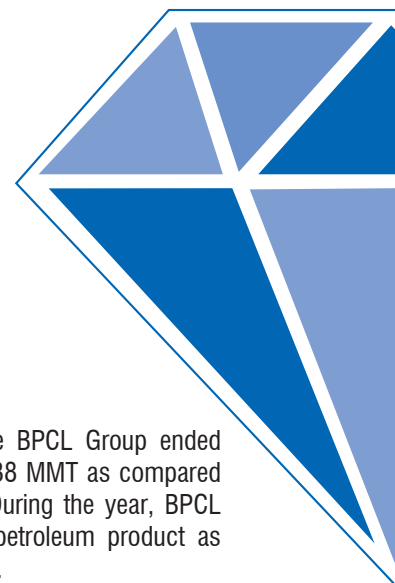


DIRECTORS' REPORT



The Board of Directors takes pleasure in presenting its Report on the performance of Bharat Petroleum Corporation Limited (BPCL) for the year ended 31st March, 2018.

PERFORMANCE OVERVIEW

Group Performance

During 2017-18, the aggregate Refinery throughput of BPCL's Refineries at Mumbai and Kochi, along with its Subsidiary Company, Numaligarh Refinery Limited (NRL) and considering 50% throughput of Joint Venture Company, Bharat Oman Refineries Limited (BORL), was 34.72 Million Metric Tonnes (MMT) as compared to

31.24 MMT during 2016-17. The BPCL Group ended the year with Market Sales of 41.38 MMT as compared to 37.74 MMT during 2016-17. During the year, BPCL Group's exported 2.02 MMT of petroleum product as against 2.50 MMT during 2016-17.

During this Financial Year, the Group achieved Gross Revenue from Operations of ₹ 2,79,312.70 Crores as compared to ₹ 2,43,747.46 Crores in 2016-17. The Net Profit attributable to BPCL stood at ₹ 9,008.63 Crores in 2017-18 as against ₹ 8,720.94 Crores in the previous year. The Group has recorded Earnings per Share of ₹ 45.80 in the current year, as against ₹ 44.34 in 2016-17 after setting off the minority interest.

CONSOLIDATED GROUP RESULTS	2017-18	2016-17
Physical Performance		
Crude Throughput (MMT)	34.72	31.24
Market Sales (MMT)	41.38	37.74
Financial Performance		₹ in Crores
Gross Revenue from Operations	2,79,312.70	2,43,747.46
Profit before Depreciation, Finance Costs and Tax	16,955.38	15,560.22
Finance Cost	1,185.74	696.36
Depreciation & amortization expense	2,885.00	2,107.64
Share of profit of equity accounted investee (net of income tax)	1,288.88	943.39
Profit before Tax	14,173.52	13,699.61
Provision for Taxation – Current Tax	3,195.36	3,168.28
Provision for Taxation – Deferred Tax	1,452.24	1,135.60
Short / (Excess) provision for Taxation for earlier years	(265.99)	(111.24)
Net Profit for the year	9,791.91	9,506.97
Minority Interest	783.28	786.03
Net Profit attributable to BPCL	9,008.63	8,720.94
Other Comprehensive Income attributable to BPCL	455.35	332.33
Total Comprehensive Income attributable to BPCL	9,463.98	9,053.27
Group Earnings per share attributable to BPCL (₹)	45.80	44.34

Company Performance

During the year 2017-18, the crude throughput at BPCL's Refineries at Mumbai and Kochi was 28.54 MMT as against 25.39 MMT achieved in 2016-17. The Market sales of the Corporation grew by 9% to 41.21 MMT in 2017-18 from 37.68 MMT in 2016-17.

BPCL's Gross Revenue from Operations for 2017-18 stood at ₹ 2,77,162.23 Crores reflecting an increase

of 14.51% over the previous year's revenues of ₹ 2,42,047.82 Crores. The Profit before Tax for the year was ₹ 11,198.01 Crores as compared to ₹ 11,042.79 Crores in 2016-17. After providing for Tax (including deferred tax) of ₹ 3,278.67 Crores as against ₹ 3,003.49 Crores during the last year, the Profit after Tax for the year stood at ₹ 7,919.34 Crores as against ₹ 8,039.30 Crores in 2016-17.

COMPANY STANDALONE RESULTS	2017-18	2016-17
Physical Performance		
Crude Throughput (MMT)	28.54	25.39
Market Sales (MMT)	41.21	37.68
Financial Performance		₹ in Crores
Gross Revenue from Operations	2,77,162.23	2,42,047.82
Profit before Depreciation, Finance Costs and Tax	14,679.74	13,429.98
Finance Cost	833.25	495.87
Depreciation & amortization expense	2,648.48	1,891.32
Profit before tax	11,198.01	11,042.79
Provision for Taxation - Current Tax	2,110.00	2,210.00
Provision for Taxation - Deferred Tax	1,434.66	904.73
Short/(Excess) provision for taxation of earlier years	(265.99)	(111.24)
Net Profit for the year (A)	7,919.34	8,039.30
Other Comprehensive Income (OCI)	9.11	132.43
Total Comprehensive Income for the year	7,928.45	8171.73
Opening Balance of Retained Earnings (B)	3,074.56	1,422.46
Amount available for disposal (A+B)	10,993.90	9,461.76
The Directors propose to appropriate this amount as under:		
Towards Dividend:		
Final Dividend of previous year	144.62	1,084.63
Corporate Dividend Tax on Final Dividend of previous year	-	169.81
Interim Dividend	3,036.95	4555.43
Corporate Dividend Tax on Interim Dividend	420.49	828.23
For transfer to Debenture Redemption Reserve	297.74	224.58
For transfer to General Reserve	2,400.50	-
Income from BPCL Trust for Investment in Shares	(296.81)	(526.17)
Re-measurements of Defined Benefit Plans (Net of tax)	(24.36)	50.69
Closing Balance of Retained Earnings	5,014.77	3,074.56
Summarized Cash Flow Statement:		
Cash Flows:		
Inflow/(Outflow) from Operating Activities	8,974.67	7,896.93
Inflow/(Outflow) from Investing Activities	(4,749.52)	(10,129.68)
Inflow/(Outflow) from Financing Activities	(4,203.77)	566.56
Net increase/(decrease) in cash & cash equivalents	21.38	(1,666.19)

The Earnings per Share amounted to ₹ 40.26 in 2017-18 as compared to ₹ 40.87 in 2016-17. The Earnings per Share is after adjustment of Bonus Shares issued during 2017-18 and BPCL Trust for Investment in Shares. Internal Cash Generation during the year was higher at ₹ 7,139.42 Crores as against ₹ 5,716.10 Crores in 2016-17 mainly due to higher depreciation and Deferred Tax during 2017-18.

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

BPCL's contribution to the exchequer by way of Taxes, Duties and Dividend during 2017-18 amounted to ₹ 89,725.13 Crores as against ₹ 84,758.84 Crores in the previous Financial Year. As on 31st March 2018, BPCL's Total equity stands at ₹ 34,152.00 Crores as against the previous year's figure of ₹ 29,668.38 Crores.

Dividend

The Board of Directors has recommended a Final Dividend of ₹ 7 per equity share (i.e. @ 70% of the paid-up share capital) for the year on the paid-up share capital of ₹ 2,169.25 Crores, which amounts to ₹ 1,830.60 Crores inclusive of ₹ 312.12 Crores for Dividend Distribution Tax. In addition, Interim Dividend of ₹ 14 per equity share (i.e. @ 140% of the paid up share capital) totalling ₹ 3,457.44 Crores, inclusive of ₹ 420.49 Crores for Dividend Distribution Tax was declared and distributed during the year.

Bonus Shares

During the Financial year 2017-18, the Corporation has issued Bonus Shares in the ratio of 1:2 by capitalisation of General Reserves.

Transfer to Reserves

It is proposed to transfer ₹ 2,400.50 Crores to the General Reserve and ₹ 297.74 Crores to the Debenture Redemption Reserve out of the amount available in Retained Earnings.

Divestment of Shares

During the year, the Government of India disinvested 1,35,05,341 equity shares in favour of Bharat 22 ETF

(an exchange traded fund inclusive of PSU stocks). Consequently, the holding of the President of India in the equity share capital was reduced to 54.31% from 54.93%.

Borrowings

Borrowings from banks decreased to ₹ 11,364.43 Crores as at 31st March 2018 from ₹ 11,737.95 Crores as at 31st March 2017. Loans from Oil Industry Development Board stand at ₹ 1,357.94 Crores as at 31st March 2018 as compared to ₹ 1,795.13 Crores at the end of the previous year. Debentures worth ₹ 750 Crores were issued during the year 2017-18. The total Debentures outstanding as at 31st March 2018 were ₹ 1,299.52 Crores. 4.625% US Dollar International bonds issued during 2012-13 of USD 500 Million (equivalent to ₹ 3,238.55 Crores) remained outstanding as on 31st March 2018. 3% Swiss Franc International Bonds issued during 2013-14 of CHF 200 Million (equivalent to ₹ 1,363.01 Crores) remained outstanding as on 31st March 2018. 4% US Dollar International bonds issued during 2015-16 of USD 500 Million (equivalent to ₹ 3,227.22 Crores) remained outstanding as on 31st March 2018.

Deposits from Public

The Corporation has not accepted any deposit from the public during the year. The amount of deposits, matured but unclaimed at the end of the year were Nil. The unclaimed amount is being transferred to the Investor Education and Protection Fund after the respective due dates.

Capital Expenditure

Capital Expenditure (before Cenvat/Tax Credit) including investments in JVCs and exploration through a Subsidiary Company during the year 2017-18 amounted to ₹ 8,997.76 Crores (Budget estimate of ₹ 7,800.64 Crores), as compared to ₹ 16,600.85 Crores during the year 2016-17.

C&AG Audit

The Comptroller and Auditor General of India's (C&AG) comment upon or supplement to the Statutory Auditors' Report on the Accounts for the year ended 31st March 2018 is annexed as Annexure E.

As at 31.03.2018, there are five pending published paras related to the C&AG audit. These relate to extension of credit facility to a defaulter company, implementation of PAHAL (DBTL) Scheme for LPG, payment of stagnation relief to employees, payment towards encashment of employee leave together with employer's share of EPF contribution and payment of shift allowance to executives. The audit objections have been suitably replied to and the same are under their review.

