes 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 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 reconstituted the Sustainable Development Committee. During the Financial Year 2019-20, Shri H.P. Shah, Independent Director, was inducted as a Member of the Committee w.e.f. 11th February, 2020 and as Chairman w.e.f. 12th March, 2020. Shri Vishal V Sharma, Independent Director, ceased to be a Member w.e.f. 9th February, 2020. Smt. J.M. Shanti Sundharam, Independent Director, ceased to be Chairperson of the Committee w.e.f. 5th March, 2020.

As on 31st March, 2020, the Committee comprised Shri H.P. Shah, Independent Director as Chairman and Shri A.K. Singh, Director (Marketing) and Shri R. Ramachandran, Director (Refineries) as Members.

Two meetings of the Sustainable Development Committee were held during the Financial Year 2019-20 on 15th July, 2019 and on 8th January, 2020, which were attended by all the respective Members.

H) Separate Meeting of Independent Directors

The Company could not hold the meeting of Independent Directors, which is normally held during the last month of the financial year, in view of the massive outbreak of the COVID-19 pandemic and difficulty in availability of Directors. In terms of MCA circular dated 24th March, 2020, the MCA has given relaxation in respect of holding the meeting of Independent Directors for the year 2019-20.

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 Government Directors do not receive any remuneration from the Company. The Independent Directors received sitting fees of ₹ 40,000/- for each of the Board/Audit Committee/other Committee Meetings attended by them during the Financial Year 2019-20. 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.

Details of remuneration paid / payable to the Whole-time Directors during the Financial Year 2019-20 are as follows :-

Name 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 D. Rajkumar Chairman & Managing Director	32,40,723	7,77,773	13,95,178	17,10,817	**71,24,491**
Shri R. Ramachandran Director (Refineries)	30,69,131	7,36,592	14,90,089	13,50,495	**66,46,307**
Shri K. Padmakar Director (Human Resources)	30,15,626	7,23,750	19,00,641	13,27,083	**69,67,100**
Shri A. K. Singh Director (Marketing)	29,57,364	7,09,768	14,53,342	11,47,273	**62,67,747**
Shri N. Vijayagopal Director (Finance)	29,38,575	7,05,257	17,92,644	10,76,275	**65,12,751**
TOTAL	**1,52,21,419**	**36,53,140**	**80,31,894**	**66,11,943**	**3,35,18,396**

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 during the financial year 2019-20. Non-Executive Directors do not hold any Shares in the Company during the Financial Year 2019-20.

The sitting fees paid to the Independent Directors for attending the meetings of the Board/Committee during the Financial Year 2019-20 are given below:

Name of the Director	Amount (₹)
Shri Rajesh Kumar Mangal (up to 30th November, 2019)	9,60,000
Shri Vishal V Sharma (up to 8th February, 2020)	11,20,000
Smt. J. M. Shanti Sundharam (up to 4th March, 2020)	10,40,000
Shri V.S. Oberoi	12,00,000
Shri H.P. Shah (w.e.f. 16th July, 2019)	5,60,000

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
64th Annual General Meeting	12th September, 2017 at 10:30 a.m.	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College (K.C College), 124, Dinshaw Wacha Road, Churchgate, Mumbai 400 020
65th Annual General Meeting	11th September, 2018 at 10:30 a.m.	Y.B.Chavan Auditorium, Yashwantrao Chavan Pratishthan, General Jagannathrao Bhosale Marg, Mumbai 400 021
66th Annual General Meeting	30th August, 2019 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
64th Annual General Meeting	12th September, 2017 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.
65th Annual General Meeting	11th September, 2018 at 10:30 a.m.	1. Approval of Private Placement of Non-Convertible Bonds/Debentures and/or Debt Securities.
66th Annual General Meeting	30th August, 2019 at 10.30 a.m.	1. Reappointment of Shri Rajesh Kumar Mangal as an Independent Director.

c. There was no Special Resolution passed through Postal Ballot in the year 2019-20 and presently, there is no Special Resolution proposed to be conducted through Postal Ballot.

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 quarterly & half-yearly results were published in various editions of leading newspapers. The Auditor's Report on Limited Review/ Annual Audited Financial Results were filed with the Stock Exchanges. The quarterly and annual results were sent to the Shareholders at their registered email IDs.

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 Limited (BSE) and National Stock Exchange of India Limited (NSE).

7) General Shareholders'/ Members information:

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

<table>
<tr><td>Annual General Meeting : Date, Time and Venue</td><td colspan="3">Monday, 28th September, 2020 at 11:00 a.m. IST
The Company is conducting the meeting through VC / OAVM pursuant to the MCA Circulars. For details please refer to the Notice of this AGM.</td></tr>
<tr><td rowspan="7">Financial Year</td><td colspan="3">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 on the following dates:</td></tr>
<tr><td>Period Ended</td><td>Date of Board Meeting</td><td>Unaudited/Audited</td></tr>
<tr><td>Apr-Jun 2019</td><td>9th August, 2019</td><td>Unaudited</td></tr>
<tr><td>Jul–Sep 2019</td><td>7th November, 2019</td><td>Unaudited</td></tr>
<tr><td>Oct-Dec 2019</td><td>13th February, 2020</td><td>Unaudited</td></tr>
<tr><td>Jan-Mar 2020</td><td>3rd June, 2020</td><td>Audited</td></tr>
<tr><td>F.Y. 2019-20</td><td>3rd June, 2020</td><td>Audited</td></tr>
<tr><td>Dividend Payment Dates</td><td colspan="3">The Board of Directors at its meeting held on 12th March, 2020 approved declaration of Interim Dividend of ₹ 16.50 per equity share for face value of ₹ 10/- each for the Financial Year 2019-20. The Company has paid the above dividend on 27th March, 2020.</td></tr>
<tr><td>Date of Book Closure</td><td colspan="3">Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 (both days inclusive), for the purpose of AGM.</td></tr>
</table>

<table>
<tr><td rowspan="5">Debt Securities</td><td colspan="2">The details of listing of Non-convertible Debentures issued by the Company are given below:</td></tr>
<tr><td>BPCL Debentures 2017-Series I
(₹ 550 crore issued on 10th March 2017)</td><td>Listed on wholesale debt market segment of BSE and NSE</td></tr>
<tr><td>BPCL Debentures 2018-Series I
(₹ 750 crore issued on 16th January 2018)</td><td>Listed on wholesale debt market segment of BSE and NSE</td></tr>
<tr><td>BPCL Debentures 2019 Series I
(₹ 1000 crore issued on 11th March 2019)</td><td>Listed on wholesale debt market segment of BSE and NSE</td></tr>
<tr><td>BPCL Debentures 2020 Series I
(₹ 1995.20 crore issued on 6th July 2020)</td><td>Listed on wholesale debt market segment of BSE and NSE</td></tr>
<tr><td>Debenture Trustee</td><td colspan="2">SBI CAP Trustee Company Ltd
Appejay House, 6th Floor, 3, Dinshaw Wachha Road, Churchgate, Mumbai 400 020
Tel 022-4302 5555 Fax 022-2204 0465</td></tr>
<tr><td colspan="3">Details of Credit Rating obtained by BPCL along with revision for all debt instruments or any fixed deposits or scheme or proposal of listed entity involving mobilization of funds</td></tr>
</table>

Instruments	Rating Agency	Rating at the beginning of the year	Changes during the year	Ratings at the end of year	Ratings at on date
Non-Convertible Debenture 1. BPCL Debentures 2017-Series I 2. BPCL Debentures 2018-Series I 3. BPCL Debentures 2019-Series I 4. BPCL Debentures 2020-Series I (issued on 6th July'20)	CRISIL	CRISIL AAA (Stable)	CRISIL, on 29th November, 2019, has been placed the Long term rating of AAA (Stable) on "Rating Watch with Developing Implications" considering the disinvestment plans	CRISIL AAA (Stable) – (Rating Watch with Developing Implications)	CRISIL AAA (Stable) – (Rating Watch with Developing Implications)
Non-Convertible Debenture 1. BPCL Debentures 2017-Series I 2. BPCL Debentures 2018-Series I 3. BPCL Debentures 2019-Series I 4. BPCL Debentures 2020-Series I (issued on 6th July'20)	CARE	CARE AAA (Stable)	CARE, on 6th December, 2019, has been placed the Long term rating of AAA (Stable) on "Rating Watch with Developing Implications" considering the disinvestment plans.	CARE AAA (Stable) (Rating Watch with Developing Implications)	CARE AAA (Stable) (Rating Watch with Developing Implications)
Bank facilities – Long Term	CRISIL	CRISIL AAA (Stable)	CRISIL, on 29th November, 2019, has been placed the Long term rating of AAA (Stable) on "Rating Watch with Developing Implications" considering the disinvestment plans	CRISIL AAA (Stable) – (Rating Watch with Developing Implications)	CRISIL AAA (Stable) – (Rating Watch with Developing Implications)
Bank Facilities – Short Term	CRISIL	CRISIL A1+	–	CRISIL A1+	CRISIL A1+
Commercial Papers	CRISIL	CRISIL A1+	–	CRISIL A1+	CRISIL A1+
Commercial Papers	CARE	CARE A1+	–	CARE A1+	CARE A1+

Instruments	Rating Agency	Rating at the beginning of the year	Changes during the year	Ratings at the end of year	Ratings at on date
Senior Unsecured Debt- Foreign Currency	Fitch	BBB- (Stable)	–	BBB- (Stable)	BBB-(Negative) (Fitch on 18th June, 2020 Fitch has changed the India's sovereign outlook from Stable to Negative, with the change in the India's sovereign outlook from Stable to Negative, Fitch has also hanged the BPCL's outlook from BBB-(Stable) to BBB-(Negative)
Senior Unsecured Debt- Foreign Currency	Moody's	Baa2 (Stable)	Moody's on 8th November, 2019, with the change in the sovereign rating of India, has changed the outlook from Baa2 (Stable) to Baa2 (Negative). Further, Moody's, on 26th November, 2019, while retaining the rating of Baa2 (Negative) have put the rating on "Review for Downgrade" considering the disinvestment plan.	Baa2 (Negative)	Baa3-(Negative) Further, on 2rd June, 2020, Moody's has downgraded India's sovereign rating to Baa3 from Baa2 and with the change in the sovereign rating of India, Moody's has also changed the BPCL's rating to Baa3 (Negative) from Baa2 (Negative).

<table>
<tr><td rowspan="5">Listing on Stock Exchanges & Security Code</td><td colspan="2">The Company's shares are listed on the following Stock Exchanges:</td></tr>
<tr><td>Name of Stock Exchange</td><td>Security Code / Symbol</td></tr>
<tr><td>BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai 400 001.</td><td>500547</td></tr>
<tr><td>National Stock Exchange Ltd.
Exchange Plaza, Plot No. C/1 Bandra Kurla Complex,
Bandra (E), Mumbai 400 051.</td><td>BPCL</td></tr>
<tr><td colspan="2">The Listing Fees have been paid for the year 2020-21 to both the above Exchanges.</td></tr>
</table>

<table>
<tr><td>ISIN Number</td><td colspan="2">For National Securities Depository Ltd. (NSDL) & Central Depository Services India Ltd. (CDSL) for equity shares</td><td>INE029A01011</td></tr>
<tr><td rowspan="2">Market Price Data</td><td colspan="2">High, low during each month in the last financial year</td><td>Please see Annexure I</td></tr>
<tr><td colspan="2">Performance in comparison to broad based indices i.e. BSE 100</td><td>Please see Annexure II</td></tr>
<tr><td>Registrar and Transfer Agents</td><td colspan="3">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</td></tr>
<tr><td>Share Transfer System</td><td colspan="3">A Committee comprising two Whole-time Directors considers the requests for transfer / transmission of shares, dematerialisation of shares, etc. A Committee comprising four Directors i.e. two Whole-Time Directors and two Part-time Directors considers requests for issue of share certificates. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories viz. NSDL and CDSL within 15 days. Transfer of Equity Shares in electronic form are effected through the depositories and the Company does not have any involvement in the same.</td></tr>
<tr><td rowspan="12">Distribution of Shareholding as on 31st March, 2020</td><td>Shareholders</td><td>No. of shares Held</td><td>% of holding</td></tr>
<tr><td>1) Govt. of India</td><td>1,14,91,83,592</td><td>52.98</td></tr>
<tr><td>2) Govt. of Kerala</td><td>1,86,66,666</td><td>0.86</td></tr>
<tr><td>3) BPCL Trust for Investments in Shares</td><td>20,23,72,422</td><td>9.33</td></tr>
<tr><td>4) Mutual Funds/ UTI</td><td>27,76,23,001</td><td>12.80</td></tr>
<tr><td>5) Financial Institutions/ Banks</td><td>28,93,434</td><td>0.13</td></tr>
<tr><td>6) Insurance Companies</td><td>14,48,23,947</td><td>6.68</td></tr>
<tr><td>7) Foreign Institutional Investors</td><td>26,64,90,136</td><td>12.28</td></tr>
<tr><td>8) Bodies Corporate</td><td>3,20,83,037</td><td>1.48</td></tr>
<tr><td>9) Others</td><td>7,51,16,509</td><td>3.46</td></tr>
<tr><td>Total</td><td>2,16,92,52,744</td><td>100.00</td></tr>
<tr><td colspan="3">Distribution of shareholding on number of shares held by the shareholders and shareholding pattern are given in Annexure III.</td></tr>
<tr><td rowspan="2">Dematerialization of shares and liquidity</td><td colspan="3">Out of the shares held by the Shareholders, 98.99% are held in dematerialised form and balance in physical form as on 31st March, 2020.</td></tr>
<tr><td colspan="3">The Company has not issued any GDRs /ADRs/ Warrants, etc.</td></tr>
<tr><td rowspan="7">Plant Locations</td><td>Mumbai Refinery :</td><td colspan="2">Bharat Petroleum Corporation Ltd.,
Mahul, Mumbai 400 074</td></tr>
<tr><td>Kochi Refinery :</td><td colspan="2">Bharat Petroleum Corporation Ltd.,
Ambalamugal, Kochi 682 302</td></tr>
<tr><td rowspan="5">Lubricant Plants :</td><td colspan="2">Bharat Petroleum Corporation Ltd.,
Wadilube LOBP, Mallet Road, Chinchbunder, Wadibunder,
Mumbai 400 009</td></tr>
<tr><td colspan="2">Sewree C-Installation, Sewree Fort Road, Sewree (East),
Mumbai 400 015</td></tr>
<tr><td colspan="2">LOBP Tondiarpet, Post Box No.1152,
35 Vaidyanatha Mudali Street, Tondiarpet, Chennai-600 081</td></tr>
<tr><td colspan="2">LOBP Budge Budge, 2 Graham Road, P.O. Budge Budge,
Dist. 24-Parganas [South], Budge Budge 700137</td></tr>
<tr><td colspan="2">MAK Lube Plant, Hastinapur Yojna,
Village – Tilla Shahbajpur, Loni, Distt, Ghaziabad 201 102</td></tr>
</table>

Address for Correspondence	The Secretarial Department Bharat Petroleum Corporation Ltd. Bharat Bhavan No.1, Ground Floor, 4&6, Currimbhoy Road Ballard Estate, Mumbai 400 001 Tel. 022 – 2271 3170 / 2271 3435 Fax. 022 – 2271 3759/ 022- 2271 3688 Email : ssc@bharatpetroleum.in	General Manager (Capital Issues Division), Data Software Research Co. Pvt. Ltd. 19, Pycrofts Garden Lane, 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, First Floor,
4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001
Tel. No. 022 – 2271 3170 Fax. No. 022 – 2271 3759/ 022-2271 3688
Email : z_dsrc@bharatpetroleum.in

This Centre has been effectively catering to the needs of the Members / Investors. It 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. Details of 'Related Party Disclosures' are shown in Notes forming part of Accounts. The related party transactions were placed before the Audit Committee/Board for approval. The Company has incurred certain expenses on behalf of subsidiaries/joint ventures as co-promoter and such expenses are recoverable subsequently from the subsidiaries/joint venture companies. There were no transactions of material nature that may have potential conflict with the interests of the Company at large.

b. The Company has complied with all mandatory requirements entered into with Stock Exchanges/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance except for the following:

   1) The Company did not have a Woman Independent Director and the optimum combination of executive and non-executive Directors for the period from 5th March, 2020 to 31st March, 2020 as required under Regulation 17 (1) (a) of LODR on its Board.

   2) The Company did not have requisite number of Independent Directors as required under Regulation 17 (1) (b) of LODR on its Board for the period under review i.e. 1st April, 2019 to 31st March, 2020.

   Bharat Petroleum Corporation Ltd. is a Government Company under the Administrative Control of Ministry of Petroleum and Natural Gas. The nomination/appointment of all categories of Directors are done by Government of India in accordance with the laid down DPE Guidelines. The subject matter of nomination/appointment of adequate number of Independent Directors including a

Woman Director falls under the purview of the Government of India. BPCL has from time to time communicated to the Ministry of Petroleum & Natural Gas with respect to the requirements and was informed of action initiated to fulfill the requirements. BPCL has received notices from BSE and NSE which were replied suitably to them in this regard.

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://www.bharatpetroleum.com/about-bpcl/our-policies.aspx

f. The web link for policy on dealing with related party transactions is as follows: https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx

g. The web link for policy on dealing with details of familiarisation programmes imparted to Independent Directors is as follows: https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx

h. On 31st March 2020, the Company has increased its stake in BORL from 50% to 63.38 % by conversion of warrants into shares. BORL has carried out Secretarial Audit by Practising Company Secretary.

i. Disclosure of commodity price risks and commodity hedging activities: The Company has adopted a Risk Management Policy framework. Accordingly, the Company periodically informs the Board Members about the risk assessment and procedures for minimizing the risks.

j. During the financial year, there were no funds raised by way of preferential allotment or through issue of non-convertible debentures or bonds.

k. A certificate from M/s. Dholakia & Associates LLP, Practising Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by SEBI, Ministry of Corporate Affairs or any such statutory authority has been obtained.

l. 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.

m. CEO and 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 Regulation, 2015 and DPE Guidelines on Corporate Governance for the Financial Year 2019-20.

n. Disclosures with respect to demat suspense account/unclaimed suspense account: No Shares are kept under demat/unclaimed suspense account.

o. 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 of the Company. Administrative & Office expenses and Finance expenses constitute 0.51% and 0.67% of the total expenses respectively for the Financial Year 2019-20. Employee Benefit expenses, Repair maintenance & Stores and Spares as a percentage of total expenses constitute 1.13% & 0.42% for the year 2019-20, as against 1.11% & 0.42% last year. There is a decrease in Administrative & Office expenses as % of total expenses (from 0.72% to 0.51%) mainly due to implementation of IND AS 116 “Lease” effective 01st April 2019, wherein rent & utilities has been reclassified as Depreciation and Finance Cost. There is an increase in Finance expenses during the year (from 0.40% to 0.67%) mainly due to implementation of IND AS 116 “Lease” effective 01st April 2019 & increase in average borrowing during this year, as compared to the previous year.

p. 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’.

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. Subsequently SEBI, vide its notification dated 31st December, 2018 has amended the Prohibition of insider Trading Regulations, whereby listed companies are required to formulate certain additional Policies and procedures. These amendments have become effective from 1st April, 2019. Accordingly, the Company has adopted a revised Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices and formulated the Policy for determination of legitimate purpose and Policy for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI).The Company Secretary has been appointed as the Compliance Officer and Chief Investor Relations Officer for implementation of the said Codes.

q. In line with SEBI Regulations, 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 website of the Company under the link: https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx

r. Risk Management Policy

The Risk Management policy of the Company identifies that it has direct and substantial price risk exposure to certain commodities such as Crude Oil, Petroleum Products, Freight, Precious metals, Petrochemicals and Metals and the policy provides the broad framework and governance for undertaking Risk Management activities in these commodities.

Exposure in Commodities

Commodity Name	Exposure in INR towards the particular commodity (₹ Crore)	Exposure in Quantity terms towards the particular commodity (Qty. TMT)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Raw Material (Crude Oil)	3,717	1,764	0%	0%	0%	0%	0.00%
Finished Products	15,694	3,343	0%	0%	0%	0%	0.00%

Notes:-

a. Raw Material consists of Crude Oil Closing, In transit and In process Inventory as on 31st March, 2020.

b. Finished Products majorly consist of Gasoline, Gasoil, SKO, Naphtha, ATF, FO and LPG Closing inventories as on 31st March, 2020.

c. The exposure value is value of Closing inventory as on 31st March, 2020.

d. During FY 19-20, BPCL hedged product crack spreads (Difference between Product price and Dubai Crude Oil price) through Swaps/Options in the international Over the Counter market towards refinery margin to cover the operating expenses of the refinery.

e. BPCL is an Oil Refining and Marketing Company and pricing of major petroleum products naturally hedge Crude purchase prices to a large extent.

s. During the year, there were 7 complaints of sexual harassment in respect of our employees, out of which 5 were resolved by the Internal Complaints Committee and 2, received in March, 2020 were pending as at the end of the financial year.

t. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors, M/s CVK & Associates and M/s Borkar & Muzumdar are as follows:

Particulars	**Amount in ₹**
Audit fees	58,00,000
Fees for other services – Certification	36,72,000
Reimbursement of out of pocket expenses	1,27,645
Total	**95,99,645**

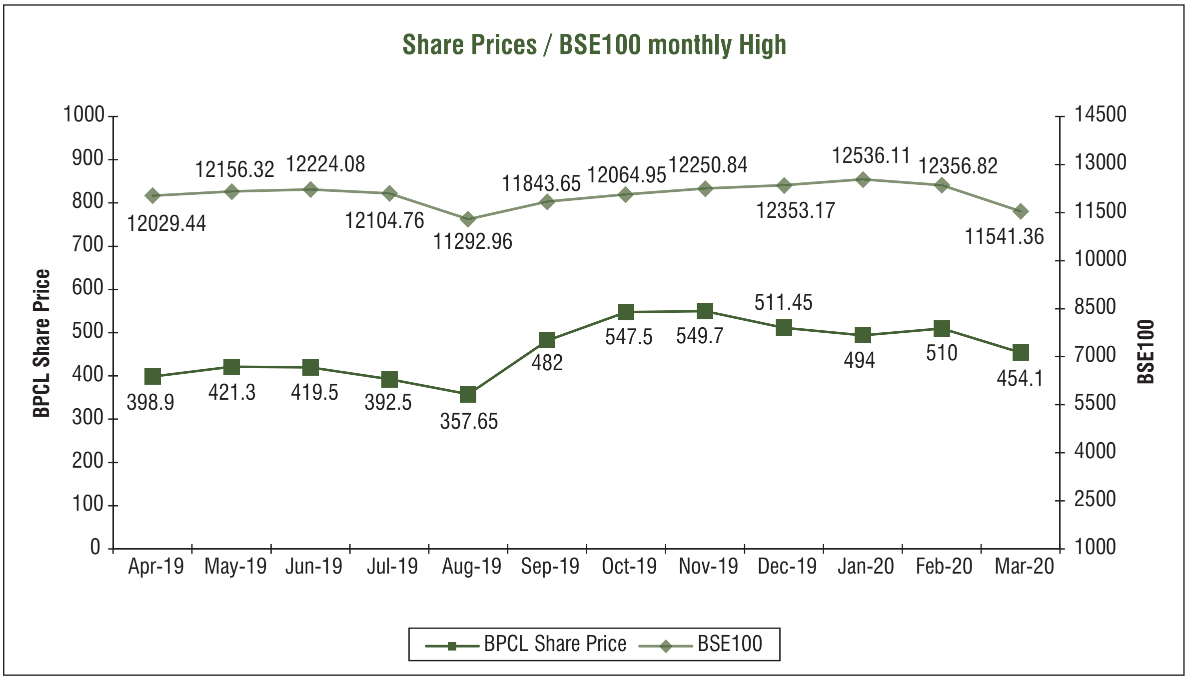
ANNEXURE I

BPCL MARKET PRICE DATA						
APRIL 2019-MARCH 2020	BSE			NSE		
	High (₹ per share)	Low (₹ per share)	Monthly Volume (No. of shares)	High (₹ per share)	Low (₹ per share)	Monthly Volume (No. of shares)
April	398.9	333	65,05,124	399.5	333.45	11,78,93,378
May	421.3	348.2	69,89,616	421.7	348	16,09,24,350
June	419.5	373.35	40,41,434	419.9	373.1	9,50,04,512
July	392.5	328.5	43,18,419	392.85	328.2	9,86,47,780
August	357.65	308.55	22,99,033	357.85	308.35	7,66,22,831
September	482	342.35	1,35,46,082	482.05	342.3	31,03,68,965
October	547.5	478.45	1,33,62,552	545	475.45	26,85,72,390
November	**549.7**	488	69,87,555	**549**	488	17,76,53,822
December	511.45	471.75	49,09,396	509.5	471.65	12,37,51,062
January	494	448.8	42,98,367	493.9	448.55	13,53,70,076
February	510	421.55	43,26,489	510	420.5	13,18,17,556
March	454.1	**252**	1,09,48,826	454.4	**252**	25,53,62,130

MARKET CAPITALISATION/SHARES TRADED DURING 1st APRIL 2019 TO 31st MARCH 2020		
	BSE	NSE
No. of Shares traded	8,25,32,893	1,95,19,88,852
No. of Shares	2,16,92,52,744	2,16,92,52,744
Highest Share Price (₹)	549.7	549
Lowest Share Price (₹)	252	252
Closing Share Price as on 31st March 2020 (₹)	316.05	316.9
Market Capitalisation as on 31st March 2020 (₹ in crore)	68,559.23	68,743.62

ANNEXURE II

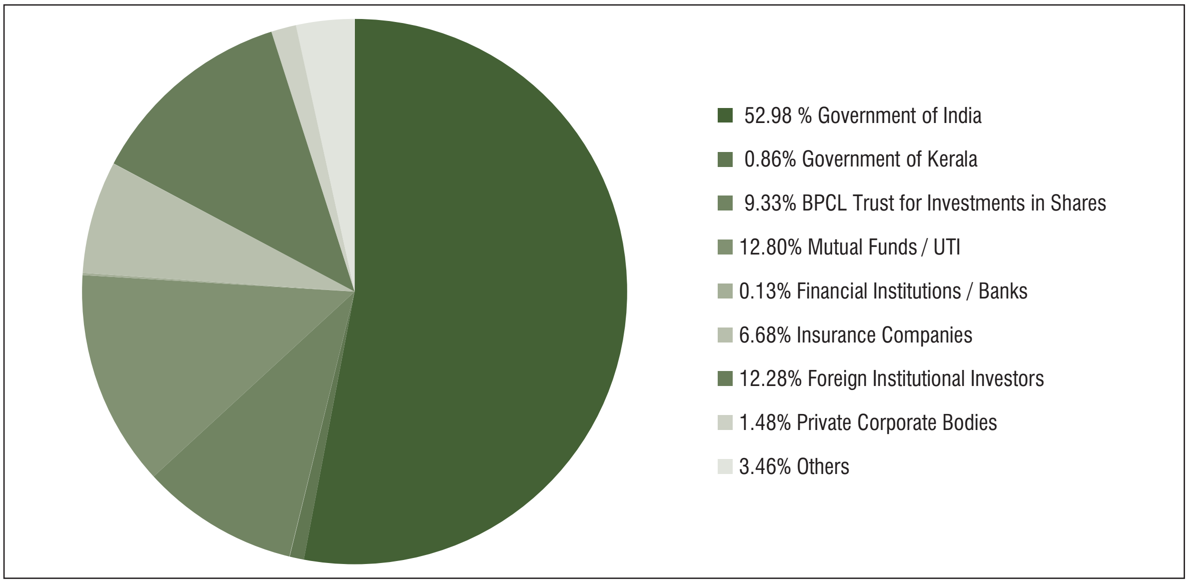
BPCL MARKET PRICE MOVEMENT IN COMPARISON TO BSE 100 INDICES



ANNEXURE III

DISTRIBUTION OF SHARE HOLDING AS ON 31st MARCH, 2020			
NO. OF. EQUITY SHARES HELD	NO. OF SHARE HOLDERS	NO. OF SHARES	% OF TOTAL
UPTO 5000	2,20,525	4,75,31,479	2.19
5001 TO 10000	1,216	83,97,224	0.39
10001 TO 50000	705	1,53,46,573	0.71
50001 TO 100000	203	1,47,90,735	0.68
100001 TO 500000	279	6,78,09,212	3.13
500001 TO 1000000	94	6,68,79,077	3.08
1000001 TO 2000000	53	7,42,48,012	3.42
2000001 TO 3000000	18	4,47,41,207	2.06
3000001 AND ABOVE	46	1,82,95,09,225	84.34
Total	**2,23,139**	**2,16,92,52,744**	**100.00**

SHAREHOLDING PATTERN OF BPCL AS ON 31st MARCH, 2020 (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, 2020.

Sd/-
D. Rajkumar
Chairman & Managing Director
Bharat Petroleum Corporation Limited

Place :Mumbai
Date : 8th July, 2020

Certificate under Para 10(i) of Part C of Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

To
The Members of Bharat Petroleum Corporation Limited

1. We have been engaged to issue certificate that none of the directors on the board of the Bharat Petroleum Corporation Limited ("Company") having CIN L23220MH1952GOI008931 have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority in terms of Para 10 (i) of Part C of Schedule V read with Regulations 34(3) and 53 (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations):-
2. We have examined the following:
   (a) The declaration given by each of the Directors of the Company with respect to their interest in other entities as Director or otherwise along with names of their relatives in pursuance of Section 184 of the Companies Act, 2013 and taken on record by the Company,
   (b) Declarations given by all the Directors of the Company confirming that they are not disqualified to hold the Office of Directors as on 31st March, 2020 in pursuance of Section 164 of the Companies Act, 2013 and taken on record by the Company,
   (c) The particulars of Directors of the Company as displayed on the web portal of the Ministry of Corporate Affairs and
   (d) General Search on the website of the Securities and Exchange Board of India.
3. Based on the above verification and to the best of our information and according to the explanations provided to us, we are of the opinion that none of the following Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board/Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2020:

No.	Name of the Directors	DIN
1	Shri. Rajkumar Duraiswamy	00872597
2	Shri. Rajesh Madanlal Aggarwal	03566931
3	Shri. Neelakantapillai Vijayagopal	03621835
4	Shri. Ellangovan Kannan Kamala	05272476
5	Shri. Arun Kumar Singh	06646894
6	Shri. Ramamoorthy Ramachandran	07049995
7	Shri. Padmakar Kappagantula	08021800
8	Shri. Harshadkumar Prabhudas Shah	08511473
9	Shri. Vinay Sheel Oberoi	07943886

4. It should be noted that our responsibility is to express a reasonable assurance in the form of an opinion as to the qualification/eligibility of each of the Directors of the Company to hold the office as Director in the Company in accordance with the generally accepted procedure and the process of due-diligence followed based on the available information on best efforts basis as on 31st March,2020 and it is neither an audit nor an expression of opinion on the personal credentials of the Directors of the Company.

For **DHOLAKIA & ASSOCIATES LLP**
(Company Secretaries)

Sd/-
CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Place : Mumbai
Date : 10th July, 2020
UDIN : F000977B000438964

Compliance Certificate on Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of Bharat Petroleum Corporation Limited

We have examined the compliance of conditions (via electronic platform due to lockdown) of Corporate Governance by Bharat Petroleum Corporation Limited ("the Company") for the year ended March 31, 2020, prescribed in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of 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 implementation 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 aforesaid provisions of SEBI LODR except that the Company did not have a Woman Independent Director as required under Regulation 17 (1) (a) of SEBI LODR on its Board of Directors and that the optimum combination of executive and non-executive directors was not complied with for the period from 05.03.2020 to 31.03.2020 and that the Company did not have requisite number of Independent Directors as required under Regulation 17 (1) (b) of SEBI LODR on its Board of Directors for the period under review i.e. 01.04.2019 to 31.03.2020.

We also state that the Company being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment, vests with the Government of India. The matter regarding appointment of required number of Independent Directors and Women Independent Director has been taken up with MoP&NG from time to time.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **DHOLAKIA & ASSOCIATES LLP**
(Company Secretaries)

Sd/-
CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Place : Mumbai
Date : 10th July, 2020
UDIN : F000977B000438942

Compliance Certificate on Corporate Governance under guidelines for Administrative Ministries/Departments and Central Public Sector Enterprises, 2010

To,
The Members of Bharat Petroleum Corporation Limited

We have examined the compliance of conditions (via electronic platform due to lockdown) of Corporate Governance by Bharat Petroleum Corporation Limited ("the Company") for the year ended March 31, 2020, as stipulated in the Guidelines for Administrative Ministries/Departments and 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 implications 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 Guidelines issued by DPE except for non-compliance in terms of clauses 3.1.1. and 3.1.2 of the guidelines, in terms of optimum combination of Directors and, in terms of Functional Directors exceeding half of the Board of Directors for the period 05.03.2020 to 31.03.2020 and in terms of clause 3.1.4 with regard to half of the Board of Directors to comprise of Independent Directors for the period i.e. 01.04.2019 to 31.03.2020.

We also state that the Company being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment, vests with the Government of India.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **DHOLAKIA & ASSOCIATES LLP**
(Company Secretaries)

Sd/-
CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Place : Mumbai
Date : 10th July, 2020
UDIN : F000977B000438942

BUSINESS RESPONSIBILITY REPORT

ABOUT THIS REPORT

The Business Responsibility Report has been prepared by BPCL, in accordance with Regulation 34 (2) (f) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, which mandates that the Annual Report of the top one thousand listed entities, based on Market Capitalization at the BSE and NSE, shall contain a Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective.

The Reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs) issued by the Ministry of Corporate Affairs, Government of India, in July 2011. It outlines the Company's performance against the nine Principles and Core elements for each of these Principles. The Business Responsibility Report of BPCL is based on the format suggested by SEBI in their circular.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY	
1. Corporate Identity Number (CIN) of the Company	L23220MH1952GOI008931
2. Name of the Company	Bharat Petroleum Corporation Limited
3. Registered Address	Bharat Bhavan, 4&6 Currimbhoy Road, Ballard Estate, Mumbai 400001
4. Website	https://www.bharatpetroleum.in
5. E-mail id	ssc@bharatpetroleum.in
6. Financial Year Reported	2019-20

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Group	Class	Sub-class	Description
192	1920	19201	Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals
192	1920	19203	Bottling of LPG /Compressed Natural Gas (CNG)
192	1920	19209	Manufacture of other petroleum products (includes petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)
352	3520	35202	Distribution and sale of gaseous fuels through mains
351	3510	35105	Electric power generation using solar energy
351	3510	35106	Electric power generation using other non-conventional sources
493	4930	49300	Transport via pipeline
466	4661	46610	Wholesale of solid, liquid and gaseous fuels and related products
473	4730	47300	Retail sale of automotive fuel in specialized stores [includes the activity of petrol filling stations]
477	4773	47736	Retail sale of household fuel oil, bottled gas, coal and fuel wood

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): a. High Speed Diesel (HSD) b. Motor Spirit (Petrol) c. Liquefied Petroleum Gas (LPG)

9. Total number of locations where business activity is undertaken by the Company	
i. Number of International Locations (Provide details of major 5)	BPCL does not undertake any direct operations at its international locations. Only the subsidiaries have overseas operations.
ii. Number of National Locations as on 31.3.2020	a. Refineries: 2 (Mumbai and Kochi) b. Retail (Installations/Depots/TOPs): 76 c. LPG Bottling Plants: 52 (2 are in refineries and 50 in other locations) d. Lube Plants: 5 e. Aviation Locations/Fueling Stations/on-wheels: 58 f. Head Office: 1 g. Regional Offices: 4
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)	₹ 1,966.88 Crores
2. Total Turnover (INR)	₹ 3,27,580.78 Crores
3. Total profit after taxes (INR)	₹ 2,683.19 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 its average net profit amounting to ₹ 198.98 Crores. In addition, BPCL had a carry forward of ₹ 172.25 Crores as unspent for the previous year. BPCL has spent ₹ 345.57 Crores during the year 2019-20.
5. List of activities in which expenditure in 4 above has been incurred	BPCL's CSR activities are carried out in the following focus areas: • Education • Water Conservation • Skill Development • Health & Hygiene • Community Development
SECTION C: OTHER DETAILS	
1. Does the Company have any Subsidiary Company/ Companies?	Yes, the Group has twelve subsidiaries. Six are Indian and six are foreign subsidiaries. The list is as follows:
	Indian: • Numaligarh Refinery Ltd.(NRL) • Bharat PetroResources Ltd.(BPRL) • Bharat PetroResources JPDA Ltd. [Domestic Subsidiary of BPRL] • Bharat Gas Resources Ltd. (BGRL) • Bharat Oman Refineries Ltd.(BORL) • BPCL-KIAL Fuel Farm Pvt. Ltd.

	Foreign: • BPRL International B.V. (The Netherlands) [Overseas Subsidiary of BPRL] • BPRL Ventures B.V. (The Netherlands) [Overseas Subsidiary of BPRL] • BPRL Ventures Mozambique B.V. (The Netherlands) [Overseas Subsidiary of BPRL] • BPRL Ventures Indonesia B.V. (The Netherlands) [Overseas Subsidiary of BPRL] • BPRL International Singapore Pte. Ltd. (Singapore) [Overseas Subsidiary of BPRL] • BPRL International Ventures BV (the Netherlands) [Overseas Subsidiary of BPRL]
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. The Subsidiary Companies do not participate in the Business Responsibility initiative of the parent Company. They operate in different geographies/ business domains and are driven by their own policies.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No other entity/ entities are engaged with the Company's business, participate in the BR initiatives. However, during the selection/ registration of the suppliers, contractors, dealers and distributors, BPCL conducts scrutiny with respect to certain parameters of National Voluntary Guidelines principles.
SECTION D: BR INFORMATION	

1. Details of Director/Directors responsible for BR

BPCL has a Sustainable Development Committee for periodic review, discussions and guidance on various Sustainable Development initiatives and measures for implementation of Business Responsibility policies.

a) Details of the Director responsible for implementation of the BR policy/policies

The details of the Committee members as on 31/03/2020 are given below:

DIN Number	Name	Designation
08511473	Shri Harshadkumar P. Shah	Chairman of the Committee
06646894	Shri Arun Kumar Singh	Director (Marketing)
07049995	Shri R. Ramachandran	Director (Refineries)

b) Details of the BR head

Particulars	Details
DIN Number (if applicable)	NA
Name	Smt. V. Kala
Designation	Company Secretary
Telephone number	022- 2271 3440
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
		P1: Code of Conduct and Whistle blower P2: HSE and Sustainable Development policy P3: Internal HR policies P4: Sustainable Development policy P5: Internal HR policies P6: HSE and Sustainable Development policy P7: Sustainable Development policy P8: CSR policy P9: Citizen charter								
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	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
		Various policies at BPCL conform to different applicable statutes/ guidelines/ rules etc. issued by GOI and updated from time to time. Industry practices, national/ international standards are kept in view while formulating polices.								
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	Y
		Different policies are approved by Board/ Competent Authorities as per delegation of power								
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	Y
6	Indicate the link for the policy to be viewed online	Refer table below @								

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have an 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 an independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

@ Web-link for the policy:

NVG Principle	Web-link
Principle 1: Ethics, transparency& accountability	https://www.bharatpetroleum.com/images/files/CodeOfConduct_BPCL.pdf
Principle 2: Sustainability in life-cycle of product	https://www.bharatpetroleum.com/sustainability/health-safety-security-and-environment/policies/security-policy.aspx
Principle 3: Employee well-being	Company's Internal web (Intralink)
Principle 4: Stakeholder engagement	https://www.bharatpetroleum.com/sustainability/health-safety-security-and-environment/policies/security-policy.aspx
Principle 5: Promotion of human rights	http://www.bharatpetroleum.com/PDF/Citizen_Charter.pdf
Principle 6: Environmental protection	https://www.bharatpetroleum.com/sustainability/health-safety-security-and-environment/policies/security-policy.aspx
Principle 7: Responsible public policy advocacy	https://www.bharatpetroleum.com/sustainability/health-safety-security-and-environment/policies/security-policy.aspx
Principle 8: Inclusive growth	https://www.bharatpetroleum.com/social-responsibility/corporate-social-responsibility/vision-and-policy.aspx
Principle 9: Customer value	http://www.bharatpetroleum.com/PDF/Citizen_Charter.pdf

2A. If answer to S. No. 1 against any principle, is 'No', the reasons for the same have also been mentioned therein.

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 assess the BR performance of the Company - Within 3 months, 3-6 months, Annually, More than 1 year.

BPCL has constituted a 'Sustainable Development Committee of the Board' which reviews the sustainability initiatives every 3-6 months and provides directions for further improvement.

2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes; BPCL has been publishing its BRR as a part of its Annual Report. In addition, BPCL also publishes its GRI Framework based Sustainable Development Report (SDR) every year since FY 2006-07. The Sustainable Development Report for the past years are available at: https://www.bharatpetroleum.in/Sustainability/Sustainability-Reports.aspx

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?

Yes. The policy formulated by BPCL on ethics, prevention of corruption and bribery covers its entire operations. BPCL's Group Companies/Joint Ventures are separate legal entities having their own policies and procedures and are not covered by BPCL's policy on ethics, bribery, corruption and human rights.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide the details thereof, in about 50 words or so.

BPCL has in place a robust and easily accessible Customer Care System (CCS) enabling customers to provide their feedback, complaints or suggestions. During the year 2019-20, a total of 13,02,472 Customer Complaints have been received and 13,02,401 are resolved, which is 99.99% with an average closure time of one day. Balance complaints are being addressed subsequently and closed satisfactorily.

During the financial year 2019-20, 5 investor complaints have been received through SEBI and NSE (SEBI-2 and NSE-3) which were all attended to and resolved on priority basis.

BPCL has received 8 complaints before the panel of independent external monitors for joint deliberation and recommendations which were resolved satisfactorily.

There were 37 fresh complaints received by the vigilance department during the year. A total of 35 complaints were disposed this year leaving a balance of 59 complaints.

There were 12 grievances received by Employee Satisfaction Enhancement Department from employees and all were resolved satisfactorily within the year.

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 been constantly investing its efforts in ensuring that the usage of products is done in a safe and efficient manner. BPCL ensures that they do not pose any unintended harm to the environment and persons involved during their production, transportation, consumption or disposal. The major products are:

1. BS IV Motor Spirit
    - 10% Ethanol Blended Motor Spirit
2. BS IV HSD
    - 7 % Bio Diesel Blended
3. LPG

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?

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

a. BPCL Mumbai Refinery has processed 15,016.7 TMT of Crude Oil and MBN achieved was 62.5 in the year 2019-20, as against processing of 14,772.7 TMT of Crude Oil and MBN achieved was 64.5 in the year 2018-19. There was a reduction of 3.1% of specific energy consumption (MBN).

b. There was a decrease of 8.5% in the fresh water consumption for Mumbai Refinery due to recycling of water for the year 2019-20.

c. BPCL Kochi Refinery has processed 16,515.4 TMT of Crude Oil and MBN achieved was 68.5 in the year 2019-20, as against processing of 16,050.7 TMT of Crude Oil and MBN achieved was 71.5 in the year 2018-19. There was a reduction of 4 % of specific energy consumption (MBN).

d. There was decrease of 20.4 % in the fresh water consumption for Kochi Refinery due to recycling of water for the year 2019-20.

BPCL ensures that they do not pose any unintended harm to the environment and to the persons involved during their production, transportation, consumption or disposal. The refinery processes are certified by ISO Standards i.e. ISO 9001, ISO 14001, ISO 45001 and ISO 50001 for Quality, Environment, Occupational Safety and Energy.

BPCL refineries have successfully adhered to National Auto Fuel norms by producing and supplying Bharat VI fuels to the market six months prior to the assigned timeline. Mumbai Refinery has commissioned a Gasoline Treatment Unit (GTU) to produce BS-VI grade MS. Kochi Refinery brought down the Sulphur levels in auto fuels to meet BS-VI specifications by replacing the catalyst in its hydro-treating units. BPCL MR and KR were ready with BS-VI grade (MS/ HSD) since Oct-2019, as per Govt. mandate and effected supplies to the nation w.e.f. 1st April, 2020.

In line with MoP&NG Gazette Notification for selling of Ethanol Blended Motor Spirit (EBMS) with Ethanol up to 10%, BPCL has undertaken maximization of blending of Ethanol in Motor Spirit which helped to reduce harmful emissions such as carbon monoxide. In the year 2019-20, BPCL has blended 4,57,207 KL Ethanol in 45,62,187 KL of EBMS. The total MS sold by BPCL was 109,58,249 KL and the Ethanol blending ratio during the year 2019-20 was 4.2%.

BPCL has also commenced to set up a biofuel refinery to produce Second Generation Ethanol at Bargarh. This will help in meeting the current requirement of EBMS and contribute towards a cleaner environment and sustainable future.

BPCL has undertaken the blending of 7% Biodiesel in HSD at selected locations, as per national policy of Biofuel. Biodiesel substantially reduces unburnt Hydrocarbons, CO and Particulate Matter. Biodiesel is manufactured from non-edible/edible oils and has almost no sulphur, no aromatics and approximately 10% built in oxygen which helps in ensuring complete combustion. BPCL blended 12,553 KL of Biodiesel (B 100) in 152,112 KL of diesel. The Biodiesel blending ratio during the year 2019-20 was 0.05 %.

Under the National Policy on Biofuels-2018, Used Cooking Oil (UCO) has been identified as a potential feedstock for Biodiesel production. The Food Safety and Standards Authority of India (FSSAI) in July 2018 has launched Repurpose Used Cooking Oil (RUCO) - an ecosystem to enable the collection and conversion of used cooking oil to Biodiesel. On World Biofuel Day-2019, Oil Marketing Companies floated the first Expression of Interest (EoI) for inviting entrepreneurs to come forward and set-up exclusive facilities to collect UCO from the market and convert it to Biodiesel. As of now, 8 EoIs have been floated and the status of BPCL is as under:

OMC	No. of Offers Received	No. of Proposed Biodiesel Plants	Proposed Capacity (TPD)	Letter of Intent Issued (No's)
BPCL	6	8	196	1

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 is extensively using its pipeline network for the transportation and distribution of its products. Cross-country pipelines are globally recognized as the safest, cost-effective, energy-efficient and environment-friendly mode for transportation of crude oil and petroleum products. BPCL has 2,241 kms of pipelines which have transported 16.99 MMT of petroleum products as compared to 15.34 MMT last year, which is an increase of 10.7 % more of petroleum products, thus reducing emissions.

Further Pipelines are using a "Drag Reducing Agent" at Mumbai & Wadala, which has helped in achieving a flow rate more than the design capacity and increased the transported quantity from the same line.

The Company meets its crude oil requirement through annual term contracts and spot contracts. BPCL has diversified its Global Crude Oil supply from various sources and efforts are made for optimization of the crude basket, to minimize inventories while ensuring uninterrupted supplies of Crude Oil to Refineries. BPCL also attempts to employ Very Large Crude Carriers (VLCC) for transportation of Crude Oil, to the extent possible, so as to save transportation cost and carbon footprint. BPCL has transported approx. 12.54 MMT of Crude Oil through pipeline and VLCC, which is approx. equivalent to 54 % through sustainable methods. Besides 2.54 MMT of LPG import has been done through VLCC, which is equivalent to 65% of the total requirement.

BPCL R&D has developed biodegradable hydraulic oils, metal working fluids and base fluids for oil base drilling muds. In most of the hydraulic systems, during operation, leakage through hose pipes and spillage occurs very frequently; hence these lubricants will prevent any damage to the environment. Similarly, most of the metal working used in industry will last only for a few months, after which they need to be completely replaced. Disposal of mineral base metal working fluids involves a huge cost towards treatment; hence biodegradable cutting fluids were developed by BPCL R&D, which will not pose any risk during disposal. Biodegradable drilling base fluid has been developed by R&D to protect the environment as a large volume of drilling fluids used in onshore / offshore oil exploration enter into the soil or sea water and damage the environment.

BPCL had been using DCP / CO_2 as fire-fighting aid for electrical fires. BPCL has now started using a retrofitted fire suppression system which is fitted in the electrical panels. The product used is clean agent and it works on detection of heat and flame.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?**

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. BPCL has taken various measures for the procurement of Goods and Services from small/ local vendors. BPCL tenders include provisions regarding Purchase Preference clauses for Micro and Small Enterprises (MSEs).

BPCL has been fully abiding by the Public Procurement Policy for MSEs order 2012 and its amendment of November 2018 and more than 25% of its annual Goods and Service procurements are done through MSEs as against a target of 25%. The General Conditions of Contract (GCC) and General Purchase Conditions (GPC) of press tenders have the Purchase Preference clause for MSEs.

The total procurement value for BPCL for Goods and Services, excluding Works Contracts, where MSEs could have participated was ₹ 8,754.81 Crores and the actual procurement value from MSEs was ₹ 2,585.36 Crores, i.e. an achievement of 29.53 % which is more than the target of 25% for the year 2019-20. BPCL has set-up a dedicated MSE cell consisting of 7 staff to ensure timely payments to vendors. The procurement for Goods and Services excluding Works Contracts from MSE-SC/ST Entrepreneurs during the year 2019-20 was ₹ 106.6 Crores as compared to ₹ 133.10 Crores last year.

The procurement through Government e-Market Place (GeM) i.e. online procurement portal started by GOI during the year 2019-20 was ₹ 16 Crores, up from ₹ 1 Crore procured in the previous year.

BPCL is continuously developing / encouraging MSE vendors. Our vendor base over the last three years has increased from 3900 to 6200 and our sourcing from MSEs has increased by 60% during the same period.

CPO (M) also coordinated activity for enrolling MSE vendors in the Trades Receivable Discounting Scheme (TReDS) program. This facility was availed by MSE vendors and over 1940 invoices valued at ₹ 102 Crores were discounted in the year 2019-20.

BPCL participated in a "National Vendor Development Program for SC/ST Entrepreneurs '' organized by Dalit Indian Chambers of Commerce and Industry (DICCI)and National SC/ST Hub on 13th January, 2020. The program was inaugurated by the Hon'ble Minister of Petroleum & Natural Gas & Steel, Shri. Dharmendra Pradhan. A presentation was made by BPCL, highlighting the existing MSE policy for SC/ST and suggestions in policy for improvement in procurement from SC/ST, to over 1000 SC/ST vendors and dignitaries from the MSME Ministry, National SC/ST Hub, National Small Industries Corp. (NSIC) and officials from Oil PSEs and Steel PSEs.

BPCL, in association with MSME Development Institute and NSIC SC/ST Hub Office at MSME- DI, Chennai organized a special Vendor Development Program with an objective to enlist new vendors and enhance procurement from MSME SC/ST Vendors. Over 120 vendors were present for the program during which Udyog Aadhar Registration (UAN) kiosks (for prospective vendors) and Vendor Registration Kiosks were set up. The program included informative and interactive sessions from officials of MSME-DI and NSIC SC/ST Hub, who explained in detail the Public Procurement Policy and various Government schemes for MSME SC/ST vendors and Entrepreneurs. The E-tendering process was explained by a consultant of NSIC SC/ST Hub, Chennai. The vendor registration process in BPCL was also presented.

A "Premier Vendor Workshop" organized by CPO (Marketing) and CPO (Refineries) was held during November 2019 wherein Dy. Director, MSME-DI, Mumbai made a detailed presentation to over 100 vendors.

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%). Also, provide details thereof, in about 50 words or so.

BPCL has been constantly exploring the possibility of recycling waste material generated from operations. BPCL refineries have a system for recovery of oil from crude oil sludge as and when generated during crude tank M&I (maintenance and inspection) activities. The oil removed sludge is treated with a Bio-remediation process using oil zapper bacteria to bring down the oil content in sludge to less than 0.5 % wt. BPCL MR has also taken the initiative to use enzyme based additive which expedites the process of Bio-remediation to water mixed oily sludge.

In FY 2019-20, total oil recovered from crude sludge was 28.34 % wt. from MR and 37.7 % wt. from KR. Oil catchers provided in the Refinery help in the recovery of oil. BPCL has Effluent Treatment Plants (ETP) at its refineries and marketing locations to treat and reuse the treated waste water.

BPCL MR has a state-of-the-art ETP which comprises PACT (Powdered Activated Carbon Treatment) and WAR (Wet Air Regeneration) technology resulting in no sludge generation.

BPCL has collaborated with M/s. RCF for a joint STP at RCF with a capacity of 22.75 MLD of municipal sewage that has been fully constructed and installed by RCF for producing 15 MLD of treated water (BPCL has a share of 6 MLD & RCF share 9 MLD). BPCL MR started receiving approximately 6 MLD of sewage treated water since Dec'19. A total of 801 TKL sewage treated water ex RCF has been received in the CCR cooling tower in the year 2019-20. This project is playing a vital role to recycle waste water and establish redundancy for process water to sustain refinery operations. This initiative of BPCL MR has reduced the dependency on water from Brihanmumbai Municipal Corporation (BMC) by 35%.

Flare Recovery facility recovers gases, thus reducing hydrocarbon losses and minimizing emissions. In 2019-20, the total flare gas recovered was 2192 MT in MR and 2944 MT in KR, which was subsequently treated and again used as fuel gas in process furnaces.

BPCL MR has a biogas plant of 85 m^3 capacity, whereas KR has one of 90–100 m^3 capacity. The generation capacity of biogas is 0.09 m^3 per kg in MR and the same in KR from kitchen waste. It helped in replacing 40 kg of LPG per day. Besides, the slurry is used as a manure to assist in plant growth. The total bio gas generated from the biogas plant was 5548 m^3 by MR and approx. 5000 m^3 by KR in the year 2019-20 and the same was used for cooking in our canteens.

BPCL KR has entered into a contract with Co-Processors for disposal of spent charcoal. This philosophy will be extended to other wastes in a phased manner. Disposal through Co-Processors is the sustainable method by which KR will do disposal of waste in future.

All organic waste is converted to compost in all marketing Business Units for sustainable disposal of waste. Approx. 350 tons of organic waste was converted to compost in the year 2019-20.

32% reduction of sulphur in gasoline has been achieved with 10% Gasoline Sulphur Reduction catalyst developed using in-house technology by our Corporate Research & Development Centre, Noida. The usage of Bharat GSR Catalyst has resulted in significant savings of ₹ 25.2 Crores during the year.

HR Western Region has taken the initiative of sending waste paper for recycling and accumulating green points which can be exchanged in lieu of paper, note books and envelopes. Approx. 10 tonnes paper has been sent for recycling. Other regions are also exploring to replicate the same soon.

PRINCIPLE 3: EMPLOYEE WELL BEING

1. Please indicate the total number of employees.

Total number of permanent employees is 11,249 (as on 31.3.2020)

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

The total number of contract labour engaged in BPCL is 28,923# (approximately 58% Contract Labour in Non-Project and 42% in Project contracts)

Contract labourers are engaged by contractors for non-core, sporadic and peripheral nature of jobs as per "Contract for Services". The number is dynamic and varies depending on projects/works being undertaken. No casual labour is currently engaged in BPCL.

3. Please indicate the number of permanent women employees.

The total number of permanent women employees is 1,040 [Management - 586, Clerical - 437, Labour - 17]

4. Please indicate the number of permanent employees with disabilities

The number of permanent employees with disabilities is 237 [Management - 115, Clerical - 49, Labour - 73]

5. Do you have an employee association that is recognized by management?

There are 20 registered Trade Unions operating in BPCL.

6. What percentage of your permanent employees are members of this recognized employee association?

Approx. 94% of our (Non-Management) employees are represented through these Trade 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	7	2
3.	Discriminatory employment	NIL	NA

8. What percentage of your undermentioned employees were given safety and skill upgradation training in the last year?

Permanent Employees	On an average, 26.56 training hours, functional as well as behavioural training, were provided per employee in the reporting period. This training is inclusive of safety related training.
Permanent Women Employees	On an average, 23.06 training hours, functional as well as behavioural training, were provided per woman employee in the reporting period. This training is inclusive of safety related training.
Casual/ Temporary/ Contractual Employees	While we do not separately track the proportion of contract labour that were given safety & skill upgradation training, their safety is of utmost importance. Across various locations and especially within the Refineries, the contract labour mandatorily attend a comprehensive training programme which includes sessions on 'Safety within the workplace' without which they are not provided access cards.
Employees with Disabilities	System being developed for tracking the details.

100% employees and contract labour were given safety training. 1072 capacity building safety programs were conducted at locations across Business Units and 12,913 participants were trained in the year 2019-20 which is equivalent to approx. 51,652 hrs.

The training given on functional and behavioural aspects to all the employees were 2,98,817 hrs for the year

2019-20, as compared to 2,33,218 hrs in the year 2018-19, which is more than 28% increase. The total training hrs provided to female employees were 23,977 hrs as compared to 17,798, which is 34 % more than last year.

PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   BPCL has identified both, its internal and external stakeholders. The internal stakeholders largely include employees, investors and shareholders, while the external stakeholders are listed as follows:

   - 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. BPCL as a responsible organization cares for the community. BPCL has identified the disadvantaged, vulnerable & marginalized stakeholders and adopted a holistic approach for their socio-economic development through CSR activities. Our projects aim at benefitting communities who are around our business units like the refineries, depots, installations, LPG bottling plants and are identified as vulnerable/ underprivileged. Also remote rural/ tribal communities are under the ambit of the marginalized and vulnerable. 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.**

   Yes. Details are given below

A. EDUCATION

Firm in the belief that children are the leaders of the future, BPCL continues its commitment to education as one of our core areas of focus under CSR. Project Akshar, being undertaken at Nandurbar in Maharashtra and Sagar in Madhya Pradesh, has transformed the way in which early-age education is perceived and imparted. More than 84,000 children have been directly benefitted under this program this year.

Another such program in education sector is the 'Computer Aided Learning' (CAL) program which aims at providing a level-playing field to children from economically disadvantaged communities by helping in bridging the gap of digital literacy between them and the society at large.

This year, we have continued with the 7th batch of our flagship Teacher Training Program– Saksham. This project has prepared over 320 primary and upper primary teachers and headmasters from 70 schools for the evolving education paradigm by imparting them with knowledge on new techniques for teaching and classroom management

We have also widely covered the infrastructural facet of education. One such project is carried out in Darrang which is an aspirational district situated in the central part of Assam. Eighty additional classrooms with allied facilities in identified 30 Government Primary Schools are being constructed which would facilitate an advantageous & safe learning atmosphere for over 10,000 students including both boys and girls.

A new hostel block with 165 rooms for women was constructed at the Indian Institute of Science (IISc), Bengaluru where some of the brightest women students and researchers from disadvantaged sections of the community, backward regions and far-flung areas across India are admitted.

B. SKILL DEVELOPMENT

Aligning with our Hon'ble Prime Minister's 'Skill India Campaign', BPCL along with other oil companies has promoted a Skill Development Institute (SDI) at Kochi to provide vocational training to youth and enhance their employability / entrepreneurship for the deserving youth both in Oil & Gas Industry as well as in other Industries.

This state of art campus with all latest gadgets and equipment's provides the right ambience for skilling 180 youth at a time on a fully residential model for total of 1248 training hours spread across six months. Industrial Electrician, Welding, Fitter- Fabrication, Process instrumentation are some of the courses conducted at SDI, Kochi with M/s Nettur Technical Training Foundation (NTTF), Bangalore as the training partner. SDI Kochi has so far trained and certified 755 students in 6 batches, since its inception in Dec 2016. SDI Kochi has excellent placement track record having placed 95% of certified students in leading companies in India and abroad.

Continuing our support to the neglected sections of society, we have supported placement-linked Vocational Training project for assimilating 792 leprosy-affected youth into mainstream society. With a variety of technical and non-formal courses offered at these Vocational Training Centres, aspirants can choose to obtain qualification in trades such as motor mechanic, diesel mechanic, welder, computer operator and programming assistant, stenographer, electrician, carpenter, tailor among others.

C. WATER CONSERVATION

Water being one of the most essential elements for living, it has been one of the ongoing areas of focus for BPCL both within and beyond the fence. The Corporation has taken up rejuvenation of urban water bodies as well as cleaning of semi-urban/rural water structures through a balanced combination of direct intervention, involvement of local government, ‘Shramdaan’ and community engagement.

In an effort to re-establish ecological balance and biodiversity, we undertook the cleaning of a 10km stretch of the Ichamati river in Bengal along with the local administration of three panchayats. This initiative will help to re-open the scope for fishing, water for cultivation, production of organic manure from the vegetation removed from the river.

D. HEALTH & HYGIENE

BPCL continues to contribute to the well-being of the country by reaching out to marginalised communities through the adoption of several quality health care initiatives that include both preventive and curative interventions. Our cancer care project in Darrang, an Aspirational District, entails the setting up of an affordable cancer care facility and ensuring access to cancer care, leading to early diagnosis and timely treatment that helps in improved survival rates among patients.

With focus on Cancer cure, one of our major ongoing project has been to support more than 450 underprivileged and low income cancer patients towards holistic treatment cost in six cancer hospitals across the country.

Lifeline express “Hospital on a train” has contributed in reducing the burden of avoidable disability in rural communities by early identification, screening and providing medical & surgical interventions to about 20000 patients in the districts of Araria (Bihar), Dhubri (Assam) and Papum Pare (Arunachal Pradesh).

Paving the way for a healthy life, several Mobile Medical Units were supported, which catered largely to marginalized sections of society for providing aids & appliances, cataract surgeries or towards strengthening the health facilities by supporting procurement of medical equipment or through construction of additional facilities etc.

This year has seen one of the most challenging global health crises by way of the COVID-19 pandemic and BPCL has been right there on the front-line, be it through setting up ICUs for treating COVID- 19 patients, providing of Personal Protective Equipment (PPE) kits to Health workers, distribution of sanitizers, face masks to the general public as well as making available basic provisions to those in need. Along with the entire oil and gas industry, BPCL has contributed in a big way to the PM CARES Fund for the relief and rehabilitation measures as a result of the COVID-19 outbreak.

The Corporation enthusiastically participated in ‘Swachh Bharat Abhiyan’, the flagship movement of Government of India and received top honours from MOP&NG for an outstanding performance during the Pakhwada in July. As part of the various Swachhta Pakhwadas, BPCL undertook more than 80,000 activities within a narrow timespan of two months combined with a total outreach of more than 10 lakhs people through various awareness initiatives.

BPCL constructed over 1400 toilets during the year which include community sanitation complexes, Individual Household toilets and School Sanitation Complexes. The company undertook a bold step towards eliminating manual scavenging by providing robotic manhole cleaning machines to M-Ward in Mumbai, Maharashtra. The Corporation has also continued in its support of Swachh Iconic Places projects in Kalady, Kerala, the birth place of Shri Adi Sankaracharya and Meenakshi Amman Temple at Madurai, Tamil Nadu.

E. COMMUNITY DEVELOPMENT

BPCL has continued to support a mega project of integrated development of communities in the district of Gadchiroli situated in the south-eastern corner of Maharashtra which includes interventions on water harvesting, safe drinking water, sustainable livelihood program, establishment of libraries, central kitchen, treating anaemic adolescent girls by providing fortified rice etc.

BPCL has participated in the "Transformation of Aspirational Districts Program", where work has been done in various sectors such as skill development, community development along with special focus on healthcare, nutrition and school education. BPCL has also spread its coverage in the north-east sector by initiating projects in the interior and difficult terrains of Meghalaya, Mizoram and Manipur.

PRINCIPLE 5: PROMOTION OF HUMAN RIGHTS

BPCL believes in equal opportunity for its employees and ensures there is no discrimination on the basis of caste, tribe, religion or region in extending the various welfare facilities to take care of employees' health, efficiency, financial well-being, social status, satisfaction, employment, growth, remuneration or development, etc. BPCL's vendor contracts have explicitly expressed terms and conditions (under General Conditions of Contract) for the vendors and for engagements from a human rights perspective. Though the terms and conditions of engagement between the contractor and the labour are governed by the respective contract, BPCL, being the principal employer, ensures that there is proper adherence to the provisions of the EPF & MP Act, 1952/ESI Act 1948 covering social security aspects like PF, ESI etc. All the contractual labour engaged are governed by the Contract Labour (Regulation and Abolition) Act, 1970.

1. **Does the policy of the Company on human rights cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**

   BPCL's Human Rights policy only covers the operations controlled by the Company. It does not extend to its Group / Joint Ventures etc.

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

   During FY 2019-20, no complaint with respect to Human Rights was received by BPCL.

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 applicability of the Environmental Protection Policy is limited only to the operations in BPCL. The Group Companies and Joint Ventures have their own environmental policies.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Yes/No. If yes, please give hyperlink for webpage etc.**

   Yes. BPCL has a Board level Sustainable Development Committee which discusses and reviews projects on Sustainable Development on a half yearly basis.

   BPCL has recognized the need to join hands and act against the consequences of climate change and partnered with Ministry of Petroleum & Natural Gas, Ministry of Environment Forests & Climate Change and other Oil Companies on the Campaign on Climate Change. On an Industry basis, the study on climate change was carried out by TERI, who suggested short and long terms actions to be undertaken by Industry. BPCL has already initiated actions like undertaking Flood modeling study at KR, Water Stress Study is completed at MR and KR and suggestions are under implementation, Reduction in Green House Gases (GHG) emission is already under progress by various initiatives of SD projects etc.

