

V M V V SANGHA'S



V M K S R VASTRAD ARTS SCIENCE
AND V S BELLIHAI COMMERCIAL
COLLEGE HUNGUND

Project report entitled

**" A PROJECT REPORT ON BHARAT
PETROLEUM CORPORATION LIMITED "**

UNDER GRADUATION OF BACHELOR OF COMMERCE

Submitted by

Miss. SAHANA B BENAL

B.Com-II Semester

Reg ster Number U15IY22C0029

Under the Guidance of

Mr. SHREESHAIL BOMMASAGAR

Lecturer,

Department of commerce

2022-23



DECLARATION

I declare that this project report entitled "**A PROJECT REPORT ON BHARAT PETROLEUM CORPORATION LIMITED**" independent project carried out by me in partial fulfilment of the requirements for the award of the degree of Bachelor of Commerce by the **Rani Channamma University**. The project report has been prepared under the guidance of **.Mr. SHREESHAIL BOMMASAGAR** Co-ordinator Department of in Commerce, **Rani Channamma University, V M K S R VASTRAD ARTS SCIENCE & VS BELLIHAL COMMERCE COLLEGE HUNGUND.**

I have not submitted his project previously to this university or any other university for the award of any degree.


Date :

Place : HUNGUND

S. B. Benal
Miss. Sahana B Benal

CERTIFICATE

This is to certify that **Miss. Sahana B Benal** is a bonafide student of the Department of Commerce, bearing REG NO : U15IY22C0029 during the academic year 2022-23 has satisfactorily completed the project work entitled " **A PROJECT REPORT ON BHARAT PETROLEUM CORPORATION LIMITED** " submitted in partial fulfillment of the requirements for the award of the Degree of Commerce by RANI CHANNAMMA UNIVERSITY under guidance and supervision by **Mr. SHREESHAIL BOMMASAGAR** And Prof. B A KANTHI Head of the Department in Commerce.



Mr. SHREESHAIL BOMMASAGAR
(Coordinator)



Prof. B A KANTHI
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Prof. S K MATH

Principal
Principal

Vijaya Mahantesh Krupaposhit
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CERTIFICATE

This is to certify that the project work on "**A PROJECT REPORT ON BHARAT PETROLEUM CORPORATION LIMITED**" has been carried out by **Miss. Sahana B Benal B. Com II semester** under the guidance of **Mr. SHREESHAIL BOMMASAGAR** Co-ordinator, **Prof. B A KANTHI** Head of the Department in Commerce. towards the partial fulfillment of the requirements for the award of degree of department of Commerce by the **Rani Channamma University** during the year **2022-23**.

Date :
Place :HUNGUND

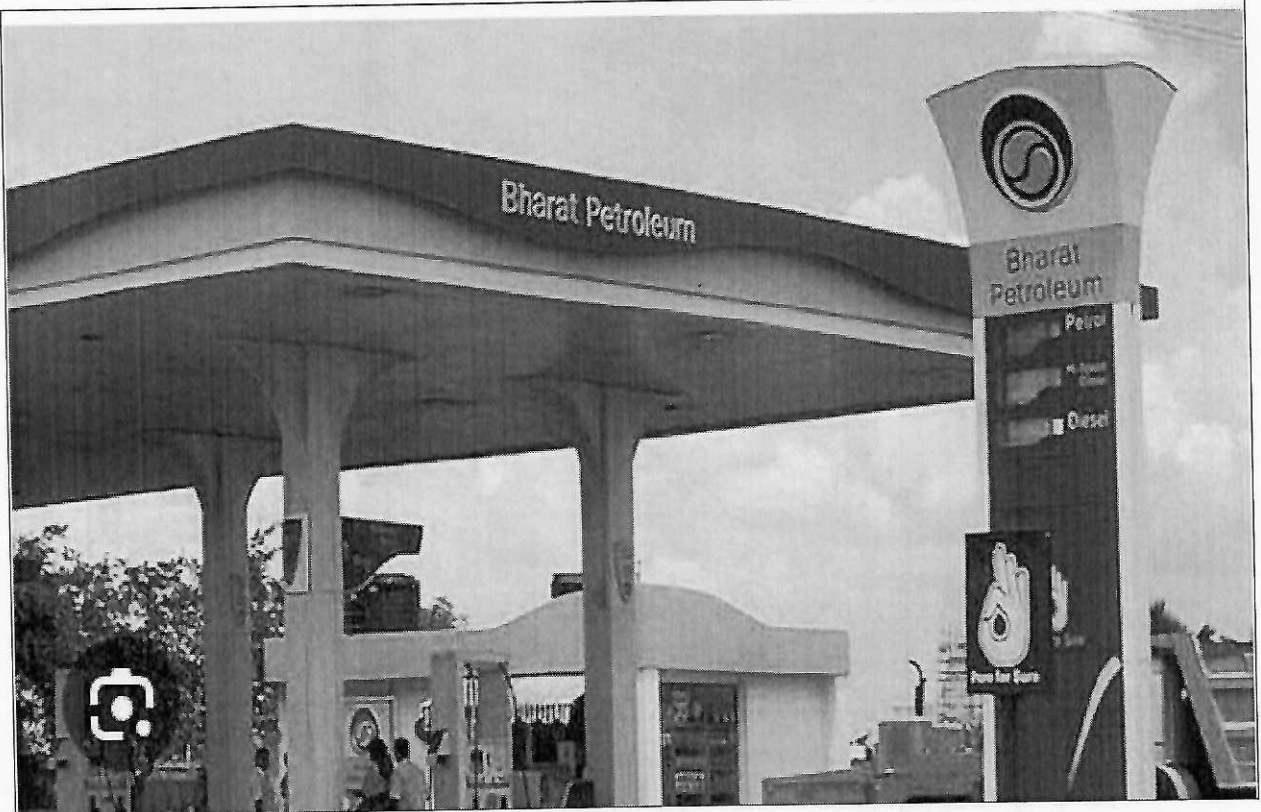

Prof. SHAKUNTALA K MATH
(PRINCIPAL)
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Vijaya Mahantesh Krupaposhit
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**Bharat
Petroleum**

BHARAT PETROLEUM CORP. LTD.



1 Introduction

1.1 Transaction Background and Broad Terms of the Transaction

Bharat Petroleum Corporation Limited ("**BPCL**" or the "**Company**"), a Government of India ("**GoI**") owned and controlled entity, is one of the leading oil companies in India and is present across the hydrocarbon value chain. It primarily operates in oil refining and marketing of petroleum products. It is the 2nd largest oil marketing company and 3rd largest refining company in India. It is a publicly listed company and is the 6th largest among Indian Companies in the Fortune 500 list of 2019. BPCL also has interest in upstream, midstream (pipeline, terminal, tankages) and natural gas businesses.

The GoI is proposing a strategic disinvestment of its entire shareholding in BPCL comprising of 1,14,91,83,592 equity shares held through Ministry of Petroleum and Natural Gas ("**MoPNG**"), which constitutes 52.98%² of BPCL's equity share capital ("**Stake**") along with transfer of management control to a strategic buyer (except BPCL's equity shareholding of 61.65% in Numaligarh Refinery Limited ("**NRL**") and management control thereon), ("**Proposed Transaction**"). The shareholding of BPCL in NRL will be transferred to a Central Public Sector Enterprise ("**CPSE**") operating in the Oil & Gas sector under MoPNG and accordingly is not part of the Proposed Transaction.

BPCL Trust for Investment in Shares holds 20,23,72,422 equity shares of BPCL i.e. 9.33% (treasury shares) for the benefit of BPCL. It is possible that these shares may be retained, cancelled or disposed prior to the Proposed Transaction; and correspondingly the total number of outstanding shares / capital structure of BPCL may change. Notwithstanding any cancellation, the number of shares to be sold in the Proposed Transaction shall remain the same. Further details in this connection shall be provided in the RFP.

The GoI acting through the Department of Investment & Public Asset Management ("**DIPAM**") has engaged Deloitte as Transaction Advisor ("**TA**") for providing advisory services and managing the disinvestment process.

The process for the Proposed Transaction has been divided into two stages, Stage I and Stage II.

² On November 20th, 2019, the Cabinet Committee on Economic Affairs ("**CCEA**") of the GoI had given its in-principle approval for the strategic disinvestment of entire GoI holding in BPCL which was 53.29% of the share capital of BPCL as per public disclosure at that time. Subsequently, as per latest public disclosure, GoI holding in BPCL has changed to 52.98% as on 31st December 2019 on account of part of GoI's shareholding having sold through Bharat-22 ETF. This percentage may increase to 58.43% in case certain shares of BPCL held by BPCL Trust for Investment in Shares are cancelled. However, the number of shares held, and to be sold, by the GoI in the Proposed Transaction will not change and remain firm at 1,14,91,83,592

Stage I: Through this invitation for EoI, the TA is providing the Interested Parties ("IP's") with instructions for submitting their EoIs to the TA, which would be used for pre-qualifying the IPs in accordance with Eligibility Criteria and Disqualification conditions detailed in this invitation for EoI. Only those IPs who qualify in accordance with Eligibility Criteria and Disqualification conditions shall be allowed to participate in Stage-II subject to IP executing Confidentiality Undertaking ("CU").

Stage II: Based on an evaluation of the EoIs submitted, the qualified IPs will be provided with Request for Proposal ("RFP"), and providing further details of BPCL subject to the IP executing the CU as enclosed in **Annexure VII**. Thereafter, financial bids submitted by the qualified IPs as per the terms of the RFP shall be opened and evaluated as per procedure laid down by GoI.

1.2 Contact details for Clarification

All enquiries relating to the Proposed Transaction (submitted on the letterhead of the IP duly signed by its authorized signatory and a scanned copy of such letter should be emailed) should be addressed to the following representative of Deloitte at the common email ID- inprojectfuel@deloitte.com

All communication shall clearly bear the following identification/ title:

"Queries/ Request for Additional Information: PIM for Strategic Disinvestment of Bharat Petroleum Corporation Limited."