REFINERIES

Mumbai Refinery

Mumbai Refinery achieved the highest ever crude processing of 14.1 MMT and total throughput of 14.29 MMT (crude oil and other feedstocks) as against crude processing of 13.54 MMT & total throughput of 13.60 MMT achieved in 2016-17. This represents a capacity utilization of 119%, as compared to 113.3% in the previous year. Mumbai Refinery achieved the highest ever Gross Refining Margin (GRM) for the year 2017-18 at USD 7.26 per barrel, as compared to USD 5.36 per barrel realized in 2016-17. The overall gross margin for the refinery in 2017-18 amounted to ₹ 5023 Crores (37% higher) as compared to ₹ 3671 Crores in 2016-17.

Kochi Refinery

Kochi Refinery achieved the highest ever crude processing of 14.1 MMT and total throughput of 14.25 MMT (crude oil and other feedstocks) with the successful commissioning of all the process units of the Integrated Refinery Expansion Project as against crude processing of 11.82 MMT & total throughput of 11.79 MMT achieved in 2016-17. This represents a capacity utilization of 115%, as compared to 107.5% in the previous year. The Gross Refining Margin (GRM) for the year also increased to USD 6.44 per barrel, as against USD 5.16 per barrel realized in 2016-17. The gross margin for the Refinery in 2017-18 is ₹ 4,333 Crores (41.5% higher), as against the previous financial year figure of ₹ 3,061 Crores.

PIPELINES

The BPCL Group owns a network of 2,241 km of multiproduct pipelines with design capacity of 17.84 MMT. BPCL Pipelines completed two decades of successful operations & service to Refinery & Marketing SBUs on 29th March 2018. Pipelines have achieved a throughput of 14.97 MMT in the year 2017-18, which is about 6% higher than the previous year. Petroleum product movement through pipelines was 5,728 MMTKM across northern, central, western & southern parts of the country.

In order to meet its commitment towards the environment, the first parcel of BS VI products for National Capital Territory (NCT) was launched from Bina on 30.01.2018. A total of 38 TMT of BS VI products were delivered to Delhi by 31.03.2018.

BPCL Pipelines started pumping ATF ex-Bina Refinery in August 2017 and 36 TMT of ATF has been delivered to the Delhi market till 31.03.2018. This has resulted in additional reduction of carbon footprint equivalent to movement of about 10 BTPN rakes from Bina to Bijwasan.

BPCL is in the process of finalizing its pipeline expansion plan to increase its share of pipeline transportation to 65% by the year 2029-30.

MARKETING

During the year 2017-18, BPCL's market sales volume increased by 9.37% to 41.21 MMT as compared to 37.68 MMT in the previous year. BPCL's market share amongst public sector oil companies stood at 23.75% as at 31st March 2018, as compared to 22.77% as at the end of the previous year.

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

MAJOR PROJECTS

LPG Import Facility at Haldia

Continuous growth in the demand of LPG in the eastern part of UP, requirement of a reliable product source for Eastern Region and evacuation of the additional production of LPG from Kochi Refinery after its expansion, were the triggers to have a dedicated coastal LPG storage facility with a capability of storing Propane, Butane & LPG for an average throughput of 1.0 MMTPA with facility of two 15 TMT Cryogenic storage, 8 Bay TLF Gantry, Flash Gas & Boil Off Gas Compressors and associated Cryogenic Facilities and two 18" Twin Refrigerated Pipeline from Haldia Oil Jetty- 3 to Haldia LPG Terminal.

The project has achieved overall physical progress of 78.6% and the cumulative expenditure on the project is ₹ 426.22 Crores as on 30.06.2018. The project is scheduled for mechanical completion by October 2018.

Irugur Railway Siding

A tank wagon loading Railway Siding at Irugur was envisaged to meet the demand of evacuation of MS / HSD due to expansion of Kochi refinery, with facilities of automated tank wagon loading gantry (621 M for 50 wagons) to handle MS / HSD Pump House & Siding Planning Room. The approval for the tank wagon loading railway siding was given on 22.07.2018 with an approved cost of the project of ₹ 89.90 Crores. The project has achieved overall physical progress of 100% and the cumulative expenditure on the project is ₹ 52.49 Crores as on 30.06.2018. The project is mechanically completed as per schedule on 30.06.2018.

Additional Tankage Works at Devangonhi

BPCL has an existing installation at Devangonhi, but doesn't have sufficient tankage to cater to the marketing & operational requirements of evacuation of MS/HSD

due to expansion of Kochi Refinery. Therefore, it was envisaged to have 4 new tanks viz additional tanks of 2 X 17,500 KL (Floating roof) for MS and 2 X 20,000 KL (Cone roof) for HSD in Devangonhi along with construction of new pump house, associated pipelines, control room and terminal automation with integration of old facilities.

The approved cost of the project is ₹ 121.0 Crores. The project has achieved overall physical progress of 41% and the cumulative expenditure on the project is ₹ 16.92 Crores as on 30.06.2018. The project is scheduled for mechanical completion by December 2018.

POL Terminal, Haveli, Pune

In order to mitigate the supply limitation and infrastructure constraints and reduce dependency of Pune Retail Territory on hospitality arrangement of HPCL to meet BPCL's growing demand for MS/HSD, it was envisaged to have a rail fed POL terminal in Pune. Therefore, 67.93 acres of land was secured at Village Tarde, 25 KM from Pune for a rail fed POL terminal with a capacity of 45,846 KL to store MS, HSD, SKO, Ethanol and Biodiesel with tank wagon unloading railway siding and 12 bay tank lorry filling gantry to feed the Pune market.

The approved cost of the project is ₹ 267 Crores. The project has achieved overall physical progress of 12% and the cumulative expenditure on the project is ₹ 41.07 Crores as on 30.06.2018. The project is scheduled for mechanical completion by July 2020.

LPG Plant at Bolangir

Over the last five years, there has been continuous increase in capacity utilization of LPG bottling plants, primarily driven by BPCL's expansion of LPG supplies and distribution in eastern parts of India. In line with the requirement envisaged and to tap untapped potentials of Odisha market, it was proposed to construct a new 44 TMTA LPG Bottling Plant at Bolangir. Therefore, 23.12 acres of land was secured at Bolangir (295 KM from Bhubaneswar Airport and 12 KM from Bolangir Railway station) to set up an LPG plant with facilities i.e. (3 x 300 MT MSV, 8 Bay TLD, 24 Stn electronic carousel, fire water tanks of 1853 kl capacity).

After getting all the statutory & environmental approvals on 22.03.2018, the project started in September 2019. The approved cost of the project is ₹ 103.12 Crores. The project has started in March 2018. The project has achieved overall physical progress of 17% and the cumulative expenditure on the project is ₹ 2.13 Crores as on 30.06.2018. The project is scheduled for mechanical completion by March 2020.

Heat Traced Pipeline in Mumbai Refinery

The project envisages laying of a Heat Traced Pipeline and associated facilities in Mumbai Refinery for transporting High Pour products. The approved cost of the project is ₹ 193 Crores.

The project has achieved a physical progress of 73.3% and the cumulative expenditure on the project is ₹ 42 Crores as on 31.03.2018. The project is scheduled for mechanical completion by January 2019.

Gasoline Hydro Treatment Unit (GTU) at Mumbai Refinery

The project envisages installation of a Gasoline Hydro Treatment Unit (GTU) to produce 100% BS VI MS. The approved cost of the project is ₹ 554 Crores.

The project has achieved a physical progress of 34.10% and the cumulative expenditure on the project is ₹ 68 Crores as on 31.03.2018. The project is scheduled for mechanical completion by December 2019.

Propylene Derivative Petrochemical Project (PDPP) at Kochi Refinery

The project envisages production of niche petrochemicals utilizing Polymer Grade Propylene produced from the Petro FCCU being set up as part of IREP. The PDPP project envisages production of Acrylic Acid, Oxo Alcohols and Acrylates, utilizing approximately 250,000 MT per annum of Polymer Grade Propylene. The approved cost of the project is ₹ 5246 Crores.

The project has achieved an overall physical progress of 61% and the cumulative expenditure on the project is ₹ 1490 Crores as on 31.03.2018 with scheduled mechanical completion in February 2019.

Heat Traced Pipeline (HTPL) in Kochi Refinery

The project envisages laying of a Heat Traced Pipeline and associated facilities in Kochi Refinery for transporting High Pour products. The approved cost of the project is ₹ 337.06 Crores.

The physical progress is 70.40% and the cumulative expenditure on the project is ₹ 104 Crores as on 31.03.2018. Project is scheduled for mechanical completion by August 2018.

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

The Project MS Block envisages putting up facilities for the production of 100% BS VI grade MS from Kochi Refinery to meet the Auto Fuel Vision and Policy 2025 requirements. The approved project cost is ₹ 3,313 Crores.

The physical progress is 20.01% and the cumulative expenditure on the project is ₹ 142 Crores as on 31.03.2018. The project is scheduled for mechanical completion by October 2019.

Mumbai Manmad Pipeline Re-routing

The project envisages laying of a 50 km long 18" Dia API 5L x 65 pipeline for rerouting of the Mumbai Manmad Pipeline section, construction of 3 Sectionalising Valve stations (SV stations) and associated facilities. The approved cost of the project is ₹ 449.58 Crores

The project has achieved overall physical progress of 50.13% and the cumulative expenditure on the project is ₹ 103 Crores as on 31.03.2018. The project is scheduled for mechanical completion in June 2019.

RESEARCH & DEVELOPMENT

The energy sector is witnessing unprecedented developments and disruptive innovations such as electrical vehicles in the transport sector, biofuels and solar power, which can potentially change our business. Nevertheless, there are burgeoning opportunities for value added petroleum products and petrochemicals. To keep pace with the changing market demand, the Research and Development Centers of BPCL are proactively engaged in development of innovative products / process technologies and cleaner fuels / fuel additives to reduce environmental footprints while improving the Company's profitability.

In line with this prelude, the Corporate R&D Centre at Greater Noida, Uttar Pradesh and Product & Application Development Centre at Sewree, Mumbai are continuously striving for value creation through research activities.

The research work is broadly divided into four categories, as per focus research areas: (a) Technical support to Strategic Business Units (SBUs) (b) Development of energy efficient technologies for fuel and chemical production (c) New product and additive development and (d) Alternative fuels and energy.

