

MANAGEMENT DISCUSSION & ANALYSIS REPORT

SUMMARY

Just as the global economy appeared to be stabilizing from prolonged and unprecedented shocks, new threats have emerged. Tariffs announced by the United States on major trading partners and critical sectors, escalating tensions between Israel and Iran, and between Russia and Ukraine, along with persistently high levels of policy uncertainty, are threatening the recovery. Although the United States has paused the tariff measures, the absence of long-term agreements with most trading partners continue to fuel uncertainty around global trade dynamics.

While the global economy experienced considerable volatility over the past year, India continued to demonstrate macroeconomic resilience – supported by strong domestic demand, moderating inflation, and a robust investment push. As advanced economies grapple with slowdown risks, India remains one of the few large economies with sustained growth momentum, offering a relative anchor of stability in an otherwise fragmented global landscape.

In the backdrop of global uncertainty and India's relative macro-economic stability, BPCL is driving strategic transformation through Project Aspire. This enterprise-wide initiative is focused on fortifying our core strengths in Refining, Marketing, and Upstream, while accelerating our presence in emerging sectors such as Gas, Petrochemicals, Green Energy, Non-Fuel Retail, and Digital Ventures. Through this balanced approach, we aim to future-proof the organization and unlock sustainable value.

GLOBAL ECONOMY

Global GDP growth stabilized at 3.3% in 2024, the same as in 2023, according to the International Monetary Fund (IMF). In its April 'reference forecast,' the IMF projected global growth to moderate to 2.8% in 2025 and 3.0% in 2026, driven by trade tensions and elevated policy uncertainty. The 2025 projection is 0.5 percentage points lower than earlier forecasts. The growth estimates for 2025 and 2026 remain well below the historical annual average of 3.7% between 2000 and 2019.

In June 2025, the organization for Economic Co-operation and Development (OECD) projected global growth to slow to 2.9% in both 2025 and 2026, down from its earlier estimates of 3.1% for 2025 and 3.0% for 2026.

Global economic prospects are weakening due to rising trade barriers, tighter financial conditions, declining confidence, elevated policy uncertainty, the wars in Ukraine and West Asia, and increasing economic and financial fragmentation.

Recent high-frequency indicators suggest a worsening outlook. The Global Manufacturing Purchasing Managers' Index (PMI) fell to a five-month low of 49.6 in May 2025 from 49.8 in April, indicating a further deterioration in overall operating performance for the second consecutive month.

The weakness in manufacturing is compounded by ongoing supply chain reconfiguration. The realignment of trade routes to Southeast Asia, Mexico, and parts of Eastern Europe – driven by geopolitical derisking and friend-shoring strategies – is reshaping global production networks. While some export hubs have benefitted, the transition has introduced higher logistics costs and disruptions to just-in-time manufacturing models. This has weighed on industrial output across several economies, particularly in East Asia and Europe.

Global headline inflation declined through 2024 but remains above targets. The IMF forecasts headline inflation to fall more slowly than previously expected, reaching 4.3% in 2025 and 3.6% in 2026. Inflation expectations now exceed central bank targets in most advanced and emerging economies, slowing the pace of monetary easing.

Weather disruptions have further complicated the inflation outlook. The El Niño – Southern Oscillation in 2024-25 reduced agricultural output in parts of Africa, Latin America, and South Asia, pushing food prices higher. For many low-income countries, this has necessitated new subsidies and relief interventions, adding pressure on public finances and foreign exchange reserves. Food insecurity has also increased, with longer-term implications for social and political stability.

The global trade outlook has worsened significantly due to rising tariffs and heightened policy uncertainty. According to the World Trade organization (WTO), world merchandise trade volume is expected to decline by 0.2% in 2025 before posting a modest recovery of 2.5% in 2026. The 2025 forecast is nearly 3 percentage points lower than it would have been in the absence of recent policy shifts.

In addition to trade frictions, global investment flows are under increasing strain. According to UNCTAD's latest World Investment Report, global FDI fell by 11% in 2024 when adjusted for conduit economies, marking a second consecutive year of decline. While headline figures showed a 4% increase to \$ 1.5 trillion, this was largely driven by volatile flows through offshore financial centres. Excluding those, investment activity weakened significantly across both advanced and developing economies. The outlook for global FDI in 2025 is negative, with first-quarter data showing record lows in deal volumes and project announcements. Investor sentiment has deteriorated due to heightened economic and policy uncertainty, a resurgence in tariff disputes, and rising financial market volatility. Policymakers are increasingly concerned about the growing bifurcation in global investment patterns, with capital flows concentrated in developed economies and a few large emerging markets. This trend threatens to widen the productivity and technology gap between advanced and developing economies, undermining prospects for inclusive growth.

Risks to the outlook include the possible implementation of suspended reciprocal tariffs by the United States and broader spillovers of trade policy uncertainty beyond US-linked trade

relationships. The WTO estimates that, if enacted, these tariffs could reduce global merchandise trade growth by an additional 0.6 percentage points.

Beyond policy and trade dynamics, commodity markets have been rattled by intensifying geopolitical risks. Hostilities between Israel and Iran, the war in Ukraine, and Red Sea shipping disruptions have triggered sharp swings in energy and food prices. Gold and oil markets have grown increasingly sensitive to geopolitical flashpoints, with knock-on effects on inflation expectations and hedging costs. This volatility may strain commodity-dependent economies and financial institutions, particularly those with significant external financing needs or limited capital market depth.

The final stretch of disinflation is proving more prolonged than anticipated, pushing back the timeline for interest rate cuts in many economies.

Diverging monetary policies have amplified financial market volatility. While the European Central Bank and Bank of Canada have begun easing, the US Federal Reserve remains on hold. Emerging markets like Brazil and Chile paused rate cuts amid currency pressures and dollar strength, triggering fresh volatility in yields and exchange rates, especially in commodity-linked economies.

INDIAN ECONOMY

The Indian economy remained resilient amid global uncertainties. According to provisional estimates by the National Statistical Office, India's GDP grew by 6.5% in FY 2024-25, down from 9.2% in 2023-24. Despite the slowdown, India retained its position as the world's fastest-growing large economy.

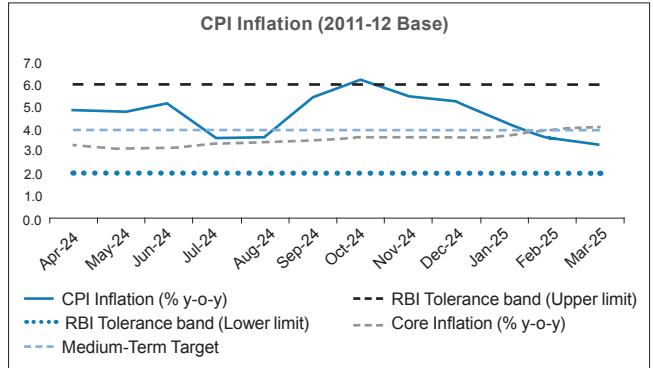
GDP growth in 2024-25 was slightly below the Reserve Bank of India's (RBI) revised projection of 6.6%. Gross Value Added (GVA) rose by 6.4%, compared with 8.6% in the previous year. Among the major sectors, agriculture rebounded sharply, with the primary sector growing by 4.4% compared to 2.7% a year earlier, aided by an above-normal southwest monsoon. The secondary sector's growth moderated to 6.1%, down from 11.4%, while the tertiary sector slowed to 7.2% from 9.0%.

India's recent growth has been significantly supported by the government's focus on capital expenditure. Gross fixed capital formation, an indicator of investment, increased by 7.1% in FY 2024-25. With private investment slowing, the government ramped up capital spending, which rose to 3.2% of GDP in FY 2024-25, up from 1.5% in FY 2017-18.

Headline inflation moderated sharply due to monetary tightening and supply-side measures. Consumer Price Index (CPI) inflation averaged 4.6%, down from 5.4% in the previous year. With food prices easing, retail inflation has remained below the medium-term target of 4.0% since February 2025.

Core inflation – excluding volatile food and fuel items – averaged 3.5% in FY 2024-25, below headline inflation for the full year. However, in recent months, core inflation has exceeded headline inflation, indicating emerging underlying price pressures. While food inflation moderated sharply, fuel

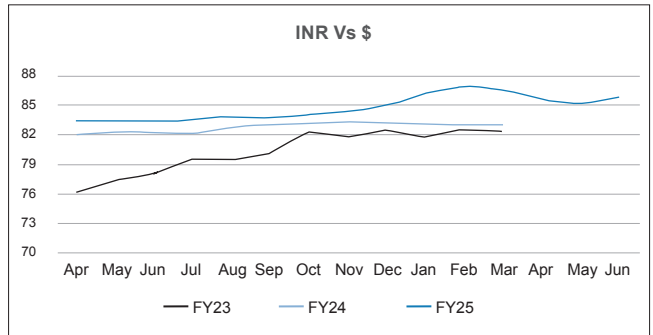
inflation remained in negative territory for much of the year due to low global energy prices. Nonetheless, the recent surge in crude oil prices poses a renewed inflation risk.



The decline in inflation enabled the RBI to frontload monetary easing. Since February, the Monetary Policy Committee has reduced the policy repo rate by 100 basis points to 5.5% to support growth. Additionally, the central bank injected significant liquidity into the banking system to aid the transmission of rate cuts.

The banking sector remains strong. Scheduled Commercial Bank credit grew by 11.03% year-on-year and aggregate deposits by 10.18% between March 2024 and March 2025. Asset quality improved further, with the Gross Non-Performing Asset (GNPA) ratio declining to 2.42%, while the Liquidity Coverage Ratio (LCR) stood at a healthy 130.21%. The credit-deposit ratio remained stable at 81.84%, reflecting balanced growth and continued financial stability.

The Indian Rupee depreciated by 2.4% against the US dollar in FY 2024-25. Although the depreciation was milder than in many other emerging markets, it occurred amid a stronger US Dollar index, heightened global uncertainty, and portfolio investment outflows. India's strong macroeconomic fundamentals – including moderate current account and fiscal deficits, and the inclusion of Indian sovereign bonds in global indices – are expected to support the rupee in medium term.



India's external sector remains resilient. The current account deficit remained low, supported by record net services receipts of \$ 188.8 billion and all-time-high services exports of \$ 387.5 billion in FY 2024-25. Gross foreign direct investment rose 14% to \$ 81 billion, while external commercial borrowings and non-resident deposits posted higher net inflows. Foreign exchange reserves increased to \$ 691.5 billion as of end-May 2025, covering 11 months of imports and 96% of external debt.

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The economic outlook remains favorable, with the India Meteorological Department forecasting an above-normal monsoon in 2025. Southwest monsoon rainfall is expected to be 106% of the long-period average, with most regions – except the northeast – likely to receive normal or above-normal rainfall. As of June 19, cumulative seasonal rainfall stood at 82.6 millimetres, 5% below the long-period average.

India's merchandise exports in April – May rose 3.0% year-on-year to \$ 77.19 billion, driven primarily by strong growth in electronic goods exports. Imports rose 8.1% to \$ 125.52 billion during the same period, resulting in a trade deficit of \$ 48.33 billion, up 17.1% from the previous year.

Despite global headwinds, India continues to grow steadily. The country became the world's fourth largest economy by overtaking Japan and is on track to become the third largest by 2030, with a projected GDP of \$ 7.3 trillion. The RBI projects India's GDP growth at 6.5% in 2025-26, while the IMF expects a slightly lower growth of 6.2%.

Strong private consumption, especially a rural rebound, and robust services exports are likely to sustain domestic momentum. Income tax reliefs announced in the Budget and the RBI's rate cuts are expected to further support both consumption and investment.

Although the risk of reciprocal tariffs by the United States clouds the outlook, India's growth trajectory remains anchored by strong macro fundamentals, continued public investment, sound financial institutions, and a benign inflation outlook.

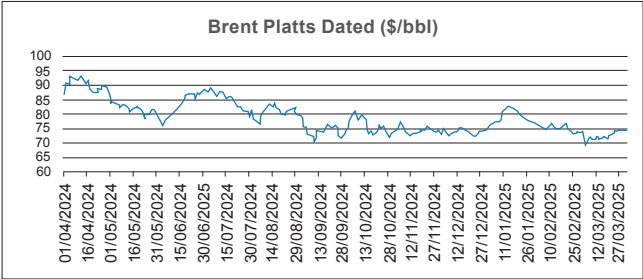
GLOBAL OIL & GAS SECTOR TRENDS

The global oil and gas sector in 2024-25 underwent a period of sharp realignment, driven by a volatile mix of geopolitical stress, policy uncertainty, subdued global growth, and accelerating structural transition. Price movements were whipsawed by production shifts within OPEC+, trade frictions between major economies, and a recalibration of investment strategies by oil producers across the value chain. Demand patterns also shifted more decisively, with China plateauing, India emerging as the leading source of growth, and petrochemicals overtaking traditional combustion fuels as the primary driver of incremental consumption.

Amid these cross-currents, the industry continues to evolve evens, marked by a rebalancing of refining capacity, the growing influence of Liquefied Natural Gas (LNG), and increasing pressure to decarbonize. Companies with the agility to realign portfolios, improve asset efficiency, and integrate low-carbon initiatives are best positioned to thrive.

Brent crude averaged \$ 78.91 per barrel in 2024-25, down from \$ 83.15 the previous year. The steepest decline came between April and early May 2025, when prices plunged to four-year lows, amid OPEC+ output normalization and renewed trade tensions between the United States and China. By May 2025, Brent crude had fallen to \$ 64.22 per barrel, down from \$ 67.79 in April and \$ 82.05 in May 2024.

The Indian basket crude price mirrored this trend, averaging \$ 64.04 in May 2025, compared to \$ 67.73 in April and \$ 83.62 a year earlier.



In response to weakening fundamentals, OPEC+, led by Saudi Arabia, began rolling back its voluntary production cuts of over 2 million barrels per day, first instituted in 2023. The ramp-up from May 2025 coincided with tepid global demand and subdued economic forecasts, raising concerns of oversupply. However, following the Israel-Iran conflict in June, Brent prices rebounded nearly 20% to the mid-\$ 70s, driven by fears of disruption through the Strait of Hormuz. Following the ceasefire announcement, the Brent prices eased with reduction in war risk premium. In parallel, natural gas prices remain firm, with Henry Hub futures exceeding \$ 4.30/MMBtu – over 80% above last year – amid strong power demand and tight LNG supply. The overall price environment remains fragile, tethered to geopolitical risks and evolving macroeconomic indicators.

According to the International Energy Agency (IEA), world GDP growth for 2025 has been downgraded to 2.8%, with no meaningful reacceleration projected through the decade. The slowdown in global trade, tight fiscal conditions, and a shift toward more insular economic policies among key players, have created a low-visibility backdrop for oil demand planning. This has further weighed on sentiment in commodity and equity markets alike, influencing capital flows into the energy sector.

The response from oil producers has been to trim capital spending. Global upstream oil investment is expected to decline by 6% to \$ 420 billion in 2025. The sharpest pullbacks are occurring in US tight oil basins, where well economics have been challenged by cost inflation, volatile prices, and inventory depletion in core areas. In contrast, conventional oil projects in the Middle East, Latin America, and Africa continue to receive support, aided by lower break-even, state backing, and forward-linked contracts.

Within the supply outlook, total global oil production capacity is forecast to rise by 5.1 million barrels per day between 2024 and 2030, reaching 114.7 million barrels per day. However, supply additions are heavily front-loaded and concentrated in non-crude segments, particularly Natural Gas Liquids (NGLs). The US and Saudi Arabia are expected to contribute 40% of new capacity, primarily to feed petrochemical demand.

The world is witnessing a fundamental transition in how oil is used. Petrochemical feedstocks – naphtha, LPG, and ethane

– are increasingly dominating new demand. According to the IEA, polymer and synthetic fiber production alone will require 18.4 million barrels per day by 2030, or roughly one-sixth of global oil use. This has fueled a strategic build-out of NGL infrastructure, with the US, China, and the Middle East at the forefront. Ethane and propane exports from the US to Asia have risen sharply, with China's coastal cracker capacity enabling greater import substitution.

In contrast, demand for refined products such as gasoline and diesel is expected to peak in 2027, with little growth thereafter. Long-term structural headwinds, particularly in developed markets, are being reinforced by fuel efficiency gains, changing mobility patterns, and rapid Electric Vehicle (EV) adoption. Gasoline use in the United States is now 4% below 2019 levels, even though real GDP and driving distances have risen. In Japan, high hybrid penetration and aging demographics have slashed fuel use by 15% from pre-pandemic levels.

Global oil demand is forecast to plateau at 105.5 million barrels per day by the end of the decade, rising by just 2.5 million barrels between 2024 and 2030. Annual demand growth slows markedly after 2026, with a small decline expected in 2030. This trajectory reflects the combined impact of below-trend economic expansion, accelerated electrification, and policy-driven fuel switching in power generation.

Electric vehicles remain the single largest disruptive force. Sales exceeded 17 million units in 2024 and are set to surpass 20 million in 2025, accounting for one-quarter of all new cars sold globally. China leads this transformation, with EVs comprising 50% of new car sales and supported by a dense charging network, favorable policies, and competitive pricing. By 2030, EVs are expected to displace 5.4 million barrels per day of oil demand, primarily in gasoline.

Other trends are also reinforcing this shift. Working-from-home practices in North America and Europe have structurally lowered transport fuel use. In the US, for instance, teleworking has displaced around 800,000 barrels per day of fuel demand – effects that are expected to persist. Likewise, the shift to LNG and renewables in Saudi power generation will eliminate nearly 1 million barrels per day of oil burn by 2030.

OECD oil demand is forecast to decline by 1.7 million barrels per day over the decade. China's consumption will flatten, adding just 30,000 barrels per day between 2024 and 2030. In contrast, India is projected to contribute the single largest increase – 1 million barrels per day – led by rising mobility, infrastructure expansion, and an expanding middle class. Southeast Asian nations, led by Indonesia, Malaysia and Vietnam, will also add meaningfully to demand.