IPs should note that all correspondence, enquiries, requests for additional information and clarifications in relation to the Proposed Transaction should be routed and addressed, only to Deloitte at the above email address. Neither GoI nor the Company nor Deloitte shall be responsible in any manner, to reply to any communication directly to the IPs or to respond to any communication sent directly to them by the IPs.

All responses to queries will be provided without revealing the source of the query. Further, GoI, the Company, and Deloitte, reserve the right not to respond to queries or clarifications sought and not to provide information in addition to the information provided herein.

The PIM, or any other clarifications and common communications would be available on the following websites:

- Website of BPCL at <https://www.bharatpetroleum.in>
- Website of DIPAM at <http://dipam.gov.in>
- Website of MoPNG at <http://www.petroleum.nic.in>
- Website of the TA at <https://www2.deloitte.com/in>

The IPs are requested to check the above mentioned websites for any clarifications that may be posted by the TA. Contact details for seeking clarifications is provided below:

Deloitte Touche Tohmatsu India LLP

Sumit Khanna National Head, Corporate Finance sumitkhanna@deloitte.com Phone: +91 22 6185 5090	Rajesh Agarwal Partner, Corporate Finance rragarwal@deloitte.com Phone: +91 22 6185 6440	Sandeep Negi Director, Corporate Finance snegi@deloitte.com Phone: +91-124-669 5028
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Elphinstone Road (W), Mumbai – 400013, India

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Email: inprojectfuel@deloitte.com

1.3 Important Dates

Table 1: Important dates

Sr. No.	Activity	Timelines (weeks)	Date	Time (Indian Standard time)
1	Publication of Advertisement and Release of PIM	T	7 th Mar 2020	NA
2	Last date for submission of written queries on PIM	T + 4	4 th Apr 2020	5:00 pm
3	Last date and time ("EoI Due Date") for submission of EoIs	T + 8	2 nd May 2020	5:00 pm

The above dates may change at the discretion of GoI.

2 Company Overview

2.1 About BPCL

BPCL is one of the leading integrated oil company of India and is majority owned and controlled by GoI. The majority of the income of BPCL is derived from oil refining and marketing of petroleum products. In addition to refining and marketing business, BPCL also has interests in upstream, midstream (pipeline, terminal, tankages) and natural gas businesses. BPCL has highly experienced management and a skilled workforce.

It is the 2nd largest oil marketing company in India with a market share of 21% in FY 19 and 3rd largest refining company in India. It is a publicly listed company.

275th on 2019's Fortune Global 500 list, BPCL is a Maharatna oil and gas Government of India undertaking headquartered in Mumbai, Maharashtra. BPCL is 6th largest public listed company on Fortune India's 500 largest companies by turnover in 2019 and the 2nd largest Indian Oil Marketing Company (OMC) in 2019.

With a strong success record of creating value for its customers & India over its 40+ years of existence, BPCL received the coveted Maharatna status, placing it in the category of government-owned entities in India with one of the largest market capitalization and consistent profits, in September 2017.

BPCL operates four refineries in India, viz. Mumbai Refinery (1955), Kochi Refinery (1966), BOREL-Bina Refinery (Bharat Oman Refineries Limited, a joint venture between Bharat Petroleum and Oman Oil Company) (2011) and Numaligarh Refinery (1999) with a combined crude oil refining capacity of 38.3 MMTPA (766 KBPD). The company business is divided into seven SBUs (Strategic Business Units), viz. Refinery, Retail, Lubricants, Aviation, Gas, Industrial & Commercial and LPG.

BPCL entered the upstream sector in 2003 with an aim to provide partial supply security of crude and hedging of price risks and to become a vertically integrated global oil company. A wholly-owned subsidiary company of BPCL, by the name Bharat PetroResources Limited ("BPRL") was incorporated in October 2006 and BPCL pursues its upstream business through BPRL.

BPCL incorporated Bharat Gas Resources Limited ("BGRL") on 7th June 2018 as its wholly owned subsidiary for focused approach towards building its gas business. BPCL has adopted diversification in Petrochemicals as a strategy for future growth.

BPCL is engaging in value creation, enabling a digital transformation across its business units, exploring, expanding its horizons by venturing into petrochemicals, alternate fuels, battery swapping for electric vehicles, renewable energies and ultimately excelling

in innovation by working closely with start-ups and encouraging its employees to innovate on the business challenges faced.

2.2 History

The Asiatic Petroleum (India) Company was formed in 1903 as a joint venture between the Shell and Royal Dutch oil companies. It operated in Asia in the early twentieth century, essentially to market petroleum products in South Asia.

In 1928, Asiatic Petroleum (India) Company joined up with Burmah Oil Company, an active producer, refiner, and distributor of petroleum products, particularly in Indian and Burmese markets to form Burmah-Shell Oil Storage and Distributing Company of India Limited. Burmah Shell began its operations with the import and marketing of Kerosene, and soon proved itself to be a pioneer in more ways than one.

Post the Second World War, Burmah Shell established up-to-date fuel service and filling stations for its customers. Further, Burmah Shell introduced LPG as a cooking fuel to Indian homes in the mid-1950s.

On 15th December 1951, the Burmah Shell Group signed an agreement with the GoI to build a modern refinery at Trombay, Bombay. Soon after, on 3rd November 1952, Burmah Shell Refineries Limited was incorporated as a private limited company under the Indian Companies Act. The refinery, spread over 454 acres of land, went on-stream on 30th January 1955. Dr. S. Radhakrishnan, the then Vice President of India, declared the 2.2 MMTPA refinery open on 17th March 1955, making it the largest refinery in India then.

On 24th January 1976, the Burmah Shell Group of Companies was taken over by GoI to form Bharat Refineries Limited. On 1st August 1977, it was renamed to Bharat Petroleum Corporation Limited and was the first refinery in the country to process newly found indigenous Bombay High crude. The key events since nationalization highlighting BPCL's journey is presented below:

Important Milestones

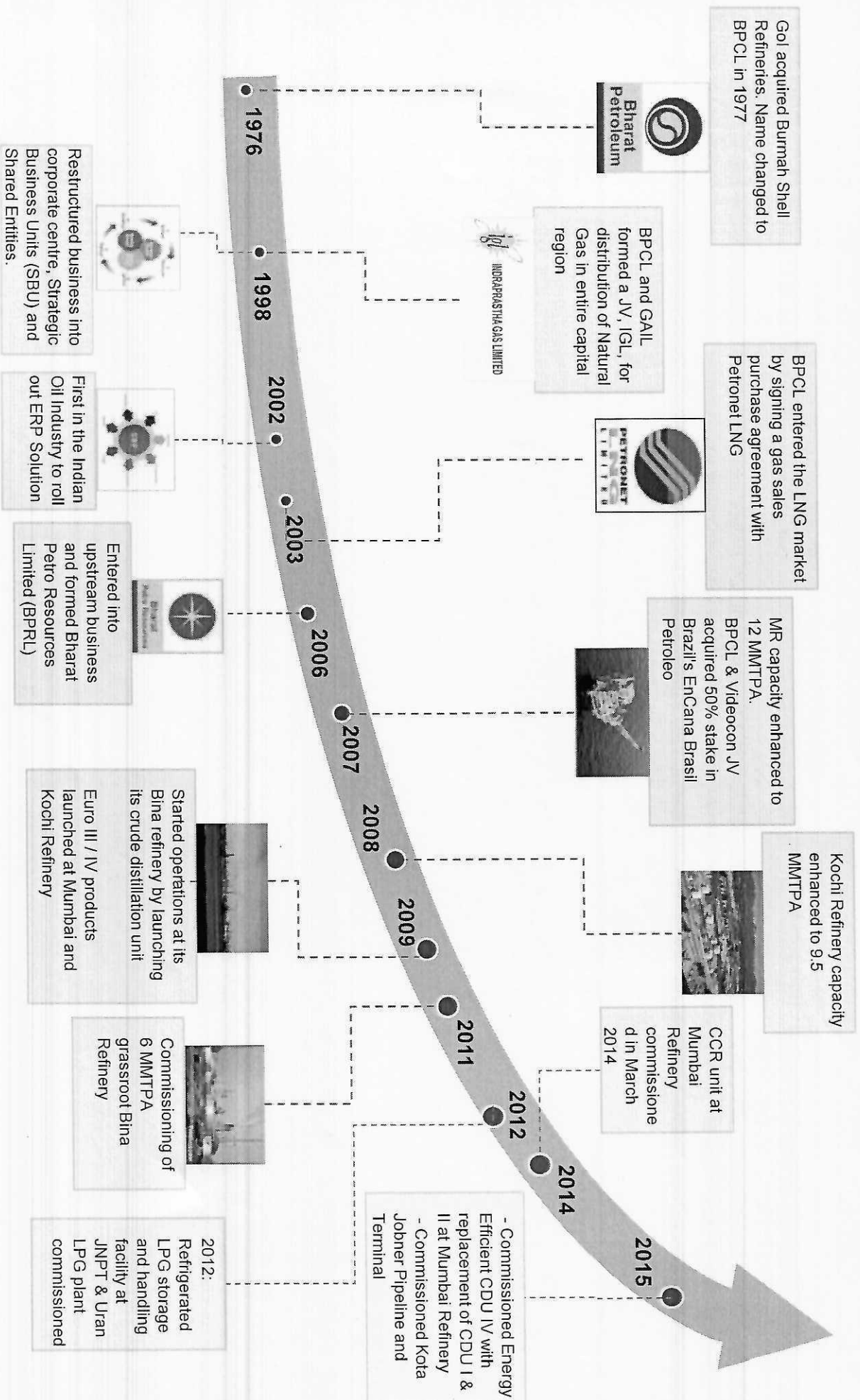
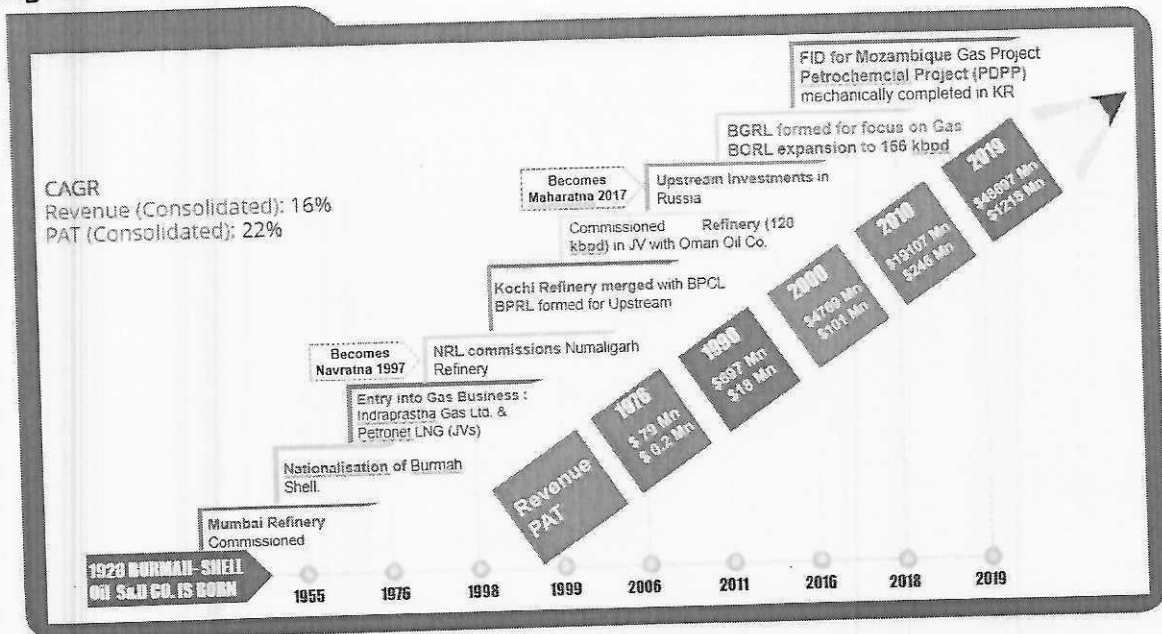