The benefits due to research activities are summarized in Annexure A.

The Product and Application Development setup comprises of R&D, Technical Services, Quality Assurance and Original Equipment Manufacturers (OEM) Teams. These units are the backbone for the Lubes Business Unit and provide competitive advantage to Business operations through continuous innovation in the areas of lubricants, new product development, value added services to customers and major OEM tie-ups.

R&D has contributed significantly to the business volume and profitability through development of new grades and alternate formulations. This has helped in increasing our product portfolio and reducing our input cost. The Technical Services Department expended tremendous efforts in the core sector and got our grades proven in core sector industries. Customized oil was developed for steel mills. MAK Center of Excellence Conducted 12 programs for the staff and channel partners and for the first time carried out MAK Tech Know League covering all lubes staff.

The Quality Assurance (QA) Department compiled an informative Laboratory HSSE Manual. They also provided seamless support for conversion of BS IV to BS VI fuel (MS & HSD) in the National Capital Region (NCR) area, resulting in the roll out of BS VI fuel within the stipulated time frame of 31st March 2018.

The OEM Team has obtained approval from a leading automotive company for automotive gear oil and engine oils.

NON-CONVENTIONAL ENERGY

To mitigate the climate change threats arising out of use of conventional power and also to meet the nation's target of developing 175 GW power from renewable energy sources, BPCL is now constructing rooftop and ground mounted captive solar plants in 5 installations / depots and 5 LPG plants. The total capacity of these plants will be about 4 MW.

BPCL is also developing hybrid solar plants in 18 Company owned large format retail outlets across India. These plants are being developed as pilot projects, where rooftop solar plants with battery storage will be incorporated. The detailed feasibility and system design study has already been completed and construction of these plants will commence soon.

Rooftop solar units were also installed in 216 retail outlets in FY 2017-18, taking the number of total solarized retail outlets to 1217.

START UP INITIATIVE

BPCL has initiated 'Project Ankur' to promote, develop and nurture a 'StartUp' ecosystem in India. BPCL has initially allocated ₹ 25 Crores for this purpose and this fund is being distributed as grants to deserving applicants. A process has been put in place whereby a six member Committee, consisting of three internal and three external members, decide on the recipients of the grant.

In May 2017, BPCL released a pan India advertisement asking for applications from Indian nationals. A website

was created to receive these applications. BPCL has also signed a Memorandum of Understanding (MOU) for promotion and collaboration on Startups with Kerala Startup Mission, Indian Institute of Technology Madras, Invest India New Delhi, Kalinga Institute of Technology Bhubaneswar and Axilor Venture Bangalore. These MoUs have kept us supplied with a steady stream of applicants.

During the course of the year, BPCL has selected 19 Startups for grant funding of approximately ₹ 20 Crores over a period of 3 years. Some of the selected Startups are helping BPCL solve operational problems in areas such as Refinery shutdowns, inspections, corrosion monitoring, highway mapping, efficient lighting. In addition to the grant funding, BPCL is also providing mentoring and guidance to selected startups. Going forward, BPCL shall continue to support start-ups in a variety of ways including grant funding, exposure, mentoring and guidance.

INDUSTRIAL RELATIONS

The Industrial Relations climate was cordial and harmonious across all locations. BPCL continued its thrust towards maintaining industrial harmony with focus on increased communication, productivity enhancement and employee well-being. All organizational and employee related issues were handled with a collaborative approach and regular communication was established with all employees on all important issues influencing them and the Organization. The Unions and workmen demonstrated their commitment to achieve organizational objectives through constructive partnering in all the processes.

CORPORATE SOCIAL RESPONSIBILITY

In line with the vision of the Company, BPCL strives to 'energise lives' of the communities nationwide through various CSR initiatives. BPCL has contributed towards the goal of achieving sustainable development and made significant progress in the thrust areas of Education, Water Conservation, Skill Development, Health & Hygiene and Community Development. The Company partners with several capable organizations, thereby supporting projects that benefit the underprivileged and marginalised sections of society. CSR initiatives are undertaken based on social, environmental and economic considerations. While the Company continues to undertake new initiatives, BPCL has exited from those projects that have been completed successfully.

Sustaining BPCL's commitment to Education, its flagship projects have been replicated and scaled up where possible. Computer Assisted Learning (CAL) Project is one such project promoting education through digital literacy for students, up to 10th Std. in low income schools of Mumbai and Jaipur. This year, Project CAL has been

replicated in 50 centres located in Municipal Corporation of Greater Mumbai (MCGM) school buildings and 20 schools in Washala, a tribal village in Thane district. The intervention focuses on improving children's learning levels in Mathematics and Language through the use of computers. More than 1 lakh children have been benefitted under this initiative so far. Further, valuing the importance of learning while reading, BPCL has set up 24 libraries covering 3,779 children in Zilla Parishad schools of Uran Taluka, District Raigarh in Maharashtra. These libraries are managed by Children Management Committees in the respective schools. In order to empower Mathematics teachers to facilitate conceptual learning in students, a Mathematics Enhancement Project, 'Ganit Shakti' was taken up in Government schools of Chhattisgarh.

One of BPCL's flagship programs for teacher and headmaster training, "Saksham" has completed its fifth batch successfully. This set of primary/upper primary teachers and headmasters from 64 low income/ Government schools of Mumbai were taken through a series of sessions on various topics, both pedagogical and management-related. This project encourages teachers to use new techniques for teaching, classroom management as well as developing new teaching materials according to the differential needs of the class.

Under Skill Development, the Company focuses on placement/employment-linked skilling of women, unemployed youth and the disabled. One such high impact project was the skilling of 396 leprosy affected youth in various trades like Motor Vehicle Mechanic, Welder, Computer Operator, Programming Assistant, at centres at Nashik, Champa, Faizabad, Bankura, Vadathorasalur and Vizianagaram. In a similar manner, projects have been undertaken for training visually impaired youth in Acupressure and Massage Therapy in Latur, rehabilitation and skilling of street youth in Mumbai and employment linked training to 30 adolescents with autism / intellectual disability in Mumbai.

Moreover, in line with the 'Skill India Mission' of Government of India, BPCL has taken the lead in setting up a state-of-the-art Skill Development Institute (SDI) in Kochi and also participated in and contributed towards other SDIs in Bhubaneswar, Visakhapatnam, Raebareli and Guwahati. These SDIs have been set up to enhance their employability quotient for the Oil & Gas Industry as well as for other Industries requiring skills of a similar nature.

BPCL has nurtured Project BOOND - a water conservation project through rain water harvesting and continued with the same for almost a decade. The major achievement through this project is that it has transformed villages from water scarce to water positive. BPCL has engaged

with communities by supporting formation of village level associations, children's clubs, micro-finance groups or farmer federations, therefore working towards ensuring sustainability. BPCL has successfully reached out, both directly and indirectly, to the communities in the villages through desilting of tanks, supply channels and link channels in the tank chain cascade, strengthening of bunds, check-dams, village ponds, repair /reconstruction of structures for water regulation, setting up roof rain-water harvesting, thereby increasing the availability of water. This project is in operation in the states of Maharashtra, Tamil Nadu, Karnataka and Rajasthan and has covered 38 villages during the year, helping to increase agricultural yield, floriculture and horticulture in the villages, thereby reducing migration.

The Company's Community Development projects are based on extensive need assessment and focuses on providing sustainable solutions that engage the community that is benefitted. BPCL has been supporting the construction of Bio-Gas Plants for rural households, promoting better life for womenfolk by providing a sustainable and non-polluting fuel. Creating similar impact are projects like installation of Solar Street lights in rural areas, which not only serve to electrify rural villages, but also improve safety and convenience for the villagers.

BPCL is conscious that Health and Development are inseparable and the overall economic growth of a community is dependent on its health. The Company has continued sustained efforts in improving access to quality primary healthcare services, which also include projects that reach out to the cancer affected, provide free surgeries and also strengthen the existing healthcare infrastructure across the country. With an objective of reducing the burden of avoidable disability in rural communities, BPCL supported the world's first hospital on a train, the 'Lifeline Express' in providing over 9000 patients with both surgical and non-surgical medical aid, in addition to training healthcare providers. Alongside the targeted healthcare interventions, projects have been undertaken for providing clean drinking water to communities and nutrition to underprivileged children.

BPCL has been relentlessly working towards making the Swachh Bharat programme a great success. The Company's contribution in creating an 'Open Defecation Free' country has been impressive through the construction and renovation of more than 1,950 toilets in schools and communities till date. In an effort to make cities cleaner, BPCL has supported an end to end Solid Waste Management project involving collecting, segregating/processing and recycling of waste at 33 micro-composting centres.

BPCL has also supported preservation of Indian heritage by adoption of the Sri Adi Sankaracharya Janmasthan-Kalady to make it a 'Swachh Iconic Place'. The project includes the management and disposal of sewage/waste water, development of a cultural walkway at Kalady town, creating public sanitation facilities, and provision of clean drinking water.

BPCL was adjudged as the 12th Best Company in Responsible Business Rankings (First among PSUs and the oil industry). Another notable achievement for BPCL was receiving the prize for the 'Best Swachh Iconic Place in India' from the Ministry of Drinking Water and Sanitation for supporting the 'Madurai Meenakshi Temple project.

The Annual Report on CSR activities in the specified format is provided in Annexure B. The CSR Policy may be accessed on the Company's website at the link <https://www.bharatpetroleum.com/social-responsibility/corporate-social-responsibility/policy.aspx>

PROMOTION OF SPORTS

The year 2017-18 was a good year for BPCL sportspersons as they continued to excel in the National as well as International sports arena.

BPCL's renowned Badminton player, Saina Nehwal won the Bronze medal in the World Badminton Championship 2017 at Glasgow, Silver Medal in the Indonesian Open Badminton Tournament and also won the Senior National Badminton Championship 2017 held at Nagpur. Upcoming Badminton player Sameer Verma won the Swiss Open Badminton Tournament at St. Jakobshalle, Switzerland in February 2018. Also, Ruthvika Shivani Gadde won the Gold medal in the Tata Open India International Challenge Badminton Tournament held at Mumbai in December, 2017.

Abhijeet Gupta, an Arjuna Awardee won the Gold Medal in the Commonwealth Chess Championship held at New Delhi. BPCL's leading Chess player, P. Harikrishna is ranked 25th in the World Chess rankings. He continues to be the second highest ranked Indian in the world after the legendary Vishwanathan Anand.