The refining sector is facing a structural imbalance. Global refined product demand is expected to peak at 86.3 million barrels per day in 2027 – only 710,000 barrels above 2024 levels. Despite this, 4.2 million barrels per day of new refining capacity is planned by 2030, with nearly 1.6 million barrels of older capacity due for closure. Asia, particularly India and China, accounts for the bulk of the expansion, while North America and Europe face shutdowns and margin pressure.

This divergence is redrawing global trade flows. With US and European refining activity declining, the Atlantic Basin's crude surplus is expected to widen to 7.1 million barrels per day by 2030. Much of this surplus is being redirected eastward, reinforcing India and Southeast Asia's roles as refining and distribution hubs. Middle Eastern refiners are also expanding their export-oriented capacity, strengthening regional competitiveness in petrochemical and transport fuels.

However, the refining sector is increasingly dependent on non-combustion products. Growth in naphtha and jet fuel is insufficient to offset the structural decline in gasoline and diesel. The expansion of refinery-integrated petrochemical units, often co-located with cracker facilities, is seen as a key strategy to improve viability in a flat-demand world.

The LNG market has stabilized following the pandemic-era volatility. Long-term contracts indexed to Henry Hub have gained popularity as buyers seek protection from oil-linked price swings. The United States remains the dominant LNG exporter, underpinned by a wave of new liquefaction terminals and flexible delivery terms.

India's LNG procurement has aligned with this shift. Around 11 million Metric Tonnes Per Annum (MMTPA) are now contracted under Henry Hub pricing, improving cost predictability. Yet, South Asia and sub-Saharan Africa continue to face infrastructure bottlenecks that limit regasification and last-mile delivery.

Global LNG supply capacity is set to rise significantly through 2030, led by projects in the US, Qatar and Africa. However, higher procurement costs and rising emissions from LNG transport could temper the pace of fuel switching, especially in emerging markets. Even so, gas remains a critical bridge fuel in the energy transition and an essential feedstock for fertilizers and city gas networks.

Environmental, Social, and Governance (ESG) pressures continue to reshape boardroom priorities. Investors are demanding greater transparency on Scope 3 emissions, and regulators are tightening disclosure norms. The rising cost of capital for carbon-intensive projects is making long-cycle investments harder to justify, while activist shareholders are pushing for clearer net-zero pathways.

COP28 reinforced the global push towards low-emission technologies and clean fuels. While progress remains uneven, countries are moving towards carbon pricing, subsidy reforms, and investment in hydrogen and bio-fuels. These policy measures are likely to increase price elasticity of oil demand and influence capital allocation across the energy sector.

Companies that can embed operational flexibility, diversify revenue streams, and align with sustainability goals are expected to outperform over the long term. The shift toward petrochemicals, LNG and integrated value chains is already evident among leading producers.

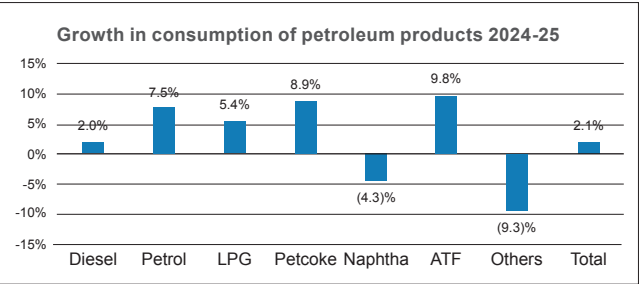
The global oil and gas sector is entering a phase of structural maturity. Demand is plateauing, supply growth is tilting towards NGLs and low-carbon fuels, and refining economics are under pressure. The geographic center of gravity is

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shifting to Asia, with India emerging as a key growth pole. In this evolving landscape, agility, resilience, and sustainability will define competitive advantage.

INDIAN OIL AND GAS SECTOR

India's petroleum sector recorded robust growth in FY 2024-25, driven by sustained expansion in transport, aviation, and residential demand. Total consumption of petroleum products reached an all-time high of 239.5 MMT, a year-on-year increase of 2.2%. The rise was primarily led by Motor Spirit (MS), Aviation Turbine Fuel (ATF), Liquefied Petroleum Gas (LPG), and High Speed Diesel (HSD), which registered growth rates of 7.5%, 8.9%, 5.6%, and 2.0%, respectively. Consumption trends over the last decade underscore this structural growth: MS recorded a compound annual growth rate of 7.7%, followed by 5.7% in LPG, 4.6% in ATF, and 2.8% in HSD. Increased personal mobility, aviation expansion, and deeper LPG penetration were the key drivers. Notably, the HSD to petrol consumption ratio declined from 3.6 to 2.3 between 2014-15 and 2024-25, reflecting a relative shift toward gasoline consumption.

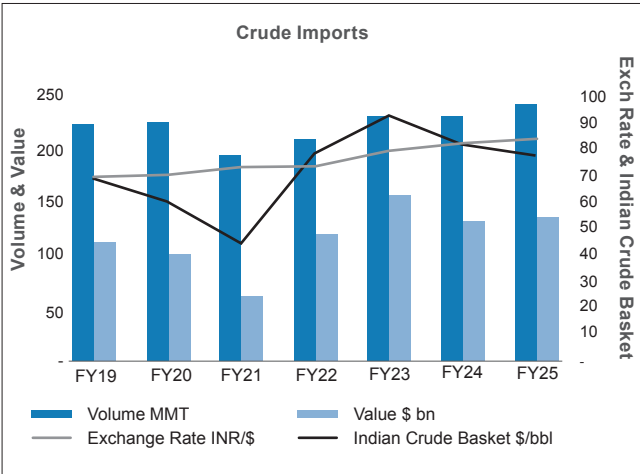


Aviation fuel sales continued their upward trajectory, with total ATF volumes nearing 10 MMT. International aviation contributed 26% to ATF sales, compared with 25% in the previous year. Retail infrastructure expanded accordingly, with total retail outlets reaching 96,724 on April 1, 2025, including 27,748 rural stations. The retail outlets will soon cross the 100,000 mark. Cleaner fuel access was further supported by 29,258 outlets offering alternative fuels and 27,602 equipped with EV charging infrastructure. Direct sales of HSD accounted for 12% of total diesel volumes.

Ethanol blending with petrol accelerated sharply with the average blending ratio increasing from 14.6% in Ethanol Supply Year (ESY) 2023-24 to 18.4% during November'24 to March'25, with a record 19.7% achieved in February 2025. The program is on track to achieve the 20% target well ahead of the revised 2025-26 deadline.

India's reliance on imported crude oil and natural gas increased further in 2024-25, driven by strong demand and relatively stable domestic production. Crude oil import dependency reached a record 88.2%, up from 87.8% in the previous year, while natural gas import dependency rose to 50.8% from 47.1%. Domestic crude oil production stood at 28.7 MMT, marginally lower than the 29.4 MMT in 2023-24. Imports of crude oil increased to 242.4 MMT, with the total import bill rising 3% to \$ 137 billion. LNG imports grew

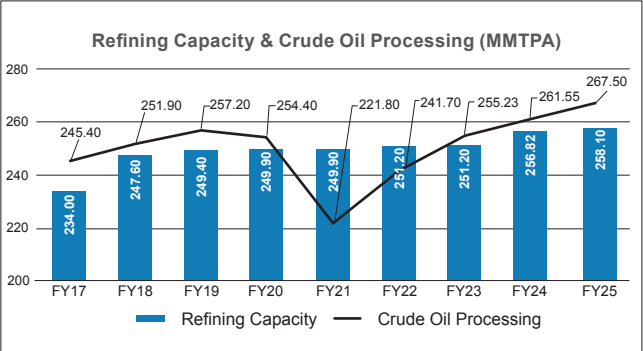
15.4% to 36.4 billion m³ valued at \$ 15.2 billion, up from \$ 13.4 billion in the previous year.



While policy efforts continue to focus on reducing import dependence, India continues to meet a large share of its needs through imports. Self-sufficiency in petroleum products was just 11.8% in 2024-25, with only 28.2 MMT of domestic crude supporting total consumption of 239.2 MMT. In natural gas, domestic production remained largely flat at 35.6 billion m³. To hedge against pricing volatility, state-owned companies signed long-term LNG contracts for 11 MMT per year, benchmarked to the Henry Hub index instead of traditional oil-linked pricing.

India's exploration and production framework has evolved over the decades, from nomination and pre-New Exploration Licensing Policy (NELP) regimes to Hydrocarbon Exploration and Licensing Policy (HELP) and Discovered Small Fields (DSF) policies. The Open Acreage Licensing Policy (OALP) continues to attract interest, with Round X launched recently. Production during the year was geographically diverse: 43% of crude oil came from Western Offshore fields, followed by 17% from Gujarat Onshore, 16% from Assam Onshore, and 12% from Rajasthan Onshore. During FY 2024-25, the Oilfield (Regulatory and Development) Amendment Act, 2025 was passed. The legislation replaces multiple licenses with a single petroleum lease, aiming to simplify procedures and reduce regulatory burdens in upstream activities. The Act is expected to enhance accessibility, affordability, and energy security while advancing the Government of India's vision of Viksit Bharat by 2047.

India's refining capacity stood at 258.1 MMTPA as of April 2025, making it the second-largest refiner in Asia and fourth globally. The country operates 22 refineries, with the private sector accounting for 34.3% of installed capacity. Crude throughput during the year reached 267.7 MMT, with average capacity utilization of 102.9%. Total production of petroleum products was 284.1 MMT. Of this, 35.4% comprised lighter distillates such as LPG, naphtha and petrol; 50.6% were middle distillates like ATF, Superior Kerosene Oil (SKO), and diesel; and 14% were heavy ends including petcoke, furnace oil, and bitumen. HSD accounted for 41.5% of output, followed by MS at 17%, naphtha at 6.5%, and ATF at 6.2%.



India's exports of petroleum products grew 4% by volume in 2024-25, though value-wise exports fell 6.9% to \$ 44.4 billion due to softer global prices. HSD, MS, and ATF formed the core of the export basket, contributing 43.1%, 24.3%, and 13.1% respectively. Product imports rose 5.4%, led by LPG, petcoke, and lubricants. LPG alone accounted for 40.6% of total imports, with overall import dependency for LPG rising to 59% from 57% in the previous year. Petcoke and fuel oil followed at 26.3% and 14.9% respectively. On the project front, three major refinery capacity expansions were under way: HPCL Rajasthan Refinery Limited (HRRL) in Rajasthan (9 MMTPA), Numaligarh (3 to 9 MMTPA), and Cauvery Basin Refinery (1 to 9 MMTPA).

India's gas infrastructure expanded steadily. Terminal utilization varied widely, from 96.6% at Dahej to just 3.2% at Chhara, highlighting uneven offtake. The operational gas pipeline network extended 24,009 km as of March 2025, with 9,194 km under development to complete the National Gas Grid. City Gas Distribution (CGD) continued its rapid growth: as of March 2025, India had 8,067 CNG stations and over 15.1 million Piped Natural Gas (PNG) connections. The year 2024-25 saw a 15.2% increase in CGD sales to 15,576 million Metric Standard Cubic Meters (MMSCM). Sectoral sales growth was led by domestic (+13.5%), commercial (+12.5%), and Compressed Natural Gas (CNG) (+7.5%), while industrial use contracted 3.7%. Total gas consumption, including internal use, was 71,948 MMSCM, with fertilizers accounting for 29%, CGD 21%, power 12%, refining 8%, and petrochemicals 5%.

India Energy Week 2025, held from February 11 to 14 in New Delhi, emerged as the world's second-largest energy conference. The event attracted participation from 120 countries and over 70,000 energy professionals, reflecting India's growing global relevance in energy leadership. At the same event, the IEA's India Gas Report 2030 projected a 60% rise in India's gas demand to 103 billion m³ per year by the end of the decade. This growth is expected to be driven by stronger uptake in power generation, industrial activity, and city gas networks.

The retail and logistics backbone continued to expand. There were 314 operational POL terminals and 302 aviation fuel stations across the country as of April 2025, ensuring reliable fuel distribution and aviation support.

India continued to make significant strides in advancing its clean energy ambitions, anchored in an expanding biofuels

program and early momentum in emerging technologies. The government's flagship Pradhan Mantri Ujjwala Yojana (PMUY) scheme expanded its reach, with 10.33 crore beneficiaries as of April 2025. PSU oil marketing companies sold 31.2 MMT of LPG during the year, up 5.1% from 2023-24. Domestic packed LPG formed 88.3% of total consumption, while bulk LPG sales rose from 0.59 MMT to 0.77 MMT, reflecting growing non-domestic demand. Non-domestic packed and bulk segments contributed 8.6% and 2.4%, respectively. Auto LPG sales remained modest at 0.2% of the total. Per capita consumption by PMUY households rose to 4.47 cylinders from 3.95 in the previous year; for non-PMUY users, it averaged 6.64 cylinders. LPG distribution and storage infrastructure also saw steady expansion. As of April 2025, PSU companies operated 211 bottling plants with a rated capacity of 23.08 MMTPA, and gross LPG tankage capacity stood at 1,339 TMT, equivalent to 16 days of national consumption. A total of 25,566 LPG distributors served 32.97 crore active domestic customers, supported by 440 Auto LPG dispensing stations.

In compressed biogas (CBG), the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative progressed steadily. Out of the 5,000 plants envisaged under the scheme, 58 were commissioned and 53 were under various stages of development by the end of the year. A framework allowing CBG injection into the city gas distribution network was also approved.

On the hydrogen front, the National Green Hydrogen Mission targets 5 MMT of annual production capacity by 2030. India's cost advantage in renewables positions it among the world's lowest-cost green hydrogen producers.

India also assumed a leadership role in the Global Biofuels Alliance, a multilateral platform with nine founding countries and participation from 19 nations and 12 global organizations. The alliance seeks to promote sustainable biofuel adoption and facilitate global cooperation in the sector.

India is also emerging as a global leader in clean energy. The total installed capacity of non-fossil fuel-based energy stood at 220.10 Gigawatt (GW) as of March 2025, with the country firmly on track to reach the 500 GW target pledged under its COP26 commitments.

India ranks 7th globally in EY's Renewable Energy Country Attractiveness Index (RECAI) 2024, reaffirming its position as a top investment destination for clean energy. The report highlights India's strong government support, ambitious clean energy targets, and expanding domestic manufacturing capacity as key enablers. India's push toward energy independence by 2047, its robust pipeline of solar, wind, and hybrid projects, and large-scale infrastructure initiatives such as transmission corridor upgrades are recognized as critical strengths.

The RECAI report also notes India's leadership in green hydrogen development, including policy clarity, fiscal incentives, and public-private collaboration under the National Green Hydrogen Mission. Additionally, India's clear auction frameworks and expanding PLI schemes have improved bankability and foreign investor confidence.

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OPPORTUNITIES AND THREATS

India's energy sector remained at the forefront of global conversations in FY 2024-25, supported by a resilient macroeconomic environment, expanding infrastructure, and ambitious clean energy targets. For a diversified oil marketing company like BPCL, the emerging landscape is marked by both transformative opportunity and systemic risk. Geopolitical realignments, accelerating energy transition and technological disruption are shaping strategic imperatives across the energy value chain. Against this backdrop, BPCL continues to leverage its integrated business model to navigate uncertainty while aligning with national priorities.

India is projected to contribute the largest absolute increase in global oil demand through the decade, with the IEA estimating a rise of 1 million barrels per day led by transport fuels. Gasoline and jet fuel demand are expected to grow at 4% and nearly 6% annually, respectively, driven by rapid urbanization a rising middle class, and the increasing penetration of air travel. While low per capita car ownership offers ample headroom for demand growth, petrochemical feedstocks are also emerging as a strong anchor for oil demand. The shift from traditional cooking fuels to LPG, enabled by targeted government subsidy schemes such as PMUY, has further deepened structural consumption patterns.

The domestic macro environment continues to support long-term consumption trends. India remains the world's fastest-growing major economy and is now the fourth-largest economy in the world. With a strong capital expenditure push, rising infrastructure outlay, and favorable demographics, India's transport, aviation, and industrial sectors are likely to remain key growth drivers for petroleum products over the medium term.

India's refining sector remains a pillar of strategic strength. With a nameplate capacity of 258.1 MMTPA and capacity utilization averaging 102.9% in 2024-25, India is the second largest refiner in Asia and the fourth-largest globally. The export of petroleum products rose 4% by volume, with HSD, MS, and ATF accounting for over 80% of outbound shipments. India's refining sector is poised to benefit from petrochemical integration, as global demand growth shifts increasingly toward feedstocks rather than combustion fuels.

Three major projects – HRRL in Rajasthan, the Numaligarh expansion, and the Cauvery Basin Refinery – will further augment India's integrated refining footprint. India's geographical advantage, mature downstream ecosystem, and expanding port infrastructure make it well placed to serve demand across South and Southeast Asia. This export orientation enhances resilience amid changing global demand dynamics.

India's growing gas infrastructure is opening new growth avenues in CNG, CGD and industrial fuel segments. CGD sales increased 15.2% year-on-year, led by growth in the domestic and commercial segments.

The IEA's India Gas Report 2030 forecasts a 60% increase in India's gas consumption by the end of the decade.

This growth will be driven by increased use in power generation, fertilizer production, and city gas networks. India Energy Week 2025 spotlighted the sector's importance, with policy incentives, infrastructure investments, and long-term LNG contracts supporting sustained momentum. India's diversified LNG sourcing strategy, including contracts indexed to the Henry Hub, enhances pricing flexibility and hedges against global volatility.

India's non-fossil fuel energy capacity reached 223 GW by mid-2025, including 108 GW from solar and 51 GW from wind, placing the country among the fastest-growing renewable energy markets globally. The National Green Hydrogen Mission, launched in 2023 with \$ 2.4 billion in initial funding, aims to establish 5 MMT of annual green hydrogen capacity by 2030, avert 50 MMT of CO₂ annually, and attract \$ 100 billion in investments. Tenders for 862,000 TPA of green hydrogen production and 3,000 MW of electrolyzer manufacturing have already been awarded. Pilot projects have commenced in steel, mobility and shipping, and 15 states have announced supporting policies. Green Hydrogen and Ammonia plants have been exempted from environmental clearance, and three ports – Kandla, Paradip and Tuticorin – will be developed as hydrogen hubs. However, risks remain around high production costs, infrastructure gaps, and the lack of standardized frameworks. For BPCL, these developments create significant strategic opportunities, tempered by early-stage scaling challenges.