   The strategy of BPCL is to lay emphasis on the usage of renewable energy, in order to face the challenges of climate change. BPCL refineries and marketing locations are doing regular accounting of GHG emissions and water consumption. BPCL has taken various initiatives at its operating locations to make the processes energy efficient, which would result in reduction of GHG emissions and assist in minimizing its contribution to global warming. BPCL MR and KR have upgraded their facilities to produce BS-VI grade of MS and HSD which has brought down sulphur in diesel and MS to less than 10 PPM and effected supplies from 1st April, 2020.

   Both Refineries and Marketing locations have carried out a study on GHG emissions and Carbon Sequestration through trees which are available at locations. The purpose of such a study was to make a GHG emission inventory and find the methods to reduce emissions and make the location carbon neutral. We have increased our CO_2 sink with trees more than 7800 MT CO_2e this year.

The energy conservation initiatives implemented by refineries resulted in reduction of the specific energy consumption, meeting the PAT targets and assisted in reduction of carbon emissions. BPCL R&D is engaged in developing new technologies to improve fuel efficiency and address environmental issues. The 'Real-time Monitoring & Optimization of Crude Distillation Units', a proprietary method using BPMARRK® is one such technology. It is an intelligent device for predicting the crude oil characteristics i.e. TBP distillation, yields (wt. % & vol %) and distillate properties.

BPCL publishes a Sustainability Report every year as per GRI guidelines highlighting Environmental, Social and Governance (ESG) performance of the Company which can be accessed at the following link.

https://www.bharatpetroleum.in/Sustainability/Sustainability-Reports.aspx.

We also have targets on renewable energy which emphasizes increased use on solar/ wind power/ and energy efficient lights.

3. Does the Company identify and assess potential environmental risks? Yes/No

Yes. Environmental Risk and Safety being a primary concern, BPCL has in place a detailed Health, Safety and Environment Policy which emphasizes on the use of appropriate technologies to minimize the impact of our activities on the environment. BPCL Refineries and Marketing locations have been certified for ISO 9001, ISO 14001, OHSAS-18001, ISO 45001 and ISO 50001 i.e. Quality, Environment, Occupational Health & Safety and Energy. As part of these ISO certifications, Risks & Opportunities are identified with mitigation strategy and a detailed Hazard Identification and Risk Assessment (HIRA) and Aspect Impact (AI) has been prepared and documented for all functions.

As a practice, BPCL conducts Environmental Impact Assessments (EIA) / Rapid Risk Assessment (RRA) / Quality Risk Assessment (QRA) at every grass root project or while installing a new facility to understand the impact created by the commissioning / operation of facility and identify methods to reduce environmental impact. An Incident Reporting and Information System (IRIS) is in place in our refineries, capturing details of all incidents and mitigation measures thereof. Mumbai Refinery has taken a new initiative in implementing "Behavior Based Safety" (BBS) whereas Kochi Refinery has implemented Process Safety Management (PSM) principles to further improve the overall safety culture.

Both Refineries and Marketing locations have taken a target to conduct environmental audits as stipulated by OISD 212 to assess the environmental risks and possible solutions.

4. Does the Company have any project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed?

Presently, BPCL does not have any project under the Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Yes/No. If yes, please give hyperlink for webpage etc.

Yes. Bharat Petroleum believes that transition to clean energy alternatives will help to protect our environment. In FY 2019-20 the capacity of renewable energy has increased from 31.7 MW to 43.43 MW, which is an increase of 37%. The capacity of energy efficient lighting has increased from 12.66 MW to 17.95 MW, which is an increase of 41%. These initiatives on renewables have resulted in an annual reduction of GHG emissions of more than 104 TMT CO_2e approx. Besides, the other initiatives i.e. distribution through Pipelines, LPG under PMUY and Bio fuels has further reduced emissions by 1686 TMT CO_2e. The total catchment area under rainwater harvesting was increased from 7,78,939 Sqm. to 8,23,732 Sqm. during FY 2019-20 to reduce the dependency on other sources of water.

BPCL Refineries and Marketing locations have undertaken several initiatives to conserve energy by implementing projects in areas of clean technology, energy efficiency and renewable energy. The following are major energy efficiency (saving) initiatives implemented during the year 2019-20:

- BPCL MR has replaced 3505 conventional light fittings with energy efficient LED lighting, resulting in overall savings equivalent to 83 MT of Oil Equivalent (MTOE). The cost incurred was ₹ 0.69 Crores. MR is the first refinery in India to convert 100% of the conventional lights into LED lights. This initiative results in power saving of 9,840 MWH per annum which corresponds to a benefit of ₹ 9.6 Crores & reduction in CO_2 emission by 7,085 MT CO_2e per annum.

- Mumbai Refinery has installed 7 roof top solar plants of combined capacity of 506 KW to the existing capacity of 1002 KW, taking the total generating capacity of solar power to 1508 KW.

  Steam tracing of FO supply headers to CDU 3, HCU, LOBS, CDU 4 & ARU replaced by electrical tracing resulted in MP steam savings of 40 TPD. The total savings of ₹ 0.77 Crores/year with a project cost of ₹ 4.5 Crores.

- Turbine driven bearing cooling water pump in boiler-house was replaced with energy efficient pump resulting in steam saving of 25 TPD and total savings of ₹ 3.06 Crores/year with a project cost of ₹ 0.18 Crores.

- Advanced Process Control Implementation was carried out in Diesel Hydro-treater Unit to optimize the steam to product stripper. This has resulted in MP steam savings of 29 TPD and total savings of ₹ 1.78 Crores/year. No project cost was incurred.

- Steam was optimized in extraction Column of Aromatic Recovery Unit which has reduced the overhead load and resulted in steam saving of 22 TPD. Total savings were ₹ 1.49 Crores/year. No project cost was incurred.

- The existing metallic blades of 28 AFCs in CDU 4 were replaced with new generation energy efficient FRP blades (i.e. New FRP blades consume 20% less power). This resulted in power savings of 97.14 kW and total savings of ₹ 0.36 Crores/year.

- Taking advantage of low RLNG spot prices, Internal Liquid Fuel Oil consumption has been reduced from 490 TPD to 200 TPD and switching over to gas firing in furnaces during Mar'20 to improve GRM and to minimize emissions. SOx emission has reduced to less than 5 TPD (earlier 9-10 TPD - against permissible limit of 10.44 TPD) and CO_2 emission has been reduced by 430 TPD.

- E & E dept. rolled out an "Environment Champion" initiative to establish an 'Ownership' approach among process teams and have seamless implementation of new strategies / ideas / improvements for efficient monitoring and control of environment parameters to sustain environment performance. As per this initiative, an 'Energy & Environment Champion' & support person from the same unit along with an E & E anchor has been nominated. Energy & Environment Champion meetings are conducted every fortnight and reports are prepared for improving Encon & Environment aspects of BPCL MR.

- BPCL benchmarked its environmental initiatives through M/s Confederation of Indian Industry (CII). BPCL MR achieved a "Silver" Rating in the assessment for 'Green Co' by CII – Green Co Assessment Team and achieved the distinction of being the "first Refinery" to be rated under Green Co Rating Certification. This rating denotes performance beyond compliance.

- Installation of Benzene & Toluene analyzers at Trombay Dispatch Unit gantry bay nos. 1, 2, 3, 4 and Benzene vapour recovery unit vent have been completed. With the help of these analyzers, Benzene & Toluene concentration in the gantry area will be monitored on real time basis to strengthen environment monitoring.

- The following are major energy efficiency (saving) initiatives implemented during FY 2019-20 in Kochi Refinery:

  - Bypassing from the earlier two column operation to single column operation in Naphtha Splitter Unit -1 (NSU-1), resulted in steam saving of 9 (TPD) and an annual saving of ₹ 0.78 Crores.
  - In CDU 2, stripping steam to CDU column was optimized which resulted in steam saving of 60 (TPD) and an annual saving of ₹ 4.1 Crores.
  - In Crude Distillation Column-3 (CDU-3), crude column, vacuum column stripping steams and vacuum heater velocity steam were optimized which resulted in reduction in steam consumption of around 120 (TPD) and an annual saving of ₹ 9.9 Crores.
  - Redundant Variable Frequency Drives (VFD) from Naphtha yard pumps (YP 65) have been installed in Diesel

Hydro Treater (DHT) product diesel pump motors which resulted in power saving of 200 (KW) and an annual saving of ₹ 1.1 Crores.

- The steam turbine driven Wet Gas Compressor-2 was replaced with a 2.5 MW high efficiency motor along with VFD by incurring a cost of ₹ 18.2 Crores in Petrochemical Fluidized Catalytic Cracking Unit (PFCCU). This has resulted in reduction of steam consumption of 240 (TPD) and a saving of ₹ 1.3 Crores per annum.
- Make up water heater pump and condensate storage tank pump were stopped in IREP utility balances of plant (BOP) by routing DM water directly to Boiler de-aerators. This resulted in power saving of 504 (KW) and an annual saving of ₹ 2 Crores.
- An annual saving of ₹ 4 Crores was achieved by optimizing operation of hot water belt flow through exchangers and stopping one hot water belt pump. This resulted in power saving of 685 (KW) in PFCCU.
- By introducing deproponizer bottom stream into reactor riser in PFCCU, resulted in decreased riser bottom steam of 108 (TPD) and an annual saving amounting to ₹ 1.7 Crores.
- In PFCCU, re-boiling steam was optimized in debutanizer and stripper column, which resulted in steam saving of 360 (TPD) and an annual saving of ₹ 4.4 Crores.
- Fuel gas used in flare header purging was partially substituted with Nitrogen to save fuel gas (approx. 250 Kg/hr.), resulting in saving of ₹ 1.4 Crores per annum.
- In PFCCU, Steam to propylene stripper re-boiler was isolated and re-boiling with hot water belt alone was used for chemical grade propylene production. This resulted in reduction in steam consumption by 360 (TPD) and the saving was approx. ₹ 22 Crores per annum.
- KR has installed high capacity trays in Low Pressure fuel gas Amine Absorber of Vacuum Gas Oil Hydro-treater Unit. The project was carried out at a cost of 0.35 Crores and a realizable annual saving envisaged was ₹ 4.48 Crores.
- KR has replaced conventional lights with LED lights in Central Quality Control Lab (CQCL) resulting in annual cost savings of ₹ 4.24 lakhs.

- A designated consumer under the PAT scheme, KR exceeded the target for PAT cycle II by achieving an MBN of 71.95 against a target of 73.24. The same was verified by Monitoring & Verification audit conducted in 2019-20. BPCL-KR has sustained the performance and achieved an MBN of 68.5 in 2019-20.
- BPCL-KR is certified with ISO 50001:2011 and has started upgradation to ISO 50001:2018 version and is targeting the same by September 2020.
- KR desilted its existing rainwater harvesting pond in 2019-20 to make use of rain water as fire water. With desilting, the total water capacity increased to 2.25 lakhs cubic meter pumpable water.
- KR has developed an in-house “Emission Model”, a powerful tool for quantitative emission calculations. The process emission model supports KR to immediately verify the various stack emission parameters on a single platform along with heater efficiencies.
- As part of its green initiative, KR planted 1400 fruit bearing trees on a two acre land.
- Fiber Optic Based Pipeline Condition Monitoring and Surveillance System (PCMS) has been provided in MMBPL (Kota-Bijwasan Section): 488 Km, BKPL (Bina – Kota Section) : 259 Km, KJPL (Kota Jobner Section) : 211 Km and MUPL (Mumbai – Uran Section) : 29 Km. This helped in monitoring and preventing malpractices.
- Pipeline division has implemented an initiative of keeping an Emergency Rescue Vehicle (ERV) with a dedicated crew in ready condition all the time to suck the oil in case

of leakage along the pipeline route to avoid any damage to the environment.

- Assessment and certification was completed for one Retail and one Lubricant location for Zero waste to Land fill Certification. It was a huge success with both scoring the highest level of "at least 99% diversion rate".
- BPCL participated in benchmarking of our environment initiatives through Carbon Disclosure Project (CDP Platform). This year BPCL has received a rating as D which means "Disclosure: Transparent about Climate Issues."
- BPCL conceptualized and organized the "One Energy - One Force, One Vision" forum for integration, standardization and replication of HSSE initiatives in Marketing and Refinery units. Various One Energy action groups were created to work on different aspects.
- A Handbook on Composting, Carbon Sequestration Study process note and Sustainability Report were published during the year.
- An Environment Cell was created at all marketing locations to facilitate environment related issues and ensure the legal environmental compliances.
- HR in all regions has taken initiatives to stop Plastic Bottles in all offices and replaced them with Steel Bottles. Northern Region HR has reduced approx. 15,000 Bottles which is equivalent to 150 kg of Pet Bottles and 900 kg of CO_2e.
- A cloud-based HSSE Portal was developed as a centralized repository of HSSE data.

https://www.bharatpetroleum.in/Sustainability/Sustainability-Reports.aspx.

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

Yes, emission/waste generated during the course of operation are constantly monitored to ensure that they are within permissible limits prescribed by respective Central Pollution Control Board/State Pollution Control Board. Emission levels are captured as Sustainable Development data by Refineries and Marketing Locations. A robust online emission monitoring system is available with BPCL refineries, with the help of which, real time emission data is made available to Pollution Control Board.

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.

The pending showcause/ legal notices received from CPCB/SPCB for FY 2019-20 are mentioned below:

- Tamil Nadu Pollution Control Board issued notice for spillage of oil into Marine water during Fuel oil cargo discharge by MT Corals Stars at Kamarajar Port Ltd., ETTPL Ennore.
- Show Cause Notice (SCN) dated 05.11.2018 was issued by CPCB with respect to installation of Vapor Recovery System (VRS) at ROs in Delhi & NCR as per NGT orders passed in OA No. 147 of 2016 – Aditya Prasad vs. UOI & Ors. CPCB directed BPCL to pay environmental compensation of ₹ 1 Crore. BPCL challenged the NGT's orders passed in OA No. 147 of 2016 by filing an Appeal in the Supreme Court.

  Supreme Court vide judgment dated 14.02.2019 partially allowed the appeals filed by OMCs and modified the orders passed by National Green Tribunal to the extent of extending the timeline for installation of Vapor Recovery System (VRS) at Retail Outlets & Oil depots in National Capital Territory Delhi & National Capital Region. As regards the timelines for installing VRS state IB & II at Retail Outlets in NCT Delhi and NCR, BPCL has been complying with the timelines. However, due to COVID-19 pandemic situation and consequent lockdown and other restrictions, the installation of VRS stage IA at oil depots within stipulated timeline of 31.03.2020 have become impossible. Accordingly, BPCL filed online application praying for extension of time and got it listed before Hon'ble Supreme Court for virtual hearing. After hearing arguments advanced by Shri Tushar Mehta, ASG on behalf of OMCs through video conferencing, Hon'ble Supreme Court vide order dated 08.04.2020 has extended the timeline for further period of six months i.e. by 30.09.2020.

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
   - Oil Industry Safe Directorate (OISD)
   - Petroleum and Explosives Safety Organisation (PESO)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.**

   BPCL has been a part of various associations and has put forward its opinion from the industry point of view by participating in concerned forums. BPCL also takes part in consultative committees that frame policies as and when asked by Government or regulatory departments.

   The senior officers of BPCL have been members of several working committees in various areas such as Oil India Safety Directorate (OISD), Petroleum and Natural Gas Regulatory Board (PNGRB), Center for High Technology (CHT), etc. and contribute towards their agenda.

PRINCIPLE 8: INCLUSIVE GROWTH

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

   The CSR projects of BPCL aim at benefitting the community from the low socio-economic strata, which are identified as vulnerable, in & around the business units such as refineries, depots, installations, LPG bottling plants. All the projects of BPCL under the focus areas are inclined towards the rooted belief of inclusive growth & equitable development of the most marginalized communities.

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

   BPCL largely collaborates with various NGOs registered as society/trust/section 8 company, foundations, Government structures, and other professional agencies for execution of the on-field projects. BPCL has undertaken projects in collaboration with other industry members to develop the communities in the aspirational districts and also Skill Development Institutes in various cities.

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

   Yes. BPCL carries out impact assessment of its CSR projects. The assessment is conducted both by the internal mechanisms and third-party for ensuring transparency.

4. **What is your Company's direct contribution to community development projects-amount in INR and the details of the projects undertaken?**

   BPCL's contribution to the community development projects for during the year 2019-20 has been ₹ 345.57 Crores. Details of various CSR Projects undertaken are provided in the Annual Report in the section "CSR Activities".

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 is fundamental to BPCL at each step for all its CSR projects/programs. Assessment efforts are taken from the stage of planning till the end to form community-based organizations like farmer committees, village water committees, alumni committees and school management committees. Several capacity building sessions, training programs and meetings, etc. are held for these groups and other various stakeholders throughout the project. The community also contributes a small amount financially or through "Shramdaan" in several projects, such as specific skill development & water conservation programs. This ensures project ownership by the community and sustainability on BPCL's exit. BPCL also uses transformed communities as resource groups to empower other villages/ communities.

PRINCIPLE 9: CUSTOMER VALUE

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

   During the year 2019-20, a total of 13,02,472 Customer Complaints have been received and 13,02,401 are resolved, which is 99.99% with an average closure time of one day. Balance complaints are being addressed subsequently and closed satisfactorily.

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)**

   Yes, the Company displays product information on the product label. BPCL provides information on product labels according to National and International specifications. It additionally displays information 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 of end of the financial year. If so, provide details thereof, in about 50 words or so.**

	No. of Cases filed in the last 5 years	No. of Cases pending as on end of the financial year 2019-20
Unfair trade practices	3	3
Irresponsible advertising	Nil	Nil
Anti-competitive behaviour	5	5

During the year 2019-20, 3 cases were filed on grounds of unfair trade practices. The details are as follows:

- CC No. 205 of 2019 (Imadulla Sardar vs Dipshikha Gas and BPCL) before District Consumer Forum Kulpi Baruipur, South 24-Parganas: The complainant is a consumer of Bharatgas. The present case has been filed on account of non-receipt of subsidy. He has alleged that he has not received subsidy from the first day of delivery of gas. As per complainant cause of action arose on 16.08.2017 and continued (no specific amt. of subsidy claimed in complaint). He has claimed ₹ 30,000/- besides subsidy amount.

- CC No. 157 of 2019 (Dipankar Roy vs Dipshikha Gas and BPCL) before District Consumer Forum Kulpi Baruipur, South 24-Parganas: Consumer case filed on account of non- receipt of subsidy amount by the Complainant in his bank account from 24.11.2018. Dipshikha Gas, Harinavi (LPG Distributor) has been made as opposite party No.1 and BPCL as opposite party No.2. Complainant has prayed before consumer forum to direct opposite parties to credit the due subsidy amount in his account and direction to opposite party to pay the compensation of ₹ 30,000/- to the complainant as Compensation.

- CC No. 72 of 2019 (Rajkumar Singh vs New India Insurance, M/s Gaudi Enterprise and BPCL) before District Consumer Forum, Vaishali at Hajipur: This consumer case filed by one Shri. Rajkumar Singh (husband of Smt. Sona Devi). It has been stated therein that complainant's wife Smt. Sona Devi was the customer of Bharatgas (M/s Gaudi Enterprise). It has been alleged therein that on 15.02.2019 while making tea due to leakage of LPG from the cylinder, his wife caught fire. Subsequently she expired due to burn injuries on 01.03.2019. Thereafter his son informed the distributor about the incident. The distributor then wrote to the insurance company to investigate the matter and pay the compensation.

  Since the insurance company neither conducted any enquiry nor paid any compensation, the complainant has filed the present consumer case wherein he has sought a compensation of ₹ 10 lakhs as well as ₹ 50,000/- for mental harassment and ₹ 10,000/- as litigation cost. He has further alleged that in case the insurance company fails to pay the said amount the OMC i.e. BPCL is liable to pay the same. BPCL shall be filing the reply on the next date.

Details of cases regarding Anti-competitive behaviour are as follows:

- 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
- A complaint was filed by M/s RIL before the Competition Commission of India alleging cartelization and misuse of its dominant position - Sub Judice
- 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 (Multiple cases are filed on this issue in several forums)
- Competition Commission of India (CCI) vide its own cognizance started enquiry against OMCs by observing that OMCs are behaving like a cartel by fixing petrol prices. 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. BPCL 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
- Appeal filed against order dated 11.02.2014 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 has not undertaken any structured survey during the year 2019-20. However, BPCL takes customer feedback through various channels on a regular basis.

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 2020	The preparation of financial statements of Bharat Petroleum Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) is responsible for expressing opinion on the financial statements under section 143 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 **3 June 2020**. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bharat Petroleum Corporation Limited for the year ended 31 March 2020 under section 143(6)(a) of the Act. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit, Mumbai

Place : Mumbai
Date : 30 July 2020

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 2020	The preparation of consolidated financial statements of Bharat Petroleum Corporation Limited for the year ended 31 March 2020 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 auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **3 June 2020**. 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 2020. We conducted a supplementary audit of the financial statements of (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 incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6)(b) of the Act.

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

Sd/-

Tanuja Mittal
Principal Director of Commercial Audit, Mumbai

Place : Mumbai
Date : 30 July 2020

Annexure-I	Annexure-II		Annexure-III
Audit Conducted	**Audit not Conducted**		**Audit not applicable**
	Account received and NRC issued/being issued	**Account not received**	
(A) Subsidiaries:	**(A) Subsidiaries:**		**(A) Subsidiaries:**
Numaligarh Refinery Limited	Nil	Nil	Nil
Bharat PetroResources Limited			
Bharat Gas Resources Limited			
(B) Joint Ventures:	**(B) Joint Ventures:**		**(B) Joint Ventures:**
Mumbai Aviation Fuel Farm Facility Pvt Ltd	Kochi Salem Pipeline Private Limited	Haridwar Natural Gas Private Limited	Bharat Oman Refineries Limited
Ratnagiri Refinery & Petrochemical Ltd	Central UP Gas Limited	Goa Natural Gas Private Limited	Matrix Bharat Pte. Ltd.
Maharashtra Natural Gas Limited	Delhi Aviation Fuel Facility Private Limited	BPCL-KIAL Fuel Farm Facility Private Limited	Bharat Stars Services Pvt. Ltd
Sabarmati Gas Limited			
IHB Pvt. Ltd			
(C) Associates:	**(C) Associates:**		**(C) Associates:**
GSPL India Gasnet Ltd.	Nil	Nil	Petronet LNG Limited
GSPL India Transco Ltd.			Fino PayTech Limited
Indraprastha Gas Limited			Kannur International Airport Limited

ANNEXURE F

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act 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 subsection (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 arrangements or transactions at arm's length basis**							
S. No.	**Name of the Related Party**	**Nature of Relationship**	**Nature of Contracts/ Arrangements/Transactions**	**Duration of the Contracts/ Arrangements/ Transactions**	**Salient Terms of the Contracts/Arrangements/ Transactions**	**Transaction Values in FY 2019-20 (₹ Crores)**	**Dates of Board Approval**	**Amount Paid as Advances (₹ Crores)**
1	Bharat Oman Refineries Limited	Joint venture	Sale, Purchase of goods	2019-20	Purchase of goods	42,420.06	NA	-
2	Bharat Oman Refineries Limited	Joint venture	Sale, Purchase of goods	2019-20	Sale of goods	2,958.43	NA	-

Note: The threshold for determining the material transaction has been considered in line with rule no. 15 (3) of Companies (Meetings of Board 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/-
D. Rajkumar
Chairman & Managing Director

Place : Mumbai
Date : 3rd June, 2020

ANNEXURE G

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2020
[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	23.41%
2	High Speed Diesel (HSD)	Group 192; sub-class: 19201	52.08%
3	Liquefied Petroleum Gas (LPG)	Group 192; sub-class: 19203	11.37%

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	Bharat Gas Resources Limited Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai, Maharashtra 400001	U11200MH2018GOI310461	Subsidiary	100%	2 (87)
2	Bharat Oman Refineries Ltd. Administrative Bldg., Refinery Complex, Post BORL Residential Complex, Bina, Dist. Sagar M.P. 470124	U11101MP1994PLC008162	Subsidiary	**63.38%	2 (87)
3	Bharat PetroResources Limited, Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai, Maharashtra 400001, India	U23209MH2006GOI165152	Subsidiary	100%	2(87)
4	Bharat PetroResources JPDA Limited, Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai, Maharashtra 400001, India	U23209MH2006GOI165279	Subsidiary	*100%	2(87)
5	BPCL-KIAL Fuel Farm Pvt. Ltd. C/O Kannur International Airport, Karaperavoor P.O, Mattannur Kannur Kerala 670702	U23200KL2015PTC038487	Subsidiary	**74%	2 (87)
6	BPRL International BV., Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands.	Not applicable	Subsidiary	*100%	2(87)

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
7	BPRL International Singapore Pte. Ltd., 8 Cross Street,#24-03/04, PWC Building, Singapore 048424	Not applicable	Subsidiary	*100%	2(87)
8	BPRL International Ventures BV Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands.	Not applicable	Subsidiary	*100%	2(87)
9	BPRL Ventures BV., Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands.	Not applicable	Subsidiary	*100%	2(87)
10	BPRL Ventures Indonesia BV Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands.	Not applicable	Subsidiary	*100%	2(87)
11	BPRL Ventures Mozambique BV Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands.	Not applicable	Subsidiary	*100%	2(87)
12	Numaligarh Refinery Limited 122 A, G. S. Road, Christianbasti, Guwahati, Assam 781 005	U11202AS1993GOI003893	Subsidiary	61.65%	2 (87)
13	Bharat Renewable Energy Ltd. Official Liquidator, Ministry of Corporate Affairs, 9th Floor, Sangam Place, Civil Lines, Allahabad, U.P. 211001	U74999UP2008PLC035469	Associate	@33.33%	2 (6)
14	Bharat Stars Services Pvt. Ltd. BPCL Aviation Fuelling Station, Indira Gandhi International Airport, Terminal II, Shahabad Mohammadpur Railway Station, New Delhi 110 061	U11100DL2007PTC168158	Associate	50%	2 (6)
15	Central U.P. Gas Ltd. A-1/4, 7th Floor, UPSIDC Complex, Lakhanpur, Kanpur, U.P. 208024	U40200UP2005PLC029538	Associate	25%	2 (6)
16	Delhi Aviation Fuel Facility Pvt. Ltd. Aviation fuelling Station, Shahabad Mohammadpur Railway Station, Dwarka Sector 8, Indira Gandhi International Airport, New Delhi 110 061	U74999DL2009PTC193079	Associate	37%	2 (6)
17	FINO Pay Tech Ltd. Mindspace Juinagar, 9th Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai, Thane 400706	U72900MH2006PLC162656	Associate	^ 20.73%	2 (6)
18	Goa Natural Gas Pvt. Ltd. Rajan Villa, Plot No. 33, Journalist Colony, Parvorim, Goa 403 521.	U40300GA2017PTC013095	Associate	50%	2 (6)
19	GSPL India Gasnet Ltd. GSPC Bhavan, Behind Udyog Bhavan, Sector 11, Gandhinagar, Gujarat 382011	U40200GJ2011SGC067449	Associate	11%	2 (6)
20	GSPL India Transco Ltd. GSPC Bhavan, Behind Udyog Bhavan, Sector 11, Gandhinagar, Gujarat 382011	U40200GJ2011SGC067450	Associate	11%	2 (6)
21	Haridwar Natural Gas Pvt. Ltd. C/o BPCL Landhora, Roorkee, Haridwar, Uttarakhand 247 667	U40300UR2016PTC007004	Associate	50%	2 (6)
22	IHB Pvt. Ltd. C/o Indian Oil Corporation Ltd., Sabarmati Terminal, Near D Cabin, Sabarmati, Ahmedabad 380019	U60230GJ2019PTC109127	Associate	25%	2 (6)

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
23	Indraprastha Gas Ltd. IGL Bhawan, Plot No. 4, Community Centre, Sector 9, R. K. Puram, New Delhi 110 022	L23201DL1998PLC097614	Associate	22.5%	2 (6)
24	Kannur International Airport Ltd. Parvathy, T.C. 36/1 Chacka, NH Byepass, Pettah, Thiruvananthapuram, Kerala 695 024	U63033KL2009PLC025103	Associate	16.20%	2 (6)
25	Kochi Salem Pipeline Private Ltd. Malayil Majesty Bldg., Room No. 174 G, 2nd Floor, Near Railway Over Bridge, Refinery Road, Thrippunithura, Kochin, Kerala 682 301	U40300KL2015PTC037849	Associate	50%	2 (6)
26	Maharashtra Natural Gas Ltd. A Block Plot No. 27, Narveer Tanajiwadi, Commercial Bldg., 1st Floor, Shivaji Nagar, Pune 411 005	U11102PN2006PLC021839	Associate	22.5%	2 (6)
27	Matrix Bharat Pte Ltd. 2 Shenton Way # 18-01 SGX Centre 1, Singapore 068804	Not Applicable	Associate	50%	2 (6)
28	Mumbai Aviation Fuel Farm Facility Pvt. Ltd. Opp. ITC Maratha, Sahar Police Station Road, CSI Airport, Sahar, Andheri (East), Mumbai 400 099	U63000MH2010PTC200463	Associate	25%	2 (6)
29	Petronet CI Ltd., C/O Indian Oil Corporation Ltd. Koyali, Ahmedabad Pipeline, P.O. Jawahar Nagar, Vadodara, Gujarat 391320	U23201GJ2000PLC039031	Associate	11%	2(6)
30	Petronet India Ltd. C/O Mr. A. Sekar (Liquidator) 305, Sai Jyote, Lalubhai Park West, Vile Parle West, Mumbai 400 056	U45203MH1997PLC108251	Associate	16%	2 (6)
31	Petronet LNG Ltd. World Trade Centre, 1st Floor, Babar Road, Barakhamba Lane, New Delhi 110 001	L74899DL1998PLC093073	Associate	12.5%	2 (6)
32	Ratnagiri Refinery and Petrochemicals Ltd., The IL&FS Financial Centre, 5th Floor, B Wing, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	U23200MH2017PLC300014	Associate	25%	2 (6)
33	Sabarmati Gas Ltd. Plot no.907, Sector 21, Gandhinagar, Gujarat 382 021	U40200GJ2006PLC048397	Associate	49.94%	2 (6)
34	Ujjwala Plus Foundation, Indian Oil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai 400 051	U74999MH2017NPL297692	Associate	N A (Section 8 Co. Limited by guarantee. Guaranteed obligation of BPCL is ₹ 5 lakh i.e.25% of total guaranteed obligation)	2 (6)

* Shares are held by Subsidiary

** Bharat Oman Refineries Ltd and BPCL-KIAL Fuel Farm Private Limited are treated as Joint venture for consolidation of accounts as per IndAS.

@ Shareholding as per Joint Venture Agreement

^ Shareholding on fully diluted basis.

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 (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% 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)	1,15,60,95,962	-	1,15,60,95,962	53.29	1,14,91,83,592	-	1,14,91,83,592	52.98	-0.31
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Banks/FI	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**1,15,60,95,962**	**-**	**1,15,60,95,962**	**53.29**	**1,14,91,83,592**	**-**	**1,14,91,83,592**	**52.98**	**-0.31**
2	**Foreign**									
(a)	NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b)	Others – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter A=(A)(1)+(A)(2)	**1,15,60,95,962**	**-**	**1,15,60,95,962**	**53.29**	**1,14,91,83,592**	**-**	**1,14,91,83,592**	**52.98**	**-0.31**
B.	**Public Shareholding**									
1	**Institutions**									
(a)	Mutual Funds/ UTI	17,22,42,625	110	17,22,42,735	7.94	27,76,22,891	110	27,76,23,001	12.80	4.86
(b)	Banks/FI	35,73,523	9,133	35,82,656	0.17	28,86,701	6,733	28,93,434	0.13	-0.04
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	1,86,66,666	1,86,66,666	0.86	-	1,86,66,666	1,86,66,666	0.86	0.00
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	15,64,77,475	-	15,64,77,475	7.21	14,48,23,947	-	14,48,23,947	6.68	-0.53
(g)	FIIs	33,93,24,282	2,400	33,93,26,682	15.64	26,64,87,736	2,400	26,64,90,136	12.28	-3.36
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(I)	Others (Specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**67,16,17,905**	**1,86,78,309**	**69,02,96,214**	**31.82**	**69,18,21,275**	**1,86,75,909**	**71,04,97,184**	**32.75**	**0.93**
2	**Non -Institutions**									
(a)	Bodies Corporate	5,22,36,315	24,360	5,22,60,675	2.41	3,20,58,649	24,388	3,20,83,037	1.48	-0.93
(i)	Indian	-	-	-	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
(i)	Individual shareholders holding Nominal share capital upto ₹1 lakh.	4,55,48,290	32,89,650	4,88,37,940	2.26	4,80,21,078	29,17,437	5,09,38,515	2.35	0.09
(ii)	Individual shareholders holding Nominal share capital in excess of ₹1 lakh	10,873,623	2,94,468	1,11,68,091	0.51	1,61,80,195	2,94,468	1,64,74,663	0.76	0.25
(c)	Others (Specify)	-	-	-	-	-	-	-	-	-
(i)	NRI	32,25,368	99,131	33,24,499	0.15	28,20,710	98,951	29,19,661	0.13	-0.02
(ii)	BPCL Trust for investment in shares	20,23,72,422	-	20,23,72,422	9.33	20,23,72,422	-	20,23,72,422	9.33	0.00
(iii)	Clearing Members	48,96,941	-	48,96,941	0.23	47,83,670	-	47,83,670	0.22	-0.01
	Sub-Total (B)(2)	**31,91,52,959**	**37,07,609**	**32,28,60,568**	**14.89**	**30,62,36,724**	**33,35,244**	**30,95,71,968**	**14.27**	**-0.62**
	Total Public Shareholding (B)=(B)(1)+B(2)	**99,07,70,864**	**2,23,85,918**	**1,01,31,56,782**	**46.71**	**99,80,57,999**	**2,20,11,153**	**1,02,00,69,152**	**47.02**	**0.31**
	TOTAL (A)+(B)	**2,14,68,66,826**	**2,23,85,918**	**2,16,92,52,744**	**100.00**	**2,14,72,41,591**	**2,20,11,153**	**2,16,92,52,744**	**100.00**	**0.00**
(C)	**Shares held by Custodians for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**2,14,68,66,826**	**2,23,85,918**	**2,16,92,52,744**	**100.00**	**2,14,72,41,591**	**2,20,11,153**	**2,16,92,52,744**	**100.00**	**0.00**

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% 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	1,15,60,95,962	53.29	-	1,14,91,83,592	52.98	-	-0.31
	Total	1,15,60,95,962	53.29	-	1,14,91,83,592	52.98	-	-0.31

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Date	Reason	Increase/ Decrease in Shareholding	Cumulative Shareholding	
					No. of Shares	%
1	President of India	01.04.2019	-	-	1,15,60,95,962	53.29
		04.10.2019	Disinvestment-Bharat 22 ETF	-72,58,936	1,14,88,37,026	52.96
		18.10.2019	Purchase	3,46,566	1,14,91,83,592	52.98
		31.03.2020	-	-	1,14,91,83,592	52.98

Note: There was a reduction in the Promoter's shareholding due to disinvestment of shares by the Government of India in favor of Bharat 22 ETF (an Exchange Traded Fund inclusive of PSU Stocks)

(iv) Shareholding Pattern of top ten Members (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year (01.04.2019)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		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	20,23,72,422	9.33	01.04.2019				
				31.03.2020	-	-	20,23,72,422	9.33
2	Life Insurance Corporation of India	12,74,97,778	5.88	01.04.2019				
				06.12.2019	-6,68,158	sale	12,68,29,620	5.85
				13.12.2019	-58,092	sale	12,67,71,528	5.84
				20.12.2019	-1,64,785	sale	12,66,06,743	5.84
				07.02.2020	-11,63,758	sale	12,54,42,985	5.78
				14.02.2020	-20,17,694	sale	12,34,25,291	5.69
				21.02.2020	-8,24,406	sale	12,26,00,885	5.65
				28.02.2020	-15,42,862	sale	12,10,58,023	5.58
				31.03.2020	-	-	12,10,58,023	5.58
3	HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	1,90,76,275	0.88	01.04.2019				
				26.07.2019	3,66,500	Purchase	1,94,42,775	0.90
				30.08.2019	3,54,000	Purchase	1,97,96,775	0.91
				13.09.2019	10,00,000	Purchase	2,07,96,775	0.96
				01.11.2019	-13,23,500	Sale	1,94,73,275	0.90
				29.11.2019	-7,76,634	Sale	1,86,96,641	0.86
				13.12.2019	-7,50,000	Sale	1,79,46,641	0.83
				03.01.2020	-5,26,000	Sale	1,74,20,641	0.80
				07.02.2020	21,98,000	Purchase	1,96,18,641	0.90
				14.02.2020	16,00,000	Purchase	2,12,18,641	0.98

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year (01.04.2019)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				28.02.2020	5,00,000	Purchase	2,17,18,641	1.00
				13.03.2020	10,00,000	Purchase	2,27,18,641	1.05
				27.03.2020	11,16,400	Purchase	2,38,35,041	1.10
				31.03.2020	-	-	2,38,35,041	1.10
4	SBI Equity Hybrid Fund	1,40,00,000	0.65	01.04.2019				
				17.05.2019	-10,00,000	Sale	1,30,00,000	0.60
				27.09.2019	23,22,889	Purchase	1,53,22,889	0.71
				30.09.2019	35,723	Purchase	1,53,58,612	0.71
				06.03.2020	21,64,599	Purchase	1,75,23,211	0.81
				13.03.2020	14,76,789	Purchase	1,90,00,000	0.88
				31.03.2020	-	-	1,90,00,000	0.88
5	Governor of Kerala	1,86,66,666	0.86	01.04.2019				
				31.03.2020	-	-	1,86,66,666	0.86
6	Vanguard Total International Stock Index Fund	1,55,08,229	0.71	01.04.2019				
				05.04.2019	89,263	Purchase	1,55,97,492	0.72
				26.04.2019	-4,11,707	Sale	1,51,85,785	0.70
				10.05.2019	2,72,571	Purchase	1,54,58,356	0.71
				17.05.2019	96,289	Purchase	1,55,54,645	0.72
				24.05.2019	93,119	Purchase	1,56,47,764	0.72
				07.06.2019	1,09,762	Purchase	1,57,57,526	0.73
				28.06.2019	-1,69,598	Sale	1,55,87,928	0.72
				05.07.2019	1,23,224	Purchase	1,57,11,152	0.72
				26.07.2019	2,83,350	Purchase	1,59,94,502	0.74
				22.08.2019	1,19,745	Purchase	1,61,14,247	0.74
				13.09.2019	1,98,136	Purchase	1,63,12,383	0.75
				27.09.2019	-2,41,864	Sale	1,60,70,519	0.74
				06.12.2019	33,963	Purchase	1,61,04,482	0.74
				13.12.2019	57,093	Purchase	1,61,61,575	0.75
				17.01.2020	62,364	Purchase	1,62,23,939	0.75
				31.01.2020	73,998	Purchase	1,62,97,937	0.75
				07.02.2020	60,890	Purchase	1,63,58,827	0.75
				14.02.2020	58,134	Purchase	1,64,16,961	0.76
				28.02.2020	1,86,773	Purchase	1,66,03,734	0.77
				06.03.2020	1,50,259	Purchase	1,67,53,993	0.77
				13.03.2020	1,59,549	Purchase	1,69,13,542	0.78
				20.03.2020	3,72,019	Purchase	1,72,85,561	0.80
				24.03.2020	1,28,855	Purchase	1,74,14,416	0.80
				27.03.2020	99,827	Purchase	1,75,14,243	0.81
				31.03.2020	-	-	1,75,14,243	0.81
7	Life Insurance Corporation of India P & GS Fund	1,60,57,033	0.74	01.04.2019				
				31.12.2019	-2,00,000	Sale	1,58,57,033	0.73
				31.03.2020	-	-	1,58,57,033	0.73

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year (01.04.2019)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
8	HDFC Trustee Company Limited-HDFC Equity Fund	94,49,000	0.44	01.04.2019				
				10.05.2019	15,60,000	Purchase	1,10,09,000	0.51
				17.05.2019	12,05,000	Purchase	1,22,14,000	0.56
				24.05.2019	5,00,000	Purchase	1,27,14,000	0.59
				31.05.2019	20,00,000	Purchase	1,47,14,000	0.68
				07.06.2019	18,50,182	Purchase	1,65,64,182	0.76
				28.06.2019	7,75,000	Purchase	1,73,39,182	0.80
				05.07.2019	5,00,000	Purchase	1,78,39,182	0.82
				19.07.2019	86,000	Purchase	1,79,25,182	0.83
				26.07.2019	8,45,000	Purchase	1,87,70,182	0.87
				02.08.2019	3,00,000	Purchase	1,90,70,182	0.88
				08.11.2019	-13,60,000	Sale	1,77,10,182	0.82
				22.11.2019	-3,27,000	Sale	1,73,83,182	0.80
				06.12.2019	-26,397	Sale	1,73,56,785	0.80
				20.12.2019	-6,45,000	Sale	1,67,11,785	0.77
				27.12.2019	-9,13,000	Sale	1,57,98,785	0.73
				31.12.2019	-1,06,000	Sale	1,56,92,785	0.72
				31.01.2020	-7,93,000	Sale	1,48,99,785	0.69
				31.03.2020	-	-	1,48,99,785	0.69
9	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	1,57,11,317	0.72	01.04.2019				
				12.04.2019	36,317	Purchase	1,57,47,634	0.73
				10.05.2019	37,896	Purchase	1,57,85,530	0.73
				21.06.2019	-85,266	Sale	1,57,00,264	0.72
				28.06.2019	-2,90,635	Sale	1,54,09,629	0.71
				27.09.2019	-3,65,260	Sale	1,50,44,369	0.69
				27.12.2019	-2,39,725	Sale	1,48,04,644	0.68
				24.03.2020	-88,724	Sale	1,47,15,920	0.68
				27.03.2020	-66,237	Sale	1,46,49,683	0.68
				31.03.2020	-	-	1,46,49,683	0.68
10	Government Pension Fund Global	85,86,111	0.40	01.04.2019				
				03.05.2019	1,88,700	Purchase	87,74,811	0.40
				10.05.2019	5,66,076	Purchase	93,40,887	0.43
				27.09.2019	25,38,314	Purchase	1,18,79,201	0.55
				30.09.2019	5,05,000	Purchase	1,23,84,201	0.57
				11.10.2019	8,00,196	Purchase	1,31,84,397	0.61
				22.11.2019	4,14,195	Purchase	1,35,98,592	0.63
				06.12.2019	5,04,040	Purchase	1,41,02,632	0.65
				20.12.2019	3,03,784	Purchase	1,44,06,416	0.66
				10.01.2020	-5,82,499	Sale	1,38,23,917	0.64
				31.03.2020	-	-	1,38,23,917	0.64

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(01.04.2019)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
	Whole Time Directors:							
1	Shri D. Rajkumar Chairman & Managing Director	3,600	-	01.04.2019	-	-	3,600	0.00
				31.03.2020	-	-	3,600	0.00
2	Shri R. Ramachandran Director (Refineries)	1,224	-	01.04.2019	-	-	1,224	0.00
				31.03.2020	-	-	1,224	0.00
3	Shri K. Padmakar Director (Human Resources)	-	-	01.04.2019	-	-	-	-
				31.03.2020	-	-	-	-
4	Shri Arun Kumar Singh Director (Marketing)	2,100	-	01.04.2019	-	-	2,100	0.00
				31.03.2020	-	-	2,100	0.00
5	Shri Vijayagopal N. Director (Finance)	3,000	-	01.04.2019	-	-	3,000	0.00
				31.03.2020	-	-	3,000	0.00
	Non-Executive (Ex-Officio) Directors:							
6	Shri Rajiv Bansal (Up to 07.01.2020)	-	-	01.04.2019	-	-	-	-
				07.01.2020	-	-	-	-
7	Shri Rajesh Aggarwal (w.e.f. 08.01.2020)	-	-	08.01.2020	-	-	-	-
				31.03.2020	-	-	-	-
8	Dr. K. Ellangovan	-	-	01.04.2019	-	-	-	-
				31.03.2020	-	-	-	-
	Non-Executive (Independent) Directors:							
9	Shri Rajesh Mangal (Up to 30.11.2019)	-	-	01.04.2019	-	-	-	-
				30.11.2019	-	-	-	-
10	Shri Vishal V Sharma (Up to 08.02.2020)	-	-	01.04.2019	-	-	-	-
				08.02.2020	-	-	-	-
11	Shri V.S. Oberoi	-	-	01.04.2019	-	-	-	-
				31.03.2020	-	-	-	-
12	Smt. Jane Mary Shanti Sundharam (Up to 04.03.2020)	-	-	01.04.2019	-	-	-	
				04.03.2020	-	-	-	-
13	Shri H. P. Shah (w.e.f. 16.07.2019)	-	-	16.07.2019	-	-	-	-
				31.03.2020	-	-	-	-
	Key Managerial Personnel							
14	Shri M. Venugopal (Up to 31.12.2019)	4,230	-	01.04.2019	-	-	4,230	0.00
				31.12.2019	-	-	4,230	0.00
15	Smt. V. Kala (w.e.f. 13.02.2020)	-	-	13.02.2020	-	-	264	0.00
				31.03.2020	-	-	264	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**	**Deposits**	**Total**
Indebtedness at the beginning of the financial year (01.04.2019)				
(i) Principal Amount	3,119.62	26,161.55	-	29,281.17
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	280.30	-	280.30
TOTAL (i + ii + iii)	**3,119.62**	**26,441.85**	**-**	**29,561.47**
Changes in Indebtedness during the financial year 2019-2020				
Addition	4,731.32	15,282.29	-	20,013.61
Reduction	1,710.56	5,553.94	-	7,264.50
Net Change	**3,020.76**	**9,728.35**	**-**	**12,749.11**
Indebtedness at the end of the financial year (31.03.2020)				
(i) Principal Amount	6,140.38	35,914.01	-	42,054.39
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	256.19	-	256.19
TOTAL (i + ii + iii)	**6,140.38**	**36,170.20**	**-**	**42,310.58**

"Indebtedness excludes Lease obligation as per Ind AS 116-Lease".

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
		D. Rajkumar	R. Ramachandran	K. Padmakar	A. K. Singh	N. Vijayagopal	
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	49,51,540	44,19,626	43,42,709	41,04,637	40,14,850	2,18,33,362
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	13,95,178	14,90,089	19,00,641	14,53,342	17,92,644	80,31,894
	(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	7,77,773	7,36,592	7,23,750	7,09,768	7,05,257	36,53,140
	Total (A)	**71,24,491**	**66,46,307**	**69,67,100**	**62,67,747**	**65,12,751**	**3,35,18,396**
	Ceiling as per the Act	Provisions of Section 197 of the Companies Act, 2013 with respect to overall maximum managerial remuneration is not applicable to the Company being a Govt. Company as per MCA notification GSR 463 (E) dated 05.06.2015.					

B. Remuneration to other Directors

(Amount in ₹)

Sl. NO.	Particulars of Remuneration	Name of Directors					Total
1	**Independent Directors**	**Rajesh Mangal (Up to 30.11.2019)**	**Vishal V Sharma (Up to 08.02.2020)**	**J.M.Shanti Sundharam (Up to 04.03.2020)**	**Vinay Sheel Oberoi**	**H. P. Shah (w.e.f. 16.07.2019)**	
	For attending Board Committee meetings	9,60,000	11,20,000	10,40,000	12,00,000	5,60,000	48,80,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	**9,60,000**	**11,20,000**	**10,40,000**	**12,00,000**	**5,60,000**	**48,80,000**

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of Directors			Total
2	**Other Non-executive Directors**	**Shri Rajiv Bansal (Up to 07.01.2020)**	**Shri Rajesh Aggarwal (w.e.f. 08.01.2020)**	**Dr. K. Ellangovan**	
	For attending Board Committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)= (1+2)	-	-	-	**48,80,000**
	Total Managerial Remuneration (A+B)				**3,83,98,396**
	Overall ceiling as per the Act	Provisions of Section 197 of the Companies Act, 2013 with respect to overall maximum managerial remuneration is not applicable to the Company being a Govt. Company as per MCA notification GSR 463(E) dated 05.06.2015.			

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*	
			M. Venugopal (Up to 31.12.2019)	V. Kala (w.e.f. 13.02.2020)		
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		62,51,702	4,30,003		66,81,705
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961		17,78,085	2,06,106		19,84,191
	(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		25,47,131	1,03,200		26,50,331
	Total		**1,05,76,918**	**7,39,309**		**1,13,16,227**

*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

Sl. 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					
	Penalty					
	Punishment					
	Compounding					
B.	Directors					
	Penalty			NIL		
	Punishment					
	Compounding					
C.	Other Officers in default					
	Penalty					
	Punishment					
	Compounding					

ANNEXURE H

Disclosure as required under Regulation 34, Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Amount (₹ in Crores)

Particulars		Balance as on		Maximum amount outstanding during the period	
		31.03.2020	31.03.2019	**2019-20**	2018-19
(a)	Loans and advances in the nature of Loans:				
	(i) To Subsidiary Company - Bharat PetroResources Limited	**2,950.00**	1,100.00	**2,950.00**	1,625.00
	(ii) To Joint Ventures- Bharat Oman Refineries Limited	**1254.10**	1254.10	**1254.10**	1254.10
	(iii) To Firms/Companies in which directors are interested	**-**	-	**-**	-
(b)	Investment by the loanee in the shares of BPCL and its subsidiary company	**-**	-	**-**	-

ANNEXURE I

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Issued in pursuance to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,
The Members,
Bharat Petroleum Corporation Limited

We have conducted the secretarial audit through electronic platform during the lock down period of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Petroleum Corporation Limited (CIN L23220MH1952GOI008931)** (hereinafter called the "Company") for the financial year ended 31st March, 2020. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

A. In expressing our opinion it must be noted that-

i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis of our opinion.

iii. We have not verified the correctness and appropriateness of the financial statements of the Company.

iv. The Company being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment, including remuneration and evaluation, vests with the Government of India.

v. Wherever required, we have obtained the management representation pertaining to compliance of laws, rules and regulations, happening of events, etc.

vi. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

vii. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

B. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes (duly evolved) and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 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 regulations made thereunder to the extent applicable to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V-A 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;

(c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

V-B The Company has not undertaken any of the activities during the audit period as envisaged in the following Regulations and Guidelines prescribed under the SEBI Act and hence are not relevant for the purpose of audit:-

(a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(c) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; and

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

VI. Guidelines on Corporate Governance for Central Public Sector Enterprises ('CPSE Guidelines') issued by the Department of Public Enterprises.

VII. The following Acts and Rules made thereunder pertaining to oil and gas business, as applicable to the Company:

(a) Oil fields (Regulation and Development) Act, 1948;

(b) The Petroleum Act, 1934;

(c) Mines and Minerals (Regulation and Development) Act, 1957;

(d) Petroleum and Minerals Pipelines (Acquisition of Right of User Inland) Act, 1962;

(e) Oil Mines Regulations, 1984;

(f) Petroleum & Natural Gas Rules, 1959;

(g) Petroleum Rules, 2002;

(h) The Oil Industry (Development) Act, 1974;

(i) The Energy Conservation Act, 2001;

(j) Petroleum & Natural Gas Regulatory Board Act, 2006; and

(k) Petroleum & Mineral Pipelines (Acquisition of Rights of User in Land) Act, 1962.

We have also examined the compliance with regard to Secretarial Standards in respect of Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:

a) The Company did not have:

1. Woman Director on its Board pursuant to second proviso of sub-section (1) of Section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1)(a) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the period 05.03.2020 to 31.03.2020.

2. Optimum combination of executive and non-executive directors pursuant to Regulation 17(1)(a) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and CPSE Guidelines for the period 05.03.2020 to 31.03.2020.

3. Sufficient number of Independent Directors on its Board as required under the Regulation 17(1)(b) of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015 and CPSE Guidelines for the period under review i.e. 01.04.2019 to 31.03.2020 and pursuant to sub-section (4) of Section 149 of the Act for the period from 09.02.2020 to 31.03.2020.

D. We further report that,

I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except to the extent as mentioned above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

III. As per the minutes of the Board duly recorded and signed by the Chairman, the agenda items are deliberated and decisions of the Board were unanimous and no dissenting views have been recorded.

IV. Due to technical reasons, the company is in the process of filing Form IEPF 1 and IEPF 4 and due to non-availability of data, the company is in the process of filing few Form IEFP 1A for the period under review.

E. We further report that there are adequate systems and process in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

F. I. We further report that during the audit period, subsequent to conversion of warrants of ₹ 650 Crores in Bharat Oman Refineries Limited (BORL) into equity shares in March, 2020, the Company's shareholding in BORL increased from existing 50% to 63.38%.

II. We further report that during the audit period, none of the following events has taken place, except those mentioned above:

(i) Public/Rights/Preferential Issue of Shares/Sweat equity etc.

(ii) Redemption/Buy Back of securities.

(iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.

(iv) Merger/reconstruction etc.

(v) Foreign Technical Collaborations.

For **DHOLAKIA & ASSOCIATES LLP**
(Company Secretaries)

Sd/-
CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Place : Mumbai
Date : 10th July, 2020
UDIN : F000977B000438911

ANNEXURE J

DIVIDEND DISTRIBUTION POLICY

PREAMBLE:

The shares of Bharat Petroleum Corporation Limited (the "Company") are listed on the National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai. SEBI vide its notification dated 08.07.2016 has inserted Regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The Board of Directors of the Company ("the Board") has approved the Dividend Distribution Policy of the Company ("the policy").

OBJECTIVE

The Company aims at maximisation of shareholder value and believes that this can be attained by driving growth. The policy endeavours to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. The objective of the policy is to lay down a consistent approach to dividend declaration.

PARAMETERS FOR DIVIDEND DISTRIBUTION

- The Company has only one class of shares i.e. Equity shares and hence, the parameters disclosed hereunder apply to the same.
- The Board, while considering payment of dividend for a financial year may, inter-alia, consider the following factors:-
  - Profit for the financial year as well as general reserves of the Company.
  - Projections of future profits and cash flows.
  - Borrowing levels and the capacity to borrow including repayment commitments.
  - Present and future capital expenditure plans of the Company including organic/inorganic growth avenues.
  - Applicable taxes including tax on dividend.
  - Compliance with the provisions of the Companies Act or any other statutory guidelines including guidelines issued by the Govt. of India.
  - Past dividend trends for the Company and the industry.
  - State of the economy and capital markets.
  - Any other factor as may be deemed fit by the Board.
- The profits for a year may be adjusted at the discretion of the Board, for the purpose, to exclude exceptional or one off items or non-cash items resulting from change in law, accounting policies, accounting standards or otherwise.
- The Company would endeavor to pay minimum annual dividend of 30% of Profit after Tax (PAT) or 5% of net worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions.
- In case of deviation, if any, in a particular year due to inadequacy or absence of profits/reserves or otherwise, the reasons and justification thereof shall be disclosed to the shareholders through the Annual Report of the Company.
- The Company is committed to continuous growth and has plans requiring significant capital outlay. The retained earnings, after distribution of dividend, shall primarily be utilized towards this purpose.
- Dividend shall be recommended by the Board for approval of shareholders of the Company for payment. However, the Board may also consider payment of interim dividend as and when it feels appropriate.

GENERAL

- In the event of the policy being inconsistent with any new regulatory provision, such regulatory provision shall prevail upon the corresponding provision of this policy and the policy shall be construed to be amended accordingly from the effective date of such provision.
- The Company reserves its right to alter, modify, add, delete or amend any or all of the provisions of the policy as it may deem fit or in accordance with the guidelines as may be issued by SEBI, Government of India or any other regulatory authority. The change in the policy shall, however, be disclosed alongwith the justification thereof on the Company's website and in the ensuing Annual Report in accordance with the extant regulatory provisions.

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
1. Refinery Thruput (TMT)										
Imported	**27,447**	26,139	23,795	20,421	18,028	17,661	16,761	17,155	16,353	14,769
Indigenous	**4,464**	4,867	4,746	4,970	6,088	5,694	6,590	6,050	6,559	7,015
TOTAL	**31,911**	31,006	28,541	25,391	24,115	23,355	23,351	23,205	22,912	21,784
2. Production Quantity (TMT)	**30,240**	29,340	26,946	24,206	22,965	22,149	22,052	21,843	21,522	20,547
Light Distillates %	**30.99**	28.85	29.50	30.05	28.90	27.93	29.19	28.52	28.91	29.83
Middle Distillates %	**58.21**	58.13	59.58	59.83	60.27	59.65	57.02	56.26	55.42	55.46
Heavy Ends %	**10.80**	13.02	10.93	10.12	10.83	12.42	13.78	15.22	15.68	14.71
3. Fuel and Loss as % of Refinery Throughput *	**5.2**	5.4	5.6	4.7	4.8	5.2	5.6	5.9	6.1	5.7
4. Market Sales (MMT)	**43.10**	43.07	41.21	37.68	36.53	34.45	34.00	33.30	31.14	29.27
5. Lubricants Production (MT)	**322,450**	247,910	327,049	293,791	295,509	287,649	258,112	258,586	217,851	220,387
6. Market Participation %	**24.5**	24.5	23.8	22.8	22.9	23.3	23.5	23.1	22.4	22.5
7. Marketing Network										
Installations	**15**	14	13	13	13	13	12	12	12	12
Depots	**108**	109	110	115	118	114	116	115	115	114
Aviation Service Stations	**58**	56	50	43	40	35	34	36	36	31
Total Tankages (Million KL)	**3.95**	4.02	3.95	3.70	3.60	3.52	3.49	3.44	3.43	3.39
Retail Outlets	**16,234**	14,802	14,447	13,983	13,439	12,809	12,123	11,637	10,310	9,289
LPG Bottling Plants	**52**	52	51	51	50	50	50	50	49	49
LPG Distributors	**6,110**	5,907	5,084	4,684	4,494	4,044	3,355	2,949	2,658	2,452
LPG Customers (No. Million)	**83.42**	78.33	66.63	60.60	50.6	45.8	41.2	37.4	34.5	31.1
8. Manpower (Nos.)	**11,249**	11,971	12,019	12,484	12,623	12,687	13,214	13,213	13,343	13,837
9. Sales and Earnings (₹ Crores)										
i) Sales and Other Income (excluding subsidy)	**330,372**	339,693	279,447	243,464	218,072	247,552	253,492	229,796	203,866	154,886
ii) Gross Profit before Depreciation, Interest, Exceptional items & Tax	**9,721**	14,948	14,772	13,430	12,801	10,515	9,555	7,787	5,569	5,167
iii) Depreciation	**3,787**	3,189	2,653	1,891	1,845	2,516	2,247	1,926	1,885	1,655
iv) Interest	**2,182**	1,319	833	496	565	583	1,359	1,825	1,800	1,117
v) Exceptional items	**1,081**	-	-	-	-	-	-	-	-	-
vi) Profit before Tax	**2,671**	10,440	11,286	11,043	10,391	7,416	5,949	4,036	1,884	2,395
vii) Tax	**(12)**	3,308	3,310	3,004	3,335	2,331	1,888	1,393	573	848
viii) Profit after Tax	**2,683**	7,132	7,976	8,039	7,056	5,085	4,061	2,643	1,311	1,547
10. What the Company Owned (₹ Crores)										
i) Gross Property, Plant and Equipment (including Right-of-use, Capital Work-in-Progress and Investment Property)	**79,290**	62,858	53,594	46,761	37,700	49,475	41,229	36,095	32,846	30,307
ii) Net Property, Plant and Equipment (including Right-of-use, Capital Work-in-Progress and Investment Property)	**66,456**	53,554	47,436	43,060	35,872	27,981	22,105	19,110	17,732	16,972
iii) Net Current Assets	**3,604**	4,866	878	151	(65)	(991)	9,584	14,690	13,612	9,715
iv) Non-Current Assets	**18,950**	15,436	15,693	14,672	11,283	11,463	10,671	9,482	8,430	8,113
Total Net Assets (ii + iii+ iv)	**89,010**	73,856	64,007	57,883	47,090	38,453	42,360	43,282	39,774	34,800

PERFORMANCE PROFILE (CONTD.)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
11. What the Company Owed (₹ Crores)										
i) Share Capital @	**1,967**	1,967	1,967	1,311	656	723	723	723	362	362
ii) Other Equity	**31,248**	34,771	32,165	28,357	26,667	21,744	18,736	15,911	14,552	13,696
iii) Total Equity (i +ii)	**33,215**	36,738	34,131	29,668	27,323	22,467	19,459	16,634	14,914	14,058
iv) Borrowings**	**41,875**	29,099	23,351	23,159	15,857	13,098	20,322	23,839	22,994	18,960
v) Lease Liability	**5,943**	-	-	-	-	-	-	-	-	-
vi) Deferred Tax Liability (net)	**5,967**	6,169	4,956	3,502	2,622	1,708	1,361	1,656	1,401	1,008
vii) Non- Current Liabilites	**2,010**	1,850	1,569	1,554	1,288	1,180	1,218	1,153	465	774
Total Funds Employed (iii + iv + v +vi+vii)	**89,010**	73,856	64,007	57,883	47,090	38,453	42,360	43,282	39,774	34,800
12. Internal Generation (₹ Crores)	**1,133**	7,449	8,759	4,723	6,516	5,989	4,586	4,002	3,135	2,759
13. Value Added (₹ Crores)	**25,703**	30,888	28,318	25,903	24,885	20,569	20,855	17,638	14,837	12,926
14. Earnings in Foreign Exchange (₹ Crores)	**15,168**	13,220	10,371	10,152	7,138	12,364	19,122	18,456	19,316	12,380
15. Ratios										
i) Gross Profit before Depreciation, Interest, Exceptional items & Tax as % age of Sales and Other Income	**2.9**	4.4	5.3	5.5	5.9	4.1	3.5	3.1	2.5	3.1
ii) Profit after Tax as % age of average Total Equity	**7.7**	20.1	25.0	28.2	28.3	24.3	22.5	16.8	9.1	11.4
iii) Gross Profit before Depreciation, Interest, Exceptional items & Tax as % age of Capital Employed**	**13.6**	23.1	25.5	30.1	38.9	36.1	25.4	19.7	14.6	15.7
iv) Profit before Tax as % age of Capital Employed**	**3.7**	16.1	19.5	24.8	31.6	25.5	15.8	10.2	4.9	7.2
v) Profit After Tax as % age of Capital Employed **	**3.8**	11.0	13.8	18.0	21.4	17.5	10.8	6.7	3.4	4.7
vi) Debt Equity Ratio**	**1.26**	0.79	0.68	0.78	0.58	0.58	1.04	1.43	1.54	1.35
16. Earnings per Share (₹) #	**13.64**	36.26	40.55	40.87	35.88	23.44	18.72	12.18	6.04	7.13
17. Book Value per Share (₹) #	**168.87**	186.78	173.53	150.84	138.92	103.57	89.70	76.68	68.75	64.80
18. Dividend ^										
i) Percentage	**165**	190	210	325	310	225	170	110	110	140
ii) Amount (₹ Crores)	**3,579**	4,122	4,555	4,700	2,242	1,627	1,229	795	398	506

Note: The figures from 2015-16 onwards are as per Indian Accounting Standards (Ind AS)

* The Figures of Fuel & Loss reported do not include the external fuel used in Refineries

@ The share capital from 2015-16 onwards is after adjustment of BPCL Trust for Investment in Shares.

Adjusted for bonus shares issued

^ Dividend includes proposed dividend

** Excluding Lease liabilities as per Ind AS 116.

SOURCES AND APPLICATION OF FUNDS

₹ in Crores

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
SOURCES OF FUNDS										
OWN										
Profit after Tax	**2,683**	7,132	7,976	8,039	7,056	5,085	4,061	2,643	1,311	1,547
Foreign Exchange Gain credited to Foreign Currency Monetary Item Translation Difference Account (net of amortization)	**29**	-	-	286	-	-	184	-	-	-
Capital Grants received / (Reversed) (net of amortization)	**-**	-	-	-	-	3	5	-	-	2
Adjustment on account of Transitional Provisions	**-**	(40)	(78)	-	-	-	-	-	-	-
Depreciation	**3,787**	3,189	2,653	1,888	1,838	2,524	2,247	1,926	1,885	1,655
Investment (net)	**-**	-	-	-	-	-	262	-	461	2,124
Deferred Tax Provision	**(202)**	1,213	1,454	880	588	347	(295)	255	393	148
Equity instruments through OCI	**(313)**	(64)	(15)	183	(182)	-	-	-	-	-
Income from BPCL trust for investment in shares	**496**	364	297	526	260	-	-	-	-	-
Remeasurement of defined benefit plan	**(185)**	(138)	24	(51)	(93)	-	-	-	-	-
BORROWINGS										
Loans (net)	**12,776**	5,749	191	7,302	2,864	-	-	845	4,022	-
Lease Liability	**5,943**	-	-	-	-	-	-	-	-	-
Deposits for container	**911**	1,881	1,405	1,695	1,124	1,183	904	653	613	570
Decrease in current / non-current items	**-**	-	-	-	-	9,533	3,109	-	-	235
Adjustment on account of Deletion/Re-classification, etc.	**254**	139	147	52	38	(28)	19	236	63	50
Total	**26,179**	**19,426**	**14,056**	**20,800**	**13,493**	**18,647**	**10,496**	**6,558**	**8,748**	**6,331**
APPLICATION OF FUNDS										
Capital Expenditure	**9,810**	9,633	7,123	9,128	9,946	8,494	5,553	3,544	2,762	2,532
Right-of-Use Asset	**7,231**	-	-	-	-	-	-	-	-	-
Addition in Net Block of assets due to PCCKL merger	**-**	-	54	-	-	-	-	-	-	-
Foreign Exchange loss debited to Foreign Currency Monetary Item Translation Difference Account (including amortization)	**-**	96	140	-	106	157	-	-	-	-
Dividend (incl interim dividend)	**5,315**	3,905	3,182	5,640	2,784	1,627	1,229	795	398	506
Tax on distributed profits	**919**	648	420	998	497	294	197	127	57	71
Repayment of Loans (net)	**-**	-	-	-	-	7,224	3,517	-	-	3,222
Investment (net)	**149**	770	1,025	1,790	12	851	-	1,192	-	-
Increase in current / non-current items	**2,755**	4,374	2,113	3,244	148	-	-	900	5,531	-
Total	**26,179**	**19,426**	**14,056**	**20,800**	**13,493**	**18,647**	**10,496**	**6,558**	**8,748**	**6,331**

Note: The figures from 2015-16 onwards are as per Indian Accounting Standards (Ind AS).