The Company's Snooker player, Manan Chandra won his maiden Gold Medal in the World Team Snooker Championship held at Qatar in March 2018. BPCL's lone archer, Atanu Das has been performing commendably and represented the country in all the major Archery events. BPCL'S Bridge player, Marianne Karmarkar won the Silver Medal in the Bridge Federation of Asia and Middle East Championship and the Bronze Medal in the Asia Cup.

Athlete Joby Mathew won two Gold medals, three Silver medals and one Bronze medal in the World Dwarf Olympic Games held at Canada in August 2017.



Four of BPCL's Hockey players namely Harmanpreet Singh, S.V. Sunil, Lalit Upadhyay and Varun Kumar were part of the Indian team which won the Gold medal at the Asian Championship held at Dhaka in October 2017. Harmanpreet Singh, S.V. Sunil, Lalit Upadhyay, Varun Kumar and Birendra Lakra won the Bronze medal by defeating Germany 2-1 in World Hockey League held at Bhubaneswar in December, 2017.

In Kabaddi, seven of the Company's players viz. Nilesh Shinde, Kashiling Adake, Rishank Devadiga, Nitin Madane, Girish Ernak, Rohit Rana and Vishal Mane were part of the successful Kabaddi Premier League- Season 5. Rishank Devadiga, Girish Ernak and Nitin Madane were part of the Maharashtra Kabaddi team which won the Senior National Championship held at Hyderabad in January, 2018.

In Cricket, Shreyas Iyer was selected in the Indian team for the test match against Australia. The new recruit, Kuldeep Yadav represented the Indian Cricket team in all formats of the game. Manish Pandey, Shreyas Iyer, Sanju Samson represented the Indian team for One Day and T-20 Internationals.

The Volleyball team comprising Tom Joseph, Vibin George, Kiran Philip, Rohith P., Jithin K., Jerome Vinith, Akhin G.S., Ajith Lal and A. Muthu Samy gave an excellent performance by winning all domestic tournaments including the Petroleum Sports Promotion Board (PSPB) Championship. They won the All India Open Volleyball tournaments held at Meerut and Sultanpur.

BPCL's young scholarship players excelled at national and international events in the Junior as well as Open categories. S. Shrikrishna is currently ranked at the no. 1 position in India in both, Junior Billiards and Junior Snooker categories. BPCL also bagged the Second Runners-up "President's Trophy" of PSPB during the year.

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

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

Officer of the Corporation as well as the Liaison Officer of MOP&NG to ensure proper compliance of the Directives.

SC/ST and economically backward students are encouraged by awarding scholarships to students pursuing courses at ITI & Secondary School education up to graduation level.

BPCL also complies with provisions under "The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation), Act 1995 relating to providing employment opportunities for Persons with Disabilities (PWDs).

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

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

The Official Language Implementation Committees continued to function at the Corporate, Regional, Refinery and location levels to take initiatives based on the annual program issued by the Ministry of Home Affairs, besides implementing the provisions of the Official Language Act and Rules. These Committees perform the task of reviewing the progress made in Official Language Implementation on a quarterly basis. All committees have organized meetings as per the rules during this year.

The First Sub-Committee of the Parliamentary Committee on Official Language held inspection visits at six BPCL establishments and the Joint Director of Ministry of Petroleum & Natural Gas held inspection visits at ten BPCL establishments. "Hindi Fortnight" was celebrated during 14th to 28th September, 2017 across all Regions and Refineries. Various contests and cultural programs were organized during this period. For encouraging Hindi language among employees' children, 208 children who obtained 60% or more marks in Hindi in 10th and 12th standard were felicitated with Rajbhasha Awards. BPCL's Annual Report, in-house journal 'Petro Plus' and newsletter 'Journeys' were issued in bilingual format. A majority of the advertisements were also published in bilingual format. Hindi Coordinators' Seminars were organized by all the Regions and Refineries for promotion of Hindi language. Representatives from the Ministry of Petroleum & Natural Gas also participated in these seminars. "World Hindi Day" was organized on 10th January 2018 across all the Regions and Refineries. During the year, Hindi Training and Indic Software Unicode training were conducted for the employees.

BPCL's Co-ordination department at Delhi received a special award from Town Official Language Implementation Committee (TOLIC), Delhi for Best Implementation of Hindi

language during the year. Bareilly LPG Plant, Panipat Installation and Bijwasan Installation received Rajbhasha Awards from their respective TOLICs. Kochi Refinery received the Rolling Rajbhasha Trophy, Overall Champion's Trophy and the Best House Journal Award from TOLIC, Kochi. Southern Regional Office received the first award from TOLIC, Chennai and Chairman's Office received the second award from TOLIC, Mumbai. Eastern Regional Office received the second Rajbhasha Trophy from Department of Official Language, Ministry of Home Affairs.

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

Citizen's Charter

In pursuit of excellence, BPCL is constantly upgrading the service levels offered across every customer interface. Various initiatives are driven by the commitment and desire to enhance customer experience. The Citizen's Charter published on the BPCL website www.bharatpetroleum.in provides details of a range of services offered to the customers, with an overview of the marketing activities of the Corporation, policy guidelines and processes on marketing of petroleum products. It covers the mandate of the Corporation, customer rights with respect to standards, quality, time-frame for service delivery, the grievance redressal mechanism and other such topics. These service levels are revisited from time to time and updated in line with the changing business environment/customer's expectations. In the Corporate Website, there is a separate section on the Citizen's Charter under Important Links.

Public Grievance Redressal (PG)

During the year, BPCL has received 4445 PG references all over India and ensured all replies within the stipulated time as a part of compliance. This was possible at BPCL as there is a well-established grievance redressal framework in each Strategic Business Unit and the same is also being monitored from the Corporate Office. It is an internet based Grievance Redressal Mechanism – centralized Public Grievance and Monitoring System of Government of India, which helps BPCL in speedy redressal of public grievances.

Customer Care System (CCS)

BPCL also has a centralized Customer Care System (CCS) Portal named Smartline where a customer can log complaints, suggestions and feedback and timely redressal of complaints is ensured. CCS is designed to track every interaction with an in-built escalation matrix. It is an interactive platform to customers through dedicated toll free numbers as well as web based access connect

with BPCL. Regular feedback is taken from customers to meet their requirements and enhance service standards.

Right to Information (RTI)

The RTI Act, 2005 was implemented on 12th October 2005 and since then, in this journey of effective RTI implementation of over 12 years, BPCL has handled 33,500 RTI applications, 4,867 first appeals and 880 second appeals to Central Information Commission (CIC). In the beginning, there was a single Central Public Information Officer (CPIO) handling all RTI related matters. With growing awareness, the numbers of RTI applications were increasing and to handle such a large number of RTI applications, BPCL has inducted 88 CPIOs and 12 Appellate Authorities spread across the length and breadth of the country covering major SBUs like Retail, LPG, Aviation, HR, International Trade, Mumbai Refinery and Kochi Refinery. This has been implemented with a view to serve the RTI applicants in an effective manner without any delay.

BPCL is now aligned to the RTI Online Portal of Department of Personnel and Training (DoPT) and also continues to use its old in-house RTI package to attend to old RTI cases which have gone for second appeal. All CPIOs and Appellate Authorities (AAs) along with their staff have been trained to independently handle the RTI Online Portal for addressing RTI applications.

During the year 2017-18, BPCL had received 3,874 RTI queries and replied to them on time. The Company also organized 6 RTI Workshops/training programs for the new and existing CPIOs/AAs and for deemed PIOs to stress the importance of RTI and equip them to handle RTI in true spirit.

Regular interactions are carried out with the CPIOs by providing Guidelines, Circulars, Newsletters and case studies from Corporate Office and on various CIC Decisions to keep them updated, thus ensuring that there is no penalty or stricture passed by CIC. In the Corporate Website, BPCL has a separate section on RTI for better understanding of the public at large.

MICRO & SMALL ENTERPRISES

BPCL has been fully abiding by the Public Procurement Policy (PPP) for MSEs Order 2012 and more than 20% of the annual Goods and Service procurements are done through MSEs as against a target of 20%. All the high value tenders at BPCL are through the press tender route. The General Conditions of Contract (GCC) and General Purchase Conditions (GPC) of press tenders have the Purchase Preference Clause for MSEs. As per the existing PPP for MSEs Order 2012, in any tender,

participating MSEs, who are within a price band of L1+15% will get a portion of the order, provided they match the L1 price. This allocation to MSEs is at least 20%. Further, 20% of this 20% portion i.e. 4% of the total tender quantity is reserved for SC/ST entrepreneurs in the MSE category. The PPP for MSEs Order 2012 also states that in the event of failure of such MSEs, owned by SC/ST, to participate in the tender process or meet the tender requirement and match the L1 price, 4% sub-target shall be met from other MSEs.

BPCL organized 98 vendor meets/ workshops across India at Retail locations, Regional Offices and Refineries to promote the Public Procurement Policy for MSEs. BPCL teams participated in 13 Vendor Development Programmes cum Exhibitions conducted by Micro, Small and Medium Enterprises - Development Institute (MSME-DI), National Small Industries Corporation (NSIC) at Mumbai, Navi Mumbai, Pune, Chandigarh, Panipat, Bhubhaneshwar, Ernakulum, Trivandrum and other places. BPCL representatives also put up a stall during the National Vendor Development Programme at Bhubhaneshwar, Kalady and Palakkad to showcase various products and Services to the vendors. A “Premier Vendor Workshop” was held during November 2017 wherein Dy. Director, MSME-DI, Mumbai made a detailed presentation of benefits of PPP for MSEs Order 2012 to the vendors. A month long “Entrepreneurship Development Programme” was conducted by Mumbai Refinery during April-May 2017 to encourage budding SC/ST entrepreneurs to develop in their respective fields.

The MSE procurement plan for 2017-18 was put up in the BPCL website. It can be viewed at <https://bharatpetroleum.com/Bharat-Petroleum-For/Business-Associates/Vendors.aspx>.

As per mandate of PPP for MSEs Order 2012, a nodal officer in BPCL is already appointed since the year 2012 and the contact details and name is communicated regularly to the MSME Ministry.