The government continued to prioritize upstream reform to attract investment in exploration and production. The Oilfield (Regulatory and Development) Amendment Act, 2025 replaced multiple licensing layers with a single petroleum lease, streamlining approvals and ensuring investor confidence. Expanded access to India's Exclusive Economic Zone (EEZ), policy support for the Open Acreage Licensing Policy (OALP), and the establishment of a single-window clearance mechanism enhance the attractiveness of the sector.

With sedimentary basins remaining underexplored and new discoveries in the maritime zone, there is significant headroom for increasing domestic production. These reforms aim to strengthen India's energy security while enhancing the country's competitiveness as an upstream destination.

Despite the forecasted surplus in global oil supply, geopolitical volatility remains a key threat. The European Union (EU)'s planned ban on Russian pipeline gas by 2027 is likely to intensify global competition for LNG and influence price dynamics. The Middle East continues to face regional tensions, and recent conflicts have raised questions about the security of supply corridors. The IEA notes that global oil markets will remain sensitive to sudden shocks, with recent collective stock releases underscoring the continued relevance of emergency response mechanisms. India's approach of diversifying supply sources and pricing indices, including Henry Hub-linked contracts, provides greater hedge against volatility.

Geopolitical instability in West Asia has once again underscored the strategic vulnerabilities of global energy supply chains. The region remains critical to global oil and LNG flows, and any disruption to its infrastructure or transit corridors can trigger price volatility and elevate supply-side risks. Recent developments have reinforced the need for diversified import strategies, resilient logistics networks, and robust emergency stockholding frameworks to ensure uninterrupted access to energy.

The proliferation of drone and missile technologies has introduced new dimensions of risk to energy infrastructure worldwide. Refineries, storage terminals, pipeline networks, and offshore installations are increasingly vulnerable to precision strikes that can disrupt operations and supply flows with little warning. These asymmetric threats heighten the need for enhanced surveillance, hardened infrastructure, and coordinated response protocols to mitigate the impact of kinetic military actions on critical energy assets.

India's rising dependence on oil and gas imports, which reached 88.2% and 50.8%, respectively in FY 2024-25, highlights the importance of supply diversification and risk management. Currency volatility, freight costs and shifting trade dynamics remain ongoing risks for downstream operations.

Since early June 2025, freight and insurance costs for oil shipments from West Asia have risen sharply due to escalating geopolitical risks. Spot charter rates for Very Large Crude Carriers (VLCCs) on Gulf-to-Asia routes surged by over 30%, reaching \$ 60,000v - \$ 70,000 per day, up from \$ 45,000 - \$ 50,000 earlier in the year. War-risk insurance premiums have also increased significantly, adding an estimated \$ 300,000-\$ 400,000 per voyage through high-risk corridors such as the Strait of Hormuz and Bab el-Mandeb. Tanker operators are factoring in longer routing times and the elevated threat environment into pricing, particularly following the Israel-Iran hostilities. These increases in freight and coverage costs have begun to influence landed crude prices and logistics planning, especially for major importers like India. For BPCL, the rising cost of maritime transport reinforces the importance of supply diversification, efficient cargo planning, and risk-hedging strategies.

Beyond Israel-specific routes, war-risk insurance premiums have edged higher across the broader Gulf region. Insurers are reassessing key shipping corridors, including the Strait of Hormuz and Bab el-Mandeb, amid escalating tensions. Further deterioration in the security environment could lead to wider premium hikes and tighter underwriting conditions. Though the ceasefire gave relief to oil prices and insurance risk premium, any geopolitical tension across the region exhibits sensitivity to shipping routes, oil prices and insurance premiums.

Electric vehicles are set to displace slightly over 5 million barrels per day of global oil demand by 2030. Sales reached 17 million units in 2024 and are expected to exceed 20 million in 2025. While the impact in India is initially concentrated in two and three-wheelers, public transport electrification

and battery storage deployments are picking up. Hydrogen, sustainable aviation fuel, and synthetic fuels are progressing from pilot to early commercialization phases. These shifts will gradually impact demand for transport fuels and require ongoing portfolio adaptation.

Digital technologies are emerging as a strategic backbone of the energy sector, with Artificial Intelligence (AI) playing a pivotal role in optimizing operations, enhancing asset reliability, and deepening customer engagement. AI-powered systems are now central to predictive maintenance, dynamic supply chain routing, energy demand forecasting, and refinery process optimization. Alongside blockchain for transaction security and smart contracts, as well as Internet of Things (IoT)-enabled terminals for real-time monitoring, these technologies are redefining operational benchmarks. The integration of AI-driven decision intelligence across business functions – from procurement to retail – offers the potential for both cost efficiencies and adaptive resilience in a volatile energy landscape. BPCL's investments in digital logistics, smart terminals, and real-time analytics are critical enablers of operational efficiency and risk mitigation.

Climate-related disruptions such as extreme weather, floods, and cyclones pose physical threats to energy infrastructure. Refineries, pipelines and coastal terminals must be fortified to withstand such shocks. ESG compliance requirements, including Scope 3 emissions disclosures and reductions in carbon intensity, are becoming increasingly stringent across supply chains.

Cybersecurity has emerged as a significant operational risk. With increasing digitalization, the risk of attacks on critical infrastructure such as refinery control systems, pipeline networks, and payment platforms has grown. BPCL continues to strengthen its cyber resilience through robust firewalls, system audits, and coordination with national cyber agencies.

RISKS, CONCERNS AND OUTLOOK

The outlook for the Indian energy sector in FY 2025-26 is shaped by a unique confluence of robust domestic fundamentals, ongoing energy transition, and shifting global economic and geopolitical paradigms. For BPCL, this landscape presents an opportunity to reinforce strategic alignment with national goals, diversify energy offerings, and deepen operational resilience amid evolving challenges.

India continues to be the epicenter of global oil demand growth. According to the IEA, India is expected to account for the largest absolute increase in oil demand globally through 2030, with an incremental 1 million barrels per day, led by gasoline and jet fuel. This growth is underpinned by urbanization, increased private vehicle ownership, expanding middle-class consumption, and a growing appetite for air travel. The demand profile is also being reinforced by structural shifts such as deeper LPG penetration and a growing petrochemical base. For BPCL, this translates into sustained opportunities across marketing, refining, and petrochemical segments.

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Domestic economic momentum, although facing global headwinds, remains resilient. India has emerged as the world’s fourth-largest economy and continues to lead among major economies in terms of growth. While global GDP forecasts for 2025 have been revised downwards to post-financial-crisis lows, India’s growth is expected to hold at 6.5% as per the RBI. This resilience is driven by strong domestic demand, government capital expenditure, and relatively moderate exposure to global trade disputes.

India’s energy transition trajectory is gaining traction. Ethanol blending reached 18.4% in the current Ethanol Supply Year, with a 20% target set for October 2025. Biofuels, compressed biogas, and electric mobility are seeing strong policy support, creating adjacent business opportunities. The National Green Hydrogen Mission, with a 5 MMT capacity goal by 2030, offers a new frontier for clean fuel innovation.

As global oil demand growth slows – forecast to plateau at 105.5 million barrels per day by 2030 – the share of demand from combustion uses is set to decline. However, demand from petrochemicals and jet fuel remains strong. This shift underscores the need for refineries to integrate with petrochemical units and adjust product slates. BPCL’s ongoing capacity augmentation and strategic investments in high-value downstream products position it well to adapt.

Emerging risks require enhanced operational foresight. Heightened instability in West Asia underscores vulnerabilities in energy corridors and infrastructure. Drone and missile technologies now present real-time threats to refineries, pipelines, and offshore installations. India’s strategic petroleum reserves, diversified import routing, and ongoing investments in infrastructure resilience are critical buffers.

The IMF’s World Economic Outlook notes that sweeping new tariffs and increased policy uncertainty have led to a downgrade in global growth forecasts. Global GDP is now expected to grow at 2.8% in 2025, with advanced economies projected to expand by only 1.4%. Growth in emerging markets has also been revised down to 3.7%, led by a sharp decline in China’s projections. These changes signal tightening conditions in global trade, capital flows and investor sentiment.

Global inflation is expected to moderate more slowly than anticipated, and the global currency environment adds another layer of complexity. The share of US Dollar holdings in the allocated reserves decreased marginally to 57.74% in Q1 of 2025 from 57.79% in Q4 of 2024. India has already begun settling energy trade in rupees and dirhams in specific corridors. This trend, while early, may help mitigate forex risk in the long term. Nevertheless, increased volatility across currency pairs necessitates strong treasury operations and hedging strategies.

In summary, FY 2025-26 will be a year of consolidation and strategic pivoting. BPCL’s integrated presence across refining, marketing, and gas positions it strongly in a demand-

led economy. However, success in this environment will hinge on innovation, digital acceleration, low-carbon investments, and robust risk management. The outlook remains positive, with agility and foresight as the defining imperatives.

PERFORMANCE

Refineries

The closure of financial year 2024-25 is a milestone in the history of BPCL. Besides leading BPCL into the 50th year of its foundation, it also has written several first-time ever records into its history books. BPCL refineries have marked the highest ever crude throughput of 40.51 MMTPA, highest-ever market sales of 52.40 million Metric Tonnes (MMT) and highest ever capital expenditure of ₹ 16,967 crore. BPCL also recorded the highest Gross Refining Margin (GRM) of 6.82 \$/bbl, highest distillate yield of 84.3% amongst PSU refineries, and highest capacity utilization of 115% in the industry. These accomplishments showcase the meticulous planning in sourcing and processing an optimum crude mix, stringent monitoring and inspection practices for safe and reliable operations, focused attention for process and energy optimization and most importantly, the innovation driven by dedicated employees. The results strengthen the position of BPCL as a key refiner and pioneer in the Indian Oil and Gas sector and bolster its confidence to devise key strategies for the future.

The refineries of BPCL alongside the supply chain play a critical role in scouting, validating and widening their crude basket every year. This crucial activity enhances flexibility of refinery operation and maximizes profitability in the volatile market while ensuring energy security amidst the turbulent geopolitical environment. In this financial year, BPCL introduced four new crude varieties in its refineries. These activities alongside high capacity utilization have made refinery margins soar above the Singapore GRM in the recent past. To sustain the capacity utilization, the refineries take due focus for reliability in every activity. The Centralized Reliability team coordinates these efforts and enables seamless experience sharing and knowledge transfer across refineries. Digitally connected refineries and automated Artificial Intelligence (AI) and Machine Learning (ML) - based failure prediction systems make the decision-making process faster and reliability-centric.

Safety remains the cornerstone of BPCL refinery operations, as encapsulated in our motto ‘Safety First Safety Must’. In FY 2024-25 all three refineries – Mumbai Refinery (MR), Kochi Refinery (KR) and Bina Refinery (BR) – maintained nil Loss Time Accident (LTA) for employees. The successful completion of annual turnaround for one train at KR comprising 11 units with zero LTA demonstrates the effectiveness of our rigorous safety protocols. Recent incidents in other refineries globally substantiate the need for continuous vigil in this regard. Alongside robust safety management practices, BPCL has employed digitalization for monitoring of safety in critical jobs and for training needs of employees.

Improving operational reliability has been a priority target for BPCL refineries. Several initiatives were carried out over the years, which pave the way for sustained operation and a high capacity utilization. The implementation of the Reliability initiatives like power stability, Operations Driven Reliability (ODR), lubrication management system, instrumentation reliability improvement, internal coating of cooler tubes, implementation of High Critical Reliability Issue (HCRI)/ Root Cause Analysis (RCA) /Reliability advisories, and Reliability awareness at the field level have resulted in significant reduction of unplanned outages in BPCL refineries. Predictive Analytics for critical equipment at MR/KR/BR was also awarded this year, following successful trials at KR. Remote Monitoring & Diagnostic Services (RMDS) for 25 super-critical equipment was awarded with Original Equipment Manufacturer (OEM) as trial at MR. Additionally, a lubrication management system was implemented in all three BPCL refineries, which resulted in 50% reduction in lubrication related failures in rotating equipment.

BPCL has always supported innovation. Several novel initiatives were carried out to boost our operational efficiency in this financial year. Production of high quality Group-III base oil from MR was the highest during FY 2024-25. This premium grade of lube oil, which is growing in demand, possesses better thermal and oxidative stability, superior performance in extreme temperatures, lower volatility over other grades, and meets the stringent specifications set by the OEMs. KR revamped the DHDS heater to enable complete gas firing. This was the last process unit which couldn’t run solely on gaseous fuel. The change will eliminate the need for high-cost low sulphur crudes just to meet furnace oil requirements in refinery process units. With this and optimized blending and crude selection, KR has reduced its low sulphur fuel requirement by 75% from last year. KR has also enhanced niche petrochemical products by 8%, as compared to the previous year. Additionally, Super Absorbent Polymer (SAP) production trials with imported Glacial Acrylic Acid (GAA) were completed successfully in KR’s Propylene Derivatives Petrochemical Project (PDPP) SAP pilot plant. The SAP produced meets the specifications of Hygiene grade SAP supplied by established manufacturers. KR successfully launched a new product – Antioxidant Pipeline Compatible Kerosene (AOPCK) – which has paved the way for Aviation Turbine Fuel (ATF) transfer through the Cochin Coimbatore Karur Pipeline (CCKPL) from Irimpanam Installation up to Irugur and further to Devangonthi (Bengaluru). This facilitates transfer of ATF through multi product pipelines instead of road or rail transportation. BR enhanced crude offloading reliability by commissioning an interconnection between BPCL and IOCL’s Single Point Mooring (SPM) systems at the Crude Oil Terminal. This will strengthen the operational resilience of SPMs for BR.

BPCL is implementing its single largest CAPEX initiative ever through the Bina Petrochemical & Refinery Expansion Project (BPREP), with an investment of ₹ 43,367 crore, targeted to commission by May 2028. The Project encompasses setting up a 1,200 Kilo Tonnes Per Annum (KTPA) Ethylene Cracker based Petrochemicals Complex along with expansion of BR’s capacity from 7.8 MMTPA to 11 MMTPA. In addition to the Ethylene Cracker, the Petrochemicals Complex will include

a Polypropylene (PP) unit, Linear Low-Density Polyethylene (LLDPE) unit/ High-Density Polyethylene (HDPE) unit, and Butene-1 unit producing 2,200 KTPA of petrochemical products. The project is BPCL’s first major strategic footprint towards bulk petrochemicals. To strengthen its petrochemical portfolio in the south, BPCL is also implementing a 400 KTPA PP plant at KR. The project is conceptualized with an investment of ₹ 4,460 crore and is targeted to complete by October 2027. Both these projects are on track, both physically and financially, for targeted commissioning dates. Licensors for all process units are onboarded and Basic Design and Engineering Package (BDEP) of units received. All Engineering, Procurement, Construction Management (EPCM) and Project Management Consultants (PMCs) for the project are onboarded and detailed engineering activities have commenced. BPCL has also successfully managed to execute a loan agreement of ₹ 31,802 crore with M/s. State Bank of India Consortium, to finance the project at BR. This will invariably enable seamless cash flow for project execution and support timely execution. BPCL has also obtained Consent to Establish (CTE) from the respective State Pollution Control Boards for both these projects.

Aligning with the strategic investments in the petrochemical project, the BPCL Board has approved pre-project activities for a new refinery-cum-petrochemical complex at Andhra Pradesh near Ramayapatnam Port. Currently, a Detailed Feasibility Study, and studies for Environmental Impact Assessment (EIA) and Rapid Risk Assessment (RRA) are in progress. The project is targeted with a Petrochemical Intensity Index (PII) of 35%. This will further enhance the petrochemical portfolio of BPCL and provide a strategic hedge against petroleum products.

BPCL has made significant strides toward sustainability initiatives in line with our vision to be a Net Zero Company for Scope 1 and Scope 2 emissions by 2040. We have made a noteworthy achievement towards Green Hydrogen by commissioning a 5 MW Green Hydrogen plant at BR and the H2 is routed for refinery application. This is one of the first of its kind and scale in Indian Refineries. The project shall provide much needed data and experience before the bigger units are commissioned in our refineries and helps to reduce 9,000 MT/year CO₂e emission. BR has completed plantation of 1 Lakh trees on a 90 hectare forest site at Kanjia village in Madhya Pradesh and has accomplished another milestone on the environmental front through biological commissioning through cowdung for our 150 Tonnes Per Day (TPD) Municipal Solid Waste (MSW) based Compressed Bio-Gas (CBG) Plant at Kochi. The plant is getting ready for MSW feed in later this year, which would achieve the twin benefit of waste mitigation and alleviating the surroundings from the pollution it faces through the accumulated waste pyre. We have also commissioned a one of a kind 3.7 MW floating solar plant at our fire water reservoir pond at Kochi Refinery. The facility is designed to have maximum solar irradiation whilst ensuring adequate sunlight for the aquatic lives. On a separate initiative, combinedly BPCL refineries have harnessed 10.7 Lakh KL of water through rainwater harvesting and further augmentation of rainwater management facility is in progress as a part of Natural Water Resource Conservation. Toward Sustainable Aviation Fuels (SAF), BPCL plans

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to set up a standalone Hydrotreated Esters and Fatty Acids (HEFA) unit at KR and Co-processing plant at MR. Pre-feasibility has been completed and pre-project activities for these projects have commenced. In addition, BPCL is also exploring the Alcohol to Jet route for SAF. BPCL is also planning to replace one of the old Sulphur Recovery Units (SRU) with an energy efficient Sulphuric Acid Unit. These initiatives substantiate the efforts taken by the refineries to be model sustainable refineries.

BPCL is committed to driving energy efficiency at our refineries and minimizing its carbon footprint through continuous innovation. All the three refineries have a sound and effective Energy Management System (EnMS), accredited and upgraded with ISO 50001:2018 certifications and a dedicated Energy department. In FY 2024-25, the refineries implemented energy conservation initiatives saving 40,938 metric tonnes of Oil Equivalent (MTOE) per annum with potential CO₂ emission reduction of 1.3 Lakh tonnes per annum. By implementing impactful energy-saving initiatives, BPCL achieves significant cost savings and simultaneously reduces environmental impact. These initiatives include switching operation to a single Circulating Fluidized Bed Combustion (CFBC) Boiler from two CFBC Boilers in the captive power plant at BR, revamp of the heater to improve efficiency, Air Preheater (APH) replacement with plate type APH, replacing tracing with electrical heat tracing for offsite lines, solar power integration, prioritizing electrification and cleaner fuel transitions, steam size reduction and advanced process control.