SALES VOLUME (TMT)

	2019-20		2018-19		2017-18		2016-17		2015-16	
	Sales	Market Share (%)	Sales	Market Share (%)	Sales	Market Share (%)	Sales	Market Share (%)	Sales	Market Share (%)
Light Distillates :										
Naphtha	**885**	**26.6**	428	20.0	348	6.7	177	3.6	104	2.2
LPG (Bulk & Packed)	**6,870**	**25.9**	6,491	26.0	5,986	26.3	5,449	25.9	4,874	25.7
Motor Spirit	**7,808**	**28.7**	7,428	28.6	6,980	28.7	6,412	28.5	6,011	28.5
Special Boiling Point Spirit/Hexane	**41**	**46.9**	41	49.5	36	54.4	30	50.7	28	46.5
Benzene	**68**	**28.8**	94	34.9	62	28.6	48	23.5	46	23.5
Toluene	**28**	**100.0**	31	100.0	17	100.0	22	100.0	19	100.0
Polypropylene Feedstock	**194**	**63.8**	148	58.3	97	39.6	94	35.1	105	38.3
Regasified - LNG	**782**	**6.5**	1,292	10.8	1,312	9.5	967	7.1	718	6.5
Others	**504**	**31.0**	482	33.0	417	33.4	376	34.8	356	21.8
Sub Total	**17,180**		16,435		15,255		13,575		12,261	
Middle Distillates :										
Aviation Turbine Fuel	**2,005**	**26.4**	1,990	25.9	1,790	25.6	1,547	25.0	1,283	22.8
Superior Kerosene Oil	**398**	**15.1**	602	16.1	664	16.2	903	16.0	1,100	15.6
High Speed Diesel	**19,864**	**26.9**	20,421	26.9	20,094	27.0	19,097	26.7	19,354	26.8
Light Diesel Oil	**139**	**23.0**	128	22.1	112	21.5	106	23.6	90	22.0
Mineral Turpentine Oil	**86**	**45.2**	94	50.0	93	54.1	89	60.2	87	61.3
Sub Total	**22,492**		23,235		22,753		21,742		21,914	
Others :										
Furnace Oil	**626**	**13.6**	690	13.7	695	12.7	783	13.5	742	13.6
Low Sulphur Heavy Stock	**11**	**3.2**	6	1.9	20	20.3	51	48.5	80	53.5
Bitumen	**741**	**14.8**	903	15.9	790	16.2	636	13.5	779	16.2
Petcoke	**1,321**	**23.4**	1,193	20.7	1,046	20.2	422	10.8	291	8.5
Lubricants	**306**	**22.8**	238	17.7	320	23.2	293	21.5	322	24.3
Others	**427**	**15.9**	367	14.4	331	13.8	182	9.6	145	19.4
Sub Total	**3,432**		3,397		3,202		2,367		2,359	
Grand Total	**43,104**	**24.52**	43,067	24.49	41,210	23.75	37,684	22.77	36,534	22.94

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

PRODUCTION (TMT)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Light Distillates :					
Naphtha	**1,854**	1,291	1,468	1,405	1,135
LPG	**1,529**	1,488	1,403	1,099	1,048
Motor Spirit	**5,646**	5,364	4,850	4,517	4,207
Special Boiling Point Sprit/Hexane	**42**	41	37	32	28
Benzene	**68**	92	73	93	95
Toluene	**29**	32	17	23	18
Polypropylene Feedstock/ Propylene	**198**	147	99	94	104
Ind. Reformate	**-**	-	-	5	-
Others	**6**	9	2	5	1
Sub Total	**9,372**	8,464	7,949	7,274	6,636
Middle Distillates:					
Aviation Turbine Fuel	**1,520**	1,721	1,613	1,479	1,284
Superior Kerosene Oil	**187**	342	344	449	534
High Speed Diesel	**15,403**	14,529	13,597	11,932	11,579
Light Diesel Oil	**135**	212	106	264	91
Mineral Turpentine Oil	**88**	93	93	95	83
Lube Oil Base Stock	**269**	159	262	255	270
Others	**-**	-	38	11	-
Sub Total	**17,602**	17,056	16,053	14,484	13,841
Heavy Ends :					
Petcoke	**921**	983	687	-	-
Furnace Oil	**1,195**	1,393	1,099	1,698	1,537
Low Sulphur Heavy Stock	**7**	8	25	39	81
Sulphur	**283**	273	215	82	89
Bitumen	**761**	914	807	623	781
Others	**99**	249	111	7	-
Sub Total	**3,266**	3,820	2,944	2,449	2,488
Grand Total	**30,240**	29,340	26,946	24,206	22,965

Lubricants Production (MT)

	2019-20	2018-19	2017-18	2016-17	2015-16
	322,450	247,910	327,049	293,791	295,509

Quantity of LPG Filled in Cylinders (MT)

	2019-20	2018-19	2017-18	2016-17	2015-16
	6,518,908	6,099,995	5,673,579	5,128,580	4,616,172

HOW VALUE IS GENERATED

₹ in Crores

Particulars	2019-20	2018-19
Value of Production (Refinery)	**117,296**	125,428
Less : Direct Materials Consumed	**(113,652)**	(120,030)
Added Value	**3,644**	5,398
Marketing Operations	**18,978**	22,506
Value added by Manufacturing & Trading Operations	**22,622**	27,904
Add : Other Income and prior period items	**3,081**	2,984
Total Value Generated	**25,703**	30,888

HOW VALUE IS DISTRIBUTED

₹ in Crores

Particulars		2019-20		2018-19
OPERATIONS				
Operating & Service Costs		**13,372**		12,277
EMPLOYEES' BENEFITS				
Salaries, Wages & Bonus	**2687**		2,821	
Other Benefits	**1004**	**3,691**	843	3,664
PROVIDERS OF CAPITAL				
Interest on Borrowings	**2182**		1,319	
Dividend after netting off Trust shares	**4819**	**7,001**	3,540	4,859
INCOME TAX & DIVIDEND TAX		**506**		2,639
RE-INVESTMENT IN BUSINESS				
Depreciation	**3,787**		3,189	
Deferred Tax	**401**		1,316	
Retained Profit/(loss) (including Debenture Redemption Reserves)	**(3,055)**	**1,133**	2,944	7,449
Total Value Distributed		**25,703**		30,888

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BHARAT PETROLEUM CORPORATION LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

1. We have audited the accompanying standalone Indian Accounting Standards ("Ind AS") financial statements of Bharat Petroleum Corporation Limited ("the Corporation"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Corporation as at 31st March 2020, the profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Corporation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Emphasis of Matter

4. We draw attention to Note No. 71 in the Standalone Ind AS Financial Statements, which describes the economic consequences/disruption the Corporation is facing as a result of COVID-19 pandemic, which is impacting consumer demand, financial markets, commodity prices and inventory valuation.

   Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters:

S. No.	Key Audit Matter	Auditors' Response
1.	**Computation of Expected Credit Loss (ECL):** Trade receivables and loans granted under the Pradhan Mantri Ujjwala Yojana (PMUY) scheme constitute a significant component of the total current assets of the Corporation. At each reporting date, the Corporation recognizes Lifetime ECL on Trade Receivables using a 'simplified approach' and 12 month ECL on loans granted under the PMUY scheme, which rely on Management's estimates regarding probability of default rates linked to age-wise bucketing of the corresponding asset. The COVID-19 pandemic may also have an impact on the Management's estimate of probability of default as on 31st March 2020	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • In respect of loans granted under PMUY, the corporation along with other few industry peers have derived a common methodology based on the broad category of active and inactive consumers and last refill date with expected loan recovery period. We checked the working of the same and it was in line with the common draft methodology document shared with us. • We have evaluated the methodology for age-wise bucketing of trade receivables and key assumptions underlying the probability of default estimates on the same, to ascertain that the same were broadly in-line with the Corporation's historical default rates and have considered available information regarding the current economic scenario. • We selected a few sample outstanding receivable cases having different overdue period and checked if the computation of ECL is appropriate in-line with the Corporation's policy.
2.	**Investments in E&P Subsidiary:** The Corporation has an investment of ₹ 5,494.41 Crores in 100% subsidiary Bharat Petro Resources Ltd (BPRL). This subsidiary alongwith its step down subsidiaries, JVs & Associates holds participating interest in various oil/ gas blocks for exploration & evaluation, development and production activities (E&P). The Corporation's realization from these E&P investments is dependent on the continued successful operations/ development of reserves resulting in expected earnings and revenue growth of the respective companies. The sharp global reduction in crude oil prices towards the end of FY 2019-20 triggered by the COVID-19 pandemic, may also impact the estimated revenue of these entities and hence the Corporation's realization from E&P Investments.	The following procedures were carried out in this regard: • We evaluated the design and implementation of key controls in relation to the impairment testing carried out by the Corporation for the investment in E&P subsidiary. • We reviewed the audited Consolidated Ind AS Financial Statements of BPRL and the independent auditor's report thereon to ascertain if there are any signs of impairment in the Corporation's investments therein.

S. No.	Key Audit Matter	Auditors' Response
3.	**Evaluation of Contingent Liabilities:** The Corporation has material uncertain positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Contingent liabilities are not recognized in the Standalone Ind AS Financial Statements but are disclosed unless the possibility of an outflow of economic resources is considered remote. Contingent liabilities disclosed are in respect of items which in each case are above the threshold limit.	• We examined sample items above the threshold limit for recognition of contingent liabilities and obtained details of completed Excise, VAT/ Sales Tax/ Entry Tax assessments and demands as on 31st March 2020. In FY 2019-20, due to various tax dispute settlement schemes, the Corporation has opted for dispute settlement in VAT/Sales tax related cases in many states and obtained opinion from tax consultants in various matters. We have relied upon such opinions where remote possibility of cash outflow is indicated and the Corporation has considered the same while preparation of the Standalone Ind AS Financial Statements. • We have assessed the Management's underlying assumptions in estimating the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating Management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions at beginning of the financial year to evaluate whether any change was required to Management's position on these uncertainties.
4.	**Inventories:** Because of implementation of lockdown by Government due to outbreak of COVID-19, physical verification of the inventories was not possible during the course of audit. Verification and valuation of Inventories is a significant area requiring Management's judgment of estimates and application of accounting policies that have significant effect on the amounts recognized in the Standalone Ind AS Financial Statements.	• Since physical verification was not possible for us, we have relied on the physical verification of inventory carried out by the Management. We also evaluated the system of inventory monitoring and control and reviewed data regarding sale of finished goods for sample regions during April 2020. The physical verification of inventory has been conducted by the management at regular intervals. • In respect of inventory lying with third parties, we have ascertained that these have substantially been confirmed by them. We examined the system for records maintenance for stocks lying at third party locations. • We have also tested the values considered in respect of Net realizable value, cost of products and verified these with the inventory valuation and accounting entries posted in this regard.

S. No.	Key Audit Matter	Auditors' Response
5.	**Property, Plant & Equipment:** Estimates of useful lives and residual value of Property, Plant and Equipment is a significant area requiring Management judgment of estimates and application of accounting policies that have significant effect on the amounts recognized in the Standalone Ind AS Financial Statements.	• We examined whether the Corporation has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. • The physical verification of Property, Plant and Equipment (except LPG Cylinders and pressure regulators with customers) has been carried out by the Management in accordance with the phased program of verification of all assets and necessary accounting entries based on such physical verification has been appropriately posted which were reviewed by us. • Changes in the useful life of class of assets was adopted based on detailed internal evaluation and was also comparable with other entities in the same industry. We have tested the computation of depreciation on sample basis.

Information Other than the Standalone Ind AS Financial Statements and Auditors' Report Thereon

6. The Corporation's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Ind AS Financial Statements and our audit report thereon.
7. Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance thereon.
8. In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
9. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

10. The Corporation's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Corporation in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.
12. The Corporation's Board of Directors management is responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Ind AS Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Corporation has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
15. Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

19. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Corporation, as we considered appropriate and according to the information and explanations given to us, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
20. 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.
21. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
    d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act.
    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, refer to 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, as amended 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, if any, of pending litigations on its financial position in its standalone Ind AS Financial Statements. (Refer Note No. 63 of the Standalone Ind AS 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.
        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Corporation.

For CVK & Associates
Chartered Accountants
ICAI FRN 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156
UDIN: 20032156AAAAAG3907

For Borkar & Muzumdar
Chartered Accountants
ICAI FRN 101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938
UDIN: 20100938AAAAAS9538

Place: Mumbai
Date: 03rd June, 2020

[Referred to in paragraph 19 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 Ind AS Financial Statements as of and for the year ended 31st March 2020]

(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	Net Block (₹ in Crores)	Remarks
Freehold Land	9	84.59	Documents of title not available for verification
Freehold Land	10	7.75	Documents of title lying with registration authorities, as informed
Freehold Land	13	339.06	Mutation Pending, as informed

(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 Section 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 from public 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 the rules framed there under 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, Goods and Service tax (GST), Customs Duty, Excise Duty, 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, GST, Customs Duty, Excise Duty, 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 outstanding with respect to 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 during the year 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 an incident as reported by Management by way of excess filling of Petroleum Products in Tank Lorries, which was reported at one of the Retail locations during the year. Due to nature of transaction involving flow calibration, we are informed that a formal letter was issued to automation vendor and subsequently, recovery of ₹ 0.99 crore was made from his dues. Further, we understand that disciplinary action is also being initiated on the concerned officers.

(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 Standalone Ind AS Financial Statements, as required by the applicable Indian 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. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For CVK & Associates
Chartered Accountants
ICAI FRN 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156
UDIN: 20032156AAAAAG3907

For Borkar & Muzumdar
Chartered Accountants
ICAI FRN 101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938
UDIN: 20100938AAAAAS9538

Place: Mumbai
Date: 03rd June,2020

Statement 1 (Refer Clause vii (b) of Annexure A)

₹ in Crores

S. No.	Name of the Statute	Nature of Dues	Forum Where Dispute is pending	Amount	Period block to which it relates ^
1.	Central Excise Act, 1944	Duty, interest and penalty for cases relating to Determination of Assessable value, Cenvat Credit etc.	Supreme Court	2,916.53	2000 to 2010
			High Court	28.57	1995 to 2015
			Appellate Tribunal *	13,766.79	1990 to 2020
			Appellate Authority **	51.85	1995 to 2020
			Total	**16,763.74**	
2.	Customs Act, 1962	Duty, interest and penalty for cases relating to Determination of Valuation etc.	Appellate Tribunal *	**4.25**	2005 to 2010
3.	Income Tax Act, 1961	Tax, interest and penalty demands towards various Income tax disputes	Appellate Authority **	**502.64**	2005 to 2019
4.	Sales Tax/Vat Legislations	Tax, interest and penalty demand towards Sales tax/VAT disputes	Supreme Court	7.37	1995 to 2005
			High Court	681.83	1980 to 2020
			Appellate Tribunal *	3,681.76	1985 to 2015
			Appellate Authority **	1,224.28	1985 to 2020
			Adjudicating Authority ***	9.36	2010 to 2015
			Total	**5,604.60**	
5.	Finance Act,1994 (Service Tax)	Duty, interest and penalty for cases relating to Service tax disputes	Supreme Court	34.15	2005 to 2015
			High Court	22.30	2000 to 2010
			Appellate Tribunal *	20.36	2005 to 2015
			Appellate Authority **	8.53	2000 to 2020
			Total	**85.34**	
			Grand Total	**22,960.57**	

Remarks

Dues Include Penalty & Interest, wherever applicable

* Appellate Tribunal includes Sales Tax Tribunal, CESTAT and ITAT.

** Apellate 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 20 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 Ind AS Financial Statements as of and for the year ended 31st March 2020]

Directions for the year 2019-20		
1.	**Area examined**	**Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**
	Observations/ Findings	The Corporation has a system in place to process all the accounting transactions through its implemented IT system, SAP. As such, we have not come across any accounting transactions processed outside IT system which would have an impact on the integrity of the accounts or any financial implications.
2.	**Area examined**	**Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.**
	Observations/ Findings	Based on our examination of relevant records of the Corporation and the information and explanations received from the Management, there were no cases of restructuring of an existing loan or cases of waiver/write off of debts/loans / interest by any of the lenders of the Corporation due to inability to repay the loan.
3.	**Area examined**	**Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.**
	Observations/ Findings	Based on our examination of relevant records of the Corporation and the information and explanations received from the Management, Funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per terms and conditions and applicable Ind AS.
Sub-directions for the year 2019-20		
1.	**Area examined**	**Whether any investments have been made by BPCLs Provident Fund and Post- Retirement Medical Fund (PRMF) trust in IL&FS? If so, the exposure and liabilities of the Company in the capacity of Principal Employer and probability of liabilities in future years with regard to exposure for investments made in IL&FS or group Companies by BPCL PF Trust and BPCL PRMB Trust.**
	Observations/ Findings	Yes, investments of ₹ 112.90 Crores and ₹ 40 Crores have been made by BPCL's Provident Fund and Post- Retirement Medical Fund Trust respectively, in IL&FS Group companies as on 31st March 2020. Interest accrued of ₹ 28.33 Crores on above investments has not been recognized in the books of respective trusts due to defaults in payment by the above Group. As a Principal Employer, the Corporation has accounted a liability by way of provision of ₹ 79.03 Crores towards impairment of the above investments for the PF Trust as on 31st March 2020 to meet the shortfall. The maximum amount of liabilities in future years with regards to exposure for above investments in PF Trust after considering above provision could be ₹ 33.87 Crore.

2.	**Area examined**	**In view of initiation of process of disinvestment of the Company by DIPAM, the following may be reported upon:** **As per the practice the management is carrying out physical verification of assets in phased manner over the three years' period. To confirm the existence of assets as on date of disinvestment, Whether proper physical verification of assets carried out by the management before the finalization of disinvestment process?**
	Observations/ Findings	As informed by the Management, The CCEA, in its meeting held on 20.11.2019, has accorded 'in principle' approval for Strategic disinvestment of Government of India shareholding in BPCL excluding BPCL's shareholding in NRL which has to be divested to a CPSE operating in the Oil & Gas Sector. Further, Department of Investment and Public Asset Management (DIPAM), to take forward the decision of CCEA, has appointed Transaction Advisor, Legal advisor and Asset Valuer. The Asset Valuer was engaged to carry out a diligent and fair valuation of BPCL for the limited purpose of its disinvestment. Tender document available in public domain do not include physical verification of the assets as part of the scope of work of Asset Valuer. Further,as informed, till date, no communication with regard to carrying mandatory physical verification has been received by BPCL from DIPAM for the purpose of disinvestment. However, physical verification of assets has been carried out by the Management during the year as per the normal phased programme of the Corporation.
3.	**Area examined**	**How much is the area of the freehold land in the name of the Corporation? Details of balance area not in the name of the Corporation alongwith the status.**
	Observations/ Findings	The total area of freehold land in the name of the Corporation is 10,304.94 acres (converted to acres in case of land held in different units by applying applicable standard conversion factor). 1,278.13 acres of balance freehold land is not in the name of Corporation, details of which are given below:

Particulars	Area (In Acres)	Remarks
Freehold Land	1,120.73*	Documents of title not available for verification
Freehold Land	5.41	Documents of title lying with registration authorities, as informed
Freehold Land	151.99	Mutation Pending, as informed

* include 875.87 acres (₹ 2.20 cr) of freehold land under dispute as referred to in explanatory notes given in Note 2 of the Standalone Financial Statements.

For CVK & Associates
Chartered Accountants
ICAI FRN 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156
UDIN: 20032156AAAAAG3907

For Borkar & Muzumdar
Chartered Accountants
ICAI FRN 101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938
UDIN: 20100938AAAAAS9538

Place: Mumbai
Date: 03rd June,2020

ANNEXURE C TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 21(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 Ind AS Financial Statements for the year ended 31st March, 2020]

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 31st March, 2020 in conjunction with our audit of the Standalone Ind AS 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, 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, to the best of our information and according to the explanations given to us, 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 31st March, 2020, 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 CVK & Associates
Chartered Accountants
ICAI FRN 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156
UDIN: 20032156AAAAAG3907

For Borkar & Muzumdar
Chartered Accountants
ICAI FRN 101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938
UDIN: 20100938AAAAAS9538

Place: Mumbai
Date: 03rd June,2020

BALANCE SHEET AS AT 31ST MARCH 2020

	Note no.	As at 31/03/2020	As at 31/03/2019
			₹ In Crores
I. ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	**56,687.98**	46,259.18
(b) Capital Work-In-Progress	3	**9,108.09**	6,702.63
(c) Investment Property	4	**0.21**	0.24
(d) Other Intangible assets	5	**262.93**	228.70
(e) Intangible Assets Under Development	6	**396.62**	363.10
(f) Investments in Subsidiaries, Joint Ventures and Associates	7	**10,561.62**	10,305.60
(g) Financial Assets			
(i) Investments	8	**287.86**	610.13
(ii) Loans	9	**5,442.94**	2,515.66
(iii) Other Financial Assets	10	**8.30**	21.96
(h) Income Tax Assets (Net)	11	**1,381.25**	449.40
(i) Other Non-current Assets	12	**1,267.95**	1,533.40
		85,405.75	68,990.00
(2) Current Assets			
(a) Inventories	13	**20,421.06**	21,544.65
(b) Financial Assets			
(i) Investments	14	**5,208.54**	5,075.89
(ii) Trade Receivables	15	**5,164.34**	6,670.72
(iii) Cash and Cash Equivalents	16	**98.27**	78.49
(iv) Bank Balances other than Cash and Cash Equivalents	17	**17.51**	16.92
(v) Loans	18	**590.58**	1,628.88
(vi) Other Financial Assets	19	**6,811.24**	9,433.33
(c) Current Tax Assets (Net)	20	**0.17**	-
(d) Other Current Assets	21	**1,545.68**	1,231.50
		39,857.39	45,680.38
(3) Assets held-for-sale and Assets included in disposal group held-for-sale	22 (a)	**1,205.84**	956.87
TOTAL ASSETS		**1,26,468.98**	1,15,627.25
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	23	**1,966.88**	1,966.88
(b) Other Equity	24	**31,247.50**	34,770.80
Total Equity		**33,214.38**	36,737.68
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	**26,272.70**	23,628.57
(ii) Other Financial Liabilities	26	**53.99**	56.48
(b) Provisions	27	**1,574.12**	1,509.86
(c) Deferred Tax Liabilities (Net)	28	**5,967.29**	6,168.99
(d) Other Non-current Liabilities	29	**381.72**	284.01
		34,249.82	31,647.91
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	30	**17,721.37**	3,580.75
(ii) Trade Payables			
a. Total outstanding dues of Micro Enterprises and Small Enterprises		**67.17**	52.04
b. Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	31	**12,442.37**	17,635.50
(iii) Other Financial Liabilities	32	**22,472.48**	19,126.12
(b) Other Current Liabilities	33	**3,903.02**	4,614.26
(c) Provisions	34	**1,831.00**	1,746.96
(d) Current Tax Liabilities (Net)	35	**32.80**	255.48
		58,470.21	47,011.11
(3) Liabilities included in disposal group held-for-sale	22 (b)	**534.57**	230.55
Total Liabilities		**93,254.60**	78,889.57
TOTAL EQUITY AND LIABILITIES		**1,26,468.98**	1,15,627.25
Significant Accounting Policies	1		
Notes forming part of Financial Statements	44-72		

For and on behalf of the Board of Directors

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

Sd/-
D. Rajkumar
Chairman and Managing Director
DIN: 00872597

CVK & Associates
Chartered Accountants
ICAI FR No.101745W

Borkar & Muzumdar
Chartered Accountants
ICAI FR No.101569W

Sd/-
N. Vijayagopal
Director (Finance)
DIN: 03621835

Sd/-
V. Kala
Company Secretary

Sd/-
A.K. Pradhan
Partner
Membership No. 032156

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938

Place: MUMBAI
Date: 03rd June 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

₹ in Crores

Particulars		Note No.	2019-20	2018-19
	Income			
I)	Revenue from operations	36	**3,27,580.78**	3,37,622.53
II)	Other income	37	**3,081.31**	2,983.60
III)	**Total Income (I + II)**		**3,30,662.09**	3,40,606.13
IV)	**Expenses**			
	Cost of materials consumed	38	**1,13,229.30**	1,19,419.22
	Purchases of stock-in-trade	39	**1,43,164.25**	1,46,974.06
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	40	**(456.62)**	(1,703.06)
	Excise duty expense		**43,197.83**	40,347.48
	Employee benefits expense	41	**3,691.45**	3,664.18
	Finance costs	42	**2,181.86**	1,318.96
	Depreciation and amortization expense	2,4,5	**3,786.89**	3,189.28
	Other expenses	43	**18,115.26**	16,956.39
	Total Expenses (IV)		**3,26,910.22**	3,30,166.51
V)	**Profit before Exceptional Item & Tax (III - IV)**		**3,751.87**	10,439.62
VI)	Exceptional Item (Refer Note No. 69)		**1,080.83**	-
VII)	**Profit before Tax (V - VI)**		**2,671.04**	10,439.62
VIII)	**Tax expense**	28		
	1) Current tax		**201.00**	2,079.00
	2) Deferred tax		**400.68**	1,316.48
	3) Short / (Excess) provision of earlier years		**(613.83)**	(87.88)
	Total Tax expense (VIII)		**(12.15)**	3,307.60
IX)	**Profit for the period (VII - VIII)**		**2,683.19**	7,132.02
X)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit plans		**(284.47)**	(212.16)
	(b) Equity instruments through Other Comprehensive Income-net change in fair value		**(322.27)**	(71.08)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**108.75**	81.64
	Other Comprehensive Income (X)		**(497.99)**	(201.60)
XI)	**Total Comprehensive Income for the period (IX + X)**		**2,185.20**	6,930.42
XII)	**Basic and Diluted Earnings per Equity share (Face value ₹ 10)**	54	**13.64**	36.26
Significant Accounting Policies		1		
Notes forming part of Financial Statements		44 to 72		

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman and Managing Director
DIN: 00872597

Sd/-
N. Vijayagopal
Director (Finance)
DIN: 03621835

Sd/-
V. Kala
Company Secretary

Place: MUMBAI
Date: 03rd June 2020

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

CVK & Associates
Chartered Accountants
ICAI FR No.101745W

Sd/-
A.K. Pradhan
Partner
Membership No. 032156

Borkar & Muzumdar
Chartered Accountants
ICAI FR No.101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938

STATEMENT OF CASH FLOWS

₹ in Crores

	For the Year ended	31/03/2020	31/03/2019
A.	**Net Cash Flow from Operating Activities**		
	Net Profit Before Tax (After Exceptional Items)	2,671.04	10,439.62
	Adjustments for :		
	Depreciation	3,786.89	3,189.28
	Finance Costs	2,181.86	1,318.96
	Foreign Exchange Fluctuations	1,021.17	(122.76)
	(Profit) / Loss on Sale of Property, Plant and Equipment	41.14	(5.29)
	(Profit) / Loss on Sale of Investments	(26.31)	(27.79)
	Income from Investments	(1,099.08)	(1,058.99)
	Dividend Received	(1,091.81)	(1,011.95)
	Expenditure towards Corporate Social Responsibility	198.98	203.32
	Other Non-Cash items*	(288.85)	249.17
	Operating Profit before Working Capital Changes	7,395.03	13,173.57
	(Invested in)/Generated from :		
	Inventories	1,126.50	(751.22)
	Trade Receivables	1,357.78	(1,660.31)
	Other Receivables	2,097.16	(6,289.18)
	Current Liabilities & Payables	(4,073.33)	5,243.04
	Cash generated from Operations	7,903.14	9,715.90
	Direct Taxes Paid	(1,235.50)	(1,893.10)
	Paid for Corporate Social Responsibility	(309.89)	(177.95)
	Net Cash from / (used in) Operating Activities	6,357.75	7,644.85
B.	**Net Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment / Intangible Assets	(9,460.25)	(9,056.83)
	Sale of Property, Plant and Equipment	27.03	40.00
	Capital Advance	70.64	(56.33)
	Investment, Loans and Advances to Subsidiaries, Joint Venture Companies and Associates		
	GSPL India Gasnet Limited (Equity)	(52.80)	(8.25)
	GSPL India Transco Limited (Equity)	(12.21)	-
	Kochi Salem Pipeline Private Limited (Equity)	(56.25)	(21.25)
	Mumbai Aviation Fuel Farm Facility Private Limited (Equity)	-	(6.40)
	IHB Pvt Ltd(Equity)	(26.25)	-
	Bharat PetroResources Limited (Equity)	-	(552.00)
	Haridwar Natural Gas Private Limited (Equity)	(9.70)	(5.00)
	Goa Natural Gas Private Limited (Equity)	(8.00)	(2.00)
	BPCL - KIAL Fuel Farm Facility Private Limited (Equity)	-	(1.11)
	Ratnagiri Refinery & Petrochemical Ltd(Equity)	(25.00)	-
	Bharat PetroResources Limited - Loan (Net)	(1,850.00)	175.00
	Bharat Gas Resources Limited (Equity)	(140.00)	(160.00)
	Advance against equity to Bharat Gas Resources Limited	-	(8.62)
	Sai Wardha Power Generation Limited (Equity)	-	2.30
	Capital Contribution in Petroleum India International	0.10	-

₹ in Crores

	For the Year ended	31/03/2020	31/03/2019
	Purchase of Government Securities	(192.66)	(94.00)
	Sale of Oil Bonds	322.89	95.10
	Sale of T-Bills	400.00	-
	Purchase of T-Bills	(398.54)	-
	Purchase of Investments - Mutual Funds	(38,376.00)	(49,058.00)
	Sale of Investments - Mutual Funds	38,404.42	49,090.69
	Interest Received	1,026.80	1,078.17
	Dividend Received	1,091.81	1,011.95
	Net Cash from / (used in) Investing Activities	(9,263.97)	(7,536.58)
C.	**Net Cash Flow from Financing Activities**		
	Payment of Lease Rentals (Principal Component)	(102.47)	-
	Payment of Lease Rentals (Interest Component)	(507.82)	-
	Short Term Borrowings (Net)	13,906.40	(4,726.04)
	Long Term Borrowings**	2,696.28	10,401.65
	Repayment of Loans **	(5,987.71)	(499.44)
	Interest Paid	(1,326.62)	(1,075.32)
	Dividend Paid	(4,818.86)	(3,540.39)
	Dividend Distribution Tax	(918.98)	(647.95)
	Net Cash from / (used in) Financing Activities	2,940.22	(87.49)
D.	**Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)**	34.00	20.78
	Cash and Cash Equivalents as at	31/03/2019	31/03/2018
	Cash on hand	33.26	17.69
	Cheques and drafts on hand	24.70	16.19
	Cash at Bank	20.53	42.12
	Demand deposits with Banks with original maturity of less than three months	-	77.34
	Less : Bank Overdraft	(211.12)	(306.75)
		(132.63)	(153.41)
	Cash and Cash Equivalents as at	31/03/2020	31/03/2019
	Cash on hand	6.08	33.26
	Cheques and drafts on hand	6.10	24.70
	Cash at Bank	86.09	20.53
	Demand deposits with Banks with original maturity of less than three months	-	-
	Less : Bank Overdraft	(196.90)	(211.12)
		(98.63)	(132.63)
		34.00	20.78

* Includes FCMITDA Amortization loss of ₹ **80.96 Crores** (Previous year loss ₹ 66.72 Crores)

** Includes refinancing of ECB of USD 330 Million

Disclosure to changes in liabilities arising from Financing Activities

₹ in Crores

Particulars		Short term Borrowings(excluding Bank Overdraft)	Long term Borrowings (including current maturities)	Total liabilities from Financing Activities
As on 31st March , 2018		7,786.26	15,257.66	23,043.92
Cash flows		(4,726.04)	9,902.22	5,176.18
Non cash changes				
a)	Foreign exchange movement	309.41	255.68	565.09
b)	Recognition of deferred income and its amortization	-	70.73	70.73
c)	Fair value changes	-	32.26	32.26
As on 31st March , 2019		3,369.63	25,518.55	28,888.18

₹ in Crores

Particulars		Short term Borrowings(excluding Bank Overdraft)	Long term Borrowings (including current maturities)	Total liabilities from Financing Activities
As on 31st March , 2019		3,369.63	25,518.55	28,888.18
Cash flows		13,906.40	(3,291.43)	10,614.97
Non cash changes				
a)	Foreign exchange movement	248.44	1,891.71	2,140.15
b)	Recognition of deferred income and its amortization	-	2.49	2.49
c)	Increase in Lease Obligations due to Ind AS 116	-	5,940.06	5,940.06
d)	Fair value changes	-	35.94	35.94
As on 31st March , 2020		17,524.47	30,097.32	47,621.79

Explanatory notes to Statement of Cash Flows

1. The Statement of Cash Flows is prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Ind AS 7 as notified by Ministry of Corporate Affairs.
2. In Part-A of the Statement of Cash Flows, 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, Reversal of excess capitalization, 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 Propery Plant and Equipments, if any.

For and on behalf of the Board of Directors

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

Sd/-
D. Rajkumar
Chairman and Managing Director
DIN: 00872597

CVK & Associates
Chartered Accountants
ICAI FR No.101745W

Borkar & Muzumdar
Chartered Accountants
ICAI FR No.101569W

Sd/-
N. Vijayagopal
Director (Finance)
DIN: 03621835

Sd/-
V. Kala
Company Secretary

Sd/-
A.K. Pradhan
Partner
Membership No. 032156

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938

Place: MUMBAI
Date: 03rd June 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

₹ in Crores

(a) Equity Share Capital	As at 31/03/2020		As at 31/03/2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	2,169,252,744	2,169.25	2,169,252,744	2,169.25
Add: Issue of Bonus Shares (Refer Note No. 23)	-	-	-	-
Balance at the end of the reporting period	2,169,252,744	2,169.25	2,169,252,744	2,169.25
Less: Adjustment for Shares held by BPCL Trust for Investment in Shares (Refer Note No. 45)	(202,372,422)	(202.37)	(202,372,422)	(202.37)
Balance at the end of the reporting period after Adjustment	1,966,880,322	1,966.88	1,966,880,322	1,966.88

₹ in Crores

(b) Other Equity	Reserves & Surplus					Equity Instruments through Other Comprehensive Income [Note No. 24]	BPCL Trust for Investment in Shares [Note No. 24]	Total
	Capital Reserve [Note No. 24]	Debenture Redemption Reserve [Note No. 24]	General Reserve [Note No. 24]	Retained Earnings [Note No. 24]*	Foreign Currency Monetary Item Translation Difference Account (FCMITDA) [Note No. 24]			
Balance at 01st April 2018	**(20.76)**	**1,108.56**	**26,360.45**	**5,027.35**	**66.76**	**78.99**	**(456.74)**	**32,164.61**
Transfer to deferred income on account of implementation of Ind AS 115 (net of tax)	-	-	-	(39.79)	-	-	-	(39.79)
Opening balance after the above effect	(20.76)	1,108.56	26,360.45	4,987.56	66.76	78.99	(456.74)	32,124.82
Profit for the year	-	-	-	7,132.02	-	-	-	7,132.02
Other Comprehensive Income for the year	-	-	-	(138.02)	-	(63.58)	-	(201.60)
Dividends	-	-	-	(3,904.66)	-	-	-	(3,904.66)
Dividend to BPCL Trust for Investment in Shares (Refer Note No. 45)	-	-	-	364.27	-	-	-	364.27
Dividend Distribution Tax	-	-	-	(647.95)	-	-	-	(647.95)
Transfer to Debenture Redemption reserve	-	295.91	-	(295.91)	-	-	-	-
Transfer to General Reserve	-	-	2,500.00	(2,500.00)	-	-	-	-
Transfer to General Reserve on redemption of debentures/ bonds	-	(243.92)	243.92	-	-	-	-	-
Additions/(deletions) during the year - FCMITDA	-	-	-	-	(162.82)	-	-	(162.82)
Amortization during the year - FCMITDA	-	-	-	-	66.72	-	-	66.72
Balance at 31st March 2019	**(20.76)**	**1,160.55**	**29,104.37**	**4,997.31**	**(29.34)**	**15.41**	**(456.74)**	**34,770.80**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020 (CONTD.)

₹ in Crores

(b) Other Equity	Reserves & Surplus					Equity Instruments through Other Comprehensive Income [Note No. 24]	BPCL Trust for Investment in Shares [Note No. 24]	Total
	Capital Reserve [Note No. 24]	Debenture Redemption Reserve [Note No. 24]	General Reserve [Note No. 24]	Retained Earnings [Note No. 24]*	Foreign Currency Monetary Item Translation Difference Account (FCMITDA) [Note NO. 24]			
Balance as at 01st April 2019	**(20.76)**	**1,160.55**	**29,104.37**	**4,997.31**	**(29.34)**	**15.41**	**(456.74)**	**34,770.80**
Profit for the year	-	-	-	2,683.19	-	-	-	2,683.19
Other Comprehensive Income for the year	-	-	-	(185.06)	-	(312.93)	-	(497.99)
Dividends	-	-	-	(5,314.67)	-	-	-	(5,314.67)
Dividend to BPCL Trust for Investment in Shares (Refer Note No. 45)	-	-	-	495.81	-	-	-	495.81
Dividend Distribution Tax	-	-	-	(923.43)	-	-	-	(923.43)
Transfer to Debenture Redemption reserve	-	293.21	-	(293.21)	-	-	-	-
Add/Less: Dividend Distribution tax pertaining to previous years	-	-	-	4.45	-	-	-	4.45
Transfer to General Reserve on redemption of debentures/ bonds	-	(377.40)	377.40	-	-	-	-	-
Additions/(deletions) during the year - FCMITDA	-	-	-	-	(51.62)	-	-	(51.62)
Amortization during the year - FCMITDA	-	-	-	-	80.96	-	-	80.96
Balance at 31st March 2020	**(20.76)**	**1,076.36**	**29,481.77**	**1,464.39**	**-**	**(297.52)**	**(456.74)**	**31,247.50**

*The balance includes accumulated Gain/(loss) on account of Remeasurements of defined benefit plans (Net of tax) as on 31st March 2020 ₹ (442.62) Crores [Previous year ₹ (257.56) Crores]

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman and Managing Director
DIN: 00872597

Sd/-
N. Vijayagopal
Director (Finance)
DIN: 03621835

Sd/-
V. Kala
Company Secretary

Place : MUMBAI
Date : 03rd June 2020

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

CVK & Associates
Chartered Accountants
ICAI FR No.101745W

Sd/-
A.K. Pradhan
Partner
Membership No. 032156

Borkar & Muzumdar
Chartered Accountants
ICAI FR No. 101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938

CORPORATION OVERVIEW

Bharat Petroleum Corporation Limited referred to as "BPCL" or "the Corporation" was incorporated on 03rd 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 at various locations. The Corporation's marketing infrastructure includes vast network of Installations, Depots, Retail Outlets, Aviation Fuelling Stations and LPG distributors.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis for preparation: The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Corporation has adopted all the Ind AS and the adoption was carried out during Financial Year 2016-17 in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

The Corporation's presentation and functional currency is Indian Rupees (₹). All figures appearing in the financial statements are rounded to the nearest Crores (₹ Crores) except where otherwise indicated.

Authorization of Financial Statements: The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 03rd June 2020.

1.1. Use of Judgement and Estimates

The preparation of the Corporation's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Corporation continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Assessment of functional currency;
- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible assets;
- Valuation of Inventories;
- Measurement of recoverable amounts of Cash-Generating Units;
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions including loss allowances;
- Evaluation of recoverability of Deferred Tax Assets; and
- Contingencies.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

1.2. Property, Plant and Equipment

1.2.1. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.2.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

1.2.3. Direct expenses incurred during construction period on capital projects are capitalized. Other expenses of the project group which are allocated to projects costing above a threshold limit are also capitalized. Expenditure incurred on enabling assets are capitalized.

1.2.4. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Corporation.

1.2.5. Expenditure on assets, other than plant and machinery, LPG cylinders and pressure regulators, not exceeding threshold limit are charged to revenue.

1.2.6. Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

1.2.7. An item of Property, Plant and Equipment and any significant part initially recognized separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

1.2.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in line with revisions to accounting estimates.

1.2.9. In respect of the capital goods common for both GST and non-GST products, the GST input tax credit is taken on the eligible portion based on GST and non-GST product ratio in the month of procurement and the ineligible portion is capitalized. Subsequently, this ratio is reviewed every month as per the GST provisions and the differential GST amount arising due to changes in the ratio is capitalized when beyond the materiality threshold.

1.2.10. The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.3. Depreciation

Depreciation on Property, Plant and Equipment are provided on the straight line basis, over the estimated useful lives of assets (after retaining the estimated residual value of upto 5%). These useful lives and residual value has been determined as prescribed in the Schedule II of the Act, except in following cases:

1.3.1. 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.

1.3.2. Computer equipments are depreciated over a period of 3 years and Mobile phones are depreciated over a period of 2 years based on internal assessment. Electronic and electrical equipments provided to management staff under furniture on hire scheme are depreciated over a period of 4 years as per internal assessment. Other furniture items provided to management staff are depreciated over a period of 6 years as per internal assessment.

1.3.3. Solar Panels are depreciated over a period of 25 years based on the technical assessment of useful life and applicable warranty conditions.

1.3.4. 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.

1.3.5. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.

1.3.6. 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 of such components has been assessed based on historical experience and internal technical assessment.

1.3.7. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

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

1.3.9. The Residual value of LPG cylinders and Pressure Regulators have been estimated at 15% of the original cost (Previous Year upto 5% of the original cost) based on the historical experience and internal technical assessment.

1.4. Intangible Assets

1.4.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding development costs, is not capitalized and is reflected in Statement of Profit and Loss in the period in which such expenditure is incurred. Development costs are capitalized if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Corporation has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

1.4.2. Assets where entire output generated is committed to be sold to entities providing public services for almost entire useful life of the asset are classified as intangible assets as per the requirements of applicable Ind AS and are amortized (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

1.4.3. In cases where, the Corporation has constructed assets on behalf of public infrastructure entities and the Corporation has only a preferential right to use, these assets are classified as intangible assets and are amortized (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

1.4.4. Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortized, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment losses on intangible assets with indefinite life is recognized in the Statement of Profit and Loss.

1.4.5. Expenditure incurred for creating / acquiring other intangible assets above threshold limit 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, on a straight line basis, from the time the intangible asset starts providing the economic benefit. In other cases, the expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred. The amortization period and the amortization method for an intangible asset with a finite life are reviewed at each year end. The amortization expense on intangible asset with finite useful lives and impairment losses in case there is an indication that the intangible asset may be impaired, is recognized in the Statement of Profit and Loss.

1.4.6. The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.5. Investment Property

1.5.1. Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.5.2. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognized in Statement of Profit and Loss.

1.5.3. On transition to Ind AS i.e. 1st April 2015, the Corporation has re-classified certain items from Property, Plant and Equipment to investment property. For the same, Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for such assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.6. Borrowing costs

1.6.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.6.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

1.6.3. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

1.7. Non-current assets/Disposal Group held for sale

1.7.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

1.7.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell (upto 5% of the acquisition value).

1.7.3. The disposal group classified as held for sale, are measured at the lower of carrying amount and fair value less costs to sell.

1.7.4. Property, Plant and Equipment and Intangible assets classified as held for sale are not depreciated or amortized.

1.8. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

Corporation shall reassess whether a contract is, or contains, a lease if the terms and conditions of the contract are changed.

1.8.1. As a Lessee

At the commencement date, corporation recognizes a right-of-use asset at cost and a lease liability at present value of the lease payments that are not paid at commencement date. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has right to obtain substantially all of the economic benefits from use of the asset throughout the period of the lease and (iii) the Company has the right to direct the use of the asset.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability (at present value) adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives (at present value) except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense. Lease of items such as IT Assets (tablets, personal computers, mobiles, POS machines etc.), small items of office furniture etc. are treated as low value.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the Corporation's incremental borrowing rate computed on periodic basis based on lease term. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment, whether it will exercise an extension or a termination option.

Right-of-use assets are depreciated over the lease term on systematic basis and Interest on lease liability is charged to Statement of Profit and Loss as Finance cost.

1.8.2. As a Lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease.

1.8.2.1. Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Corporation shall recognize assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

1.8.2.2. Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Corporation shall recognize lease payments from operating leases as income on systematic basis in the pattern in which benefit from the use of the underlying asset is diminished.

1.9. Impairment of Non-financial Assets

1.9.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

1.9.2. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.10. Inventories

1.10.1. Inventories are stated at cost or net realizable 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:

- 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.
- The cost of Stock-in-Process is determined at raw material cost plus cost of conversion.

1.10.2. 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.

1.10.3. 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.

1.10.4. 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 marketing companies and retail consumers respectively. For the purpose of stock valuation, the proportion of sales to oil marketing companies and retail consumers are determined on all India basis and considered for stock valuation at all locations.

1.10.5. Raw Materials held for use in the production of finished goods are not written down below cost except in cases where raw material prices have declined and it is estimated that the cost of the finished goods will exceed their net realizable value.

1.10.6. 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.

1.11. Revenue Recognition

1.11.1. Sale of goods

Revenue from the sale of goods is recognized when the performance obligation is satisfied by transferring the related goods to the customer. The performance obligation is considered to be satisfied when the customer obtains control of the goods.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable (after including fair value allocations related to arrangements involving more than one performance obligation), net of returns, taxes or duties collected on behalf of the Government and applicable trade discounts or rebates.

Revenue is allocated between loyalty programmes and other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognized as revenue when the Corporation has fulfilled its obligation to supply the products under the terms of the programme.

Any upfront fees earned by the Corporation with no identifiable performance obligation are recognized as revenue on a systematic basis over the period of the Contract.

Where the Corporation acts as an agent on behalf of a third party, the associated income is recognized on a net basis.

Claims in respect of 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 as stipulated.

1.11.2. Construction contracts

Revenue from Construction contracts arise from the service concession arrangements entered into by the Corporation and certain arrangements involving construction of specific assets as part of arrangements involving more than one performance obligation.

Contract revenue includes the amount agreed in the contract to the extent that it is probable that they will result in revenue and can be measured reliably.

Based on an assessment of the terms of such contracts, the contract revenue is recognized in the Statement of Profit and Loss based on the percentage of completion method.

The stage of completion is assessed with reference to the proportion of actual cost incurred as compared to the total estimated cost of the related contract.

Contract expenses are recognized as incurred unless they create an asset relating to future contract activity. An expected loss on a contract is recognized immediately in the Statement of Profit and Loss.

1.11.3. Interest income is recognized using Effective Interest Rate (EIR) method.

1.11.4. Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

1.11.5. Income from sale of scrap is accounted for on realization.

1.11.6. Claims other than subsidy claims on LPG and SKO, from Government of India are booked when there is a reasonable certainty of recovery.

1.12. Classification of Income / Expenses

1.12.1. Income / expenditure (net) in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and / or restating the opening Balance Sheet for the earliest prior period presented.

1.12.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

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

1.13. Employee Benefits

1.13.1. Short-term employee benefits

Short-term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

1.13.2. Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plans such as pension are recognized as an expense in the Statement of Profit and Loss as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a set-off in future payments is available.

Defined Benefit Plans:

The Corporation's net obligation in respect of defined benefit plans such as gratuity, other post-employment benefits etc., is calculated separately for each plan by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Corporation, the recognized asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurements which comprise of actuarial gains and losses, the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability (asset)) and the effect of the asset ceiling (if any, excluding amounts included in the net interest on the net defined benefit liability (asset)), are recognized in other comprehensive income.

1.13.3. Other long-term employee benefits

Liability towards other long-term employee benefits - leave encashment and long service awards etc., are determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long terms employee benefits, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss. Re-measurements are recognized in the Statement of Profit and Loss.

1.13.4. Termination benefits

Expenditure on account of Voluntary Retirement Scheme are charged to Statement of Profit and Loss as and when incurred.

1.14. Foreign Currency Transactions

1.14.1. Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long-term foreign currency monetary items outstanding as of 31st March 2016) are recognized in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

The Corporation has elected to continue the policy adopted under Previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange differences arising on settlement or translation of 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 liability.

1.14.2. Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.15. Investment in Subsidiaries, Joint Ventures and Associates

Investments in equity shares of Subsidiaries, Joint Ventures and Associates are recorded at cost and reviewed for impairment at each reporting date.

1.16. Government Grants

1.16.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

1.16.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

1.16.3. Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

1.17. Provisions, Contingent Liabilities and Capital Commitments

1.17.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.17.2. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

1.17.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.17.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Corporation, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

1.17.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.17.6. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

1.18. Fair Value measurement

1.18.1. The Corporation measures certain financial instruments at fair value at each reporting date.

1.18.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

1.18.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Corporation has access at that date. The fair value of a liability also reflects its non-performance risk.

1.18.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Corporation determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.18.5. While measuring the fair value of an asset or liability, the Corporation uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs)

1.18.6. When quoted price in active market for an instrument is available, the Corporation measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

1.18.7. If there is no quoted prices in an active market, then the Corporation uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

1.18.8. The Corporation regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Corporation assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

1.19. Financial Assets

1.19.1. Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognized when they are originated. All other financial assets are initially recognized when the Corporation becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

1.19.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Corporation classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortized cost

A ‘debt instrument’ is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in other comprehensive Income.

Debt instruments at Fair value through Profit or Loss (FVTPL)

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortized cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Statement of Profit and Loss separately.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Corporation decides to classify the same either as FVOCI or FVTPL. The Corporation makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). Dividends on such equity instruments are recognized in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

1.19.3. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Corporation's Balance Sheet) when:

The rights to receive cash flows from the asset have expired, or

The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Corporation has transferred substantially all the risks and rewards of the asset, or
- The Corporation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition.

1.19.4. Impairment of financial assets

In accordance with Ind-AS 109, the Corporation applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Loss allowances on receivables from customers are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as loan to LPG Consumers, debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

1.20. Financial Liabilities

1.20.1. Initial recognition and measurement

Financial liabilities are initially recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

1.20.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognized in Statement of Profit and Loss.

Financial Liabilities at amortized cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate ("EIR") method.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

1.20.3. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

1.21. Financial guarantees

Financial guarantee contracts issued by the Corporation are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognized less cumulative amortization.

1.22. Derivative financial instruments

The Corporation uses derivative financial instruments to manage the commodity price risk and exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with the changes being recognized in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair valuation gains or losses on foreign currency derivatives measured at FVTPL are grouped along with Gain or loss on foreign currency transactions and translations and presented under “Other Income” or “Other expenses”, as the case may be, since these derivatives constitute hedges from an economic perspective and may not qualify for hedge accounting under Ind AS 109.

1.23. Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract. Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

1.24. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

1.25. Taxes on Income

1.25.1. Current Tax

Income tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognized in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

1.25.2. Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognized in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.26. Earnings per share

1.26.1. Basic earnings per share are calculated by dividing the 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.

1.26.2. For the purpose of calculating diluted earnings per share, the 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.

1.27. 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 (considered as 12 months) and other criteria set out in Schedule III of the Act.

1.28. Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheques and drafts on hand, net of outstanding bank overdrafts as they are considered an integral part of the Corporation's cash management. 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.

1.29. Cash Flows

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.

1.30. The Corporation has adopted materiality threshold limits in the preparation and presentation of financials statements as given below:

Threshold Item	Accounting Policy Reference	Unit	Threshold Limit Value
Allocation of other expenses to projects costing in each case	1.2.3	₹ Crores	5
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.2.5	₹	1,000
Capitalization of spare parts meeting the definition of Property, Plant and Equipment in each case	1.2.6	₹ Lakhs	10
GST on common capital goods per item per month	1.2.9	₹ Lakhs	5
Depreciation at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators	1.3.5	₹	5,000
Expenditure incurred for creating / acquiring other intangible assets in each case	1.4.5	₹ Lakhs	50
Income / expenditure (net) in aggregate pertaining to prior year(s)	1.12.1	₹ Crores	150
Prepaid expenses in each case	1.12.2	₹ Lakhs	5
Disclosure of Contingent liabilities and Capital Commitments in each case	1.17.6	₹ Lakhs	5

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Gross Block						Depreciation					Net Carrying Amount	
	As at 01/04/2019	Ind AS 116 Transition	Additions	Other Adjustments (Refer Note 55)	Reclassifications / Deductions On Account Of Retirement / Disposal	As at 31/03/2020	Up to 31/03/2019	Ind AS 116 Transition	For the Year	Reclassifications / Deductions On Account Of Retirement / Disposal	Up to 31/03/2020	As at 31/03/2020	As at 31/03/2019
Land													
(a) Freehold *	1,900.78	-	246.65	-	37.67	**2,109.76**	-	-	-	-	**-**	**2,109.76**	1,900.78
(b) Leasehold *	0.77	(0.77)	-	-	-	**-**	0.03	(0.03)	-	-	**-**	**-**	0.74
Buildings including Roads *	7,503.45	-	1,209.60	5.59	28.84	**8,689.80**	1,357.11	-	400.26	9.51	**1,747.86**	**6,941.94**	6,146.34
Plant and Equipments *	23,978.25	-	2,419.85	635.31	327.71	**26,705.70**	4,274.80	-	1,676.55	215.20	**5,736.15**	**20,969.55**	19,703.45
Furniture and Fixtures *	711.17	-	215.85	0.01	13.95	**913.08**	247.43	-	84.09	11.43	**320.09**	**592.99**	463.74
Vehicles *	67.07	-	13.96	-	2.95	**78.08**	22.15	-	8.83	1.92	**29.06**	**49.02**	44.92
Office Equipments *	978.61	-	145.10	0.26	19.73	**1,104.24**	457.03	-	161.18	16.80	**601.41**	**502.83**	521.58
Railway Sidings *	180.91	-	32.75	-	-	**213.66**	54.26	-	14.42	-	**68.68**	**144.98**	126.65
Tanks and Pipelines *	9,799.13	-	845.82	10.26	55.91	**10,599.30**	1,078.61	-	405.58	6.86	**1,477.33**	**9,121.97**	8,720.52
Dispensing Pumps	2,776.08	-	309.51	-	19.62	**3,065.97**	649.95	-	184.23	12.61	**821.57**	**2,244.40**	2,126.13
LPG Cylinders and Allied Equipments	7,569.02	-	1,115.03	-	-	**8,684.05**	1,064.69	-	458.77	-	**1,523.46**	**7,160.59**	6,504.33
Right-of-use Assets (Refer Note No. 49)	-	6,317.15	913.95	-	3.44	**7,227.66**	-	-	377.96	0.25	**377.71**	**6,849.95**	-
Total	**55,465.24**	**6,316.38**	**7,468.07**	**651.43**	**509.82**	**69,391.30**	**9,206.06**	**(0.03)**	**3,771.87**	**274.58**	**12,703.32**	**56,687.98**	**46,259.18**
Previous Year	48,903.73	-	6,324.41	418.83	181.73	**55,465.24**	6,093.13	-	3,165.52	52.59	**9,206.06**	**46,259.18**	

* These include assets which are given on Operating Leases or Finance Leases, the details thereof are included in Note no. 49

NOTE 3 CAPITAL WORK-IN-PROGRESS

₹ in Crores

Particulars			As at 31/03/2020	As at 31/03/2019
Capital work-in-progress				
Property, Plant & equipment under erection/ construction			**7,951.72**	5,377.59
Capital stores including those lying with contractors			**908.36**	938.62
Capital goods in transit			**2.27**	249.44
Allocation of Construction period expenses	**2019-20**	**2018-19**		
Opening balance	**323.60**	209.29		
Add: Expenditure during the year				
Establishment charges including Salaries & Wages	**138.97**	120.60		
Interest	**183.42**	70.31		
Loss on foreign currency transactions and translations	**0.07**	0.19		
Insurance	**2.28**	1.25		
Others	**7.64**	11.44		
	655.98	413.08		
Less: Allocated to assets capitalized during the year/ charged off	**(125.09)**	(89.48)		
Closing balance pending allocation			**530.89**	323.60
Less: Assets included in disposal group held for sale (refer Note no. 22(a) and 68)			**(285.15)**	(186.62)
Total			**9,108.09**	6,702.63

NOTE 4 INVESTMENT PROPERTY

₹ in Crores

Particulars	Gross Block				Depreciation				Net Carrying Amount	
	As at 01/04/2019	Additions	Reclassifications / Deductions On Account Of Retirement / Disposal	As at 31/03/2020	Up to 31/03/2019	For the year	Reclassifications / Deductions On Account Of Retirement / Disposal	Up to 31/03/2020	As at 31/03/2020	As at 31/03/2019
Buildings	0.33	-	-	0.33	0.09	0.03	-	0.12	0.21	0.24
TOTAL	**0.33**	**-**	**-**	**0.33**	**0.09**	**0.03**	**-**	**0.12**	**0.21**	**0.24**
Previous year	0.33	-	-	0.33	0.07	0.02	-	0.09	0.24	

The Corporation's investment properties consists of office buildings rented out to third parties.

Information regarding Income and Expenditure of Investment Property

₹ in Crores

Particulars	2019-20	2018-19
Rental Income derived from Investment Properties	1.27	1.08
Less - Depreciation	(0.03)	(0.02)
Profit arising from Investment Properties before other direct operating expenses	1.24	1.06

Other direct operating expenses on the investment property are not separately identifiable and the same are not likely to be material.

As at 31st March 2020 and 31st March 2019, the fair values of the property are ₹ **4.32 Crores** and ₹ 4.97 Crores respectively. These fair values of the investment property are categorised as Level 2 in the fair valuation hierarchy and has been determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

NOTE 5 OTHER INTANGIBLE ASSETS

₹ in Crores

Particulars	Useful Life (No. of Years)	Gross Block					Amortization				Net Carrying Amount	
		As at 01/04/2019	Additions	Other Adjustments [Refer Note No. 55]	Reclassifications/ Deletions	As at 31/03/2020	Up to 31/03/2019	For the year	Reclassifications/ Deletions	Up to 31/03/2020	As at 31/03/2020	As at 31/03/2019
Right of Way	Indefinite	50.77	54.85	-	-	105.62	-	-	-	-	105.62	50.77
Right of Way	Upto 30	34.99	1.99	-	-	36.98	6.58	2.85	-	9.43	27.55	28.41
Right to use	Upto 30	26.84	-	-	0.78	26.06	1.03	2.33	0.39	2.97	23.09	25.81
Service Concession Arrangements [Refer Note No. 48]	20	63.00	0.18	-	-	63.18	12.40	3.73	-	16.13	47.05	50.60
Software/ Licenses	Upto 5	54.71	6.11	-	0.05	60.77	31.83	7.26	-	39.09	21.68	22.88
Process Licenses	Upto 5	96.49	4.71	-	-	101.20	46.26	17.00	-	63.26	37.94	50.23
Total		**326.80**	**67.84**	**-**	**0.83**	**393.81**	**98.10**	**33.17**	**0.39**	**130.88**	**262.93**	**228.70**
Previous Year		282.05	44.97	0.03	0.25	326.80	64.54	33.57	0.01	98.10	228.70	

NOTE 6 INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crores

Particulars	Gross Amount			
	As at 01/04/2019	Additions	Capitalizations as Intangible Asset/ Deletions	As at 31/03/2020
Process Licenses	363.10	33.53	0.01	396.62
Total	**363.10**	**33.53**	**0.01**	**396.62**
Previous Year	363.83	0.01	0.74	363.10

There are no internally generated intangible assets.

ADDITIONAL INFORMATION IN RESPECT OF NOTE NO. 2 TO 6:

a) Land:

  i) Freehold land includes ₹ **429.20 Crores** (Previous year ₹ 295.04 Crores) capitalized at various locations for which conveyance deeds are yet to be executed and/or mutation is pending.

  ii) Freehold land includes ₹ **2.20 Crores** (Previous year ₹ 2.20 Crores), which is under dispute and not in the Company's possession, is in the process of being surrendered to the Competent Authority.

b) Buildings include Ownership flats having gross block of ₹ **42.68 Crores** (Previous year ₹ 42.68 Crores) in proposed / existing co-operative societies and others.

c) Other adjustments include capitalization of foreign exchange differences (net) of ₹ **619.09 Crores** (Previous year ₹ 411.53 Crores) and borrowing costs of ₹ **32.34 Crores** (Previous year ₹ 7.33 Crores).

d) Freehold Land, Plant and Equipment, Tanks and Pipelines, Railway Sidings, Buildings etc. jointly owned in varying extent with other Oil Companies / Railways: Gross Block ₹ **580.31 Crores** (Previous year ₹ 222.85 Crores), Cumulative Depreciation ₹ **57.44 Crores** (Previous year ₹ 41.07 Crores), Net Block ₹ **522.87 Crores** (Previous year ₹ 181.78 Crores).

e) Certain assets forming part of Property, Plant and Equipment have been constructed by the Corporation at Railway consumer depots, having net carrying amount of ₹ **22.54 Crores** (Previous year ₹ 23.96 Crores), out of which few Railway consumer depots are being used by other oil companies based on award of tender by Railways, net carrying amount of such assets is ₹ **1.92 Crores** (Previous year ₹ 2.07 Crores).

f) Charge has been created over the Property, Plant & Equipment of the Corporation, mainly Plant and Machinery at Mumbai Refinery and Kochi Refinery in regard to the borrowings– Refer Note No. 25.

g) Compensation received from third parties in respect of items of Property, Plant and Equipment / Capital work in progress that were impaired, lost or given up during the year ₹ **8.40 Crores** (previous year ₹ 92.20 Crores)

h) Gross Block reclassifications / deductions includes:

  i) Decapitalization of ₹ **56.57 Crores** (Previous year ₹ 97.33 Crores)

  ii) On account of retirement / disposal during the year ₹ **423.26 Crores** (Previous year ₹ 81.66 Crores)

  iii) Deduction on account of reclassification during the year ₹ **30.82 Crores** (Previous year ₹ 2.99 Crores)

i) Depreciation and amortization for the year is ₹ **3,805.07 Crores** (Previous year ₹ 3,199.11 Crores) from which, after reducing:

  i) Depreciation on decapitalization of ₹ **14.57 Crores** (Previous year ₹ 9.48 Crores) and

  ii) Depreciation on reclassification of assets of ₹ **3.61 Crores** (Previous year ₹ 0.35 Crores)

  Net Depreciation and amortization for the year charged to Statement of Profit and Loss is ₹ **3,786.89 Crores** (Previous year ₹ 3,189.28 Crores)

j) Deduction from accumulated depreciation on account of retirement / disposal during the year is ₹ **179.99 Crores** (Previous year ₹ 42.77 Crores)

k) The Corporation has assessed the useful life of Right of Way as indefinite where the same is perpetual in nature.

l) Net Carrying amount of Property, Plant and Equipment ₹ **32.61 Crores** as on 31st March 2020 (Previous year: NIL) have been classified under Assets included in disposal group held-for-sale pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL). (Refer Note No. 22 (a) and 68)

m) The residual value of LPG cylinders and Pressure Regulators have been revised and estimated at 15% of the original cost (Previous year upto 5% of the original cost) based on the historical experience and internal technical assessment. The impact of change in residual value has resulted in decrease in depreciation of ₹ **64.42 Crores** for FY 2019-20.