Figure 1 – Timelines



Source: BPCL Investor Presentation of December 2019

2.3 International roots and working with Global Players

BPCL is an Indian company with international presence and a global vision. Since its incorporation, mindful of the trans-border nature of the oil and gas business and the need for India to engage on the world stage for energy security, the company has grown its business in India and also expanded its operations overseas.

Global perspective has been a part of its DNA and BPCL's roots can be traced back to The Asiatic Petroleum Company, which was formed in 1903 as a joint venture between the Shell and Royal Dutch oil companies. In 1928, Asiatic Petroleum (India) and Burmah Oil Company formed the Burmah-Shell Oil Storage and Distributing Company of India Limited and in 1952, Burmah Shell Refineries Limited was incorporated as a private limited company. This company built the (then) largest refinery in India in 1955, 21 years before it was nationalized in 1976 and was re-christened as Bharat Petroleum Corporation Limited (in 1977).

Over the next several decades, BPCL's business lines strengthened and grew in depth and spread. With an unwavering eye on value and a consistent commitment for tapping into the best resource available, BPCL has been actively involved with foreign companies who are 'best in class' in their respective fields. Engaging with world class licensors and EPC contractors for its refinery and other major projects, co-venturing at the equity level for its central India refinery, foraying overseas in the lubricant and bunkering businesses, globally sourcing crude oil and LPG, and engaging world class Consultants and service providers from time to time – all these have imparted a superior value to

the company, distinguishing it from its Indian peers. Amongst all its areas of overseas engagement, perhaps the most pronounced 'global' expression of BPCL has been its upstream business. Spearheaded by a 100% subsidiary since 2006, BPCL, over a span of a few years spread its global footprint across 5 continents and engaged with world class operators and partners including IOCs and NOCs. Early exploration successes demonstrated its ability to work and partner successfully across multiple geographies, fiscal and regulatory regimes and helped in further strengthening the brand name of BPCL across the globe.

Today, BPCL enjoys a rich relationship with several NOCs and IOCs and is well placed to gainfully partner with global companies for its projects and businesses either in India or overseas.

2.4 Incorporation Details

The incorporation details of BPCL are provided below:

Table 2: Incorporation Details - BPCL

Particulars	Description
Name of Company	Bharat Petroleum Corporation Limited (BPCL)
Date of Incorporation	November 3, 1952
Constitution	Public Limited Company
CIN	L23220MH1952GOI008931
Registered office	Bharat Bhawan, Ballard Estate, Mumbai-400001, Maharashtra, India

Source: Ministry of Corporate Affairs website

2.5 Capital Structure and Shareholding Pattern

BPCL has only one class of equity shares of face value of INR 10. There are no outstanding convertible instruments, including ESOPs, which can be converted into equity. The shares of BPCL are listed on two key stock exchanges of India i.e. Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). As on 31st December 2019, the market capitalization of BPCL was INR 106,619 Cr (~USD 15 Bn). The equity share capital of the Company as on 31st March, 2019:

Table 3: Equity Capital Structure

Particulars	No. of Shares (crores)	Equity Share Capital (INR Crore)
Authorized	263.50	2,635.00
Issued, subscribed and paid-up	216.925	2,169.25








Source: Annual Report for FY 2018-19

Major Subsidiaries/ JVs



Key Business Verticals

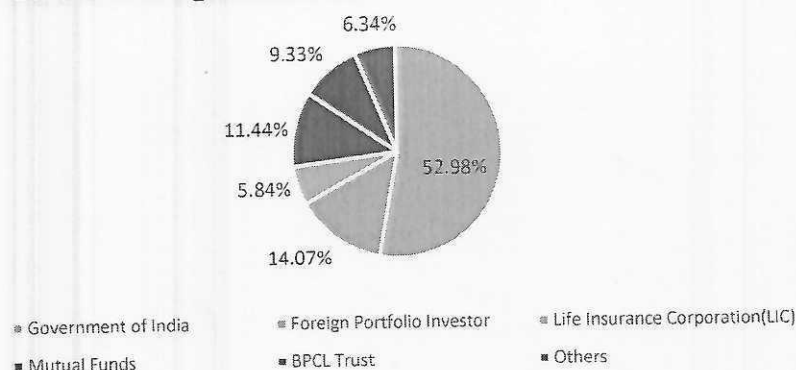
BHARAT PETROLEUM CORPORATION LIMITED

Refinery	Retail	Upstream	Gas	Industrial / Commercial	Lubricants	LPG	Aviation
 <ul style="list-style-type: none"> Refining capacity of 30.5MMTPA 13% of the country's refining capacity⁽¹⁾ 	 <ul style="list-style-type: none"> 27.3% market share* 13,178 retail outlets 114 depots and 13 installations 	 <ul style="list-style-type: none"> Pl in 17 oil & gas blocks 7 blocks in India and 10 overseas 	 <ul style="list-style-type: none"> Currently 54 major LNG customers 	 <ul style="list-style-type: none"> Currently 7,000 customers 	 <ul style="list-style-type: none"> 23.2% market share* Currently 16,000 customers More than 1000+ grades of products 	 <ul style="list-style-type: none"> 25.7% market share* Currently 4,392 distributors 50 LPG bottling plants 	 <ul style="list-style-type: none"> 21.1% market share* in ATF 35 Aviation service stations
<ul style="list-style-type: none"> Strategically located refineries 	<ul style="list-style-type: none"> Pan India presence across products 	<ul style="list-style-type: none"> Global spread into pure play Exploration 	<ul style="list-style-type: none"> Emerging Markets 	<ul style="list-style-type: none"> Reliable, innovative and caring supplier of I&C products 	<ul style="list-style-type: none"> Major OEM the ups such as Tata Motors, Honda, Genuine Oil, TVS etc 	<ul style="list-style-type: none"> Various Innovative offerings with ventures in allied business 	<ul style="list-style-type: none"> Present at all the major gateways & airports for into plane services
<ul style="list-style-type: none"> Four refineries in Mumbai, Kochi, Numaligarh and Bina 	<ul style="list-style-type: none"> Pioneer in branded retail outlets, branded fuels ex: Speed 	<ul style="list-style-type: none"> Only Indian OMC to have made significant discoveries 	<ul style="list-style-type: none"> One JV in LNG and 4 city gas distribution JVs 	<ul style="list-style-type: none"> Pioneer in IT integration and Supply Chain Management 	<ul style="list-style-type: none"> Product customization 	<ul style="list-style-type: none"> Current customer base of 49 mn incl. retail and bulk 	<ul style="list-style-type: none"> Only OMC to implement "Apron Fuel Management System"

(1) Source : Ministry of Petroleum and Natural Gas
 * Market share includes sale by PSU as well as private oil marketing companies. All figures as of 31st December 2015

The shareholding of BPCL as on 31st December, 2019 is as follows:

Figure 2 – Shareholding Structure



Source: BSE website

BPCL Trust for Investment in Shares holds 20,23,72,422 equity shares i.e. 9.33% (treasury shares) for the benefit of BPCL. It is possible that these shares may be retained, cancelled or disposed prior to the transaction; and correspondingly the total number of outstanding shares / capital structure may change. However, the number of shares to be sold in the Proposed Transaction shall remain the same.