For the year 2017-18, the total procurement value for BPCL for Goods and Services, excluding Works Contracts, where MSEs could have participated was ₹ 7,071.94 Crores and the actual procurement value from MSEs was ₹ 1,916.87 Crores, i.e. an achievement of 27.11% as against the target of 20%.

The procurement for Goods and Services excluding Works Contracts from MSE-SC/ST vendors during the year 2017-18 was ₹ 87.85 Crores, i.e. an achievement of 1.24% as against the sub- target of 4%. However, in line with the PPP for MSEs Order 2012, the sub-target was met from other MSEs. BPCL could not achieve the

4% sub-target from MSE-SC/ST since such vendors did not bid/ qualify in as many tenders as may have been required to achieve the desired procurement volumes.

VIGILANCE

As hitherto, Vigilance has focused on and intensified proactive and preventive efforts to promote good governance and ethical standards in all business processes in the organization. Raising awareness has been quintessential and therefore there has been a focus this year on regular interactions with employees and other stakeholders. Vigilance sessions have been held for the new officer trainees to create awareness of various guidelines and standard operating procedures with a purpose of inculcating good governance and an ethical mindset. Discussions and interactions have also been carried out during visits to various Company office locations. These sessions have been taken as a platform to provide guidance and clarifications to officers on Company circulars and guidelines vis-à-vis the guidelines issued by the Central Vigilance Commission (CVC) and the Ministry of Petroleum & Natural Gas. The essence has been to convey the content and rationale for ensuring good governance.

Vigilance has continued its efforts towards preventive vigilance. Surprise inspections, tender files scrutiny, various system studies, Chief Technical Examiner (CTE) type inspections of procurement processes, scrutiny of annual property returns filed by employees and other such activities, have been carried out throughout the year. Complaints with specific reference to those having vigilance overtones followed by investigations have been carried out diligently. The Vigilance function has closely interacted with the Businesses / Entities to ensure all facets are covered while arriving at justified conclusions of cases. In matters referred by CVC and MOP&NG, necessary investigations were carried out and recommendations were given within the prescribed time-frame.

A summary of cases handled by Vigilance during the Financial Year 2017-18 is given below. These complaints/ cases broadly cover issues like Selection of Retail outlet Dealers/ LPG distributors, irregularities committed by Retail outlet Dealers / LPG distributors, Tender / material – service procurement related issues, allegation of misuse of official positions, and similar issues.

Opening Balance (as on 01.04.2017)	Received during the Year	Total	Disposed during the Year	Closing Balance (as on 31.03.2018)
42	64	106	59	47

During the year, Vigilance Officers were deputed for Training Programs for enhancing their knowledge / skills in the work arena. These were focused programs conducted by various Institutions like the Central Bureau of Investigation Training Academy, LNJNI National Institute of Criminology & Forensic Science, Transparency International India.

Vigilance Awareness Week, an annual outreach program instituted by Central Vigilance Commission for the staff of the organizations / departments and general public to rededicate their commitments towards Honesty, Probity and Ethical values every year. This week long observance coincides every year with the birth anniversary of Lohpurush Sardar Vallabh Bhai Patel on 31st October. Shri Vivek Sahai (IRTS) Former Chairman Railway Board and Principal Secretary to Government of India inaugurated Vigilance Awareness Week on 30.10.2017, which was attended by Directors and other senior functionaries.

The integrity Pledge was administered to 15,500 employees on the first day. Efforts were maximized to give wide coverage and enhance participation of the public for their commitment to the vision of 'Corruption Free India' by taking the E-Integrity Pledge on the CVC Website by sending 4 Crore SMS messages in Hindi & English to more than 4 Crore customers, vendors and business associates; playing the message in Hindi & English at Customer Helpline and other IVRS systems, providing the E-Integrity Pledge link on all our corporate websites; printing e-pledge message on all LPG refill invoices and organising several competitions at various Company offices and many schools across the country. These included quizzes, slogans, debates, elocution, crossword programs, besides contests relating to real life incidents of fighting corruption under the broad CVC Vigilance Awareness Week (VAW) 2017 theme 'My Vision - Corruption Free India.' Activities under the "Integrity Clubs "in schools in Kochi, Mumbai, Delhi and Kolkata were intensified and the "Young Champions of Ethics" were rewarded for inculcating righteousness in society. This year, the 8th edition of Vigilance Plus was released and was well received by the stakeholders. This magazine contains articles on good governance, ethics & values, experiences of individuals, poems and highlights of the activities conducted during the year as well as an overview of Vigilance Awareness Week 2017.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Group consists of 5 Indian subsidiaries and 6 foreign subsidiaries as on 31st March 2018. Further, the Company has 23 Joint Venture Companies and Associate

Companies within the meaning of Section 2 (6) of the Companies Act 2013 ("the Act").

Details of Company that has become a Subsidiary during the financial year 2017-18	i) BPRL International Ventures BV
Details of Company that has become a Joint Venture/ Associate during the financial year 2017-18	i) Ratnagiri Refinery and Petrochemicals Ltd ii) Ujjwala Plus Foundation
Details of Company that has ceased to be a Joint Venture/ Associate during the financial year 2017-18	Nil

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

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

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

<https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx>

SUBSIDIARY COMPANIES

NUMALIGARH REFINERY LIMITED (NRL)

NRL was incorporated in 1993 with an authorized share capital of ₹ 1,000 Crores. It is a Category I Mini Ratna company and has a 3 MMTPA refinery at Numaligarh in Assam. Besides the refinery, NRL has two marketing terminals, one at Numaligarh & the other at Siliguri for evacuation of product. NRL also has a 10 TMTPA LPG Bottling Plant at Numaligarh for which capacity was increased from 10 to 42 TMTPA in 2017-18. As on 31st March 2018, the paid up capital of NRL was ₹ 735.63 Crores of which BPCL holds 61.65%. During 2017-18, NRL Crude throughput was 2.81 MMT as compared to 2.68 MMT in the previous year. NRL Revenue from Operations was ₹ 15,923.19 Crores for

the financial year ending 31st March 2018 as compared to ₹ 13,946.92 Crores in the previous year. The company's consolidated profit after tax for the year stood at ₹ 2,041.95 Crores as against profit of ₹ 2,049.83 Crores in the previous year. The earnings per share (EPS) for the year 2017-18 was ₹ 27.76, as compared to ₹ 27.86 in 2016-17. An interim dividend of ₹ 16 per share of face value ₹ 10 each has been paid and the Board of Directors of NRL have recommended a dividend of ₹ 2.50 as final dividend, which will result in total dividend declared of ₹ 18.50 for the current financial year as compared to ₹ 18.60 per share in the previous year. NRL had a net worth of ₹ 4,967.66 Crores as at 31st March 2018.

BHARAT PETRORESOURCES LIMITED (BPRL)

BPRL was incorporated in October 2006, as a 100% subsidiary of Bharat Petroleum Corporation Limited, to cater to the upstream activities of BPCL with an authorized capital of ₹ 3,000 Crores, which has now been increased to ₹ 5,000 Crores. As on 31.03.2018, BPCL's investment is ₹ 4,448 Crores in equity. In addition to this, BPCL has given a loan of ₹ 1,275 Crores to BPRL. BPRL has recorded consolidated income of ₹ 215.95 Crores and a consolidated loss of ₹ 68.72 Crores for the financial year ending 31st March 2018.

BPRL has Participating Interests (PI) in 24 blocks in eight countries along with equity stake in two Russian entities, holding the license to 4 producing assets in Russia. Of the blocks, twelve blocks are in India, six in Brazil, and one each in UAE, Mozambique, Indonesia, Israel, Australia and Timor Leste. All the above blocks are in various stages of exploration, appraisal, pre-development and production. BPRL and its consortia have a total of 26 discoveries in respect of blocks held in five countries i.e. Brazil, Mozambique, Indonesia, Australia and India. BPRL's total acreage holding is around 25,359 sq km, of which approximately 77% is offshore acreage.

BPRL has wholly owned subsidiary companies located in the Netherlands, Singapore and India. The subsidiary located in the Netherlands i.e. BPRL International BV in turn has four wholly owned subsidiary companies viz. BPRL Ventures BV, BPRL Ventures Mozambique BV, BPRL Ventures Indonesia BV and BPRL International Ventures BV. BPRL Ventures BV has 50% stake in IBV Brasil Petroleo Limitada, which currently holds PI ranging from 20% to 40% in six blocks in offshore Brazil. BPRL Ventures Mozambique BV has PI of 10% in a block of Mozambique and BPRL Ventures Indonesia BV holds PI of 12.5% in a block in Indonesia. In the Financial Year 2017-18, BPRL, through BPRL International BV, has formed a wholly owned subsidiary located in the Netherlands i.e.

BPRL International Ventures BV. BPRL International Ventures BV, along with respective subsidiaries of consortium partners comprising ONGC Videsh Ltd. and Indian Oil Corporation Ltd. (IOCL), formed a Special Purpose Vehicle (SPV) i.e. Falcon Oil & Gas BV in the Netherlands, to hold 10% stake in the offshore producing concession in Abu Dhabi namely Lower Zakum Concession. BPRL, through BPRL International Ventures BV, has 30% stake in Falcon Oil and Gas BV. The wholly owned subsidiary (WOS) of BPRL i.e. BPRL International Singapore Pte. Ltd. (BISPL), incorporated in Singapore, along with WOSs of Oil India Ltd. (OIL) and IOCL formed two Joint Venture Companies as SPV i.e. Taas India Pte Ltd and Vankor India Pte Ltd. BISPL holds 33% stake in both the SPVs, which hold stakes in Russian Companies. BPRL has a wholly owned subsidiary company, Bharat PetroResources JPDA Limited in India which holds PI in Block-JPDA06-103, in Timor Leste. The PI in respect of blocks in India and Australia are held directly by BPRL.