NOTE 7 INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Particulars	No. of units		₹ in Crores	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Investment in Subsidiaries				
Unquoted				
Equity shares of [₹ 10 each (Fully Paid up)]				
Numaligarh Refinery Limited (Refer Note No. 70)	**45,35,45,998**	45,35,45,998	**453.55**	453.55
Bharat PetroResources Limited #	**5,00,00,00,000**	5,00,00,00,000	**5,494.41**	5,494.41
Bharat Gas Resources Limited	**30,86,20,000**	16,00,00,000	**308.62**	160.00
Investment in Joint Ventures				
Unquoted				
Equity Shares of [₹ 10 each (Fully Paid up)]				
Bharat Oman Refineries Limited (BORL)##	**1,53,82,16,114**	88,86,13,336	**1,538.61**	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	**-**	-
Sabarmati Gas Limited*	**99,87,400**	99,87,400	**-**	-
Central UP Gas Limited*	**1,49,99,600**	1,49,99,600	**-**	-
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
Mumbai Aviation Fuel Farm Facility Pvt Ltd	**4,82,88,750**	4,82,88,750	**48.29**	48.29
Kochi Salem Pipeline Private Limited	**15,25,00,000**	9,62,50,000	**152.50**	96.25
BPCL-KIAL Fuel Farm Facility Private Limited	**66,60,000**	66,60,000	**6.66**	6.66
Haridwar Natural Gas Private Limited*	**2,22,00,000**	1,25,00,000	**-**	-
Goa Natural Gas Private Limited*	**1,75,00,000**	95,00,000	**-**	-
Ratnagiri Refinery & Petrochemical Ltd	**5,00,00,000**	2,50,00,000	**50.00**	25.00
IHB Pvt Ltd.	**2,62,50,000**	-	**26.25**	-
Equity Shares of [USD 1 each (Fully Paid up)]				
Matrix Bharat Pte. Ltd.	**20,00,000**	20,00,000	**8.41**	8.41
Share warrants of BORL				
- 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	**-**	650.00
0% Compulsorily Convertible Debenture of ₹ 10 each (Fully Paid up) of BORL	**1,00,00,00,000**	1,00,00,00,000	**1,000.00**	1,000.00
Investment in Associates				
Quoted				
Equity Shares				
Petronet LNG Limited [₹10 each (Fully Paid up)]*	**18,75,00,000**	18,75,00,000	**-**	-
Indraprastha Gas Limited [₹ 2 each (Fully Paid up)]*	**15,75,00,400**	15,75,00,400	**-**	-

NOTE 7 INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Particulars	No. of units As at 31/03/2020	No. of units As at 31/03/2019	₹ in Crores As at 31/03/2020	₹ in Crores As at 31/03/2019
Unquoted				
Equity Shares of [₹ 10 each (Fully Paid up)]				
GSPL India Gasnet Ltd.*	10,36,22,128	5,08,22,128	-	-
GSPL India Transco Ltd.*	5,41,20,000	4,19,10,000	-	-
Petronet CI Limited	15,84,000	15,84,000	1.58	1.58
Fino PayTech Ltd	2,84,35,423	2,84,35,423	251.00	251.00
Equity Shares of [₹ 0.10 each (Fully Paid up)]				
Petronet India Limited	1,60,00,000	1,60,00,000	0.16	0.16
Equity Shares of (₹ 100 each (Fully Paid up))				
Kannur International Airport Limited	2,16,80,000	2,16,80,000	216.80	216.80
Unquoted - Association of Persons				
Capital Contribution in Petroleum India International ^			-	0.10
Impairment in the value of investments				
Bharat Renewable Energy Ltd			(3.36)	(3.36)
Petronet CI Limited			(1.58)	(1.58)
Total			10,561.62	10,305.60
Aggregate amount of Unquoted Securities			10,561.62	10,305.60
Aggregate amount of Impairment in the value of investments			4.94	4.94

Includes equity component of ₹ **494.40 Crores** (Previous year ₹ 494.40 Crores) recognized on fair valuation of concessional rate loan given to subsidiary.

36,11,11,111 warrants issued by BORL to BPCL have been converted to 64,96,02,778 equity shares of BORL during the year.

* Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), the investments in Maharashtra Natural Gas Ltd., Sabarmati Gas Ltd., Central UP Gas Ltd., Haridwar Natural Gas Pvt. Ltd., Goa Natural Gas Pvt. Ltd., Petronet LNG Ltd., Indraprastha Gas Ltd., GSPL India Gasnet Ltd. and GSPL India Transco Ltd. whose carrying amount as on 31st March 2020 is ₹ **487.59 Crores** (Previous year ₹ 404.88 Crores) have been classified under Assets included in disposal group held-for-sale. (Refer Note No. 22 (a) and 68).

^ Member Companies of Association of Persons (AOP) were 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 and Oil India Limited. The total capital was ₹ 0.55 crore of which share of Bharat Petroleum Corporation Limited was ₹ 0.10 crore, Indian Oil Corporation Limited was ₹ 0.15 crore and other members have equal share of ₹ 0.05 crore each. During the year 2019-20 AOP has been dissolved and the capital contribution has been received by the corporation.

NOTE 8 INVESTMENTS

Particulars	No. of units AS at 31/03/2020	No. of units As at 31/03/2019	₹ in Crores As at 31/03/2020	₹ in Crores As at 31/03/2019
Investment in equity instruments designated at Fair Value Through Other Comprehensive Income				
Equity Shares of (₹ 10 each (Fully Paid up))				
Quoted				
Oil India Limited *	**2,67,50,550**	2,67,50,550	**221.23**	495.82
Unquoted				
Cochin International Airport Limited *	**1,31,25,000**	1,31,25,000	**66.62**	114.30
Investment in Debentures at Amortized cost				
Unquoted				
5% Debentures (Fully Paid up) of East India Clinic Limited	**1**	1	**0.01**	0.01
Investment in Equity Instruments designated at Fair Value Through Profit or Loss				
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				
Total			**287.86**	610.13
Aggregate amount of Unquoted Securities			**66.63**	114.31
Aggregate amount of Quoted Securities			**221.23**	495.82
Market value of Quoted Securities			**221.23**	495.82
Aggregate amount of Impairment in the value of investments			**-**	-

* The Corporation has designated these investments at Fair Value Through Other Comprehensive Income because these investments represent the investments that the Corporation intends to hold for long-term purposes. No such investments were disposed off during the year and accordingly, there have been no transfers of the cumulative gains or losses on these investments.

NOTE 9 LOANS

(Unsecured, considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Security deposits		
Considered good #	**111.38**	127.43
Credit impaired	**0.98**	0.59
Less : Loss Allowance	**(0.98)**	(0.59)
Loans to subsidiaries		
Loan to Bharat PetroResources Limited	**2,562.40**	688.49
Loans to Joint Ventures		
Bharat Oman Refineries Limited	**1,254.10**	1,254.10
Loans to employees (including accrued interest) (secured) (Refer Note No. 52)	**421.04**	391.32
Loans to others		
Considered good*	**1,094.02**	54.32
Credit impaired	**1.90**	2.08
Less: Loss Allowance	**(1.90)**	(2.08)
Total	**5,442.94**	2,515.66

* The balance as at 31st March 2020 includes ₹ **1,022.27 Crores** pertaining to Loans given to Consumers under Pradhan Mantri Ujjwala Yojana scheme. Effective 1st August 2019, the recovery period on these loans has been deferred for one year. [Refer Note No. 18]

Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), Security Deposits whose carrying amount as on 31st March 2020 is ₹ **0.35 Crores** (Previous year ₹ 0.33 Crores) have been classified under Assets included in disposal group held-for-sale. (Refer Note No. 22 (a) and 68).

NOTE 10 OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Claims		
Considered good	**4.43**	12.34
Considered doubtful	**22.38**	18.34
Less : Allowances for doubtful	**(22.38)**	(18.34)
Bank deposits with more than twelve months maturity		
Considered good*	**3.87**	1.00
Considered doubtful	**0.02**	0.02
Less: Allowance for doubtful	**(0.02)**	(0.02)
Advances against Equity to Joint Ventures #		
Bharat Renewable Energy Limited	**0.54**	0.54
Less : Allowance for doubtful	**(0.54)**	(0.54)
Advances against Equity to Subsidiary #		
Bharat Gas Resources Limited	**-**	8.62
Total	**8.30**	21.96

* Includes deposits of ₹ **3.87 Crores** (Previous year ₹ 0.99 Crores) that have been pledged / deposited with local authorities.

Advance against equity shares (pending allotment).

NOTE 11 INCOME TAX ASSETS (NET)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Advance Payment of Income Tax (Net of provision)	**1,381.25**	449.40
Total	**1,381.25**	449.40

NOTE 12 OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Capital advances*	153.18	132.95
Advance to Associates		
Petronet LNG Limited*	-	-
Advance to Employee Benefit Trusts (Refer Note No. 50)	190.36	-
Prepaid Expenses	357.53	888.36
Claims and Deposits :		
Considered good	566.88	512.09
Considered doubtful	140.57	139.69
Less : Allowance for doubtful	(140.57)	(139.69)
Total	1,267.95	1,533.40

* Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), Capital Advances as on 31st March 2020 of ₹ **9.66 Crores** (Previous year ₹ 0.02 Crores) and Advance to Associate (Petronet LNG Limited) as on 31st March 2020 of ₹ **124.90 Crores** (Previous year ₹ 143.87 Crores) have been classified under Assets included in disposal group held-for-sale. (Refer Note No. 22 (a) and 68)

NOTE 13 INVENTORIES

(Refer Note No. 1.10)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Raw materials	3,137.95	3,843.86
[Including in transit ₹ **1,206.52 Crores** (Previous Year ₹ 1,245.76 Crores)]		
Work-in-progress	725.32	1,156.10
Finished goods*	10,180.27	9,593.83
Stock-in-trade*	5,513.20	6,235.19
[Including in transit ₹ **1,107.52 Crores** (Previous Year ₹ 1,040.59 Crores)]		
Stores and spares	843.99	693.96
[Including in transit ₹ **8.38 Crores** (Previous year ₹ 7.43 Crores)]		
Packaging material	20.33	21.71
Total	20,421.06	21,544.65

The write-down of inventories to net realizable value during the year amounted to ₹ **1,080.83 Crores** (Previous year ₹ 73.14 Crores). The reversal of write downs during the year amounted to ₹ **0.36 Lakhs** (Previous year ₹ 21.83 Crores) due to increase in net realizable value of the inventories. The write downs and reversal have been adjusted in cost of materials consumed or changes in inventories of finished goods, stock-in-trade and work-in-progress & have been grouped under exceptional item for the current year.

* Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), Finished goods as on 31st March 2020 of ₹ **0.01 Crores** (Previous year Nil) & Stock- In - Trade as on 31st March 2020 of ₹ **78.22 Crores** (Previous year ₹ 81.14 Crores) have been classified under Assets included in disposal group held-for-sale. (Refer Note No. 22 (a) and 68).

Inventories pledged as collateral - Refer Note No. 30

NOTE 14 INVESTMENTS

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Investments at Fair Value Through Profit and Loss		
Investments in Government Securities of Face Value ₹ 100 each (Fully Paid up) Quoted		
6.35% Oil Marketing Companies GOI Special Bonds 2024	**2,133.15**	2,020.57
6.90% Oil Marketing Companies GOI Special Bonds 2026#	**1,696.86**	1,922.94
7.95% Oil Marketing Companies GOI Special Bonds 2025	**11.51**	11.02
8.20% Oil Marketing Companies GOI Special Bonds 2024	**968.48**	930.41
7.59% Government Stock 2026#	**398.54**	190.95
Total	**5,208.54**	5,075.89

Kept as Collateral Security with Clearing Corporation of India Limited for borrowing in Triparty Repo Settlement System of Face Value ₹ **1,220 Crores** (Previous year ₹ 1,385 Crores) (Refer Note No. 30)

Aggregate amount of Quoted Securities	**5,208.54**	5,075.89
Market value of Quoted Securities	**5,208.54**	5,075.89
Aggregate amount of Impairment in the value of investments	**-**	-

NOTE 15 TRADE RECEIVABLES

(Unsecured unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Considered good * #	**5,357.24**	6,845.56
Less: Loss Allowance	**(192.90)**	(174.84)
Total	**5,164.34**	6,670.72

* Includes debts secured by Bank guarantee/Letter of Credit/Deposit ₹ **513.36 Crores** (Previous year ₹ 566.66 Crores).

Trade receivables pledged as collateral (Refer Note No. 30)

Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), Trade Receivables as on 31st March 2020 of ₹ **148.70 Crores** (Previous year ₹ 107.15 Crores) have been classified under Assets included in disposal group held-for-sale. (Refer Note No. 22 (a) and 68)

NOTE 16 CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Balances with Banks:		
On Current Account	**86.09**	20.53
Cheques and drafts on hand	**6.10**	24.70
Cash on hand	**6.08**	33.26
Total	**98.27**	78.49

NOTE 17 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Balances with banks		
Deposits with banks with original maturity of 3 - 12 months #	**0.53**	0.31
Earmarked Balances		
Unpaid Dividend	**16.98**	16.61
Total	**17.51**	16.92

Includes deposits of ₹ **0.53 Crores** (Previous year : ₹ 0.31 Crores) that has been pledged / deposited with Local Authorities/Court.

NOTE 18 LOANS

(Unsecured, considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Loans to employees [(including accrued interest) (Secured) (Refer Note No. 52)]	**75.92**	70.54
Loans to Others*		
Considered Good	**528.19**	1,643.74
Significant increase in credit risk	**65.52**	151.72
Credit impaired	**17.95**	6.70
Less: Loss Allowance	**(97.00)**	(243.82)
Total	**590.58**	1,628.88

* Includes ₹ **588.81 Crores** (Previous year ₹ 1,792.70 Crores) pertaining to Loans given to Consumers under Pradhan Mantri Ujjwala Yojana scheme. Effective 1st August 2019, the recovery period on these loans has been deferred for one year. [Refer Note No. 9].

NOTE 19 OTHER FINANCIAL ASSETS

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Bank deposits with remaining maturity of less than 12 months	**-**	10.95
Interest accrued on bank deposits, etc.		
Considered good	**0.05**	4.90
Considered doubtful	**0.02**	0.02
Less: Allowance for doubtful	**(0.02)**	(0.02)
Interest Accrued on Loans to Related Parties	**108.39**	56.16
Derivative asset	**15.83**	23.72
Receivable from Central Government/State Government		
Considered good	**6,020.85**	8,651.69
Considered doubtful	**86.13**	143.51
Less: Allowance for doubtful	**(86.13)**	(143.51)
Dues from Related parties		
Dues from subsidiaries	**23.98**	9.40
Dues from Joint Venture Companies	**22.36**	14.76
Advances and recoverables		
Considered good	**619.78**	661.75
Considered doubtful	**99.95**	85.93
Less : Allowance for doubtful	**(99.95)**	(85.93)
Total	**6,811.24**	9,433.33

NOTE 20 CURRENT TAX ASSETS (NET)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Advance Income Tax (Net of provision for taxation)	**0.17**	-
Total	**0.17**	-

NOTE 21 OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Advances other than Capital Advances		
Other advances including prepaid expenses*		
Considered good	**464.78**	208.00
Considered doubtful	**20.15**	21.41
Less : Allowance for doubtful	**(20.15)**	(21.41)
Claims	**314.05**	315.07
Recoverables from Customs, Excise, etc.	**766.85**	708.43
Total	**1,545.68**	1,231.50

* Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), Other Advances including Prepaid expenses as on 31st March 2020 of ₹ **18.30 Crores** (Previous year ₹ 20.25 Crores) have been classified under Assets included in disposal group held-for-sale. (Refer Note No. 22 (a) and 68).

NOTE 22 (a) ASSETS HELD-FOR-SALE AND ASSETS INCLUDED IN DISPOSAL GROUP HELD-FOR-SALE

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Assets Held for Sale *	**20.35**	12.61
Assets included in disposal group held-for-sale#	**1,185.49**	944.26
Total	**1,205.84**	956.87

*Non-current assets held for sale consists of items such as Plant and equipment, Dispensing pumps, etc. which have been identified for disposal due to replacement/ obsolescence of assets which happens in the normal course of business. These assets are expected to be disposed off within the next twelve months. On account of re-classification of these assets, an impairment loss of ₹ 53.26 Crores during the year (Previous year ₹ 7.67 Crores) has been recognized in the Statement of Profit and Loss.

Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), Assets as on 31st March 2020 of ₹ **1,185.49 Crores** (Previous year ₹ 944.26 Crores) have been classified under Assets included in disposal group held-for-sale. (Refer Note No. 68).

The transfer of business undertaking from BPCL to BGRL is approved in the nature of slump Sale based on Book values as applicable on the date mentioned in Business Transfer Agreement (BTA). Under Slump sale, all the assets and liabilities including the investment in specified natural gas ventures forming part of Gas business are to be transferred to BGRL. The transfer is expected to be undertaken in FY 2020-21.

NOTE 22 (b) LIABILITIES INCLUDED IN DISPOSAL GROUP HELD-FOR-SALE

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Liabilities included in disposal group held-for-sale*	**534.57**	230.55
Total	**534.57**	230.55

* Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), Liabilities as on 31st March 2020 of ₹ **534.57 Crores** directly associated with assets held for sale (Previous year ₹ 230.55 Crores) have been classified under Liabilities included in disposal group held-for-sale. (Refer Note No. 68).

The transfer of business undertaking from BPCL to BGRL is approved in the nature of slump Sale based on Book values as applicable on the date mentioned in Business Transfer Agreement (BTA). Under Slump sale, all the assets and liabilities including the investment in specified natural gas ventures forming part of Gas business are to be transferred to BGRL. The transfer is expected to be undertaken in FY 2020-21.

NOTE 23 EQUITY SHARE CAPITAL

₹ in Crores

	Particulars	As at 31/03/2020	As at 31/03/2019
i.	**Authorized***		
	2,63,50,00,000 equity shares	**2,635.00**	2,635.00
	(previous year 2,63,50,00,000 equity shares)		
ii.	**Issued, subscribed and paid-up**		
	2,16,92,52,744 (Previous year 2,16,92,52,744) equity shares fully paid-up	**2,169.25**	2,169.25
	Less - BPCL Trust for Investment in Shares (Refer Note No. 45)	**(202.37)**	(202.37)
	Total	**1,966.88**	1,966.88

*Pursuant to Merger with Petronet CCK Limited, during FY 2018-19, the authorized capital was increased to ₹ 2,635 Crores from ₹ 2,500 Crores.

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, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iv. During the Financial year 2017-18, the Corporation has issued Bonus Shares in the ratio of 1:2 by capitalization of General Reserves. The total number of shares issued is 72,30,84,248 having face value of ₹ 10 each.

During the Financial year 2016-17, the Corporation has issued Bonus Shares in the ratio of 1:1 by capitalization of General Reserves. The total number of shares issued is 72,30,84,248 having face value of ₹ 10 each.

v. **Reconciliation of No. of Equity Shares**

Particulars	As at 31/03/2020	As at 31/03/2019
A. Opening Balance	**2,169,252,744**	2,169,252,744
B. Shares Issued		
- Bonus Shares	**-**	-
C. Shares Bought Back	**-**	-
D. Closing Balance	**2,169,252,744**	2,169,252,744

vi. **Details of shareholders holding more than 5% shares**

	As at 31/03/2020		As at 31/03/2019	
Name of Shareholder	**% Holding**	**No. of Shares**	**% Holding**	**No. of Shares**
Government of India	**52.98**	**1,149,183,592**	53.29	1,156,095,962
BPCL Trust for Investment in Shares (Refer Note No. 45)	**9.33**	**202,372,422**	9.33	202,372,422
Life Insurance Corporation of India	**5.58**	**121,058,023**	5.88	127,497,778

NOTE 24 OTHER EQUITY

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Capital Reserve	**(20.76)**	(20.76)
Debenture Redemption Reserve	**1,076.36**	1,160.55
General Reserve	**29,481.77**	29,104.37
Foreign Currency Monetary Item Translation Difference Account (Refer Note No. 55)	**-**	(29.34)
Equity Instruments through Other Comprehensive Income	**(297.52)**	15.41
Retained Earnings	**1,464.39**	4,997.31
BPCL Trust for Investment in Shares (Refer Note No.45)	**(456.74)**	(456.74)
Total	**31,247.50**	34,770.80

Particulars	As at 31/03/2020	As at 31/03/2019
Capital Reserve :		
Opening balance	**(20.76)**	(20.76)
Add/(Less) : Additions/(Deletions) during the year	**-**	-
Closing balance	**(20.76)**	(20.76)
Debenture Redemption Reserve :		
Opening balance	**1,160.55**	1,108.56
Add : Transfer from Retained Earnings	**293.21**	295.91
Less: Transfer to General Reserve	**(377.40)**	(243.92)
Closing balance	**1,076.36**	1,160.55
General Reserve :		
Opening balance	**29,104.37**	26,360.45
Add : Transfer from Debenture Redemption Reserve	**377.40**	243.92
Add : Transfer from Retained Earnings	**-**	2,500.00
Closing balance	**29,481.77**	29,104.37
Foreign Currency Monetary Item Translation Difference Account : (Refer Note No. 55)		
Opening balance	**(29.34)**	66.76
Additions / (Deletions) during the year	**(51.62)**	(162.82)
Additions / (Deletions) on account of Amortization during the year	**80.96**	66.72
Closing balance	**-**	(29.34)
Equity Instruments through Other Comprehensive Income :		
Opening balance	**15.41**	78.99
Additions / (Deletions) during the year	**(312.93)**	(63.58)
Closing balance	**(297.52)**	15.41
BPCL Trust for Investment in Shares: (Refer Note No. 45)		
Opening balance	**(456.74)**	(456.74)
Additions / (Deletions) during the year	**-**	-
Closing balance	**(456.74)**	(456.74)

NOTE 24 OTHER EQUITY (CONTD.)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Retained Earnings :		
Opening balance	**4,997.31**	5,027.35
Transfer to Deferred Income on account of implementation of Ind AS 115 (net of tax)	**-**	(39.79)
Opening balance after the above effect	**4,997.31**	4,987.56
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	**2,683.19**	7,132.02
Less : Remeasurements of defined benefit plans (net of tax)	**(185.06)**	(138.02)
Less : Transfer to Debenture Redemption Reserve	**(293.21)**	(295.91)
Less : Transfer to General Reserve	**-**	(2,500.00)
Less : Interim Dividends for the year: ₹ 16.50 per share (Previous year : ₹ 11 per share)	**(3,579.27)**	(2,386.18)
Less : Dividend Distribution Tax on Interim Dividends for the year	**(595.89)**	(359.97)
Less : Final Dividend for FY 2018-19 ₹ 8 per share (Previous year: ₹ 7 per share)	**(1,735.40)**	(1,518.48)
Less: Dividend Distribution Tax on Final Dividend for previous year	**(327.54)**	(287.98)
Add: Dividend Distribution tax pertaining to previous years	**4.45**	-
Add : Income from BPCL Trust for Investment in Shares (Refer Note No. 45)	**495.81**	364.27
Closing balance*	**1,464.39**	4,997.31
Total	**31,247.50**	34,770.80

*The balance includes accumulated (loss)/gain on account of Remeasurements of defined benefit plans (Net of tax) as on 31st March 2020 ₹ **(442.62) Crores** [Previous year ₹ (257.56) Crores]

Nature and purpose of Reserves

Capital Reserve

It represents capital reserve appearing in the financial statements of erstwhile Kochi Refineries Limited (KRL) transferred on amalgamation and difference between the investment made in Petronet CCK Limited (PCCKL) and the share capital received during the acquisition when the first time control is obtained.

Debenture Redemption Reserve

Debenture redemption reserve represents reserve created out of the profits of the Corporation available for distribution to shareholders which is utilized for redemption of debentures/bonds.

General Reserve

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Foreign Currency Monetary Item Translation Difference Account

Foreign Currency Monetary Item Translation Difference Account represents amounts recognized on account of translation of long term foreign currency denominated borrowings not related to acquisition of depreciable assets. Amounts so recognized are amortized in the Statement of Profit and Loss over remaining maturity of related borrowings.

Retained Earnings

Retained Earnings (excluding accumulated balance of remeasurements of defined benefit plans (net of tax)) represents surplus/accumulated earnings of the Corporation and are available for distribution to shareholders.

₹ in Crores

Proposed Dividends on Equity Shares not recognized:	2019-20	2018-19
Final Dividend for the year [Nil per share (Previous year ₹ 8 per share)]	-	1,735.40
Dividend Distribution Tax on Proposed Dividend	-	356.72
Total	-	2,092.12

NOTE 25 BORROWINGS

₹ in Crores

Particulars	As at 31/03/2020		As at 31/03/2019	
	Current #	Non-Current	Current #	Non-Current
Secured				
From others				
Debentures				
7.35% Secured Non-Convertible Debentures 2022 *	-	549.92	-	549.88
Term Loan				
Loan from Oil Industry Development Board **	397.56	789.75	499.44	859.06
Unsecured				
From banks				
Foreign Currency Loans - Syndicated	3,241.29	5,622.90	-	8,108.55
Term loan	33.35	466.65	-	2,000.00
From Others				
Debentures				
7.69% Unsecured Non-Convertible Debentures 2023	-	749.80	-	749.73
8.02% Unsecured Non-Convertible Debentures 2024	-	999.76	-	999.71
Bonds				
4% US Dollar International Bonds 2025	-	3,748.49	-	3,436.12
4.625% US Dollar International Bonds 2022	-	3,760.46	-	3,447.27
4.375% US Dollar International Bond 2022	-	3,762.34	-	3,448.98
3% Swiss Franc International Bonds 2019	-	-	1,390.54	-
Term Loan				
Interest Free Loan from Govt. of Kerala	-	31.76	-	29.27
Lease obligation (Refer Note No. 49)##	152.42	5,790.87	-	-
Total	3,824.62	26,272.70	1,889.98	23,628.57

Classified under Other Financial Liabilities (Refer Note No. 32)

Terms of Repayment Schedule of Long-term borrowings (Gross Amount) as on 31/03/2020 :

Non-Current	Coupon Rate of Interest	₹ in Crores	Maturity
Interest Free Loan from Govt. of Kerala	-	100.00	30-Mar-34
4% US Dollar International Bonds 2025	4.00%	3,769.30	8-May-25
Loan from Oil Industry Development Board - Secured	7.00%	82.06	26-Jul-24
Term Loan	MCLR based	366.60	15-Mar-24
8.02% Unsecured Non-Convertible Debentures 2024	8.02%	1,000.00	11-Mar-24
Foreign Currency Loans USD 450 Million - Syndicated	Libor based	3,392.37	11-Jan-24
Foreign Currency Loans USD 300 Million - Syndicated	Libor based	2,261.58	5-Dec-23
Loan from Oil Industry Development Board - Secured	7.00%-7.22%	207.06	Jul 23 to Mar 24
Term Loan	MCLR based	33.35	15-Apr-23
Loan from Oil Industry Development Board - Secured	7.00%-7.22%	207.06	Jul 22 to Mar 23
7.69% Unsecured Non-Convertible Debentures 2023	7.69%	750.00	16-Jan-23
4.625% US Dollar International Bonds 2022	4.625%	3,769.30	25-Oct-22

NOTE 25 BORROWINGS (CONTD.)

Terms of Repayment Schedule of Long-term borrowings (Gross Amount) as on 31/03/2020 : (CONTD.)

Non-Current	Coupon Rate of Interest	₹ in Crores	Maturity
Term Loan	MCLR based	33.35	15-Apr-22
7.35% Secured Non-Convertible Debentures 2022	7.35%	550.00	10-Mar-22
4.375% US Dollar International Bond 2022	4.375%	3,769.30	24-Jan-22
Loan from Oil Industry Development Board - Secured	7.00% - 8.07%	293.56	July 21 to Mar 22
Term Loan	MCLR based	33.35	15-Apr-21

Current	Coupon Rate of Interest	₹ in Crores	Maturity
Foreign Currency Loans USD 330 Million - Syndicated	Libor based	2,487.73	26-Feb-21
Foreign Currency Loans USD 100 Million-Syndicated	Libor based	753.86	6-Nov-20
Loan from Oil Industry Development Board - Secured	7.87% - 9.11%	397.56	July 20 to Mar 21
Term Loan	MCLR based	33.35	15-Apr-20

* The Corporation had allotted non-convertible 7.35% Debentures of face value of ₹ 550 Crores on 10th March 2017 redeemable on 10th March 2022. 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.

** These are secured by first legal mortgage over the Plant and Machinery of the Corporation, mainly Plant and Machinery at Mumbai Refinery and Kochi Refinery.

Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), Lease obligation as on 31st March 2020 of ₹ **3.23 Crores** (Previous year Nil) have been classified under Liabilities included in disposal group held-for-sale. (Refer Note No. 22 (b) and 68).

NOTE 26 OTHER FINANCIAL LIABILITIES

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Security/Earnest Money Deposits	**4.71**	3.20
Retiral Dues	**49.28**	53.28
Total	**53.99**	56.48

NOTE 27 PROVISIONS

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Provision for employee benefits (Refer Note No. 50)	**1,574.12**	1,509.86
Total	**1,574.12**	1,509.86

NOTE 28 TAX EXPENSE AND DEFERRED TAX LIABILITIES (NET)

(a) Amounts recognized in profit and loss

₹ in Crores

	2019-20	2018-19
Current tax expense (A)		
Current year	201.00	2,079.00
Short/(Excess) provision of earlier years	(120.20)	(87.88)
Deferred tax expense (B)		
Origination and reversal of temporary differences	400.68	1,316.48
Short/(Excess) provision of earlier years	(493.63)	-
Tax expense recognized in the income statement (A+B)	(12.15)	3,307.60
Total Short/(Excess) provision of earlier years	(613.83)	(87.88)

(b) Amounts recognized in other comprehensive income

₹ in Crores

	2019-20			2018-19		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(284.47)	99.41	(185.06)	(212.16)	74.14	(138.02)
Equity instruments through Other Comprehensive income- net change in fair value	(322.27)	9.34	(312.93)	(71.08)	7.50	(63.58)
Total	(606.74)	108.75	(497.99)	(283.24)	81.64	(201.60)

(c) Amounts recognized directly in equity

₹ in Crores

	2019-20			2018-19		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Temporary difference arising on account of implementation of Ind AS 115	-	-	-	(61.16)	21.37	(39.79)
Total	-	-	-	(61.16)	21.37	(39.79)

NOTE 28 TAX EXPENSE AND DEFERRED TAX LIABILITIES (NET) (CONTD.)

(d) Reconciliation of effective tax rate

₹ in Crores

	2019-20		2018-19	
	%	₹ in Crores	%	₹ in Crores
Profit before tax		2,671.04		10,439.62
Tax using the Company's domestic tax rate	34.94%	933.37	34.94%	3,648.02
Tax effect of:				
Non-deductible tax expenses	3.02%	80.67	1.07%	111.72
Tax-exempt income	-14.25%	(380.61)	-3.38%	(353.04)
Interest expense not deductible for tax purposes	-0.49%	(13.21)	-0.06%	(6.34)
Incremental deduction allowed for research and development costs	-0.58%	(15.62)	-0.08%	(8.55)
Others	-0.11%	(2.92)	0.03%	3.67
Effective Income Tax Rate	22.53%	601.68	32.52%	3,395.48
Adjustments recognized in current year in relation to the current tax of prior years		(613.83)		(87.88)
Income Tax Expense		(12.15)		3,307.60

(e) Movement in deferred tax balances

₹ in Crores

	Net balance as at 01/04/2019	Recognized in profit or loss	Recognized in OCI	Recognized in Short Excess	Recognized directly in equity	As at 31/03/2020 Net Balance	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)								
Property, plant and equipment	(7,664.06)	(862.65)	-	258.29	-	(8,268.42)	-	(8,268.42)
Intangible assets	(18.80)	3.72	-	-	-	(15.08)	-	(15.08)
Derivatives	(8.24)	10.77	-	-	-	2.53	2.53	-
Investments	44.79	(92.76)	9.34	-	-	(38.63)	-	(38.63)
Trade and other receivables	61.10	6.31	-	-	-	67.41	67.41	-
Loans and borrowings	0.93	23.67	-	-	-	24.60	24.60	-
Employee benefits	582.77	(99.41)	99.41	-	-	582.77	582.77	-
Deferred income	54.42	(4.64)	-	-	-	49.78	49.78	-
Provisions	228.28	(88.77)	-	-	-	139.51	139.51	-
Other Current liabilities	320.81	51.32	-	(38.76)	-	333.37	333.37	-
MAT Credit Entitlement*	248.00	201.00	-	274.10	-	723.10	723.10	-
Unabsorbed Depreciation**	-	388.74	-	-	-	388.74	388.74	
Other items	(18.99)	62.02	-	-	-	43.03	43.03	-
Tax Assets/(Liabilities)	(6,168.99)	(400.68)	108.75	493.63	-	(5,967.29)	2,354.84	(8,322.13)

NOTE 28 TAX EXPENSE AND DEFERRED TAX LIABILITIES (NET) (CONTD.)

(f) Movement in deferred tax balances

₹ in Crores

	Net balance as at 01/04/2018	Recognized in profit or loss	Recognized in OCI	Recognized in Short Excess	Recognized directly in equity	As at 31/03/2019 Net Balance	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)								
Property, plant and equipment	(6,768.88)	(895.18)	-	-	-	(7,664.06)	-	(7,664.06)
Intangible assets	(35.26)	16.46	-	-	-	(18.80)	-	(18.80)
Derivatives	(0.47)	(7.77)	-	-	-	(8.24)	-	(8.24)
Investments	68.24	(30.95)	7.50	-	-	44.79	44.79	-
Trade and other receivables	51.71	9.39	-	-	-	61.10	61.10	-
Loans and borrowings	0.47	0.46	-	-	-	0.93	0.93	-
Employee benefits	532.94	(24.31)	74.14	-	-	582.77	582.77	-
Deferred income	30.86	2.19	-	-	21.37	54.42	54.42	-
Provisions	125.37	102.91	-	-	-	228.28	228.28	-
Other Current liabilities	326.43	(5.62)	-	-	-	320.81	320.81	-
MAT Credit Entitlement*	680.00	(432.00)	-	-	-	248.00	248.00	-
Other items	33.07	(52.06)	-	-	-	(18.99)	-	(18.99)
Tax assets (Liabilities)	(4,955.52)	(1,316.48)	81.64	-	21.37	(6,168.99)	1,541.10	(7,710.09)

The corporation offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

*MAT credit entitlement of ₹ 201.00 Crores was recognized in FY 2019-20 as the corporation was liable to pay tax as per provision of Section 115JB of Income Tax Act, 1961 in the FY 2019-20. Further due to favourable judgements during FY 2019-20, MAT credit entitlement of ₹ 274.10 Crores has been recognized in FY 2019-20. Management is confident that it would be in a position to utilize the balance MAT credit entitlement within the period specified under the Income Tax Act, 1961

** Corporation has unabsorbed depreciation in FY 2019-20 on which deferred tax asset of ₹ 388.74 crs was recognized. Management is confident that it would be in a position to utilize the unabsorbed depreciation under the Income Tax Act, 1961.

NOTE 29 OTHER NON-CURRENT LIABILITIES

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Deferred Income and Others *	381.72	284.01
Total	381.72	284.01

*Deferred Income includes unamortized portion of capital grants amounting to ₹ **132.13 Crores** (Previous year ₹141.61 Crores), comprising mainly of works contract tax reimbursement, interest free loan received from Government of Kerala as part of the fiscal incentives sanctioned for IREP and grants received for technology development.

NOTE 30 BORROWINGS

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Loans repayable on demand		
Secured		
From Banks		
Working capital loans / Cash Credit *	2,196.90	211.12
Foreign Currency Loans	1,206.17	-
From Others		
Loans through Triparty Repo Settlement System (TREPS) of Clearing Corporation of India Limited**	999.98	1,000.00
Unsecured		
From Banks		
Working capital loan	2,400.00	-
Commercial Papers	1,594.33	-
Foreign Currency Loans	6,460.57	1,632.44
From Others		
Commercial Paper	2,863.42	737.19
Total	17,721.37	3,580.75

* 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. [Refer Note No. 13 and 15]

The Corporation has Triparty Repo Settlement System (TREPS) of Clearing Corporation of India Limited, the balance of which is ₹ **1,000 Crores (Previous year ₹ 1,000 Crores). These are secured by 6.90 % Oil Marketing Companies GOI Special Bonds 2026 & 7.59% Govt. Stock 2026 of Face Value ₹ **1,220 Crores** (Previous year ₹ 1,385 Crores) [Refer Note No. 14].

NOTE 31 TRADE PAYABLES

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No. 62)	**67.17**	52.04
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
Dues to subsidiaries	**637.38**	1,094.86
Dues to others (Refer Note No. 46)*	**11,804.99**	16,540.64
	12,442.37	17,635.50
Total	**12,509.54**	17,687.54

*Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), Trade Payables as on 31st March 2020 of ₹ **495.60 Crores** (Previous year ₹ 213.25 Crores) have been classified under Liabilities included in disposal group held-for-sale. (Refer Note No. 22 (b) and 68)

NOTE 32 OTHER FINANCIAL LIABILITIES

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Current maturities of long-term borrowings (Refer Note No. 25)	**3,672.20**	1,889.98
Current maturities of lease obligations (Refer Note No. 25)	**152.42**	-
Interest accrued but not due on borrowings	**256.19**	280.30
Security/Earnest Money deposits#	**738.44**	635.64
Deposits for Containers**	**14,669.16**	13,758.50
Unclaimed Dividend*	**16.98**	16.61
Dues to Micro Enterprises and Small Enterprises (Refer Note No. 62)	**114.77**	150.01
Derivative liability	**18.79**	180.47
Other Liabilities#	**2,833.53**	2,214.61
Total	**22,472.48**	19,126.12

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

Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), Security/Earnest Money Deposits as on 31st March 2020 of ₹ **0.66 Crores** (Previous year ₹ 0.54 Crores) and Other liabilities as on 31st March 2020 of ₹ **15.30 Crores** (Previous year ₹ 16.76 Crores) have been classified under Liabilities included in disposal group held-for-sale. (Refer Note No. 22 (b) and 68).

** Includes deposits received under Rajiv Gandhi Gramin LPG Vitrak Yojana and Pradhan Mantri Ujjwala Yojana (Central Scheme) ₹ **3,286.46 Crores** (Previous year ₹ 2,919.13 Crores). The deposit against these schemes have been funded from CSR fund and Government of India.

NOTE 33 OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Advances from Customers#	**694.55**	724.73
Statutory Liabilities	**3,139.16**	3,810.77
Others (Deferred income etc.)	**69.31**	78.76
Total	**3,903.02**	4,614.26

Pursuant to the Board of Directors decision for transferring the Gas Business to a wholly owned subsidiary Bharat Gas Resources Limited (BGRL), Advance from customers as on 31st March 2020 of ₹ **19.78 Crores** (Previous year ₹ NIL) have been classified under Liabilities included in disposal group held-for-sale. (Refer Note No. 22 (b) and 68).

NOTE 34 PROVISIONS

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Provision for employee benefits (Refer Note No. 47 and 50)	**1,525.25**	1,256.66
Provision for CSR Expenditure (Refer Note No. 58)	**25.66**	172.25
Others (Refer Note No. 57)*	**280.09**	318.05
Total	**1,831.00**	1,746.96

*Above includes deposits/ claims made of ₹ **107.00 Crores** (Previous year ₹ 123.66 Crores) netted off against provisions.

NOTE 35 CURRENT TAX LIABILITIES (NET)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Current tax liabilities (Net of Taxes paid)	**32.80**	255.48
Total	**32.80**	255.48

NOTE 36 REVENUE FROM OPERATIONS

₹ in Crores

Particulars	2019-20	2018-19
(A) i) **Sales**		
Petroleum products *	**3,22,514.35**	3,33,629.08
Crude oil	**3,588.92**	1,842.41
	3,26,103.27	3,35,471.49
ii) Subsidy from Central/State Governments [Refer Note No. 44]	**290.19**	912.96
	3,26,393.46	3,36,384.45
(B) Other operating revenues	**1,187.32**	1,238.08
Total	**3,27,580.78**	3,37,622.53

* During FY 2019-20, an amount of ₹ **169.69 Crores** recognized in the revenue from operations towards recoverable additional uncompensated costs against LPG sales.

NOTE 37 OTHER INCOME

₹ in Crores

Particulars	2019-20	2018-19
Interest Income on		
Instruments measured at FVTPL	**358.43**	357.58
Instruments measured at amortized cost	**740.65**	649.04
Income Tax Refund	**-**	52.37
Dividend Income		
Dividend income - Subsidiaries, Joint Ventures and Associates	**1,058.83**	983.26
Dividend income from non-current equity instruments at FVOCI	**32.30**	28.69
Net gain on fair value change of		
Instruments measured at FVTPL ^	**291.78**	116.34
Derivative at FVTPL	**-**	256.86
Share of profit from association of persons	**0.68**	0.04
Write back of liabilities no longer required	**18.15**	9.31
Reversal of allowance on doubtful debts and advances (net)	**165.10**	-
Gain on sale of Property plant and equipment / Non-current assets held for sale (net)	**-**	5.29
Others#	**415.39**	524.82
Total	**3,081.31**	2,983.60

^ Includes net gain on sale of investments of ₹ **26.31 Crores** (Previous year ₹ 27.79 Crores)

Includes amortization of capital grants ₹ **11.75 Crores** (Previous year ₹ 7.28 Crores)

NOTE 38 COST OF MATERIALS CONSUMED

₹ in Crores

Particulars	2019-20	2018-19
Opening stock	**3,843.86**	4,972.63
Add : Purchases	**1,12,578.36**	1,18,290.45
Less: Closing stock	**(3,137.95)**	(3,843.86)
Gross Total	**1,13,284.27**	1,19,419.22
Less : Exceptional Items (Refer Note No. 69)	**(54.97)**	-
Net Total	**1,13,229.30**	1,19,419.22

NOTE 39 PURCHASES OF STOCK-IN-TRADE

₹ in Crores

Particulars	2019-20	2018-19
Petroleum products	**1,39,251.16**	1,44,814.46
Crude oil	**3,588.92**	1,842.41
Others	**324.17**	317.19
Total	**1,43,164.25**	1,46,974.06

NOTE 40 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Crores

Particulars	2019-20	2018-19
Value of opening stock of		
Finished goods	**9,593.83**	9,282.92
Stock-in-trade	**6,316.33**	5,196.89
Stock-in-process	**1,156.10**	883.39
	17,066.26	15,363.20
Less : Value of closing stock of		
Finished goods	**10,180.28**	9,593.83
Stock-in-trade	**5,591.42**	6,316.33
Stock-in-process	**725.32**	1,156.10
	16,497.02	17,066.26
Net (increase) / decrease in inventories including exceptional Items	**569.24**	(1,703.06)
Less: Exceptional Items (Refer Note No. 69)	**1,025.86**	-
Net (increase) / decrease in inventories excluding exceptional items	**(456.62)**	(1,703.06)

NOTE 41 EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	2019-20	2018-19
Salaries and Wages (Refer Note No. 47)	**2,687.28**	2,821.01
Contribution to Provident and Other funds	**547.11**	325.42
Staff Welfare Expenses	**457.06**	517.75
Total	**3,691.45**	3,664.18

NOTE 42 FINANCE COSTS

₹ in Crores

Particulars	2019-20	2018-19
Interest Expense*	**1,624.97**	1,107.34
Other Borrowing Costs	**31.71**	26.91
Interest on income tax demands	**6.17**	-
Exchange differences regarded as an adjustment to borrowing costs	**519.01**	184.71
Total	**2,181.86**	1,318.96

*Includes ₹ **507.82 Crores** (Previous Year Nil) recognized during this year as interest cost against Lease obligations as per Ind AS 116.

NOTE 43 OTHER EXPENSES

₹ in Crores

Particulars	2019-20	2018-19
Transportation	7,166.15	6,930.23
Octroi, Other Levies and Irrecoverable Taxes	1,234.06	1,204.38
Repairs, maintenance, stores and spares consumption	1,378.03	1,379.90
Power and fuel	6,089.24	6,997.91
Less: Consumption of fuel out of own production	(3,324.81)	(4,819.28)
Power and fuel consumed (net)	2,764.43	2,178.63
Packages consumed	177.87	210.54
Net losses on fair value changes of		
Derivatives measured at FVTPL	157.92	-
Office Administration, Selling and Other expenses		
Rent (Refer Note No. 49)	166.07	406.30
Utilities (Refer Note No. 49)	319.70	888.63
Terminaling and related expenses	211.73	205.90
Travelling and conveyance	227.97	231.52
Remuneration to auditors		
Audit fees	0.58	0.58
Fees for other services - Certification	0.37	0.55
Reimbursement of out of pocket expenses	0.01	0.02
Sub-Total	0.96	1.15
Bad debts and other write offs	82.38	0.83
Allowance for doubtful debts & advances (net)	-	323.30
Loss on sale of property plant and equipment / non-current assets held for sale (net)	41.14	-
Net losses on foreign currency transactions and translations		
Exchange losses on foreign currency forwards and principal only swap contracts	(185.45)	51.32
Exchange losses on transactions and translations of other foreign currency assets and liabilities	1,847.79	649.06
Sub-Total	1,662.34	700.38
CSR Expenditure (Refer Note No. 58)	198.98	203.32
Impairment loss on Non-current assets held for sale	53.26	7.67
Others	2,272.27	2,083.71
Sub-Total - Office Administration, Selling and Other expenses	5,236.80	5,052.71
Total	18,115.26	16,956.39

NOTE 44

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 ₹ **255.31 Crores** (Previous year ₹ 882.65 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 subsidy from Government of India amounting to ₹ **255.31 Crores** (Previous year ₹ 882.65 Crores) and the same is accounted as Revenue from operations.

After adjusting the above compensation, the net under recovery absorbed by the Corporation is **Nil** (Previous year under recovery Nil).

Further, subsidies received from State Governments which are recognized in Revenue From Operations is ₹ **34.88 Crores** (Previous year ₹ 30.31 Crores) during current year.

NOTE 45

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 and July 2016 respectively and 1:2 bonus issue in July 2017, presently the trust holds 20,23,72,422 equity shares of the Corporation. The cost of the original investment together with the additional contribution to the corpus of the trust made in 2014-15 has been reduced from the total equity of the Corporation. To the extent of the face value of the shares, the same has been reduced from the Paid up Share capital of the Corporation and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust has been recognized directly under Other Equity of the Corporation.

NOTE 46

The Corporation has numerous transactions with other oil companies. The outstanding balances (included under Trade Payables / Trade Receivables, etc) from them and 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.

NOTE 47

The Corporation has provided for pay revision dues of non-management staff under salaries and wages amounting to ₹ **353.02 Crores** (Previous year ₹ 305.95 Crores) based on the available information and judgement.

NOTE 48 SERVICE CONCESSION ARRANGEMENTS

The Corporation has entered into service concession arrangements with entities supplying electricity ("The Regulator") to construct, own, operate and maintain a wind energy based electric power generating station ("Plant").

Under the terms of agreement, the Corporation will operate and maintain the Plant and sell electricity generated to Regulator for a period which covers the substantial useful life of the Plant which may be renewed for such further period as may be mutually agreed upon between the parties. The Corporation will be responsible for any maintenance services during the concession period.

The Corporation in turn has a right to charge the Regulator agreed rate as stated in the service concession arrangement.

The fair value towards the construction of the Plant has been recognized as an Intangible Asset and is amortized over the useful life of the asset or period of contract whichever is less.

NOTE 49 LEASES

The Corporation enters into lease arrangements for land, godowns, office premises, staff quarters, third party operating plant, tank lorries, time charter vessels and others. Pursuant to Ministry of Corporate Affairs Notification dated 30th March 2019, Ind AS 116 “Leases” applicable w.e.f 1st April 2019 is adopted by the Corporation using modified retrospective method wherein, at the date of initial application, the Lease Liability is measured at the present value of remaining lease payments and Right-of-use asset has been recognized at an amount equal to Lease Liability adjusted by an amount of any prepaid expenses. Accordingly the comparative information of previous period in Financial Statements has not been restated. Under Ind AS 116 “Leases”, at commencement of lease, the Corporation recognizes Right-of-use asset and corresponding Lease Liability. Right-of-use asset is depreciated over lease term on systematic basis and Interest on Lease Liability is charged to Statement of Profit and Loss as Finance cost.

A. Leases as lessee

a) The following is the detailed breakup of Right-of-use assets (by class of underlying assets) included in Property, Plant and Equipment (Note No. 2):

₹ in Crores

Particulars	Gross Block				Depreciation			Net Carrying Amount
	Ind AS 116 Transition	Additions	Reclassifications / Deductions On Account Of Conclusion	As at 31/03/2020	For the Year	Reclassifications / Deductions On Account Of Conclusion	Up to 31/03/2020	As at 31/03/2020
Land	3,073.64	873.98	3.44	3,944.18	173.68	0.25	173.43	3,770.75
Buildings including Roads	11.66	20.31	-	31.97	4.03	-	4.03	27.94
Plant and Equipments	3,226.89	19.48	-	3,246.37	198.20	-	198.20	3,048.17
Tanks and Pipelines	4.96	-	-	4.96	1.98	-	1.98	2.98
Vehicles	-	0.18	-	0.18	0.07	-	0.07	0.11
Total	**6,317.15**	**913.95**	**3.44**	**7,227.66**	**377.96**	**0.25**	**377.71**	**6,849.95**

b) The following expenses have been charged to Statement of Profit and Loss during FY 2019-20

	₹ in Crores
Interest on Lease Liabilities	**507.82**
Expenses relating to short term leases	**754.48**
Expenses relating to leases of low value items	**13.46**
Expenses relating to variable lease payments (not included in measurement of lease liabilities)	**4,774.15**

c) Total Cash outflow for leases during FY 2019-20 is ₹ **5,680.08 Crores**

d) Income from Sub leasing of Right-of-use assets recognized in Statement of Profit and Loss during FY 2019-20 is ₹ **0.71 Crores**

e) Maturity Analysis of Lease Liabilities as per Ind AS 116 Leases

₹ in Crores

As at 31/03/2020	Contractual cash flows				
	Upto 1 year	1-3 years	3-5 years	More than 5 years	Total
Cash outflows	632.33	1,277.61	1,276.89	9,615.85	12,802.68

NOTE 49 LEASES (CONTD.)

f) The Corporation had exercised the following transition choices/practical expedients available under Ind AS 116 Leases

(i) The Corporation has elected below practical expedients for transition to Ind AS 116 “Leases”

1. Applied this Standard to contracts that were previously identified as containing a lease applying Ind AS 17.
2. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
3. Not to apply the requirements to leases for which the lease term ends within 12 months from the date of initial application.

(ii) The Corporation has applied paragraph C5(b) of Appendix C of Ind AS 116 for transition which states that a lessee shall apply this standard to its leases retrospectively with the cumulative effect of initially applying the Standard recognized at the date of initial application. Accordingly, the Corporation measures lease liability at the present value of the remaining lease payments, discounted using the Corporation incremental borrowing rate at the date of initial application.

(iii) The Corporation recognizes right-of-use asset at the date of initial application for leases at an amount equal to the lease liability, adjusted by the amount of any prepaid expenses relating to that lease recognized in the balance sheet immediately before the date of initial application.

(iv) The Corporation has continued to classify Intangible Assets under the same head as classified as on 31st March 2019 and not separated lease and non-lease components of composite contracts.

(v) **Transition Impact**

1. At the date of initial application i.e. 1st April 2019, the Corporation has recognized ₹ 5,645.21 Crores as Lease Liabilities in the books of accounts for those leases that were previously identified as leases as per Ind AS 17 Leases computed by discounting remaining lease payments as at 1st April 2019 by weighted average incremental borrowing rate 8.71% based on remaining lease term as on 1st April 2019.
2. Further, on transition,corresponding to lease liability stated above, the Corporation has also recognized Right-of-use assets ₹ 6,317.15 Crores after including an amount of ₹ 671.94 Crores recognized as prepaid expenses/revenue advances in the Balance Sheet as at 31st March 2019.
3. The application of this Standard has resulted in a net decrease in profit before tax of FY 2019-20 by ₹ 254.14 Crores (Increase in Depreciation & amortization expenses and Finance cost by ₹ 377.96 Crores and ₹ 507.82 Crores respectively and decrease in other expenses by ₹ 631.64 Crores).
4. Reconciliation between Operating lease commitments pertaining to non-cancellable leases disclosed as per Ind AS 17 Leases for FY 2018-19 discounted using incremental borrowing rate at the date of transition and Lease Liabilities recognized in books of accounts is mainly on account of estimated growth rate of CPI/WPI considered while disclosing minimum lease payments of certain leases in FY 2018-19.

		₹ in Crores
a.	Operating lease commitments pertaining to non-cancellable leases	**9,165.94**
	(As per Ind AS 17 as at 31st March 2019)	**-**
b.	Short term leases (as per Ind AS 116)	**-**
c.	Low value items (as per Ind AS 116)	**-**
d.	Variable Lease payments (as per Ind AS 116)	**-**
e.	Other adjustments mainly on account of change in CPI/WPI	**(2,450.38)**
f.	Discounting impact	**(3,348.62)**
g.	Lease Liability as on 1st April 2019	**3,366.94**

NOTE 49 LEASES (CONTD.)

B. Leases as lessor

Operating Leases

a) The Corporation enters into operating lease arrangements in respect of lands, commercial spaces, storage and distribution facilities etc. The details are as follows:

As at 31/03/2020 ₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Tanks & Pipelines	Furnitures and Fixtures	Office Equipment	Railway Sidings	Vehicles	ROU Assets
Gross Carrying Amount	**27.07**	**172.64**	**113.03**	**340.14**	**7.25**	**14.96**	**71.98**	**0.01**	**0.95**
Accumulated depreciation	**-**	**30.56**	**41.02**	**86.39**	**5.43**	**5.00**	**27.80**	**-**	**0.12**
Depreciation recognized in statement of P&L for the year ended 31st March 2020	**-**	**6.78**	**8.12**	**14.39**	**0.36**	**1.55**	**5.86**	**-**	**0.12**

As at 31/03/2019 ₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Tanks & Pipelines	Furnitures and Fixtures	Office Equipment	Railway Sidings	Vehicles
Gross Carrying Amount	27.07	157.07	110.09	328.33	6.78	6.30	62.87	0.01
Accumulated depreciation	-	23.86	32.76	72.00	4.80	2.62	21.95	-
Depreciation recognized in statement of P&L for the year ended 31st March 2019	-	6.34	8.28	14.15	0.56	0.83	5.53	-

b) Income earned from Operating Leases recognized in Statement of Profit and Loss during FY 2019-20 is ₹ 54.03 Crores (of which variable lease payments that do not depend on index or rate is ₹ 8.33 Crores)

i. Maturity Analysis of Lease payments receivable

The maturity analysis of lease payments receivable under operating leases from the year ending 31st March 2020 is as follows:

₹ in Crores

As at 31/03/2020	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
Undiscounted Lease payments receivable	27.22	26.71	26.26	26.27	26.28	8.50	**141.25**

NOTE 50 EMPLOYEE BENEFITS

[A] Post Employment Benefit Plans:

Defined Contribution Scheme

Defined Contribution Scheme (DCS) was introduced effective from 1st Jan 2007. Corporation contributes at a defined percentage of the employee salary out of the total entitlements on account of superannuation benefits under this scheme. This Fund is maintained under a trust. Corporation introduced GOI managed PFRDA NPS for its employees during the current financial year and is now contributing upto 10% of the salary from the above defined percentage to the NPS for the staff who have enrolled under the scheme. The remaining contribution continues to be made under DCS of which the Fund is maintained under a trust.

₹ in Crores

Amount recognized in the Statement of Profit and Loss	2019-20	2018-19
Defined Contribution Scheme	132.82	102.62

Defined Benefit Plans

The Corporation has the following Defined Benefit Plans:

Gratuity

The Corporation has a defined benefit gratuity plan managed by a trust. Trustees administer the contributions made to the trust, investments thereof etc. Based on actuarial valuation, the contribution is paid to the trust which is invested in plan assets as per the investment pattern prescribed by the Government. 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. During 2018-19, gratuity non-funded pertaining to erstwhile PCCKL, has been merged with gratuity funded scheme of the Corporation pursuant to merger of PCCKL with the Corporation.

Other Defined Benefits include

(a) Post Retirement Medical Scheme (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 benefit given to the spouse of the employee / employee, provided the deceased's family / disabled employee deposits with the Corporation, retirement dues such as Provident Fund, Gratuity, Leave Encashment etc., payable to them;

(d) Resettlement allowance paid to employees to permanently settle down at the time of retirement;

(e) Felicitation benefits to retired employees on reaching the age related milestones; and

(f) The Corporation makes contribution towards Provident Fund, which is administered by the trustees. The Corporation has an obligation to fund any shortfall on the yield of the trust's investments over the interest rates declared by the Government under EPF scheme.

These defined benefit plans expose the Corporation to actuarial risks, such as longetivity risk, interest rate risk, and market (investment) risk.

NOTE 50 EMPLOYEE BENEFITS (CONTD.)

Movement in net defined benefit (asset)/ liability

a) Reconciliation of balances of Defined Benefit Obligations.

₹ in Crores

Particulars	Gratuity - Funded		Post Retirement Medical - Funded		Burmah Shell Pension - Non Funded	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Defined Obligations at the beginning of the year	1,080.21	1,042.90	1,243.73	1,037.03	71.78	77.43
Interest Cost	83.82	82.18	96.76	80.47	5.18	5.95
Current Service Cost	14.47	14.53	41.55	37.23	-	-
Past Service Cost	-	-	-	-	-	-
Benefits paid	(168.77)	(114.21)	(49.03)	(47.40)	(14.96)	(15.39)
Actuarial (Gains)/ Losses on obligations						
-Changes in Financial assumptions	53.49	6.91	193.23	(3.41)	1.77	1.09
-Experience adjustments	8.68	47.90	(23.58)	139.81	8.37	2.70
Defined Obligations at the end of the year	1,071.90	1,080.21	1,502.66	1,243.73	72.14	71.78
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	741.64	638.92	1,129.93	1,065.12		
Interest income (i)	57.55	50.35	87.91	82.65		
Return on Plan Assets, excluding interest income(ii)	1.23	1.67	(12.57)	2.55		
Actual Return on Plan assets (i+ii)	58.78	52.02	75.34	85.20		
Contribution by employer	7.37	50.70	535.43	-		
Contribution by employee	-	-	1.35	1.41		
Benefits paid	-	-	(49.03)	(21.80)		
Fair Value of Plan Assets at the end of the year	807.79	741.64	1,693.02	1,129.93		
c) Amount recognized in Balance sheet (a-b)	264.11	338.57	(190.36)	113.80	72.14	71.78
d) Amount recognized in Statement of Profit and Loss						
Current Service Cost	14.47	14.53	41.55	37.23	-	-
Past Service Cost	-	-	-	-	-	-
Interest Cost	83.82	82.18	96.76	80.47	5.18	5.95
Interest income	(57.55)	(50.35)	(87.91)	(82.65)	-	-
Contribution by employee	-	-	(1.35)	(1.41)	-	-
Expenses for the year	40.74	46.36	49.05	33.64	5.18	5.95

Note: Provision in respect of pay revision dues as mentioned in Note No. 47 is over and above the amounts recognized herein.

₹ in Crores

	Particulars	Gratuity - Funded		Post Retirement Medical - Funded		Burmah Shell Pension - Non Funded	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
e)	**Amount recognized in Other Comprehensive Income Remeasurements**						
	Actuarial (Gains)/ Losses						
	- Changes in Financial assumptions	**53.49**	6.91	**193.23**	(3.41)	**1.77**	1.09
	- Experience adjustments	**8.68**	47.90	**(23.58)**	139.81	**8.37**	2.70
	Return on plan assets excluding net interest cost	**(1.23)**	(1.67)	**12.57**	(2.55)	**-**	-
	Total	**60.94**	53.14	**182.22**	133.85	**10.14**	3.79
f)	**Major Actuarial Assumptions**						
	Discount Rate (%)	**6.87**	7.76	**6.81**	7.78	**6.43**	7.22
	Salary Escalation/ Inflation (%)	**8.00**	8.00	**NA**	NA	**NA**	NA
	Expected Return on Plan assets (%)	**6.87**	7.76	**6.81**	7.78	**NA**	NA

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 obligations.

Mortality rate is considered by our Actuary as per IALM 2006-08 table for the purpose of actuarial assumptions.

g) Investment pattern for Fund

Particulars	Gratuity - Funded		Post Retirement Medical - Funded	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Category of Asset	%	%	%	%
Government of India Securities	**17.23**	18.75	**15.38**	2.79
Corporate Bonds	**7.00**	4.45	**57.47**	77.71
Insurer Managed funds	**74.31**	68.64	**-**	4.53
State Government Securities	**0.56**	0.92	**14.62**	10.04
Others	**0.90**	7.24	**12.53**	4.93
Total (%)	**100.00**	100.00	**100.00**	100.00

For the funded plans, the trust maintains appropriate fund balance considering the analysis of maturities. Projected Unit credit method is adopted for Asset-Liability Matching.

During this financial year, the Board has decided to contribute an estimated amount of ₹ **122 Crores** towards advance funding to PRMB fund against the future service liabilities of the employees to protect the PRMB fund sustainability for the subsequent period in view of proposed disinvestment. Accordingly company has contributed such advance funding and the impact of the same as on 31st March 2020 is shown as surplus in asset/liabilities movements of PRMB Fund.

During this financial year, in respect of investments made by PRMB Trust, an impairment provision of ₹ **35 Crores** were made in PRMB trust accounts and accordingly the assets/liabilities of the PRMB trust has been estimated.

NOTE 50 EMPLOYEE BENEFITS (CONTD.)

Movement in net defined benefit (asset)/ liability

₹ in Crores

	Particulars	Death / Permanent disablement - Non Funded		Re-settlement Allowance - Non Funded		Ex-gratia Scheme - Non Funded		Felicitation Scheme - Non Funded	
		2019-20	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2018-19**
a)	**Reconciliation of balances of Defined Benefit Obligations**								
	Defined Obligations at the beginning of the year	**11.26**	11.51	**12.87**	13.29	**341.88**	325.79	**84.45**	-
	Interest Cost	**0.80**	0.86	**1.00**	1.05	**26.60**	25.28	**6.57**	-
	Current Service Cost	**-**	-	**3.00**	2.89	**5.66**	4.05	**2.37**	0.72
	Past Service cost	**-**	-	**-**	-	**-**	-	**-**	83.73
	Benefits paid	**(7.49)**	(13.24)	**(1.73)**	(2.42)	**(27.97)**	(24.43)	**(10.18)**	-
	Actuarial (Gains)/ Losses on obligations								
	- Changes in Financial assumptions	**2.12**	1.12	**0.67**	0.09	**28.82**	(0.55)	**6.62**	-
	- Experience adjustments	**5.65**	11.01	**(3.06)**	(2.03)	**0.48**	11.74	**(10.13)**	-
	Defined Obligations at the end of the year	**12.34**	11.26	**12.75**	12.87	**375.47**	341.88	**79.70**	84.45
b)	**Amount recognized in Balance sheet**	**12.34**	11.26	**12.75**	12.87	**375.47**	341.88	**79.70**	84.45
c)	**Amount recognized in Statement of Profit and Loss**								
	Current Service Cost	**-**	-	**3.00**	2.89	**5.66**	4.05	**2.37**	0.72
	Past Service Cost	**-**	-	**-**	-	**-**	-	**-**	83.73
	Interest Cost	**0.80**	0.86	**1.00**	1.05	**26.60**	25.28	**6.57**	-
	Expenses for the year	**0.80**	0.86	**4.00**	3.94	**32.26**	29.33	**8.94**	84.45
d)	**Amount recognized in Other Comprehensive Income Remeasurements**								
	Actuarial (Gains)/ Losses								
	- Changes in Financial assumptions	**2.12**	1.12	**0.67**	0.09	**28.82**	(0.55)	**6.62**	-
	- Experience adjustments	**5.65**	11.01	**(3.06)**	(2.03)	**0.48**	11.74	**(10.13)**	-
	Total	**7.77**	12.13	**(2.39)**	(1.94)	**29.30**	11.19	**(3.51)**	-
e)	**Major Actuarial Assumptions**								
	Discount Rate (%)	**6.24**	7.07	**6.87**	7.76	**6.81**	7.78	**6.81**	7.78

The estimates for future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors.

Mortality rate is considered by our Actuary as per IALM 2006-08 table for the purpose of actuarial assumptions.

NOTE 50 EMPLOYEE BENEFITS (CONTD.)

Sensitivity analysis

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31st March 2020 is as below:

₹ in Crores

Particulars	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Resettlement allowance- Non funded	Exgratia scheme- Non funded	Felicitation Scheme - Non Funded
+ 1% change in rate of Discounting	**(59.66)**	**(198.51)**	**(2.22)**	**(2.53)**	**(0.74)**	**(29.64)**	**(6.81)**
- 1% change in rate of Discounting	**68.76**	**256.52**	**2.38**	**2.72**	**0.85**	**34.73**	**8.20**
+ 1% change in rate of Salary increase/ inflation	**11.11**	**-**	**-**	**-**	**-**	**-**	**-**
- 1% change in rate of Salary increase/ inflation	**(12.83)**	**-**	**-**	**-**	**-**	**-**	**-**

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31st March 2019 is as below:

₹ in Crores

Particulars	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Resettlement allowance- Non funded	Exgratia scheme- Non funded	Felicitation Scheme - Non Funded
+ 1% change in rate of Discounting	(54.47)	(151.95)	(2.25)	(2.57)	(0.70)	(25.70)	(6.64)
- 1% change in rate of Discounting	62.08	192.58	2.30	2.76	0.79	29.93	8.03
+ 1% change in rate of Salary increase/ inflation	10.84	-	-	-	-	-	-
- 1% change in rate of Salary increase/ inflation	(12.48)	-	-	-	-	-	-

NOTE 50 EMPLOYEE BENEFITS (CONTD.)

Sensitivity for significant actuarial asssumptions is computed by varying one actuarial assumption used for the valuation keeping all other actuarial assumptions constant.