BPCL has always been a leader in implementing digital solutions for business, and it remains the primary enabler of critical business operations of refineries. The connected refineries with Industrial Internet of Things (IIoT) applications make informed decisions faster and more efficiently at BPCL. BPCL will continue to scout for new opportunities in the digital space. In FY 2024-25, several significant applications/ processes have been implemented in the refineries. One of the major ones was the Project for AI based Predictive Analytics for Asset Reliability and Performance Management, which was initiated for implementation across MR, KR and BR. The cloud-based solution will provide early warnings in the form of Predictive Alerts for potential equipment failures and performance degradation for identified critical equipment for the Refineries. This is an extension of the similar successful trial at KR. Similarly, Ultra Critical Video Analytics (UCVA) was implemented across all three refineries. The solution leverages the use of AI-based algorithms to detect non-compliance and safety hazards using video feed captured from the field. The UCVA solution is a cloud-based solution tightly integrated with the in-house Work Permit System (WPS). Additionally, Operations Driven Reliability (ODR) is fully implemented at MR, KR & BR. Field log sheets are digitized with validated ranges, enabling easy detection and systematic tracking of abnormalities. The system also provides operators with instant alerts on abnormal parameters with clear instructions for corrective action, enabling timely response. Digital history enables analysis,

trend monitoring, and continuous improvement in equipment reliability and plant performance through otherwise non-available data. Augmented Reality (AR)/Virtual Reality (VR) are new and emerging technologies in the oil and gas field. BPCL has successfully implemented AR/VR based immersive training for the first time for imparting effective training for low frequency – high impact scenarios related to Operations, Maintenance and Safety. This enables near on hand scenario handling and faster knowledge transfer.

Retail

FY 2024-25 has been marked by sustained momentum in India's economic growth, underpinned by a resilient macroeconomic environment and evolving global dynamics. The Indian economy continued its upward trajectory, demonstrating strength amid global headwinds, including geopolitical tensions, commodity price volatility, and shifting monetary policies across major economies. During FY 2025-26, India's GDP growth is estimated to remain robust in the range of 6.3% to 6.8%, supported by strong private consumption, increased infrastructure investments, and the continued focus on digital and green transitions. The manufacturing and services sectors continued to perform well, while agricultural output remained stable, aided by supportive policy measures and improved rural demand. India's economic resilience has further reinforced its position as a key global growth engine, offering a favorable backdrop for the energy sector's strategic evolution.

Consumption of petroleum products continued to grow, reflecting an increased demand in transportation fuels and industrial applications. This growth has been primarily driven by heightened demand in transportation fuels and industrial applications. The fuel retail industry grew by 3.6%, while the PSU Oil Marketing Companies (OMCs) grew by 2.1%.

The Company's retail business segment reported a 2.6% growth in FY 2024-25, with total sales volumes reaching 33.52 MMT. In comparison, the Public Sector OMCs collectively posted a growth of 2.1% during the same period. Sales of MS or petrol grew by 6.4%, rising to 10.74 MMT in FY 2024-25, from 10.09 MMT in FY 2023-24. In the MS retail business, the Company has consistently demonstrated strong performance, steadily increasing its market share each year since FY 2018-19. Over the past five years, the Company recorded the highest gain in MS retail market share among PSU OMCs, with a cumulative increase of 0.97%. During FY 2024-25, the Company's MS retail market share rose by 0.01%, reaching 29.7% among PSU OMCs. Diesel (HSD) sales saw a marginal decline of 0.1%, totalling 21.56 MMT, compared to 21.58 MMT in the previous year. In contrast, PSU OMCs collectively registered a degrowth of 0.6% in diesel sales. The Company's market share in the HSD retail business increased by 0.15% during the year and reached 30.0% among PSU OMCs. The Company is actively expanding its presence in the alternate fuels segment at retail outlets. In FY 2024-25, it increased its Compressed Natural Gas (CNG) market share among PSU OMCs by 0.54%, achieving sales volumes of 1,200 Thousand Metric

Tonnes (TMT) and reaching a market share of 31.1%. The Company is continuing its dominance on national highways with achievement of the highest market share of 31.7% in HSD in the last 10 years.

As part of plans on expanding our Petroleum, Oil and Lubricant (POL) storage capacities in Northeast India, a greenfield POL Depot has been developed at Chumukedima, Nagaland. In line with the Government's Ethanol Blending Program (EBP) aimed at addressing environmental concerns, reducing import dependency, and providing a boost to the agriculture sector, the Company has augmented Ethanol tankage capacity from 135 Thousand Kilolitre (TKL) to 153 TKL during the year. The Company has achieved the highest ever Ethanol Blending of 16.35% during FY 2024-25 against 11.70% achieved during FY 2023-24. The Company also achieved Biodiesel blending of 0.33% during the year. During FY 2024-25, E20 (Ethanol Blended Petrol with 20% Ethanol) has been made available across the country at BPCL retail outlets.

The Company is committed to building an inclusive and equitable work environment. A key initiative in this direction is #SilentVoices, launched in FY 2023-24, to promote inclusivity across its retail network. The program has grown from 120+ outlets in 25 cities to over 400 outlets in 80+ cities by FY 2024-25. Under this initiative, 560+ Speech & Hearing Impaired (SHI) individuals have been employed by dealers at retail outlets. This marks an important step in the Company's diversity and inclusion journey. Plans are in place to expand #SilentVoices further in the coming years.

The Company has expanded its retail network to 23,642 outlets, adding 1,805 New Retail Outlets (NROs) in FY 2024-25. We further strengthened our presence on highways with the addition of 11 Company Owned Company Operated (COCOs) outlets, including GHAR outlets, bringing the total to 355 COCO outlets. Our GHAR outlets, designed as One Stop Trucker Shops (OSTSs), provide a 'home away from home' for truckers. In line with the National Highways Authority of India's (NHAI) Way Side Amenities (WSAs) initiative, the Company made strong progress. These WSAs include resting facilities such as parking, dormitories, dhabas, and fuelling stations. We won bids for seven new WSAs sites during the year. Three WSAs facilities were commissioned in Gujarat, Haryana, and Jharkhand. With these, the total number of WSAs sites reached 85. Aligned with our Hon'ble Prime Minister's vision, we commissioned 152 'Apna Ghar' trucker amenities centers across highways, ensuring safe and comfortable spaces for drivers.

To capture growth opportunities in new regions and along upcoming expressways, the Company has planned to commission 5,000 New Retail Outlets (NROs) over the next five years. In addition to conventional fuels, the Company is expanding its footprint in alternate fuels such as CNG and Liquefied Natural Gas (LNG). During the year, 340 CNG stations were commissioned, bringing the total to 2,370 retail outlets offering CNG across the country. The Company is also investing in future-ready fuels, marking a significant step with the commissioning of two LNG stations at BP Avinashi in Tamil Nadu and BP Panancherry in Kerala.

LNG is set to redefine long-haul transportation with cleaner, more efficient energy solutions.

In today's digital-first world, customer empowerment and trust are pivotal to building lasting relationships. Recognizing this, the Company has pioneered digital innovations, that not only transform fuel retailing, but also redefine customer experience. One such standout initiative is UFill – an industry-first offering that embodies our commitment to transparency and convenience. During FY 2024-25, UFill scaled to over 14,000 retail outlets, recording 118 million transactions. UFill enables customers to preset the dispensing unit directly from their mobile devices, putting them in complete control of the fuelling process. This ensures seamless, transparent transactions, reinforces trust in the brand, and sets new benchmarks for customer-centric service in the energy sector.

In FY 2024-25, BeCafe emerged as a key pillar of our customer-centric retail transformation. Building on the initial success of 6 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 aggressively expand the BeCafe footprint in the coming years.

To enhance customer convenience across diverse user segments, the Company continued to scale up its innovative retail offerings during FY 2024-25. For users of stationary equipment such as generators, mobile towers, construction machinery, and heavy-duty vehicles, the FuelKart and FuelEnt models have expanded steadily, with a total of 768 FuelKarts and 313 FuelEnt startups serving customers as on date. Addressing the needs of two-wheeler riders seeking quick and efficient service, the MAK Quik initiative – delivering oil change service through automated machines – has now been extended to over 8,000 retail outlets across the country. For BS VI-compliant truckers requiring Diesel Exhaust Fluid (DEF) on highways, the Company has further strengthened its reach by installing 506 new DEF dispensers this year, taking the total network to 1,251 outlets, ensuring wider accessibility and uninterrupted operations for fleet customers.

The Company enhances every customer visit with a spectrum of value-added services at its retail outlets, which underscore its commitment to convenience and a superior customer experience. These services are designed to cater to the dynamic needs of our diverse customer segments from rural, urban, and highway, differentiating the Company from competitors. The Company has continued its collaboration with M/s. Fino Payment Services to provide comprehensive banking services to our esteemed customers, which includes AePS, Micro ATMs, Domestic Money Transfer, Cash Management System (CMS), and Government to Citizen (G2C) services. BPCL SBI Card, India's fastest-growing and best-in-class co-branded credit card, has crossed a milestone of 4 million customer base.

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The Company continues to lead in customer loyalty through its flagship SmartFleet program, serving 1.5 Lakh transporters, Application Programming Interface (API) integration with the systems of 153+ key fleet customers have enhanced engagement and ensured long-term loyalty. Demonstrating care beyond business, the Company disbursed ₹ 3.1 crore through the insurance company to families of 68 drivers/helpers in FY 2024-25, reaffirming its commitment to the welfare of those who keep our country moving.

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, mostly on 270 highway corridors, make long-distance EV travel more accessible than ever. Further advancing accessibility, 119 fast chargers for two-wheelers have been installed in collaboration with leading OEMs like Ola, Ather, and Hero. With this expansion, the Company's total EV charging footprint now stands at 6,563 stations. To enhance visibility and convenience for users, a strategic partnership with M/s. Lonage Technologies, a charger aggregator platform, has been established – offering customers seamless discovery and usage of charging stations nationwide.

The Company continues to lead in tech-enabled fuel retailing, setting benchmarks in efficiency and customer experience. All 23,000+ retail outlets are fully automated, capturing real-time transaction and inventory data. The Integrated Payment System (IPS) allows seamless payments through a single Point Of Sale (POS) at the forecourt, ensuring accuracy and convenience. Our automation is integrated with Integrated Risk and Information System (IRIS), an AI-driven digital nerve center that monitors equipment health and connectivity, ensuring adherence to operational standards. This intelligent system empowers us to efficiently manage and enhance retail initiatives across the network. BPCL is set to transform the management of retail outlets with the introduction of its cutting-edge IoT-based automation solution, Intellifuel. This breakthrough eliminates the need for a physical Forecourt Controller (FCC), reducing on-site hardware and by leveraging cloud-based technology, Intellifuel enhances operational efficiency, security, and real-time monitoring, while also reducing the asset footprint at outlets. This solution also delivers a real time 360° operational view of every retail outlet.

During FY 2024-25, the Company significantly scaled up its capability-building initiatives for both dealers and frontline staff. Under Project Utkarsh, 92 workshops were held at top management institutes, training 2,462 dealers, marking strong growth over the previous year. Project Sangam saw a full-scale rollout, with 700 classroom sessions covering 19,000+ Driveway Sales Men (DSMs)/Driveway Sales

Women (DSWs). Delivered through a hybrid model, these efforts are key to enhancing service quality and strengthening customer experience at our retail outlets.

Strengthening safety and operational efficiency, the Company embraced digital innovation across its supply chain operations during the year. We have introduced the Vehicle Tracking System (VTS) to ensure functional tracking on trucks deployed from supply locations. The real-time monitoring capability of VTS significantly enhances safety and helps reduce accidents during tank lorry movement. In parallel, the business rolled out RAIS 2.0 (Retail Auto Invoicing System), a fully automated, in-house developed solution for tank lorry loading and invoicing. This customer-centric system eliminates manual intervention, offering features such as one-step tank truck reporting and automated invoice printing – enabling seamless, real-time operations at supply locations.

Reaffirming our commitment to safety and sustainability, the Company implemented several key initiatives during FY 2024-25 to strengthen safety practices across retail operating locations. Emphasis was placed on empowering on-ground personnel through targeted awareness campaigns and simulator-based Defensive Driving training, significantly enhancing the skillsets of tank lorry drivers and contributing to a reduction in in-transit incidents. To ensure field readiness, 94 newly inducted officers underwent intensive live firefighting training as part of our capability-building drive. Our safety excellence was recognized globally, with five Retail Supply Locations receiving the prestigious International Safety Award from the British Safety Council and three others honored with the 'Suraksha Puraskar' by the National Safety Council. Furthering our environmental responsibility, all Retail Operating Locations continue to be certified as Zero Waste to Landfill (ZWL), reinforcing our drive toward a greener and safer operational ecosystem.

Overall, during FY 2024-25, the Company's Retail business further strengthened its industry leadership, driven by a sharp focus on customer-centric innovation, operational excellence, and digital transformation. With a rapidly expanding network, robust adoption of alternate fuels, and enhanced service delivery across forecourts, BPCL continues to redefine convenience, trust, and value creation for all stakeholders – setting new benchmarks in fuel retailing for a smarter and sustainable tomorrow.

Biofuels

In line with the Government's Ethanol Blended Petrol (EBP) program, BPCL achieved the highest ever Ethanol blending percentage of 16.35% (consuming ~247 crore litres of Ethanol) during the year, up from 11.7% in the previous year and aims at exceeding 19% in 2025-26. The Company has been procuring and blending 1G Ethanol produced from molasses, sugarcane, damaged foodgrains, surplus rice and maize in petrol across all its locations pan India. BPCL is currently selling 20% EBP pan-India. It has also augmented

Ethanol storage capacity at its supply locations, from 135 TKL to 148 TKL during the year.

BPCL is the Industry Coordinator for Ethanol procurement and is spearheading the EBP Program by procuring 1G Ethanol from multiple sources and developing the vendor base. BPCL, on behalf of OMCs, registered 69 new Ethanol vendors on long term basis for supply of Ethanol, thereby increasing the overall vendor base to 409.

BPCL, as Industry Coordinator, also led the initiative of building Ethanol production capacity in deficit states, which culminated with signing Long Term Offtake Agreements (LTOAs) with project proponents planning to set up 101 dedicated Ethanol Plants for an annual offtake quantity of 361 crore litres.

Augmentation of Ethanol production capacities, coupled with a robust digitalized Ethanol procurement and allocation methodology, ensured uniform availability of Ethanol for blending across the length and breadth of the country.

The Company's integrated 1G/2G Bio-Ethanol Refinery at Bargarh, Odisha, of a combined production capacity of 200 KL per day, is under final stages of construction and expected to be commissioned in FY 2025-26.

The Company has procured 83.8 TKL of Biodiesel in FY 2024-25 and achieved sales of 1,379 TKL of Biodiesel-blended Diesel, thereby achieving a blending of 0.33%.

In alignment with the national vision of sustainable energy and waste-to-wealth conversion, BPCL has undertaken significant initiatives in the production of Compressed Biogas (CBG) from biomass and organic waste sources such as agricultural residues, MSW, sugarcane press mud, etc. CBG is an important alternative to natural gas and other fossil fuels. By promoting local production of biogas, India can reduce its dependence on imports of natural gas and petroleum products.

The government encourages the establishment of CBG production plants across the country, through the Sustainable Alternative Towards Affordable Transportation (SATAT) Scheme by offering financial incentives and policy enablers to make CBG production commercially viable.

PSU OMCs, including BPCL, are promoters of the SATAT scheme and provide offtake support for marketing of CBG. A total of 10 CBG plants were commissioned by BPCL SATAT LOI holders, and BPCL initiated CBG sales from 62 NROs, bringing the total number of CBG-initiated dispensing stations to 112, with cumulative CBG sales reaching 15.25 TMT.

BPCL is planning to set up 26 CBG plants with aggregate capacity of approximately 50 TMT/PA in the next two to three years with own investment or through private partnership. On the occasion of Gandhi Jayanti, our Hon'ble Prime Minister, Shri Narendra Modi laid the foundation stone for two CBG plants at Kochi and Bina based on MSW and Agri-Residue respectively. A concession agreement was also executed with Chhattisgarh Biofuel Development Authority (CBDA), and Bhilai Nagar Nigam for CBG project implementation at Bhilai, Chhattisgarh. Construction

activities have commenced for the CBG plants at Kochi, Bina and Bhilai.

The BPCL Board approved two Joint Venture (JV) proposals for the establishment of CBG plants. Approvals from the Ministry of Petroleum & Natural Gas (MoPNG) and the Department of Investment and Public Asset Management (DIPAM) have been accorded for a Joint Venture Company (JVC) with M/s. GPS Renewables Private Limited.

In addition to infrastructure development, BPCL actively promoted Ethanol and CBG through sustained social media engagement and awareness campaigns. BPCL also conducted CBG workshops at Bengaluru and Pune, aimed at fostering broader participation in the CBG ecosystem.

Industrial and Commercial (I&C)

The I&C Strategic Business Unit (SBU) continues to serve as the dedicated marketing arm for BPCL's B2B segment. In a year once again defined by complex market dynamics, volatility in prices, and emerging opportunities in varied sectors, the I&C SBU upheld its commitment to customer-centricity, delivering innovative and value-driven solutions that strengthened long-term business relationships.

Guided by deep market intelligence and agile strategy execution, the SBU navigated shifting customer preferences and an evolving competitive landscape with precision. Notably, in the Petrochemical segment, the heightened interdependence between global and domestic markets underscored the importance of real-time insights into international production trends and demand patterns. Leveraging this intelligence, the I&C SBU effectively penetrated traditionally import-reliant markets through nimble and responsive pricing strategies.

Our relentless focus on enhancing customer experience was further supported by continued investment in developing the functional capabilities of our field force and embracing technology as a strategic enabler. By fostering trust, ensuring convenience, and driving personalization, these initiatives were instrumental in not only retaining, but also growing our value and volume in the face of market headwinds.