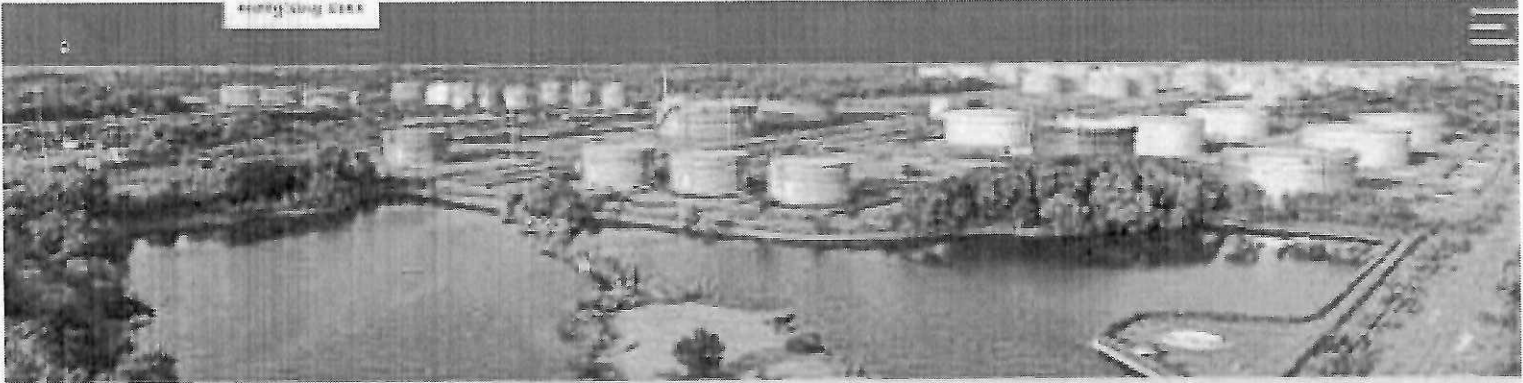
2.6 Board of Directors of BPCL

Board of Directors of BPCL are as follows:

Table 4: Board of Directors of BPCL

Name	Designation
Mr. D. Rajkumar	Chairman & Managing Director
Mr. R. Ramachandran	Director (Refineries)
Mr. K. Padmakar	Director (Human Resources)
Mr. Arun Kumar Singh	Director (Marketing)
Mr. N. Vijayagopal	Director (Finance)
Mr. Rajesh Aggarwal	Government Nominee Director
Dr. K. Ellangovan	Government Nominee Director
Mr. Vishal V Sharma	Independent Director
Ms. Jane Mary Shanti Sundharam	Independent Director
Mr. Vinay Sheel Oberoi	Independent Director
Mr. Harshad P Shah	Independent Director

Source: Company



BOARD OF DIRECTORS | NAVIGATING STRATEGY AND VISION

HOME / ABOUT EPCL / BOARD OF DIRECTORS

Quick Links

Board Of Directors



2.7 Locations

The registered office of BPCL is located at Bharat Bhawan, Ballard Estate, Mumbai-400001, Maharashtra, India. The Mumbai refinery is located at Mahul, Mumbai, Maharashtra while Kochi refinery is located at Ambalamugal, Kochi, Kerala. Apart from these, BPCL owns numerous LPG Bottling Plants, POL Terminals, Aviation Fueling Stations, Retail Outlets, and other infrastructure which are spread across the country.

2.8 Strategic Business Units

BPCL is an integrated oil and gas company with presence across Oil & Gas value chain i.e. upstream, midstream and downstream. A brief synopsis of BPCL's Strategic Business Units (SBUs) is provided below:

Table 5: Strategic Business Units of BPCL

Refinery	Retail	LPG	Industrial/Commercial	Aviation	Lubricants	Gas
<ul style="list-style-type: none"> Refining capacity of 38.3 MMTPA 15% of the country's refining capacity 	<ul style="list-style-type: none"> 25.77% market share 14,802 retail outlets 77 depots /installations 	<ul style="list-style-type: none"> 25.67% market share Currently 6,011 distributors 52 LPG bottling plants 	Currently 8,000+ customers	<ul style="list-style-type: none"> 24.94% market share in ATF 56 Aviation service stations 	<ul style="list-style-type: none"> 22.29% market share Currently 18,000 customers More than 400+ grades of products 	50+ major LNG customers
Strategically located refineries	Pan India presence across products	Various Innovative offerings with ventures in allied business	Reliable, innovative and caring supplier of I&C products	Present at all the major gateways and airports for into plane services	Major OEM tie ups such as Tata Motors, Honda, Genuine Oil, TVS etc.	Emerging Markets
Four refineries in Mumbai, Kochi, Numaligarh and Bina	Pioneer in branded retail outlets, branded fuels ex: Speed	Current customer base of 81 mn incl. retail and bulk	Pioneer in IT integration and Supply Chain Management	Fuel Farm Operations through MAFFFL and DAFFL	Product customization	<ul style="list-style-type: none"> 100% subsidiary BGRL for focus on Gas business City gas distribution networks in 37 GAs

Source: Investor Presentation for Q2, FY 2019-20

Note: Market share includes sale by PSU as well as private oil marketing companies. All figures as of 30th September 2019

- **Refinery**

BPCL along with its joint venture and subsidiaries has 38.3 MMTPA (766 kbpd) refining capacity. It owns 27.5 MMTPA (550 kbpd) directly through Kochi (15.5 MMTPA or 310 kbpd) and Mumbai (12 MMTPA or 240 kbpd) refinery and through a joint venture, Bharat Oman Refineries Ltd. (7.8 MMTPA or 156 kbpd) located at Bina and through a subsidiary, NRL (3 MMTPA or 60 kbpd) located at Numaligarh. As stated earlier, BPCL's entire shareholding in NRL is planned to be disinvested along with management control to a Central Public Sector Enterprise ("CPSE") operating in the oil and gas sector under MoPNG and accordingly is not part of the Proposed Transaction.

During 2018-19, the refineries of BPCL have shown progress in operational performance. The refinery throughput at BPCL's Refineries at Mumbai and Kochi was 31.01 MMT as against 28.54 MMT achieved in the previous year. During the year 2018-19, Bina refinery has completed its debottlenecking project, enhancing the refining capacity from the existing 6.0 MMTPA to 7.8 MMTPA.

- **Retail**

The Retail business of BPCL in the year 2018-19, registered a total market sale of 27.30 MMT, with a growth of 2.6%. BPCL's Retail Outlets are continuously transforming the way Indians fuel their vehicles, with many first time offerings in the Indian market some of them being

- Loyalty platform "Petocard" almost two decades back, when loyalty programs were not even in existence in the country.
- Implementing marquee Pure for Sure (PFS) program that guarantees world-class service and facilities across ROs, today with more advanced features in New Generation PFS, customers are delighted in experiencing a digital way of fueling at BPCL's ROs.
- Introducing Indian customers with Premium Fuels like Speed, Speed-97 petrol, 'Hi-Speed' diesel.
- Concepts like Convenience stores, mega format outlets like "One Stop Struck Shop" or called Ghar offering bouquet of services redefined the services on highway for truckers.

Facilities like "In & Out" convenience stores, ATMs, Vcare-two wheeler & four wheeler quick repair & lubricant changing shops, restaurants make the experience of urban customers more enjoyable. BPCL's outlets in Rural India brings smile to customers by providing "Umang" services – a one stop shop for all their banking needs, government to citizen: e-governance benefits and many other agrarian needs.

Through a strong and expanding network of about 15,000 ROs network, a robust supply chain of Retail Depots/Installations and thousands of KMs of product pipelines, BPCL reaches the toughest terrains of India from Ladakh at -15° C to Churu in Rajasthan State at 50° C to serve millions of customers daily.

- **LPG**

BPCL supplies LPG to retail as well as commercial customers across India. BPCL has 52 LPG bottling plants across India with a bottling capacity in 2018-19 of 4,212 TMTPA. The LPG SBU registered sale of 6.49 MMT. The LPG SBU added 826 Distributors in FY 19, taking the total distributor network to 5,907. Newly added distributors contributed adding 1.2 crores new LPG consumers, taking the total domestic customer base to 8.1 crores.

BPCL's Bharatgas business not only caters to a large base of 80+ million customers with LPG but also provides them with "Beyond LPG" household products & grocery at their doorsteps. Bharat Metal Cutting Gas, a cutting edge innovation is the first choice for oxy-fuel cutting, welding and brazing not only in India but many other countries in South East Asia. Commercial LPG customers are benefitted through advance consulting & technical advisory and fuel management services. With Bharatgas, customers have the liberty to choose from an eclectic set of packaging options from 2 kg Mini cylinder to 422 Kg commercial cylinders.

- **Industrial & Commercial**

In 2018-19, the Industrial & Commercial SBU recorded overall sales of 5.75 MMT and registered growth of 10.5% over previous year. There are currently about 8,000+ customers.

- **Aviation**

BPCL has 56 aviation fuel service stations. The Aviation SBU has recorded sales of 1,989.68 TMT in FY 2019, a growth of 11.1% over last year.

- **Lubricants**

BPCL has 4 lubricant plants. The lubricants segment registered a sale of 0.24 MT during FY 19. There are about 18,000 customers and 400 plus grades of products. Since, the launch of MAK lubricant brand in the early 2000's, customers associate MAK with advance technology, quality products and great value for money. MAK offers a complete range of synthetic, semi-synthetic and mineral oil products for vehicular, marine and industrial applications. Its ubiquitous presence across all channels be it an OEM workshop, a roadside mechanic, BPCL Retail outlets or online e-commerce sites offers a great convenience to customers. MAK Garage initiative helps in upskilling of mechanics and connecting them to customers bringing genuine world class lubricants to their vicinity. The Quick Oil Change machines at Retail Outlets provides daily a speedy oil change solution to thousands of customers across India. MAK works closely with industrial customers in recommending them with the right set of lubricant solutions and technical analysis of their current product life.

- **Gas**

BPCL entered the Gas business with formation of Indraprastha Gas Ltd ("IGL") a JV between BPCL and GAIL India Ltd. ("GAIL") in 1998. Thereafter BPCL was a

part of formation of Petronet LNG Ltd ("PLL") during the same year. With formation of IGL, BPCL stepped into retail marketing as a part of the City Gas Distribution project in the city of Delhi. BPCL made its foray into bulk gas marketing in 2004 after commissioning of PLL's LNG terminal at Dahej. Gas business has grown from the volume of 0.25 MMTPA in 2004 to approx. 1.80 MMTPA during 2018-19.