The expected future cash flows as at 31st March 2020 are as follows:

₹ in Crores

Expected contribution	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Resettlement allowance- Non funded	Exgratia scheme- Non funded	Felicitation Scheme - Non funded
Projected benefits payable in future years from the date of reporting							
1st following year	167.48	56.77	14.75	5.47	1.66	26.24	9.93
2nd following year	89.60	66.60	10.83	2.52	0.88	26.32	2.77
3rd following year	133.98	72.31	9.17	2.11	1.61	25.16	3.27
4th following year	134.43	78.39	7.69	1.73	1.67	24.03	3.16
5th following year	121.38	84.30	6.39	1.38	1.54	22.93	4.08
Years 6 to 10	417.17	522.52	17.83	4.00	5.32	99.10	24.95

Other details as at 31st March 2020

Particulars	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Resettlement allowance- Non funded	Exgratia scheme- Non funded	Felicitation Scheme - Non funded
Weighted average duration of the Projected Benefit Obligation(in years)	8	16	4	6	8	10	10
Prescribed contribution for next year (₹ in Crores)	134.64	-	-	-	-	-	-

[B] Provident Fund:

The Corporation's contribution to the Provident Fund is remitted to 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 actual return earned by the fund has mostly been higher than the Government specified minimum rate of return in the past years except for current year. The estimated interest short fall for the year 2019-20 is ₹ 8.00 Crores. After necessary provision for interest shortfall and provisions on certain investments made in corporate bonds of PF trust, necessary employer obligation of ₹ 132.01 Crores has been recognized and debited to Statement of Profit and Loss. The Fund balance is sufficient to meet the fund obligations as on 31st March 2020 and 31st March 2019.

The details of fund obligations are given below:

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Present value of benefit obligation at period end	5,584.69	5,260.14

NOTE 51 RELATED PARTY TRANSACTIONS

a) Names of the Related parties

Joint Venture & Associate Companies

1. Indraprastha Gas Limited
2. Petronet India Limited *
3. Petronet CI Limited*
4. Petronet LNG Limited
5. Bharat Oman Refineries Limited
6. Maharashtra Natural Gas Limited
7. Central UP Gas Limited
8. Sabarmati Gas Limited
9. Bharat Stars Services Private Limited (Including Bharat Stars Services (Delhi) Pvt. Limited)
10. Bharat Renewable Energy Limited *
11. Matrix Bharat Pte. Ltd.
12. Delhi Aviation Fuel Facility Private Limited
13. Kannur International Airport Limited
14. GSPL India Gasnet Limited
15. GSPL India Transco Limited
16. Mumbai Aviation Fuel Farm Facility Private Limited
17. Kochi Salem Pipeline Private Limited
18. Petroleum India International#
19. BPCL-KIAL Fuel Farm Private Limited
20. Haridwar Natural Gas Pvt. Ltd.
21. Goa Natural Gas Pvt. Ltd.
22. FINO Paytech Limited (including Fino Payments Bank)
23. Ratnagiri Refinery & Petrochemicals Ltd.
24. Ujjwala Plus Foundation (Section 8 company)
25. IBV (Brasil) Petroleo Ltda.
26. Taas India Pte. Ltd.
27. Vankor India Pte. Ltd.
28. Falcon Oil & Gas BV
29. Mozambique LNG 1 Pte Ltd.
30. Mozambique LNG 1 Holding Company Ltd.
31. Mozambique LNG 1 Financing Company Ltd.
32. LLC TYNGD
33. JSC Vankorneft
34. Urja Bharat Pte. Ltd.
35. DNP Limited
36. Brahmaputra Cracker and Polymer Limited
37. Assam Bio Refinery (P) Ltd.
38. Indradhanush Gas Grid Limited
39. IHB Private Limited

*Companies in the process of winding up

Dissolved during the year

NOTE 51 RELATED PARTY TRANSACTIONS (CONTD.)

Key Management Personnel :

Shri D. Rajkumar, Chairman & Managing Director
Shri S. Ramesh, Director (Marketing) (Upto 24.09.2018)
Shri A.K. Singh, Director (Marketing) (w.e.f. 01.10.2018)
Shri R. Ramachandran, Director (Refineries)
Shri K. Padmakar, Director (Human Resources)
Shri K. Sivakumar, Director (Finance) (Upto 08.05.2018)
Shri N. Vijayagopal, Director (Finance) (w.e.f. 17.12.2018)
Shri M. Venugopal, (Company Secretary) (Upto 31.12.2019)
Smt. V. Kala, Company Secretary, (w.e.f. 13.02.2020)
Shri Rajesh Kumar Mangal, Independent Director (Upto 30.11.2019)
Shri Deepak Bhojwani, Independent Director (Upto 01.12.2018)
Shri Gopal Chandra Nanda, Independent Director (Upto 01.12.2018)
Shri Vishal V Sharma, Independent Director (Upto 08.02.2020)
Dr. K. Ellangovan, Govt. Nominee Director
Smt. Jane Mary Shanti Sundharam, Independent Director (Upto 04.03.2020)
Shri Vinay Sheel Oberoi, Independent Director (Upto 10.04.2020)
Dr. (Smt.) Tamilisai Soundararajan, Independent Director (Upto 23.03.2019)
Shri Harshad P. Shah, Independent Director (w.e.f. 16.07.2019)
Shri Rajiv Bansal, Govt. Nominee Director (Upto 07.01.2020)
Shri Rajesh Aggarwal, Govt. Nominee Director (w.e.f. 08.01.2020)

b) The nature wise transactions with the above Joint Ventures and Associates are as follows:

₹ in Crores

S. No.	Nature of Transactions	2019-20	2018-19
1.	Purchase of goods	**50,420.13**	40,057.44
2.	Sale of goods	**3,549.87**	2,284.92
3.	Purchase of fixed assets	**-**	0.09
4.	Rendering of Services	**134.82**	102.30
5.	Receiving of Services	**425.44**	358.27
6.	Interest Income / Share of profit/(loss)	**114.38**	115.73
7.	Dividend Income and other receipts	**243.13**	234.91
8.	Investment and Advance for Investments- Equity	**190.21**	44.01
9.	Management Contracts (Employees on deputation/ consultancy services)	**35.98**	32.35
10.	Lease Rental & other charges received	**30.74**	30.96
11.	Lease Rental & other Charges paid	**0.10**	0.10
12.	Refund of Capital Contribution	**0.10**	-
13.	Deposit given	**0.06**	0.04
14.	Deposit refund received	**-**	0.02
15.	Reduction in Financial Guarantee	**-**	1,046.88
16.	Receivables as at year end	**1,543.68**	1,807.93
17.	Payables as at year end	**1,655.39**	2,228.48
18.	Commitments	**-**	137.65
19.	Guarantee Outstanding	**1,385.24**	1,333.03

The outstanding balances are unsecured and are being settled in cash except advance against equities which are settled in equity.

NOTE 51 RELATED PARTY TRANSACTIONS (CONTD.)

c) In the ordinary course of its business, the Corporation enters into transactions with other Government-controlled entities (not included in the list above). The Corporation has transactions with other Government-controlled entities, including but not limited to the following:

- Sales and purchases of goods and ancillary materials;
- Rendering and receiving of services;
- Receipt of dividends;
- Loans and advances;
- Depositing and borrowing money;
- Guarantees; and
- Uses of public utilities.

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not Government-controlled entities.

d) Key management personnel compensation

₹ in Crores

Particulars	2019-20	2018-19
Short-term employee benefits	**3.54**	5.64
Post-employment benefits	**0.63**	0.36
Other long-term benefits	**0.31**	-
Others (including sitting fees to non-executive directors)	**0.49**	0.99

NOTE 52 DUES FROM DIRECTORS / OFFICERS

Dues from Directors is ₹ **0.34 Crores** (31st March 2019: ₹ 0.41 Crores) and Dues from Officers is ₹ **4.62 Crores** (31st March 2019: ₹ 4.32 Crores)

NOTE 53

In compliance with Ind AS – 27 'Separate Financial Statements', the required information is as under:

Subsidiaries	Principal place of Business / Country of Incorporation	Percentage of ownership Interest As at 31/03/2020	Percentage of ownership Interest As at 31/03/2019
Numaligarh Refinery Limited	India	**61.65%**	61.65%
Bharat Gas Resources Limited	India	**100.00%**	100.00%
Bharat PetroResources Limited	India	**100.00%**	100.00%
Joint Ventures and associates			
Indraprastha Gas Limited	India	**22.50%**	22.50%
Petronet India Limited #	India	**16.00%**	16.00%
Petronet CI Limited #	India	**11.00%**	11.00%
Petronet LNG Limited	India	**12.50%**	12.50%
Bharat Oman Refineries Limited*	India	**63.38%**	50.00%
Central UP Gas Limited	India	**25.00%**	25.00%
Maharashtra Natural Gas Limited	India	**22.50%**	22.50%
Sabarmati Gas Limited	India	**49.94%**	49.94%
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%

NOTE 53 (CONTD.)

Subsidiaries	Principal place of Business / Country of Incorporation	Percentage of ownership Interest	
		As at 31/03/2020	As at 31/03/2019
Delhi Aviation Fuel Facility Pvt. Limited	India	**37.00%**	37.00%
Kannur International Airport Limited	India	**16.20%**	18.68% @
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%
BPCL-KIAL Fuel Farm Private Limited	India	**74.00%**	74.00%
Haridwar Natural Gas Pvt. Ltd.	India	**50.00%**	50.00%
Goa Natural Gas Pvt. Ltd.	India	**50.00%**	50.00%
FINO Paytech Limited	India	**20.73%**	20.73%
Petroleum India International**	India	**-**	18.18%
Ratnagiri Refinery & Petrochemicals Ltd.	India	**25.00%**	25.00%
IHB Private Limited	India	**25.00%**	-

Companies in the process of winding up

@ Excluding calls received for the rights issue, for which subscription of shares were pending.

* In addition to the ownership interest as mentioned above, the Corporation has made an investment in Compulsorily Convertible Debentures and Share Warrants of BORL. Change in equity ownership interest is due to conversion of warrants into equity shares.

**During the year, Petroleum India International has been dissolved.

Note: Ujjwala Plus Foundation is a joint venture of IOCL, BPCL and HPCL with fund contribution in the ratio of 50:25:25 which was incorporated as a limited by guarantee company (without share capital) under section 8 of Companies Act, 2013.

NOTE 54 EARNINGS PER SHARE (EPS)

₹ in Crores

Particulars		2019-20	2018-19
i.	**Profit attributable to equity holders of the Corporation for basic and diluted earnings per equity share**	**2,683.19**	7,132.02
ii.	**Weighted average number of ordinary shares**		
	Issued ordinary shares as at 1st April (In Crores)	**216.93**	216.93
	Less : Investment held by BPCL Trust for Investment in Shares [Refer Note No. 45] (In Crores)	**(20.24)**	(20.24)
	Weighted average number of shares as at period end for basic and diluted EPS (In Crores)	**196.69**	196.69
	Basic and Diluted EPS (₹)	**13.64**	36.26

NOTE 55

The Corporation has elected to continue the policy adopted under Previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange differences arising on settlement or translation of 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 liability.

The net amount remaining unamortized under Foreign Currency Monetary Item Translation Difference Account as at 31 March 2020 is **Nil** (net loss as at 31 March 2019 ₹ 29.34 Crores).

NOTE 56 IMPAIRMENT OF ASSETS

The Corporation assesses, at each reporting date, whether there is an indication of impairment of assets. Further, 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. Based on the assessment, there is no indication of impairment of assets as at 31st March 2020.

NOTE 57 PROVISIONS

In compliance of Ind AS 37 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	1.88	74.28	74.25	1.33	0.58
Customs	3.24	-	-	-	3.24
Service Tax	-	1.83	1.83	-	-
Income Tax (TDS)	-	4.20	-	-	4.20
VAT/ Sales Tax/ Entry Tax	399.29	14.52	-	81.43	332.38
Property Tax	37.29	18.95	8.72	0.83	46.69
Total	**441.70**	**113.78**	**84.80**	**83.59**	**387.09**
Previous year	426.61	35.70	13.40	7.21	441.70

The above provisions are made based on estimates and the expected timing of outflows is not ascertainable at this stage.

Above includes provision of ₹ **107.00 Crores** (Previous year ₹ 123.66 Crores) for which deposits have been made.

NOTE 58 DISCLOSURE IN RESPECT OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

₹ in Crores

Particulars		2019-20	2018-19
a)	Unspent CSR Expenditure carried forward from previous year (Opening Provision)	**172.25**	146.88
b)	Amount required to be spent by the company during the year.	**198.98**	203.32
c)	Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the company) #	**345.57***	177.95*
d)	Provision created for balance amount (Closing Provision) (a+b-c)	**25.66**	172.25

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 ₹ **35.68 Crores** (Previous year ₹ 18.06 Crores)

NOTE 59 FINANCIAL INSTRUMENTS

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ in Crores

As at 31/03/2020	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity instruments	8	-	287.85	-	287.85	221.23	-	66.62	287.85
Investment in debt instruments	8 & 14	5,208.54	-	0.01	5,208.55	5,208.54	-	-	5,208.54
Derivative instruments - Commodity contracts	19	10.35	-	-	10.35	-	10.35	-	10.35
Derivative instruments- Forward contracts	19	5.48	-	-	5.48	-	5.48	-	5.48
Deposits	9	-	-	74.83	74.83	-	88.62	-	88.62
Loan to subsidiary- fixed rate	9	-	-	262.40	262.40	-	326.26	-	326.26
Loan to subsidiary- variable rate	9	-	-	2,300.00	2,300.00	-	-	-	-
Loan to Joint Venture	9	-	-	1,254.10	1,254.10	-	1,524.99	-	1,524.99
Loans									
Non-current-Loans to employee	9	-	-	421.04	421.04	-	421.04	-	421.04
Non-current- Others	9	-	-	1,094.02	1,094.02	-	1,094.02	-	1,094.02
Current	18	-	-	590.58	590.58	-	-	-	-
Other Deposits	9	-	-	36.55	36.55	-	-	-	-
Cash and cash equivalents	16	-	-	98.27	98.27	-	-	-	-
Bank Balances other than Cash and cash equivalents	17	-	-	17.51	17.51	-	-	-	-
Trade receivables	15	-	-	5,164.34	5,164.34	-	-	-	-
Others									
-Non-current	10	-	-	8.30	8.30	-	-	-	-
-Current	19	-	-	6,795.41	6,795.41	-	-	-	-
Total		5,224.37	287.85	18,117.36	23,629.58	-	-	-	-
Financial liabilities									
Derivative Liability on Interest Rate Swaps	32	18.79	-	-	18.79	-	18.79	-	18.79
Bonds	25	-	-	11,271.29	11,271.29	10,833.59	-	-	10,833.59
OIDB Loans	25 & 32	-	-	1,187.31	1,187.31	-	1,224.45	-	1,224.45
Debentures	25	-	-	2,299.48	2,299.48	2,363.59	-	-	2,363.59
Term loans	25 & 32	-	-	500.00	500.00	-	-	-	-
Interest Free Loan from Govt. of Kerala	25	-	-	31.76	31.76	-	31.76	-	31.76
Foreign Currency Loans - Syndicated	25 & 32	-	-	8,864.19	8,864.19	-	-	-	-
Lease Obligation	25 & 32	-	-	5,943.29	5,943.29	-	-	-	-
Other Non-Current financial liabilities	26	-	-	53.99	53.99	-	-	-	-
Short term borrowings	30	-	-	17,721.37	17,721.37	-	-	-	-
Trade and Other Payables	31	-	-	12,509.54	12,509.54	-	-	-	-
Other Current liabilities	32	-	-	18,629.07	18,629.07	-	-	-	-
Total		18.79	-	79,011.29	79,030.08	-	-	-	-

Note: There are no other categories of financial instruments other than those mentioned above.

NOTE 59 FINANCIAL INSTRUMENTS (CONTD.)

₹ in Crores

As at 31/03/2019	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity instruments	8	-	610.12	-	610.12	495.82	-	114.30	610.12
Investment in debt instruments	8 & 14	5,075.89	-	0.01	5,075.90	5,075.89	-	-	5,075.89
Derivative instruments - Commodity contracts	19	21.25	-	-	21.25	-	21.25	-	21.25
Derivative instruments - Interest rate swap	19	1.96	-	-	1.96	-	1.96	-	1.96
Derivative instruments - Forward contracts	19	0.51	-	-	0.51	-	0.51	-	0.51
Deposits	9	-	-	30.22	30.22	-	35.22	-	35.22
Loan to subsidiary- fixed rate	9	-	-	238.49	238.49	-	280.66	-	280.66
Loan to subsidiary- variable rate	9	-	-	450.00	450.00	-	-	-	-
Loan to Joint Venture	9	-	-	1,254.10	1,254.10	-	1,378.00	-	1,378.00
Loans									
- Non-current- Loans to employee	9	-	-	391.32	391.32	-	391.32	-	391.32
- Non-current- Others	9	-	-	54.32	54.32	-	-	-	-
- Current	18	-	-	1,628.88	1,628.88	-	-	-	-
Other Deposits	9	-	-	97.21	97.21	-	-	-	-
Cash and cash equivalents	16	-	-	78.49	78.49	-	-	-	-
Bank Balances other than Cash and cash equivalents	17	-	-	16.92	16.92	-	-	-	-
Trade receivables	15	-	-	6,670.72	6,670.72	-	-	-	-
Others									
- Non-current	10	-	-	21.96	21.96	-	-	-	-
- Current	19	-	-	9,409.61	9,409.61	-	-	-	-
Total		**5,099.61**	**610.12**	**20,342.25**	**26,051.98**	**-**	**-**	**-**	**-**
Financial liabilities									
Derivative Liability on forwards	32	1.11	-		1.11	-	1.11	-	1.11
Derivative Liability on Currency Swaps	32	179.36	-		179.36	-	179.36	-	179.36
Bonds	25 & 32	-	-	11,722.91	11,722.91	11,991.09	-	-	11,991.09
OIDB Loans	25 & 32	-	-	1,358.50	1,358.50	-	1,371.19	-	1,371.19
Debentures	25	-	-	2,299.32	2,299.32	2,311.82	-	-	2,311.82
Term loans	25	-	-	2,000.00	2,000.00	-	-	-	-
Term loans	25	-	-	29.27	29.27	-	29.27	-	29.27
Foreign Currency Loans - Syndicated	25	-	-	8,108.55	8,108.55	-	-	-	-
Other Non-Current financial liabilities	26	-	-	56.48	56.48	-	-	-	-
Short term borrowings	30	-	-	3,580.75	3,580.75	-	-	-	-
Trade and Other Payables	31	-	-	17,687.54	17,687.54	-	-	-	-
Other Current liabilities	32	-	-	17,055.67	17,055.67	-	-	-	-
		180.47	**-**	**63,898.99**	**64,079.46**	**-**	**-**	**-**	**-**

Note: There are no other categories of financial instruments other than those mentioned above.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the Balance Sheet, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted equity shares (Cochin International Airport Limited)	The Valuation is based on market multiples derived from quoted prices of companies comparable to investee and the expected revenue and PAT of the investee.	Adjusted market multiple (P/E)	The estimated fair value would increase/ (decrease) if Adjusted market multiple were higher/(lower)
Derivative instruments - forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
Derivative instruments - interest rate swap and currency swap	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates. This technique also involves using the interest rate curve for projecting the future cash flows.	Not applicable	Not applicable
Derivative instruments - commodity contracts	Fair valuation of Commodity Derivative instruments are based on forward assessment done by Platts which is an independent agency which assesses benchmark global crude oil and product prices. Globally counterparties also use Platts assessment for settlement of transactions.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortized cost	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates.	Not applicable	Not applicable

NOTE 59 FINANCIAL INSTRUMENTS (CONTD.)

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation of the opening and closing balances for Level 3 fair values.

₹ in Crores

Particulars	Equity securities
Opening Balance(1st April 2018)	105.26
Net change in fair value (unrealized)	9.04
Closing Balance (31st March 2019)	114.30
Opening Balance(1st April 2019)	**114.30**
Net change in fair value (unrealized)	**(47.68)**
Closing Balance (31st March 2020)	**66.62**

Sensitivity analysis

For the fair values of unquoted equity shares, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

₹ in Crores

Significant unobservable inputs	As at 31/03/2020		As at 31/03/2019	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
P/E (5% movement)	**3.33**	**(3.33)**	5.71	(5.71)

C. Financial risk management

C. i. Risk management framework

The Corporation's Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Risk Management Committee of the Board has defined roles and responsibilities, which includes reviewing and recommending the risk management plan and the risk management report for approval of the Board with the recommendation of the Audit Committee. The Corporation 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.

The Corporation has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

C. ii. Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's trade and other receivables, cash and cash equivalents and other bank balances, derivatives and debt securities. The maximum exposure to credit risk in case of all the financial instuments covered below is restricted to their respective carrying amount.

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Corporation grants credit terms in the normal course of business.

NOTE 59 FINANCIAL INSTRUMENTS (CONTD.)

As at 31st March 2020 and 31st March 2019, the Corporation's retail dealers, industrial and aviation customers accounted for the majority of the trade receivables.

Expected credit loss assessment for Trade and other receivables from customers as at 31st March 2020 and 31st March 2019

The Corporation uses an allowance matrix to measure the expected credit losses of trade and other receivables.

The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made. Roll rates are calculated separately for exposures based on common credit risk characteristics for a set of customers.

The following table provides information about the exposure to credit risk and Expected Credit Loss Allowance for trade and other receivables:

₹ in Crores

As at 31/03/2020	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Debts not due	**2,702.73**	**0.31%**	**8.38**
Debts over due	**2,315.63**	**12.28%**	**284.47**
Total	**5,018.36**	**5.84%**	**292.85**

₹ in Crores

As at 31/03/2019	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Debts not due	4,197.20	0.19%	8.00
Debts over due	2,368.19	10.67%	252.77
Total	6,565.39	3.97%	260.77

The Corporation does not provide for any loss allowance on trade receivables where risk of default is negligible such as receivables from other oil marketing companies, if any, hence the same is excluded from above.

Loss rates are based on actual credit loss experience over the past three years.

The movement in the loss allowance in respect of trade and other receivables during the year was as follows.:-

₹ in Crores

Balance as at 1st April, 2018	264.26
Movement during the year	(3.49)
Balance as at 31st March, 2019	260.77
Movement during the year	32.08
Balance as at 31st March, 2020	**292.85**

(b) Cash and cash equivalents and Other Bank Balances

The Corporation held cash and cash equivalents and other bank balances of ₹ **115.78 Crores** at 31st March 2020 (31st March 2019: ₹ 95.41 Crores). The cash and cash equivalents are held with banks with good credit ratings and financial institution counterparties with good market standing. Also, Corporation invests its short term surplus funds in bank fixed deposits, Tri Party Repo and liquid schemes of mutual funds, which carry no / low mark to market risks for short duration and therefore does not expose the Corporation to credit risk.

(c) Derivatives

The derivatives are entered into with banks, financial institutions and other counterparties with good credit ratings. Further exposures to counterparties are closely monitored and kept within the approved limits.

(d) Investment in debt securities

Investment in debt securities are mainly as loans to subsidiaries, joint venture companies and investment in government securities which do not carry any significant credit risk.

C. iii. Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Corporation through effective fund management. The Corporation has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Corporation has access to funds from debt markets through commercial paper programs, foreign currency borrowings and other debt instruments.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

Maturity Analysis of Significant Financial Liabilities

₹ in Crores

As at 31/03/2020	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities					
Bonds	12,989.93	490.01	8,353.70	301.54	3,844.68
OIDB Loans	1,352.22	478.76	655.06	218.40	-
Term loans	742.63	76.22	136.91	429.50	100.00
Non Convertible Debentures	2,874.62	178.24	1,616.18	1,080.20	-
Foreign Currency Loans - Syndicated	9,637.36	3,480.47	335.11	5,821.78	-
Short term borrowings	17,721.37	17,721.37	-	-	-
Trade and other payables	12,509.54	12,509.54	-	-	-
Other current liabilities	18,629.07	18,629.07	-	-	-
Financial guarantee contracts*	7,225.73	633.24	-	1,164.71	5,427.78

₹ in Crores

As at 31/03/2019	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities					
Bonds	13,793.62	1,874.54	4,357.79	3,895.21	3,666.08
OIDB Loans	1,560.15	583.69	697.80	278.66	-
Term loans	2,825.80	165.45	566.50	1,993.85	100.00
Non Convertible Debentures	3,052.98	178.39	906.51	1,968.08	-
Foreign Currency Loans - Syndicated	10,886.19	253.17	3,220.62	7,412.40	-
Short term borrowings	3,580.75	3,580.75	-	-	-
Trade and other payables	17,687.54	17,687.54	-	-	-
Other current liabilities	17,055.67	17,055.67	-	-	-
Financial guarantee contracts*	6,630.07	-	581.04	1,068.70	4,980.33
Derivative financial liabilities					
Currency Swaps	214.97	214.97	-	-	-

* Guarantees issued by the Corporation on behalf of joint venture/subsidiary are with respect to borrowings raised by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary/joint venture have defaulted and hence, the Corporation does not have any present obligation to third parties in relation to such guarantees.

NOTE 59 FINANCIAL INSTRUMENTS (CONTD.)

C.iv. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: currency risk, interest rate risk, commodity risk and other price risk.

C.iv.a Currency risk

The Corporation is exposed to currency risk on account of its operating and financing activities. The functional currency of the Corporation is Indian Rupee. Our exposure is mainly denominated in U.S. dollars (USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Corporation has put in place a Financial Risk Management Policy to identify the most effective and efficient ways of managing the currency risks. The Corporation uses derivative instruments, (mainly foreign exchange forward contracts) to mitigate the risk of changes in foreign currency exchange rates in line with our policy.

The Corporation does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile in INR of financial assets and financial liabilities as at 31st March 2020 and 31st March 2019 are as below:

₹ in Crores

As at 31/03/2020	USD	EURO	JPY	CHF	Others
Financial assets					
Cash and cash equivalents	**40.30**	**-**	**-**	**-**	**-**
Trade receivables and other assets	**1,305.88**	**0.19**	**-**	**-**	**0.02**
Net exposure for assets	**1,346.18**	**0.19**	**-**	**-**	**0.02**
Financial liabilities					
Bonds	**11,271.29**	**-**	**-**	**-**	**-**
Foreign Currency Loans - Syndicated	**8,864.19**	**-**	**-**	**-**	**-**
Short term borrowings	**7,666.75**	**-**	**-**	**-**	**-**
Trade Payables and other liabilities	**7,625.32**	**171.32**	**26.79**	**0.08**	**4.75**
Add/(Less): Foreign curency forward exchange contracts	**(503.25)**	**-**	**-**	**-**	**-**
Add/(Less): Foreign currency swaps	**-**	**-**	**-**	**-**	**-**
Net exposure for liabilities	**34,924.30**	**171.32**	**26.79**	**0.08**	**4.75**
Net exposure (Assets - Liabilities)	**(33,578.12)**	**(171.13)**	**(26.79)**	**(0.08)**	**(4.73)**

₹ in Crores

As at 31/03/2019	USD	EURO	JPY	CHF	Others
Financial assets					
Cash and cash equivalents	11.81	-	-	-	-
Trade receivables and other assets	244.04	0.18	-	-	0.01
Net exposure for assets	255.85	0.18	-	-	0.01
Financial liabilities					
Bonds	10,332.38	-	-	1,390.54	-
Foreign Currency Loans - Syndicated	8,108.55	-	-	-	-
Short term borrowings	1,632.44	-	-	-	-
Trade Payables and other liabilities	10,370.28	203.55	12.81	12.44	2.88
Add/(Less): Foreign curency forward exchange contracts	(1,743.12)	-	-	-	-
Add/(Less): Foreign currency swaps	1,579.11	-	-	(1,390.54)	-
Net exposure for liabilities	30,279.64	203.55	12.81	12.44	2.88
Net exposure (Assets - Liabilities)	(30,023.79)	(203.37)	(12.81)	(12.44)	(2.87)

NOTE 59 FINANCIAL INSTRUMENTS (CONTD.)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD against INR at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalized to Property, Plant and Equipment or recognized directly in reserves, the impact indicated below may affect the Corporation's income statement over the remaining life of the related Property, Plant and Equipment or the remaining tenure of the borrowing respectively.

₹ in Crores

Effect in INR (before tax)	Profit or loss	
	Strengthening	**Weakening**
For the year ended 31st March, 2020		
3% movement		
USD	**(1,007.34)**	**1,007.34**

₹ in Crores

Effect in INR (before tax)	Profit or loss	
	Strengthening	Weakening
For the year ended 31st March, 2019		
3% movement		
USD	(900.71)	900.71

C.iv.b Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation.

Exposure to interest rate risk

Corporation's interest rate risk arises primarily from borrowings. The interest rate profile of the Corporation's interest-bearing financial instruments is as follows:

₹ in Crores

Particulars	Note Reference	As at 31/03/2020	As at 31/03/2019
Fixed-rate instruments			
Financial Assets - measured at amortized cost			
Investment in debt instruments	8	**0.01**	0.01
Loan to Subsidiary	9	**262.40**	238.49
Loan to Joint Venture	9	**1,254.10**	1,254.10
Financial Assets - measured at Fair Value through Profit & Loss			
Investment in debt instruments	14	**5,208.54**	5,075.89
Total of Fixed Rate Financial Assets		**6,725.05**	6,568.49
Financial liabilities - measured at amortized cost			
Bonds	25	**11,271.29**	11,722.91

NOTE 59 FINANCIAL INSTRUMENTS (CONTD.)

₹ in Crores

Particulars	Note Reference	As at 31/03/2020	As at 31/03/2019
OIDB Loans	25 & 32	**1,187.31**	1,358.50
Non- Convertible Debentures	25	**2,299.48**	2,299.32
Short term borrowings	30	**10,054.63**	1,737.19
Term Loan	25	**31.76**	29.27
Total of Fixed Rate Financial Liabilities		**24,844.47**	17,147.19
Variable-rate instruments			
Financial Assets - measured at amortized cost			
Loan to Subsidiary	9	**2,300.00**	450.00
Total of Variable Rate Financial Assets		**2,300.00**	450.00
Financial liabilities - measured at amortized cost			
Foreign Currency Loans - Syndicated*	25 & 32	**8,864.19**	8,108.55
Short term borrowings	30	**7,666.75**	1,843.56
Term loans	25 & 32	**500.00**	2,000.00
Total of Variable Rate Financial Liabilities		**17,030.94**	11,952.11

* In respect of Foreign Currency Loans, the Corporation has entered into Interest Rate Swaps of USD 75 Million

Fair value sensitivity analysis for fixed-rate instruments

The Corporation accounts for certain investments in fixed-rate financial assets such as investments in Oil bonds and Government Securities at fair value through profit or loss. Accordingly, a decrease in 25 basis point in interest rates is likely to increase the profit or loss (before tax) for the year ending 31st March 2020 by ₹ **54.48 Crores** (31st March 2019 - ₹ 60.87 Crores) and an increase in 25 basis point in interest rates is likely to decrease the profit or loss (before tax) for the year ending 31st March 2020 by ₹ **55.19 Crores** (31st March 2019 - ₹ 61.80 Crores).

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalized to Property, Plant and Equipment, the impact indicated below may affect the Corporation's income statement over the remaining life of the related Property, Plant and Equipment.

₹ in Crores

Cash flow sensitivity (net)	Profit or (loss) 0.25 % Increase	Profit or (loss) 0.25% Decrease
As at 31/03/2020		
Variable-rate loan instruments	**(41.53)**	**41.53**
Interest on Loan given to Subsidiary	**5.75**	**(5.75)**
Cash flow sensitivity (net)	**(35.78)**	**35.78**
As at 31/03/2019		
Variable-rate loan instruments	(29.49)	29.49
Interest on Loan given to Subsidiary	1.12	(1.12)
Cash flow sensitivity (net)	(28.37)	28.37

C.iv.c Commodity rate risk

The Corporation's profitability gets affected by the price differential (also known as Margin or Crack spread) between prices of products (output) and the price of the crude oil and other feed-stocks used in production (input). Prices of both are set by markets. Hence the Corporation uses derivatives instruments (swaps, futures, options, and forwards) to hedge exposures to commodity price risk to cover refinery operating cost using Basic Swaps on various products

NOTE 59 FINANCIAL INSTRUMENTS (CONTD.)

cracks like Naphtha, Gasoline (Petrol), Jet/Kerosene, Gasoil (Diesel) and Fuel Oil against Benchmark Dubai Crude. Further volatility in freight costs is hedged through Freight Forwards and bunker purchases. Settlement of all derivative transactions take place on the basis of monthly average of the daily prices of the settlement month quoted by Platts.

The Corporation measures market risk exposure arising from its trading positions using value-at-risk techniques. These techniques make a statistical assessment of the market risk arising from possible future changes in market prices over a one-day holding period.

The Corporation uses historical model of VAR techniques based on variance/covariance to make a statistical assessment of the market risk arising from possible future changes in market values over a 24-hour period and within a 95% confidence level. The calculation of the range of potential changes in fair value takes into account positions and the history of price movements for last two years. VAR calculation for open position as on 31st March 2020 is as given below:

Product	Brent Dt - Dubai	HSFO - Dubai	Regrade	Gasoil - Naphtha	Gasoil - Gasoline	TD3C
Unit	**USD/Bbl**	**USD/Bbl**	**USD/Bbl**	**USD/Bbl**	**USD/Bbl**	**USD/MT**
Mean	0.78	(4.08)	(1.06)	18.23	8.30	12.67
Standard Deviation	1.70	7.20	1.66	3.45	3.61	7.17
Max dev: 95% confidence	2.79	11.84	2.74	5.68	5.93	11.80
Mean +Max Dev:95%	(2.01)	7.76	1.68	23.91	14.23	0.88
Avg.Trade Price	0.86	(5.95)	(0.92)	14.20	12.90	13.52
Lots as on 31/03/2020	105.00	9.00	12.00	3.00	3.00	12.00
Standard Lot size	50000 BBL	50000 BBL	50000 BBL	50000 BBL	50000 BBL	5000 MT
VAR USD million	15.08	6.17	1.56	1.46	0.20	7.59
Total Portfolio VAR in USD million (without considering inter-commodity VAR correlation)	32.06					

C.iv.d Price risk

The Corporation's exposure to equity investments price risk arises from investments held by the Corporation and classified in the financial statements at fair value through OCI. The corporation intends to hold these investments for long-term for better returns and price risk will not be significant from a long term perspective.

Exposure to price risk

₹ in Crores

Effect in INR (before tax)	Profit or loss		Other components of Equity	
	Strengthening	Weakening	Strengthening	Weakening
As at 31/03/2020				
1% movement				
Investment in Oil India - FVOCI	-	-	**2.21**	**(2.21)**
Investment in CIAL - FVOCI	-	-	**0.67**	**(0.67)**
Total	-	-	**2.88**	**(2.88)**

₹ in Crores

Effect in INR (before tax)	Profit or loss		Other components of Equity	
	Strengthening	Weakening	Strengthening	Weakening
As at 31/03/2019				
1% movement				
Investment in Oil India - FVOCI	-	-	4.96	(4.96)
Investment in Cochin International Airport Ltd. - FVOCI	-	-	1.14	(1.14)
Total	-	-	6.10	(6.10)

NOTE 59 FINANCIAL INSTRUMENTS (CONTD.)

D. Offsetting

The following table presents the recognized financial instruments that are offset and other similar agreements that are not offset, as at 31st March 2020 and 31st March 2019.

The column 'net amount' shows the impact on the Corporation's balance sheet if all set-off rights are exercised.

₹ in Crores

Particulars	Note reference	Effect of offsetting on the balance sheet			Related amounts not offset		
		Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial Instrument	Amounts which can be offset	Net Amount
As at 31/03/2020							
Financial assets							
Investment in GOI Bonds	**A**	**-**	**-**	**-**	**5,208.54**	**999.98**	**4,208.56**
Trade and other receivables	**B & C**	**2,105.21**	**2,085.86**	**19.35**	**-**	**-**	**-**
Financial liabilities							
Short term borrowings	**A**	**-**	**-**	**-**	**17,721.37**	**999.98**	**16,721.39**
Trade and other payables	**B & C**	**5,408.93**	**2,085.86**	**3,323.07**	**-**	**-**	**-**

As at 31/03/2019							
Financial assets							
Investment in GOI Bonds	**A**	-	-	-	5,075.89	1,000.00	4,075.89
Trade and other receivables	**B & C**	3,590.56	3,530.69	59.87	-	-	-
Derivative Assets	**D**	-	-	-	0.98	0.98	-
Financial liabilities							
Short term borrowings	**A**	-	-	-	3,580.75	1,000.00	2,580.75
Trade and other payables	**B & C**	7,343.98	3,530.69	3,813.29	-	-	-
Derivative Liabilities	**D**	-	-	-	17.97	0.98	16.99

NOTE 59 FINANCIAL INSTRUMENTS (CONTD.)

Notes

A. The Corporation has Tri Party Repo limits from Clearing Corporation of India Limited, which are secured by Oil Marketing Companies GOI Special Bonds 2026 and Government Securities. As the Counterparty currently does not have a legally enforceable right to off set these amounts, these amounts have not been offset in the balance sheet, but have been presented separately in the table above.

B. The Corporation purchases and sells petroleum products from different Oil Marketing Companies. Under the terms of the agreement, the amounts payable by the Corporation are offset against receivables and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet.

C. The Corporation enters into derivative transactions under the International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

D. The Corporation enters into derivative transactions under the International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. The ISDA master netting agreements do not meet the criteria for offsetting in the balance sheet. This is because the Counterparty does not currently have legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on the occurrence of future events.

NOTE 60 CAPITAL MANAGEMENT

The Corporation's objective is to maximize the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and makes necessary adjustments in the capital structure for the development of the business.

The Corporation's debt to equity ratio as at 31st March, 2020 was **1.26** (31st March 2019: 0.79).

Note: For the purpose of computing debt to equity ratio, equity includes Equity Share Capital and Other Equity and Debt includes Long term borrowings, short term borrowings and current maturities of long term borrowings but excluding lease obligations.

NOTE 61 SEGMENT REPORTING

As per the requirements of Ind AS 108 on "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements.

NOTE 62

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 regarding Micro and Small enterprises are provided as under:

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Principal amount overdue (remaining unpaid) as on 31st March	-	0.57
Interest due thereon remaining unpaid as on 31st March	-	0.01
Payment made during the year after the due date*		
Principal	-	-
Interest	-	-
Interest accrued and remaining unpaid as at 31st March	**0.01**	0.01

*Undisputed payments to Micro and Small enterprises during the year are made as per the MSMED Act, 2006.

NOTE 63 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

₹ in Crores

	Particulars		As at 31/03/2020	As at 31/03/2019
(a)	**Contingent Liabilities :**			
	In respect of Income Tax matters		**791.88**	55.25
	Other Matters :			
	i)	Claims against the Corporation not acknowledged as debts * :		
		Excise and customs matters	**221.20**	1,080.83
		Service Tax matters	**6.68**	41.92
		Sales tax/VAT matters	**3,362.13**	10,394.76
		Land Acquisition cases for higher compensation	**126.97**	126.93
		Others	**214.35**	261.52
	* These include ₹ **1241.94 Crores** (31st March 2019: ₹ 7,656.66 Crores) against which the Corporation has a recourse for recovery and ₹ **95.51 Crores** (31st March 2019: ₹ 96.99 Crores) which are on capital account.			
	ii)	Claims on account of wages, bonus / ex-gratia payments in respect of pending court cases	**29.65**	25.81
	iii)	Guarantees (Refer Note Below)	**1,156.99**	1,156.99
(b)	**Capital Commitments :**			
	i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	**4,918.37**	5,820.83
	ii)	Other Commitments #	**-**	137.65

Note: Apart from the above;

1. The Corporation's subsidiary, BGRL has been authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) for development of 11 Geographical Areas (GAs) in Bid Round 9 and 2 GAs in Bid Round 10. As a promoter, BPCL has issued Parent Company Guarantees (PCGs) to PNGRB guaranteeing all performance obligations of BGRL under these 13 GAs. The outflow that may arise under these PCGs is not quantifiable.

2. The Corporation has issued a Parent Company Guarantee (PCG) in favor of Mozambique LNG1 Company Pte Limited in respect of obligations of BGRL under LNG Sales Purchase Agreement (SPA) with Mozambique LNG1 Company Pte Limited. Transaction under the SPA is expected to be intiated in FY 2023-24. The outflow that may arise under these PCGs is not quantifiable.

3. The Corporation's subsidiary, BPRL, is engaged in the business of Exploration and Production (E&P) of oil & gas and has participating interest in several blocks held directly or through group companies. BPCL has issued performance guarantees/counter-indemnities/letter of undertakings in favour of Government/Government Agencies/Operators/other partners towards performance of obligations of BPRL (including its group companies) under the Concession Agreement/Joint Operating Agreements/Production Sharing Contracts/Licenses/ Farmout Agreements relating to various such E&P oil & gas blocks acquired by them. The outflow that may arise under these performance guarantees, is not quantifiable.

4. The Corporation has issued Performance Guarantee on behalf of Petronet LNG Limited against the performance obligations of LNG SPA, the outflow that may arise under the same is not quantifiable.

Calls received for Rights issue/Private placement during the year from JVs and Associates for which subscription of shares was pending.

NOTE 64 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in Crores

Particulars		2019-20	2018-19
a)	Revenue Expenditure	**50.71**	53.41
b)	Capital Expenditure	**41.47**	47.31

NOTE 65 REVENUE FROM CONTRACTS WITH CUSTOMERS

A. Contract balances

₹ in Crores

	As at 31/03/2020	As at 31/03/2019
Contract liabilities	**302.45**	201.68

The contract liabilities primarily relates to the liability towards customer loyalty program for unutilized points and the upfront bidding fees/fixed fees pertaining to Retail Outlets

₹ in Crores

Movement in contract liabilities is as follows	2019-20	2018-19
At beginning of the year	**201.68**	165.02
Increases due to cash received, excluding amounts recognized as revenue during the year	**160.46**	84.53
Revenue recognized that was included in the contract liability balance at the beginning of the year	**59.69**	47.87
At end of the year	**302.45**	201.68

NOTE 66

During the current year, we have received judgement from various appellate authorities. Further assessment proceedings for AY 2017-18 was completed. Accordingly net impact of ₹ **833.79 Crores** being tax provision for earlier years in respect of above items no longer required has been reversed in “Short/(Excess) provision of earlier years”.

Corporation has decided to opt for Vivad se Vishwas Scheme, 2020 in respect of all the eligible Income Tax disputes and additional tax provision for earlier years amounting to ₹ **219.96 Crores** has been recognized in “Short/(Excess) provision of earlier years”. The settlement of these cases are yet to be completed as on 31st March 2020.

NOTE 67

In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, corporation has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives including loss of the accumulated MAT Credit. The corporation has not exercised this option in the current period due to unutilized MAT Credit available in the books.

NOTE 68

The Corporation has decided to transfer its Gas business into a separate wholly owned subsidiary named Bharat Gas Resources Limited. Accordingly, the carrying amount of the assets and liabilities as at 31st March 2020 and 31st March 2019 pertaining to the Gas business are presented separately from other Assets and Liabilities and included under Assets/ Liabilities included in Disposal Group in line with Ind AS 105.

NOTE 69

Due to COVID-19 pandemic, there has been significant volatility and sharp reduction in the prices of Crude Oil and Petroleum Products, which has resulted in significant write-down of Inventories to Net Realizable Value (NRV). Accordingly Corporation has shown an amount of ₹ **1080.83 Crores** as an exceptional item in the Statement of Profit and loss. Details of inventories write-down to NRV is as under;

₹ in Crores

Paticulars	2019-20
Raw Material	54.97
Finished Goods, Stock-in-trade & Stock-in-process	1,025.86
Total	**1,080.83**

NOTE 70

In respect of equity investments in Numaligarh Refinery Limited (NRL), Cabinet Committee of Economic Affairs (CCEA) Government of India, in its meeting held on 20.11.2019, has accorded in-principle approval for Strategic disinvestment of Government of India shareholding in BPCL excluding BPCL's shareholding in Numaligarh Refinery Ltd. Further, as per CCEA's in-principle approval, investments in NRL has to be divested to a CPSE operating in the Oil & Gas Sector. Action in this regard is initiated and subject to other regulatory approvals disposal of these investments may happen subsequently.

NOTE 71

The outbreak of COVID-19 globally and resultant lockdown in many countries, including from 25th March 2020 in India, had impact on the business of the Corporation. Consequently lower demand for crude oil and petroleum products has impacted the prices and therefore refining margins globally. Due to this, certain finished goods inventory and certain raw materials of the Corporation have been valued at net realizable value/replacement costs which are lower than cost. The impact of the same has been reported under exceptional item.

Since petroleum products are under essential services, the refining and marketing operations of the Corporation was continued during the lock down period. Due to the lock down there was reduction in sales for the Corporation, however the reduction in sales is not material for the year 2019-20.

The lock down of COVID-19 is continuing in FY 2020-21 and the Corporation is continuing its operations in major business units with current lower demand as these products are falling under essential goods and services. Management is expecting that demand for products will improve on stabilization of COVID-19, post removal of lockdown. Management has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on financial position etc. though there may be lower revenues and refinery throughput in the near term.

NOTE 72

Figures of the previous year have been regrouped wherever necessary, to conform to current period presentation.

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman and Managing Director
DIN: 00872597

Sd/-
N. Vijayagopal
Director (Finance)
DIN: 03621835

Sd/-
V. Kala
Company Secretary

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

CVK & Associates
Chartered Accountants
ICAI FR No.101745W

Sd/-
A.K. Pradhan
Partner
Membership No. 032156

Borkar & Muzumdar
Chartered Accountants
ICAI FR No.101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938

Place: MUMBAI
Date: 03rd June 2020

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BHARAT PETROLEUM CORPORATION LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

1. We have audited the accompanying Consolidated Ind AS Financial Statements of Bharat Petroleum Corporation Limited ("hereinafter referred to as the Holding Company/Corporation") and its subsidiaries (the Holding Company/Corporation and its subsidiaries together referred to as "the Group"), its joint ventures and associates (refer Note 7 to the attached Consolidated Ind AS Financial Statements); comprising the Consolidated Balance Sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the auditors on financial statements and on the other financial information of the subsidiaries, joint ventures and associates, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2020, the consolidated profit, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Emphasis of Matter

4. We draw attention to the following matters in relation to the Consolidated Ind AS Financial Statements:

   I. We draw attention to Note No.70 to the Consolidated Ind AS Financial Statements, which describes the economic consequences/disruption the Group is facing as a result of COVID-19 pandemic, which is impacting consumer demand, financial markets, commodity prices and inventory valuation.

   II. The auditors of Bharat Petro Resources Limited (Subsidiary Company) have stated following under Emphasis of Matter in their Report on the consolidated financial statements of the said Subsidiary Company :

      i) About the incorporation of details of the Subsidiary Company's share in Assets, Liabilities, Income & Expenses in the unincorporated joint operations of joint ventures based on the audited/unaudited statements received from the respective Operators as under:

         a) Out of fifteen Indian Blocks, audited statements of six blocks have not been received by the Company; hence, operator management certified figures have been considered. The total Assets & Liabilities as on 31st March 2020 and Income & Expenses for FY 2019-20 in respect of the said blocks amount to ₹ 330.38 Crores, ₹ 19.65 Crores, ₹ 106.47 Crores and ₹ 20.99 Crores respectively;

         b) In case of two foreign block (EP413) and Block 32 (Israel), Block audited statements have not been received by the Company. The total Assets & Liabilities as on 31st March 2020 and Income &

Expenses for FY 2019-20 in respect of the said block amounts to ₹ 102.06 Crores, ₹ 1.63 Crores, ₹ Nil and ₹ Nil respectively. However, Block 32 has been fully provided for during the year;

c) The audited/unaudited statements referred above are prepared, as stated there in, to meet requirements of production sharing contracts/revenue sharing agreements and are special purpose statement;

d) None of the statements, audited as well as unaudited, are drawn up in the format prescribed under Schedule III to the Act, as provisions of the Companies Act 2013 are not applicable to unincorporated joint operations;

e) 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

f) The 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 Statements and related disclosures contained in the enclosed financial statements and our observations thereon are based on such audit reports and statements from the Operators to the extent available with the Company;

ii) We draw attention to note on "Intangible Assets Under Development" where the Subsidiary Company has recognized an impairment loss of ₹ 594.00 Crores during the year on blocks (Forming part of Note No. 6 to Consolidated Ind AS Financial Statements).

iii) We draw attention to the note on "Equity accounted Investees" regarding proportion of holding interest, pursuant to exercise of its right to cure partners default in IBV Brasil Petroleo Ltda ("IBV"), BPRL Ventures BV has infused an amount of USD 53.98 Mn up to 31st March 2020 in IBV resulting in a temporary increase in its share of paid-up capital in IBV to 55.13%. Given the temporary nature of increase in paid-up capital, IBV has been consolidated as Joint Venture by the BPRL Ventures BV as on 31st March 2020 (Forming part of Note No. 7 to the Consolidated Ind AS Financial Statements).

Our opinion is not modified in respect of above matters.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditors' Response
1.	**Computation of Expected Credit Loss (ECL):** Trade receivables and loans granted under the Pradhan Mantri Ujjwala Yojana (PMUY) scheme constitute a significant component of the total current assets of the Corporation. At each reporting date, the Corporation recognizes Lifetime ECL on Trade Receivables using a 'simplified approach' and 12 month ECL on loans granted under the PMUY scheme, which rely on Management's estimates regarding probability of default rates linked to age-wise bucketing of the corresponding asset. The COVID-19 pandemic may also have an impact on the Management's estimate of probability of default as on 31st March 2020.	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • In respect of loans granted under PMUY, the Corporation along with other few industry peers have derived a common methodology based on the broad category of active and inactive consumers and last refill date with expected loan recovery period. We checked the working of the same and it was in line with the common draft methodology document shared with us. • We have evaluated the methodology for age-wise bucketing of trade receivables and key assumptions underlying the probability of default estimates on the same, to ascertain that the same were broadly in line with the Corporation's historical default rates and have considered available information regarding the current economic scenario. • We selected a few sample outstanding receivable cases having different overdue period and checked if the computation of ECL is appropriate in line with the Group's policy.
2.	**Investments in E&P Assets:** The Group along with its step down Subsidiaries, JVs & Associates holds participating interest in various oil/ gas blocks for exploration & evaluation, development and production activities (E&P). The Group's realization from these E&P investments is dependent on the continued successful operations/ development of reserves resulting in expected earnings and revenue growth of the respective companies. The sharp global reduction in crude oil prices towards the end of FY 2019-20 triggered by the COVID-19 pandemic, may also impact the estimated revenue of these entities and hence the Group's realization from E&P Investments.	The following procedures were carried out in this regard: • We evaluated the design and implementation of key controls in relation to the impairment testing carried out by the Corporation for the investment in E&P subsidiary. • We reviewed the audited Consolidated Ind AS Financial Statements of BPRL and the independent auditor's report thereon to ascertain if there are any signs of impairment in the Corporation's investments therein.

S. No.	Key Audit Matter	Auditors' Response
3.	**Evaluation of Contingent Liabilities:** The Group has material uncertain positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Contingent liabilities are not recognized in the Consolidated Ind AS Financial Statements but are disclosed unless the possibility of an outflow of economic resources is considered remote. Contingent liabilities disclosed are in respect of items which in each case are above the threshold limit.	• We examined sample items above the threshold limit for recognition of contingent liabilities and obtained details of completed Excise, VAT/ Sales Tax/ Entry Tax assessments and demands as on 31st March 2020. In FY 2019-20, due to various tax dispute settlement schemes, the Corporation has opted for dispute settlement in VAT/Sales tax related cases in many states and obtained opinion from tax consultants in various matters. We have relied upon such opinions where remote possibility of cash outflow is indicated and the Corporation has considered the same while preparation of the Consolidated Ind AS Financial Statements. • We have assessed the Management's underlying assumptions in estimating the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating Management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions at beginning of the financial year to evaluate whether any change was required to Management's position on these uncertainities.
4.	**Inventories:** Because of implementation of lockdown by Government due to outbreak of COVID-19, physical verification of the inventories of the Corporation was not possible during the course of audit. Verification and valuation of Inventories is a significant area requiring Management's judgment of estimates and application of accounting policies that have significant effect on the amounts recognized in the Consolidated Ind AS Financial Statements.	• We have relied on the physical verification of inventory of the Corporation carried out by the Management. We also evaluated the system of inventory monitoring and control and reviewed data regarding sale of finished goods for sample regions during April 2020. The physical verification of inventory has been conducted by the management at regular intervals. • In respect of the Corporation's inventory lying with third parties, we have ascertained that these have substantially been confirmed by them. We examined the system for records maintenance for stocks lying at third party locations. • We have also tested the values considered by the Corporation in respect of Net realizable value, cost of products and verified these with the inventory valuation and accounting entries posted in this regard.
5.	**Property, Plant & Equipment:** Estimates of useful lives and residual value of Property, Plant and Equipment is a significant area requiring Management judgment of estimates and application of accounting policies that have significant effect on the amounts recognized in the Consolidated Ind AS Financial Statements.	• We examined whether the Corporation has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. • The physical verification of fixed assets (except LPG Cylinders and pressure regulators with customers) has been carried out by the Management in accordance with the phased program of verification of all assets and necessary accounting entries based on such physical verification has been appropriately posted which were reviewed by us. • Changes in the useful life of class of assets was adopted based on detailed internal evaluation and was also comparable with other entities in the same industry. We have tested the computation of depreciation on sample basis.

Information Other than the Consolidated Ind AS Financial Statements and Auditors' Report Thereon

6. The Corporation's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Ind AS Financial Statements and our audit report thereon.

7. Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance thereon.

8. In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

9. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

10. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

11. In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group, joint ventures and its associates are responsible for assessing the ability of the Group and of its joint ventures and associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

12. The respective Board of Directors of the companies included in the Group, joint ventures and its associates are also responsible for overseeing the financial reporting process of the said companies.

Other Matters

13. We did not audit the financial statements of three subsidiaries, whose financial statements /financial information reflect total assets of ₹ 31,913.12 Crores and net assets of ₹ 9,407.16 Crores as at 31st March 2020, total revenues of ₹ 14,452.48 Crores, net profit of ₹ 1,233.22 Crores and net cash inflows amounting to ₹ 295.10 Crores for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the Group's share of net loss of ₹ 393.88 Crores for the year ended 31st March 2020, as considered in the Consolidated Ind AS Financial Statements, in respect of eight joint ventures and three associates, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such reports of the other auditors.

14. The Consolidated Ind AS Financial Statements include the Group share of net profit of ₹ 749.73 Crores for the year ended 31st March, 2020 in respect of six joint ventures and three associates, whose financial statements/financial information have not been audited by us. These financial statements/financial information are unaudited and have been furnished to us by the Management, and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid joint ventures and associates, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given by the Management, the variation, if any, in these financial statements is not expected to be material.

    Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements and Internal Financial Controls as per **Annexure-A** 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/financial information certified by the Management.

Auditors' Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

15. Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Consolidated Ind AS Financial Statements.

16. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group, joint ventures and its associates to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

17. Materiality is the magnitude of misstatements in the Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Ind AS Financial Statements.

18. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

19. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

20. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

21. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid Consolidated Ind AS Financial Statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

    d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    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 Holding company and in case of other companies, on the basis of report of the statutory auditors of the respective Companies of the Group, joint ventures and its associates incorporated in India, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **Annexure-A** which is based on the report of the statutory auditors of the respective Companies of the Group, joint ventures and its associates incorporated in

India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

g) 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 holding company.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations as at 31st March 2020 on consolidated financial position of the group, joint ventures and associates (Refer Note No. 62 of the Consolidated Ind AS Financial Statements).

   ii. Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts as at 31st March 2020.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, joint ventures and associates incorporated in India.

For CVK & Associates
Chartered Accountants
ICAI FRN. 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156
UDIN: 20032156AAAAAH1436

For Borkar & Muzumdar
Chartered Accountants
ICAI FRN. 101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No.100938
UDIN: 20100938AAAAAT9610

Place: Mumbai
Date: 03rd June,2020

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 21(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 Consolidated Ind AS Financial Statements for the year ended 31st March 2020]

Report on the Internal Financial Controls Over Financial Reporting 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 Ind AS Financial Statements of the Group, its joint ventures and associates as on and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of Bharat Petroleum Corporation Limited ("the Holding Company/Corporation") and its subsidiaries, joint ventures and associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, its subsidiaries, joint ventures and associates, 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 respective Companies 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 ("the 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 the respective company's business, including adherence to the respective company'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 internal financial controls over financial reporting of the Holding Company, its subsidiaries, joint ventures and associates, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 was 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 auditors' judgement, 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 internal financial controls system over financial reporting of the Holding Company, its subsidiaries, joint ventures and associates, which are companies incorporated in India.

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 the Consolidated Ind AS 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 Consolidated Ind AS 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 Consolidated Ind AS 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 and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiaries, joint ventures and associates, which are companies incorporated in India, have, 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 31st March 2020, based on the internal control over financial reporting criteria established by the respective companies 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.

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 in so far as it relates to three subsidiaries, seven joint ventures and three associates which are companies incorporated in India, is based on the corresponding reports issued by auditors of such companies, which do not disclose any material inadequacy in the internal financial controls over financial reporting.

Our opinion is not modified in respect of this matter.

For CVK & Associates
Chartered Accountants
ICAI FRN. 101745W

Sd/-
A K Pradhan
Partner
Membership No. 032156
UDIN: 20032156AAAAAH1436

For Borkar & Muzumdar
Chartered Accountants
ICAI FRN. 101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No.100938
UDIN: 20100938AAAAAT9610

Place: Mumbai
Date: 03rd June,2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020

₹ in Crores

	Note No.	As at 31/03/2020	As at 31/03/2019
I. ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	**59,761.10**	48,971.04
(b) Capital Work-In-Progress	3	**9,948.51**	7,292.90
(c) Investment Property	4	**32.87**	0.24
(d) Other Intangible assets	5	**380.60**	343.56
(e) Intangible Assets Under Development	6	**7,808.23**	6,361.59
(f) Investments accounted for using Equity Method	7	**21,532.11**	18,088.74
(g) Financial Assets			
(i) Investments	8	**287.86**	1,019.08
(ii) Loans	9	**4,987.27**	3,829.21
(iii) Other Financial Assets	10	**27.24**	86.52
(h) Income Tax Assets (Net)	11	**1,381.25**	449.40
(i) Deferred Tax Assets (Net)	28	**3.58**	4.27
(j) Other Non-current Assets	12	**1,461.19**	1,702.18
		1,07,611.81	88,148.73
(2) Current Assets			
(a) Inventories	13	**22,242.60**	22,934.87
(b) Financial Assets			
(i) Investments	14	**5,208.54**	5,799.09
(ii) Trade Receivables	15	**5,378.02**	6,906.25
(iii) Cash and Cash Equivalents	16	**799.63**	414.25
(iv) Bank Balances other than Cash and Cash Equivalents	17	**365.21**	248.27
(v) Loans	18	**704.86**	1,684.71
(vi) Other Financial Assets	19	**6,740.65**	9,437.65
(c) Current Tax Assets (Net)	20	**137.09**	33.17
(d) Other Current Assets	21	**1,654.08**	1,309.61
		43,230.68	48,767.87
(3) Assets held for sale	22	**21.07**	13.78
TOTAL ASSETS		**1,50,863.56**	1,36,930.38
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	23	**1,966.88**	1,966.88
(b) Other Equity	24	**34,565.45**	36,797.84
Equity attributable to owners		**36,532.33**	38,764.72
Non Controlling interests		**2,056.33**	2,070.04
Total Equity		**38,588.66**	40,834.76
(2) Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	**43,853.07**	34,315.58
(ii) Other Financial Liabilities	26	**58.69**	56.67
(b) Provisions	27	**1,595.99**	1,537.63
(c) Deferred Tax Liabilities (Net)	28	**6,163.92**	6,792.01
(d) Other Non-current Liabilities	29	**381.72**	284.01
		52,053.39	42,985.90
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	30	**17,795.15**	8,598.95
(ii) Trade Payables	31		
a. Total outstanding dues of Micro Enterprises and Small Enterprises		**69.20**	57.04
b. Total outstanding dues of creditors other than Micro and Small Enterprises		**13,038.01**	17,777.43
(iii) Other Financial Liabilities	32	**23,121.09**	19,608.47
(b) Other Current Liabilities	33	**4,125.82**	4,708.02
(c) Provisions	34	**2,039.39**	2,028.58
(d) Current Tax Liabilities (Net)	35	**32.85**	331.23
		60,221.51	53,109.72
Total Liabilities		**1,12,274.90**	96,095.62
TOTAL EQUITY AND LIABILITIES		**1,50,863.56**	1,36,930.38
Significant Accounting Policies	1		
Notes forming part of Financial Statements	44 to 71		

For and on behalf of Board of Directors

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

Sd/-
D. Rajkumar
Chairman and Managing Director
DIN: 00872597

CVK & Associates
Chartered Accountants
ICAI FR No.101745W

Borkar & Muzumdar
Chartered Accountants
ICAI FR No. 101569W

Sd/-
N. Vijayagopal
Director (Finance)
DIN: 03621835

Sd/-
V. Kala
Company Secretary

Sd/-
A.K. Pradhan
Partner
Membership No. 032156

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938

Place : MUMBAI
Date : 03rd June 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

₹ in Crores

		Note No.	2019-20	2018-19
I)	Revenue from operations	36	**3,29,797.16**	3,40,879.15
II)	Other income	37	**1,929.33**	2,037.54
III)	**Total Income (I + II)**		**3,31,726.49**	3,42,916.69
IV)	**Expenses**			
	Cost of raw materials consumed	38	**1,21,896.01**	1,30,693.29
	Purchases of stock-in-trade	39	**1,31,769.19**	1,32,055.42
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	40	**(1,073.07)**	(1,606.26)
	Excise duty		**45,225.26**	42,653.56
	Employee benefits expense	41	**4,020.51**	3,984.03
	Finance costs	42	**2,637.01**	1,763.95
	Depreciation and amortization expense	2,4,5	**4,080.09**	3,417.77
	Other expenses	43	**19,610.24**	17,986.88
	Total expenses (IV)		**3,28,165.24**	3,30,948.64
V)	**Profit from continuing operations before share of profit of equity accounted investees, exceptional item and income tax (III - IV)**		**3,561.25**	11,968.05
VI)	Share of profit of equity accounted investee (net of income tax)		**1,400.67**	937.32
VII)	Exceptional Item (Refer Note No. 69)		**1,310.35**	-
VIII)	**Profit from continuing operations before income tax (V + VI - VII)**		**3,651.57**	12,905.37
IX)	**Tax expense**	28		
	1) Current tax		**629.96**	3,109.18
	2) Deferred tax		**(14.49)**	1,367.53
	3) Short / (Excess) provision of earlier years		**(629.68)**	(99.19)
	Total tax expense		**(14.21)**	4,377.52
X)	**Profit for the period (VIII-IX)**		**3,665.78**	8,527.85
XI)	**Other Comprehensive Income (OCI)**		**587.84**	(1,172.47)
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit plans		**(326.29)**	(209.79)
	(b) Equity instruments through Other Comprehensive Income- net change in fair value		**(322.27)**	(71.08)
	(c) Equity accounted investees - share of OCI		**(2.51)**	0.03
	(ii) Income tax related to items that will not be reclassified to profit or loss		**119.28**	80.82
	(iii) Items that will be reclassified to profit or loss			
	(a) Exchange differences in translating financial statements of foreign operations		**348.88**	305.44
	(b) Equity accounted investees - share of OCI		**770.75**	(1,277.89)
XII)	**Total Comprehensive Income for the period (X+XI)**		**4,253.62**	7,355.38
	Profit attributable to:			
	Owners of the company		**3,055.36**	7,802.30
	Non-Controlling Interests		**610.42**	725.55
	Profit for the period		**3,665.78**	8,527.85
	Other Comprehensive Income attributable to :			
	Owners of the company		**599.84**	(1,173.05)
	Non-Controlling Interests		**(12.00)**	0.58
	Other Comprehensive Income for the period		**587.84**	(1,172.47)
	Total Comprehensive Income attributable to :			
	Owners of the company		**3,655.20**	6,629.25
	Non-Controling Interests		**598.42**	726.13
	Total Comprehensive Income for the period		**4,253.62**	7,355.38
XIII)	**Basic and Diluted Earnings Per Equity Share (Face value ₹ 10)**	54	**15.53**	39.67
	Significant Accounting Policies	1		
	Notes forming part of Financial Statements	44 to 71		

For and on behalf of Board of Directors

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

Sd/-
D. Rajkumar
Chairman and Managing Director
DIN: 00872597

CVK & Associates
Chartered Accountants
ICAI FR No.101745W

Borkar & Muzumdar
Chartered Accountants
ICAI FR No. 101569W

Sd/-
N. Vijayagopal
Director (Finance)
DIN: 03621835

Sd/-
V. Kala
Company Secretary

Sd/-
A.K. Pradhan
Partner
Membership No. 032156

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938

Place : MUMBAI
Date : 03rd June 2020

₹ in Crores

	For the Year ended	2019-20	2018-19
A	**Net Cash Flow from Operating Activities**		
	Net Profit Before Tax (After Exceptional Items)	3,651.57	12,905.37
	Adjustments for :		
	Share of (Profit) / Loss from Equity Accounted Investees	(1,400.67)	(937.32)
	Depreciation	4,080.09	3,417.77
	Finance Costs	2,637.01	1,763.95
	Foreign Exchange Fluctuations	1,027.94	188.38
	(Profit) / Loss on Sale of Property, Plant and Equipment	44.09	(3.89)
	(Profit) / Loss on Sale of Investments	(36.20)	(27.79)
	Income from Investments	(1,059.72)	(1,071.97)
	Dividend Received	(44.55)	(46.95)
	Expenditure towards Corporate Social Responsibility	286.59	258.17
	Other Non-Cash items*	530.87	248.74
	Operating Profit before Working Capital Changes	9,717.02	16,694.46
	(Invested in)/Generated from :		
	Inventories	692.27	(403.93)
	Trade Receivables	2,348.71	(1,747.76)
	Other Receivables	1,938.00	(6,277.01)
	Current Liabilities & Payables	(4,497.72)	4,897.21
	Cash generated from Operations	10,198.28	13,162.97
	Direct Taxes Paid	(1,827.32)	(2,773.02)
	Paid for Corporate Social Responsibility	(397.50)	(232.80)
	Net Cash from / (used in) Operating Activities	7,973.46	10,157.15
B.	**Net Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment / Intangible Assets	(12,289.41)	(10,541.30)
	Sale of Property, Plant and Equipment	27.33	40.20
	Capital Advance	70.64	(56.33)
	Investment in Equity Accounted Investees	(1,627.17)	(1,169.07)
	Sai Wardha Power Generation Limited (Equity)	0.00	2.30
	Purchase of Investments	(39,104.30)	(49,830.05)
	Sale of Investments	40,312.91	49,638.96
	Interest Received	1,041.68	1,124.22
	Dividend Received	340.76	339.90
	Net Cash from / (used in) Investing Activities	(11,227.56)	(10,451.17)
C	**Net Cash Flow from Financing Activities**		
	Repayment of Lease Liability	(611.87)	-
	Short Term Borrowings (Net)	8,891.48	288.88
	Long Term Borrowings**	9,547.44	7,114.28
	Repayment of Loans **	(6,023.38)	(816.03)
	Interest Paid	(1,702.68)	(1,476.81)
	Dividend Paid	(5,326.62)	(4,005.83)
	Dividend Distribution Tax	(1,191.16)	(897.45)
	Net Cash from / (used in) Financing Activities	3,583.21	207.04
D	**Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)**	329.11	(86.98)

₹ in Crores

For the Year ended	2019-20	2018-19
Cash and Cash Equivalents as at	**31/03/2019**	**31/03/2018**
Cash on hand	**33.27**	17.70
Cheques and drafts on hand	**24.70**	16.19
Cash at Bank	**179.08**	559.71
Demand deposits with Banks with original maturity of less than three months	**177.20**	-
Less : Bank Overdraft	**(214.40)**	(306.77)
	199.85	286.83
Cash and Cash Equivalents as at	**31/03/2020**	**31/03/2019**
Cash on hand	**6.13**	33.27
Cheques and drafts on hand	**6.10**	24.70
Cash at Bank	**323.07**	179.08
Demand deposits with Banks with original maturity of less than three months	**464.34**	177.20
Less : Bank Overdraft	**(270.68)**	(214.40)
	528.96	199.85
Net change in Cash and Cash Equivalents	**329.11**	(86.98)

* Includes FCMITDA Amortization loss of ₹ **80.96 Crores** (Previous year loss ₹ 66.72 Crores)

** Includes refinancing of ECB of USD 330 Million

Disclosure to changes in liabilities arising from Financing Activities

₹ in Crores

Particulars	Short term Borrowings (excluding Bank Overdraft)	Long term Borrowings (including current maturities)	Total liabilities from Financing Activities
As on 31st March 2018	7,786.26	29,566.23	37,352.49
Cash flows	288.88	6,298.25	6,587.13
Non cash changes			
a) Foreign exchange movement	309.41	281.64	591.05
b) Recognition of deferred income and its amortization	-	70.73	70.73
c) Fair value changes	-	32.26	32.26
d) Others changes	-	(9.07)	(9.07)
As on 31st March 2019	**8,384.55**	**36,240.04**	**44,624.59**

₹ in Crores

Particulars		Short term Borrowings (excluding Bank Overdraft)	Long term Borrowings (including current maturities)	Total liabilities from Financing Activities
As on 31st March 2019		8,384.55	36,240.15	44,624.70
Cash flows		8,891.48	3,547.95	12,439.43
Non cash changes				
a)	Foreign exchange movement	248.44	1,892.79	2,141.23
b)	Recognition of deferred income and its amortization	-	2.49	2.49
c)	Increase in Lease Obligations due to Ind AS 116	-	5,961.07	5,961.07
d)	Fair value changes	-	35.94	35.94
As on 31st March 2020		17,524.47	47,680.39	65,204.86

Explanatory notes to Statement of Cash Flows

1. The Statement of Cash Flows is prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Ind AS 7 as notified by Ministry of Corporate Affairs.
2. In Part-A of the Statement of Cash Flows, 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, Reversal of excess capitalization, 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 Property, Plant and Equipments, if any.