As we reflect on the year gone by, the resilience and adaptability demonstrated by the I&C SBU stands as a testament to our commitment to delivering sustainable growth and superior stakeholder value.

During this financial year, the I&C SBU achieved record sales of 7.32 MMT in volume. Moreover, the SBU achieved its highest ever sales in HSD in the ever-dynamic, turbulent environment. However, with our close customer relationships, we were able to not only sustain, but also increase our value by focusing on key sectors and customer segments. Records were also breached in Very Low Sulfur Fuel Oil (VLSFO), Hexane, Toluene, and Propane.

Continuing our foray into petrochemicals, I&C continues to challenge the volatility in the international market by setting new strategic benchmarks in pricing and logistics, and were able to create new record sales of 255 TMT.

I&C pursued beyond refinery sourcing, leveraging strategic sourcing and imports, and supply chain optimizations to

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enhance resilience and responsiveness. This year also saw our export foray into key geographies which were very successful. This new revenue stream added a volume of 137 TMT.

In alignment with the nation’s commitment to a greener future, the I&C SBU undertook several forward-looking initiatives to promote sustainability and cleaner energy alternatives. A landmark agreement was formalized with Petronet LNG Ltd. at Kochi, along with other statutory authorities, to enable LNG bunkering – paving the way for low-emission marine fuel solutions. Demonstrating industry leadership, the SBU successfully launched the first-ever Biofuel High Flash High Speed Diesel (HFHSD) Bunker at Mumbai, a significant step towards reducing the carbon footprint in the marine sector. Additionally, an advanced EPA-grade HSD was developed and presented to major OEMs, showcasing our commitment to innovation in green fuels. Strengthening this commitment further, a Memorandum of Understanding was signed with the Mumbai Port Authority (MbPA) and the Mumbai Port Sustainability Foundation (MPSF) to collaboratively develop a comprehensive green fuel ecosystem at Mumbai Port.

During the year, the I&C SBU strengthened its talent development efforts through a comprehensive induction program for new management trainees, covering technical, logistics, and finance domains. Officers were nominated to internal and external management development programs from premium institutions, conferences, and workshops to stay updated on market trends and industry developments. A dedicated training on fuel conversion was conducted to support the transition to greener fuels. Additionally, the NextGen Pulse Survey was launched to align new joiners' expectations with organizational goals and promote a culture of continuous feedback.

Customer and industry engagement remained a cornerstone of our strategic outreach efforts. I&C made a strong brand presence at key industry events. These platforms served as excellent opportunities to foster collaborations, showcase BPCL’s capabilities and build stronger customer relationships.

Our flagship B2B customer connect program, 'Tarang' was successfully conducted in March 2025, reinforcing our value proposition to core customers. Regional customer engagement events were held across India facilitating direct interaction and strengthening partnerships.

Continuing its legacy of excellent performance, the I&C SBU is committed to sustaining its momentum with strategies in place to circumvent challenges and underscore its commitment to excellence, responsiveness, and customer-centric service delivery during this pivotal period of the country's growth.

Gas

The Gas SBU is at the forefront of reshaping India’s energy landscape, leading the country’s shift towards a cleaner, more sustainable gas-driven energy system. With a steadfast focus on innovation and efficiency, the Gas SBU

is redefining how natural gas is sourced, distributed, and utilized across the nation.

The business continues to drive India’s energy transition by accelerating the adoption of natural gas and transforming the entire value chain to enhance reliability, affordability, and sustainability. Through strategic investments in infrastructure, BPCL is reinforcing its presence in critical areas such as import terminals, regasification plants, and pipeline networks, laying a strong foundation for long-term growth.

On the demand side, the business is rapidly expanding its City Gas Distribution (CGD) network, providing access to clean energy for millions of households, commercial establishments, and industries across both urban and rural India. The vision is to build an integrated and seamless network that delivers cost-effective, sustainable energy solutions to every corner of the country.

Further advancing its decarbonization journey, BPCL is actively promoting the use of natural gas in mobility segments including commercial vehicles, public transportation, and industrial applications, thereby enabling cleaner, more efficient alternatives and significantly reducing carbon emissions.

Throughout this expansion, the Company remains deeply committed to creating value for all stakeholders. This is reflected in its pursuit of operational excellence, customer-centric approach, and contributions to India’s long-term energy security. With a strong foundation in sustainability and innovation, the Gas SBU is well-positioned to lead the country’s transition to a greener, low-carbon future.

In FY 2024-25, the Gas SBU demonstrated remarkable agility in navigating a highly volatile and dynamic market. Leveraging a well-diversified sourcing strategy, the business optimized costs and mitigated risks by combining long-term contracts, strategic spot purchases, domestic gas procurement via e-auctions, and active trading on the Indian Gas Exchange (IGX). This multifaceted approach, not only ensured a reliable and cost-efficient supply, but also maximized profitability. The Gas BU sourced 21 cargoes under long-term contracts, 5 through spot purchases, 6 TMT via e-bidding, and 82 TMT from IGX, reinforcing BPCL's resilient supply chain management. To further strengthen its portfolio, the business has strategically entered into an agreement with ADNOC Trading for medium-term LNG supply starting from 2025.

During the year, a total of 1,829 TMT of gas was supplied across key customer segments, registering a 3% year-on-year growth. Of this, 1,009 TMT was sold to sectors, including fertilizers, power, petrochemicals, steel, and others – marking a 5% growth. Additionally, 669 TMT was utilized for internal consumption by BPCL’s refineries – 267 TMT in Mumbai and 402 TMT in Kochi. The CGD network also saw exceptional performance, contributing 150 TMT

in sales, reflecting an impressive 80% growth over the previous year.

To support this robust expansion, BPCL invested ₹ 2,283 crore in capital expenditure during FY 2024-25, focused on CGD network development. Further, the Company plans to invest ₹ 1,360 crore in FY 2025-26, strengthening its infrastructure pipeline to meet future demand.

BPCL currently holds standalone authorization for 26 Geographical Areas (GAs) for CGD network development. Of these, 25 GAs covering 64 districts awarded in the 11th and 11A Petroleum and Natural Gas Regulatory Board (PNGRB) bidding rounds have already been commissioned. The remaining GA, spanning 17 districts across Jammu & Kashmir and Ladakh, secured in the 12th round, is slated for commissioning in FY 2025-26, including JVCs, BPCL's CGD footprint now extends to 52 GAs across 154 districts.

As of March 31, 2025, BPCL has mechanically commissioned 840 CNG stations, of which 634 are operational and serving customers. An additional 100 CNG stations are planned for construction in FY 2025-26. Reinforcing domestic gas penetration, the Company added a record 2.33 Lakh Piped Natural Gas (PNG) connections during the year, bringing the cumulative total to 5.64 Lakh. Supporting this growth, BPCL has laid 23,500 inch-km of steel pipelines to enable wider and more reliable last-mile connectivity.

To further boost consumer engagement and awareness, BPCL conducted a focused mass awareness campaign 'Aage Badho PNG Chuno' between January 26 and March 31, 2025. The campaign generated encouraging results with 18,660 new PNG registrations, and outreach to over 41,000 households during FY 2024-25.

Guided by a forward-looking energy vision, BPCL continues to reengineer its portfolio to meet the rising demand for sustainable energy solutions. Despite market headwinds, the Company has maintained uninterrupted service while expanding its footprint.

Lubricants

As per the Petroleum Planning & Analysis Cell (PPAC), the Indian Lubricant market has grown to 4.59 MMT with growth of 12.3% in FY 2024-25. In this period, MAK Lubricants has registered the highest ever volume of 471.8 TMT.

In our pursuit of heightened brand visibility, the MAK Brand has electrified all media platforms. We have leveraged cricket icon, Rahul Dravid, who joined the MAK family as Brand Ambassador. The ‘Mr. Dependable’ strategic TV Commercial during the T20 World Cup has entrenched us in the minds of our audience. We also collaborated with Salman Khan’s movie, ‘Sikandar’ to further cement our position in the minds of our customers, as well as the influencer mechanic community.

During FY 2024-25, MAK Lubricants has been honored with three prestigious awards - Brand of the Decade 2024 (Herald Global), Most Preferred Brand 2024-25 (Marksmen

Daily) and Most Trusted Brand of India 2025-26 (Marksmen Daily). These prestigious awards celebrate MAK Lubricants’ unwavering commitment to quality, innovation and customer centricity.

As we propel toward the future, we are committed to innovation and meeting market demands. Introduction of 12 new grades and 71 SKUs across gas, OEM, tractor, hydraulic oil, two-wheeler and premium grease (Ruby plus 100,000 km) segments underscores our dedication to excellence. Our Product & Application Development (P&AD) team also worked on 62 new product and 44 alternate formulations. MAK Aero Smoke Oil passed all the technical evaluation criteria of our defense forces and was used during Aero India 2025, India’s biggest air show. This marks a proud contribution of BPCL in indigenization of lubricant related products required by our defense forces. BPCL has also been nominated as the Chair of ISO ad hoc group for creation of Aviation Specifications, with representation of more than 15 countries.

We strengthened MAK Serve, our branded garage chain to reach a strong 659 numbers spread across 230 cities, and also forayed in the e-commerce space in a tie-up with Indiamart, touching 5,428 active industrial customers. Year-round, we kept our mechanic community continuously engaged with campaigns touching 59,693 mechanics with 39,142 new enrolments. We differentiated ourselves in the industrial segment through MAK Lubricant Solutions, moving away from a product-centric to a solution-centric approach, especially leveraging our Mobile Labs.

With our network of retail outlets, we continue to improve our connect with consumers through multiple campaigns at the forecourt. We have broadened our secondary network of retailers and mechanics through our digital interface, 'Hello BPCL'. We have onboarded 36 new distributors, bolstering our market presence. Furthermore, we introduced new grades like Drillol and Light Liquid Paraffin Oil (LLPO) to strengthen our successful foray into international markets. Our strategic collaborations have been instrumental in moving beyond business to areas of development and collaboration with our prestigious customers, Kirloskar Oil Engines Limited and TVS Motor Company Limited.

Our digital endeavors have been transformative. Unveiling MAKonnect, an integrated platform revolutionizing our network, has streamlined operations. It provides business insight for informed decision-making and Retailer App has brought us closer to our secondary network through digital interface.

With sustainability as core to our business principles, we are ready to explore innovative packaging solutions like recycled plastic containers, bamboo bottles and tin cans. At MAK, continuous improvement is ingrained in our ethos. We're proud to announce that BPCL Marketing Quality Assurance has been accredited as a certification and inspection body by National Accreditation Board for Certification Bodies (NABCB).

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As we propel toward the future, MAK remains steadfast in its commitment to innovation, sustainability and customer satisfaction.

LPG

During FY 2024-25, LPG demand witnessed a notable surge with industry growth of 4.72%. This was driven by low cost of LPG refills, enhanced subsidy for Pradhan Mantri Ujjwala Yojana (PMUY) customers, State free refill schemes, promotion of clean energy and rural penetration. By intensifying customer-focused safety and service enhancements, the LPG SBU not only achieved consistent growth but also safeguarded its profitability through the effective preservation of margins in commercials.

The business registered its highest-ever packed LPG sales of 8,339 TMT for the year along with achieving the highest ever market share of packed LPG, i.e. 27.49% and securing the highest packed LPG sales growth of 5.19% in the industry. The business has secured the no.1 position in Domestic, Packed, Bulk and Total LPG. With the objective of ensuring promotion of clean fuels and to increase the proliferation of LPG further, another 12.42 Lakh customers were enrolled in FY 2024-25, taking the total of BPCL's domestic LPG customer base to 9.46 crore (including PMUY - 2.68 crore) at the end of the year.

To ensure uninterrupted availability of cooking fuel at home, the Company encouraged customers to opt for Double Bottle Connections (DBC) and upgraded 11.06 Lakh customers to DBCs. To ensure that Bharatgas is available at places closer to customers, the business unit added 20 new distributorships during the year, taking the total to 6,269 distributors as on March 31, 2025. Further, 43 non-domestic distributors were added by the Company to increase the commercial LPG footprint. BPCL added 2,658 village level women entrepreneurs, called 'Urja Devis', to boost the Company's efforts for rural outreach and improve awareness/ accessibility of LPG in rural areas. These entrepreneurs actively promote clean cooking fuel, educate customers on safety measures and advocate for non-fuel offerings in rural regions. To address the affordability issue of the low-income segment of consumers, we are piloting financial assistance in the states of Madhya Pradesh, Bihar and Assam through the State Rural Livelihood Mission (SRLM).

To enhance the 24x7 availability of LPG refills, the 'Bharatgas Insta – Smart Cylinder Vending Machine' was piloted in the Bengaluru market to assess feasibility and conduct testing. A prototype of the machine was showcased at Assam Advantage 2.0, where our Hon'ble Prime Minister visited our stall and appreciated the initiative. It was also displayed at India Energy Week 2025, where our Hon'ble Minister and Secretary, MoPNG, witnessed a live demonstration of the machine.

The 'Pure for Sure' initiative in LPG has successfully completed its proof of concept, and trials have been extended to 20 distributors, covering the delivery of 1,500

refills per day. Launched in FY 2023-24, the initiative is being continued to assess its scalability. First time ever, the business has filed two patents in FY 2024-25 viz. 'Pure for Sure seal' and 'Bharatgas Insta'.

The LPG business worked on three pillars of growth, viz. Safety, Trust and Convenience. Toward our safety commitment, a total of 36 plants have been certified under 'Zero Ka Dum' (the quality challenge which guarantees that all LPG cylinders in the market are entirely free from defects, improving trust and enhancing process efficiencies). A Safety campaign, as part of a MoPNG initiative, was launched across the country for quick safety inspection at customer premises with a discounted price for Suraksha hose replacement. A total of 3 crore Basic Safety Checks have been successfully conducted nationwide under this initiative during the period March 2024 to December 2024. Out of Home (OOH) - another initiative of MoPNG to promote the safety campaign through the digital mode (Hoardings – had 2,749 hoardings across 530 cities for two months). Under Sense of Duty, we conducted various activities, viz. display of banners, posters, Pradhan Mantri LPG Panchayats (PMLPs)/ safety clinics and cooking competitions to reinforce the safety campaign. To further raise safety awareness among customers, our LPG distributors conducted 48,227 safety clinics in FY 2024-25.

In our continuous efforts to strengthen consumer retailing, the LPG business commissioned seven 'In & Out' convenience stores at LPG distributorships during the year, taking the cumulative number to 60. To further proliferate our offerings to end consumers, we have also introduced the 'LPG Lite Store', which are micro fulfillment centers at our LPG distributors, for catering to the demand of Urja Devis and LPG consumers by home delivery. A total of 13 LPG Lite stores have been commissioned in FY 2024-25.

To enhance customer experience, BPCL has launched many customer facing initiatives like a Feedback process to capture star ratings and reviews on customer service, Digital Cash Memo to reduce the carbon footprint, provision of Delivery Authentication Code to control the diversion of refills and the revamped website, '[eBharatgas.com](https://www.bharatgas.com)' to enhance user experience with the on-screen Urja Chatbot.

LPG bottling achieved the highest-ever bottling volume of 8,348 TMT, recording a growth of 5.2%. To cater to the rising LPG demand in the country, we have commissioned one LPG Bottling Plant (own) and two Private Marketing Companies (PMC) plants in FY 2024-25, taking the total to 54 own plants as on March 31, 2025. We continued to maintain the best practices in Health, Safety, Security and Environment (HSSE), while maintaining cost leadership. Toward our commitment to technology, we have completed automation of all LPG bottling operations at Bengaluru LPG plant, and it was inaugurated by Joint Secretary (M&OR), MoPNG. To further expand the automation in LPG plants, we have converted 75% of processes with automation in three other plants, which will be completed in FY 2025-26. The LPG Business has also started to implement Vehicle Access

Management in all plants, which is expected to complete in FY 2025-26.

To reduce the cost of LPG sourcing, BPCL has executed an agreement for 'Purchase of Propane and Butane from M/s. Equinor on Delivered at Place (DAP) basis at Mundra port'. Augmentation of the cryogenic storage facility at Uran Terminal is currently in progress, which will enhance storage infrastructure on the west coast, facilitating higher imports. During the year FY 2024-25, BPCL has executed an agreement with M/s. SHV Tuticorin for import of LPG and tie-up with HPCL for using the Mangalore-Hassan-Cherlapalli Pipeline up to Anantpur for feeding Kurnool LPG plant, which optimized the transportation cost with additional savings.

Toward our commitment to the greening initiative, we have installed solar power capacity of 3,537 kilowatt-peak (kWp) at various LPG bottling plants. During the year, BPCL marketed more than 2.87 Lakh High Thermal Efficiency (HTE) hotplates with in-house developed patented technology, that delivers more than 74% thermal efficiency, i.e. the best available in the industry. Additionally, we have launched a PNG-based hotplate to cater to a different customer segment which is using PNG, incorporating the same technology that delivers over 74% thermal efficiency.

To enhance the quality check of incoming Domestic Pressure Regulators (DPRs) at plants, we have commissioned a DPR Testing Machine which comprises Ball Drop & Performance/ Soundness Test machine at all LPG Bottling Plants. The LPG SBU also introduced Fluoroelastomer (FKM) tight joint in DPR to enhance the quality of equipment, which will assist in reducing leakage complaints from customers and improve safety at customers' premises.

To build competency and develop the skills of staff at the distributorship, BPCL has launched a 'Sangam' mobile app equipped with all training modules pertaining to LPG refill delivery, and safety at customer premises with all relevant learning material. To enrich the knowledge of our staff, the SBU has continued the 'Eklavya: Knowledge portal', which was launched last year, conducting a daily quiz and having an archive of sales, operations, logistics and finance manuals. To equip our Distributors with the competencies to face the challenging business landscape, we trained 1,140 Distributorships in IIMs and other premier Management Institutes.

Aviation

The year 2024-25 witnessed the highest domestic traffic and ATF sales in the domestic segment. ATF sales crossed the pre-pandemic highest total sales of 2019-20. After becoming the third largest domestic market in 2024, India is now aiming to become the third-largest market for overall passenger traffic within a couple of years. The Government of India is encouraging growth in the Aviation sector by adopting favorable policies covering pan-India expansion and development of airports.

