Chairman's Message

Sanjay Khanna
Chairman & Managing Director

> **"We are reimagining BPCL as an integrated energy company of the future – one that is driven by innovation, committed to sustainability, and anchored in national service. We are not merely preparing for the future – we are actively shaping it, today."**

DEAR SHAREHOLDERS,

I am pleased to share with you the Annual Report of Bharat Petroleum Corporation Limited (BPCL) for the financial year 2024-25 – a year that marks, not only a pivotal moment in our transformation journey, but also a proud milestone: the ushering in of the 50th year since BPCL's foundation! Celebrating five decades of shaping the future, we reflect, not just on our accomplishments, but on the enduring values that have guided our path. Entering this landmark year is not just a tribute to our past, but a powerful reaffirmation of our purpose – to energize lives and fuel India's progress. Since our inception, BPCL has progressed significantly – from being a conventional oil refining and marketing company to emerging as a diversified energy player.

FY 2024-25 unfolded against a backdrop of significant global volatility and uncertainty, posing unprecedented challenges to the energy sector. Global GDP growth stabilized at 3.3% in 2024, but is projected to moderate to 2.8% in 2025, reflecting policy uncertainty and geopolitical risks. Shifting trade dynamics, ongoing conflicts, and economic disruptions have contributed to an increasingly unpredictable global market environment. Despite these headwinds, our Company remained steadfast in its commitment to navigate these turbulent times with strategic foresight, operational excellence, and steadfast dedication to stakeholder value.

Amid a challenging global environment, India's economy remained robust, growing at an estimated 6.5% in 2024-25. Our country not only held its place as the fastest-growing major economy, but also surpassed Japan to become the world's fourth-largest economy. With continued momentum, the country is well on its path to becoming the third-largest economy by 2030. Reflecting this broader economic strength, the petroleum sector also posted solid growth, supported by continued expansion in transport, aviation, and residential demand. Total consumption of petroleum products reached an all-time high of 239.5 MMT, registering a year-on-year growth of 2.2%.

Building on this favorable economic environment and strong sectoral demand, BPCL delivered a strong performance across its operations in FY 2024-25. BPCL reported a standalone net profit of ₹ 13,275.26 crore for FY 2024-25 – the highest among PSU Oil Marketing Companies (OMCs). The Company also attained record throughput of 40.51 MMT and achieved its highest-ever market sales of 52.40 MMT. In recognition of this impressive performance, the Board has recommended a final dividend of ₹ 5 per share, taking the total payout, including the interim dividend, to ₹ 10 per share.

BPCL sustained its strong position among public sector OMCs, with a market share of 27.44%, reaffirming its status as the second largest OMC during the year. Our Refineries delivered exceptional operational output, running at 115% of the capacity – the highest amongst PSU OMCs. We also led our peers with a Gross Refining Margin (GRM) of $ 6.82 per barrel, reflecting our continued focus on operational excellence and cost optimization.

The 21st century is India's moment, with the energy sector set to play a pivotal role in driving this transformation. As economic growth and urbanization gain momentum, India's energy landscape is evolving through a multi-pronged strategy – one that balances the rising demand for conventional fuels with an accelerated shift toward clean energy. Energy demand is projected to grow across all segments: crude oil consumption is expected to increase by around 1 million barrels per day by 2030, while natural gas usage is set to nearly double, driven by efforts to create a cleaner energy mix. At the same time, India's refining sector stands to gain from deeper petrochemical integration, as global demand tilts from combustion fuels toward feedstock-based applications. Petrochemical feedstocks are increasingly becoming a key pillar supporting long-term oil demand.

In line with this evolving national energy landscape and India's growing aspirations, BPCL is steadfastly progressing on its own transformational journey. Project Aspire, our five-year strategic blueprint, has gained momentum with clear execution on both its pillars – Nurturing the Core and Investing in Future Big Bets. Out of the planned capital expenditure of ₹ 1.7 Lakh crore, approximately ₹ 1.4 Lakh crore has already been committed toward key strategic projects.

As part of our vision to significantly enhance our refining and petrochemical capacities and emerge as a major player in India's energy landscape, a major investment has been directed toward the Ethylene Cracker Project at Bina. This ₹ 49,000 crore project includes the brownfield expansion of the Bina Refinery from 7.8 MMTPA to 11 MMTPA, primarily to meet the feedstock requirements of the proposed petrochemical units. As of March 31, 2025, the project has achieved 11% overall progress and is on track for completion by May 2028.