BPCL's Gas SBU has undertaken various initiatives in order to enhance its Gas business as detailed below:

- a) LNG supply security is ensured through long term tie ups of 0.85 MMTPA valid up to 2028 at Dahej and 0.56 MMTPA valid up to 2036 at Kochi. Also, 1 MMTPA LNG has been tied up from Mozambique starting 2025-26 for a period 15 years.

Besides the long term tie ups, Short Term /Spot volumes ranging from 0.80 to 1.0 MMTPA are tied up based on demand.

- b) BPCL has formed a wholly owned subsidiary BGRL in June 2018 to handle its Gas business. The business transfer is in process.
- c) BPCL has interest in 37 Geographical Areas (GAs) which it operates either as wholly-owned or through JVs with other companies.
- d) BPCL is a consortium partner for developing Mehsana- Batinda-Jammu-Srinagar (MBSJPL) and Mallavram-Bhopal-Bhilwara-Vijaipur pipeline (MBBVPL) Natural Gas pipeline projects.

BPCL is also participating in M/s Indradhanush Gas Grid Ltd (M/s IGGL), through NRL (BPCL's associate company) along with IOCL, ONGC, GAIL, OIL to develop about 1656 km long North-Eastern Region Grid (NER Gas Grid) project.

- e) BPCL is a co-promoter of PLL terminals at Dahej and Kochi. BPCL is also planning to set up a new LNG terminal at Krishnapatnam in Andhra Pradesh.
- f) Liquefied-CNG Pilot Project is being undertaken at Aurangabad, Maharashtra which is expected to be commissioned by June, 2020.

2.9 Upstream Business

Bharat Petro Resources Limited ("BPRL"), a wholly owned subsidiary of BPCL, is the holding company of all the upstream activities of BPCL. As on September, 2019, BPRL and its subsidiaries have Participating Interests ("PI") in 25 blocks in 8 countries along with equity stakes in 2 Russian entities which holds the license to 4 producing assets in Russia. Of the 25 blocks, 13 are located in India and 12 overseas. As of March 2019, BPCL's investment in BPRL was INR 5,000 crores as equity and INR 1,100 crores as loan to BPRL.

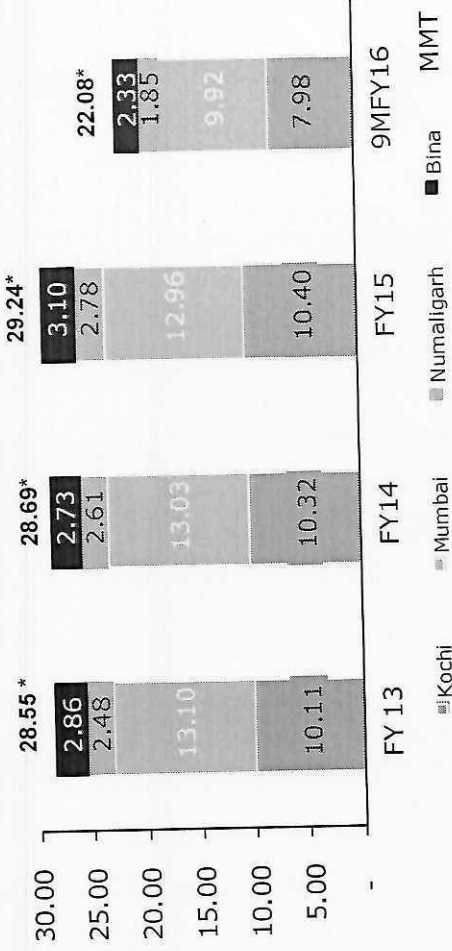
Refining Coverage

Installed Capacity

Refining Capacity



Refining Throughput



- Capacity Utilization consistently above global peers for KR and MR
- State of the art refinery at Bina - High Nelson Complexity Index of 9.1

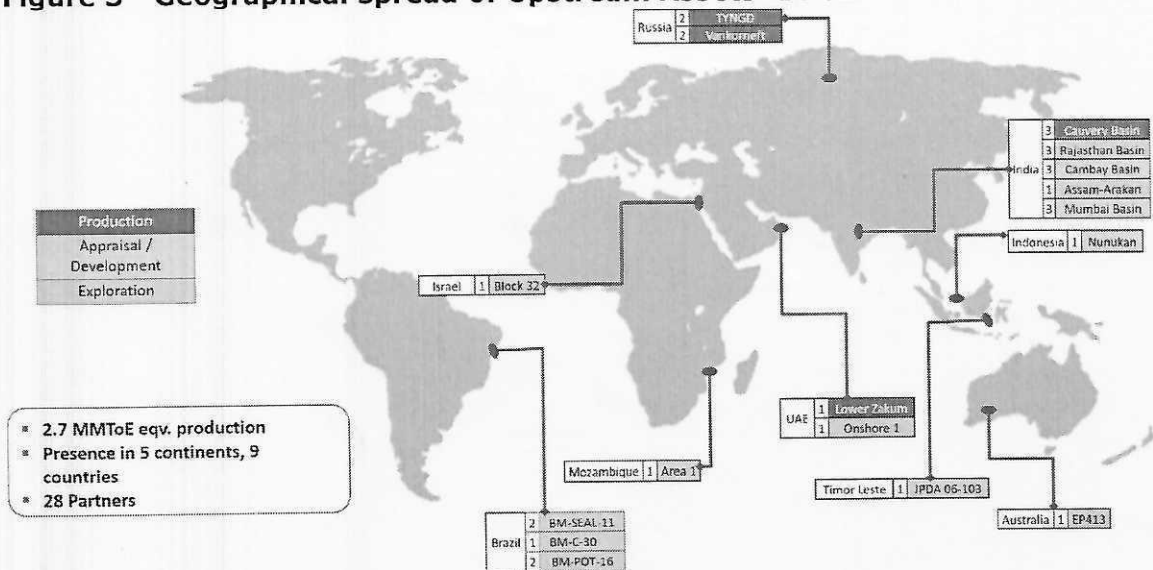
* Bina Refinery throughput is considered proportionately because it's a 50:50 JV

Four Strategically located refineries across India

Refinery Utilization rates significantly above global peers

935-km cross country pipeline to source crude to BORL

Figure 3 - Geographical spread of Upstream Assets- BPCL



Source: BPCL Investor Presentation of December 2019

Table 6: Key Details of Upstream Assets of BPCL

India			
Block	Operator	BPCL Stake	Other Partners
NELP-IV			
CY/ONN/2002/2	ONGC	40.0%	-
NELP-VI			
CY/ONN/2004/2	ONGC	20.0%	-
NELP-VII			
RJ/ONN/2005/1	HOEC, BPRL	33.33%	IMC
NELP-IX			
CB/ONN/2010/11	GAIL, BPRL	25.0%	EIL, BIFL, MIEL
AA/ONN/2010/3	OIL	20.0%	ONGC
CB-ONN-2010/8	BPRL, GAIL	25.0%	EIL, BIFL, MIEL
MB-OSN-2010/2	OIL	20.0%	HPCL
DSF 2016			
CY/ONDSF/KARAIKAL/2016	BPRL	100.0%	-
RJ/ONDSF/BAKHRI TIBBA/2016	BPRL	100.0%	-
RJ/ONDSF/SADEWALA/2016	BPRL	100.0%	-
MB/OSDF/B15/2016	BPRL	100.0%	-
MB/OSDF/B127E/2016	BPRL	100.0%	-
OALP			
CB-ONHP-2017/9	BPRL	100.0%	-

Brazil			
Exploration Block	Operator	BPCL Stake¹	Other Partners
BM-SEAL-11 (3 blocks)	Petrobras	20.0%	Videocon
BM-C-30 (1 block)	BP [#]	17.85%	Videocon, Total
BM-POT-16 (2 blocks)	Petrobras	10.0%	Videocon, Petrogal, BP

¹BPCL's effective stake held through 50:50 JV with Videocon

[#]The operator Anadarko resigned from the operatorship and withdrew from the concession contract in March 2018. BP has been selected as the new operator and formal approval is being obtained from the Regulator for PI redistribution and appointment of new Operator.

Russia			
Asset	Operator	BPCL Stake²	Other Partners
Vankor (2 Blocks)	Vankorneft	7.89%	Rosneft, OIL, IOCL, ONGC
TAAS- Yuryakh (2 Blocks)	TYNGD	9.87%	Rosneft, BP, OIL, IOCL

²BPCL's effective stake held through SPV with OIL and IOCL

Indonesia			
Exploration Block	Operator	BPCL Stake	Other Partners
Nunukan PSC, Tarakan Basin	Pertamina	12.5%	Videocon

Mozambique			
Block	Operator	BPCL Stake	Other Partners
Mozambique Rovuma Basin	Total	10.0%	PTTEP, Mitsui and Co., ENH, OVL-OIL

Australia and East Timor			
Block	Operator	BPCL Stake	Other Partners
JPDA 06-103	Oilex	20.0%	GSPC, Videocon, Japan Energy, Pan Pacific Petroleum
EP-413	Norwest Energy	27.8%	AWE Perth Pty Limited

United Arab Emirates			
Asset	Operator	BPCL Stake³	Other Partners
Lower Zakum	ADNOC	3%	CNPC, INPEX, ENI, Total, Falcon Oil ³ , IOCL
Onshore 1	Urja Bharat	50%	(50:50 SPV of BPRL & IOCL)

³BPCL's effective stake held through SPV with ONGC Videsh and IOCL

Israel			
Block	Operator	BPCL Stake	Other Partners
Block 32	ONGC Videsh	25%	IOCL, OIL

Source: BPCL Investor Presentation of December 2019

Key highlights of the upstream assets are presented below:

- Mozambique - Discovery of Recoverable natural gas of 75 TCF in five discovery areas in Offshore Area 1, Rovuma basin. The consortium has taken Final Investment for the initial 2 train LNG project consisting of two liquefaction trains with total name plate capacity of 12.88 MMTPA (2 x 6.44 MMTPA) utilizing the gas from the offshore Golfinho-Atum field and the project has entered the construction phase.
- Russia - Oil Production of ~16 MMTPA by Vankor and ~3 MMTPA by Taas at the project level.
- UAE- Cumulative production of 144.27 million barrels from the Lower Zakum offshore concession during the year 2018-19 and additionally BPRL in 2019 has been awarded Onshore Block 1 concession as Joint Operator which is currently in the Exploration / Appraisal Stage.
- Indonesia- The Plan of Development ("POD") for the Badik & West Badik fields have been approved, and the exploratory well, Parang-1 drilled in 2017, has a discovery of Gas in 5 zones and Oil in 1 zone which was also ranked amongst the Top 10 discoveries of the world for 2017 by IHS Markit.
- Brazil - Extended Well Testing in BM-SEAL-11 Concession planned and other blocks are in Appraisal / Exploration Stage.
- India - Field Development Plan ("FDP") for two discoveries in BPRL's operated block in Cambay Basin approved by DGH and development activities are ongoing. Production ongoing from non-Operated Madanam block in Cauvery Basin.