The Aviation SBU achieved ATF sales of 1,968.1 TMT, and market share of 24.7% with a growth of 3.6%. International Airlines, Domestic Airlines and defense segments contributed

56.2%, 41.0% and 2.8%, respectively within our own pie. Major contributors from international airlines were Emirates, Qatar Airways, Lufthansa Group of Airlines, Arab Air Carrier organization (AACO) Airlines, Etihad Airways, British Airways, Air Canada, Air France, KLM Royal Dutch Airlines and Qantas, contributing 44.5% segment share amongst OMCs. We have also contracted 16 new international airline businesses. In the domestic segment, the major contributors were IndiGo, the Air India group, Akasa Air and SpiceJet.

In the last quarter of the year 2024-25, the SBU got additional volume in IndiGo, AACO, British Airways, Akasa Air and Sri Lankan Airlines for the contracts of FY 2025-26. The Aviation SBU performed outstandingly in garnering new customers and the domestic non-schedule business, recording an all-time high growth of 83%. The SBU recorded 19% growth in the international non-scheduling segment and overall, 29% growth in non-schedule business.

Under network expansion, this year the SBU added 10 Aviation Fuelling Stations (AFS) at airports in Prayagraj, Belagavi, Hubballi, Silchar, Surat, Aurangabad, Ayodhya, Dehradun, Aligarh and Azamgarh, making a total of 77 operational AFS, apart from Operatorship at three open access Fuel Farms.

Having been the pioneer in Indian Aviation, the SBU is strengthening its secondary infrastructure. A 34 km ATF pipeline from Piyala (Haryana) to Jewar (Uttar Pradesh) is in the final stages of completion; this will be the main supply source of ATF for the new greenfield open access airport at Jewar. BPCL has also been awarded the construction of a dedicated ATF pipeline from Malkapur to Hyderabad.

As a digitally-focused organization, the SBU has initiated installing 'End to End Real Time Automation' on a pan-India basis and the pilot project was completed at Mopa AFS. It is going to be the first time in India that such type of technology will be adopted – this will lead to errorless data capture free of human intervention, remote monitoring, faster accounting, enhanced customer support and digitization of fuel challans.

As a quality and safety focused organization, this year the SBU has launched benchmarking of AFS in line with international standards with respect to quality, safety and operations, further enhancing service standards.

As a true customer focused organization, this year, the Aviation SBU has formed a 24x7 Customer Care Cell which coordinates and attends to all the queries of customers and supports airlines round the clock, achieving customer delight.

The Aviation SBU is jointly working with the Company's Research & Development (R&D) Centre and Refinery Projects team to meet the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) mandate and MoPNG's indicative Sustainable Aviation Fuel (SAF) blending target of 1%, 2% and 5% by 2027, 2028 and 2030 respectively, initially for Airlines flying in the international sector. A detailed feasibility study for co-processing of SAF at Mumbai Refinery and oil to jet Hydroprocessed Esters and Fatty Acids (HEFA) technology based standalone SAF plant at Kochi Refinery is in progress.

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Consumer Retailing

BPCL's Consumer Retailing Business Unit is driving the expansion of fuel and non-fuel retailing across India's rural and urban markets through an integrated omnichannel, 'Village Ecosystem'. This modern phygital retail model combines walk-in stores with digital platforms, offering a seamless shopping experience for fuel and non-fuel products at BPCL Fuel Stations and LPG distributorships. The business model represents the ethos and values that BPCL has stood for over the years. It provides the rural woman necessary support and inputs to become a village level entrepreneur. These village-level entrepreneurs – 'Urja Devis' – are BPCL's mascots in deep rural areas of the country, taking fuel and non-fuel offerings to the rural customers.

The Company has commissioned 200+ In & Out stores in rural India and enrolled 1,000+ Urja Devis by March 2025. It aims to expand aggressively in this space going forward. BPCL is reaching out to lakh of customers in rural India, catering to the wide assortment of consumer products.

The rural consumer retailing model not only helps in increasing fuel turnover but also gives an avenue for revenue generation to BPCL as well as its channel partners.

Renewable Energy

BPCL is firmly committed to combating climate change by advancing comprehensive, sustainable energy solutions. The Company recognizes that the path to environmental stewardship lies in a multi-pronged approach – focused on energy efficiency, adoption of cutting-edge technologies, and accelerated deployment of renewable energy, biofuels, and green hydrogen.

Aligned with India's national objective of achieving Net Zero by 2070, BPCL has set an ambitious target to achieve Net Zero Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions by 2040. A detailed assessment across all business units has enabled the identification of both immediate and long-term strategies to lower emissions.

Renewable energy has emerged as a strategic focus area, with BPCL aiming to meet its internal power demand through clean energy sources as well as aiming to have a Renewable Energy asset portfolio of 10 GW by 2035.

As of FY 2024-25, BPCL's total installed renewable energy capacity stands at 154.86 MW, comprising 143.06 MW from solar and 11.8 MW from wind sources. In addition, three renewable energy projects totalling 171 MW are currently under various stages of development.

- Ground mounted solar project at Prayagraj, U.P. of capacity 71 MWp is in the final stage of construction
- Tender for two Windfarm projects in the states of Madhya Pradesh and Maharashtra of capacity 50 MW each has been awarded

Notably, BPCL secured 150 MW capacity through NTPC's solar utility tender, marking a significant step forward in expanding its green portfolio.

BPCL is also making strong headway in its green hydrogen initiatives. A 5 MW electrolyzer has been commissioned at the Bina Refinery in Madhya Pradesh to support in-house green hydrogen production. In parallel, aligning with the Government of India's vision for green hydrogen adoption in the transport sector, BPCL has reached the final leg of the proposed Green Hydrogen Refueling Station in Kochi, in partnership with Cochin International Airport Limited (CIAL).

Further, under SECI's Mode-1 Tranche-1 of the Strategic Interventions for Green Hydrogen Transition (SIGHT) Scheme, BPCL is developing green hydrogen production units via the biomass route for captive use at Kochi and Bina refineries, targeting a total output of 2,000 MTPA. Additionally, the Company has floated a tender to develop a 5,000 TPA green hydrogen facility on a Build Own Operate (BOO) basis for refinery operations, with results currently awaited.

Demonstrating its commitment to innovation, BPCL has signed a quadripartite MoU with BluJ AeroSpace, Agency for New and Renewable Energy Research and Technology (ANERT), Government of Kerala, and CIAL to develop a green hydrogen-powered Vertical Take-Off and Landing (VTOL) aircraft ecosystem. BPCL has also entered into a partnership with KPIT Technologies to jointly promote hydrogen fuel cell electric buses, supporting the transition to clean and safe mobility solutions.

BRAND & PUBLIC RELATIONS

In FY 2024-25, the Brand & Public Relations function played a pivotal role in strengthening Bharat Petroleum's positioning as a future-ready and trusted energy brand. The year was marked by strategic visibility across national and global platforms, robust stakeholder engagement, and continued digital leadership. Through impactful campaigns, partnerships with marquee sporting events, thought leadership initiatives, and innovative digital outreach, the brand narrative was significantly amplified. With focused alignment to business priorities and customer engagement, Brand & PR initiatives contributed meaningfully to enhancing BPCL's reputation and relevance in an evolving energy landscape.

Strategic Brand Campaigns & National Engagement

In FY 2024-25, a series of high-impact brand and communication campaigns significantly enhanced BPCL's visibility and resonance with diverse stakeholder groups. The 'Speed' ATL campaign, strategically timed during the General Elections, was broadcast across 26 television channels, achieving a reach of over 26 crore viewers within five days. BPCL's presence was further amplified during

the T20 World Cup through integrated campaigns on Star Sports and Disney+ Hotstar, coinciding with India's title win and Rahul Dravid's farewell, generating strong brand association and emotional connect. A long-term partnership was also formalized with the Indian Olympic Association (IOA), spanning from Paris 2024 to Los Angeles 2028, reinforcing the brand's association with national pride and sporting excellence. Complementing these initiatives, the Corporation launched a nationwide LPG Safety campaign, an influencer-led International Yoga Day wellness series, and a comprehensive awareness drive around Ethanol Blended Petrol and the Global Biofuel Alliance. These initiatives reflected BPCL's alignment with national priorities and its sustained commitment to safety, sustainability, and inclusive outreach.

Brand Building through Events & Exhibitions

BPCL reinforced its leadership at flagship events and global exhibitions, ensuring visibility at the highest levels. At India Energy Week (IEW) 2025, BPCL unveiled a theme-based pavilion titled 'Shaping the Energy of Tomorrow', accompanied by a dedicated Net Zero Pavilion that garnered widespread attention. The event facilitated the signing of seven MoUs and received significant media coverage. A high-profile curtain-raiser for IEW was also hosted in Mumbai with the Hon'ble Minister of Petroleum & Natural Gas, amplifying BPCL's industry engagement. On the international front, BPCL participated in ADIPEC 2024 at Abu Dhabi and Gastech 2024 at Houston through the India Pavilion, underlining the Corporation's active role in global energy discourse and diplomacy.

Digital Reach & Impact

BPCL's digital initiatives in FY 2024-25 focused on strengthening engagement, enhancing platform resilience, and fostering positive brand sentiment. The digital strategy was effectively aligned to leverage the strengths of each platform, resulting in an average engagement rate of 8.4% and active user interaction across key digital touchpoints. A consistently positive sentiment was maintained on platforms such as Facebook, Instagram, Twitter and LinkedIn, with communication centered around priority themes including Ethanol, CBG, Gas, and LPG Safety. In a proactive step towards digital security, BPCL successfully mitigated a major Distributed Denial of Service (DDOS) attack and conducted Web Application Penetration Testing, ensuring robust site security and adherence to compliance standards.

Corporate Communications & Media Coverage

In FY 2024-25, BPCL maintained a robust media presence through well-structured communication and consistent dissemination of key corporate developments. Strategic media coverage was ensured around financial milestones, including the Quarterly and Half-Yearly Results, with the Corporation's leadership featured across prominent platforms such as the Economic Times, Reuters, CNBC, NDTV, and Mint. The Annual Report for 2023-24 was meticulously conceptualized and produced, accompanied by comprehensive communication support for the Annual General Meeting. The overall brand narrative was reinforced

through tailored content aligned with campaigns such as the BPCL SBI Card, LPG Safety, and Financial Results, contributing to enhanced investor confidence and sustained public trust.

Recognition & Awards

The year saw BPCL earn accolades across prestigious national platforms for its communication excellence. At the PRCI Excellence Awards 2024, BPCL secured a Silver for Corporate Brochure and Community Impact Communication, a Bronze for TV Commercial and PR Case Study, along with individual awards in Corporate Reputation, Event Management, and Digital Media Innovation. At the 11th National Marketing & Branding Awards, BPCL won in the categories of Best In-house Magazine and Best Use of Social Media in Marketing, with two individual recognitions for PR and Corporate Communications leadership. The Corporation also received a Bronze at the Brandon Hall Technology Awards for its AR/VR Experience Centre and was honored at the Indian PSU Awards for Excellence in Internal Communication and Public Relations Campaign of the Year.

Launch of Foundation Day Golden Jubilee Celebrations

BPCL celebrated a landmark moment in its legacy with the launch of the Foundation Day Golden Jubilee celebrations, marking 50 years since its formation as a Corporation. A refreshed brand identity was unveiled to commemorate this milestone, blending BPCL's rich heritage with its forward-looking aspirations.

PROJECT ANUBHAV – BPCL'S DIGITAL TRANSFORMATION INITIATIVE

Driving Digital Convenience and Trust through UFill and Hello BPCL

At the forefront of our digital transformation, UFill continues to redefine the fuel station experience by offering seamless, contactless fueling. With over 11.8 crore transactions in FY 2025, and now enhanced with real-time dynamic offers and personalized promotions, UFill combines convenience with value, reinforcing BPCL's commitment to customer-first innovation.

The Hello BPCL mobile app and web portal further empower customers with a secure platform for online fuel purchases. LPG consumers can use this app to book and pay for LPG cylinders. Integration of Aadhaar Face RD (Remote Device) and eKYC (electronic Know Your Customer) via facial recognition, powered by Unique Identification Authority of India (UIDAI), has simplified the KYC process, elevating the overall experience. To enhance safety and transparency for our LPG consumers, the distributors' mobile application has been enhanced, enabling real-time delivery confirmation and in-field safety checks by the delivery personnel. On an average, 3.5 Lakh delivery confirmations are done daily through this app. This digital intervention ensures that every cylinder is delivered with the highest standards of safety and compliance, reinforcing our commitment to customer well-being.

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In the lubricants space, over 1.4 Lakh Lubricant mechanics and customers engaged actively through the Hello BPCL app by scanning over 39 Lakh Instant Gratification coupons to avail exclusive offers and rewards, deepening loyalty and driving product adoption.

Driving Scale through Digital Transactions

Our digital platforms continue to power large-scale transactions across customer segments. Over 1.31 Lakh unique Fleet customers have conducted more than 360 Lakh transactions, amounting to a value exceeding ₹ 55,900 crore through our app. In the Industrial segment, 3,831 unique customers have placed business orders digitally, resulting in the generation of over 2.26 Lakh invoices, reflecting the growing trust and adoption of our digital ecosystem. These digital initiatives, not only accelerate adoption, but also strengthen our ecosystem-wide engagement, delivering a unified and seamless experience across touchpoints.

Customer-Centric Engagement through URJA – Our Conversational AI Platform

URJA, our Conversational AI platform, is revolutionizing customer engagement by enabling real-time feedback collection via WhatsApp. Over 90,000 customer inputs have been analyzed, using advanced analytics to identify service gaps, with low-rated feedback automatically escalated through our Customer Relationship Management (CRM) system. This triggers timely intervention by the concerned distributor or officer, ensuring prompt resolution and enhanced customer satisfaction.

Extending its capabilities to our I&C customers, URJA also provides instant access to order status, account information, and product updates. This has significantly improved communication, transparency, and overall service responsiveness.

URJA reflects our focus on customer-centricity and continuous service improvement through intelligent, integrated technology.

Advancing Operational Excellence through Automation and Intelligence

In our Aviation business, automation was successfully implemented at 15 Aviation Stations and 18 work-in-progress, marking a key milestone in digitizing fuelling operations. Expansion to other locations is in progress, reinforcing our focus on efficiency and safety.

Our CGD Business is also progressing towards IoT-based automation, aimed at enhancing monitoring, control, and delivery accuracy.

At the heart of our digital ecosystem, IRIS – the Digital Command and Control Centre – continues to drive excellence using AI / ML and predefined logic, which controls operations centrally without any human intervention. A major development this year was the integration of Jaipur Railway

Diesel Installation (RDI), enabling real-time, data-driven decisions and proactive infrastructure management.

CORPORATE STRATEGY

The year gone by has seen unprecedented levels of uncertainty and volatility in global energy markets, essentially driven by geopolitical events. In this environment, BPCL continued to successfully adopt a strategy aimed, not just at mitigation of risk and volatility, but also ensuring a security of supply, securing new suppliers, growing its customer base and expanding the dimensions of its business through newer offerings to customers.

At the national level, global events have catalyzed into long-term policy shifts, refocusing attention on energy security, diversification of supplies and enhancement of domestic production. This approach emphasizes the critical need for sustained investment in oil and gas, to facilitate a smooth transition. The industry, as a whole, is also currently facing increasing instability due to geopolitical conflicts and needs to handle multi - dimensional challenges.

These developments have accelerated a global push toward energy transition, signaling the onset of a significant 'industrial scale-up' in clean energy. India is emphasizing 'universal energy access and just, affordable, and inclusive energy transitions'. This policy direction aligns with global environmental goals and underscores India's commitment to fostering an energy sector that is both sustainable and equitable.

In the midst of these global shifts and national policy alignments, the Company's 'Project Aspire' continues to provide impetus to its strategic initiatives, and is poised to propel the Company forward toward growth and profitability, thereby creating long-term value for its shareholders, while committing to sustainability and innovation.

Project Ankur

India, over the last few years, has become home to a flourishing ecosystem for Startups. Under the Startup India Initiative, the Department for Promotion of Industry and Internal Trade (DPIIT) has recognized over 1.60 Lakh companies as Startups as of March 2025. Equipped with agile ways of working, technology-driven businesses, with innovative approaches to solve challenges in various sectors, Startups have emerged as favorite destinations for angel investors, Venture Capital Funds and Corporates for investments.

The Company, in its own way, has become part of India's Startup growth story through its Startup initiative, 'Project Ankur' - supporting budding and promising startups through grant funding and collaboration since 2016. The Company, with an initial fund of ₹ 25 crore, has supported 25 Startups in various sectors with grant funding of up to ₹ 1.5 crore per Startup in Phase I. As part of Phase II, BPCL supported six more Startups through BPCL Startup Grandslam Season#1

(a pan-India business challenge for Startups) with grant funding of ₹ 50 Lakh each.

To amplify the outreach and effectiveness of Ankur, the Company continuously engages with the Startup ecosystem in India, including Startup India, leading academic institutions, incubators, accelerators and venture capital investors.

The Company has established the BPCL Ankur Fund for making investments in Startups, with an initial corpus of ₹ 50 crore. The objective of these investments is to support high potential early-stage Startups, primarily working in sectors which are affiliated to the areas of the business of the Company. In March 2025, the BPCL Ankur Fund launched its first Startup cohort, 'Emerge', focused on supporting innovations in Energy Efficiency and CGD - reflecting the Company's commitment to building a sustainable and technology-driven energy future.

HEALTH, SAFETY, SECURITY & ENVIRONMENT (HSSE)

For details on HSSE, refer page 211 under the Business Responsibility and Sustainability Report.