Looking ahead, to meet the expected surge in demand for refined products and petrochemicals, we are evaluating a proposal for a greenfield refinery-cum-petrochemical complex in Andhra Pradesh, designed with a high petrochemical intensity. Pre-project work, including land acquisition and feasibility studies, is currently underway. This initiative reflects BPCL's commitment to strengthening its presence across the petrochemical value chain and aligns with India's vision of becoming a global petrochemical hub. Through scale, integration, and technology-driven capabilities, we aim to contribute meaningfully to building a self-reliant and globally competitive petrochemical industry.

In an increasingly volatile geopolitical landscape, ensuring reliable access to energy has become a strategic imperative for nations and corporations alike. The Company remains committed to strengthening India's energy security through strategic upstream investments. A key highlight this year is the steady progress in Mozambique's Offshore Area 1, where BPCL, through its step-down subsidiary, holds a 10% Participating Interest. This world-class natural gas asset, with estimated recoverable resources of nearly 70 trillion cubic feet, had faced disruption due to security concerns. Encouragingly, the situation has since stabilized, with sustained efforts by local and allied forces, enabling the operator to maintain site integrity and implement community-focused socio-economic initiatives. The project currently operates in hybrid mode, balancing preservation and preparatory activities. With regulatory clearances in place and critical infrastructure in good condition, the partners are optimistic about recommencing full-scale development soon. The 2-train LNG project, once operational, is poised to significantly enhance BPCL's upstream footprint and contribute to the global energy transition.

BPCL continued to strengthen its retail network in FY 2024-25 by adding 1,805 new retail outlets, expanding its network to a total of 23,642 outlets. As part of its efforts on enhancing highway infrastructure and offering greater convenience and comfort to travellers, the Company focused on developing Way Side Amenities (WSAs). During the year, BPCL commissioned three new WSAs sites and secured bids for seven additional locations, taking the total count to 85 WSAs across the country. In FY 2024-25, BeCafe, our flagship café chain, emerged as a key pillar of customer-centric retail transformation. Building on the initial success of six BeCafes launched in FY 2023-24, the Company scaled up the initiative significantly by commissioning 105 new BeCafes, taking the total network to 111 across the country. BeCafe continues to redefine the on-the-go dining experience by offering value-for-money and world-class food and beverage services within our retail outlets. With strong customer response and growing dealer interest, the Company plans to rapidly expand the BeCafe footprint in the coming years.

BPCL's LPG business advanced its mission of 'Safety, Trust, and Convenience' through several impactful initiatives. Safety remained paramount, with 36 plants certified under the 'Zero Ka Dum' quality challenge and over 3 crore basic safety checks conducted under the MoPNG-led national campaign. To enhance 24x7 access to LPG refills, BPCL piloted the innovative 'Bharatgas Insta-Smart Cylinder Vending Machine' last year. Designed to operate like an ATM, the machine enables customers to conveniently purchase or exchange LPG cylinders at any time, offering a seamless and contactless experience.

In alignment with India's clean energy transition, natural gas is emerging as a critical bridge fuel in India's transition to a low-carbon economy – cleaner, more efficient, and essential for enhancing energy security. Recognizing this, BPCL has adopted a comprehensive strategy to expand its presence across the gas value chain – from securing diversified supply sources to strengthening infrastructure through investments in LNG terminals, pipelines, and city gas networks. In FY 2024-25, BPCL added 2.33 Lakh new PNG connections, and expanded its City Gas Distribution (CGD) footprint to 154 districts. These efforts not only enable wider access to clean energy, but also position BPCL as a key player in supporting India's gas-based economy and energy transition goals.

Aligned with India's net-zero ambitions, BPCL is advancing its green energy agenda through a multifaceted approach. This includes a major push toward biofuels, with the Company achieving its highest ever ethanol blending in petrol at 16.35%. This positions us to meet the national target of 20% well ahead of the 2025-26 timeline. With E20 fuel now available across the country, this milestone reinforces energy security and supports the rural economy. We are also establishing 1G and 2G biorefineries at Bargarh, Odisha, to process agricultural waste and surplus food grains into ethanol. The plant is under commissioning and ethanol production is expected to commence in September 2025. On the renewable energy front, BPCL is making steady progress towards its target of a 10 GW green energy portfolio by 2035. As of FY 2024-25, our installed capacity stands at 154.86 MW, with another 171 MW under various stages of development. BPCL is also making strong headway in its green hydrogen initiatives with the commissioning of a 5 MW green hydrogen plant at the Bina Refinery. In parallel, we are also partnering with leading organizations to strengthen our green energy initiatives. These collaborations are aimed at building a strong renewable energy portfolio, advancing next-generation biofuels like 2G ethanol, and expanding the use of green hydrogen and compressed biogas.