2.10 Associated Infrastructure

BPCL owns the following infrastructure in various segments of oil & gas:

- LNG Terminal: BPCL is a JV partner with 12.5% stake in Petronet LNG Limited which owns and operates Dahej and Kochi LNG terminals with about 22.5 MMTPA combined capacity.

As on 31st December, 2019, market capitalization of Petronet LNG Ltd is ~INR 40,200 Cr (equivalent to ~ USD 5,740 Mn Converted at 1USD= INR 70) which makes BPCL stake value in Petronet LNG Ltd ~ INR 5,025 Cr (equivalent to ~ USD 718 Mn Converted at 1USD = INR 70)

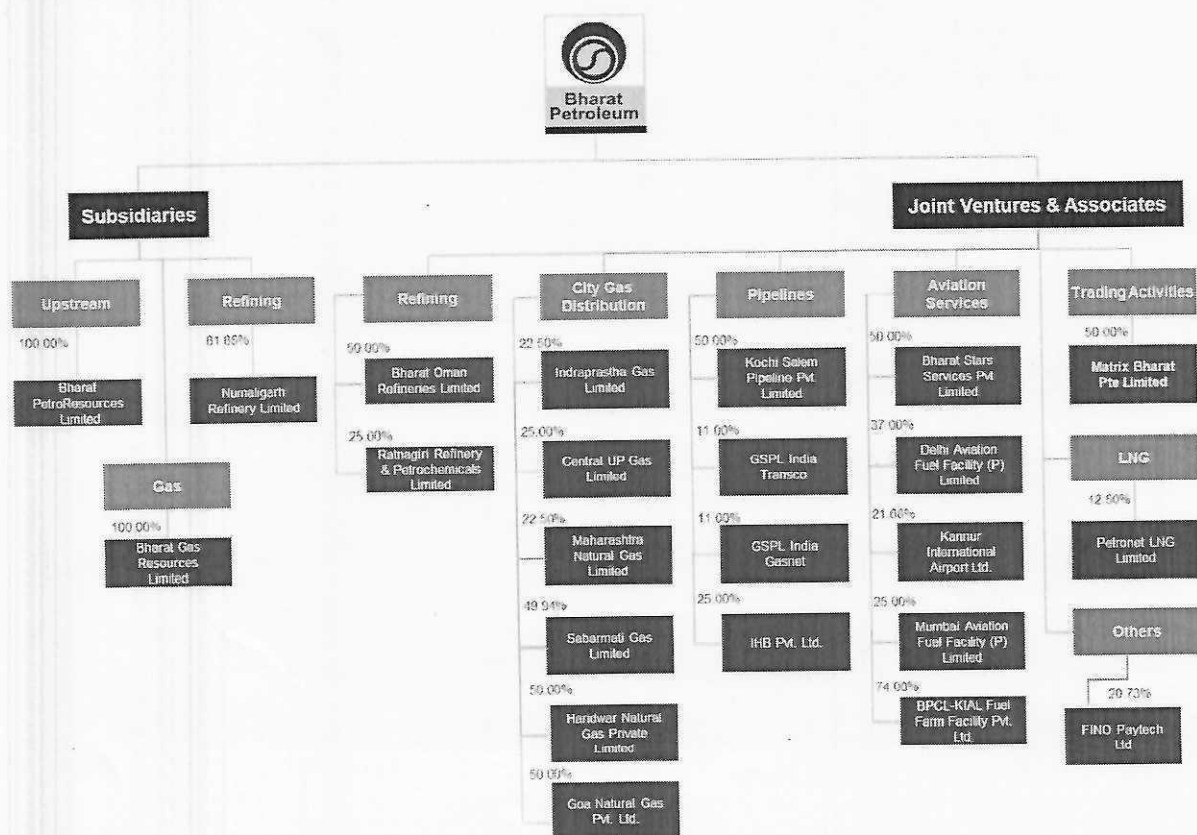
- Pipelines: BPCL owns a network of 2,241 KMs of multiproduct pipelines with design capacity of 17.84 MMTPA. Additionally, BPCL owns through BORL, its joint venture company, 937 KMs pipeline from Vadinar to Bina.

- Tankage: Total tankage of BPCL as at 31st March, 2019 was 4.02 mn KL.
- Depots and installations: BPCL owns as at 31st March, 2019, 77 depots and installations across India.

2.11 Subsidiaries, Joint Ventures and Associates

The major subsidiaries, joint ventures and associates of BPCL with business segments are provided below:

Figure 4 – BPCL major Subsidiary, Joint Venture & Associates



Source: Investor Presentation of December 2019

Of the above, BPCL's share in Numaligarh refinery is planned to be disinvested along with management control to a CPSE operating in the Oil and Gas sector.

In addition to equity investment in Bharat Oman Refineries Ltd. ("BORL"), BPCL has subscribed to Zero Percent Compulsorily Convertible Debentures of INR 1,000 Crores and Share Warrants of INR 1,585.68 Crores which on conversion shall result in BORL becoming a subsidiary of BPCL.

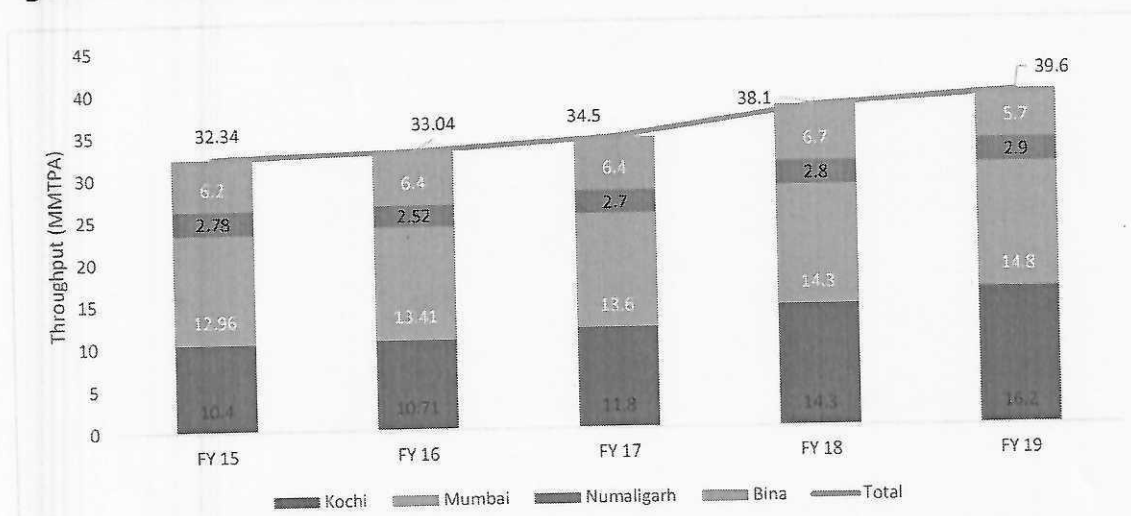
The detailed list of subsidiaries and Joint Ventures is provided in **Annexure XII**

2.12 Operating Performance

2.12.1 Refining

The throughput of BPCL group, including Bina refinery and Numaligarh refinery, has increased from 34.4 MMTPA in FY 2017 to 39.6 MMTPA in FY 2019 recording a CAGR of 4.8%.

Figure 5 – Refining Performance (including Bina & Numaligarh)

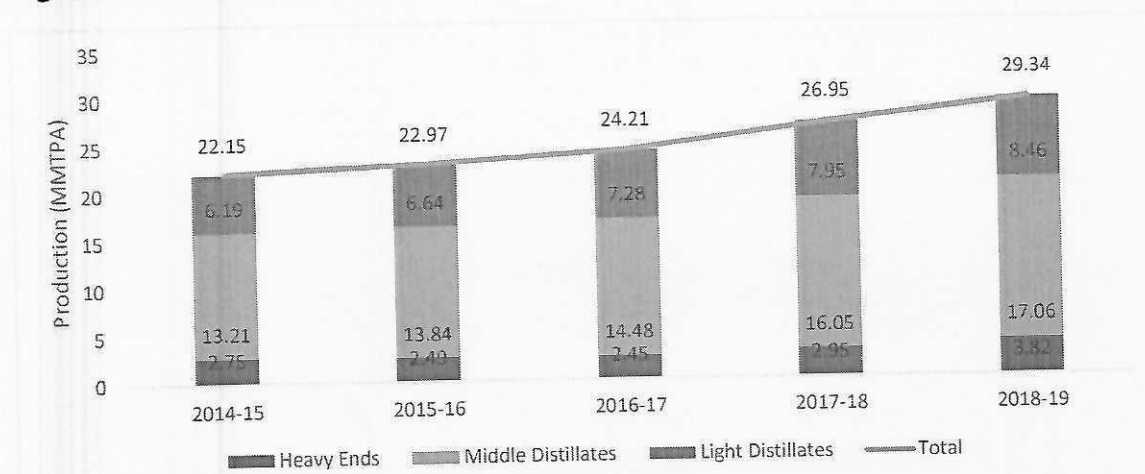


**** For Bina refinery, 100% throughput has been included in the above chart whereas BPCL is a 50% JV partner.**

Source: Annual Report for FY 2018-19

The product wise production volumes for last 5 years of Mumbai & Kochi refineries is presented below:

Figure 6 –Production Volumes



Source: Annual Report for FY 2018-19

Note: The above details does not include production from Bina and NRL

The table below shows the GRM's of BPCL refineries for the last 5 years:

Table 7: Refinery GRM's of BPCL

(USD/Barrel)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Mumbai Refinery	3.97	6.37	5.36	7.26	4.92
Kochi Refinery	3.17	6.87	5.16	6.44	4.27
Bina Refinery	6.10	11.7	11.80	11.70	9.80

Source: PPAC, Annual Report for FY 2018-19 and FY 2017-18

2.12.2 Marketing

The sales volume has increased from 34.45 MMT to 43.07 MMT over the last 5 years.