HUMAN RESOURCES

We are deeply invested in cultivating a future-ready talent ecosystem that serves as a catalyst for achieving our long-term strategic vision. Through a rigorous talent acquisition process, comprehensive learning programs, and continuous capability enhancement, we aim to nurture professionals who are, not only experts in their domains, but also agile in responding to the dynamic shifts of the energy sector. Our steadfast commitment to developing and empowering our people serves as a strategic pillar in driving organizational resilience and long-term value creation. We firmly believe that the progress of the Corporation is deeply intertwined with the personal and professional growth of our people. Driven by this conviction, we have launched a series of thoughtfully designed initiatives that tap into the inherent talent of our workforce. These initiatives cultivate a culture of innovation, operational excellence, and strategic foresight that cascades through every level of the organization.

To celebrate the unique strengths of our employees and illuminate their individual growth journeys, BPCL continued to advance ASCEND, our strategic talent management initiative. Now in its fifth cycle, ASCEND has evolved into a powerful platform for recognizing potential, articulating career aspirations, and aligning personal development with organizational goals. This year witnessed the culmination of the two-year cycle of ASCEND 5.0 with comprehensive Talent Review Discussions conducted for 656 officers selected for Phase II and structured feedback conversations completed for officers covered in Phase I, thereby reinforcing our culture of continuous development and leadership readiness. These structured conversations provided a meaningful opportunity for employees to reflect on their career trajectories, areas of development and growth.

As we stand today at the inflexion point of energy transition, Learning and Development continues to be a key strategic lever. Over 20,000+ hours of e-learning content were

consumed on My Sphere – our Learning Experience Platform, where we offer a wide and rich repository of learning resources to our employees. Learning Sphere – an exclusive program curated for BPCL employees on the Coursera platform – witnessed over 1,500 employees engaged with the platform, resulting in 16,000 learning hours over 11 months, 7,052 course enrolments, and 1,994 course completions. These numbers reflect more than just participation – they represent a growing culture of self-directed learning at BPCL. By empowering employees to take ownership of their development journeys, we are fostering a workforce that is not only skilled and future-ready, but also deeply invested in continuous learning and personal growth.

More than 80 custom learning interventions were rolled out across business units with over 3,000 employees covered. These included a blend of classroom, virtual and experiential formats such as outbound programs, simulation-based learning, all tailored to business context. Future-skilling continued to be a priority, with high-impact programs such as Demystifying AI, AI Smart, and Data Smart empowering employees with new-age knowledge and capabilities. Curated learning journeys were introduced in critical domains such as operations, energy transition, data-driven decision-making, and leadership development. Onboarding programs for new hires, cultural immersion for lateral recruits, and retirement readiness sessions were delivered with renewed vigor. A growing coaching culture was fostered through initiatives like 'Leaders as Coaches', 'Mpower for Finance', and workshops on impactful conversations.

Our flagship leadership development programs, 'eXcelerator' and 'eXceed', continued to nurture high-potential talent through immersive classroom modules, global certifications, executive coaching, masterclasses, and action learning projects. Senior leaders benefited from 'Executive Coaching' and curated learning experiences with premier global institutes. Our leadership development efforts were recognized with two prestigious accolades: the SHRM Award for 'Excellence in Developing Emerging Leaders' and the TISS LeapVault Award for 'Best Leadership Development Program'.

Experiential and alternate learning platforms also saw significant momentum. Talent Triathlon 2025, aligned with BPCL's 50th Foundation Day theme of 'Shaping the Future', brought together 1,081 officers across four challenges – Socratix, Mercurix, Biz-X, and The Ultimate Challenge. These events were mapped to future-focused themes such as digital transformation, energy transition, and value-based decision-making, testing participants on agility, collaboration, and embodiment of BPCL's core values.

Rytink 2024-25 marked a decade of capturing strategic foresight and leadership dilemmas. This year, Rytink introduced a new Caselet Writing category alongside the traditional case format, recognizing the power of concise, high-impact narratives. With 49 case submissions and 57 caselets, participants engaged in expert-led workshops and stakeholder interactions, producing work of exceptional quality. Eight BPCL-authored papers have already been

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published externally, and the latest submissions now enrich the learning repository within 'My Sphere'.

To drive functional excellence, enhance safety awareness, and build organizational capability, BPCL established a dedicated vertical, 'Centre of Excellence'. In its inaugural year, the Centre delivered an impressive 122 training programs, collectively generating approximately 38,000 learning hours. This initiative marks a significant step toward institutionalizing best practices and fostering a culture of continuous improvement across operational domains.

BPCL's commitment to data-driven decision-making was further strengthened through the institutionalization of a dedicated HR Analytics Cell, to embed data-driven intelligence into key people practices. The cell piloted a range of AI-powered interventions across critical HR domains such as workforce planning, success profiling for critical roles, introduction of an AI-based continuous listening platform to assess employee engagement of recent hires and proactively predict attrition risks. Additionally, dynamic dashboards and reporting frameworks were introduced to monitor key HR metrics and enable strategic decision making. These pioneering interventions earned BPCL recognition at the prestigious Economic Times HR Awards, underscoring our leadership in leveraging analytics for human capital transformation.

We believe that recognition is a powerful driver of engagement and performance. To embed appreciation into the fabric of our organizational culture, we introduced KUDOS – our in-house, values-based employee recognition platform. This initiative empowers both peers and leaders to acknowledge contributions that reflect BPCL's core values. Since its launch, over 14,000 appreciation badges and accolades have been shared across the platform, reinforcing a culture where achievements are celebrated, efforts are valued, and individuals feel seen and appreciated.

In our pursuit of cultivating a culture of innovation, the iDEAS platform was relaunched in a dynamic new avatar, encouraging employees to contribute forward-thinking solutions and creative ideas. During the year, over 670 ideas have been submitted, of which 92 have been implemented, reflecting the growing innovation mindset across the organization.

We continued to advance our commitment to holistic employee well-being by integrating sports and physical activity into the workplace culture. Through initiatives such as City Marathons, the Fitness Premier League, and the development of sports infrastructure across operational sites and residential complexes, we have created vibrant avenues for promoting health, camaraderie, and overall well-being. City Marathons, which were conducted in 15 cities, saw active participation of over 2,000 employees. Step-A-Thon, our four-week health challenge, witnessed outstanding participation, with over 1,600 employees coming together to demonstrate the spirit of teamwork and wellness.

Collectively, we achieved an inspiring milestone of 26.5 crore steps, setting a benchmark for excellence in employee engagement and reinforcing our commitment to promoting a healthy and active lifestyle across the organization. These efforts reinforce our philosophy that a healthy workforce is a high-performing workforce.

Employee Satisfaction Enhancement (ESE)

The ESE entity is a flagship initiative of BPCL, reinforcing our commitment to become 'A Great Place to Work'. With a dedicated focus on enriching employee experience, ESE aims to cultivate a vibrant, energized, and emotionally resilient workforce by fostering a culture of psychological safety and holistic well-being.

In FY 2024-25, the Employee Support & Engagement team made meaningful progress in embedding emotional well-being at the heart of BPCL's people philosophy. Through every initiative, session, and interaction, ESE continued to shape a workplace where employees feel acknowledged, supported, and valued, nurturing not just performance, but also a sense of purpose and belonging. As part of its extensive outreach, ESE role holders visited 63 locations across the country, directly engaging with over 1,091 employees. These interactions served as vital touchpoints, offering a safe and empathetic space for employees to voice concerns, navigate challenges, and access confidential support.

At the heart of ESE is Roshni Plus, BPCL's comprehensive Employee Assistance Program (EAP), offering professional psychological counselling services to employees and their dependent family members – entirely confidential and cost-free. In a significant move this year, BPCL partnered with YourDOST as the new EAP provider. A robust awareness and registration campaign was rolled out across platforms, supported by both digital and in-person initiatives to ensure maximum reach.

Additionally, 63 Sahkarmi Mitras, trained employee peer counsellors at large locations, were onboarded and sensitized through in-person training sessions. These champions act as emotional first responders, playing a critical role in normalizing conversations around mental health at the grassroots level. These Sahkarmi Mitras are given soft skills training to hone their talents.

A total of 20 curated sessions focused on work-life balance, mindfulness, and healthy living were delivered fortnightly in the form of Activ Life Webinars. 11 in-person sessions were organized on themes such as workplace motivation and holistic health-oriented lifestyles. A Resilience Webinar Series was initiated which featured six remarkable employee journeys – including a specially-abled employee, a para-badminton champion, a top leader who is also a former sportsperson, and an employee with a massive weight loss journey of over 40 kg. These stories of personal transformation inspired audiences across the organization.

A strong content-led approach anchored BPCL's emotional wellness initiatives under the theme 'Inform. Inspire. Impact.' Over the year, 26 editions of Interconnect, our fortnightly wellness e-publication, were released to provide timely insights and support emotional well-being. ESE EnerG, the quarterly e-magazine, brought out four vibrant editions focused on positive psychology and uplifting employee stories. Additionally, 19 ESE Mailers were shared across the organization, offering curated insightful articles, self-assessments, and practical wellness tips, further strengthening our commitment to building a resilient and emotionally healthy workplace.

BPCL's Employee Support & Engagement team led an impactful Mental Health Awareness Campaign to mark World Mental Health Day on October 10, 2024. As part of the initiative, employees across locations took a Mental Well-being Pledge at their workplaces, reaffirming a shared commitment to emotional wellness. The campaign also featured online contests and offline seminars, which enhanced awareness, encouraged meaningful conversations, and strengthened the culture of mental well-being across the organization.

Recognizing the vital link between leadership well-being and organizational resilience, BPCL hosted two exclusive residential wellness retreats for 52 senior leaders. Designed as immersive experiences, these retreats offered a rare opportunity to pause, reflect, and rejuvenate, blending ancient healing traditions with modern scientific approaches. With a strong focus on daily self-care rituals, the initiative reinforced the importance of holistic well-being at the leadership level. The overwhelmingly positive feedback underscored the retreats' impact in fostering personal vitality and enhancing leadership effectiveness.

This year, BPCL piloted Vitality Plus – The Well-being Project across five locations, including all four regions and the Kochi Refinery, in collaboration with 1to1help.net. The initiative engaged 135 employees in a structured journey of holistic well-being through comprehensive physical and mental health assessments, personalized counselling, and expert-led workshops by psychologists and nutritionists. Post-program evaluations reflected marked improvements in both physical and emotional wellness, earning strong appreciation from participants and leadership for its positive impact and thoughtful execution.

To position leaders as catalysts for workplace happiness, BPCL hosted THRIVE'25 – The Leadership Conclave – on February 25, 2025 in Mumbai. The conclave brought together leaders from across the country to deepen awareness around workplace well-being, exchange strategic insights, and reinforce the importance of self-care and team wellness. Through expert-led sessions, panel discussions, and peer-sharing formats, participants were equipped with actionable tools to build emotionally intelligent teams and foster a culture rooted in empathy, engagement and well-being.

INTEGRATED INFORMATION SYSTEMS (IIS)

BPCL continues to be a flag bearer in using technology across the spectrum of its functioning, i.e. for enabling implementation of Government initiatives, improving experience for customers, business process re-engineering for boosting efficiencies, strengthening governance and cyber security, supporting initiatives for Net Zero Targets, enhancing employee engagement, and creating new revenue opportunities for businesses to grow. Some examples of the above initiatives during the year include implementation of LPG subsidy schemes for various State Governments, Retail Smart Terminal, Right of Use application for pipelines, enabling various consumer-friendly features on Mobile Apps and the revamped Ideas platform for employees. BPCL has also used innovative system solutions to optimize its logistics and supply chain processes. BPCL conducted a comprehensive cyber security assessment of Information Technology (IT) and Operational Technology (OT) systems for enhanced cyber security controls.

In order to ensure that our systems are future-ready to meet the Corporation's aspirations, BPCL has embarked upon a journey to upgrade its ERP Systems under Project ENTRANS 2.0. Further, BPCL is implementing the latest cloud-based Utilities solution to cater to expanding Gas BU needs. Projects/studies have also been initiated for leveraging AI/Gen AI technologies in various processes/ domains.

INTERNATIONAL TRADE & RISK MANAGEMENT (ITRM)

BPCL's ITRM set-up is responsible for all activities related to the import of Crude Oil, import/export of products and Commodity Risk Management through derivative transactions.

To meet the requirement of BPCL Refineries, ITRM procures Crude Oil, both indigenously and through imports. After considering the domestic demand and supply situation, petroleum products are imported and exported. Allied services of ship chartering and operations are also facilitated by ITRM. Further, the ITRM set-up includes an active Derivatives Desk engaged in risk management activities via the paper (financial derivatives) market.

During the financial year, the highest-ever quantity of 41.2 MMT of Crude Oil was procured for BPCL Group refineries. Four new grades of Crude Oil were procured for processing during the year. Continuing its success in procuring spot Crude Oil through its own Crude Oil Trading Desk, a total of 19.6 MMT was bought through spot procurement in the fiscal year, thereby capturing opportunities in the oil market across the globe. ITRM has been successful in mitigating the geopolitical and concentration risks by diversifying the crude basket across geographies and suppliers. The Trading Desk follows a comprehensive trading policy and has a robust governance framework that ensures the highest levels of controls in spot Crude Oil procurement at all times.

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FY 2024-25 was a tumultuous year for the oil market with unprecedented supplies disruption. Restrictions on Russian exports and OPEC+ production cuts contributed to intensified market volatility. The ongoing geopolitical issues in Russia-Ukraine and the Middle East further de destabilized global energy flows through the Red Sea and Suez Canal, adding another layer of complexity, causing significant turbulence in crude, LPG procurement and transportation.

Despite these headwinds, the ITRM team demonstrated exceptional resilience and agility by leveraging deep market intelligence, ensuring an uninterrupted and cost-effective supply of crude to our refineries and refined products, including LPG, to cater to the domestic demand. The ITRM team always looked into opportunities across geographies to diversify the sourcing, to ensure optimal imports cost for the Corporation.

The ITRM Chartering team was always cognizant of the freight arbitrage that arises periodically between Suez max and VLCC vessels, and captured significant value for the Corporation by exploiting such arbitrage opportunities throughout the year.

During the year, the Risk Management practice of ITRM was crowned 'Masters of Risk – Large Cap Category' at the 10th edition of the CNBC TV18 India Risk Management Awards. Competing with nearly 500 top companies, BPCL's stellar risk management practices stood out, securing BPCL the top spot among large-cap PSU companies.

ITRM has proven to be an invaluable asset for the Corporation in creating value through identifying new geographies for sourcing better-value Crude Oils, efficient freight management by leveraging all options available in the market, containing the risk of volatile prices through effective risk management, and meeting the challenges of ever-changing and dynamic oil markets. These achievements are a result of synergies that are nurtured through interactions with various stakeholders. With robust policies, a sound governance framework and a world-class team of professionals at the helm, ITRM continues to contribute in BPCL's journey toward excellence.

RESEARCH AND DEVELOPMENT (R&D)

BPCL actively engages in R&D through its Corporate Research & Development Centre (CRDC) at Greater Noida, Uttar Pradesh, and Product & Application Development Centre (P&AD) at Mumbai. These divisions are dedicated to adding value to BPCL's businesses through various research activities, aligning with the 'Aatmanirbhar Bharat' initiative.

BPCL has demonstrated significant technological advancements and commercial successes, particularly in FY 2024-25.

Key highlights of BPCL's R&D efforts include:

- Hydrogen Technologies:
 - Hydrogen Refueling: The BharatH2Sep membrane technology was successfully field-tested for hydrogen

recovery from refinery off-gas, achieving 98-99 mol% purity with 75-80% recovery.

- Hydrogen Refueling Stations (HRS): CRDC has progressed in establishing an HRS at Cochin International Airport Ltd. (CIAL), placing orders for electrolyzers and dispensers. Joint proposals for HRS were also submitted with Maruti Suzuki and ANERT.
- Hydrogen Blending: In collaboration with Centre of Excellence in Oil Gas and Energy (CoEOGE) IIT-Bombay, IOCL, and GAIL, CRDC is quantifying the impact of hydrogen permeation through pipeline steel weldments using computational phase field modeling to ensure safe and reliable blended hydrogen gas transport.
- Efficiency and Technology Initiatives:
 - High-efficiency PNG Stove: The Bharat Hi-Star PNG stove achieved 74% thermal efficiency, which is 15-20% higher than commercial burners. Technology licensing agreements were signed for commercial production, and the burner was rolled out at a BPCL housing complex in Noida.
 - Super Absorbent Polymer (SAP): CRDC has advanced SAP technology commercialization, including finalizing Process Flow Diagrams (PFDs) and Piping and Instrumentation Diagram (P&ID) reviews for a 20 KTPA commercial SAP plant at KR. Trials with glacial acrylic acid produced a superior grade of SAP, and BPCL received the Centre for High Technology (CHT) Innovation Award for this indigenously developed technology.
 - Fluid Catalytic Cracking (FCC) Catalyst Technology: An innovative FCC catalyst, 'BHARAT-BCA', was developed to upgrade Clarified Oil (CLO) into gasoline. A commercial trial at MR showed a 2% reduction in Hydrogenated Castor Oil (HCO)+CLO and a 1.75% increase in gasoline yield.
 - Bioplastic Production: CRDC developed compostable bioplastics from biorefinery waste/byproduct as a sustainable alternative to single-use plastics, certified by Central Institute of Petrochemicals Engineering & Technology (CIPET) for compostability.
 - Green Silica Production: A process to produce green silica from biomass ash has been developed, with 500 kg pilot trials completed. This technology is being scaled up to a demonstration level at BPCL Bargarh biorefinery.
 - Enriched Fermented Organic Manure (EFOM): To enhance the nutritional value of Fermented Organic Manure (FOM) from CBG plants, CRDC developed EFOM with improved nitrogen, phosphorus, and potassium (NPK) content for agricultural application and to mitigate storage/disposal challenges.