For and on behalf of Board of Directors

Sd/-
D. Rajkumar
Chairman and Managing Director
DIN: 00872597

Sd/-
N. Vijayagopal
Director (Finance)
DIN: 03621835

Sd/-
V. Kala
Company Secretary

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

CVK & Associates
Chartered Accountants
ICAI FR No.101745W

Sd/-
A.K. Pradhan
Partner
Membership No. 032156

Borkar & Muzumdar
Chartered Accountants
ICAI FR No. 101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938

Place : MUMBAI
Date : 03rd June 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

₹ in Crores

(a) Equity Share Capital	As at 31/03/2020		As at 31/03/2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	**2,16,92,52,744**	**2,169.25**	2,16,92,52,744	2,169.25
Add: Issue of Bonus Shares (Refer Note No. 23)	**-**	**-**	-	-
Balance at the end of the reporting period	**2,16,92,52,744**	**2,169.25**	2,16,92,52,744	2,169.25
Less: Adjustment for Shares held by BPCL Trust for Investment in Shares (Refer Note No. 46)	**(20,23,72,422)**	**(202.37)**	(20,23,72,422)	(202.37)
Balance at the end of the reporting period after Adjustment	**1,96,68,80,322**	**1,966.88**	1,96,68,80,322	1,966.88

₹ in Crores

(b) Other Equity	Reserves & Surplus								Equity Instruments through Other Comprehensive Income [Note No. 24]	BPCL Trust for Investment in Shares [Note No. 24]	Total attributable to Owners of the Corporation	Attributable to NCI ^	Total other equity
	Capital Reserve [Note No. 24]	Capital Reserve on Acquisition of subsidiaries, JVCs and associates [Note No. 24]	Securities Premium Reserve [Note No. 24]	Debenture Redemption Reserve [Note No. 24]	General Reserve [Note No. 24]	Retained Earnings [Note No. 24]*	Foreign Currency Monetary Item Translation Difference Account (FCMITDA) [Note No. 24]	Foreign Currency Translation Reserve [Note No. 24]					
Balance at 31st March 2018	**72.99**	**(31.00)**	**249.79**	**1,132.94**	**28,651.63**	**3,545.07**	**66.76**	**1,341.26**	**78.99**	**(456.74)**	**34,651.69**	**1,905.09**	**36,556.78**
Transfer to Deferred Income on account of implementation of Ind AS 115 (net of tax)						(44.85)					(44.85)	-	(44.85)
Opening Balance after the above effect	72.99	(31.00)	249.79	1,132.94	28,651.63	3,500.22	66.76	1,341.26	78.99	(456.74)	34,606.84	1,905.09	36,511.93
Profit for the year	-	-	-	-	-	7,802.30	-	-	-	-	7,802.30	725.55	8,527.85
Other Comprehensive Income for the year	-	-	-	-	-	(137.02)	-	(972.45)	(63.58)	-	(1,173.05)	0.58	(1,172.47)
Dividends	-	-	-	-	-	(3,904.66)	-	-	-	-	(3,904.66)	(465.49)	(4,370.15)
Dividend to BPCL Trust for Investment in Shares (Refer Note No. 46)	-	-	-	-	-	364.27	-	-	-	-	364.27	-	364.27
Dividend Distribution Tax on Dividends	-	-	-	-	-	(801.76)	-	-	-	-	(801.76)	(95.69)	(897.45)
Transfer to Debenture Redemption reserve	-	-	-	295.91	-	(295.91)	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	2,500.00	(2,500.00)	-	-	-	-	-	-	-
Transfer from Debenture Redemption Reserve	-	-	-	(249.54)	243.92	5.62					-	-	-
Additions/(deletions) during the year - FCMITDA	-	-	-	-	-	-	(162.82)	-	-	-	(162.82)	-	(162.82)
Amortization during the year - FCMITDA	-	-	-	-	-	-	66.72	-	-	-	66.72	-	66.72
Balance at 31st March 2019	**72.99**	**(31.00)**	**249.79**	**1,179.31**	**31,395.55**	**4,033.06**	**(29.34)**	**368.81**	**15.41**	**(456.74)**	**36,797.84**	**2,070.04**	**38,867.88**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020 (CONTD.)

₹ in Crores

(b) Other Equity	Reserves & Surplus								Equity Instruments through Other Comprehensive Income [Note No. 24]	BPCL Trust for Investment in Shares [Note No. 24]	Total attributable to Owners of the Corporation	Attributable to NCI ^	Total other equity
	Capital Reserve [Note No. 24]	Capital Reserve on Acquisition of subsidiaries, JVCs and associates [Note No. 24]	Securities Premium Reserve [Note No. 24]	Debenture Redemption Reserve [Note No. 24]	General Reserve [Note No. 24]	Retained Earnings [Note No. 24]*	Foreign Currency Monetary Item Translation Difference Account (FCMITDA) [Note No. 24]	Foreign Currency Translation Reserve [Note No. 24]					
Balance at 31st March 2019	**72.99**	**(31.00)**	**249.79**	**1,179.31**	**31,395.55**	**4,033.06**	**(29.34)**	**368.81**	**15.41**	**(456.74)**	**36,797.84**	**2,070.04**	**38,867.88**
Opening Balance adjustment	0.06	-	-	-	-	(11.35)	-	-	-	-	(11.29)	-	(11.29)
Balance after the above effect	**73.05**	**(31.00)**	**249.79**	**1,179.31**	**31,395.55**	**4,021.71**	**(29.34)**	**368.81**	**15.41**	**(456.74)**	**36,786.55**	**2,070.04**	**38,856.59**
Profit for the year	-	-	-	-	-	3,055.36	-	-	-	-	3,055.36	610.42	3,665.78
Other Comprehensive Income for the year	-	-	-	-	-	(206.86)	-	1,119.63	(312.93)	-	599.84	(12.00)	587.84
Dividends	-	-	-	-	-	(5,314.67)	-	-	-	-	(5,314.67)	(507.75)	(5,822.42)
Dividend to BPCL Trust for Investment in Shares (Refer Note No. 46)	-	-	-	-	-	495.81	-	-	-	-	495.81	-	495.81
Dividend Distribution Tax on Dividends	-	-	-	-	-	(1,091.23)	-	-	-	-	(1,091.23)	(104.38)	(1,195.61)
Transfer to Debenture Redemption reserve	-	-	-	293.21	-	(293.21)	-	-	-	-	-	-	-
Add/Less: Dividend Distribution tax pertaining to Previous years	-	-	-	-	-	4.45	-	-	-	-	4.45	-	4.45
Transfer to General Reserve	-	-	-	-	1,024.20	(1,024.20)	-	-	-	-	-	-	-
Transfer from Debenture Redemption Reserve	-	-	-	(377.40)	377.40	-	-	-	-	-	-	-	-
Additions/(deletions) during the year - FCMITDA	-	-	-	-	-	-	(51.62)	-	-	-	(51.62)	-	(51.62)
Amortization during the year - FCMITDA	-	-	-	-	-	-	80.96	-	-	-	80.96	-	80.96
Balance at 31st March 2020	**73.05**	**(31.00)**	**249.79**	**1,095.12**	**32,797.15**	**(352.84)**	**-**	**1,488.44**	**(297.52)**	**(456.74)**	**34,565.45**	**2,056.33**	**36,621.78**

*The balance includes accumulated Gain/(loss) on account of Remeasurements of defined benefit plans (Net of tax) as on 31st March 2020 ₹ **(442.62) Crores** [Previous year ₹ (257.56) Crores] of the Corporation

^ Includes share capital attributable to Non-Controlling Interest as on 31st March 2020 ₹ **282.08 Crores** (Previous year ₹ 282.08 Crores)

For and on behalf of Board of Directors

Sd/-
D. Rajkumar
Chairman and Managing Director
DIN: 00872597

Sd/-
N. Vijayagopal
Director (Finance)
DIN: 03621835

Sd/-
V. Kala
Company Secretary

Place : MUMBAI
Date : 03rd June 2020

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

CVK & Associates
Chartered Accountants
ICAI FR No.101745W

Sd/-
A.K. Pradhan
Partner
Membership No. 032156

Borkar & Muzumdar
Chartered Accountants
ICAI FR No. 101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938

1. Statement of Significant Accounting Policies:

The Consolidated Financial Statements relate to Bharat Petroleum Corporation Limited (BPCL or Parent Company or Corporation), its Subsidiary Companies and interest in Joint Ventures and Associates. The Corporation and its Subsidiaries are together referred to as "Group".

1.1. Basis for preparation: The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and other relevant provisions of the Act and Rules thereunder.

The Financial Statements of the Subsidiary Companies, Joint Venture Companies (JVCs) and the Associates used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of BPCL i.e. 31st March 2020, except for Matrix Bharat Pte. Ltd. whose accounts are drawn for the year ended 31st December 2019, where there are no significant transactions or other events that have occurred between 1st January 2020 and 31st March 2020.

The Consolidated Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Group has adopted all the Ind AS and the adoption was carried out during Financial Year 2016-17 in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

The functional currency of the Corporation and its Indian Subsidiaries is Indian Rupees (₹), whereas the functional currency of foreign subsidiaries is USD ($). The presentation currency of the group is Indian Rupees (₹). All figures appearing in the consolidated financial statements are rounded to the nearest Crores (₹ Crores), except where otherwise indicated.

In case of some Joint Venture Companies and Associates, certain accounting policies are different from that of the parent company, the impact of which is not expected to be material. The threshold limits for the Group has been applied as per their respective financial statements and the same has been specified in Note No. 1.34.

Authorization of Consolidated Financial Statements: The Consolidated Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 03rd June 2020.

The percentage of ownership interest of the Corporation in the Subsidiary Companies, JVCs and Associates as on 31st March 2020 are as under:

S. No.	Particulars	Country of Incorporation	Percentage (%) of actual ownership interest as on	
			31/03/2020	31/03/2019
A.	**Subsidiaries**			
1.	Numaligarh Refinery Limited (NRL)	India	**61.65**	61.65
2.	Bharat Gas Resources Limited (BGRL)	India	**100.00**	100.00
3.	Bharat PetroResources Limited (BPRL)	India	**100.00**	100.00
4.	Bharat PetroResources JPDA Limited (Note i)	India	**100.00**	100.00
5.	BPRL International BV (Note i)	Netherlands	**100.00**	100.00
6.	BPRL International Singapore Pte Ltd. (Note i)	Singapore	**100.00**	100.00
7.	BPRL Ventures BV (Note ii)	Netherlands	**100.00**	100.00
8.	BPRL Ventures Mozambique BV (Note ii)	Netherlands	**100.00**	100.00
9.	BPRL Ventures Indonesia BV (Note ii)	Netherlands	**100.00**	100.00
10.	BPRL International Ventures BV (Note ii)	Netherlands	**100.00**	100.00

S. No.	Particulars	Country of Incorporation	Percentage (%) of actual ownership interest as on	
			31/03/2020	31/03/2019
B.	**Joint Venture Companies**			
1.	Bharat Oman Refineries Limited (Note xvi)	India	**63.38**	50.00
2.	Central UP Gas Limited	India	**25.00**	25.00
3.	Maharashtra Natural Gas Limited	India	**22.50**	22.50
4.	Sabarmati Gas Limited	India	**49.94**	49.94
5.	Bharat Stars Services Private Limited	India	**50.00**	50.00
6.	Bharat Renewable Energy Limited (Note iv)	India	**33.33**	33.33
7.	Matrix Bharat Pte. Ltd.	Singapore	**50.00**	50.00
8.	Delhi Aviation Fuel Facility Private Limited	India	**37.00**	37.00
9.	IBV (Brasil) Petroleo Ltda. (Note iii)	Brazil	**50.00**	50.00
10.	Mumbai Aviation Fuel Farm Facility Private Limited	India	**25.00**	25.00
11.	Kochi Salem Pipeline Private Limited	India	**50.00**	50.00
12.	BPCL-KIAL Fuel Farm Private Limited	India	**74.00**	74.00
13.	Haridwar Natural Gas Private Limited	India	**50.00**	50.00
14.	Goa Natural Gas Private Limited	India	**50.00**	50.00
15.	DNP Limited (Note vi)	India	**26.00**	26.00
16.	Taas India Pte Ltd. (Note vii)	Singapore	**33.00**	33.00
17.	Vankor India Pte Ltd. (Note vii)	Singapore	**33.00**	33.00
18.	Falcon Oil & Gas BV (Note xi)	Netherlands	**30.00**	30.00
19.	Ratnagiri Refinery & Petrochemicals Limited	India	**25.00**	25.00
20.	LLC TYNGD (Note viii)	Russia	**9.87**	9.87
21.	Urja Bharat Pte. Ltd. (Note xii)	Singapore	**50.00**	50.00
22.	Assam Bio Refinery Private Limited (Note vi)	India	**50.00**	50.00
23.	Indradhanush Gas Grid Limited (Note vi)	India	**20.00**	20.00
24.	IHB Private Limited	India	**25.00**	-
C.	**Associates**			
1.	Indraprastha Gas Limited	India	**22.50**	22.50
2.	Petronet LNG Limited	India	**12.50**	12.50
3.	GSPL India Gasnet Limited	India	**11.00**	11.00
4.	GSPL India Transco Limited	India	**11.00**	11.00
5.	Kannur International Airport Limited (Note v)	India	**16.20**	18.68
6.	Petroleum India International (Note xv)	India	**-**	18.18
7.	Petronet India Limited (Note xiii)	India	**16.00**	16.00
8.	Petronet CI Limited (Note iv)	India	**11.00**	11.00
9.	FINO Paytech Limited	India	**20.73**	20.73
10.	Brahmaputra Cracker and Polymer Limited (Note vi)	India	**10.00**	10.00
11.	Mozambique LNG 1 Company Pte Ltd. (Note ix)	Singapore	**10.00**	10.00
12.	Mozambique LNG1 Holding Co. Ltd. (Note xiv)	UAE	**10.00**	-
13.	Mozambique LNG1 Financing Company Ltd. (Note xiv)	UAE	**10.00**	-
14.	JSC Vankorneft (Note x)	Russia	**7.89**	7.89

- Ujjwala Plus Foundation is a joint venture of IOCL, BPCL and HPCL with fund contribution in the ratio of 50:25:25 which was incorporated as a limited by guarantee company (without share capital) under section 8 of Companies Act, 2013.

Notes:

i. Bharat PetroResources JPDA Limited, BPRL International BV and BPRL International Singapore Pte. Ltd. are 100% subsidiaries of BPRL.

ii. BPRL Ventures BV, BPRL Ventures Mozambique BV, BPRL Ventures Indonesia BV and BPRL International Ventures BV are wholly owned subsidiaries of BPRL International BV which have been incorporated outside India.

iii. BPRL Ventures BV holds 50% equity in Joint Venture Company IBV (Brasil) Petroleo Ltda., incorporated in Brazil. During FY 2019-20, Pursuant to exercise of its right to cure partners default in IBV Brasil Petroleo Ltda, BPRL Ventures BV has infused an amount of USD 53.98 Mn upto 31st March 2020 in IBV resulting in a temporary increase in its paid-up capital in IBV to 55.13%. Given the temporary nature of increase in paid-up capital, IBV has been consolidated as Joint Venture by BPRL Ventures BV as on 31st March 2020.

iv. 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 Companies and provision for full diminution in the value of investment has been done in the standalone financial statements of the parent company.

v. Kannur International Airport Limited has not prepared its financial statements for FY 2019-20 and the same has not been considered for consolidation as the same is not expected to be material. For FY 2018-19, the percentage shareholding in Kannur International Airport Limited is after excluding calls received for the rights issue, for which subscription of shares were pending.

vi. Brahmaputra Cracker and Polymer Limited is an Associate of NRL and DNP Limited, Assam Bio Refinery (P) Ltd. and Indradhanush Gas Grid Ltd. are Joint Ventures of NRL. The Financial Statement for FY 2019-20 for these company has been taken based on Management estimates while consolidating the Financial Statements by NRL.

vii. Taas India Pte Ltd. and Vankor India Pte Ltd., are joint venture companies of BPRL International Singapore Pte Ltd.

viii. LLC TYNGD is a Joint Venture of Taas India Pte Ltd.

ix. Mozambique LNG1 Holding Company Ltd is an associate of BPRL Ventures Mozambique BV.

x. JSC Vankorneft is an associate of Vankor India Pte Ltd.

xi. Falcon Oil & Gas BV is a joint venture of BPRL International Ventures BV.

xii. Urja Bharat Pte Ltd. is a joint venture of BPRL International Singapore Pte. Ltd.

xiii. Petronet India Limited has gone under winding up. Consolidation has been done based on the declaration of solvency by the management of company.

xiv. Further, Mozambique LNG1 Company Pte. Ltd. and Mozambique LNG1 Financing Company Ltd. are the Wholly owned Subsidiary Company of Mozambique LNG1 Holding Company Ltd.

xv. During the year, Petroleum India International has been dissolved.

xvi. In addition to the ownership interest, BPCL has made an investment in Compulsorily Convertible Debentures and Warrants in Bharat Oman Refinery Limited. Change in equity ownership interest during the year is due to conversion of warrants into equity shares.

xvii. The financial statements of Indraprastha Gas Limited, Petronet LNG Limited, Central UP Gas Limited, Sabarmati Gas Limited, Maharashtra Natural Gas Limited, Bharat Stars Services Private Limited, BPCL-KIAL Fuel Farm Private Limited, Haridwar Natural Gas Private Limited and FINO Paytech Limited are yet to be audited and hence provisional financial statements provided by management of the respective companies have been considered for the purpose of preparation of Consolidated Financial Statements.

1.2. Basis of Consolidation

1.2.1. Subsidiaries

Subsidiaries are entities controlled by the Corporation. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

Subsidiaries are consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. The intra-company balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Corporation. Non-controlling interests ("NCI") which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Changes in the Corporation's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.2.2. Joint Ventures and Associates

A joint venture is an arrangement in which the Corporation has joint control and has rights to the net assets of the arrangement, rather than the rights to its assets and obligation for its liabilities. An associate is an entity in which the Corporation has significant influence, but no control or joint control over the financial and operating policies.

Interest in joint ventures and associates are accounted for using the equity method. They are initially recognized at cost which includes transaction cost. Subsequent to initial recognition the consolidated financial statements include the JVCs and associates share of profit or loss and Other Comprehensive Income ("OCI") of such entities until the date on which significant influence or joint control ceases.

Unrealised gains / losses arising from transactions with such entities are eliminated against the investment to the extent of the Corporation's interest in the investee.

1.2.3. Business Combinations

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Group has elected to apply the requirements of Ind AS 103, "Business Combinations" prospectively to business combinations on or after the date of transition (1st April 2015). Pursuant to this exemption, goodwill / capital reserve arising from business combination has been stated at the carrying amount under Previous GAAP. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when the control is transferred to the Group. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), of the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in Statement of Profit or Loss or OCI as appropriate.

Common Control

Business combinations involving entities that are ultimately controlled by the same party(ies) before and after the business combination are considered as Common Control entities and are accounted using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.

- No adjustments are made to reflect the fair values, or recognize new assets or liabilities. Adjustments are made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

The difference if any, between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

1.3. Use of Judgements and Estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as below:

- Assessment of functional currency;
- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible assets;
- Valuation of Inventories;
- Measurement of recoverable amounts of Cash-Generating Units;
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions including loss allowances;
- Evaluation of recoverability of Deferred Tax Assets;
- Contingencies;
- Interest in Joint arrangements;
- In case of BPRL, impairment of exploration and evaluation assets; key assumptions for underlying recoverable amounts; and
- Estimation of Oil and Natural Gas reserves:
    - The determination of the Group's estimated oil and natural gas reserves requires significant judgements and estimates to be applied and these are regularly reviewed and updated. Factors such as the availability of geological and engineering data, reservoir performance data, acquisition and divestment activity, drilling of new wells, and commodity prices all impact the determination of the Group's estimates of its oil and natural gas reserves. The Group estimates its proved reserves with a reasonable certainty on the basis of rigorous technical and commercial assessments based on conventional industry practice and regulatory requirements.

- Estimates of oil and natural gas reserves are used to calculate depreciation, depletion and amortization charges for the Group's oil and gas properties. The impact of changes in estimated proved reserves is dealt with prospectively by amortizing the remaining carrying value of the asset over the expected future production. Oil and natural gas reserves also have a direct impact on the assessment of the recoverability of asset carrying values reported in the consolidated financial statements. If proved reserves estimates are revised downwards, retained earnings could be affected by changes in depreciation expense or an immediate write-down of the property's carrying value.

Revisions to accounting estimates are recognized prospectively in the Consolidated Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

1.4. Property, Plant and Equipment

1.4.1. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.4.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

1.4.3. Direct expenses incurred during construction period on capital projects are capitalized. Other expenses of the project group which are allocated to projects costing above a threshold limits are also capitalized. Expenditure incurred on enabling assets are capitalized.

1.4.4. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

1.4.5. Expenditure on assets, other than plant and machinery, LPG cylinders and pressure regulators, not exceeding threshold limits are charged to revenue.

1.4.6. Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limits. In other cases, the spare part is inventorized on procurement and charged to Consolidated Statement of Profit and Loss on consumption.

1.4.7. An item of Property, Plant and Equipment and any significant part initially recognized separately as part of Property, Plant and Equipment is derecognized upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Consolidated Statement of Profit and Loss when the asset is derecognized.

1.4.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

1.4.9. In respect of the capital goods common for both GST and non-GST products, the GST input tax credit is taken on the eligible portion based on GST and non-GST product ratio in the month of procurement and the ineligible portion is capitalized. Subsequently, this ratio is reviewed every month as per the GST provisions and the differential GST amount arising due to changes in the ratio is capitalized when beyond the materiality threshold.

1.4.10. The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.5. Depreciation

Depreciation on Property, Plant and Equipment are provided on the straight line basis, over the estimated useful lives of assets (after retaining the estimated residual value of upto 5%). These useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act, except in following cases:

1.5.1. 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.

1.5.2. Computer equipments are depreciated over a period of 3 years and Mobile phones are depreciated over a period of 2 years based on internal assessment. Electronic and electrical equipments provided to management staff under furniture on hire scheme are depreciated over a period of 4 years as per internal assessment. Other furniture items provided to management staff are depreciated over a period of 6 years as per internal assessment.

1.5.3. Solar Panels are depreciated over a period of 25 years based on the technical assessment of useful life and applicable warranty conditions.

1.5.4. 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.

1.5.5. Items of Property, Plant and Equipment costing not more than the threshold limits are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.

1.5.6. In case of BPRL, workstations are depreciated over a period of 5 years. The useful lives are estimated based on the internal assessment.

1.5.7. 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 of such components has been assessed based on historical experience and internal technical assessment.

1.5.8. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

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

1.5.10. The Residual value of LPG cylinders and Pressure Regulators have been estimated at 15% of the original cost (Previous year upto 5% of the original cost) based on the historical experience and internal technical assessment.

1.6. Intangible Assets

1.6.1. Goodwill: Goodwill that arises on a business combination is subsequently measured at cost less any accumulated impairment losses.

In respect of business combinations that occurred prior to 1st April 2015, goodwill is included on the basis of its deemed cost, which represents the amount recorded under Previous GAAP, adjusted for the reclassification of certain intangibles.

Goodwill is not amortized but is tested for impairment annually.

1.6.2. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding development costs, is not capitalized and is reflected in Consolidated Statement of Profit and Loss in the period in which such expenditure is incurred. Development costs are capitalized if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

1.6.3. Assets where entire output generated is committed to be sold to entities providing public services for almost entire useful life of the asset are classified as intangible assets as per the requirements of Applicable Ind AS and are amortized (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

1.6.4. In cases where, the Corporation or its Subsidiaries has constructed assets on behalf of public infrastructure entities and it has only a preferential right to use, these assets are classified as intangible assets and are amortized (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

1.6.5. Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortized, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment losses on intangible assets with indefinite life are recognized in the Consolidated Statement of Profit and Loss.

1.6.6. Expenditure incurred for creating / acquiring other intangible assets above threshold limits 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, on a straight line basis, from the time the intangible asset starts providing the economic benefit. In other cases, the expenditure is reflected in the Consolidated Statement of Profit and Loss in the year in which the expenditure is incurred. The amortization period and the amortization method for an intangible asset with a finite life are reviewed at each year end. The amortization expense on intangible asset with finite useful lives and impairment losses in case there is an indication that the intangible asset may be impaired, are recognized in the Consolidated Statement of Profit and Loss.

1.6.7. The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.7. Investment Property

1.7.1. Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.7.2. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognized in Consolidated Statement of Profit and Loss.

1.7.3. On transition to Ind AS i.e. 1st April 2015, the Group has re-classified certain items from Property, Plant and Equipment to investment property. For the same, Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for such assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.8. Borrowing costs

1.8.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.8.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss.

1.8.3. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

1.9. Non-current assets/Disposal Group held for sale

1.9.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

1.9.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell (upto 5% of the acquisition value).

1.9.3. The disposal group classified as held for sale, are measured at the lower of carrying amount and fair value less costs to sell.

1.9.4. Property, Plant and Equipment and Intangible assets classified as held for sale are not depreciated or amortized.

1.10. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

Corporation and its subsidiary shall reassess whether a contract is, or contains, a lease if the terms and conditions of the contract are changed.

1.10.1. As a Lessee

At the commencement date, group recognizes a right-of-use asset at cost and a lease liability at present value of the lease payments that are not paid at commencement date. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset; (ii) the Group has right to obtain substantially all of the economic benefits from use of the asset throughout the period of the lease; and (iii) the Group has the right to direct the use of the asset.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability (at present value) adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives (at present value) except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense. Lease of items such as IT Assets (tablets, personal computers, mobiles, POS machines etc.), small items of office furniture etc. are treated as low value.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the Corporation and its subsidiaries respective incremental borrowing rate computed on periodic basis based on lease term. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Group changes its assessment, whether it will exercise an extension or a termination option.

Right-of-use assets are depreciated over the lease term on systematic basis and Interest on lease liability is charged to Consolidated Statement of Profit and Loss as Finance cost.

1.10.2. As a Lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease.

1.10.2.1. Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Group shall recognize assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

1.10.2.2. Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Group shall recognize lease payments from operating leases as income on systematic basis in the pattern in which benefit from the use of the underlying asset is diminished.

1.11. Impairment of Non-financial Assets

1.11.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

1.11.2. Goodwill arising from business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

1.11.3. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.12. Inventories

1.12.1. Inventories are stated at cost or net realizable 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:

- 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.
- The cost of Stock-in-Process is determined at raw material cost plus cost of conversion.

1.12.2. 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.

1.12.3. 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.

1.12.4. 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 marketing companies and retail consumers respectively. For the purpose of stock valuation, the proportion of sales to oil marketing companies and retail consumers are determined on all India basis and considered for stock valuation at all locations.

1.12.5. Raw Materials held for use in the production of finished goods are not written down below cost except in cases where raw material prices have declined and it is estimated that the cost of the finished goods will exceed their net realizable value.

1.12.6. 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 NRL, threshold of 3 years is being used.

1.12.7. In case of BPRL, finished goods of Crude Oil are valued at Cost or Net realizable value, whichever is lower. Cost of finished goods is determined based on direct cost and directly attributable services cost including depreciation and depletion. The value of such inventories includes royalty (wherever applicable). Cost of inventories other than finished goods, includes expenditure incurred in the normal course of business in bringing inventories to their present location.

1.13. Revenue Recognition

1.13.1. Sale of goods

Revenue from the sale of goods is recognized when the performance obligation is satisfied by transferring the related goods to the customer. The performance obligation is considered to be satisfied when the customer obtains control of the goods.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable (after including fair value allocations related to arrangements involving more than one performance obligation), net of returns, taxes or duties collected on behalf of the Government and applicable trade discounts or rebates.

Revenue is allocated between loyalty programmes and other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognized as revenue when the Corporation has fulfilled its obligation to supply the products under the terms of the programme.

Any upfront fees earned by the Corporation with no identifiable performance obligation are recognized as revenue on a systematic basis over the period of the Contract.

Where the Corporation acts as an agent on behalf of a third party, the associated income is recognized on a net basis.

Claims in respect of 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 as stipulated.

In case of BPRL, income from the sale of crude oil and gas produced from the block until the start of commercial production is adjusted against the cost of such block.

In case of BPRL, any retrospective revision in prices of crude oil and gas is accounted for in the year of such revision.

1.13.2. Construction contracts

Revenue from Construction contracts arise from the service concession arrangements entered into by the Group and certain arrangements involving construction of specific assets as part of arrangements involving more than one performance obligation.

Contract revenue includes the amount agreed in the contract to the extent that it is probable that they will result in revenue and can be measured reliably.

Based on an assessment of the terms of such contracts, the contract revenue is recognized in the Consolidated Statement of Profit and Loss based on the percentage of completion method.

The stage of completion is assessed with reference to the proportion of actual cost incurred as compared to the total estimated cost of the related contract.

Contract expenses are recognized as incurred unless they create an asset relating to future contract activity. An expected loss on a contract is recognized immediately in the Consolidated Statement of Profit and Loss.

1.13.3. Interest income is recognized using Effective Interest Rate (EIR) method.

1.13.4. Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

1.13.5. Income from sale of scrap is accounted for on realization.

1.13.6. In case of the Corporation, claims other than subsidy claims on LPG and SKO, from Government of India are booked when there is a reasonable certainty of recovery.

1.14. Classification of Income / Expenses

1.14.1. Income / expenditure (net) in aggregate pertaining to prior year(s) above the threshold limits are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and / or restating the opening Balance Sheet for the earliest prior period presented.

1.14.2. Prepaid expenses upto threshold limits in each case, are charged to revenue as and when incurred.

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

1.15. Employee Benefits

1.15.1. Short-term employee benefits

Short-term employee benefits are recognized as an expense at an undiscounted amount in the Consolidated Statement of Profit and Loss of the year in which the related services are rendered.

1.15.2. Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plans such as pension are recognized as an expense in the Consolidated Statement of Profit and Loss as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a set-off in future payments is available.

Defined Benefit Plans:

The net obligation in respect of defined benefit plans such as gratuity, other post-employment benefits etc., is calculated separately for each plan by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the Projected Unit Credit method. When the calculation results in a potential asset for the entity, the recognized asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The current service cost of the defined benefit plan, recognized in the Consolidated Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Consolidated Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Re-measurements which comprise of actuarial gains and losses, the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability/(asset)) and the effect of the asset ceiling (if any, excluding amounts included in the net interest on the net defined benefit liability/(asset)), are recognized in other comprehensive income.

1.15.3. Other long-term employee benefits

Liability towards other long-term employee benefits - leave encashment and long service awards etc., are determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long-terms employee benefits, recognized in the Consolidated Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Consolidated Statement of Profit and Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss. Re-measurements are recognized in the Consolidated Statement of Profit and Loss.

1.15.4. Termination benefits

Expenditure on account of Voluntary Retirement Scheme are charged to Consolidated Statement of Profit and Loss as and when incurred.

1.16. Foreign Currency Transactions

1.16.1. Monetary items

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long-term foreign currency monetary items outstanding as of 31st March 2016) are recognized in Consolidated Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

The Group has elected to continue the policy adopted under Previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange differences arising on settlement or translation of 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 liability.

1.16.2. Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.16.3. In case of group companies of BPRL, the results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities are translated at the closing rate at the date of that balance sheet.

Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

All resulting exchange differences are recognized in other comprehensive income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1.17. Government Grants

1.17.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

1.17.2. When the grant relates to an expense item, it is recognized in Consolidated Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

1.17.3. Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

1.18. Provisions, Contingent Liabilities and Capital Commitments

1.18.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.18.2. The expenses relating to a provision is presented in the Consolidated Statement of Profit and Loss net of reimbursements, if any.

1.18.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.18.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

1.18.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.18.6. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limits.

1.19. Fair Value Measurement

1.19.1. The Group measures certain financial instruments at fair value at each reporting date.

1.19.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

1.19.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability also reflects its non-performance risk.

1.19.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognized in Consolidated Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.19.5. While measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

1.19.6. When quoted price in active market for an instrument is available, the Group measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

1.19.7. If there is no quoted price in an active market, then the Group uses a valuation technique that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

1.19.8. The Group regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then they assess the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

1.20. Financial Assets

1.20.1. Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognized when they are originated. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

1.20.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortized cost

A ‘debt instrument’ is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognized in the Consolidated Statement of Profit and Loss.

Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the Fair Value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Consolidated Statement of Profit and Loss. Other net gains and losses are recognized in other comprehensive Income.

Debt instruments at Fair value through Profit or Loss (FVTPL)

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortized cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Consolidated Statement of Profit and Loss separately.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Group decides to classify the same either as FVOCI or FVTPL. They make such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). Dividends on such equity instruments are recognized in the Consolidated Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

1.20.3. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the entity's Balance Sheet) when

The rights to receive cash flows from the asset have expired, or

The rights to receive cash flows from the asset is transferred or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The risks and rewards of the asset has been transferred substantially, or
- The risk and rewards of the asset are neither transferred nor retained, but the control of the asset is transferred.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Consolidated Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition.

1.20.4. Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Loss allowances on receivables from customers are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as loan to LPG Consumers, debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

1.21. Financial Liabilities

1.21.1. Initial recognition and measurement

Financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

1.21.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognized in Consolidated Statement of Profit and Loss.

Financial Liabilities at amortized cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Consolidated Statement of Profit and Loss.

1.21.3. De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss.

1.22. Financial guarantees

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognized less cumulative amortization.

1.23. Derivative financial instruments

The Group uses derivative financial instruments to manage the commodity price risk and exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with the changes being recognized in the Consolidated Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair valuation gains or losses on foreign currency derivatives measured at FVTPL are grouped along with Gain or loss on foreign currency transactions and translations and presented under "Other Income" or "Other expenses", as the case may be, since these derivatives constitute hedges from an economic perspective and may not qualify for hedge accounting under Ind AS 109.

1.24. Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract. Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in Consolidated Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

1.25. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

1.26. Taxes on Income

1.26.1. Current Tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognized in correlation to the underlying transaction either in the Consolidated Statement of Profit and Loss, other comprehensive income or directly in equity.

1.26.2. Deferred Tax

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in the Consolidated Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is not recognized for

- Temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- Taxable temporary differences arising on the initial recognition of goodwill.

1.27. Earnings per share

1.27.1. Basic earnings per share are calculated by dividing the 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.

1.27.2. For the purpose of calculating diluted earnings per share, the 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.

1.28. 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 (considered as 12 months) and other criteria set out in Schedule III of the Act.

1.29. Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Consolidated Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheques and drafts on hand, net of outstanding bank overdrafts as they are considered an integral part of the Corporation's cash management. The Group 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.

1.30. Cash Flows

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.

1.31. Joint Operations in case of BPRL

BPRL has Joint arrangement in the nature of Production Sharing Contracts (PSC) with the Government of respective countries and/or various bodies corporate for exploration, development and production activities.

The income, expenditure, assets and liabilities of the Joint operations are merged on line by line basis according to the participating interest with the similar items in the financial statements of BPRL.

1.32. Depletion

In case of BPRL, Depletion charge is calculated on the capitalized cost according to the Unit of Production Method. The Depletion 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 UOP rate for computing depreciation charge for the acquisition cost within a field is arrived at by dividing the acquisition cost of the field by the Proved Oil and Gas Reserves and for all other capitalized costs, by dividing the depreciation base of the cost centre by the Proved Developed Oil and Gas Reserves. The depreciation base of a cost centre includes the gross block of the cost centre 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 Group.

1.33. Oil and natural gas producing activities in case of BPRL

BPRL follows the accounting policy as explained below for its oil and natural gas exploration and production activities.

i. Acquisition costs such as costs incurred to purchase, lease or otherwise acquire a property or mineral right proved or unproved are capitalized. Any pre-acquisition costs are expensed as and when incurred.

ii. All costs which are directly attributable to the exploration and evaluation activities of oil and gas are capitalized as Exploratory Wells-in-Progress under "intangible assets under development". General and administrative costs are included in the exploration and evaluation cost only to the extent that those costs can be directly attributable to the related exploration and evaluation assets. In all other cases, these costs are expensed as incurred.

iii. BPRL classifies the acquisition costs, exploration and evaluation assets as tangible asset or intangible asset according to the nature of assets acquired.

iv. Once the technical feasibility and commercial viability of extracting oil and gas are determinable, exploration and evaluation assets are classified as Development Wells-in-Progress under "intangible assets under development". Exploration and evaluation asset is assessed for impairment, and impairment loss if any, is recognized, before such reclassification. Subsequent development costs including costs incurred for production facilities are capitalized as and when incurred as intangible assets under development or intangible assets as the case may be.

v. When a well within a block or cost centre is ready to commence commercial production, the capitalized costs referred above are reclassified as intangible assets. The cost centre is not normally smaller than a country, except, where warranted by a major difference in economic, fiscal or other factors in the country.

vi. When a block or cost centre is relinquished, the accumulated cost is charged off as an expense in the said year.

vii. BPRL capitalizes the obligations for removal and restoration that are incurred during a particular period as a consequence of having undertaken the exploration for and evaluation of mineral resources and the amount of provision required to be created for subsequent abandonment as part of Property, Plant and Equipment or Intangible Assets, as the case may be. The provision for estimated abandonment costs is made at current prices considering the environment and social obligations, terms of mining lease agreement, industry practice, etc. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate (or rates) is pre-tax rate (or rates) that reflect current market assessments of the time value of money and the risks specific to the liability. Where there is an uncertainty of timing on the incurrence of the expenditure, time value of money is not considered while providing for the obligations. Changes in the measurement of existing abandonment costs that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation or a change in the discount rate is added to, or deducted from the related field in the current period and is considered for necessary depletion (depreciation) prospectively. The change in the estimated provision due to the periodic unwinding of the discount is recognized in the Consolidated Statement of Profit and Loss as it occurs.

viii. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The Impairment test is performed in accordance with the procedures given in para 1.11 for impairment of non-financial assets. Impairment loss, if any is recognized as an expense.

ix. BPRL allocates exploration and evaluation assets to cash generating units or group of cash generating units for the purpose of assessing such assets for impairment.

1.34. The Group has adopted materiality threshold limits in the preparation and presentation of financial statements as given below:

Threshold Item	Accounting Policy Reference	Unit	Threshold Limit Value
Allocation of other expenses to projects costing in each case	1.4.3	₹ Crores	5
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.4.5	₹	1,000
Capitalization of spare parts meeting the definition of Property, Plant and Equipment in each case (Note 2)	1.4.6	₹ Lakhs	10
GST on common capital goods per item per month	1.4.9	₹ Lakhs	5
Depreciation at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators	1.5.5	₹	5,000
Expenditure incurred for creating / acquiring other intangible assets in each case	1.6.6	₹ Lakhs	50
Income / expenditure (net) in aggregate pertaining to prior year(s)	1.14.1	₹ Crores	Note 1
Prepaid expenses in each case (Note 2)	1.14.2	₹ Lakhs	5
Disclosure of Contingent liabilities and Capital Commitments in each case	1.18.6	₹ Lakhs	5

Note:

1. BPCL: ₹ 150 Crores; NRL: ₹ 10 Crores; BGRL: ₹ 50 Crores & BPRL: ₹ 150 Crores

2. BGRL: ₹ 1 Lakh

NOTE 2 PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED)

(₹ in Crores)

Particulars	Gross Block						Depreciation					Net Carrying Amount	
	As at 01/04/2019	Ind AS 116 Transition	Additions	Other Adjustments (Refer Note No. 55)	Reclassifications / Deductions On Account Of Retirement / Disposal	As at 31/03/2020	Up to 31/03/2019	Ind AS 116 Transition	For the Year	Reclassifications / Deductions On Account Of Retirement / Disposal	Up to 31/03/2020	As at 31/03/2020	As at 31/03/2019
Land													
(a) Freehold*	1,953.38	-	256.73	-	64.70	**2,145.41**	-	-	-	-	**-**	**2,145.41**	1,953.38
(b) Leasehold*	0.84	(0.77)	-	-	-	**0.07**	0.04	(0.03)	0.01	-	**0.02**	**0.05**	0.80
Buildings including Roads*	8,085.13	-	1,303.57	5.59	27.12	**9,367.17**	1,430.19	-	425.72	9.48	**1,846.43**	**7,520.74**	6,654.94
Plant And Equipments*	26,698.44	-	2,888.69	635.31	389.23	**29,833.21**	4,900.16	-	1,884.60	285.06	**6,499.70**	**23,333.51**	21,798.28
Furniture And Fixtures*	729.80	-	220.35	0.01	14.61	**935.55**	255.34	-	86.85	12.22	**329.97**	**605.58**	474.46
Vehicles*	79.26	-	16.59	-	3.13	**92.72**	25.52	-	10.26	1.99	**33.79**	**58.93**	53.74
Office Equipments*	1,026.15	-	159.49	0.26	20.15	**1,165.75**	478.30	-	169.23	17.18	**630.35**	**535.40**	547.85
Railway Sidings*	204.17	-	33.22	-	-	**237.39**	67.57	-	15.73	-	**83.30**	**154.09**	136.60
Tanks and Pipelines*	9,799.13	-	845.82	10.26	45.76	**10,609.45**	1,078.60	-	405.58	6.59	**1,477.59**	**9,131.86**	8,720.53
Dispensing Pumps	2,776.08	-	309.51	-	19.62	**3,065.97**	649.95	-	184.23	12.61	**821.57**	**2,244.40**	2,126.13
LPG Cylinders And Allied Equipments	7,569.02	-	1,115.03	-	-	**8,684.05**	1,064.69	-	458.77	-	**1,523.46**	**7,160.59**	6,504.33
Right-of-use Asset (Refer Note No. 50)	-	6,320.25	932.13	-	-	**7,252.38**	-	-	381.84	-	**381.84**	**6,870.54**	-
Total	**58,921.40**	**6,319.48**	**8,081.13**	**651.43**	**584.32**	**73,389.12**	**9,950.36**	**(0.03)**	**4,022.82**	**345.13**	**13,628.02**	**59,761.10**	**48,971.04**
Previous year	51,912.54	-	6,784.41	418.83	194.38	**58,921.40**	6,651.86	-	3,360.28	61.78	**9,950.36**	**48,971.04**	

* These include assets which are given on Operating Leases or Finance Leases, the details thereof are included in Note No. 50

NOTE 3 CAPITAL WORK-IN-PROGRESS (CONSOLIDATED)

₹ in Crores

Particulars			As at 31/03/2020	As at 31/03/2019
Capital work-in-progress				
Property, plant and equipment under erection / construction			**8,473.23**	5,764.69
Capital stores including lying with contractors			**920.70**	949.05
Capital goods in transit			**3.25**	250.39
Allocation of Construction period expenses	**2019-20**	**2018-19**		
Opening balance	**328.77**	226.10		
Add: Expenditure during the year				
Establishment charges including Salaries & Wages	**156.12**	128.92		
Interest	**184.50**	94.89		
Loss / (Gain) on foreign currency transactions	**0.07**	0.19		
Insurance	**2.28**	1.25		
Others	**9.76**	12.48		
	681.50	463.83		
Less: Allocated to assets capitalized during the year / charged off	**(130.17)**	(135.06)		
Closing balance pending allocation			**551.33**	328.77
Total			**9,948.51**	7,292.90

NOTE 4 INVESTMENT PROPERTY (CONSOLIDATED)

₹ in Crores

Particulars	Gross Block				Depreciation				Net Carrying Amount	
	As at 01/04/2019	Additions	Reclassification / Deductions on account of retirement / disposal	As at 31/03/2020	Up to 31/03/2019	For the year	Reclassification / Deductions on account of retirement / disposal	Up to 31/03/2020	As at 31/03/2020	As at 31/03/2019
Building	0.33	-	-	0.33	0.09	0.03	-	0.12	0.21	0.24
Land	-	32.66	-	32.66	-	-	-	-	32.66	-
Total	**0.33**	**32.66**	**-**	**32.99**	**0.09**	**0.03**	**-**	**0.12**	**32.87**	**0.24**
Previous year	0.33	-	-	0.33	0.07	0.02	-	0.09	0.24	

The Group's investment properties consist of office buildings and land rented out to third parties.

Information regarding Income and Expenditure of Investment Property

₹ in Crores

Particulars	2019-20	2018-19
Rental Income derived from Investment Properties	3.72	1.08
Less - Depreciation	0.03	0.02
Profit arising from Investment Properties before other direct expenses	**3.69**	**1.06**

Other direct operating expenses on the investment property are not seperately identifiable and the same are not likely to be material.

As at 31st March 2020 the fair values of invesment properties are ₹ **40.80 Crores** (Previous year ₹ 4.97 Crores). These fair values of the investment properties are categorised as Level 2 in the fair valuation hierarchy and has been determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

NOTE 5 OTHER INTANGIBLE ASSETS (CONSOLIDATED)

₹ in Crores

Particulars	Useful Life (No. of Years)	Gross Block					Amortization				Net Carrying Amount	
		As at 01/04/2019	Additions	Other adjustments	Reclassification / Deletions	As at 31/03/2020	Up to 31/03/2019	For the year	Reclassification / Deletions	Up to 31/03/2020	As at 31/03/2020	As at 31/03/2019
Right Of Way	Indefinite	50.77	54.85	-	-	105.62	-	-	-	-	105.62	50.77
Right Of Way	Upto 30	34.99	1.99	-	-	36.98	6.58	2.85	-	9.43	27.55	28.41
Right to use	Upto 30	26.84	-	-	0.78	26.06	1.03	2.33	0.39	2.97	23.09	25.81
Service Concession Arrangement (Refer Note No. 49)	20	63.00	0.18	-	-	63.18	12.40	3.73	-	16.13	47.05	50.60
Software / Licenses	Upto 5	65.97	16.68	-	0.05	82.60	36.33	9.74	-	46.07	36.53	29.64
Oil And Gas Assets		236.45	36.88	-	-	273.33	128.34	42.16	-	170.50	102.83	108.11
Process Licenses	Upto 5	96.48	4.71	-	-	101.19	46.26	17.00	-	63.26	37.93	50.22
Total		**574.50**	**115.29**	**-**	**0.83**	**688.96**	**230.94**	**77.81**	**0.39**	**308.36**	**380.60**	**343.56**
Previous year		440.98	133.74	0.03	0.25	574.50	162.62	68.33	0.01	230.94	343.56	

NOTE 6 INTANGIBLE ASSETS UNDER DEVELOPMENT (CONSOLIDATED)

₹ in Crores

Particulars	Gross Amount			
	As at 01/04/19	Additions	Capitalization as intangible asset / deletions	As at 31/03/20
Process Licenses	363.10	33.53	0.01	396.62
Wells in Progress*	5,998.49	1,413.12	-	7,411.61
Total	**6,361.59**	**1,446.65**	**0.01**	**7,808.23**
Previous year	5,388.27	974.06	0.74	6,361.59

* Net of provision for impairment loss of ₹ **741.86 Crores** (as at 31st March 2019 ₹ 129.74 Crores). Out of the above, an amount of ₹ **594 Crores** (Previous year: ₹ 0.82 Crores) has been recognized in the statement of profit and loss in respect of the group for FY 2019-20 towards impairment of six blocks.

ADDITIONAL INFORMATION IN RESPECT OF NOTE NO. 2 TO 6:

a) Land:

   i) Freehold land includes ₹ **429.20 Crores** (Previous year ₹ 295.04 Crores) of the Corporation capitalized at various locations for which conveyance deeds are yet to be executed and/or mutation is pending.

   ii) Freehold land includes ₹ **2.20 Crores** (Previous year ₹ 2.20 Crores), which is in the process of being surrendered to the Competent Authority.

b) Buildings include Ownership flats having gross value of ₹ **42.68 Crores** (Previous year ₹ 42.68 Crores) in proposed / existing co-operative societies and others.

c) Other adjustments include capitalization of foreign exchange differences (net) of ₹ **619.09 Crores** (Previous year ₹ 411.53 Crores) and borrowing costs of ₹ **32.34 Crores** (Previous year ₹ 7.33 Crores).

d) Freehold Land, Plant and Equipment, Tanks and Pipelines, Railway Sidings and Buildings etc. jointly owned in varying extent with other Oil Companies / Railways: Gross Block ₹ **580.31 Crores** (Previous year ₹ 222.85 Crores), Cumulative Depreciation ₹ **57.44 Crores** (Previous year ₹ 41.07 Crores), Net Block ₹ **522.87 Crores** (Previous year ₹ 181.78 Crores).

e) Certain assets forming part of Property, Plant and Equipment have been constructed by the Corporation at Railway consumer depots, having net carrying amount of ₹ **22.54 Crores** (Previous year ₹ 23.96 Crores), out of which few Railway consumer depots are currently being used by other oil companies based on award of tender by Railways, net carrying amount of such assets is ₹ **1.92 Crores** (Previous year ₹ 2.07 Crores).

f) Charge has been created over the fixed assets of the Group, mainly Plant and Machinery at Mumbai Refinery, Kochi Refinery and NRL in regard to the borrowings– Refer Note No. 25.

g) Compensation received from third parties in respect of items of Property, Plant & Equipment/ Capital work in progress that were impaired, lost or given up during the year ₹ **8.40 Crores** (Previous year ₹ 92.20 Crores).

h) The Group has assessed the useful life of Right of way as indefinite where the same is perpetual in nature.

i) Depreciation and amortization for the year is ₹ **4,100.66 Crores** (Previous year ₹ 3,428.63 Crores) from which, after reducing -

   i) Depreciation on decapitalization of ₹ **14.57 Crores** (Previous year ₹ 9.48 Crores)

   ii) Depreciation on reclassification of assets of ₹ **3.61 Crores** (Previous year ₹ 0.35 Crores)

   iii) Charged to Project ₹ **2.39 Crores** (Previous year ₹ 1.03 Crores)

   Net Depreciation and amortization for the year charged to Profit and Loss statement is ₹ **4,080.09 Crores** (Previous year ₹ 3,417.77 Crores)

j) Deduction from accumulated depreciation on account of retirement/disposal during the year is ₹ **251.35 Crores** (Previous year ₹ 51.96 Crores)

k) The Residual value of LPG cylinders and Pressure Regulators have been revised & estimated at 15% of the original cost (Previous year upto 5% of the original cost) based on the historical experience and internal technical assessment. The impact of change in residual value has resulted in decrease in depreciation of ₹ **64.42 Crores** for FY 2019-20.

NOTE 7 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (CONSOLIDATED)

Information of interest of the Corporation in its equity accounted investees:

₹ in Crores

Particulars	Note reference	31/03/2020	31/03/2019
Interest in Associates	See Note (A) below	**3,349.34**	2,810.93
Interest in Joint Ventures	See Note (B) below	**18,182.77**	15,277.81
Investment accounted for using equity method		**21,532.11**	**18,088.74**

[A] Interest in Associates

(I) List of material Associates of the Company

S. No.	Name	Country of Incorporation	Proportion of Ownership Interest 31/03/2020	Proportion of Ownership Interest 31/03/2019
1.	Indraprastha Gas Limited (Refer Note (i))	India	**22.50%**	22.50%
2.	Petronet LNG Limited (Refer Note (ii))	India	**12.50%**	12.50%

Note (i) Indraprastha Gas Limited (IGL) was set up in December, 1998 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** (Previous year ₹ 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.

Note (ii) Petronet LNG Limited (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 paid up capital of the company is ₹ **1500 Crores** (Previous year ₹ 1500 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.

Fair Value of material listed Associates

₹ in Crores

S. No.	Name	31/03/2020	31/03/2019
1.	Indraprastha Gas Limited	**6,124.40**	4,795.89
2.	Petronet LNG Limited	**3,747.19**	4,696.88

In respect of Petronet LNG Limited, the same has been classified as an associate, as the Corporation has the right to nominate a director on the Board of Directors of the company and this right allows the Corporation to participate in financial and operating policies.

NOTE 7 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (CONSOLIDATED) (CONTD.)

The following table comprises the financial information of the Corporation's material Associates (in which corporation is having significant value of investments) and their respective carrying amount.

₹ in Crores

31/03/2020	Indraprastha Gas Limited	Petronet LNG Limited
Summarized financial information		
Non-current Assets	5,024.09	11,773.94
Current Assets (excluding cash and cash equivalent)	1,841.44	6,171.16
Cash and cash equivalent	663.55	976.02
Less:		
Non-current liabilities (excluding trade and other payables and provisions)	390.00	5,367.93
Trade and other payables and provisions (Non-current)	23.47	15.87
Current liabilities (excluding trade and other payables and provisions)	1,294.21	1,185.18
Trade and other payables and provisions (Current)	453.23	1,170.92
Net Assets	5,368.17	11,181.22
Group's share of net assets	1,207.84	1,397.65
Carrying amount of interest in Associate	1,207.84	1,397.65
Revenue (including Interest Income)	7,309.10	35,920.70
Depreciation and Amortization	252.25	776.13
Other Expense	5,609.90	31,552.11
Finance Cost	8.17	403.19
Share of Profit of equity accounted investees (JV), net of tax	132.43	4.59
Profit before tax	1,571.21	3,193.86
Tax Expense	312.01	432.94
Profit after tax	1,259.20	2,760.92
Other Comprehensive Income	(1.50)	(0.08)
Total Comprehensive Income	1,257.70	2,760.84
Group's share of Profit	283.32	345.12
Group's share of OCI	(0.34)	(0.01)
Group's share of Total Comprehensive Income	282.98	345.11
Add/(Less): Intra Group Eliminations	(8.38)	(38.77)
Group's share of Total Comprehensive Income (after elimination)	274.60	306.34
Dividend received from the Associate	37.80	187.51

NOTE 7 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (CONSOLIDATED) (CONTD.)

₹ in Crores

31/03/2019	Indraprastha Gas Limited	Petronet LNG Limited
Summarized financial information		
Non-current Assets	3,940.91	9,287.54
Current Assets (excluding cash and cash equivalent)	2,163.25	5,735.22
Cash and cash equivalent	71.15	226.58
Less:		
Non-current liabilities (excluding trade and other payables and provisions)	316.43	2,523.32
Trade and other payables and provisions (Non-current)	19.55	11.08
Current liabilities (excluding trade and other payables and provisions)	1,046.99	1,172.37
Trade and other payables and provisions (Current)	486.30	1,311.99
Net Assets	4,306.04	10,230.58
Group's share of net assets	968.86	1,278.82
Carrying amount of interest in Associate	968.86	1,278.82
Revenue (including Interest Income)	6,482.22	38,841.22
Depreciation and Amortization	201.07	411.24
Other Expense	5,101.56	35,101.98
Finance Cost	2.27	98.92
Share of Profit of equity accounted investees (JV), net of tax	91.59	79.63
Profit before tax	1,268.91	3,308.71
Tax Expense	431.84	1,078.15
Profit after tax	837.07	2,230.56
Other Comprehensive Income	(0.94)	(2.03)
Total Comprehensive Income	836.13	2,228.53
Group's share of Profit	188.34	278.82
Group's share of OCI	(0.21)	(0.25)
Group's share of Total Comprehensive Income	188.13	278.57
Add/(Less): Intra Group Eliminations	(6.47)	(38.54)
Group's share of Total Comprehensive Income (after elimination)	181.66	240.03
Dividend received from the Associate	31.50	187.50

(II) Details of other Associates

₹ in Crores

Particulars	31/03/2020	31/03/2019
Aggregate carrying amount of its interest in Associates	**743.85**	563.25
Share of Total Comprehensive Income from Associates during the year	**133.74**	(12.39)

[B] Interest in Joint Ventures

(I) List of material Joint Ventures of the Group

S. No.	Name	Country of Incorporation	Proportion of Ownership Interest 31/03/2020	Proportion of Ownership Interest 31/03/2019
1	Bharat Oman Refineries Limited (Refer Note (i))	India	**63.38%**	50.00%

Note (i) Bharat Oman Refineries Limited is incorporated with joint control of BPCL & Oman Oil Company S.A.O.C. (OOC). BPCL has an equity stake of 63.38% (Previous year 50%) and OOC has equity stake of 36.62% (Previous year 50%) in BORL's paid up share capital of ₹ **2,426.83 Crores** as on 31st March, 2020 (Previous year ₹ 1,777.23 Crores). BPCL has also subscribed to Share Warrants of BORL of ₹ **935.68 Crores** as on 31st March, 2020 (Previous year ₹ 1,585.68 Crores) and Compulsorily Convertible Debentures of ₹ **1000 Crores** (Previous year ₹ 1000 Crores).

The following table comprises the financial information of the Corporation's material Joint Venture (in which corporation is having significant value of investments) and their respective carrying amount.

₹ in Crores

Bharat Oman Refineries Limited	31/03/2020	31/03/2019
Summarized financial information		
Non-current Assets	12,498.13	12,139.68
Current Assets (excluding cash and cash equivalent)	3,557.49	6,399.72
Cash and cash equivalent	71.70	1.30
Non-current liabilities (excluding trade and other payables and provisions)	7,506.91	8,715.63
Trade and other payables and provisions (Non-current)	20.03	11.64
Current liabilities (excluding trade and other payables and provisions)	2,353.25	2,797.10
Trade and other payables and provisions (Current)	2,629.50	2,591.52
Net Assets	3,617.63	4,424.81
Group's share of net assets	2,292.85	2,212.41
Adjustments		
Impact on conversion of share warrants to equity shares	103.26	-
Investment in Share Warrants	325.60	779.39
Investment in Compulsorily Convertible Debentures	366.20	500.00
Inter-company profit eliminations	(139.36)	(148.08)
Carrying amount of interest in Joint Ventures	2,948.55	3,343.72
Revenue (excluding interest income)	42,006.54	31,641.05
Interest Income	6.88	2.65
Depreciation and Amortization	717.92	619.98
Finance Cost	712.04	653.68
Other Expense	41,800.94	30,199.75
Profit before tax	(1,217.48)	170.29
Tax Expense	(413.98)	63.58
Profit after Tax	(803.50)	106.71
Other Comprehensive Income	(3.68)	0.08
Total Comprehensive Income	(807.18)	106.79
Group's share of Profit	(401.75)	53.36
Group's share of OCI	(1.84)	0.04
Group's share of Total Comprehensive Income	(403.59)	53.40
Add/(Less): Intra Group Eliminations	8.72	8.72
Group's share of Total Comprehensive Income (after elimination)	(394.87)	62.12
Dividend received from the Joint Venture	-	-

(II) Details of Other Joint Ventures

₹ in Crores

Particulars	31/03/2020	31/03/2019
Aggregate carrying amount of its interest in Joint Ventures	15,234.22	11,934.09
Share of Total Comprehensive Income from Joint Ventures during the year	1,849.46	(810.42)

NOTE 8 INVESTMENTS (CONSOLIDATED)

₹ in Crores

Particulars	No. of Units 31/03/2020	No. of Units 31/03/2019	As at 31/03/2020	As at 31/03/2019
Investment in equity instruments designated at Fair value through Other Comprehensive income				
Equity Shares of ₹ 10 each (Fully Paid up)				
Quoted				
Oil India Limited *	**2,67,50,550**	2,67,50,550	**221.23**	495.82
Unquoted				
Cochin International Airport Limited *	**1,31,25,000**	1,31,25,000	**66.62**	114.30
Investments at Amortized Cost				
Investment in government securities			**-**	408.95
Investment in Debentures at Amortized cost				
Unquoted				
5% Debentures (Fully Paid up) of East India Clinic Limited	**1**	1	**0.01**	0.01
Investment in Equity Instruments at Fair Value Through Profit or Loss				
Unquoted				
Equity Shares of Kochi Refineries Employees Consumer Co-operative Society Limited (Fully paid up) # Value ₹ 5,000	**500**	500	**#**	#
Ordinary Shares (Fully paid up) of Sindhu Resettlement Corporation Limited ## Value ₹ 19,000	**6**	6	**##**	##
Total			**287.86**	1,019.08
Aggregate amount of Unquoted Securities			**66.63**	114.31
Aggregate amount of Quoted Securities			**221.23**	904.77
Market value of Quoted Securities			**221.23**	904.77

* The Corporation has designated these investments at Fair Value through Other Comprehensive Income because these investments represent the investments that the Corporation intends to hold for long-term purposes. No such investments were disposed off during the year and accordingly, there have been no transfers of the cumulative gains or losses on these investments.