Table 8: Sales Volume of BPCL

(MMT)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
LPG (Bulk & Packed)	4.51	4.87	5.45	5.99	6.49
Motor Spirit	5.35	6.01	6.41	6.98	7.43
Regasified-LNG	0.82	0.72	0.97	1.31	1.29
Aviation Turbine Fuel	1.26	1.28	1.55	1.79	1.99

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
High Speed Diesel	18.38	19.35	19.10	20.09	20.42
Petcoke	-	0.29	0.42	1.05	1.19
Others	4.13	4.01	3.78	4.00	4.26
Total	34.45	36.53	37.68	41.21	43.07

Source: Annual Report for FY 2018-19, Investor presentation of December 2019

2.13 Financial Performance

An abstract of the audited financial statements of BPCL for the last five (5) years is presented below:

Table 9: Consolidated Balance Sheet of BPCL

Particulars	(INR Cr)					
	01-Apr-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	30-Sep-19
ASSETS						
(1) Non-current assets						
(a) Property, Plant and Equipment	21,973	25,190	33,439	45,261	48,971	55,832
(b) Capital work-in-progress	8,097	12,745	11,763	4,486	7,293	8,635
(c) Investment Property	1	0	0	0	0	0
(d) Other Intangible assets	124	169	245	278	344	335
(e) Intangible assets under development	3,849	4,714	5,071	5,388	6,362	6,897
(f) Investment accounted for using equity method	3,087	3,567	14,962	17,594	18,089	19,810
(g) Financial Assets						
(i) Investments	776	508	693	681	1,019	588
(ii) Loans	5,335	6,238	3,321	4,074	3,829	4,865
(iii) Other financial assets	18	136	46	53	110	169
(h) Income Tax Assets (Net)	59	73	128	407	449	628
(i) Deferred tax assets (Net)				-	4	4
(i) Other non-current assets	1,540	1,636	1,510	1,531	1,679	1,618
Total Non-current assets	44,858	54,975	71,176	79,755	88,149	99,382

Particulars	01-Apr-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	30-Sep-19
(2) Current Assets						
(a) Inventories	16,094	14,644	21,197	22,531	22,935	25,313
(b) Financial Assets						
(i) Investments	5,408	5,326	5,673	5,449	5,799	5,999
(ii) Trade receivables	2,580	2,217	4,804	5,209	6,906	6,122
(iii) Cash and cash equivalents	1,482	2,037	608	594	414	324
(iv) Bank Balances other than Cash and cash equivalents	1,807	2,166	1,277	760	248	645
(v) Loans	65	63	78	270	1,685	303
(vi) Other financial assets	6,186	4,133	3,307	4,583	9,416	5,251
(c) Current Tax Assets (Net)	139	8	34	55	33	309
(d) Other current assets	551	842	922	1,131	1,331	1,335
Total Current Assets	34,311	31,436	37,899	40,583	48,768	45,600
(3) Assets held for sale	16	11	11	18	14	15
TOTAL ASSETS	79,185	86,422	1,09,086	1,20,356	1,36,930	144,997
<u>EQUITY AND LIABILITIES</u>						
Equity						
(a) Equity Share Capital (net of treasury stock)	656	656	1,311	1,967	1,967	1,967
(b) Other Equity	22,753	27,138	29,509	34,652	36,798	38,500
Equity attributable to owners	23,409	27,793	30,820	36,619	38,765	40,467
Non-Controlling interests	1,454	1,678	1,958	1,905	2,070	2,275
Total Equity	24,862	29,472	32,778	38,524	40,835	42,742
Liabilities						
(1) Non-current liabilities						
(a) Financial liabilities						
(i) Borrowings	14,952	21,097	23,255	28,904	34,316	41,333
(ii) Other financial liabilities	73	63	65	59	57	55
(b) Provisions	1,404	1,653	1,496	1,393	1,538	1,582
(c) Deferred tax liabilities (net)	2,505	3,072	4,055	5,522	6,792	6,786

Particulars	01-Apr-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	30-Sep-19
(d) Other non-current liabilities	46	70	138	143	284	314
Total Non-current liabilities	18,981	25,956	29,008	36,022	42,986	50,070
(2) Current Liabilities						
(a) Financial liabilities						
(i) Borrowings	206	24	8,218	8,093	8,599	4,595
(ii) Trade payables						
a. Total Outstanding dues of Micro Enterprises and Small Enterprises	-	-	-	46	57	69
b. Total Outstanding dues of creditors other than Micro and Small Enterprises	12,873	8,352	11,382	15,152	17,328	16,373
(iii) Other financial liabilities	16,679	17,076	21,490	16,361	20,059	20,522
(b) Other current liabilities	3,707	3,675	4,078	4,209	4,707	8,224
(c) Provisions	994	952	1,989	1,810	2,029	2,256
(d) Current Tax Liabilities (Net)	882	914	142	139	331	147
Total Current Liabilities	35,342	30,994	47,300	45,810	53,110	52,185
Total Liabilities	54,322	56,950	76,308	81,832	96,096	102,255
TOTAL EQUITY AND LIABILITIES	79,185	86,422	1,09,086	1,20,356	1,36,930	144,997

Source: Annual Reports of respective financial year, Stock exchange filings

Table 10: Consolidated Statement of Profit and Loss of BPCL

Particulars	(INR Crore)					
	2014-15	2015-16	2016-17	2017-18	2018-19	Apr-Sep'19
Revenue from operations (I)	242599	219227	243747	279438	340879	162041
Other income (II)	2120	1596	1815	1674	2038	960
(III) Total Income (I + II)	244719	220823	245562	281112	342917	163001
Expenses						
Cost of raw materials	118467	67530	75112	90111	130693	61184

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	Apr-Sep'19
consumed						
Purchases of stock-in-trade	93873	90240	102131	111798	132055	64509
Changes in inventories of finished goods, work-in-progress and stock-in-trade	4351	1305	-5832	203	-1606	-1683
Excise Duty	-	31412	42497	43543	42654	21426
Employee benefits expense	2350	2962	3670	3749	3985	2041
Finance costs	1180	680	696	1186	1764	1322
Depreciation and amortization expense	3027	2072	2108	2885	3418	1994
Other expenses	13780	12841	12425	14754	17986	8733
Total expenses (IV)	237028	209042	232806	268228	330949	159,527
(V) Profit from continuing operations before share of profit of equity accounted investees and income tax (III - IV)	7690	11781	12756	12885	11968	3,474
(VI) Share of profit of equity accounted investee (net of income tax)	-	351	943	1289	937	703
(VII) Profit from continuing operations before income tax	7690	12132	13700	14174	12905	4176
(VIII) Tax expense						
1) Current tax	2551	3418	3168	3235	3109	964
2) Deferred tax	96	614	1136	1452	1368	522
3) Short / (Excess) provision of earlier years	-10	11	-111	-305	-99	-744
4) Mat Credit Entitlement	-29	-	-	-	-	-
Total tax expense	2608	4043	4193	4382	4378	743

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	Apr-Sep'19
(IX) Profit for the year (VII-VIII)	5082	8089	9507	9792	8528	3434
(X) Other Comprehensive Income (OCI)	-	16	331	454	-1172	486
(i) Items that will not be reclassified to profit or loss						
(a) Remeasurements of defined benefit plans	-	-141	-83	33	-210	-112
(b) Equity instruments through Other Comprehensive Income- net change in fair value	-	-180	185	-11	-71	-107
(c) Equity accounted investees - share of OCI	-	0	-1	0	0	-1
(ii) Income tax related to items that will not be reclassified to profit or loss	-	47	27	-15	81	48
(iii) Items that will be reclassified to profit or loss						
(a) Exchange differences in translating financial statements of foreign operations	-	290	-23	-61	305	23
(b) Equity accounted investees - share of OCI	-	-	226	509	-1278	634
(XI) Total Comprehensive Income for the period (IX+X)	5082	8105	9838	10246	7355	3920
Profit attributable to:						
Owners of the company	4807	7585	8721	9009	7802	3126

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	Apr-Sep'19
Non-Controlling Interests	275	504	786	783	726	308
Profit for the year	5082	8089	9507	9792	8528	3434
Other Comprehensive Income attributable to :						
Owners of the company	-	16	332	455	-1173	487
Non-Controlling Interests	-	0	-1	-1	1	-1
Other Comprehensive Income for the year	-	16	331	454	-1172	486
Total Comprehensive Income attributable to :						
Owners of the company	-	7601	9053	9464	6629	3613
Non-Controlling Interests	-	504	785	782	726	307
Total Comprehensive Income for the year	-	8105	9838	10246	7355	3920
(XII) Basic and Diluted Earnings Per Equity Share (Face value INR 10) (in INR)	66.47	57.84	44.34	45.80	39.67	16

Source: Annual Report of respective financial year

Note: Please note that the statement of profit and loss is as per IGAAP for FY 2014-15 as compared to Ind AS from FY 2015-16 onwards

Note: The numbers have been rounded off

Note: The financial statements of Indraprastha Gas Limited, Maharashtra Natural Gas Limited, BPCL-KIAL Fuel Farm Private Limited and FINO Paytech Limited were yet to be audited and hence provisional Financial Statements provided by management of the respective companies have been considered for the purpose of preparation of Consolidated Financial Statements for FY 2018-19.