PETRONET CCK LIMITED (PCCKL)

PCCKL was originally floated as a Joint Venture Company of BPCL with Petronet India Limited with an authorised capital of ₹ 135 Crores and paid up share capital of ₹ 100 Crores. It became a subsidiary of BPCL in May 2015 and later in July 2016, it became a wholly owned subsidiary of BPCL. The company owns and operates a 292 km long multi product Kochi-Karur pipeline from BPCL's installation of Irimpanam to Karur for transportation of MS, HSD and SKO. The pumping volume during the year 2017-18 was 2.65 MMT as against 2.78 MMT in the previous year. PCCKL registered a turnover of ₹ 105.88 Crores and net profit of ₹ 56.95 Crores for the financial year ending 31st March 2018, as compared to a turnover of ₹ 109.78 Crores and net profit of ₹ 58.41 Crores in the previous year. The EPS for the year stood at ₹ 5.70 as against ₹ 5.84 in 2016-17. During the year, PCCKL filed with Ministry of Corporate Affairs, an application for merger of PCCKL with BPCL. Ministry of Corporate Affairs has approved the same and PCCKL stands merged with BPCL with effect from 01.06.2018. The appointed date of merger is 01.04.2018

BPCL-KIAL FUEL FARM PRIVATE LIMITED (BKFFPL)

BPCL has signed a Joint Venture Agreement with KIAL (Kannur International Airport Ltd.) for implementation of a Fuel Farm at the newly developing Kannur International Airport at Kannur on a 74:26 equity basis. The company has been incorporated on 18.5.2015 and the authorized capital of the company is ₹ 18 Crores. As of now, BPCL has contributed ₹ 5.55 Crores to the BPCL-KIAL venture. The project is nearing completion

and will be commissioned along with Kannur International Airport Ltd.

BHARAT GAS RESOURCES LIMITED (BGRL)

BGRL, a wholly owned Subsidiary Company, was incorporated on 7th June, 2018 primarily to undertake Gas related business, activated with a view to capture the upcoming opportunities and to evolve as a prominent player in the Natural Gas market in future.

JOINT VENTURE COMPANIES AND ASSOCIATES

BHARAT OMAN REFINERIES LIMITED (BORL)

Bharat Oman Refineries Ltd. (BORL) is a Joint Venture between BPCL and Oman Oil Company S.A.O.C (OOC). As on 31st March 2018, it had authorized share capital of ₹ 7,000 Crores and paid up equity share capital of ₹ 1,777.23 Crores, with both BPCL and OOC holding equity stake of 50% each. BPCL has given a loan of ₹ 1,254.10 Crores and subscribed to Share Warrants of ₹ 1,585.68 Crores. Further, the State of Madhya Pradesh has also subscribed to ₹ 26.90 Crores of share warrants in BORL. BPCL has also subscribed to Zero Percent Compulsorily Convertible Debentures of ₹ 1,000 Crores in March 2017.

BORL operates a refinery of 6 MMTA capacity at Bina, Madhya Pradesh. Infrastructure for a crude oil import/supply system consists of a Single Point Mooring (SPM) System, Crude Oil Terminal (COT), at Vadinar, Gujarat and 935 km long cross country crude oil pipeline from Vadinar to Bina (VBPL). The Refinery commenced its commercial operations in June 2011. BORL meets BPCL's product requirements in the northern and central regions of the country.

BORL has undertaken a debottlenecking project to increase its refining capacity from the existing 6 MMTA to 7.8 MMTA and to meet BS VI product quality specifications. The total cost of the project, as approved by the BORL Board, is ₹ 3,072 Crores. As on 31st March 2018, the project is approx. 90% complete. Post commissioning in October 2018, BORL will produce 100% fuels conforming to BS VI standards.

During the year, Bina refinery recorded a crude throughput of 6.75 MMT and an average capacity utilization of 112%. The company has reported Revenue from Operations of ₹ 31,287.48 Crores in the financial year ended as on 31st March 2018, as compared to ₹ 27,059.03 Crores recorded in the previous financial year. The EPS for the year stood at ₹ 2.96, as against ₹ 3.49 in 2016-17. The net profit for the year 2017-18 stood at ₹ 983.71 Crores, as compared to ₹ 808.13 Crores in the previous year.

PETRONET LNG LIMITED (PLL)

PLL was formed in April 1998 for importing LNG and setting up an LNG terminal with facilities like jetty, storage, regasification etc. to supply natural gas to various industries in the country. The company has an authorised capital of ₹ 3,000 Crores and paid up capital of ₹ 1,500 Crores. PLL was promoted by four public sector companies viz. BPCL, IOCL, Oil and Natural Gas Corporation Limited (ONGC) and GAIL (India) Limited (GAIL). Each of the promoters holds 12.5% of the equity capital of PLL. BPCL's equity investment in PLL currently stands at ₹ 98.75 Crores. As at 31st March 2018, PLL had net worth of ₹ 9,811.29 Crores. PLL recorded Revenue from Operations of ₹ 30,598.62 Crores in this financial year, as compared to ₹ 24,616.03 Crores recorded in 2016-17. The net profit for the year stood at ₹ 2,110.44 Crores, as compared to ₹ 1,723.13 Crores in the previous year. The EPS for the year 2017-18 is ₹ 14.07, as compared to ₹ 11.49 in 2016-17. PLL has recommended a dividend of ₹ 4.50 per share for the financial year 2017-18, as against a dividend of ₹ 5 per share in the previous year. The company allotted bonus shares in the ratio of 1:1 in July 2017.

INDRAPRASTHA GAS LIMITED (IGL)

IGL, a Joint Venture Company with GAIL as the other co-promoter, was set up in December 1998 with an authorised capital of ₹ 220 Crores for implementing the project for supply of Compressed Natural Gas (CNG) to the automobile sector and Piped Natural Gas (PNG) to households in Delhi. The paid up share capital of the company is ₹ 140 Crores. BPCL invested ₹ 31.50 Crores in IGL for 22.5% stake in its equity. As on 31.03.2018, IGL has 446 CNG stations and approx. 8.92 lakhs domestic PNG customers in Delhi and NCR. The company is also extending its business in the geographical areas of Rewari, Karnal and Gurugram in Haryana. IGL holds 50% of equity in M/s. Central UP Gas Limited, Kanpur & M/s. Maharashtra Natural Gas Limited, Pune, Joint Venture Companies promoted by BPCL and GAIL. IGL has registered Revenue from Operations of ₹ 5,071.57 Crores and a profit after tax of ₹ 721.72 Crores for the financial year ending 31st March 2018, as compared to a revenue of ₹ 4,222.51 Crores and a profit after tax of ₹ 606.34 Crores in the previous year. The EPS for the year stood at ₹ 10.31, as against ₹ 8.66 in 2016-17. During the year, each equity share having face value of ₹ 10 was sub-divided into five equity shares of ₹ 2 each. IGL has recommended a final dividend of ₹ 2 (previous year interim dividend of ₹ 3.50 and final dividend of ₹ 5) on equity shares of ₹ 2 (previous year ₹ 10) each for the year ending March 2018. IGL's net worth was ₹ 3,646.95 Crores as at 31st March 2018.

SABARMATI GAS LIMITED (SGL)

SGL a Joint Venture Company promoted by BPCL and Gujarat State Petroleum Corporation (GSPC) was incorporated on 6th June 2006 with an authorized capital of ₹ 100 Crores for implementing the City Gas distribution project for supply of CNG to the household, automobiles, industrial and commercial sectors in the districts of Gandhinagar, Mehsana, Aravali, Sabarkantha and Patan of Gujarat. The paid up share capital of the company is ₹ 20 Crores. As at 31.03.2018 BPCL has a stake of 49.94% in the equity capital of SGL. SGL has set up 70 CNG stations. SGL has achieved turnover of ₹ 839.87 Crores and a net profit of ₹ 74.54 Crores for the financial year ending 31st March 2018, as against ₹ 687.49 Crores and ₹ 42.56 Crores respectively for the previous year. The EPS for the year stood at ₹ 37.29 as against ₹ 21.27 in 2016-17. The company has recommended a dividend of ₹ 2.50 per share for the financial year ending 31st March 2018, as against ₹ 2 per share in the previous year.

CENTRAL UP GAS LIMITED (CUGL)

CUGL is a Joint Venture Company set up in March 2005 with GAIL as the other partner, for implementing the project for supply of CNG to the household, industrial and automobile sectors in Kanpur and Bareilly in Uttar Pradesh. The company was incorporated with an authorised share capital of ₹ 60 Crores. The joint venture partners have each invested ₹ 15 Crores for an equity stake of 25% each in the company, the balance 50% being held by IGL. CUGL has set up 25 CNG stations. CUGL has achieved Revenue from Operations of ₹ 268.79 Crores and net profit of ₹ 46.10 Crores for the financial year ending 31st March 2018 as against ₹ 240.61 Crores and ₹ 48.49 Crores respectively for the previous year. The EPS for the year stood at ₹ 7.64 as against ₹ 8.06 in 2016-17.

MAHARASHTRA NATURAL GAS LIMITED (MNGL)

MNGL was set up in January 2006 as a Joint Venture Company with GAIL for implementing the project for supply of natural gas to the household, industrial/commercial and automobile sectors in Pune and its nearby areas. The company was incorporated with an authorised share capital of ₹ 100 Crores. The paid up capital of the company is ₹ 100 Crores. BPCL and GAIL have invested ₹ 22.50 Crores each in MNGL's equity capital. MIDC, as a nominee of the Maharashtra Govt., has taken 5% equity in the month of June 2015. The balance 50% is held by IGL, JVC. The company has set up 52 CNG stations so far. MNGL has achieved Revenue from Operations of ₹ 660.64 Crores and profit of ₹ 97.69 Crores for the financial year ending 31st March 2018 as against ₹ 535.83 Crores and profit of ₹ 76.56 Crores

respectively in the previous year. The EPS for the year stood at ₹ 9.77 as against ₹ 7.66 in 2016-17.

HARIDWAR NATURAL GAS PRIVATE LIMITED (HNGPL)

BPCL has signed a Joint Venture Agreement with GAIL Gas Limited for implementation of a City Gas Distribution project in the geographical area of Haridwar and formed a Joint Venture Company HNGPL on a 50:50 basis. HNGPL was incorporated on 20th April 2016. So far BPCL has paid ₹ 7.50 Crores as equity contribution.

GOA NATURAL GAS PRIVATE LIMITED (NGGPL)

BPCL has signed a Joint Venture Agreement with GAIL Gas Limited for implementation of a City Gas Distribution project in North Goa and formed a Joint Venture Company on a 50:50 basis. NGGPL was incorporated on 13.01.2017. The project cost for the first five years is ₹ 120 Crores, which will be funded through 30% equity and 70% debt. So far BPCL has paid ₹ 7.50 Crores as equity contribution, with equivalent contribution from GAIL Gas Limited.