- Green Initiatives: A hybrid (solar+wind) pilot project with battery storage was initiated to power a retail outlet using green energy, with successful trials and ongoing development.
- Renewable Power from Ocean Wave: An MOU was signed with M/s. Eco Wave Power, Israel, to install a 100-300 kW pilot project at BPCL's Mumbai Oil Terminals.
- Bioethanol from Sorghum: BPCL signed an MoU with the National Sugar Institute, Kanpur, to optimize sweet sorghum as bioethanol feedstock.
- Integrated Carbon Capture and Utilization (CCU): In collaboration with M/s. UrjanovaC, BPCL showcased an innovative aqua-based CCU technology that captures CO₂ and converts it into calcium carbonate (CaCO₃) at ambient conditions. This technology offers 10-15% higher CO₂ capture efficiency than traditional amine solutions, eliminates CO₂ storage and compression needs, and reduces hazardous amine handling.
- Environmentally Acceptable Hydraulic Oil: Biodegradable hydraulic oil was developed for hydraulic systems in environmentally sensitive areas, reducing risks of leakage or spillage.
- Software and Security Solutions:
 - Pilferage-proof Sleeves for LPG: Innovative security sleeves with track-and-trace features were developed to prevent LPG pilferage, with improved QR code scanning based on user feedback.
 - BPMARRK® and K Model®: Approvals were obtained for providing services using these software products. A web platform for BPMARRK was developed, and K Model® was upgraded with new features, used to address desalter operation issues at KR.
- Product Development (Oils and Lubricants):
 - Special Grade LPG: A specialized hydrocarbon mixture of LPG was developed for high-altitude conditions, with successful field trials in Sikkim.
 - High-performance Neat Cutting Oil: Developed with superior quality hydrotreated base oils for gear hobbing, ensuring superior lubrication, extended tool life, excellent surface finish, and low evaporation.
 - Engine Oils for Export Market: Diesel engine oil for heavy-duty commercial vehicles with potential for extended service life and engine oil for scooters with better fuel economy were developed and API licensed.
 - Engine Oil for New Generation Scooters: Synthetic engine oil for new generation BS VI scooters was developed to provide better fuel economy, enhanced catalyst protection, better low-temperature flowability and quick engine starts.
 - Engine Oil for OEM Export Models: Developed for a leading two and three-wheeler manufacturer in India, extensively evaluated at OEM's R&D, and field-tested in three different countries.

- Tractor Fluids: Universal Tractor Transmission Oil (UTTO) was developed for OEM factory fill applications, providing smooth power transmission, enhanced wear protection, and improved clutch performance.
- Transmission and Driveline Lubricants: High-performance, long-drain lubricants were developed for off-highway OEMs, passenger cars, and commercial vehicles, enhancing durability and efficiency under severe conditions.
- High-Performance Insulating Oil: Developed for heavy-duty transformers used in generation, transmission, and railways.

CRDC also filed 12 patents throughout the year, including methods for organic acid production, sugar production from biomass, pilferage-proof LPG sleeves, and solvent for carbon capture, bringing the total granted patents for the year to three. These advancements underscore BPCL's commitment to innovation, sustainability, and supporting its various business units through cutting-edge technology and research.

EXPLORATION AND PRODUCTION OF CRUDE OIL AND GAS THROUGH WHOLLY-OWNED SUBSIDIARY BPRL

Operations of the Company

Bharat PetroResources Limited (BPRL), a Wholly-Owned Subsidiary (WOS) of BPCL established in 2006, leads BPCL's upstream oil & gas investments. BPRL holds Participating Interest (PI) in 15 blocks – eight in India and seven overseas – along with equity in two Russian entities operating four producing blocks. Overseas interests are held through subsidiaries in the Netherlands and Singapore, while Indian blocks are held directly. Its Indian subsidiary, BPR JPDA Ltd., earlier held PI in a Timor Leste block, now relinquished.

Upstream oil & gas projects typically have long gestation periods of 20 – 30 years. BPRL's assets span across the value chain – exploration, appraisal, development, and production – positioning BPCL for long-term energy resilience. The expenditure currently incurred by BPCL / BPRL are majorly towards already committed investments in overseas assets which are under development.

Given India's heavy reliance on imports (~88% for crude oil and ~45% for natural gas), and with domestic energy demand projected to rise sharply by 2030 and beyond, these strategic investments will enhance BPCL's access to equity oil and contribute significantly to the nation's energy security.

CURRENT STATUS OF BLOCKS

OVERSEAS ASSETS

Russia

BPRL, Oil India Ltd. (OIL), and Indian Oil Corporation Ltd. (IOCL), collectively known as the Indian Consortium (IC), hold stakes in JSC Vankorneft (23.9%) and LLC TYNGD (29.9%) through joint ventures Vankor India Pte Ltd. (VIPL) and Taas India Pte. Ltd. (TIPL), respectively. In JSC Vankorneft, LLC Vostok is the operator with 50.1% shares

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and in LLC TYNGD, RN Upstream LLC is the operator with 50.1% shares. In FY 2024-25, JSC Vankorneft produced 8.47 MMT of oil and 3.98 BCM of gas, with BPRL's share being 0.67 MMT of oil and 0.31 BCM of gas. IC received dividend of Rub 9.27 billion (~\$ 103.75 million), with BPRL's share being ~\$ 34.24 million. In FY 2024-25 TYNGD produced 4.77 MMT of oil and 5.94 BCM of gas, with BPRL's share being 0.47 MMT of oil and 0.59 BCM of gas. IC received dividend of Rub 12.15 billion (~\$ 138.33 million), with BPRL's share being ~\$ 45.65 million.

United Arab Emirates (UAE)

Lower Zakum Concession

BPRL, IOCL, and OVL together hold a 10% stake in the Lower Zakum Concession in Abu Dhabi, UAE, through Falcon Oil & Gas B.V., an SPV in the Netherlands, whereas BPRL International BV (a WOS of BPRL) holds 30% shares. Abu Dhabi National Oil Company holds 60% in the concession and is the Operator. In 2024-25, the concession produced 18.67 MMT of oil (BPRL share: 0.56 MMT). BPCL Group Refineries accessed approximately 2.77 million barrels (0.3644 MMT) of Das Blend Crude Oil as its equity oil share. BPRL International Ventures B.V. received dividend of \$ 5.70 million. The long-term plan aims to extend and sustain the oil production plateau through a three-phase development plan, with Phase 1 currently under implementation.

Onshore Block 1 Concession

The block is held by Urja Bharat Pte Ltd. (UBPL), a 50:50 joint venture company of WOS of BPRL and IOCL, incorporated in Singapore. There are two existing undeveloped discoveries in the area, named Ruwais and Mirfa, in addition to available prospects/leads for exploration.

The exploration phase of the Block is for nine years with an initial exploration period of four years, second exploration period of three years and third exploration period of two years. Currently the concession is in its second exploration period and the commitment is to drill two Mirfa Appraisal wells and one Exploratory well.

The approval of the Ruwais Field Development Plan (FDP) has been received from the Regulator in April 2024 and Production Concession Agreements (PCA) have been executed in September 2024 and the concession is moving towards developmental activities. The oil production from the field is anticipated in 2026.

In the remaining part of the block area, four exploratory wells have been drilled successfully and presence of hydrocarbons has been established in two wells for which Discovery notice for two wells has been given to the Regulator. Currently Geoscientific Studies are ongoing to finalize the Appraisal activities of these discoveries and to identify and finalize one Exploratory and two Mirfa Appraisal well locations.

Mozambique

BPRL, through its Netherlands based subsidiary, holds 10% PI in Offshore Area 1, Rovuma Basin Concession in Mozambique. TotalEnergies EP Mozambique Area 1 Limitada, a step-down subsidiary of TotalEnergies S.A. is the Operator with 26.5% PI.

Offshore Area-1, Mozambique has five discovered gas fields namely, Golfinho-Atum, Prosperidade, Orca, Tubarao-Tigre and Tubarao. Water depth in the concession ranges from 500 m to 1800 m. The Golfinho-Atum field holds ~30.1 Tcf of Recoverable Gas and is currently under development. Plateau Production from the field is planned at ~2 bcf per day. The other fields viz. Prosperidade, Orca, Tubarao, and Tubarao-Tigre - collectively hold ~ 39.9 Tcf of recoverable resources. Following the discovery of vast quantities of natural gas in Rovuma Offshore Area 1, the consortium partners announced a Final Investment Decision (FID) on June 18, 2019 to initially develop a 2x6.56 MMTPA-Train onshore LNG project for monetization of the gas discovered from the offshore Golfinho-Atum discovery area.

The project was on schedule and within budget till March 2021, when due to the security incidents around the Afungi Project Site during end-March 2021, the consortium declared Force Majeure. The Government of Mozambique is working towards the reestablishment of peace and resolving the security situation.

During the year 2024-25, the project has implemented various comprehensive socio-economic initiatives in the area. The Project is currently operating in hybrid mode (preservation along with operations without compromising Facility Management (FM) conditions). There has been an improvement in the security situation and as informed by the Operator, the project is expected to restart after satisfactory assurances regarding the security in the Cabo Delgado province.

Brazil

IBV Brasil Petroleo Limitada (IBV), incorporated in Brazil, a joint venture company of BPRL Ventures BV with 64.35% shareholding, and Videocon Energy Brazil Ltd. (VEBL), step-down subsidiaries of BPRL and Videocon Industries Limited, respectively, currently holds PI in three deep-water blocks in two concessions.

Sergipe Alagoas (BM-SEAL-11) Concession

IBV holds 40% PI in the BM-SEAL-11 concession and the remaining 60% PI is held by the Operator, Petrobras. The Declaration of Commerciality (DoC) was submitted to the Regulator in December 2021. Currently, procurement activities are ongoing with the tender for long lead items i.e Floating Production Storage & Offloading (FPSO) vessel, already been published.

Campos (BM-C-30) Concession

In the BM-C-30 Concession, IBV holds 35.714% PI, and PetroRio Jaguar Petroleo Ltda, as the operator, holds 64.286% PI. IBV initiated arbitration proceedings against the operator in the ICC London regarding the development of the Wahoo Discovery. The final award in April 2024 favored PetroRio. IBV's challenge in the UK High Court was unsuccessful, thus concluding the legal proceedings. IBV is now formulating a strategic roadmap for the concession. Additionally, arbitration with Ovintiv at ICC New York under the Share Sale Agreement has been terminated following a settlement.

Indonesia

BPRL holds 16.2% PI, while PT PertaminaHulu Energi Nunukan Company (PHENC) holds the remaining 83.8% PI and is the operator. The Production Sharing Contract (PSC) signed on December 12, 2004, is valid until 2034. The Minimum Work Program (MWP) under the PSC's exploration phase has been completed. The Revised Plan of Development (POD) for the Badik-West Badik fields has been approved, and the operator plans to complete the Revised Front End Engineering Design (FEED) by December 2025. The Revised POD includes setting up a Mini LNG Plant by the gas buyer, with negotiations underway for the Gas Sales Agreement (GSA).

BLOCKS IN INDIA

Operated Blocks

CB-ONN-2010/8 (Onshore Cambay Basin, Gujarat)

Under the NELP-IX Bid Round, a BPRL-led consortium was awarded the onland block CB-ONN-2010/8 in the Cambay basin. The consortium includes BPRL as the Operator, GAIL (India) Ltd. (Joint Operator), Engineers India Ltd. (EIL), and BF Infrastructure Ltd. (BFIL). During the initial exploration period, two discoveries were made, and the Field Development Plan was approved by the Directorate General of Hydrocarbons (DGH). However, due to unviable project economics, BPRL has submitted a relinquishment proposal to DGH.

CB-ONHP-2017/9 (Onshore Cambay Basin, Gujarat)

The block CB-ONHP-2017/9 in Cambay basin, Gujarat was awarded to BPRL under Open Acreage Licensing Policy (OALP) Bid Round-I, and the Revenue Sharing Contract (RSC) of the block was signed with the Government of India on October 1, 2018. BPRL is the Operator in the block with PI of 60% and ONGC is the partner with 40% PI.

Based on integrated interpretation of seismic and well data of existing wells in the block, drilling of three wells has been completed, including the MWP. Of the three wells, two wells have indicated the presence of Hydrocarbons through testing; however commercial Hydrocarbons could not be established.

CY/ONDSF/Karaikal/2016(Onshore Cauvery Basin, Tamil Nadu)

BPRL was awarded the Karaikal Contract Area in the Discovered Small Field (DSF) Bid Round of 2016 with 100% PI. The Petroleum Mining Lease (PML) for the block is still awaited from the State Government of Tamil Nadu.

Non-Operated Blocks

CY-ONN-2002/2 (Madanam Field, Onshore Cauvery Basin, Tamil Nadu)

BPRL has PI of 40% in an onland block CY-ONN-2002/2 in the Cauvery basin with ONGC being the Operator with 60% PI. During FY 2024-25, 63,337 MT of oil (BPRL share: 25,335 MT) and 29.25 MMSCM of gas (BPRL share: 11.70 MMSCM) has been produced from the block.

CY-ONN-2004/2 (Onshore Cauvery Basin, Tamil Nadu)

BPRL has PI of 20% in this block, and ONGC with PI of 80% is the Operator of the block. The FDP was approved on July 13, 2017 and the first two development wells drilled did not yield the desired results. Geological and Geophysical (G&G) studies have been carried out to understand the hydrocarbon prospectivity.

CB-ONN-2010/11 (Onshore Cambay Basin, Gujarat)

CB-ONN-2010/11, the onshore block was awarded by the Government of India to the consortium, currently consisting of GAIL as Operator, BPRL and EIL. Total crude oil production in FY 2024-25 has been 5382 bbls (724 MT) at the Consortium level (BPRL Share: 213 MT).

AA-ONN-2010/3 (Assam Arakan Basin, Assam)

AA-ONN-2010/3, an onland block was awarded by the Government of India to a consortium consisting of BPRL (20%), OIL (40%) & Operator ONGC (40%) under NELP IX Bid Round. The MWP has been completed and due to complications during drilling of the MWP commitment well SDYA-1, it was plugged and abandoned. The Operator has requested DGH/MoPNG for a three-year extension for drilling of a replacement well in the block.

AA-ONHP-2017/12 (Assam Arakan Basin, Assam and Arunachal Pradesh)

The consortium partners of the block are BPRL (10%), OIL (60%, Operator), IOCL (20%) and Numaligarh Refinery Ltd. (10%). The exploration period has been extended till February 08, 2026. As per the revised committed MWP, all activities viz. 2D and 3D Seismic data Acquisition, Processing and Interpretation are completed except for drilling of one well. The Operator is planning to complete the MWP well.

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Blocks Relinquished During the Year: Nil

BUSINESS PROCESS EXCELLENCE CENTER (BPEC)

The Business Process Excellence Center (BPEC) is a centralized setup for handling various business processes enhancing efficiency, standardization, and optimization of manpower resources across the organization, covering processing of non-hydrocarbon vendor payments including Site Rentals, Road Transportation Payments, Accounts Receivable, Centralized GST, Centralized Payroll, Post-Retirement Benefits.

As a part of digital transformation and automation drive, BPEC has implemented The Digital Invoice Management (DIM) Portal, allowing vendors to upload their invoices seamlessly on a real time basis. Due to BPEC’s constant efforts, 85% invoices are uploaded digitally via the DIM Portal, enhancing transparency, improving turnaround time, and supporting the green initiative.

During the journey towards centralization, BPEC has migrated various allied processes associated with standard processes namely, customer account clearing, collection management, dispute management through enhanced internal controls, improvement in working capital management, meaningful insights through data analytics as well as automation and standardization of processes, resulting in optimum utilization of resources, benchmarking best practices, excellence in execution and commitment for compliance.

BPEC processed 5.78 Lakh vendor invoices amounting to ₹ 39,949 crore, with a substantial number of invoices processed within 10 days of receipt at BPEC.

Recognizing the vital role that Micro, Small and Medium Enterprises (MSMEs) play in socio-economic growth, employment opportunities, eradication of poverty, etc.the Company maintains a commitment in supporting Micro, Small and Medium Enterprises (MSMEs) by strictly adhering to the timelines prescribed under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006. All payments to MSE vendors are effected within the statutory timeframes, reflecting the Company’s dedication to ethical business practices and regulatory compliance through a dedicated team responsible for handling MSE payments. This proactive approach ensures that all invoices from MSE vendors which are complete and in order are processed and paid within the stipulated timelines.

The Company has also implemented Trade Receivables electronic Discounting System (TReDS), which is a digital platform to support MSMEs to get their invoices financed at a competitive rate, facilitating timely payment through

an auction, where multiple registered financiers can participate. BPEC has onboarded all the aggregators in line with the MOU targets. Consequent to the focused efforts for facilitating MSME bill discounting, there has been a considerable increase in the quantum and value of MSME bills discounted for the current year. BPCL discounted ~6,400 invoices valued at ₹ 1,050 crore during the current year, as against ₹ 616 crore during the previous year.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company 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 optimum utilization of resources and protects the Company’s assets and interests of investors. The Company has a clearly defined organizational structure, well-documented decision rights, as well as 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 Company has implemented role-based authorization to ensure necessary controls in ERP, to have a high degree of data integrity and professional standards. The SAP system provides an inbuilt audit trail for all business transactions that have taken place at any point of time. The Company has a whistle-blower policy and an anti-fraud policy to address fraud risks.

The Company’s independent Audit function, consisting of professionally qualified persons from accounting, engineering, IT and marketing domains, reviews 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. The Audit Committee/ Board regularly reviews significant findings of the Internal Audit Department, covering operational, financial and other areas and provides guidance on internal controls, to ensure governance commensurate with the operations of the Corporation.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

S. No.	Ratio Type	Unit	2024-25	2023-24	Variation (in %)	Explanation for Changes
1	Debtors Turnover Ratio	No. of Days	6.46	5.43	18.84%	
2	Inventory Turnover Ratio	No. of Days	32.23	29.21	10.34%	
3	Interest Coverage Ratio (Profit Before Interest and Tax + Depreciation)/ Finance cost	Times	20.77	23.97	-13.35%	
4	Current Ratio	Times	0.82	0.88	-6.94%	
5	Debt-Equity Ratio	Times	0.29	0.25	15.39%	
6	Operating Profit Margin Ratio (OPM) OPM = (Profit before Exceptional Items and Tax minus Other Income)/ Revenue from Operations	%	3.27	6.87	-52.45%	The Operating Profit Margin Ratio has decreased mainly on account of decrease in refinery margins in the current year
7	Net Profit Margin Ratio	%	2.65	5.26	-49.59%	The Net Profit Margin Ratio has decreased mainly on account of lower Profit after Tax
8	Return on Net Worth	%	16.40	35.72	-54.09%	The Return on Net Worth Ratio has decreased mainly on account of lower Profit after Tax