As India accelerates its journey toward a sustainable future, the Company is proud to be at the forefront of the Electric Vehicle (EV) revolution – not just supporting green mobility, but shaping its ecosystem with innovation and scale. Building on the Highway Fast Charging concept launched in FY 2022-23 – designed to address range anxiety by placing chargers approximately every 100 km – the Company has significantly expanded its network in FY 2024-25. Today, 4,256 EV fast chargers are operational, making long-distance EV travel more accessible than ever.

Enabling such innovation at scale requires, not only robust infrastructure, but also a culture of entrepreneurship. BPCL is proud to contribute to India's vibrant startup ecosystem through its flagship initiative, Project Ankur, which has been nurturing innovation and entrepreneurship since 2016. With the successful execution of Phase I and II – supporting over 30 startups across diverse sectors – the Company has now institutionalized this effort through the BPCL Ankur Fund with an initial corpus of ₹ 50 crore. This fund aims to invest in high-potential early-stage startups aligned with BPCL's core business areas. In a significant step forward, the Company launched its first startup cohort, Emerge, in March 2025, focusing on breakthroughs in energy efficiency and city gas distribution. These efforts underscore BPCL's commitment to fostering a sustainable, technology-led energy future, while empowering India's next generation of entrepreneurs.

Complementing its entrepreneurial spirit, BPCL continues to drive digital transformation across both, customer-facing and operational domains. From over 118 million UFill transactions across 14,000+ outlets to 1.31 Lakh fleet customers transacting digitally, platforms like Hello BPCL and the AI-powered URJA chatbot are redefining customer engagement through seamless, secure, and personalized experiences. On the operational front, BPCL has implemented cutting-edge technologies across its three refineries in FY 2024-25, including AI-driven Predictive Analytics for early equipment failure alerts, Ultra Critical Video Analytics (UCVA) for real-time safety monitoring, and immersive Augmented Reality (AR)/ Virtual Reality (VR)-based training for high-impact scenarios.

Bringing digital innovation to the grassroots, BPCL is reshaping rural commerce through its innovative 'Village Ecosystem' model, blending physical stores with digital platforms to serve fuel and non-fuel needs. By March 2025, the Company had operationalized over 200 In & Out stores across rural India and onboarded more than 1,000 Urja Devis. This initiative is enabling BPCL to connect with lakh of rural consumers, offering a diverse range of everyday products. Beyond enhancing fuel sales, the model opens up new revenue streams for BPCL and its channel partners, and the Company is poised to scale up its presence in this segment significantly.


Foundation stone laying of CGD projects in Alipurduar and Coochbehar districts of West Bengal by the Hon'ble Prime Minister

Extending its reach beyond rural commerce, BPCL is accelerating innovation through a dynamic R&D ecosystem focused on energy transition and sustainability. Our research centers are driving advancements in renewable energy, biofuels, green hydrogen and mobility, and core refining technologies. In FY 2024-25, the Company unveiled cutting-edge solutions such as ambient-condition CO_2 capture, ocean wave-based power generation, and a fully operational Net Zero Retail Outlet, underscoring its dedication to innovation and the national mission of Aatmanirbhar Bharat.

Alongside these scientific strides, BPCL continues to promote long-term social impact through initiatives in education, skill development, water conservation, healthcare, and holistic rural development – empowering communities and shaping a more inclusive and sustainable future.

Against the backdrop of our impressive performance, I would like to extend my heartfelt gratitude to the Ministry of Petroleum & Natural Gas for their constant support and strategic direction throughout the year. I am equally grateful to my fellow members on the Board of Directors for their foresight and steadfast leadership. Our achievements have been made possible through the collaborative spirit of our valued partners – State Governments, channel partners, customers, vendors, bankers, and most importantly, our dedicated employees, whose commitment continues to inspire us. I also wish to acknowledge our shareholders, whose enduring trust remains a cornerstone of BPCL's growth journey.

As the global energy transition unfolds, India is advocating a pragmatic and inclusive approach – one that integrates hydrocarbons alongside renewables, to ensure a just, affordable, and secure transformation. While the shift toward cleaner sources is inevitable, oil and gas will continue to play a vital role in supporting this transformation. At BPCL, we approach this mission with conviction and clarity, firmly believing that our legacy is defined, not by the challenges we evade, but by the ones we boldly confront.

As we step into the 50th year of our foundation, we stand at the cusp of a defining era – one where our rich legacy propels us toward even greater aspirations. With renewed purpose, we are reimagining BPCL as an integrated energy company of the future – one that is driven by innovation, committed to sustainability, and anchored in national service.

As John F. Kennedy aptly said, "Change is the law of life. And those who look only to the past or present are certain to miss the future." We are not merely preparing for the future – we are actively shaping it, today.

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