NOTE 9 LOANS (CONSOLIDATED)

(Unsecured, considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Security deposits		
Considered good	**117.23**	134.79
Credit Impaired	**0.98**	0.59
Less : Provision for doubtful	**(0.98)**	(0.59)
Loans to Joint Ventures		
IBV (Brasil) Petroleo Ltda.	**1,900.92**	1,803.37
TAAS India Pte Ltd.	**-**	148.67
Bharat Oman Refineries Limited	**1,254.10**	1,254.10
Loan to Empresa Nacional de Hidrocarbonetos(Mozambique)	**153.99**	-
Loans to employees (including accrued interest) (secured) [Refer Note No. 53]	**467.01**	433.96
Loans to Others		
Considered good*	**1,094.02**	54.32
Credit Impaired	**1.90**	2.08
Less : Allowance for doubtful loans	**(1.90)**	(2.08)
Total	**4,987.27**	3,829.21

* The balance as at 31st March 2020 includes ₹ **1,022.27 Crores** pertaining to Loans given to Consumers under Pradhan Mantri Ujjwala Yojana scheme. Effective 01st August 2019, the recovery period on these loans has been deferred for one year. [Refer Note No. 18]

NOTE 10 OTHER FINANCIAL ASSETS (CONSOLIDATED)

(Unsecured, considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Claims		
Considered good	**12.58**	18.16
Considered doubtful	**22.38**	18.34
Less : Allowances for doubtful	**(22.38)**	(18.34)
Bank deposits with more than twelve months maturity		
Considered Good *	**14.66**	34.59
Considered Doubtful	**0.02**	0.02
Less : Allowance for doubtful	**(0.02)**	(0.02)
Advances against Equity to Joint Ventures #		
Assam Bio Refinery (P) Ltd.	**-**	20.00
Bharat Renewable Energy Limited	**0.54**	0.54
Less : Allowance for doubtful	**(0.54)**	(0.54)
Advances against Equity to Subsidiary #		
Investment in subsidiary@	**-**	13.77
Total	**27.24**	86.52

* Includes deposits of ₹ **3.87 Crores** (Previous year ₹ 0.99 Crores) that have been pledged / deposited with local authorities.

Advance against equity shares (pending allotment).

@ It represents investments made after the end of the financial period of subsidiary. The amount is remaining unadjusted due to different financial periods followed by the parent and subsidiary.

NOTE 11 INCOME TAX ASSETS (NET) (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Advance payment of Income Tax (Net of provision)	**1,381.25**	449.40
Total	**1,381.25**	449.40

NOTE 12 OTHER NON-CURRENT ASSETS (CONSOLIDATED)

(Unsecured, considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Capital advances	**202.20**	138.29
Advance to Associates		
Petronet LNG Limited	**124.90**	143.87
Advance to Employee Benefit Trusts	**190.36**	-
Prepaid expenses	**376.64**	907.72
Claims and Deposits		
Considered good	**567.09**	512.30
Considered doubtful	**140.57**	139.69
Less : Allowance for doubtful	**(140.57)**	(139.69)
Total	**1,461.19**	1,702.18

NOTE 13 INVENTORIES (CONSOLIDATED)

[Refer Note No. 1.12]

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Raw Materials	**3,408.50**	4,096.79
[Including in transit ₹ **1,206.52 Crores** (Previous year ₹ 1,245.76 Crores)]		
Work-in-progress	**1,011.52**	1,254.44
Finished goods	**11,264.79**	10,642.26
Stock-in-Trade	**5,545.15**	6,107.07
[Including in transit ₹ **1,040.59 Crores** (Previous year ₹ 682.22 Crores)]		
Stores and Spares	**992.31**	812.60
[Including in transit ₹ **8.38 Crores** (Previous year ₹ 7.43 Crores)]		
Packaging material	**20.33**	21.71
Total	**22,242.60**	22,934.87

The write-down of inventories to net realizable value during the year amounted to ₹ **1,310.35 Crores** (Previous year ₹ 73.14 Crores). The reversal of write downs during the year amounted to ₹ **0.36 lacs** (Previous year ₹ 21.83 Crores) due to increase in net realizable value of the inventories. The write downs and reversal have been adjusted in cost of materials consumed or changes in inventories of finished goods, stock-in-trade and work-in-progress and have been grouped under exceptional item for the current year.

Inventories pledged as collateral - Refer Note No. 30

NOTE 14 INVESTMENTS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Investments at Fair value through Profit and Loss		
Investment in Government Securities of Face Value Of ₹ 100 each (Fully Paid up)		
Quoted		
6.35% Oil Marketing Companies GOI Special Bonds 2024	**2,133.15**	2,020.57
6.90% Oil Marketing Companies GOI Special Bonds 2026 #	**1,696.86**	1,922.94
7.95% Oil Marketing Companies GOI Special Bonds 2025	**11.51**	11.02
8.20% Oil Marketing Companies GOI Special Bonds 2024	**968.48**	930.41
7.59% Government Stock 2026 #	**398.54**	190.95
	5,208.54	5,075.89
Investments in Mutual Funds		
Quoted		
Investment in Mutual Funds	**-**	97.97
Investments at Amortized Cost		
Quoted		
Investment in T-Bills and Government security	**-**	625.23
Total	**5,208.54**	5,799.09
Aggregate amount of Unquoted Securities	**-**	-
Aggregate amount of Quoted Securities	**5,208.54**	5,799.09
Market value of Quoted Securities	**5,208.54**	5,799.09
Aggregate amount of Impairment in the value of investments	**-**	-

Kept as Collateral Security with Clearing Corporation of India Limited for borrowing in Triparty Repo Settlement System of Face Value ₹ **1,220 Crores** (Previous year ₹ 1,385 Crores) (Refer Note No. 30)

NOTE 15 TRADE RECEIVABLES (CONSOLIDATED)

(Unsecured unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Considered good*	**5,570.92**	7,081.09
Less : Loss allowance	**(192.90)**	(174.84)
Total	**5,378.02**	6,906.25

* Includes debts secured by Bank guarantee/Letter of Credit/Deposit ₹ **513.36 Crores** (Previous year ₹ 566.66 Crores).

Trade receivables pledged as collateral (Refer Note No. 30)

NOTE 16 CASH AND CASH EQUIVALENTS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Balance with Banks		
On Current Account	**323.06**	179.08
Deposits with banks with original maturity of less than three months	**464.34**	177.20
Cheques and drafts on hand	**6.10**	24.70
Cash on hand	**6.13**	33.27
Total	**799.63**	414.25

NOTE 17 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Fixed deposits with banks with original maturity of 3 - 12 months*	**328.25**	227.78
Earmarked Balances		
Unpaid Dividend	**16.98**	16.61
Others	**19.98**	3.88
Total	**365.21**	248.27

* It includes bid bonds of BPRL with government authorities in respect of bidding of DSF blocks of ₹ **0.12 Crores** (Previous year ₹ 0.31 Crores), margin money with bank against bank guarantee given to government authorities towards bidding/ MWP in respect of Oil & Gas blocks of ₹ **44.73 Crores** (Previous year ₹ 21.39 Crores) and accrued interest thereon (net of TDS) of ₹ **0.96 Crores** (Previous year ₹ 0.76 Crores). It also includes deposits of Corporation ₹ **0.53 Crores** (Previous year ₹ 0.31 Crores) that has been pledged / deposited with Local Authorities/Court.

* Term deposit of NRL of ₹ **221.00 Crores** hypothecated with State Bank of India as security for Overdraft facility

NOTE 18 LOANS (CONSOLIDATED)

(Unsecured,considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Loans to employees (including accrued interest) (secured)[Refer Note No. 53]	**80.98**	75.30
Loan to JVCs		
Vankor India Pte Ltd.	**-**	43.21
TAAS India Pte Ltd.	**94.12**	-
Security and other deposits	**7.46**	3.42
Loans to Others*		
Considered good	**535.83**	1,649.22
Significant increase in credit risk	**65.52**	151.72
Credit impaired	**19.20**	6.70
Less : Allowance for doubtful	**(98.25)**	(244.86)
Total	**704.86**	1,684.71

* Includes ₹ **588.81 Crores** (Previous year ₹1,792.70 Crores) pertaining to Loans given to Consumers under Pradhan Mantri Ujjwala Yojana scheme. Effective 01st August 2019, the recovery period on these loans has been deferred for one year. [Refer Note No. 9].

NOTE 19 OTHER FINANCIAL ASSETS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Bank deposits with remaining maturity of less than twelve months	-	10.95
Interest accrued on bank deposits etc.		
Considered good	13.43	27.52
Considered doubtful	0.02	0.02
Less: Allowance for doubtful	(0.02)	(0.02)
Interest accrued on loans to related parties	25.40	25.38
Derivative Asset	15.83	23.72
Receivable from Central Government / State Government		
Considered good	6,020.85	8,651.69
Considered doubtful	86.13	143.51
Less: Allowance for doubtful	(86.13)	(143.51)
Dues from Related Parties		
Dues from Joint Venture Companies	22.36	14.76
Advances and Recoverables		
Considered good	642.78	683.63
Considered doubtful	135.93	96.63
Less : Allowance for doubtful	(135.93)	(96.63)
Total	6,740.65	9,437.65

NOTE 20 CURRENT TAX ASSETS (NET) (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Advance Income Tax (Net of provision for taxation)	137.09	33.17
Total	137.09	33.17

NOTE 21 OTHER CURRENT ASSETS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Advances other than Capital advances		
Other Advances including Prepaid expenses		
Considered Good	522.17	248.54
Considered doubtful	20.15	21.41
Less : Allowance for doubtful	(20.15)	(21.41)
Claims		
Considered good	314.54	317.43
Considered Doubtful	0.07	2.15
Less : Allowance for doubtful	(0.07)	(2.15)
Recoverables with Customs, Excise etc.	817.37	743.64
Total	1,654.08	1,309.61

NOTE 22 ASSETS HELD FOR SALE (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Assets Held for Sale *	21.07	13.78
Total	**21.07**	13.78

* Non-current assets held for sale consists of items such as Plant and equipment, Dispensing pumps, etc. which have been identified for disposal due to replacement / obsolescence of assets which happens in the normal course of business. These assets are expected to be disposed off within the next twelve months. On account of re-classification of these assets, an impairment loss of ₹ **53.26 Crores** during the year (Previous year ₹ 7.67 Crores) has been recognized in the statement of profit and loss of the Corporation.

NOTE 23 EQUITY SHARE CAPITAL (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
i. **Authorized***		
2,63,50,00,000 equity shares	**2,635.00**	2,635.00
(Previous year 2,63,50,00,000 equity shares)		
ii. **Issued, subscribed and paid-up**		
2,16,92,52,744 (Previous year 2,16,92,52,744) equity shares fully paid-up	**2,169.25**	2,169.25
Less - BPCL Trust for Investment in Shares (Refer Note No. 46)	**(202.37)**	(202.37)
Total	**1,966.88**	1,966.88

* Pursuant to Merger with Petronet CCK Limited , the authorized capital has been increased to ₹ **2,635 Crores** from ₹ 2,500 Crores during Previous year.

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, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iv. During the Financial year 2017-18, the Corporation has issued Bonus Shares in the ratio of 1:2 by capitalization of General Reserves. The total number of shares issued is 72,30,84,248 having face value of ₹ 10 each. During the Financial year 2016-17, the Corporation has issued Bonus Shares in the ratio of 1:1 by capitalization of General Reserves. The total number of shares issued is 72,30,84,248 having face value of ₹ 10 each.

v. **Reconciliation of No. of Equity Shares**	As at 31/03/2020	As at 31/03/2019
A. Opening Balance	**2,16,92,52,744**	2,16,92,52,744
B. Shares Issued		
- Bonus Shares	-	-
C. Shares Bought Back	-	-
D. Closing Balance	**2,16,92,52,744**	2,16,92,52,744

NOTE 23 EQUITY SHARE CAPITAL (CONSOLIDATED) (CONTD.)

vi. Details of Shareholders holding more than 5% shares

	As at 31/03/2020		As at 31/03/2019	
Name of Shareholder	**% Holding**	**No. of shares**	% Holding	No. of shares
Government of India	**52.98**	**1,14,91,83,592**	53.29	1,15,60,95,962
BPCL Trust for Investment in Shares (Refer Note No. 46)	**9.33**	**20,23,72,422**	9.33	20,23,72,422
Life Insurance Corporation of India	**5.58**	**12,10,58,023**	5.88	12,74,97,778

NOTE 24 OTHER EQUITY (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Attributable to owners of the corporation		
Capital Reserve	**73.05**	72.99
Capital Reserve on Acquisition of Subsidiaries, JVCs and Associates	**(31.00)**	(31.00)
Debenture Redemption Reserve	**1,095.12**	1,179.31
General Reserve	**32,797.15**	31,395.55
Foreign Currency Monetary Item Translation Difference Account	**-**	(29.34)
Equity Instruments through Other Comprehensive Income	**(297.52)**	15.41
Retained Earnings	**(352.84)**	4,033.06
Foreign Currency Translation Reserve	**1,488.44**	368.81
Securities Premium Reserve	**249.79**	249.79
BPCL Trust for Investment in Shares (Refer Note No. 46)	**(456.74)**	(456.74)
Total	**34,565.45**	36,797.84
Capital Reserve		
Opening balance	**72.99**	72.99
Opening balance adjustment	**0.06**	-
Closing balance	**73.05**	72.99
Capital Reserve on Acquisition of Subsidiaries, JVCs and Associates		
Opening balance	**(31.00)**	(31.00)
Additions / (Deletions) during the year	**-**	-
Closing balance	**(31.00)**	(31.00)
Debenture Redemption Reserve		
Opening balance	**1,179.31**	1,132.94
Add : Transfer from Retained Earnings	**293.21**	295.91
Less: Transfer to Retained Earnings on redemption of debentures	**-**	(5.62)
Less: Transfer to General Reserve	**(377.40)**	(243.92)
Closing balance	**1,095.12**	1,179.31
Foreign Currency Translation Reserve		
Opening balance	**368.81**	1,341.26
Additions / (Deletions) during the year	**1,119.63**	(972.45)
Closing balance	**1,488.44**	368.81

NOTE 24 OTHER EQUITY (CONSOLIDATED) (CONTD.)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Foreign Currency Monetary Item Translation Difference Account (Refer Note No. 55)		
Opening balance	**(29.34)**	66.76
Additions / (Deletions) during the year	**(51.62)**	(162.82)
Additions / (Deletions) on account of Amortization during the year	**80.96**	66.72
Closing balance	**-**	(29.34)
Securities Premium Reserve		
Opening balance	**249.79**	249.79
Additions / (Deletions) during the year	**-**	-
Closing balance	**249.79**	249.79
Equity instruments through Other Comprehensive Income		
Opening balance	**15.41**	78.99
Additions / (Deletions) during the year	**(312.93)**	(63.58)
Closing balance	**(297.52)**	15.41
BPCL Trust for Investment in Shares (Refer Note No. 46)		
Opening balance	**(456.74)**	(456.74)
Additions / (Deletions) during the year	**-**	-
Closing balance	**(456.74)**	(456.74)
General Reserve		
Opening balance	**31,395.55**	28,651.63
Add : Transfer from Retained Earnings	**1,024.20**	2,500.00
Add : Transfer from Debenture Redemption Reserve	**377.40**	243.92
Closing balance	**32,797.15**	31,395.55
Retained Earnings		
Opening balance	**4,033.06**	3,545.07
Opening balance adjustment	**(11.35)**	-
Less: Transfer to Deferred Income on account of implementation of Ind AS 115 (net of tax)	**-**	(44.85)
Opening balance after the above effect	**4,021.71**	3,500.22
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	**3,055.36**	7,802.30
Add : Income from BPCL Trust for Investment in Shares (Refer Note No. 46)	**495.81**	364.27
Less : Interim Dividends for the year: ₹ 16.50 per share (Previous year ₹11 per share)	**(3,579.27)**	(2,386.18)
Less : Dividend Distribution Tax on Interim Dividends for the year	**(735.73)**	(490.48)
Less : Final Dividend for FY 2018-19 ₹ 8 per share (Previous year ₹7 per share)	**(1,735.40)**	(1,518.48)
Less : Dividend Distribution Tax on Final Dividend for Previous year	**(355.50)**	(311.28)
Less : Remeasurements of defined benefit plans (net of tax)	**(206.86)**	(137.02)
Less : Transfer to Debenture Redemption Reserve	**(293.21)**	(295.91)
Add: Dividend Distribution tax pertaining to Previous years	**4.45**	-
Add: Transfer from Debenture Redemption Reserve	**-**	5.62
Less : Transfer to General Reserve	**(1,024.20)**	(2,500.00)
Closing balance*	**(352.84)**	4,033.06
Total Other Equity attributable to owners	**34,565.45**	36,797.84

* The balance includes accumulated gain/(loss) on account of Remeasurements of defined benefit plans (Net of tax) as on 31st March 2020 ₹ **(442.62) Crores** [Previous year ₹ (257.56) Crores] of the corporation

NOTE 24 OTHER EQUITY (CONSOLIDATED) (CONTD.)

Nature and purpose of Reserves

Capital Reserve

It represents capital reserve appearing in the financial statements of erstwhile Kochi Refineries Limited (KRL) transferred on amalgamation and difference between the investment made in Petronet CCK Limited (PCCKL) and the share capital received during the acquisition when the first time control is obtained .

Debenture Redemption Reserve

Debenture redemption reserve represents reserve created out of the profits of the Corporation available for distribution to shareholders which is utilized for redemption of debentures/bonds.

General Reserve

General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Foreign Currency Monetary Item Translation Difference Account

Foreign Currency Monetary Item Translation Difference Account represents amounts recognized on account of translation of long term foreign currency denominated borrowings not related to acquisition of depreciable assets. Amounts so recognized are amortized in the statement of profit and loss over remaining maturity of related borrowings.

Retained Earnings

Retained Earnings (excluding accumulated balance of remeasurements of defined benefit plans (net of tax)) represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

Capital Reserve on Acquisition of Subsidiaries, JVCs and Associates

Capital Reserve on Acquisition of subsidiaries, JVCs and associates represents capital reserve recognized on account on first time acquisition of a subsidiary and obtaining control of a JV.

Securities Premium

Securities Premium represents additional amount received by associates over and above paid up amount by the JVCs/associates.

Foreign Currency Translation Reserve

Foreign Currency Translation Reserve represents Exchange differences arising on translation of foreign operations which are recognized in other comprehensive income as described in accounting policies and accumulated in separate reserves within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

		₹ in Crores
Proposed Dividends on Equity Shares not recognized by the Corporation:	**2019-20**	**2018-19**
Final Dividend for the year [Nil (Previous year ₹ 8 per share)]	-	1,735.40
Dividend Distribution Tax on Proposed Dividend	-	356.72
Total	-	2,092.12

NOTE 25 BORROWINGS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020		As at 31/03/2019	
	Current #	Non-Current	Current #	Non-Current
Secured				
From Banks				
External Commercial Borrowings ##	-	-	34.59	-
From Others				
Debentures				
7.35% Secured Non-Convertible Debentures 2022 *	-	549.92	-	549.88
Term Loan				
Loan from Oil Industry Development Board **	397.56	789.75	499.44	859.06
Unsecured				
From Banks				
Foreign Currency Loan Syndicated	3,241.29	5,622.90	-	8,108.55
Term Loan	33.35	13,760.55	-	8,508.73
From Others				
Debentures				
7.69% Unsecured Non-Convertible Debentures 2023	-	749.80	-	749.73
8.02% Unsecured Non-Convertible Debentures 2024	-	999.76	-	999.71
Bonds				
4% US Dollar International Bonds 2025	-	3,748.49	-	3,436.12
4.625% US Dollar International Bonds 2022	-	3,760.46	-	3,447.27
3% Swiss franc International Bonds 2019	-	-	1,390.54	-
4.375% US Dollar International Bonds 2022	-	3,762.34	-	3,448.98
4.375% US Dollar International Bonds 2027	-	4,268.16	-	4,178.28
Term Loan				
Interest Free Loan from Govt. of Kerala	-	31.76	-	29.27
Lease obligation (Refer Note No. 50)	155.12	5,809.18	-	-
Total	3,827.32	43,853.07	1,924.57	34,315.58

Terms of Repayment Schedule of Long-term borrowings as at 31/03/2020:

Non-Current	Interest Rate	₹ in Crores	Maturity
Interest Free loan from Govt. of Kerala	0%	100.00	30-Mar-34
Bonds	4.38%	4,276.44	2026-27
4% US Dollar International Bonds 2025	4.00%	3,769.30	8-May-25
Term Loan from Banks	3M LIBOR+ Margin	753.86	2025-26
Loan from Oil Industry Development Board - Secured	7.00%	82.06	26-Jul-24
Term Loan from Banks	3M LIBOR+ Margin	2,223.88	2024-25
Term Loan	MCLR based	366.60	15-Mar-24
8.02% Unsecured Non-Convertible Debentures 2024	8.02%	1,000.00	11-Mar-24
Foreign Currency Loans USD 450 Million - Syndicated	LIBOR based	3,392.37	11-Jan-24
Foreign Currency Loans USD 300 Million - Syndicated	LIBOR based	2,261.58	5-Dec-23
Loan from Oil Industry Development Board - Secured	7.00%-7.22%	207.06	Jul 23 to Mar 24
Term Loan from Banks	3M LIBOR+ Margin	1,696.18	2023-24
Term Loan	MCLR based	33.35	15-Apr-23
7.69% Unsecured Non-Convertible Debentures 2023	7.69%	750.00	16-Jan-23
4.625% US Dollar International Bonds 2022	4.625%	3,769.30	25-Oct-22

NOTE 25 BORROWINGS (CONSOLIDATED) (CONTD.)

Non-Current	Interest Rate	₹ in Crores	Maturity
Loan from Oil Industry Development Board - Secured	7.00%-7.22%	207.06	Jul 22 to Mar 23
Term Loan from Banks	3M LIBOR+ Margin	7,099.98	2022-23
Term Loan	SBI MCLR	33.35	15-Apr-22
7.35% Secured Non-Convertible Debentures 2022	7.35%	550.00	10-Mar-22
4.375% US Dollar International Bonds 2022	4.375%	3,769.30	24-Jan-22
Loan from Oil Industry Development Board - Secured	7.00% - 8.07%	293.56	July 21 to Mar 22
Term Loan	SBI MCLR	33.35	15-Apr-21
Term Loan from Banks	3M LIBOR+ Margin	1,696.18	2021-22

Current	Interest Rate	₹ in Crores	Maturity
Foreign Currency Loans USD 330 Million - Syndicated	LIBOR based	2,487.73	26-Feb-21
Foreign Currency Loans USD 100 Million - Syndicated	LIBOR based	753.86	6-Nov-20
Loan from Oil Industry Development Board - Secured	7.87% - 9.11%	397.56	July 20 to Mar 21
Term Loan	MCLR based	33.35	15-Apr-20

Classified under other financial liabilities (Refer Note No. 32)

* The Corporation had allotted non-convertible 7.35% Debentures of face value of ₹ 550 Crores on 10th March 2017 redeemable on 10th March 2022. 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.

** These are secured by first legal mortgage over the Plant and Machinery of the Corporation, mainly Plant and Machinery at Mumbai Refinery and Kochi Refinery.

NOTE 26 OTHER FINANCIAL LIABILITIES (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Security / Earnest Money Deposits	**9.41**	3.39
Retiral Dues	**49.28**	53.28
Total	**58.69**	56.67

NOTE 27 PROVISIONS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Provision for employee benefits [Refer Note No. 51]	**1,586.67**	1,518.60
Provision for abandonment for Oil and Gas Blocks [Refer Note No. 57]	**9.32**	19.03
Total	**1,595.99**	1,537.63

NOTE 28 TAX EXPENSE AND DEFERRED TAX LIABILITIES (NET) (CONSOLIDATED)

(a) Amounts recognized in Profit and Loss

₹ in Crores

	2019-20	2018-19
Current tax expense (A)		
Current year	629.96	3,109.18
Short/(Excess) provision of earlier years	(136.05)	(99.19)
Deferred tax expense (B)		
Origination and reversal of temporary differences*	(14.49)	1,367.53
Short/(Excess) provision of earlier years	(493.63)	-
Tax expense recognized in the income statement (A+B)	(14.21)	4,377.52
Subtotal of Short/(Excess) provision of earlier years	(629.68)	(99.19)

(b) Amounts recognized in Other Comprehensive Income

₹ in Crores

Particulars	2019-20 Before tax	2019-20 Tax (expense) benefit	2019-20 Net of tax	2018-19 Before tax	2018-19 Tax (expense) benefit	2018-19 Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(326.29)	109.94	(216.35)	(209.79)	73.32	(136.47)
Equity instruments through Other Comprehensive income-net change in fair value	(322.27)	9.34	(312.93)	(71.08)	7.50	(63.58)
Equity accounted investees - share of OCI	(2.51)	-	(2.51)	0.03	-	0.03
Items that will be reclassified to profit or loss						
Exchange differences in translating financial statements of foreign operations	348.88	-	348.88	305.44	-	305.44
Equity accounted investees - share of OCI	770.75	-	770.75	(1,277.89)	-	(1,277.89)
	468.56	119.28	587.84	(1,253.29)	80.82	(1,172.47)

(c) Amounts recognized directly in Equity

₹ in Crores

Particulars	2019-20 Before tax	2019-20 Tax (expense) benefit	2019-20 Net of tax	2018-19 Before tax	2018-19 Tax (expense) benefit	2018-19 Net of tax
Temporary difference arising on account of implementation of Ind AS 115	-	-	-	(61.16)	21.37	**(39.79)**
Total	-	-	-	(61.16)	21.37	**(39.79)**

NOTE 28 TAX EXPENSE & DEFERRED TAX LIABILITIES (NET) (CONSOLIDATED) (CONTD.)

(d) Reconciliation of effective tax rate

Particulars	2019-20		2018-19	
	%	₹ in Crores	%	₹ in Crores
Profit before tax		**3,651.57**		12,905.37
Tax using the Company's domestic tax rate	**34.94%**	**1,276.00**	34.94%	4,509.65
Tax effect of:				
Non-deductible tax expenses	**6.07%**	**221.79**	1.31%	169.31
Tax losses for which no deferred income tax was recognized	**7.32%**	**267.23**	0.44%	56.80
Tax-exempt income	**-3.96%**	**(144.56)**	-0.20%	(26.25)
Interest expense not deductible for tax purposes	**-0.36%**	**(13.21)**	-0.03%	(3.59)
Incremental deduction allowed for research and development costs	**-0.43%**	**(15.62)**	-0.07%	(8.55)
Proposed dividend	**-0.03%**	**(1.10)**	-0.29%	(37.85)
Undistributed Reserves of Associates	**-11.32%**	**(413.54)**	0.33%	42.50
Share of profit of equity accounted investees reported net of tax	**-9.29%**	**(339.20)**	-1.99%	(256.33)
Change in Tax Rate#	**-7.13%**	**(260.42)**	0.01%	0.74
Others	**1.04%**	**38.10**	0.23%	30.28
Effective Income Tax Rate	**16.86%**	**615.47**	34.69%	4,476.71
Adjustments recognized in current year in relation to the current tax of prior years		**(629.68)**		(99.19)
Income Tax Expense		**(14.21)**		4,377.52

Includes BPRL International BV, Netherlands and BPRL International Singapore Pte Ltd., Subsidiaries operates in a tax jurisdiction with different tax rates. Also includes impact of lower tax rate being applicable on BPRL & BGRL. BGRL & NRL opted for the reduced tax rate u/s 115BAA as introduced in the Taxation Laws (Amendment) Act, 2019.

NOTE 28 TAX EXPENSE & DEFERRED TAX LIABILITIES (NET) (CONSOLIDATED) (CONTD.)

(e) Movement in deferred tax balances

₹ in Crores

Particulars	As at 31/03/2020								
	Net balance as at 01/04/2019	Recognized in profit or loss	Recognized in OCI	Recognized in Short Excess	Recognized directly in equity	Net Balance	Deferred tax asset (Netted off against Deferred tax liability)	Deferred tax liability	Deferred tax asset
Deferred tax Asset / (Liabilities)									
Property, plant and equipment	(8,082.71)	(749.14)	-	258.29	-	(8,573.56)	-	(8,573.60)	0.04
Intangible assets	(24.03)	6.21	-	-	-	(17.82)	-	(17.82)	-
Derivatives	(8.24)	10.77	-	-	-	2.53	2.53	-	-
Inventories	73.12	(56.95)	-	-	-	16.17	16.17	-	-
Investments	44.79	(92.76)	9.34	-	-	(38.63)	-	(38.63)	-
Trade and other receivables	61.10	6.31	-	-	-	67.41	67.41	-	-
Loans and borrowings	0.94	23.67	-	-	-	24.61	24.61	-	-
Employee benefits	588.21	(101.31)	109.94	-	-	596.84	596.84	-	-
Deferred income	54.42	(4.64)	-	-	-	49.78	49.78	-	-
Proposed dividend	(1.10)	1.10	-	-	-	-	-	-	-
Provisions	228.28	(88.77)	-	-	-	139.51	139.51	-	-
Other Current liabilities	394.90	0.11	-	(38.76)	-	356.25	356.25	-	-
MAT Credit Entitlement*	248.00	201.00	-	274.10	-	723.10	723.10	-	-
Unabsorbed Depreciation**	-	388.74				388.74	388.74	-	-
Business Loss	3.57	(0.48)	-	-	-	3.09	-	-	3.09
Deferred Tax on Inter-company transaction	61.35	(3.59)	-	-	-	57.76	57.76	-	-
Undistributed Reserves- Associates	(413.54)	413.54	-	-	-	-	-	-	-
Other items	(16.80)	60.68	-	-	-	43.88	43.88	(0.45)	0.45
Tax Assets (Liabilities)	(6,787.74)	14.49	119.28	493.63	-	(6,160.34)	2,466.58	(8,630.50)	3.58

NOTE 28 TAX EXPENSE & DEFERRED TAX LIABILITIES (NET) (CONSOLIDATED) (CONTD.)

(f) Movement in deferred tax balances

₹ in Crores

					As at 31/03/2019			
Particulars	**Net balance as at 01/04/2018**	**Recognized in profit or loss**	**Recognized in OCI**	**Recognized directly in equity**	**Net Balance**	**Deferred tax asset (Netted off against Deferred tax liability)**	**Deferred tax liability**	**Deferred tax asset**
Deferred tax Asset / (Liabilities)								
Property, plant and equipment	(7,150.32)	(932.39)	-	-	(8,082.71)	-	(8,082.71)	-
Intangible assets	(39.42)	15.39	-	-	(24.03)	-	(24.03)	-
Derivatives	(0.47)	(7.77)	-	-	(8.24)	-	(8.24)	-
Inventories	53.68	19.44	-	-	73.12	73.12	-	-
Investments	68.24	(30.95)	7.50	-	44.79	44.79	-	-
Trade and other receivables	51.71	9.39	-	-	61.10	61.10	-	-
Loans and borrowings	0.48	0.46	-	-	0.94	0.94	-	-
Employee benefits	539.01	(24.12)	73.32	-	588.21	588.21	-	-
Deferred income	30.86	2.19	-	21.37	54.42	54.42	-	-
Proposed dividend	(38.95)	37.85	-	-	(1.10)	-	(1.10)	-
Provisions	125.37	102.91	-	-	228.28	228.28	-	-
Other Current liabilities	428.60	(33.70)	-	-	394.90	394.90	-	-
MAT Credit Entitlement*	680.00	(432.00)	-	-	248.00	248.00	-	-
Business Loss	-	3.57	-	-	3.57	-	-	3.57
Deferred Tax on Inter-company transaction	64.94	(3.59)	-	-	61.35	61.35	-	-
Undistributed Reserves- Associates	(371.04)	(42.50)	-	-	(413.54)	-	(413.54)	-
Other items	34.91	(51.71)	-	-	(16.80)	-	(17.50)	0.70
Tax Assets (Liabilities)	(5,522.40)	(1,367.53)	80.82	21.37	(6,787.74)	1,755.11	(8,547.12)	4.27

NOTE 28 TAX EXPENSE & DEFERRED TAX LIABILITIES (NET) (CONSOLIDATED) (CONTD.)

(g) As at 31st March 2020, undistributed earning of subsidiaries and equity accounted investees - share of joint ventures amounted to ₹ **5091.96 Crores** (Previous year ₹ 5,051.86 Crores) on which corresponding deferred tax liability was not recognized because the Company controls the dividend policy of its subsidiaries and is able to veto the payment of dividends of its joint ventures - i.e. the Company controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

(h) As at 31st March 2020, "Undistributed Reserves- Associates" amounted to ₹ **2,367.75 Crores** (Previous year ₹ 2011.86 Crores) on which the Corporation has estimated the Deferred Tax Liability (Net) amounted to NIL (Previous year ₹ 413.54 Crores).

(i) Tax losses carried forward

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

₹ In Crores

Particulars	As at 31/03/2020 Gross amount	As at 31/03/2020 Expiry date	As at 31/03/2019 Gross Amount #	As at 31/03/2019 Expiry date
Business loss	-	-	171.85	2019-20
Business loss	645.71	2020-21	645.71	2020-21
Business loss	68.89	2021-22	68.89	2021-22
Business loss	29.79	2022-23	29.79	2022-23
Business loss	38.34	2023-24	38.34	2023-24
Business loss	132.77	2024-25	132.77	2024-25
Business loss	166.69	2025-26	166.69	2025-26
Business loss ##	35.49	2026-27	9.82	2026-27
Business loss	105.08	2027-28	-	
Unadbsorbed Depreciation	7.53	No expiry date	7.53	No expiry date

The figures of Previous year have been adjusted for change in Foreign Exchange rate wherever applicable.

Previous year figures have been restated as per tax returns filed during the year, wherever applicable.

Note:- The corporation offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

* MAT credit entitlement of ₹ **201.00 Crores** was recognized in FY 2019-20 as the corporation was liable to pay tax as per provision of Section 115JB of Income Tax Act, 1961 in the FY 2019-20. Further due to favourable judgements during FY 2019-20, MAT credit entitlement of ₹ **274.10 Crores** has been recognized in FY 2019-20. Management is confident that it would be in a position to utilize the balance MAT credit entitlement within the period specified under the Income Tax Act, 1961.

** Corporation has unabsorbed depreciation in FY 2019-20 on which deferred tax asset of ₹ **388.74 Crores** was recognized. Management is confident that it would be in a position to utilize the unabsorbed depreciation under the Income Tax Act, 1961.

NOTE 29 OTHER NON CURRENT LIABILITIES (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Deferred Income and Others*	381.72	284.01
Total	381.72	284.01

*Deferred Income includes unamortized portion of capital grants amounting to ₹ **132.13 Crores** (Previous year ₹ 141.61 Crores), comprising mainly of works contract tax reimbursement, interest free loan received from Government of Kerala as part of the fiscal incentives sanctioned for IREP and grants received for technology development.

NOTE 30 BORROWINGS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Loans repayable on demand		
Secured		
From Banks		
Working capital loans / Cash Credit*	**2,265.50**	214.31
Foreign Currency Loans	**1,206.17**	-
From Others		
Loans through Triparty Repo Settlement System (TREPS) of Clearing Corporation of India Limited**	**999.98**	1,000.00
Unsecured		
From Banks		
Working Capital Loan	**2,405.18**	0.09
Commercial Papers	**1,594.33**	-
Foreign Currency Loans	**6,460.57**	1,632.44
From Others		
Commercial Paper	**2,863.42**	737.19
Loans other than repayable on demand		
Unsecured		
From Bank	**-**	5,014.92
Total	**17,795.15**	8,598.95

* Secured in favour of the participating banks ranking pari passu inter-alia by hypothecation of raw materials, finished goods, work-in- progress, book debts, stores, components and spares and all movables both present and future. [Refer Note No. 13 and 15]. For NRL, Term deposit of ₹ 221.00 Crores from State Bank of India has been hypothecated for Overdraft facility [Refer Note No. 17]

** The Corporation has Triparty Repo Settlement System (TREPS) of Clearing Corporation of India Limited, the balance of which is ₹ **1,000 Crores** (Previous year ₹ 1,000 Crores). These are secured by 6.90 % Oil Marketing Companies GOI Special Bonds 2026 & 7.59% Govt. Stock 2026 of Face Value ₹ **1,220 Crores** (Previous year ₹ 1,385 Crores) [Refer Note No. 14].

NOTE 31 TRADE PAYABLES (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No. 61)	**69.20**	57.04
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note No. 47)	**13,038.01**	17,777.44
Total	**13,107.21**	17,834.48

NOTE 32 OTHER FINANCIAL LIABILITIES (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Current maturities of long-term borrowings (Refer Note No. 25)	**3,672.20**	1,924.57
Current maturities of finance lease obligations (Refer Note No. 25)	**155.12**	-
Interest accrued but not due on borrowings	**393.32**	419.52
Security / Earnest Money Deposits	**877.45**	757.23
Deposits for Containers**	**14,669.16**	13,758.50
Unclaimed Dividend*	**16.98**	16.61
Dues to Micro Enterprises and Small Enterprises (Refer Note No. 61)	**114.77**	150.01
Derivative Liabilities	**18.79**	181.28
Other Liabilities	**3,203.30**	2,400.75
Total	**23,121.09**	19,608.47

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

** Includes deposits received under Rajiv Gandhi Gramin LPG Vitrak Yojana and Pradhan Mantri Ujjwala Yojana (Central Scheme) ₹ **3,286.46 Crores** (Previous year ₹ 2,919.13 Crores). The deposit against these schemes have been funded from CSR fund and Government of India.

NOTE 33 OTHER CURRENT LIABILITIES (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Advances from Customers	**749.29**	745.93
Statutory Liabilities	**3,255.49**	3,880.85
Dues to Micro Enterprises and Small Enterprises	**0.01**	1.34
Other (Deferred Income etc.)	**121.03**	79.90
Total	**4,125.82**	4,708.02

NOTE 34 PROVISIONS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Provision for employee benefits (Refer Note No. 48 and 51)	**1,590.56**	1,280.27
Provision for CSR Expenditure	**25.66**	172.25
Others (Refer Note No. 57)*	**423.17**	576.06
Total	**2,039.39**	2,028.58

* Above includes deposits/ claims made of ₹ **107.00 Crores** (Previous year ₹ 123.66 Crores) netted off against provisions for the corporation

NOTE 35 CURRENT TAX LIABILITIES (NET) (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Current tax liabilities (Net of taxes paid)	**32.85**	331.23
Total	**32.85**	331.23

NOTE 36 REVENUE FROM OPERATIONS (CONSOLIDATED)

₹ in Crores

Particulars	2019-20	2018-19
A. (i) Sales		
Petroleum Products	**3,24,692.17**	3,36,753.08
Crude Oil	**3,626.61**	1,972.96
	3,28,318.78	3,38,726.04
(ii) Subsidy from Central/State Government (Refer Note No. 45)	**290.19**	912.96
	3,28,608.97	3,39,639.00
B. Other operating revenues	**1,188.19**	1,240.15
Total	**3,29,797.16**	3,40,879.15

NOTE 37 OTHER INCOME (CONSOLIDATED)

₹ in Crores

Particulars	2019-20	2018-19
Interest Income on		
Instrument measured at FVTPL	**358.43**	357.58
Instrument measured at amortized Cost	**701.29**	662.02
Income Tax Refund	**-**	52.37
Dividend Income		
Dividend Income from non - current equity instruments at FVOCI	**37.41**	32.91
Dividend Income from current investments at FVTPL	**7.14**	14.04
Net gains on fair value changes of		
Instruments measured at FVTPL ^	**222.65**	155.26
Derivatives at FVTPL	**-**	256.86
Write back of liabilities no longer required	**40.86**	13.04
Reversal of allowance on doubtful debts and advances (net)	**150.67**	-
Gain on sale of Property, Plant and Equipment / Non-current Assets held for sale (net)	**-**	3.89
Others#	**410.88**	489.57
Total	**1,929.33**	2,037.54

Includes amortization of capital grants ₹ **11.75 Crores** (Previous year ₹ 7.28 Crores) for the Corporation.

^ Includes net gain on sale of investments of ₹ **26.31 Crores** (Previous year ₹ 27.79 Crores) for the Corporation.

NOTE 38 COST OF RAW MATERIALS CONSUMED (CONSOLIDATED)

₹ in Crores

Particulars	2019-20	2018-19
Opening Stock	**4,096.79**	5,480.51
Add : Purchases	**1,21,262.69**	1,29,309.57
Less: Closing Stock	**(3,408.50)**	(4,096.79)
Gross Total	**1,21,950.98**	1,30,693.29
Less : Exceptional Items (Refer Note No. 69)	**(54.97)**	-
Net Total	**1,21,896.01**	1,30,693.29

NOTE 39 PURCHASE OF STOCK-IN-TRADE (CONSOLIDATED)

₹ in Crores

Particulars	2019-20	2018-19
Petroleum Products	**1,27,583.08**	1,29,895.82
Crude Oil	**3,588.92**	1,842.41
Others	**597.19**	317.19
Total	**1,31,769.19**	1,32,055.42

NOTE 40 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS (CONSOLIDATED)

₹ in Crores

Particulars	2019-20	2018-19
Value of opening stock of		
Finished goods	**10,642.26**	10,341.43
Stock-in-trade	**6,107.07**	5,043.26
Work-in-progress	**1,254.44**	1,012.81
	18,003.77	16,397.50
Less :Value of closing stock of		
Finished goods	**11,264.79**	10,642.25
Stock-in-trade	**5,545.15**	6,107.07
Work-in-progress	**1,011.52**	1,254.44
	17,821.46	18,003.76
Net (increase) / decrease in inventories including exceptional items	**182.31**	(1,606.26)
Less: Exceptional Items (Refer Note No. 69)	**1,255.38**	-
Net (increase) / decrease in inventories excluding exceptional items	**(1,073.07)**	(1,606.26)

NOTE 41 EMPLOYEE BENEFIT EXPENSES (CONSOLIDATED)

₹ in Crores

Particulars	2019-20	2018-19
Salaries and wages [Refer Note No.48]	**2,930.66**	3,055.94
Contribution to Provident and Other Funds	**578.93**	361.25
Staff welfare expenses	**510.92**	566.84
Total	**4,020.51**	3,984.03

NOTE 42 FINANCE COSTS (CONSOLIDATED)

₹ in Crores

Particulars	2019-20	2018-19
Interest Expense*	2,078.54	1,551.73
Interest on income tax demands	6.17	-
Other borrowing costs	33.29	27.51
Exchange difference regarded as an adjustment to borrowing costs	519.01	184.71
Total	2,637.01	1,763.95

* Includes ₹ **507.82 Crores** (Previous year - NIL) recognized during this year as interest cost against Lease obligations as per Ind AS 116 for the Corporation.

NOTE 43 OTHER EXPENSES (CONSOLIDATED)

₹ in Crores

Particulars	2019-20	2018-19
Transportation	7,328.61	7,131.23
Octroi, Other Levies and Irrecoverable Taxes	1,352.03	1,405.35
Repairs, maintenance, stores and spares consumption	1,566.81	1,548.41
Power and Fuel	6,315.32	7,217.20
Less: Consumption of fuel out of own production	(3,348.45)	(4,820.82)
Power and Fuel consumed (net)	2,966.87	2,396.38
Packages consumed	177.87	210.54
Net losses on fair value changes of		
Derivatives measured at FVTPL	157.92	-
Office Administration, Selling and Other expenses		
Rent [Refer Note No. 50]	168.47	406.87
Utilities [Refer Note No. 50]	327.07	898.08
Terminalling and related charges	211.73	205.90
Travelling and conveyance	256.14	257.73
Remuneration to auditors		
Audit fees	2.48	1.42
Fees for other services - Certification	0.47	0.58
Reimbursement of out of pocket expenses	0.01	0.03
Sub-Total	2.96	2.03
Bad debts and other write offs	82.38	0.83
Allowance for doubtful debts & advances (net)	-	334.41
Loss on sale of Property, Plant and Equipment/Non-current Assets held for sale (net)	44.09	-
Net losses on foreign currency transactions and translations		
Exchange gains/ losses on foreign currency forwards and principal only swap contracts	(185.45)	51.32
Exchange losses on transactions and translations of other foreign currency assets and liabilities	1,854.56	656.26
Sub-total	1,669.11	707.58
CSR Expenditure	286.59	258.17
Impairment Loss on Non- Current assets held for sale/ Intangible assets under development	633.02	7.67
Others	2,378.57	2,215.70
Sub-Total-Office Administration, Selling and Other expenses	6,060.13	5,294.97
Total	19,610.24	17,986.88

NOTE 44 (CONSOLIDATED)

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.

NOTE 45 (CONSOLIDATED)

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 ₹ **255.31 Crores** (Previous year ₹ 882.65 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 subsidy from Government of India amounting to ₹ **255.31 Crores** (Previous year ₹ 882.65 Crores) and the same is accounted as Revenue from operations.

After adjusting the above compensation, the net under recovery absorbed by the Corporation is Nil (Previous year under recovery Nil).

Further, subsidies received from State Governments which are recognized in Revenue from operations is ₹ **34.88 Crores** (Previous year ₹ 30.31 Crores) during current year.

NOTE 46 (CONSOLIDATED)

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 and July 2016 respectively and 1:2 bonus issue in July 2017, presently the trust holds 20,23,72,422 equity shares of the Corporation. The cost of the original investment together with the additional contribution to the corpus of the trust made in 2014-15 has been reduced from the total equity of the Corporation. To the extent of the face value of the shares, the same has been reduced from the Paid up Share capital of the Corporation and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust has been recognized directly under Other Equity of the Corporation.

NOTE 47 (CONSOLIDATED)

The Group has numerous transactions with other oil companies. The outstanding balances (included under Trade Payables / Trade Receivables, etc) from them and 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.

NOTE 48 (CONSOLIDATED)

The Group has provided for pay revision dues of non-management staff under salaries and wages amounting to ₹ **368.89 Crores** (Previous year ₹ 320.71 Crores) based on the available information and judgement.

NOTE 49 SERVICE CONCESSION ARRANGEMENTS (CONSOLIDATED)

The Corporation has entered into service concession arrangements with entities supplying electricity ("The Regulator") to construct, own, operate and maintain a wind energy based electric power generating station ("Plant").

Under the terms of agreement, the Corporation will operate and maintain the Plant and sell electricity generated to Regulator for a period which covers the substantial useful life of the Plant which may be renewed for such further period as may be mutually agreed upon between the parties. The Corporation will be responsible for any maintenance services during the concession period.

The Corporation in turn has a right to charge the Regulator agreed rate as stated in the service concession arrangement.

The fair value towards the construction of the Plant has been recognized as an Intangible Asset and is amortized over the useful life of the asset or period of contract whichever is less.

NOTE 50 LEASES (CONSOLIDATED)

The Group enters into lease arrangements for land, godowns, office premises, staff quarters, third party operating plant, tank lorries, time charter vessels and others. Pursuant to Ministry of Corporate Affairs Notification dated 30th March 2019, Ind AS 116 "Leases" applicable w.e.f 1st April 2019 is adopted by the Group using modified retrospective method wherein, at the date of initial application, the lease liability is measured at the present value of remaining lease payments and right-of-use asset has been recognized at an amount equal to lease liability adjusted by an amount of any prepaid expenses. Accordingly, the comparative information of previous period in Financial Statements has not been restated. Under Ind AS 116 "Leases", at commencement of lease, the Group recognizes right-of-use asset and corresponding Lease Liability. Right-of-use asset is depreciated over lease term on systematic basis and interest on lease liability is charged to statement of Profit and Loss as Finance cost.

A. Leases as lessee

a) The following is the detailed breakup of Right-of-use assets (by class of underlying assets) included in Property, Plant and Equipment (Note No. 2)

₹ in Crores

Particulars	Gross Block				Depreciation			Net Carrying Amount
	Ind AS 116 Transition	Additions	Reclassifications / Deductions On Account Of Conclusion	As at 31/03/2020	For the Year	Reclassifications / Deductions On Account Of Conclusion	Up to 31/03/2020	As at 31/03/2020
Land	3,073.70	873.98	3.44	**3,944.24**	173.69	0.25	**173.44**	**3,770.80**
Buildings including Roads	26.42	26.68	-	**53.10**	7.90	-	**7.90**	**45.20**
Plant and Equipments	3,226.89	19.48	-	**3,246.37**	198.20	-	**198.20**	**3,048.17**
Tanks and Pipelines	4.96	-	-	**4.96**	1.98	-	**1.98**	**2.98**
Vehicles	-	0.18	-	**0.18**	0.07	-	**0.07**	**0.11**
Total	6,331.97	920.32	3.44	**7,248.85**	381.84	0.25	**381.59**	**6,867.26**

b) The following expenses have been charged to Statement of Profit and Loss during FY 2019-20

	₹ in Crores
Interest on Lease Liabilities	**508.91**
Expenses relating to short term leases	**757.90**
Expenses relating to leases of low value items for the Corporation	**13.46**
Expenses relating to variable lease payments for the Corporation (not included in measurement of lease liabilities)	**4,774.15**

c) Total Cash outflow for leases during FY 19-20 is ₹ **5,687.67 Crores**

d) Income from Sub leasing of Right-of-use assets recognized in statement of profit and loss during FY 2019-20 is ₹ **0.71 Crores**

e) Maturity Analysis of Lease Liabilities as per Ind AS 116 Leases

₹ in Crores

As at 31/03/2020	Contractual Cash Flows				
	Upto 1 year	1-3 years	3-5 years	More than 5 years	Total
Cash outflows	**638.52**	**1,287.06**	**1,281.69**	**9,616.81**	**12,824.08**

NOTE 50 LEASES (CONSOLIDATED) (CONTD.)

f) The Group had exercised the following transition choices/practical expedients available under Ind AS 116 "Leases"

(i) The Group has elected below practical expedients for transition to Ind AS 116 "Leases"

1. Applied this Standard to contracts that were previously identified as containing a lease applying Ind AS 17.
2. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
3. Not to apply the requirements to leases for which the lease term ends within 12 months from the date of initial application.

(ii) The Group has applied paragraph C5(b) of Appendix C of Ind AS 116 for transition which states that a lessee shall apply this standard to its leases retrospectively with the cumulative effect of initially applying the Standard recognized at the date of initial application. Accordingly, The Group measures lease liability at the present value of the remaining lease payments, discounted using the Group incremental borrowing rate at the date of initial application.

(iii) The Group recognizes right-of-use asset at the date of initial application for leases at an amount equal to the lease liability, adjusted by the amount of any prepaid expenses relating to that lease recognized in the balance sheet immediately before the date of initial application.

(iv) The Group has continued to classify Intangible Assets under the same head as classified as on 31st March 2019 and not separated lease and non-lease components of composite contracts.

(v) **Transition Impact**

1. At the date of initial application i.e. 1st April 2019, the Group has recognized ₹ 5,659.97 Crores as lease liabilities in the books of accounts for those leases that were previously identified as leases as per Ind AS 17 Leases computed by discounting remaining lease payments as at 1st April 2019 by weighted average incremental borrowing rate 8.71% based on remaining lease term as on 1st April 2019.
2. Further, on transition,corresponding to lease liability stated above, the Group has also recognized right-of-use assets ₹ 6,331.97 Crores after including an amount of ₹ 671.94 Crores recognized as prepaid expenses/revenue advances in the Balance Sheet as at 31st March 2019.
3. The application of this Standard has resulted in a net decrease in profit before tax of FY 2019-20 by ₹ 254.88 Crores (Increase in depreciation & amortization expenses and finance cost by ₹ 381.84 Crores and ₹ 508.91 Crores respectively and decrease in other expenses by ₹ 635.87 Crores).
4. Reconciliation between Operating lease commitments pertaining to non-cancellable leases disclosed as per Ind AS 17 Leases for FY 2018-19 discounted using incremental borrowing rate at the date of transition and lease liabilities recognized in books of accounts is mainly on account of estimated growth rate of CPI/WPI considered while disclosing minimum lease payments of certain leases in FY 2018-19.

		₹ in Crores
a.	Operating lease commitments pertaining to non-cancellable leases (As per Ind AS 17 as at 31st March 2019)	**9,177.78**
b.	Short term leases (as per Ind AS 116)	**(3.01)**
c.	Low value items (as per Ind AS 116)	**-**
d.	Variable Lease payments (as per Ind AS 116)	**-**
e.	Other adjustments mainly on account of change in CPI/WPI	**(2,441.46)**
f.	Discounting impact	**(3,351.61)**
g.	Lease Liability as on 1st April 2019	**3,381.70**

NOTE 50 LEASES (CONSOLIDATED) (CONTD.)

B. Leases as lessor

a) The Corporation enters into operating lease arrangements in respect of lands, commercial spaces, storage and distribution facilities etc. The details are as follows:

As at 31/03/2020 ₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Tanks & Pipelines	Furnitures and Fixtures	Office Equipment	Railway Sidings	Vehicles	ROU Assets
Gross Carrying Amount	**59.73**	**144.04**	**113.03**	**340.14**	**7.20**	**14.96**	**71.98**	**0.01**	**0.95**
Accumulated depreciation	**-**	**24.72**	**41.02**	**86.39**	**5.39**	**5.00**	**27.80**	**-**	**0.12**
Depreciation recognized in statement of P&L for the year ended 31st March 2020	**-**	**5.62**	**8.12**	**14.39**	**0.35**	**1.55**	**5.86**	**-**	**0.12**

As at 31/03/2019 ₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Tanks & Pipelines	Furnitures and Fixtures	Office Equipment	Railway Sidings	Vehicles
Gross Carrying Amount	27.07	128.48	110.09	328.33	6.72	6.30	62.87	0.01
Accumulated depreciation	-	19.20	32.76	72.00	4.77	2.62	21.95	-
Depreciation recognized in statement of P&L for the year ended 31st March 2019	-	5.18	8.28	14.15	0.55	0.83	5.53	-

b) Income earned from Operating Leases recognized in statement of profit and loss during FY 2019-20 is **₹ 52.04 Crores** (of which variable lease payments that do not depend on index or rate is ₹ 8.33 Crores)

i. Maturity Analysis of Lease payments receivable

The maturity analysis of lease payments receivable under operating leases as at 31st March 2020 is as follows:

₹ in Crores

Particulars	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years	Total
Undiscounted Lease payments receivable	29.65	29.19	28.79	28.85	28.91	90.15	**235.55**

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED)

[A] Post Employment Benefit Plans:

Defined Contribution Scheme

Defined Contribution Scheme (DCS) was introduced effective from 1st Jan 2007. Group contributes a defined percentage of the employee salary out of the total entitlements on account of superannuation benefits under this scheme. Corporation and its subsidiary NRL introduced GOI managed PFRDA NPS for its employees during the current financial year and is now contributing upto 10% of the salary from the above defined percentage, to the NPS for the staff who have enrolled under the scheme. The remaining contribution continues to be made under DCS of which the Fund is maintained under a trust for the Corporation and its subsidiary NRL.

₹ in Crores

Amount recognized in the Statement of Profit and Loss	2019-20	2018-19
Defined Contribution Scheme	**148.12**	121.99

Defined Benefit Plans

The Group has the following Defined Benefit Plans

Gratuity

The Corporation and its subsidiary NRL has a defined benefit gratuity plan managed by a trust. The Trustees administer contributions made to the trust, investments thereof etc. Based on actuarial valuation, the contribution is paid to the trust which is invested in plan assets as per the investment pattern prescribed by the Government. 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.

Other Defined Benefits include

(a) Post Retirement Medical Scheme (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 benefit given to the spouse of the employee / employee, provided the deceased's family / disabled employee deposits with the Corporation, retirement dues such as PF, Gratuity, Leave Encashment etc., payable to them;

(d) Resettlement allowance paid to employees to permanently settle down at the time of retirement; and

(e) The Corporation makes contribution towards Provident Fund, which is administered by the trustees. The Corporation has an obligation to fund any shortfall on the yield of the trust's investments over the interest rates declared by the Government under EPF scheme.

These defined benefit plans expose the Group to actuarial risks, such as longetivity risk, interest rate risk, and market (investment) risk.

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED) (CONTD.)

Movement in net defined benefit (Asset)/ Liability

a) Reconciliation of balances of Defined Benefit Obligations

₹ in Crores

Particulars	Gratuity - Funded		Gratuity - Non Funded		Post Retirement Medical - Funded		Burmah Shell Pension - Non Funded	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Defined Obligations at the beginning of the year	**1,140.70**	1,099.48	**0.42**	0.21	**1,287.05**	1,078.46	**71.78**	77.43
Interest Cost	**88.52**	86.55	**0.03**	0.02	**100.13**	83.67	**5.18**	5.95
Current Service Cost	**15.51**	15.75	**0.02**	0.01	**44.23**	40.41	**-**	-
Past Service cost	**-**	-	**-**	-	**-**	-	**-**	-
Benefits paid	**(170.27)**	(117.11)	**(0.20)**	0.20	**(49.63)**	(47.71)	**(14.96)**	(15.39)
Actuarial (Gains)/ Losses on obligations								
- Changes in Financial assumptions	**58.72**	6.70	**0.01**	(0.00)	**208.75**	(3.79)	**1.77**	1.09
- Experience adjustments	**9.48**	49.33	**(0.02)**	(0.02)	**(3.29)**	136.01	**8.37**	2.70
Defined Obligations at the end of the year	**1,142.66**	1,140.70	**0.26**	0.42	**1,587.24**	1,287.05	**72.14**	71.78

b) Reconciliation of balances of Fair Value of Plan Assets

₹ in Crores

Particulars	Gratuity - Funded		Post Retirement Medical - Funded	
	2019-20	2018-19	2019-20	2018-19
Fair Value at the beginning of the year	**800.28**	696.42	**1,173.16**	1,096.39
Interest income (a)	**62.11**	54.79	**91.27**	85.07
Return on Plan Assets, excluding interest income(b)	**1.58**	1.27	**(12.61)**	2.25
Actual Return on Plan assets (a+b)	**63.69**	56.06	**78.66**	87.32
Contribution by employer	**8.99**	50.70	**535.43**	10.15
Contribution by employee	**-**	-	**1.35**	1.41
Benefits paid	**(1.50)**	(2.90)	**(49.63)**	(22.11)
Fair Value of Plan Assets at the end of the year	**871.46**	800.28	**1,738.97**	1,173.16

c) Amount recognized in Balance sheet (a-b)

₹ in Crores

Particulars	Gratuity - Funded		Gratuity - Non Funded		Post Retirement Medical - Funded		Burmah Shell Pension - Non Funded	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Amount recognized in Balance sheet (a - b)	**271.20**	340.42	**0.26**	0.42	**(151.73)**	113.89	**72.14**	71.78

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED) (CONTD.)

d) Amount recognized in Statement of Profit and Loss

₹ in Crores

Particulars	Gratuity - Funded		Gratuity - Non Funded		Post Retirement Medical - Funded		Burmah Shell Pension - Non Funded	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Current Service Cost	15.51	15.75	0.02	0.01	44.23	40.41	-	-
Past Service cost	-	-	-	-	-	-	-	-
Interest Cost	88.52	86.55	0.03	0.02	100.13	83.67	5.18	5.95
Interest income	(62.11)	(54.79)	-	-	(91.27)	(85.07)	-	-
Contribution by employee	-	-	-	-	(1.35)	(1.41)	-	-
Expenses for the year	41.92	47.51	0.05	0.03	51.74	37.60	5.18	5.95

e) Amount recognized in Other Comprehensive Income Remeasurements

Particulars	Gratuity - Funded 2019-20	Gratuity - Funded 2018-19	Gratuity - Non Funded 2019-20	Gratuity - Non Funded 2018-19	Post Retirement Medical - Funded 2019-20	Post Retirement Medical - Funded 2018-19	Burmah Shell Pension - Non Funded 2019-20	Burmah Shell Pension - Non Funded 2018-19
Actuarial (Gains)/ Losses								
- Changes in financial assumptions	58.72	6.70	0.01	(0.00)	208.75	(3.79)	1.77	1.09
- Experience adjustments	9.48	49.33	(0.02)	(0.02)	(3.29)	136.01	8.37	2.70
Return on plan assets excluding net interest cost	(1.58)	(1.27)	-	-	12.61	(2.25)	-	-
Total	66.62	54.76	(0.01)	(0.02)	218.07	129.97	10.14	3.79

f) Major Actuarial Assumptions

Particulars	Gratuity - Funded 2019-20	Gratuity - Funded 2018-19	Gratuity - Non Funded 2019-20	Gratuity - Non Funded 2018-19	Post Retirement Medical - Funded 2019-20	Post Retirement Medical - Funded 2018-19	Burmah Shell Pension - Non Funded 2019-20	Burmah Shell Pension - Non Funded 2018-19
Discount Rate (%)	6.87	7.76 - 7.77	6.83	7.59	6.81 - 6.87	7.77 - 7.78	6.43	7.22
Salary Escalation/ Inflation (%)	8.00	8.00	8.00	8.00	NA	NA	-	-
Expected Return on Plan assets (%)	6.87	7.76 - 7.77	-	-	6.81 - 6.87	7.77 - 7.78	-	-

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 obligations.

Mortality rate is considered by our Actuary as per IALM 2006-08 table for the purpose of actuarial assumptions.

g) Investment pattern for Fund

Particulars	Gratuity - Funded		Post Retirement Medical - Funded	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Category of Asset	%	%	%	%
Government of India Asset	15.97	17.38	14.97	2.68
Corporate Bonds	6.49	4.13	55.96	74.85
Insurer Managed funds	76.19	70.94	2.43	4.37
State Government	0.52	0.85	14.23	9.67
Others	0.83	6.70	12.41	8.43
Total (%)	100.00	100.00	100.00	100.00

For the funded plans, the trust maintains appropriate fund balance considering the analysis of maturities. Projected Unit credit method is adopted for Asset-Liability Matching.

During this financial year, Corporation Board has decided to contribute an estimated amount of ₹ **122 Crores** towards advance funding to PRMB fund against the future service liabilities of the employees to protect the PRMB fund sustainability for the subsequent period in view of proposed disinvestment. Accordingly company has contributed such advance funding and the impact of the same as on 31st March 2020 is shown as surplus in asset/liabilities movements of PRMB Fund.

During this financial year, in respect of investments made by PRMB Trust of the Corporation, an impairment provision of ₹ **35 Crores** were made in PRMB trust accounts and accordingly the assets/liabilities of the PRMB trust has been estimated.

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED) (CONTD.)

Movement in net defined benefit (Asset)/ Liability

₹ in Crores

	Particulars	Death / Permanent disablement - Non Funded		Re-settlement Allowance - Non Funded		Ex-gratia scheme - Non Funded		Felicitation Scheme - Non funded	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
a)	**Reconciliation of balances of Defined Benefit Obligations**								
	Defined Obligations at the beginning of the year	**11.26**	11.51	**16.67**	16.66	**341.88**	325.79	**84.45**	-
	Interest Cost	**0.80**	0.86	**1.29**	1.31	**26.60**	25.28	**6.57**	-
	Current Service Cost	**-**	-	**3.52**	3.35	**5.66**	4.05	**2.37**	0.72
	Past service cost	**-**	-	**-**	-	**-**	-	**-**	83.73
	Benefits paid	**(7.49)**	(13.24)	**(1.90)**	(2.65)	**(27.97)**	(24.43)	**(10.18)**	-
	Actuarial (Gains)/ Losses on obligations								
	- Changes in Financial assumptions	**2.12**	1.12	**1.05**	0.08	**28.82**	(0.55)	**6.62**	-
	- Experience adjustments	**5.65**	11.01	**(3.15)**	(2.08)	**0.48**	11.74	**(10.13)**	-
	Defined Obligations at the end of the year	**12.34**	11.26	**17.48**	16.67	**375.47**	341.88	**79.70**	84.45
b)	**Amount recognized in Balance sheet**	**12.34**	11.26	**17.48**	16.67	**375.47**	341.88	**79.70**	84.45
c)	**Amount recognized in Statement of Profit and Loss**								
	Current Service Cost	**-**	-	**3.52**	3.35	**5.66**	4.05	**2.37**	0.72
	Past Service Cost	**-**	-	**-**	-	**-**	-	**-**	83.73
	Interest Cost	**0.80**	0.86	**1.29**	1.31	**26.60**	25.28	**6.57**	-
	Expenses for the year	**0.80**	0.86	**4.81**	4.66	**32.26**	29.33	**8.94**	84.45
d)	**Amount recognized in Other Comprehensive Income Remeasurements**								
	Actuarial (Gains)/ Losses								
	On Obligation								
	- Changes in Financial assumptions	**2.12**	1.12	**1.05**	0.08	**28.82**	(0.55)	**6.62**	-
	- Experience adjustments	**5.65**	11.01	**(3.15)**	(2.08)	**0.48**	11.74	**(10.13)**	-
	Total	**7.77**	12.13	**(2.10)**	(2.00)	**29.30**	11.19	**(3.51)**	-
e)	**Major Actuarial Assumptions**								
	Discount Rate (%)	**6.24**	7.07	**6.87**	7.76-7.77	**6.81**	7.78	**6.81**	7.78

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 obligations.

Mortality rate is considered by our Actuary as per IALM 2006-08 table for the purpose of actuarial assumptions.

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED) (CONTD.)

Sensitivity analysis

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31st March 2020 is as below:

₹ in Crores

Particulars	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Resettlement allowance- Non funded	Exgratia scheme- Non funded	Felicitation scheme- Non funded	Gratuity- Non funded
+ 1% change in rate of Discounting	**(65.43)**	**(215.51)**	**(2.22)**	**(2.53)**	**(1.16)**	**(29.64)**	**(6.81)**	**(0.01)**
- 1% change in rate of Discounting	**75.37**	**279.59**	**2.38**	**2.72**	**1.34**	**34.73**	**8.20**	**0.01**
+ 1% change in rate of Salary increase/ inflation	**12.25**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- 1% change in rate of Salary increase/ inflation	**(14.11)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31st March 2019 is as below:

₹ in Crores

Particulars	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Resettlement allowance- Non funded	Exgratia scheme- Non funded	Felicitation scheme- Non funded	Gratuity- Non funded
+ 1% change in rate of Discounting	(59.48)	(160.29)	(2.25)	(2.57)	(1.04)	(25.70)	(6.64)	(0.01)
- 1% change in rate of Discounting	67.83	203.26	2.30	2.76	1.19	29.93	8.03	0.01
+ 1% change in rate of Salary increase/ inflation	12.05	-	-	-	-	-	-	-
- 1% change in rate of Salary increase/ inflation	(13.90)	-	-	-	-	-	-	-

Sensitivity for significant actuarial asssumptions is computed by varying one actuarial assumption used for the valuation keeping all other actuarial assumptions constant.