BHARAT STARS SERVICES PRIVATE LIMITED (BSSPL)

BSSPL, a Joint Venture Company promoted by BPCL and ST Airport Pte Limited, Singapore was incorporated in September 2007, for providing Into Plane Fuelling services (ITP) at the new Bengaluru International Airport. The authorised and paid up share capital of BSSPL is ₹ 20 Crores. The two promoters have each subscribed to 50% of the equity share capital of BSSPL and BPCL's present investment stands at ₹ 10 Crores. The company commenced operations at the new international airport in Bengaluru from May 2008 and has also incorporated a wholly owned subsidiary, Bharat Stars Services Pvt. (Delhi) Ltd. for implementing ITP services exclusively at the new T3 Terminal of Delhi International Airport. BSSPL is presently providing ITP Services at three open access airports viz. Bengaluru, Mumbai & Delhi T3. It has also taken over the complete operatorship of two BPCL Aviation Fuel Stations (AFS) at Jaipur and Durgapur. In addition, BSSPL also provides ITP Services to BPCL at Calicut, Chennai, Vizag, Ahmedabad, Trivandrum and Delhi T1 Airports. BSSPL has achieved a turnover of ₹ 40.93 Crores and profit of ₹ 5.35 Crores for the financial year ending 31st March 2018, as against ₹ 35.54 Crores and profit of ₹ 5.81 Crores respectively for the previous year. The EPS for the year stood at ₹ 2.58 as against ₹ 2.89 in 2016-17.

DELHI AVIATION FUEL FACILITY PRIVATE LIMITED (DAFFPL)

A Joint Venture Company, DAFFPL has been promoted by BPCL, IOCL and Delhi International Airport Limited (DIAL) for implementing open access Aviation Fuel facility for

the new T3, T2 and cargo terminal at Delhi International Airport. The authorized and paid up share capital of the company is ₹ 170 Crores and ₹ 164 Crores respectively. BPCL and IOCL each have subscribed to 37% of the share capital of the joint venture while the balance 26% has been held by DIAL. DAFFPL has registered a Revenue from Operations of ₹ 139.96 Crores and net profit of ₹ 48.96 Crores for the financial year ending 31st March 2018, as against revenue of ₹ 117.09 Crores and net profit of ₹ 38.34 Crores respectively during the previous year. The EPS for the year stood at ₹ 2.99 as against ₹ 2.34 in 2016-17. The company has paid an interim dividend of ₹ 1.50 per equity share and recommended final dividend of ₹ 0.50 per share for the financial year ending 31st March 2018, as against ₹ 2 per share paid for the previous year.

MUMBAI AVIATION FUEL FARM FACILITY PRIVATE LIMITED (MAFFFPL)

MAFFFPL has been incorporated on 26th February 2010 under the provisions of the Companies Act, 1956 in Maharashtra to implement and manage fuel farm facilities at Chhatrapati Shivaji International Airport (CSIA), Mumbai, including ITP services. It is a Joint Venture Company of Mumbai International Airport Private Ltd. (MIAL), HPCL, BPCL and IOCL each holding 25% stake in the company. Presently, BPCL has invested an amount of ₹ 41.89 Crores towards equity. The company has started its operations from 1st February 2015. MAFFFPL has registered a Revenue from Operations of ₹ 132.09 Crores and net profit of ₹ 47.22 Crores for the year ending 31.03.2018, as against revenue of ₹ 119.49 Crores and net profit of ₹ 26.58 Crores during the previous year. The EPS for the year stood at ₹ 2.97 as against ₹ 1.74 in 2016-17. MAFFFPL has paid a maiden dividend of ₹ 1/- per share during the year.

KANNUR INTERNATIONAL AIRPORT LIMITED (KIAL)

The Government of Kerala has promoted Kannur International Airport Limited (KIAL) as a public limited company to establish and operate airports and allied infrastructure facilities at Kannur and/or other parts of India. KIAL would initially set up an Airport at Kannur in the state of Kerala at an estimated project cost of ₹ 2,418 Crores, of which ₹ 1,500 Crores will be financed through equity and the balance sum of ₹ 918 Crores will be financed by way of borrowings. The paid up share capital of the company as at 31.03.2018 is ₹ 1,059.70 Crores, out of which BPCL has made a contribution of ₹ 216.80 Crores. As on 31st March 2018, the overall physical progress of the airport is close to 96% from the operational perspective and commencement of the Airport is planned in September 2018.

MATRIX BHARAT PTE LIMITED (MXB)

MXB is a Joint Venture Company incorporated in Singapore on 20th May 2008 for carrying out the bunkering business and supply of marine lubricants in the Singapore market, as well as international bunkering including expanding into Asian and Middle East markets. The company has been promoted by BPCL and Matrix Marine Fuels L.P. USA, an affiliate of the Mabanaf group of companies, Hamburg, Germany. The authorised capital of the company is USD 4 million. The company has subscribed 20 lakh shares for an equivalent sum of ₹ 8.41 Crores. Both the partners have contributed equally to the share capital. Matrix Marine Fuels L. P. USA has subsequently transferred their share and interest in the joint venture in favour of Matrix Marine Fuels Pte Limited, Singapore, another affiliate of the Mabanaf group. MXB has achieved revenue of USD 220.24 million and earned a profit of USD 1.88 million for the year ending 31.12.2017 as against USD 263.31 million revenue and a profit of USD 2.71 million in the year 2016.

KOCHI SALEM PIPELINE PRIVATE LIMITED (KSPPL)

BPCL has signed a Joint Venture Agreement with IOCL for implementation of the Kochi-Coimbatore-Salem LPG Pipeline project and formed a Joint Venture Company, KSPPL in January 2015, on a 50:50 basis. BPCL has paid an amount of ₹ 75 Crores towards equity in this JV. The project is presently underway.

GSPL INDIA TRANSCO LIMITED (GITL)

BPCL has signed a Joint Venture Agreement on 30th April 2012 with Gujarat State Petronet Ltd, IOCL and HPCL for laying a 1,747 km Mallavaram-Bhopal-Bhilwara-Vijaipur (MBBVPL) Gas Pipeline. BPCL's equity contribution to this project will be 11% of the total equity capital. The other JV partners will contribute GSPL 52%, IOCL 26% and HPCL 11%. BPCL has made an initial contribution of ₹ 37.40 Crores so far. The company is in the process of acquiring the Right of Way for the pipeline and land for the SV/ RT/ DT stations.

GSPL INDIA GASNET LIMITED (GIGL)

BPCL has signed a Joint Venture Agreement on 30th April 2012 with Gujarat State Petronet Ltd, IOCL and HPCL for laying of a Gas Pipeline to Mehsana-Bhatinda (MBPL) (Pipeline length 1654 km) and Bhatinda-Jammu-Srinagar (BJSPL) (Pipeline length 460 kms). BPCL's equity contribution to this project will be 11% of the total equity capital. The other JV partners will contribute GSPL 52%, IOCL 26% and HPC 11%. BPCL has made an equity contribution of ₹ 42.57 Crores so far. The company is in

the process of acquiring the Right of Way for the Pipelines and land for SV/ RT/ DT stations.

FINO PAYTECH LIMITED (FINO)

BPCL signed a Subscription Agreement with FINO PayTech Ltd. and Shareholders Agreement with FINO and other Investors on 29.07.2016. Pursuant to the said agreements, BPCL had made an investment of ₹ 251 Crores for a 21.1% stake in FINO PayTech Limited. The final RBI License for FINO Payments Bank (FPB) was received on 30.03.2017. FPB has commenced its banking operations with effect from 30.06.2017 and has operationalized 422 branches across India during the year ending 31.03.2018. Revenue from Operations during the year stood at ₹ 360 Crores and consolidated loss for the year 2017-18 was ₹ 167.21 Crores.

PETRONET INDIA LIMITED (PIL)

BPCL has 16% equity participation with an investment of ₹ 16 Crores in PIL which was formed as a financial holding company to give impetus to the development of a pipeline network throughout the country. PIL has promoted Joint Venture Companies for pipelines viz. Vadinar-Kandla, Kochi-Coimbatore-Karur and Mangalore - Hassan- Bangalore. PIL earned other income of ₹ 2.90 Crores and a net profit of ₹ 2.07 Crores for the financial year ending 31st March 2018 as against other income of ₹ 6.21 Crores, exceptional items of ₹ 61.47 Crores and a net profit of ₹ 59.32 Crores during the previous year. The entire stake of PIL in the Joint Venture Companies has been purchased by respective promoter companies viz. PCCKL stake has been taken over by BPCL, PMHB stake has been taken over by HPCL and ONGC and PVKL stake has been taken over by IOCL and RIL. During the year, the paid up share capital was reduced from ₹ 100 Crores to ₹ 1 Crore and ₹ 99 Crores was returned to its promoters. Now, the company would be wound up following the normal legal process.

BHARAT RENEWABLE ENERGY LIMITED (BREL)

BREL was incorporated on 17th June, 2008 for undertaking the production, procurement, cultivation and plantation of horticulture crops such as Karanj, Jathropa and Pongamia trading, research and development and management of all the crops and the plantation including Biofuels in the State of Uttar Pradesh, with an authorized capital of ₹ 30 Crores. The company has been promoted by BPCL with Nandan Cleantech Limited (Nandan Biomatrix Limited), Hyderabad and Shapoorji Pallonji group, through their affiliate, S.P. Agri Management Services Pvt. Ltd. A Company Petition was filed before the Hon'ble High Court of Allahabad (Lucknow Bench) for winding up BREL. By the judgement dated 21.12.2015,

the company was ordered to be wound up and an Official Liquidator to proceed in accordance with the provisions of the Companies Act. All assets and records of the company have been deposited with the Official Liquidator.

RATNAGIRI REFINERY & PETROCHEMICALS LIMITED (RRPL)

RRPL was incorporated on 22nd September 2017 as a Joint Venture Company between BPCL, IOCL and HPCL with an authorised capital of ₹ 400 Crores and paid up capital of ₹ 100 Crores. BPCL has made an initial equity contribution of ₹ 25 Crores. An MOU was signed in April 2018 with Saudi Aramco, who has shown interest in partnership. Further, in June 2018, an MOU was signed between Saudi Aramco and ADNOC to co-invest in the project as overseas investors. Process of acquisition of land through MIDC has begun. Pre-project activities have commenced.