Annual reports for BPCL are available on <https://www.bharatpetroleum.com/Bharat-Petroleum-For/Investors/Shareholders-Information/Annual-Reports.aspx>

2.14 Human Resources

BPCL has skilled manpower with experience and understanding of respective business segments. One of the key parameters for organizational success is its employees and in BPCL, employees are a source of competitive advantage. BPCL has been able to

attract & retain right talent of the highest caliber who are highly skilled, engaged and empowered delivering best-in-class services and driving business excellence. Capability building on a continual basis coupled with the multi business /location/geographical job exposures have led to high competence of staff. With a focus on cost and value optimization as well as technological upgradation, BPCL has been able to achieve an optimal level of manpower to drive the business. Total manpower strength across all categories is 11,971 as on 31st March 2019.

2.15 Quality Control

BPCL refineries, amongst other accreditations, have also been certified with ISO 9001:2015, 14001:2015 and OHSAS -18001 etc. To ensure the delivery of the highest quality services and products to customers, BPCL Retail Outlets (>8,000) & Retail Depots are audited by a third party under its Pure for Sure ("PFS") & PFS Platinum standards. BPCL's Quality Control ("QC") laboratories strive to achieve the highest quality standards through meeting the standards of reputed external certifying agencies and accreditation bodies.

2.16 Ongoing Projects

Some of the key ongoing projects of BPCL are:

- **Kochi Refinery** – MS Block Project for BS VI grade gasoline and Maximization of Naptha to gasoline (USD 470 Mn)
- **Kochi** – Diversification into Niche Petrochemicals – Propylene Derivatives Petrochemical Project (PDPP) Acrylic Acid, Oxoalcohol, Acrylates (USD 750 Mn)
- **Retail** – POL Terminal with Railway Siding at Pune, Gulbarga, & Coastal terminal at Krishnapatnam (USD 153 Mn)
- LPG import terminal at Haldia, West Bengal (USD 157 Mn)
- Bina Kanpur Product Pipeline and other pipelines (USD 282 Mn)

Source: Investor Presentation of December 2019

2.17 Value Proposition

Purchasing the offered stake in BPCL is a unique opportunity for an investing company to acquire management control in a vertically integrated oil and gas company, with investments in refining, marketing, upstream and gas business. BPCL group, comprising of 10 subsidiaries, 24 joint ventures and 12 associate companies, has operations in various business lines in the Hydrocarbon value chain spanning across India as well as overseas.

The current offer comprises the entire business of BPCL except for BPCL's equity shareholding of 61.65% in NRL and Management Control thereon.

Select key features of the opportunity are as follows:

- **Growing economy:** India is one of the fastest growing economies in the world.

Since economic growth and demand for energy and oil are positively correlated, the high economic growth in near and medium term would increase the demand for petroleum products. The demand for petroleum products in the country has been growing at a rate of around 5% p.a. over the past few years. Hence, India offers an attractive market with the unique attributes of significant size as well as good growth potential.

- **Latent Per Capita Consumption:** Despite the increasing petro products demand, India's per capita consumption of oil is very low vis-a-vis the world average consumption. High economic growth and increasing urbanization would increase the per capita consumption of petro products in India.
- **Strong presence in refining and marketing** - BPCL is the 2nd largest oil marketing company with a market share of 21% in FY 19 and 3rd largest refining company in India. It is India's 6th largest publicly traded company by turnover. BPCL operates two coastal refineries and one inland refinery at strategic locations enabling it to capture markets across India. The refineries are on the west coast where coastal input facilities exist, enabling the intake of crude from the Middle East or Africa or the American continent.
- **Extensive Infrastructure-** For its product movement, BPCL owns a robust network of POL terminals, petroleum product pipelines and crude oil pipelines across India.
- **SBU-wise focused structure** - BPCL has distinct Business Units within its marketing setup including Retail, LPG, Lubricants, Aviation and Industrial & Commercial. There is also a separate Supply-Chain optimization setup and robust in-house Engineering & Projects department.
- **Wide retail presence:** On the Retail front, BPCL's network of retail outlets (about 15,000) and LPG distributorships (about 6,000) render BPCL a position of strength when it comes to reaching products to its customers across the length and breadth of the country.
- **Robust gas business:** BPCL has secured its natural gas requirements through multiple long term LNG contracts. In the area of Marketing, especially in LPG and Retail, BPCL has a robust customer base with a significant proportion of loyalty customers, a customer base which is potentially available for other product lines/differentiated products of BPCL.
- **Strong presence in Industrial and Commercial segments:** BPCL also services Bulk customers in petroleum products as well as natural gas segments. It serves 8,000+ industrial and commercial customers.
- **Valuable Upstream assets:** In BPCL's upstream business (carried out through a 100% subsidiary), the oil and gas blocks are in various stages of exploration, production and pre-development, enabling a balancing of portfolio within the upstream business.
- **Vertically integrated company:** Significant presence across the entire oil and

gas value chain makes BPCL's business model inherently robust, rendering an intrinsic hedge to effectively manage the ups and downs of business cycles.

- **Expansion into Petrochemical business:** Mindful of global trends and responsive to market needs, BPCL has expanded its business to new areas and is currently implementing petrochemical projects, to produce niche petrochemicals like Acrylic Acid, Oxo Alcohols and Acrylates and Polyols, Propylene Glycol and Mono Ethylene Glycol.
- **Global collaborations:** BPCL has partnered with global companies including IOCs and NOCs and has rich experience operating in Joint ventures.
- **Visionary Management team:** The leadership in BPCL has been visionary with many 'industry firsts'. BPCL's workforce is professional and efficient with a large pool of competent technical personnel to run its refineries and marketing operations.
- **Established Systems and Processes:** BPCL was the first Oil & Gas CPSE to have an enterprise wide ERP software.

2.18 Awards and Accolades

- Ranked 275 on the Global Fortune 500 list 2019 and proud to gain 39 places as compared to last year and is one of the seven Indian companies in the list.
- Corporate Governance Award from Indian Chamber of Commerce in recognition of the excellent performance in the area of Corporate Governance & Sustainable Development and for nurturing innovation.
- 'Prize for Leadership in HR Excellence' Award from CII for the year 2018-19 for HR Excellence in various dimensions of HRM practices.
- Second runner up prize in the Maharatna Category by Ministry of MSME for exemplary performance for the work done under Public Procurement Policy
- 'SKOCH Award for Corporate Excellence 2018' under the category 'Market Leadership', for maintaining its market share and brand equity as high as ever, warding off threats of de-carbonization, deregulation, and privatization.
- Golden Peacock Award for Corporate Social Responsibility 2018 for its initiative, 'Solid Waste Management Project in 3 Municipalities in Chennai.
- 'Golden Peacock Award 2018' for 'Excellent Corporate Governance' from the Institute of Directors for conducting governance in a fair, transparent and ethical manner.
- Innovation Award 2017-18 by M/s Centre for High Technology (CHT) for the Best Innovation in R&D Institute for development and commercial trial of indigenous cost effective dewaxing catalyst – BHARAT:HiCAT.

- Recognition Award from Mumbai Customs for consistency in maintaining the highest standards of Corporate Governance including complying with Customs laws and other regulations.
- BPCL's CSR flagship project i.e. Project Boond was awarded the Order of Merit as well as the Silver Award by SKOCH in the Oil and Gas Category.
- For the 9th consecutive year, BPCL LPG SBU bagged the OISD Safety Award under the category of 'LPG Marketing Organization' as the Winner for the year 2017-18.
- For the 12th consecutive year, Kochi Refinery won the Kerala State Pollution Control Excellence Award for pollution control measures in the category of very large industries.
- Mumbai Refinery bagged prestigious FIPI 2017 trophy for completing the Diesel Hydro Treatment (DHT) Project ahead of the time schedule with cost savings.
- Technology Excellence Award 2018 by the Indian Technology Congress Association.
- The BPCL Brand Quiz Baadshah – 2018, was adjudged as the largest Corporate Brand Engagement Program in Asia for employees and channel partners and entered in the Asia Book of Records and India Book of Records in 2018.
- Dun & Bradstreet - Infra Award 2018 in the Industrial Plants category for its DHT project at MR, an International recognition in the field of Project Management
- Gold award by Frost & Sullivan under the Process Sector, Mega Large Business category for manufacturing excellence.
- Mumbai Refinery received the Innovation Award 2017-18 by M/s Centre for High Technology (CHT) for the Best Innovation in Refinery Team
- BPCL received the prestigious 'Star PSU' Award from Business Standard at the Annual Awards for Corporate Excellence 2017.
- BPCL Mumbai Refinery won 2nd prize in the newly introduced Swachhata Award for 2017-18.
- In Refinery sector, BPCL's JV Bharat Oman Refineries Ltd. won the National Energy Conservation Award 2017 sector instituted by The Bureau of Energy Efficiency (BEE), under Ministry of Power.
- Meenakshi temple, which is being maintained by BPCL CSR initiative, won the Best Iconic place under Swachh Bharat Initiative.
- BPCL LPG business has been conferred with the OISD award under the category of 'LPG Marketing Organization'.

- BPCL Mumbai Refinery received the first prize for the 'Refinery Performance Improvement Award 2016-17' during the Refinery Technology Meet.
- BPCL's Internal Audit team has been conferred with the "Award of Excellence" under the category of 'AGILE TECHNOLOGY in the Internal Audit'.
- BPCL won the Best Corporate Communication Campaign / Program - (Internal) for the Brand Quiz Baadshah Initiative and the Best Annual Report at the Standing Conference of Public Enterprises (SCOPE) Corporate Communication Excellence Awards 2017.
- BPCL won the prestigious communication award at the annual ABCI (Association of Business Communicators of India) Awards Nite in December 2017.
- BPCL Kochi Refinery bagged the 'KMA Excellence Award 2017' for its GREEN INITIATIVES.