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED) (CONTD.)

The expected future cash flows as at 31st March 2020 were as follows:

₹ in Crores

Particulars	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Resettlement allowance- Non funded	Exgratia scheme- Non funded	Felicitation scheme- Non funded	Gratuity- Non funded
Projected benefits payable in future years from the date of reporting								
1st following year	171.99	57.51	14.75	5.47	1.93	26.24	9.93	0.01
2nd following year	92.30	67.39	10.83	2.52	0.92	26.32	2.77	0.01
3rd following year	138.80	73.07	9.17	2.11	1.91	25.16	3.27	0.19
4th following year	137.87	79.22	7.69	1.73	1.81	24.03	3.16	-
5th following year	125.16	85.22	6.39	1.38	1.69	22.93	4.08	-
Years 6 to 10	454.45	529.97	17.83	4.00	7.95	99.10	24.95	0.05

Other details as at 31st March 2020

Particulars	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Resettlement allowance- Non funded	Exgratia scheme- Non funded	Felicitation scheme- Non funded	Gratuity- Non funded
Weighted average duration of the Projected Benefit Obligation (in years)	8 - 10	16 - 25	4	6	8 - 11	10	10	-
Prescribed contribution for next year (₹ in Crores)	142.80	-	-	-	-	-	-	-

[B] Provident Fund:

The Corporation's contribution to the Provident Fund is remitted to 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 actual return earned by the fund has mostly been higher than the Government specified minimum rate of return in the past years except for current year. The estimated interest short fall for the year 2019-20 is ₹ 8.00 Crores. After necessary provision for interest shortfall and provisions on certain investments made in corporate bonds of PF trust, necessary employer obligation of ₹ 132.01 Crores has been recognized and debited to Statement of Profit and Loss. The Fund balance is sufficient to meet the fund obligations as on 31st March 2020 and 31st March 2019.

The details of fund obligations and plan assets are given below:

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Present value of benefit obligation at period end	5,584.69	5,260.14

Note: In case of NRL & BPRL, the contribution to Provident Fund is remitted to Employees Provident Fund Organisation on a fixed percentge of the eligible employee's salary and charged to Statement of Profit and Loss.

NOTE 52 RELATED PARTY TRANSACTIONS (CONSOLIDATED)

a) Names of the Related parties

Joint Ventures & Associate Companies

1. Indraprastha Gas Limited
2. Petronet India Limited *
3. Petronet CI Limited*
4. Petronet LNG Limited
5. Bharat Oman Refineries Limited
6. Maharashtra Natural Gas Limited
7. Central UP Gas Limited
8. Sabarmati Gas Limited
9. Bharat Stars Services Private Limited (Including Bharat Stars Services (Delhi) Private Limited)
10. Bharat Renewable Energy Limited *
11. Matrix Bharat Pte. Ltd.
12. Delhi Aviation Fuel Facility Private Limited
13. Kannur International Airport Limited
14. GSPL India Gasnet Limited
15. GSPL India Transco Limited
16. Mumbai Aviation Fuel Farm Facility Private Limited
17. Kochi Salem Pipeline Private Limited
18. Petroleum India International#
19. BPCL-KIAL Fuel Farm Private Limited
20. Haridwar Natural Gas Private Limited
21. Goa Natural Gas Private Limited
22. FINO Paytech Limited (including Fino Payments Bank)
23. Ratnagiri Refinery & Petrochemicals Limited
24. Ujjwala Plus Foundation (Section 8 company)
25. IBV (Brasil) Petroleo Ltda.
26. Taas India Pte Ltd
27. Vankor India Pte Ltd
28. Falcon Oil & Gas BV
29. Mozambique LNG 1 Company Pte Ltd.
30. Mozambique LNG1 Holding Company Ltd.
31. Mozambique LNG1 Financing Company Ltd.
32. LLC TYNGD
33. JSC Vankorneft
34. Urja Bharat Pte. Ltd.
35. DNP Limited
36. Brahmaputra Cracker and Polymer Limited
37. Assam Bio Refinery Private Limited
38. Indradhanush Gas Grid Limited
39. IHB Private Limited

*Companies in the process of winding up

Dissolved during the year

NOTE 52 RELATED PARTY TRANSACTIONS (CONSOLIDATED) (CONTD.)

Key Management Personnel :

1. Shri D. Rajkumar, Chairman & Managing Director
2. Shri S. Ramesh, Director (Marketing) (Upto 24.09.2018)
3. Shri A.K. Singh, Director (Marketing) Appointed (w.e.f. 01.10.2018)
4. Shri R. Ramachandran, Director (Refineries)
5. Shri K. Padmakar, Director (Human Resources)
6. Shri K. Sivakumar, Director (Finance) (Upto 08.05.2018)
7. Shri N. Vijayagopal, Director (Finance) Appointed (w.e.f. 17.12.2018)
8. Shri M. Venugopal, (Company Secretary) (Upto 31.12.2019)
9. Smt. V. Kala, Company Secretary, Appointed (w.e.f. 13.02.2020)
10. Shri Rajesh Kumar Mangal, Independent Director (Upto 30.11.2019)
11. Shri Deepak Bhojwani, Independent Director (Upto 01.12.2018)
12. Shri Gopal Chandra Nanda, Independent Director (Upto 01.12.2018)
13. Shri Vishal V Sharma, Independent Director (Upto 08.02.2020)
14. Dr. K. Ellangovan, Govt. Nominee Director
15. Smt. Jane Mary Shanti Sundharam, Independent Director (Upto 04.03.2020)
16. Shri Vinay Sheel Oberoi, Independent Director (Upto 10.04.2020)
17. Dr. (Smt.) Tamilisai Soundararajan, Independent Director (Upto 23.03.2019)
18. Shri Harshad P. Shah, Independent Director Appointed(w.e.f. 16.07.2019)
19. Shri Rajiv Bansal, Govt. Nominee Director (Upto 07.01.2020)
20. Shri Rajesh Aggarwal, Govt. Nominee Director, Appointed (w.e.f. 08.01.2020)

b) The nature wise transactions of the Group with the above related parties are as follows:

₹ in Crores

S. No.	Nature of Transactions	2019-20	2018-19
1.	Purchase of goods	50,535.18	40,132.56
2.	Sale of goods	3,549.87	2,284.92
3.	Purchase of fixed assets	-	0.09
4.	Rendering of Services	142.92	106.72
5.	Receiving of Services	425.44	358.27
6.	Interest Income / Share of profit/(loss)	114.38	115.73
7.	Dividend Income and other receipts	243.13	234.91
8.	Investment and Advance for Investments- Equity	987.98	364.13
9.	Management Contracts (Employees on deputation/ consultancy services)	36.07	32.35
10.	Lease Rental & other charges received	33.19	30.96
11.	Lease Rental & other Charges paid	0.10	0.10
12.	Refund of Capital Contribution	0.10	-
13.	Deposit given	0.06	0.04
14.	Deposit refund received	-	0.02
15.	Reduction in Financial Guarantee	-	1,046.88
16.	Receivables as at year end*	3,544.22	3,804.09
17.	Payables as at year end*	1,655.39	2,228.48
18.	Commitments	-	137.65
19.	Guarantee Outstanding	1,385.24	1,333.03

* The outstanding balances are unsecured and are settled in cash except advance against equities which are settled in equity.

NOTE 52 RELATED PARTY TRANSACTIONS (CONSOLIDATED)

c) In the course of its ordinary business, the Group enters into transactions with other Government-controlled entities (not included in the list above). The Group has transactions with other government-controlled entities,including but not limited to the followings:

- Sales and purchases of goods and ancillary materials;
- Rendering and receiving of services;
- Receipt of dividends;
- Loans and advances;
- Guarantees;
- Depositing and borrowing money; and
- Use of public utilities.

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not government-controlled entities.

d) Key management personnel compensation

₹ in Crores

Particulars	2019-20	2018-19
Short-term employee benefits	**3.54**	5.64
Post-employee benefits	**0.63**	0.36
Other long-term benefits	**0.31**	-
Others (including sitting fees to non-executive directors)	**0.49**	0.99

NOTE 53 (CONSOLIDATED)

Dues from Directors of the Corporation is ₹ **0.34 Crores** (Previous year ₹ 0.41 Crores) and Dues from Officers of the Corporation is ₹ **4.62 Crores** (Previous year ₹ 4.32 Crores).

NOTE 54 EARNINGS PER SHARE (EPS) (CONSOLIDATED)

₹ in Crores

Particulars	2019-20	2018-19
i. Profit attributable to owners of the Corporation for basic and diluted earnings per share	**3,055.36**	7,802.30
ii. Weighted average number of ordinary shares		
Issued ordinary shares at 1st April (In Crores)	**216.93**	216.93
Less : Investment held by BPCL Trust for Investment in Shares [Refer Note No. 46]	**(20.24)**	(20.24)
Weighted average number of shares at period end for basic and diluted EPS (In Crores)	**196.69**	196.69
Basic and Diluted EPS (₹)	**15.53**	39.67

NOTE 55 (CONSOLIDATED)

The Corporation has elected to continue the policy adopted under Previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange differences arising on settlement or translation of 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 liability.

The net amount remaining unamortized under Foreign Currency Monetary Item Translation Difference Account as at 31st March 2020 is **Nil** (net loss as at 31st March 2019 ₹ 29.34 Crores).

NOTE 56 IMPAIRMENT OF ASSETS (CONSOLIDATED)

The Corporation assesses, at each reporting date, whether there is an indication of impairment of assets. Further, 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. Based on the assessment, there is no indication of impairment of assets as at 31st March 2020.

NOTE 57 PROVISIONS (CONSOLIDATED)

In compliance of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

₹ in Crores

Nature	Opening balance	Additions during the year	Utilization during the year	Reversals during the year	Closing balance
Excise	20.00	74.28	74.25	19.45	0.58
Customs	3.24	-	-	-	3.24
Service Tax	2.38	1.83	1.83	2.38	-
Income Tax (TDS)	-	4.20	-	-	4.20
VAT/ Sales Tax/ Entry Tax	525.62	14.52	42.23	148.05	349.86
Property Tax/Legal Cases	42.54	23.00	8.72	0.83	55.99
Total	**593.78**	**117.83**	**127.03**	**170.71**	**413.87**
Previous year	671.34	44.11	13.39	108.28	593.78

The above provisions are made based on estimates and the expected timing of outflows is not ascertainable at this stage.

Above includes provision of ₹ **107.00 Crores** (Previous year ₹ 123.66 Crores) for which deposits/claims have been made for the Corporation.

In case of BPRL, the non-current and current provisions for Liquidated Damages and Abandonment is ₹ **125.63 Crores** (Previous year ₹ 124.96 Crores).

Liquidated Damages: In respect of blocks held in India, as per the Production Sharing Contracts (PSC) signed by BPRL with the Government of India (GoI), it is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay, Liquidated Damages (LD) is payable for extension of time to complete MWP. Further, in case it does not complete MWP or surrender the block without completing the MWP, an amount as agreed in PSC is required to be paid to the GoI for incomplete portion of the MWP. Accordingly, BPRL has provided ₹ **111.95 Crores** towards liquidated damages as on 31st March 2020 (Previous year ₹ 102.72 Crores) in respect to various blocks.

Abandonment: BPRL has Participating Interest in various oil and gas blocks along with other consortium partners. It has made a provision of ₹ **13.68 Crores** as on 31st March 2020 (Previous year ₹ 22.24 Crores) in respect of its share of the abandonment obligation.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED)

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ in Crores

As at 31/03/2020	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity instruments	8	-	287.85	-	287.85	221.23	-	66.62	287.85
Investment in debt instruments	8 & 14	5,208.54	-	0.01	5,208.55	5,208.54	-	-	5,208.54
Derivative instruments - Commodity related	19	10.35	-	-	10.35	-	10.35	-	10.35
Derivative instruments - Forward contracts	19	5.48	-	-	5.48	-	5.48	-	5.48
Deposits	9	-	-	80.18	80.18	-	92.46	-	92.46
Loan to Joint Venture-fixed rate									
Non Current	9	-	-	1,254.10	1,254.10	-	1,524.99	-	1,524.99
Current	18	-	-	94.12	94.12	-	94.12	-	94.12
Loan to Joint Venture-variable rate	9	1,900.92	-	-	1,900.92	-	-	1,900.92	1,900.92
Loans									
Non Current - Loans to employee	9	-	-	467.01	467.01	-	466.78	-	466.78
Non-current - Others	9	-	-	1,248.01	1,248.01	-	-	-	-
Current	18	-	-	610.74	610.74	-	-	-	-
Other Deposits	9	-	-	37.05	37.05	-	-	-	-
Cash and cash equivalents	16	-	-	799.63	799.63	-	-	-	-
Bank Balances other than Cash and cash equivalents	17	-	-	365.21	365.21	-	-	-	-
Trade receivables	15	-	-	5,378.02	5,378.02	-	-	-	-
Others									
-Non-current	10	-	-	27.24	27.24	-	-	-	-
-Current	19	-	-	6,724.82	6,724.82	-	-	-	-
Total		7,125.28	287.85	17,086.15	24,499.28	-	-	-	-
Financial liabilities									
Derivative Liability on Swaps	32	18.79	-	-	18.79	-	18.79	-	18.79
Bonds	25 & 32	-	-	15,539.45	15,539.45	14,577.56	-	-	14,577.56
OIDB Loans	25 & 32	-	-	1,187.31	1,187.31	-	1,224.45	-	1,224.45
Debentures	25	-	-	2,299.48	2,299.48	2,363.59	-	-	2,363.59
Term loans	25 & 32	-	-	13,793.90	13,793.90	-	13,293.90	-	13,293.90
Interest Free Loan from Govt. of Kerala	25	-	-	31.76	31.76	-	31.76	-	31.76
Lease Obligation	25 & 32	-	-	5,964.30	5,964.30	-	-	-	-
Foreign Currency Loans - Syndicated	25 & 32	-	-	8,864.19	8,864.19	-	-	-	-
Other Non-Current financial liabilities	26	-	-	58.69	58.69	-	-	-	-
Borrowings -Current	30	-	-	17,795.15	17,795.15	-	-	-	-
Trade and Other Payables	31	-	-	13,107.21	13,107.21	-	-	-	-
Other Current liabilities	32	-	-	19,274.98	19,274.98	-	-	-	-
Total		18.79	-	97,916.42	97,935.21	-	-	-	-

Note: There are no categories of financial instruments other than those mentioned above.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

₹ in Crores

As at 31/03/2019	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity instruments	8 & 14	-	610.12	-	610.12	495.82	-	114.30	610.12
Investment in mutual funds	14	97.97	-	-	97.97	97.97	-	-	97.97
Investment in debt instruments	8 & 14	5,075.89	-	0.01	5,075.90	5,075.89	-	-	5,075.89
Investment in T Bills	14	-	-	1,034.18	1,034.18	-	-	-	-
Derivative instruments - Commodity related	19	21.25	-	-	21.25	-	21.25	-	21.25
Derivative instruments - Interest rate swap	19	1.96	-	-	1.96	-	1.96	-	1.96
Derivative instruments- Forward contracts	19	0.51	-	-	0.51	-	0.51	-	0.51
Deposits	9	-	-	37.12	37.12	-	38.00	-	38.00
Loan to Joint Venture-fixed rate	9	-	-	1,402.77	1,402.77	-	1,526.67	-	1,526.67
Loan to Joint Venture-variable rate	9	1,803.37	-	-	1,803.37	-	-	1,803.37	1,803.37
Loans									
-Non-current- Loans to employee	9	-	-	433.96	433.96	-	433.84	-	433.84
-Non-current- Others	9	-	-	54.32	54.32	-	-	-	-
-Current	18	-	-	1,684.71	1,684.71	-	-	-	-
Other Deposits	9	-	-	97.67	97.67	-	-	-	-
Cash and cash equivalents	16	-	-	414.25	414.25	-	-	-	-
Bank Balances other than Cash and cash equivalents	17	-	-	248.27	248.27	-	-	-	-
Trade receivables	15	-	-	6,906.25	6,906.25	-	-	-	-
Others									
-Non-current	10	-	-	86.52	86.52	-	-	-	-
-Current	19	-	-	9,413.93	9,413.93	-	-	-	-
Total		**7,000.95**	**610.12**	**21,813.96**	**29,425.03**	**-**	**-**	**-**	**-**
Financial liabilities									
Derivative Liability on Forwards	32	1.92	-	-	1.92	-	1.92	-	1.92
Derivative Liability on Swaps	32	179.36	-	-	179.36	-	179.36	-	179.36
Bonds	25 & 32	-	-	15,901.19	15,901.19	16,184.95	-	-	16,184.95
OIDB Loans	25 & 32	-	-	1,358.50	1,358.50	-	1,371.19	-	1,371.19
Debentures	25	-	-	2,299.32	2,299.32	2,311.82	-	-	2,311.82
Term loans	25	-	-	8,508.73	8,508.73	-	6,508.73	-	6,508.73
Term loans	25	-	-	29.27	29.27	-	29.27	-	29.27
External Commercial Borrowings	32	-	-	34.59	34.59	-	-	-	-
Foreign Currency Loans - Syndicated	25	-	-	8,108.55	8,108.55	-	-	-	-
Other Non-Current financial liabilities	26	-	-	56.67	56.67	-	-	-	-
Borrowings -Current	30	-	-	8,598.95	8,598.95	-	-	-	-
Trade and Other Payables	31	-	-	17,834.47	17,834.47	-	-	-	-
Other Current liabilities	32	-	-	17,502.62	17,502.62	-	-	-	-
Total		**181.28**	**-**	**80,232.86**	**80,414.14**	**-**	**-**	**-**	**-**

Note: There are no categories of financial instruments other than those mentioned above.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted equity shares (Cochin International Airport Limited)	The Valuation is based on market multiples derived from quoted prices of companies comparable to investee and the expected revenue and PAT of the investee.	Adjusted market multiple (P/E)	The estimated fair value would increase/(decrease) if Adjusted market multiple were higher/(lower)
Derivative instruments - forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
Derivative instruments - interest rate swap and currency swap	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates. This technique also involves using the interest rate curve for projecting the future cash flows.	Not applicable	Not applicable
Derivative instruments - commodity contracts	Fair valuation of Commodity Derivative instruments are based on forward assessment done by Platts which is an independent agency which assesses benchmark global crude oil and product prices. Globally counterparties also use Platts assessment for settlement of transactions.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortized cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Loan to Joint Venture (in case of BPRL)	Binomial model: The share price is simulated using a Binomial model from the valuation date to the maturity of the loan. As the number of shares is dependent on USD/BRL exchange rate, the same was simulated using a GARCH model	Share price (31st March 2020: 1.09) Credit spread (31st March 2020: 2.50%)	Not applicable

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation of the opening and closing balances for Level 3 fair values.

₹ in Crores

Particulars	Equity securities	Loan to joint venture (in case of BPRL)
Opening Balance(01st April 2018)	105.26	1,653.72
Net change in fair value (unrealised)	9.04	38.92
Foreign Currency Translation Reserve (FCTR)	-	(2.71)
Foreign Exchange Fluctuations	-	113.44
Closing Balance (31st March 2019)	114.30	1,803.37
Opening Balance(01st April 2019)	114.30	1,803.37
Net change in fair value (unrealised)	(47.68)	(69.12)
Foreign Currency Translation Reserve (FCTR)	-	(4.14)
Effect of foreign exchange fluctuations	-	170.81
Closing Balance (31st March 2020)	**66.62**	**1,900.92**

Sensitivity analysis

For the fair values of unquoted equity shares in case of Corporation and loan to joint venture in case of BPRL reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

₹ in Crores

Significant unobservable inputs	As at 31/03/2020		As at 31/03/2019	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
P/E (5% movement)	**3.33**	**(3.33)**	5.71	(5.71)
Credit spread (10% movement)	**(17.75)**	**17.92**	(21.32)	21.57
Share price (10% movement)	**303.88**	**(303.88)**	262.47	(262.47)

C. Financial risk management

C.i. Risk management framework

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

C.ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables, cash and cash equivalents and other bank balances, derivatives and debt securities. The maximum exposure to credit risk in case of all the financial instuments covered below is restricted to their respective carrying amount.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

As at 31st March 2020 and 31st March 2019 the Group's retail dealers, industrial and aviation customers accounted for the majority of the trade receivables.

Expected Credit Loss assessment for Trade and other receivables from customers as at 31st March 2020 and 31st March 2019

The Group from uses an allowance matrix to measure the expected credit losses of trade and other receivables from customers. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made. Roll rates are calculated separately for exposures based on common credit risk characteristics for a set of customers.

The following table provides information about the exposure to credit risk and Expected Credit Loss Allowance for trade and other receivables:

₹ in Crores

As at 31/03/2020	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Debts not due	**2,769.66**	**0.30%**	**8.38**
Debts over due	**2,316.22**	**12.28%**	**284.47**
Total	**5,085.88**	**5.76%**	**292.85**

₹ in Crores

As at 31/03/2019	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Debts not due	4,316.29	0.19%	8.00
Debts over due	2,368.93	10.67%	252.77
Total	6,685.22	3.90%	260.77

The Group does not provide for any loss allowance on trade receivables where risk of default is negligible such as receivables from other oil marketing companies, if any, hence the same is excluded from above. Loss rates are based on actual credit loss experience over the past three years.

The movement in the loss allowance in respect of trade and other receivables during the year was as follows:

₹ in Crores

Balance as at 01st April 2018	264.34
Movement during the year	(3.57)
Balance as at 31st March 2019	260.77
Movement during the year	32.08
Balance as at 31st March 2020	**292.85**

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

(b) Cash and cash equivalents and Other Bank Balances

The Group held cash and cash equivalents and other bank balances of ₹ **1164.84 Crores** at 31st March 2020 (Previous year ₹ 662.52 Crores). The cash and cash equivalents are held with banks with good credit ratings and financial institution counterparties with good market standing. Further, Group invests its short term surplus funds in bank fixed deposit, Government of India Treasury-bills, Tri Party Repo and liquid schemes of mutual funds, which carry no / low mark to market risks for short duration. These instruments do not expose the Group to credit risk.

(c) Derivatives

The derivatives are entered into with banks, financial institutions and other counterparties with good credit ratings. Further exposures to counter-parties are closely monitored and kept within the approved limits.

(d) Investment in debt securities

Investment in debt securities are mainly instruments such as loans to joint venture companies and investment in government securites which do not carry any significant credit risk.

C.iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Group through effective fund management. The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper programs, foreign currency borrowings and other debt instruments.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

Maturity Analysis of Significant Financial Liabilities

₹ in Crores

As at 31/03/2020	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities					
Bonds	18,538.61	677.10	8,727.89	675.73	8,457.89
OIDB Loans	1,352.22	478.76	655.06	218.40	-
Term Loans	15,442.30	474.08	9,566.89	4,536.79	864.54
Non Convertible Debentures	2,874.62	178.24	1,616.18	1,080.20	-
Foreign Currency Loans - Syndicated	9,637.36	3,480.47	335.11	5,821.78	-
Short term borrowings	17,795.15	17,795.15	-	-	-
Trade and other payables	13,107.21	13,107.21	-	-	-
Other current liabilities	19,274.98	19,274.98	-	-	-
Financial guarantee contracts*	673.64	673.64	-	-	-

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

₹ in Crores

As at 31/03/2019	Contractual cash flows				
	Total	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Bonds	19,410.16	2,057.75	4,724.20	4,261.62	8,366.59
OIDB Loans	1,560.15	583.69	697.80	278.66	-
Term Loans	10,406.87	417.63	2,594.74	6,558.20	836.30
External Commercial Borrowings	34.59	34.59	-	-	-
Non Convertible Debentures	3,052.98	178.39	906.51	1,968.08	-
Foreign Currency Loans - Syndicated	10,886.19	253.17	3,220.62	7,412.40	-
Short term borrowings	8,598.95	8,598.95	-	-	-
Trade and other payables	17,834.47	17,834.47	-	-	-
Other current liabilities	17,502.62	17,502.62	-	-	-
Financial guarantee contracts*	633.59	52.55	581.04	-	-
Derivative financial liabilities					
Currency Swaps	214.97	214.97	-	-	-

* Guarantees issued by the Group on behalf of joint venture are with respect to borrowings raised by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary/joint venture have defaulted and hence, the Group does not have any present obligation to third parties in relation to such guarantees.

C.iv. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: currency risk, interest rate risk, commodity risk and other price risk.

C.iv.a Currency risk

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Corporation and its Indian Subsidiaries is Indian Rupee. Our exposure is mainly denominated in U.S. dollars (USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Group has put in place a Financial Risk Management Policy to identify the most effective and efficient ways of managing the currency risks. The Group uses derivative instruments (mainly foreign exchange forward contracts) to mitigate the risk of changes in foreign currency exchange rates in line with our policy.

The Group do not use derivative financial instruments for speculative purposes.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

Exposure to currency risk

The currency profile in equivalent INR of financial assets and financial liabilities as at 31st March 2020 and 31st March 2019 :

₹ in Crores

As at 31/03/2020	USD	EURO	JPY	CHF	Others
Financial assets					
Cash and cash equivalents	40.60	0.05	-	-	0.29
Trade receivables and other assets	1,311.72	0.19	-	-	0.03
Net exposure for assets	1,352.32	0.24	-	-	0.32
Financial liabilities					
Bonds	11,271.29	-	-	-	-
Foreign Currency Loans - Syndicated	8,864.19	-	-	-	-
Short term borrowings	7,666.75	-	-	-	-
Trade Payables and other liabilities	7,629.52	174.49	26.79	0.08	5.83
Add/(Less): Foreign curency forward exchange contracts	(503.25)	-	-	-	-
Net exposure for liabilities	34,928.50	174.49	26.79	0.08	5.83
Net exposure (Assets - Liabilities)	(33,576.18)	(174.25)	(26.79)	(0.08)	(5.51)

₹ in Crores

As at 31/03/2019	USD	EURO	JPY	CHF	Others
Financial assets					
Cash and cash equivalents	11.95	0.31	-	-	0.10
Trade receivables and other assets	273.40	0.18	-	-	0.01
Net exposure for assets	**285.35**	**0.49**	**-**	**-**	**0.11**
Financial liabilities					
Bonds	10,332.38	-	-	1,390.54	-
External Commercial Borrowings	34.59	-	-	-	-
Foreign Currency Loans - Syndicated	8,108.55	-	-	-	-
Short term borrowings	1,632.44	-	-	-	-
Trade Payables and other liabilities	10,373.61	205.18	12.81	12.44	4.01
Derivative instruments - Forwards	0.81	-	-	-	-
Add/(Less): Foreign curency forward exchange contracts	(1,743.12)	-	-	-	-
Add/(Less): Foreign currency swaps	1,579.11	-	-	(1,390.54)	-
Net exposure for liabilities	**30,318.36**	**205.18**	**12.81**	**12.44**	**4.01**
Net exposure (Assets - Liabilities)	**(30,033.01)**	**(204.69)**	**(12.81)**	**(12.44)**	**(3.90)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD against INR at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalized to Property, Plant and Equipment or recognized direclty in reserves, the impact indicated below may affect the Group's Profit and Loss Account over the remaining life of the related Property, Plant and Equipment or the remaining tenure of the borrowing respectively.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

₹ in Crores

Effect in INR (before tax)	Profit or loss	
	Strengthening	Weakening
For the year ended 31st March 2020		
3% movement		
USD	**(1,007.29)**	**1,007.29**

₹ in Crores

Effect in INR (before tax)	Profit or loss	
	Strengthening	Weakening
For the year ended 31st March 2019		
3% movement		
USD	(900.99)	900.99

C.iv.b Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Group's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation.

Exposure to interest rate risk

Group's interest rate risk arises primarily from borrowings. The interest rate profile of the Group's interest-bearing financial instruments is as follows:

₹ in Crores

Particulars	Note Reference	As at 31/03/2020	As at 31/03/2019
Fixed-Rate instruments			
Financial Assets - measured at amortized cost			
Investment in debt instruments	8	**0.01**	0.01
Loan to Joint Venture	9	**1,348.22**	1,402.77
Financial Assets - measured at Fair Value through Profit & Loss			
Investment in debt instruments	14	**5,208.54**	5,075.89
Total of Fixed-Rate Financial Assets		**6,556.77**	6,478.67
Financial liabilities - measured at amortized cost			
Bonds	25 & 32	**15,539.45**	15,901.19
OIDB Loans	25 & 32	**1,187.31**	1,358.50
Non Convertible Debentures	25	**2,299.48**	2,299.32
Short term borrowings	30	**10,054.63**	1,737.19
Term Loan	25	**31.76**	29.27
Total of Fixed-Rate Financial Liabilities		**29,112.63**	**21,325.47**

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

₹ in Crores

Particulars	Note Reference	As at 31/03/2020	As at 31/03/2019
Variable-Rate instruments			
Financial Assets - measured at Fair Value through Profit & Loss			
Loan to Joint Venture	9	**1,900.92**	1,803.37
Total of Variable-Rate Financial Assets		**1,900.92**	1,803.37
Financial liabilities - measured at amortized cost			
Foreign Currency Loans - Syndicated	25	**8,864.19**	8,108.55
Short term borrowings	30	**7,740.52**	6,861.76
Term loans & External Commercial Borrowings	25	**13,793.90**	8,543.32
Total of Variable-Rate Financial Liabilities		**30,398.61**	23,513.63

Fair value sensitivity analysis for fixed-rate instruments

The Group accounts for certain investments in fixed-rate financial assets such as investments in Oil bonds at fair value through profit or loss. Accordingly, a decrease in 25 basis point in interest rates is likely to increase the profit or loss (before tax) for the year ending 31st March 2020 by ₹ **54.48 Crores** (Previous year ₹ 60.87 Crores) and an increase in 25 basis point in interest rates is likely to decrease the profit or loss (before tax) for the year ending 31st March 2020 by ₹ **55.19 Crores** (Previous year ₹ 61.80 Crores).

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalized to Property,Plant and Equipment, the impact indicated below may affect the Group's income statement over the remaining life of the related Property,Plant and Equipment.

₹ in Crores

Cash flow sensitivity (net)	Profit or (loss) 0.25% Increase	Profit or (loss) 0.25% Decrease
As at 31/03/2020		
Variable-rate loan instruments	**(69.57)**	**69.57**
Cash flow sensitivity (net)	**(69.57)**	**69.57**
As at 31/03/2019		
Variable-rate loan instruments	(54.55)	54.55
Cash flow sensitivity (net)	**(54.55)**	**54.55**

C.iv.c Commodity rate risk

Corporation's profitability gets affected by the price differential (also known as Margin or Crack spread) between prices of products (output) and the price of the crude oil and other feed-stocks used in production (input). Prices of both are set by markets. Hence, Corporation uses derivatives instruments (swaps, futures, options, and forwards) to hedge exposures to commodity price risk to cover refinery operating cost using Basic Swaps on various products cracks like Naphtha, Gasoline (Petrol), Jet/Kerosene, Gasoil (Diesel) and Fuel Oil against Benchmark Dubai Crude. Further volatility in freight costs is hedged through Freight Forwards and bunker purchases. Settlement of all derivative transactions take place on the basis of monthly average of the daily prices of the settlement month quoted by Platts.

Corporation measures market risk exposure arising from its trading positions using value-at-risk techniques. These techniques make a statistical assessment of the market risk arising from possible future changes in market prices over a one-day holding period.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

Corporation uses historical model of VAR techniques based on variance/covariance to make a statistical assessment of the market risk arising from possible future changes in market values over a 24-hour period and within a 95% confidence level. The calculation of the range of potential changes in fair value takes into account positions and the history of price movements for last two years. VAR calculation for open position as on 31st March 2020 is as given below:

Product	Brent Dt - Dubai	HSFO - Dubai	Regrade	Gasoil - Naphtha	Gasoil - Gasoline	TD3C
Unit	USD/Bbl	USD/Bbl	USD/Bbl	USD/Bbl	USD/Bbl	USD/MT
Mean	0.78	(4.08)	(1.06)	18.23	8.30	12.67
Standard Deviation	1.70	7.20	1.66	3.45	3.61	7.17
Max dev: 95% confidence	2.79	11.84	2.74	5.68	5.93	11.80
Mean +Max Dev:95%	(2.01)	7.76	1.68	23.91	14.23	0.88
Avg.Trade Price	0.86	(5.95)	(0.92)	14.20	12.90	13.52
Lots as on 31/03/2020	105.00	9.00	12.00	3.00	3.00	12.00
Standard Lot size	50000 BBL	50000 BBL	50000 BBL	50000 BBL	50000 BBL	5000 MT
VAR USD million	15.08	6.17	1.56	1.46	0.20	7.59
Total Portfolio VAR in USD million (without considering inter-commodity VaR correlation)						32.06

C.iv.d Price risk

The Corporation's exposure to equity investments price risk arises from investments held by the Corporation and classified in the financial statements at fair value through OCI. The corporation intends to hold these investments for long-term for better returns and price risk will not be significant from a long term perspective.

Exposure to price risk

₹ in Crores

Effect in INR (before tax)	Profit or loss		Other components of Equity	
	Strengthening	Weakening	Strengthening	Weakening
As at 31/03/2020				
1% movement				
Investment in Oil India - FVOCI	-	-	2.21	(2.21)
Investment in CIAL - FVOCI	-	-	0.67	(0.67)
	-	-	2.88	(2.88)

₹ in Crores

Effect in INR (before tax)	Profit or loss		Other components of Equity	
	Strengthening	Weakening	Strengthening	Weakening
As at 31/03/2019				
1% movement				
Investment in Oil India - FVOCI	-	-	4.96	(4.96)
Investment in CIAL - FVOCI	-	-	1.14	(1.14)
	-	-	6.10	(6.10)

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

D. Offsetting

The following table presents the recognized financial instruments that are offset and other similar agreements that are not offset as at 31st March 2020 and 31st March 2019.

The column 'net amount' shows the impact on the Corporation's balance sheet if all set-off rights are exercised.

₹ in Crores

Particulars	Note reference	Effect of offsetting on the balance sheet			Related amounts not offset		
		Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial Instrument	Amounts to be offset	Net Amount
As at 31/03/2020							
Financial assets							
Investment in GOI Bonds	**A**	**-**	**-**	**-**	**5,208.54**	**999.98**	**4,208.56**
Trade and other receivables	**B & C**	**2,105.21**	**2,085.86**	**19.35**	**-**	**-**	**-**
Financial liabilities							
Short term borrowings	**A**	**-**	**-**	**-**	**17,721.37**	**999.98**	**16,721.39**
Trade and other payables	**B & C**	**5,408.93**	**2,085.86**	**3,323.07**	**-**	**-**	**-**
As at 31/03/2019							
Financial assets							
Investment in GOI Bonds	**A**	-	-	-	5,075.89	1,000.00	4,075.89
Trade and other receivables	**B & C**	3,590.56	3,530.69	59.87	-	-	-
Derivative Assets	**D**	-	-	-	0.98	0.98	-
Financial liabilities							
Short term borrowings	**A**	-	-	-	3,580.75	1,000.00	2,580.75
Trade and other payables	**B & C**	7,343.98	3,530.69	3,813.29	-	-	-
Derivative Liabilities	**D**	-	-	-	17.97	0.98	16.99

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

Notes

A. The Corporation has Tri Party Repo limits from Clearing Corporation of India Limited, which are secured by Oil Marketing Companies GOI Special Bonds 2026 and Government Securities. As the Counterparty currently does not have a legally enforceable right to off set these amounts, these amounts have not been offset in the balance sheet, but have been presented separately in the table above.

B. The Corporation purchases and sells petroleum products from different Oil Marketing Companies. Under the terms of the agreement, the amounts payable by the Corporation are offset against receivables and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet.

C. The Corporation enters into derivative transactions under the International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

D. The Corporation enters into derivative transactions under the International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. The ISDA master netting agreements do not meet the criteria for offsetting in the balance sheet. This is because the Counterparty does not currently have legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on the occurrence of future events.

NOTE 59 CAPITAL MANAGEMENT (CONSOLIDATED)

The Group's objective is to maximize the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and makes necessary adjustments in the capital structure for the development of the business.

The Group's debt to equity ratio as at 31st March, 2020 is **1.63** (31st March 2019: 1.16).

Note: For the purpose of computing debt to equity ratio, equity includes Equity Share Capital and Other Equity excluding Minority Interest Interest and Debt includes Long term borrowings, short term borrowings and current maturities of long term borrowings excluding lease obligations.

NOTE 60 SEGMENT REPORTING (CONSOLIDATED)

A. Basis for segmentation

The Group has following two reportable segments. Details of the segments are as follows:

a) Downstream Petroleum ie. 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.

Committee of Functional Directors (CFD), periodically reviews the internal management reports and evaluates performance/allocates resources based on the analysis of various performance indicators relating to the segments referred to above.

NOTE 60 SEGMENT REPORTING (CONSOLIDATED) (CONTD.)

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment profit/(loss) after tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industry.

₹ in Crores

Particulars*	For the year ended 31st March 2020			For the year ended 31st March 2019		
	Downstream Petroleum	E&P	Total	Downstream Petroleum	E&P	Total
Revenue						
External Customers	**329,690.69**	**106.47**	**329,797.16**	340,748.60	130.55	340,879.15
Inter-segment	-	-	-	-	-	-
Total Revenue			**329,797.16**			340,879.15
Results						
Segment Results	**3,653.10**	**(694.52)**	**2,958.58**	11,692.43	2.03	11,694.46
Unallocated Corporate Expenses	-	-	-	-	-	-
Operating Profit			**2,958.58**			11,694.46
Add:						
a) Interest Income			**1,059.72**			1,071.97
b) Other Income (excluding Interest Income)			**646.96**			553.45
c) Share of profit of equity accounted investees	**463.89**	**936.78**	**1,400.67**	593.26	344.06	937.32
d) Fair valuation gain on instruments measured at FVTPL			**222.65**			155.26
e) Derivatives at FVTPL						256.86
Less:						
a) Finance Cost			**2,637.01**			1,763.95
b) Income tax (including deferred tax)			**(14.21)**			4,377.52
Profit / (Loss) after tax			**3,665.78**			8,527.85
Other Information						
Segment assets	**117,053.89**	**22,300.21**	**139,354.10**	107,745.75	17,645.64	125,391.39
Unallocated Corporate Assets			**11,509.46**			11,538.99
Total Assets			**150,863.56**			136,930.38
Segment liabilities	**42,276.18**	**277.88**	**42,554.06**	40,356.40	105.77	40,462.17
Unallocated Corporate Liabilities			**69,720.84**			55,633.45
Total Liabilities			**112,274.90**			96,095.62
Depreciation and amortization	**4,033.08**	**47.01**	**4,080.09**	3,383.33	34.44	3,417.77
Material Non-cash expenses other than depreciation and amortization			**2,504.14**			1,049.66
Segment assets include:						
Investment in equity accounted investees	**7,328.83**	**14,203.28**	**21,532.11**	6,879.87	11,208.87	18,088.74
Capital expenditure	**11,480.64**	**1,469.47**	**12,950.11**	10,060.49	1,057.01	11,117.50

* For the purposes of review by the Committee of Functional Directors (CFD), information referred to above is measured consistent with the accounting policies applied for preparation of these financial statements.

NOTE 60 SEGMENT REPORTING (CONSOLIDATED) (CONTD.)

C. Geographic information

The geographic information analyses the Group's revenue and non-current assets by the country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic selling location and segments assets were based on the geographic location of the respective non-current assets.

₹ in Crores

Geography	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I) Revenue		
India	**329,797.16**	340,879.15
Other Countries		
Mozambique	-	-
Singapore	-	-
Other Countries	-	-
Total Revenue	**329,797.16**	340,879.15
II) Non-current Assets *		
India	**80,448.07**	66,238.13
Other Countries		
Mozambique	**7,278.64**	5,356.48
Singapore	**8,944.21**	7,167.59
Other Countries#	**5,444.58**	4,447.45
Total Non-current Assets	**102,115.50**	83,209.65

* Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising from insurance contracts.

Non current assets of PPE related to retail outlets lying in Bhutan are grouped under this head.

NOTE 61 MICRO, SMALL AND MEDIUM ENTERPRISES (CONSOLIDATED)

To the extent, the Corporation has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, the details are provided as under:

₹ in Crores

Particulars	As at 31/03/2020	As at 31/03/2019
Principal amount overdue (remaining unpaid) as on 31st March	**-**	0.57
Interest due thereon remaining unpaid as on 31st March	**-**	0.01
Payment made during the year after the due date*		
Principal	**-**	-
Interest	**-**	-
Interest accrued and remaining unpaid as at 31st March	**0.01**	0.01

*Undisputed payments to Micro and Small enterprises during the year are made as per the MSMED Act, 2006.

NOTE 62 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (CONSOLIDATED)

₹ in Crores

Particulars			As at 31/03/2020	As at 31/03/2019
(a)	**Contingent Liabilities :**			
	In respect of Income Tax matters		**791.88**	55.25
	Other Matters :			
	i)	Claims against the Group not acknowledged as debts * :		
		Excise and customs matters	**415.60**	1,306.19
		Service Tax matters	**6.68**	45.59
		Sales Tax matters	**3,369.02**	10,437.68
		Land Acquisition cases for higher compensation	**126.97**	126.93
		Others	**251.78**	294.56
* These include ₹ **1,263.59 Crores** (Previous year ₹ 7696.90 Crores) against which the Group has a recourse for recovery and ₹ **121.69 Crores** (Previous year ₹ 118.78 Crores) which are on capital account.				
	ii)	Claims on account of wages, bonus / ex-gratia payments in respect of pending court cases	**29.65**	25.81
	iii)	Guarantees	**1,071.33**	149.13
	iv)	Share of Interest in Joint Ventures & Associates	**1,034.17**	1,046.58
(b)	**Capital Commitments :**			
	i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	**6,295.01**	6,811.97
	ii)	Share of Interest in Joint Ventures & Associates	**1,830.50**	1,969.37

NOTE 63 NON-CONTROLLING INTERESTS (NCI) (CONSOLIDATED)

Below is the partly owned subsidiary of the Company and the respective share of the non-controlling interests.

S. No.	Name	Country of Incorporation	Non-controlling interest	
			As at 31/03/2020	As at 31/03/2019
1.	Numaligarh Refinery Limited	India	**38.35%**	38.35%

The principal place of business of the entity listed above is the same as their respective country of incorporation.

The following table comprises the information relating to the subsidiary that has material Non-Controlling Interest (NCI):

₹ in Crores

Particulars	Numaligarh Refinery Limited	
	As at 31/03/2020	As at 31/03/2019
NCI percentage	**38.35%**	38.35%
Non Current Assets	**3,857.50**	3,765.12
Current Assets	**3,104.59**	3,670.57
Non Current Liabilities	**289.17**	345.37
Current Liabilities	**1,280.92**	1,604.16
Net Assets	**5,392.00**	5,486.16
Net assets attributable to NCI (before adjustment)	**2,067.88**	2,103.94
Less: Elimination of Stock Margin	**11.55**	33.90
Net assets attributable to NCI (after adjustment)	**2,056.33**	2,070.04
Revenue	**14,242.10**	18,634.64
Profit	**1,533.45**	1,980.28
Other Comprehensive Income	**(31.30)**	1.52
Total Comprehensive Income	**1,502.15**	1,981.80
Profit allocated to NCI	**610.42**	725.55
OCI allocated to NCI	**(12.00)**	0.58
Total Comprehensive Income allocated to NCI	**598.42**	726.13
Cash flow from operating activities	**1,398.93**	2,033.12
Cash flow from investing activities	**362.20**	(400.62)
Cash flow from financing activities	**(1,695.07)**	(1,727.38)
Net Increase/(decrease) in cash and cash equivalents	**66.06**	(94.88)
Dividends paid to Non-controlling interest (Including DDT)	**(612.19)**	(561.17)

NOTE 64 DISCLOSURES AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS (CONSOLIDATED)

S. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount in ₹ Crores	As % of Consolidated Profit or Loss	Amount in ₹ Crores	As % of Consolidated Other Comprehensive Income	Amount in ₹ Crores	As % of Total Comprehensive Income	Amount in ₹ Crores
	Parent								
	Bharat Petroleum Corporation Limited	90.90%	33,214.38	87.70%	2,683.19	-83.00%	(497.99)	59.70%	2,185.20
	Subsidiaries								
	Indian								
1.	Bharat PetroResources Limited	10.20%	3,715.41	-9.90%	(301.74)	186.50%	1,119.31	22.30%	817.57
2.	Numaligarh Refinery Limited	14.80%	5,392.00	50.20%	1,533.45	-5.20%	(31.30)	41.10%	1,502.15
3.	Bharat Gas Resources limited	0.80%	299.75	0.00%	1.51	-	-	0.00%	1.51
	Non-Controlling interest	-5.60%	(2,056.33)	-20.00%	(610.42)	2.00%	12.00	-16.50%	(598.42)
	Joint Ventures								
	Indian								
1.	Bharat Oman Refineries Limited	8.50%	3,087.91	-13.10%	(401.75)	-0.30%	(1.84)	-11.00%	(403.59)
2.	Bharat Renewable Energy Limited *								
3.	Bharat Stars Services Private Limited	0.10%	24.06	0.10%	2.95	-	0.04	0.10%	2.99
4.	Central U.P. Gas Limited	0.20%	89.24	0.60%	18.73	-	0.01	0.50%	18.74
5.	Delhi Aviation Fuel Facility Private Limited	0.30%	100.51	0.50%	15.33	-	-	0.40%	15.33
6.	Maharashtra Natural Gas Limited	0.40%	150.19	1.30%	40.13	-	-	1.10%	40.13
7.	Sabarmati Gas Limited	0.80%	298.40	2.10%	64.52	-	(0.04)	1.80%	64.48
8.	Mumbai Aviation Fuel Farm Facility Private Limited	0.20%	86.84	0.30%	10.01	-	-	0.30%	10.01
9.	Kochi Salem Pipeline Private Limited	0.40%	144.94	-0.10%	(1.78)	-	-	0.00%	(1.78)
10.	BPCL- KIAL Fuel Farm Facility Private Limited	0.00%	5.69	0.00%	0.34	-	-	0.00%	0.34
11.	Haridwar Natural Gas Private Limited	0.10%	19.72	-0.00%	(0.98)	-	-	0.00%	(0.98)

NOTE 64 DISCLOSURES AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS (CONSOLIDATED) (CONTD.)

S. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount in ₹ Crores	As % of Consolidated Profit or Loss	Amount in ₹ Crores	As % of Consolidated Other Comprehensive Income	Amount in ₹ Crores	As % of Total Comprehensive Income	Amount in ₹ Crores
12.	Goa Natural Gas Private Limited	0.00%	15.61	-0.00%	(1.47)	-	-	-0.00%	(1.47)
13.	Ratnagiri Refinery & Petrochemicals Limited	0.10%	36.28	-0.20%	(4.99)	-	-	-0.10%	(4.99)
14.	IHB Private Limited	0.10%	24.95	-0.00%	(1.30)	-	-	0.00%	(1.30)
	Foreign								
	Matrix Bharat Pte Ltd	0.00%	15.38	0.00%	0.11	0.10%	0.34	0.00%	0.45
	Associates								
1.	GSPL India Gasnet Limited	0.30%	97.30	-0.10%	(3.96)	0.00%	(0.01)	-0.10%	(3.97)
2.	GSPL India Transco Limited	0.10%	50.21	-0.20%	(4.75)	0.00%	(0.04)	-0.10%	(4.79)
3.	Fino PayTech Limited	0.10%	45.15	-0.10%	(4.28)	0.00%	(0.26)	-0.10%	(4.54)
4.	Petronet LNG Limited	3.80%	1,397.66	11.30%	345.11	0.00%	(0.01)	9.40%	345.10
5.	Petronet CI Limited *								
6.	Indraprastha Gas Limited	3.30%	1,207.84	9.30%	283.32	-0.10%	(0.34)	7.70%	282.98
7.	Kannur International Airport Limited #	0.60%	204.25						
8.	Petronet India Limited*	0.00%	0.42	-	-	-	-	-	-
9.	Petroleum India International**	-	-	0.00%	0.68	-	-	0.00%	0.68
	Intra Group Elimination	-30.50%	(11,135.43)	-19.90%	(606.60)	0.00%	(0.03)	-16.50%	(606.63)
	Total	100%	36,532.33	100%	3,055.36	100%	599.84	100%	3,655.20

* Associates / Joint Ventures have not been considered for consolidation.

** Petroleum India International has been dissolved and the capital contribution has been received by the corporation.

Kannur International Airport Limited - Values as on 31st March 2019 is shown.

NOTE 65 REVENUE FROM CONTRACTS WITH CUSTOMERS IN RESPECT OF THE CORPORATION (CONSOLIDATED)

A. Contract balances

₹ in Crores

	As at 31/03/2020	As at 31/03/2019
Contract liabilities	**302.45**	201.68

The contract liabilities primarily relates to the liability towards customer loyalty program for unutilized points and the upfront bidding fees/fixed fees pertaining to Retail Outlets.

₹ in Crores

Movement in contract liabilities is as follows	2019-20	2018-19
At beginning of the year	**201.68**	165.02
Increases due to cash received, excluding amounts recognized as revenue during the year	**160.46**	84.53
Revenue recognized that was included in the contract liability balance at the beginning of the year	**59.69**	47.87
At end of the year	**302.45**	201.68

NOTE 66 ADDITIONAL INFORMATION AS APPEARING IN THE FINANCIAL STATEMENTS OF BPRL (CONSOLIDATED)

I. Joint Operations

The Group has participating interest in the nature of Production Sharing Contracts (PSC) with the Government of India and/or various bodies corporate in the oil and gas blocks for exploration, development and production activities. The arrangements require consent from consortium partners for all relevant activities and hence it is classified as joint operations. The partners to the agreement have direct right to the assets and are jointly liable for the liabilities incurred by the un-incorporated joint operation. In accordance with Ind AS 111 on “Joint Arrangements”, the financial statements of the Group includes the Group’s share in the assets, liabilities, incomes and expenses relating to joint operations based on the financial statements received from the respective operators. As per the PSC, the operator has to submit audited financial statements within 60 days from the end of the year. The income, expenditure, assets and liabilities of the joint operations are merged on line by line basis according to the participating interest with the similar items in the Financial Statements of the Group as given below:

i) In respect of Block CB/ONN/2010/8 and CB/ONHP/2017/9 , the Group is operator. The Group is also operator for five DSF blocks in which it holds 100% participating interest. The Group’s share of the assets, liabilities, income and expenditure have been recorded under respective heads based on the audited financial statements.

ii) Out of the remaining eight Indian Blocks (Previous year six), two blocks RJ/ONN/2005/1 and MB/OSN/2010/2 have been proposed for relinquishment for which approval is pending from Director General of Hydrocarbons (DGH). Out of the remaining six Indian Blocks (Previous year four), the Group has received Nil (Previous year one) audited financial statements as at March 31, 2020 and this has been considered in the financial statements of the Group. The Group has received unaudited financial statements for three (Previous year two) blocks and billing statement (Statement of Expenses) for remaining three blocks from the operator for the period upto 31st March 2020. In case of five blocks out of the above, assets, liabitilities, income & expenses are accounted. In case of remaining one block, in absence of the details of assets & liabilities, only income and expenses are accounted.

iii) In respect of both (Previous year one) the Joint Venture blocks, EP413 and Block 32 (blocks outside India) the assets, liabilities, income and expenditure have been incorporated on the basis of unaudited financial statements as at 31st March 2020.

iv) In respect of blocks in Mozambique and Indonesia (Previous year both) the Group has accounted the income and expenses based on the billing statements (Statement of Expenses) received from the operator for the period upto 31st March 2020.

Details of the Group's Participating Interest (PI) in the blocks are as under:

Name	Company	Country	Participating Interest of the Group	
			31/03/2020	31/03/2019
Blocks In India				
NELP – IV				
CY/ONN/2002/2	BPRL	India	**40.00%**	40.00%
NELP – VI				
CY/ONN/2004/2	BPRL	India	**20.00%**	20.00%
NELP – VII				
RJ/ONN/2005/1	BPRL	India	**33.33%**	33.33%
NELP – IX				
CB/ONN/2010/11	BPRL	India	**25%**	25%
AA/ONN/2010/3	BPRL	India	**20%**	20%
CB/ONN/2010/8	BPRL	India	**50%**	25%
MB/OSN/2010/2	BPRL	India	**20%**	20%
Discovered Small Fields (DSF)				
CY/ONDSF/KARAIKAL/2016	BPRL	India	**100%**	100%
RJ/ONDSF/BAKHRI TIBBA/2016	BPRL	India	**100%**	100%
RJ/ONDSF/SADEWALA/2016	BPRL	India	**100%**	100%
MB/OSDF/B15/2016	BPRL	India	**100%**	100%
MB/OSDF/B127E/2016	BPRL	India	**100%**	100%
OALP				
CB-ONHP-2017/9	BPRL	India	**60%**	100%
AA-ONHP2017/12	BPRL	India	**10%**	-
CY-ONHP-2017/1	BPRL	India	**40%**	-
Blocks Outside India				
JPDA 06-103 (e)	BPRL JPDA	Australia / Timor	**20.00%**	20.00%
EP-413	BPRL	Australia	**27.80%**	27.80%
Block 32	BPRL	Israel	**25.00%**	-
Mozambique Rovuma Basin	BPRL Ventures Mozambique B.V.	Mozambique	**10.00%**	10.00%
Nunukan PSC, Tarakan Basin	BPRL Ventures Indonesia B.V.	Indonesia	**12.50%**	12.50%

NOTE 66 ADDITIONAL INFORMATION AS APPEARING IN THE FINANCIAL STATEMENTS OF BPRL (CONSOLIDATED) (CONTD.)

The table below provides summarized financial information of the Group's share of assets, liabilities, income and expenses in the joint operations:

₹ in Crores

S. No.	Particulars	31/03/2020	31/03/2019
1.	Property, Plant and Equipment	**0.80**	0.88
2.	Other Intangible assets	**103.74**	109.38
3.	Intangible asset under development*	**8,237.89**	6,158.92
4.	Other Non-current Assets	**7.34**	4.99
5.	Current Assets including financial assets**	**50.84**	48.10
6.	Cash and Bank Balances	**2.68**	3.91
7.	Current & Non-current Liabilities/Provisions including financial liabilities	**350.40**	186.60
8.	Expenses incurred during the year	**20.99**	26.24
9.	Income recognized during the year	**106.47**	130.81

* Includes ₹ **741.86 Crores** (Previous year ₹ 129.74 Crores) which has been provided for by the Group.

** Includes ₹ **10.67 Crores** (Previous year ₹ 10.70 Crores) which has been provided for by the Group.

II. Details of Reserves

BPRL's share of Estimated Ultimate Recovery (EUR) as approved by Operator's Reserves Estimation Committee (REC) for the block CY-ONN-2002/2 as at 31st March 2020 is given below:

Project	Details	Crude Oil (MMm3)	Gas (MMm3)
CY-ONN-2002/2	Opening	**0.24**	**1,062.35**
	Production	**0.04**	**12.30**
	Closing	**0.20**	**1,050.05**

MMm3 = Million Cubic Meters

NOTE 67 CONSOLIDATED

In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, Corporation has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives including loss of the accumulated MAT Credit. The Corporation has not exercised this option in the current period due to unutilized MAT Credit available in the books. However, its Subsidiary Companies NRL & BGRL have adopted the option available under Section 115BAA of Income Tax Act, 1961.

NOTE 68 CONSOLIDATED

The Corporation has decided to transfer its Gas business into a separate wholly owned subsidiary named Bharat Gas Resources Limited. Accordingly, the carrying amount of the assets and liabilities as at 31st March 2020 and 31st March 2019 pertaining to the Gas business were shown as a part of Disposal Group in Standalone Financial Statements, while in Consolidated Financial Statements, the same have been presented in their respective heads of Assets and Liabilities.

NOTE 69 CONSOLIDATED

Due to COVID-19 pandemic, there has been significant volatility and sharp reduction in the prices of Crude Oil and Petroleum Products, which has resulted in significant write-down of Inventories to Net Realizable Value (NRV). Accordingly, Group has shown an amount of ₹ 1310.35 Crores as an exceptional item in the Statement of Profit and loss. Details of inventories write-down to NRV is as under:

₹ in Crores

Paticulars	**2019-20**
Raw Material	**54.97**
Finished Goods, Stock-in-trade & Stock-in-process	**1,255.38**
Total	**1,310.35**

NOTE 70 CONSOLIDATED

The outbreak of COVID-19 globally and resultant lockdown in many countries, including from 25th March 2020 in India, has had impact on the business of the Group. Consequently lower demand for crude oil and petroleum products has impacted the prices and therefore refining margins globally. Due to this, certain finished goods inventory and certain raw materials of the Group have been valued at net realizable value/replacement costs which are lower than cost. The impact of the same has been reported under exceptional item.

Since petroleum products are under essential services, the refining and marketing operations of the Group were continued during the lock down period, though there were some postponement of project related activities. Due to the lock down there was reduction in sales for the Group, however the reduction in sales is not material for the year 2019-20.

The lock down of COVID-19 is continuing in FY 2020-21 and the Group is continuing its operations in major business units with current lower demand as these products are falling under essential goods and services. The Group is expecting that demand for products will improve on stabilization of COVID-19, post removal of lock down. It has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on financial position etc. though there may be lower revenues and refinery throughput in the near term. The Group will continue to closely monitor any material changes to future economic conditions.

NOTE 71 CONSOLIDATED

Figures of the Previous year have been regrouped wherever necessary, to conform to current year presentation.

For and on behalf of Board of Directors

Sd/-
D. Rajkumar
Chairman and Managing Director
DIN: 00872597

Sd/-
N. Vijayagopal
Director (Finance)
DIN: 03621835

Sd/-
V. Kala
Company Secretary

Place : MUMBAI
Date : 03rd June 2020

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

CVK & Associates
Chartered Accountants
ICAI FR No.101745W

Sd/-
A.K. Pradhan
Partner
Membership No. 032156

Borkar & Muzumdar
Chartered Accountants
ICAI FR No. 101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938

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 Statements of Subsidiaries / Associate Companies / Joint Ventures for the financial year ended 31st March 2020

PART "A": SUBSIDIARIES

S. No.	Particulars	₹ in Crores		
1.	Name of the subsidiary	Numaligarh Refinery Limited*	Bharat PetroResources Limited *	Bharat Gas Resources Limited
2.	The date of incorporation/ since when subsidiary was acquired	07-11-2006	17-10-2006	07-06-2018
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
4.	Reporting Currency and Exchange rates as on the last date of the relevant Financial Year in case of foreign subsidiaries	NA	NA	NA
5.	Share Capital	735.63	5,000.00	308.62
6.	Reserves & Surplus	4,656.37	(1,284.59)	(8.88)
7.	Total Assets	6,962.09	24,568.14	382.89
8.	Total Liabilities	1,570.09	20,852.73	83.14
9.	Investments	355.55	14,203.28	-
10.	Turnover	14,071.79	106.47	273.35
11.	Profit/(loss) before Taxation (A)	1,886.68	(310.54)	2.94
12.	Provision for taxation (B)	353.23	(8.80)	1.44
13.	Profit after Taxation (A) - (B)	1,533.45	(301.74)	1.51
14.	Extent of shareholding (in percentage)	61.65%	100.00%	100.00%

* figures based on consolidated financial statements of the Company.

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crores)

S. No.	Name of Associates or Joint Ventures	Refer Note	1	2	3			4	5	6	7	
			Latest audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or acquired	Shares of Associate or Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate / Joint Venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet (Refer Note No. 4)	Profit / Loss for the year	
					No.	Amount of Investment in Associates or Joint Venture	Extent of Holding (in percentage)				Considered in Consolidation	Not Considered in Consolidation
1.	Indraprastha Gas Limited	1 & 4	31-Mar-19	27-04-2000	15,75,00,400	31.50	22.50%	By virtue of Shareholding / Joint Venture agreement		971.03	274.94	
2.	Petronet LNG Limited	1 & 4	31-Mar-19	24-05-2001	18,75,00,000	98.75	12.50%			1,278.82	306.34	
3.	Bharat Oman Refineries Limited	8	31-Mar-20	23-12-1993	1,53,82,16,114	1,538.61	63.38%			3,087.91	(393.03)	
4.	Central UP Gas Limited	4	31-Mar-19	26-07-2004	1,49,99,600	15.00	25.00%			70.50	18.73	
5.	Maharashtra Natural Gas Limited	4	31-Mar-19	26-07-2004	2,24,99,600	22.50	22.50%			117.22	38.91	
6.	Sabarmati Gas Limited	4	31-Mar-19	04-04-2006	99,87,400	122.40	49.94%			237.83	63.85	
7.	Bharat Stars Services Private Limited	1 & 4	31-Mar-19	25-04-2007	1,00,00,000	10.00	50.00%			21.67	2.85	
8.	Matrix Bharat Pte Limited		31-Dec-19	03-03-2008	20,00,000	8.41	50.00%			15.38	0.11	
9.	Delhi Aviation Fuel Facility Private Limited		31-Mar-20	22-09-2009	6,06,80,000	60.68	37.00%			100.51	15.89	
10.	Bharat Renewable Energy Limited	2 & 6		19-05-2008	33,60,000	3.36	33.33%		Note 2	-	-	Note 2
11.	Petronet CI Limited	2		18-10-2000	15,84,000	1.58	11.00%		Note 2	-	-	Note 2
12.	Petronet India Limited	5	31-Mar-18	17-12-1998	1,60,00,000	0.16	16.00%		Note 5	0.44	-	Note 5
13.	GSPL India Gasnet Limited		31-Mar-20	30-04-2012	10,36,22,128	103.62	11.00%			97.30	(3.96)	
14.	GSPL India Transco Limited		31-Mar-20	30-04-2012	5,41,20,000	54.12	11.00%			50.21	(4.75)	
15.	Kannur International Airport Limited	3	31-Mar-18	31-03-2014	2,16,80,000	216.80	16.20%		Note 3	171.89	-	Note 3
16.	Fino PayTech Limited	1 & 4	31-Mar-19	29-07-2016	2,84,35,423	251.00	20.73%			60.00	(8.51)	
17.	Kochi Salem Pipeline Private Limited		31-Mar-20	30-12-2014	15,25,00,000	152.50	50.00%			144.94	(1.78)	
18.	Mumbai Aviation Fuel Farm Facility Private Limited		31-Mar-20	06-03-2014	4,82,88,750	48.29	25.00%			86.84	10.01	
19.	BPCL-KIAL Fuel Farm Private Limited	4	31-Mar-19	29-12-2014	66,60,000	6.66	74.00%			5.35	0.34	
20.	Haridwar Natural Gas Private Limited	4	31-Mar-19	24-12-2015	2,22,00,000	22.20	50.00%			11.11	(1.09)	
21.	Petroleum India International	7	31-Mar-20	01-03-1986	-	-	-			-	0.68	
22.	Ratnagiri Refinery & Petrochemical Limited		31-Mar-20	14-06-2017	5,00,00,000	50.00	25.00%			36.28	(4.99)	
23.	IHB Private Limited		31-Mar-20	09-07-2019	2,62,50,000	26.25	25.00%			24.95	(1.30)	
24.	Goa Natural Gas Private Limited		31-Mar-20	21-11-2016	1,75,00,000	17.50	50.00%			15.61	(1.47)	

During the year 2017-18, BPCL along with IOCL and HPCL has incorporated a company under Section 8 of Companies Act, 2013 named as Ujjwala Plus Foundation, limited by guarantee.

Note 1 : Figures based on consolidated financial statements of the Company.

Note 2 : Equity method of accounting 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 has not prepared financial statements for 2019-20 & hence not considered for consolidation for the year 2019-20

Note 4 : The financial statements of these Associates and Joint Venture companies are yet to be audited and hence the provisional financial statements provided by the respective management have been considered for the purpose of preparation of Consolidated Financial Statements.

Note 5 : Petronet India Limited is under liquidation

Note 6 : Percentage of holding disclosed is based on Joint Venture agreement.

Note 7 : During the year 2019-20 Petroleum India International has been dissolved.

Note 8 : 36,11,11,111 warrants issued by Bharat Oman Refineries Limited (BORL) to BPCL have been converted to 64,96,02,778 equity shares of BORL on 31st March 2020.

For and on behalf of Board of Directors

Sd/-
D. Rajkumar
Chairman and Managing Director
DIN: 00872597

Sd/-
N. Vijayagopal
Director (Finance)
DIN: 03621835

Sd/-
V. Kala
Company Secretary

Place : MUMBAI
Date : 03rd June 2020

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

CVK & Associates
Chartered Accountants
ICAI FR No.101745W

Sd/-
A.K. Pradhan
Partner
Membership No. 032156

Borkar & Muzumdar
Chartered Accountants
ICAI FR No. 101569W

Sd/-
Kaushal Muzumdar
Partner
Membership No. 100938

NOTES

TOUCHING LIVES

Agriculture training to farmers in Gadchiroli, Maharashtra
Employee Volunteering - cleaning Mithi River, Mumbai
Cataract surgery at Papum Pare, Arunachal Pradesh
Learning at Akshar Nandurbar, Maharashtra
Skill Development training at SDI, Kochi
Rainwater harvesting at Tuticorin

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