UJJWALA PLUS FOUNDATION (UPF)

A Joint Venture Company was formed for charitable purposes among three PSU Oil Marketing Companies viz. BPCL, HPCL & IOCL (in the ratio of 25:25:50) under Section 8 of the Companies Act, 2013 on a non-profit basis. Incorporated on 21st July 2017, the company will be limited by guarantee and not having any share capital. The non-profit company will receive funds/contributions from organizations or individuals and these will be utilized for release of LPG connections to Below Poverty Level (BPL) households not covered under Pradhan Mantri Ujjwala Yojana. The beneficiaries are identified from the Socio – Economic Caste Census (SECC) 2011 based on certain deprivation criteria.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

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

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

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

MEMORANDUM OF UNDERSTANDING WITH MINISTRY OF PETROLEUM & NATURAL GAS

BPCL, for the 29th successive year, has entered into a Memorandum of Understanding (MOU) for the year 2018-19 with the Ministry of Petroleum & Natural Gas. BPCL has been achieving an “Excellent” performance rating since 1990-91. In 2016-17, BPCL has achieved an “Excellent” rating with a composite score of 90.14%.

BOARD EVALUATION

The provisions of Section 134 (3)(p) of the Act shall not apply to a Government Company in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology. BPCL, being a Government Company, the performance evaluation of the Directors is carried out by the Administrative Ministry (MoP&NG), Government of India, as per applicable Government guidelines.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The provisions of Section 134 (3)(e) of the Act are not applicable to a Government Company. Consequently, details on Company’s policy on Directors’ appointment and other matters are not provided under Section 178 (3) of the Act.

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

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

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

CORPORATE GOVERNANCE

The Report on Corporate Governance, together with the Auditors’ Certificate on compliance of Corporate Governance, is annexed as Annexure D, as required under Listing Regulations and Department of Public Enterprises

Guidelines of Corporate Governance for Central Public Sector Enterprises.

SOCIAL, ENVIRONMENTAL AND ECONOMIC RESPONSIBILITIES AND BUSINESS RESPONSIBILITY REPORT

The Corporation is committed to be a responsible Corporate Citizen in society, which leads to sustainable growth and economic development for the nation as well as all stakeholders. In order to be a responsible business to meet its commitment, the Board of Directors of the Company has adopted and delegated to the Sustainability Committee the implementation of a Business Responsibility Policy based on the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business as issued by the Ministry of Corporate Affairs, Government of India. BPCL’s Sustainability Report is in accordance with the Global Reporting Initiative (GRI).

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

TRANSACTIONS WITH RELATED PARTIES

During the financial year, the Corporation has entered into contracts or arrangements with related parties, which were in the ordinary course of business and on an arm’s length basis. These transactions are not falling under the provisions of Section 188(1) of the Act.

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

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

The Policy on materiality of related party transactions and dealing with related party transactions are available on the Corporation’s website at the link.

<https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Corporation has provided Loans/Guarantees to its Subsidiaries/Joint Ventures and has made Investments

in compliance with the provisions of the Companies Act, 2013. The details of such investments made and loans/guarantees provided as at 31st March, 2018, are given in the notes to the standalone financial statements and in the Disclosures under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in Annexure H.

RISK MANAGEMENT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. In the preparation of the Annual Accounts for the year ended 31st March, 2018, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the annual accounts on a 'going concern' basis;
- e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Vinay Sheel Oberoi and Smt. J. M. Shanti Sundharam were appointed as Additional Directors with effect from 21.9.2017. Further, Dr. (Smt.) Tamilisai Soundararajan was appointed as Additional Director with effect from 28.9.2017. As they have been appointed as Additional Directors, they will hold office till the ensuing Annual General Meeting (AGM). Notices under Section 160 of the Act have been received proposing their names for appointment as Directors at the ensuing AGM.

Shri Rajiv Bansal, Additional Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas, was appointed as Additional Director from 28.11.2017. As he has been appointed as Additional Director, he will hold office till the ensuing AGM. Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing AGM.

Shri K. Padmakar was appointed as Additional Director and as Director (Human Resources) with effect from 1.2.2018. As he has been appointed as Additional Director, he will hold office till the ensuing AGM. Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing AGM.

Dr. K. Ellangovan, Principal Secretary (Industries & IT), Govt. of Kerala, was appointed as Additional Director from 20.3.2018. As he has been appointed as Additional Director, he will hold office till the ensuing AGM. Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing AGM.

Shri K. Sivakumar was appointed as Additional Director on the Board and as Director (Finance) with effect from 1.5.2017. The Shareholders have appointed him as Director (Finance) of the Company at the AGM held on 12.9.2017. He relinquished from the post of Director with effect from 8.5.2018 and took over as ED (Finance) I/c. He was appointed as CFO effective 29.5.2018 by the Board till the position of Director (Finance) is filled in.

Shri P. H. Kurian, Government Nominee Director relinquished the office of Director on 18.4.2017. Shri P. Balasubramanian, Director (Finance) superannuated at the close of office hours on 30.4.2017. Shri Anant Kumar Singh, Government Nominee Director ceased to be a Director on the Board from 28.11.2017. Shri S. P. Gathoo, Director (Human Resources) superannuated at the close of office hours on 31.10.2017.

Shri Paul Antony, Additional Chief Secretary (Industries & Power), Government of Kerala, was appointed

as Additional Director on the Board and Government Nominee Director with effect from 19.4.2017. The Shareholders have appointed him as Director of the Company at the AGM held on 12.9.2017. He relinquished the office of Director on 20.3.2018.

The Directors have placed on record their deep appreciation on behalf of the Board for the valuable contributions made and guidance given by them for the development and progress of the Company's business.

Shri R. Ramachandran, Director (Refineries) will retire by rotation at the ensuing AGM as per the provisions of Section 152 of the Act and being eligible, has offered himself for re-appointment as Director at the said Meeting.

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

DECLARATION OF INDEPENDENCE

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

FAMILIARISATION PROGRAMMES

The Company has adopted a policy for the training requirements of Board Members. The details thereof with the programmes sponsored for familiarisation of Independent Directors with the Company are available at the Company's web link: <https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx>

AUDIT COMMITTEE

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

VIGIL MECHANISM

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

The vigil mechanism provides for adequate safeguards against victimisation of persons who use a mechanism and has provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The details of establishment of such a mechanism are

disclosed in the Company's web link:

<https://www.bharatpetroleum.com/about-bpcl/our-policies.aspx>

NUMBER OF MEETINGS OF THE BOARD

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

EXTRACT OF ANNUAL RETURN

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

STATUTORY AUDITORS

M/s CVK & Associates, Chartered Accountants, Mumbai and M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai were appointed as Statutory Auditors for the year 2017-18 by the Comptroller & Auditor General of India (C&AG) under the provisions of Section 139 (5) of the Companies Act, 2013. They will hold office till conclusion of the ensuing AGM. The Auditors' Report does not contain any qualification, reservation or adverse remark. The said firms have been reappointed as the Statutory Auditors for the financial year 2018-19 by the C&AG.

COST RECORD AND COST AUDIT

The Corporation has prepared and maintained cost records as prescribed under section 148(1) of the Companies Act, 2013 for the Financial Year 2017-18. The Cost Audit Report for the year 2016-17 has been filed with the Ministry of Corporate Affairs on 05.10.2017 in XBRL Format. The due date for filing the Cost Audit Report was 11.10.2017. The Cost Auditors for financial year 2016-17 were M/s ABK & Associates, Mumbai and M/s Bandyopadhyaya Bhaumik & Company, Mumbai.

The same Cost Auditors have been appointed for the year 2017-18. The Cost Auditor shall, within a period of 180 days from the closure of the financial year, forward the Cost Audit Report and the Corporation is required to file the Cost Audit Report within 30 days of receipt of the same.

SECRETARIAL AUDITOR

The Board has appointed M/s Dholakia & Associates, LLP, Company Secretaries to conduct a Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed herewith in Annexure I to this Report.

The Secretarial Audit Report does contain an observation that

- a. The Company did not have sufficient number of Independent Directors on its Board as required under Regulation 17(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI LODR) for the period from 1.4.2017 to 27.9.2017.
- b. The Company did not have a Woman Director on its Board pursuant to second proviso of Section 149(i) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014 and under Regulation 17 of SEBI (LODR) for the period from 1.4.2017 to 20.9.2017.

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

“Bharat Petroleum Corporation Ltd is a Government Company under the Administrative Control of Ministry of Petroleum and Natural Gas. The nomination/appointment of all categories of Directors are done by Government of India in accordance with the laid down guidelines of Department of Public Enterprises. Accordingly, the subject matter of nomination/appointment of adequate number of Independent Directors including Woman Director falls under the purview of the Government of India. We have from time to time communicated to the Ministry of Petroleum & Natural Gas with respect to the requirements of Independent Directors. After receipt of communication from Government of India, BPCL has appointed three Independent Directors including two woman Independent Directors i.e. 2 Independent Directors on 21.9.2017 and one Independent Director on 28.9.2017. Pursuant to these appointments, BPCL has complied with the requirements under the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and DPE guidelines.”

GENERAL

There were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

The Company has not issued equity shares with differential rights / sweat equity shares/ Employee Stock Options.

BPCL has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Accordingly, Internal Complaint Committees have been constituted across the Corporation in all Regional Offices and Refineries. A Committee at the Corporate Level also oversees the functioning of these Committees.

During the year under review, there was one complaint of sexual harassment in respect of our employee. The matter was taken up by the ICC and an enquiry was conducted by them. The report of ICC in the matter is awaited.

ACKNOWLEDGEMENTS

The Directors commend the indefatigable efforts of the employees, which has contributed immensely to the outstanding performance of the Company this year. Their dedication and commitment will stand the organisation in good stead to meet the challenges of the disruptive environment in future.

BPCL has also enjoyed unstinting support and guidance from all the Ministries of the Government of India, particularly the Ministry of Petroleum & Natural Gas. All the stakeholders, especially the customers, business partners and shareowners, have extended tremendous support always, underpinning the success of the Organisation.

The Directors assure of their unwavering focus on the strategic plans of the Company to steer it responsibly to stellar heights.

For and on behalf of the Board of Directors

Sd/-

D. Rajkumar

Chairman & Managing Director

Place: Mumbai

Date: 08.08.2018